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# Appendix 4D

## Half Year Report

Name of Entity

**Devine Limited**

ABN

**51 010 769 365**

Reporting period ("2014")

**30 June 2014**

Previous Corresponding period ("2013")

**30 June 2013**

### Results for announcement to the market

\$A'000

Revenues from continuing operations	up	<b>21.5%</b>	to	<b>175,220</b>
Profit/ (loss) after tax attributable to members	up	<b>110.1%</b>	to	<b>477</b>

### Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Refer to the attached consolidated interim financial report for the period ended 30 June 2014 and the Directors' Comments for the review of operations.

### Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable

**N/A**

Record date to determine entitlements to the dividend (distribution) (i.e. on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)

**N/A**

If it is a final dividend, has it been declared?

**N/A**

**Dividends**

		Amount per security	Franked amount per security at 30% tax
<b>Final dividend:</b>	Current year	n/a	n/a
	Previous year	-	-
<b>Interim dividend:</b>	Current year	nil	nil
	Previous year	-	-

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A
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**Statement of Retained Earnings**

	2014 \$A'000	2013 \$A'000
Retained profits at the beginning of the financial period	(47,492)	30,194
Net profit attributable to members	477	(4,709)
Dividends and other equity distributions paid or payable	-	-
<b>Retained profits at the end of the financial period</b>	<b>(47,015)</b>	<b>25,485</b>

**Net Tangible Assets per security (NTA)**

	2014 \$	2013 \$
Basic NTA	\$ 1.53	\$ 1.98
Diluted NTA	\$ 1.53	\$ 1.98

**Earnings per security (EPS)**

	2014 cents	2013 cents
Basic EPS	0.3 cents	(3.0) cents
Diluted EPS	0.3 cents	(3.0) cents

**Compliance statement**

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to the ASX.

Identify other standards used

N/A
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2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies, other than as disclosed

3 This report ~~does/does not~~ (delete one) give a true and fair view of the matters disclosed

4 This report is based on accounts to which one of the following applies.  
(Tick one)

The accounts have been audited.


The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have not yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (delete one).

6 The entity has/~~does not have~~\* (delete one) a formally constituted audit committee.

Sign here:  .....  
(Company Secretary)

Date: 13 August 2014

Print name: **Craig Bellamy**

**Devine Limited** ABN 51 010 769 365  
**Interim report - 30 June 2014**

Lodged with the ASX under Listing Rule 4.2A  
This information should be read in conjunction with the  
Transitional 2013 Annual Report

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Devine Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Devine Limited  
Level 1, KSD1  
485 Kingsford Smith Drive  
Hamilton Queensland 4007

For queries in relation to our reporting please call (07) 3608 6300

**Devine Limited  
Directors' report  
30 June 2014**

**Directors' report**

Your directors submit their report for the half-year ended 30 June 2014

**Directors**

The following persons held office as Directors of Devine Limited during the half-year ended and up to the date of this report and were in office for this entire period unless otherwise stated:

P J Dransfield, (Chairman)  
D B Keir, (Managing Director and CEO)  
J S Downes  
Hon. T M Mackenroth  
G E McOrist  
I Frost (appointed 28 May 2014)  
J D Cummings (appointed 28 May 2014)  
R W Parris (resigned 28 May 2014)  
V A Vella (resigned 28 May 2014)  
T G Young (resigned 23 April 2014)

**Chief Financial Officer**

C G Bellamy (appointed 31 March 2014)  
P V Cochrane (ceased to be Chief Financial Officer 31 March 2014)

**Company Secretary**

C G Bellamy (appointed 12 August 2014)  
P V Cochrane (resigned 12 August 2014)

**Dividends**

There were no dividends declared or paid to members during or since the end of the half-year ended 30 June 2014.

**Review of operations**

The Directors' comments form an integral part of the Directors' report. Refer attached Directors' comments for the review of operations.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

**Rounding of amounts**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors of Devine Limited.



P J Dransfield  
Chairman



D B Keir  
Managing Director and CEO

Brisbane  
13 August 2014

**Devine Limited**  
**Consolidated statement of comprehensive income**  
**For the half-year ended 30 June 2014**

	Notes	<b>30 June 2014 \$'000</b>	30 June 2013 \$'000
Revenue	2	<b>166,405</b>	140,983
Other revenue	2	<b>8,815</b>	3,180
<b>Total revenue</b>		<b>175,220</b>	144,163
Cost of properties sold		<u><b>(136,954)</b></u>	<u>(112,991)</u>
<b>Gross profit</b>		<b>38,266</b>	31,172
Expenses, excluding finance expenses	3	<b>(29,456)</b>	(33,826)
Finance expenses		<b>(2,604)</b>	(3,177)
Share of net loss of joint ventures accounted for using the equity method		<u><b>(604)</b></u>	<u>(1,041)</u>
<b>Profit / (loss) before income tax</b>		<b>5,602</b>	(6,872)
Income tax (expense) / benefit	4	<u><b>(5,125)</b></u>	<u>2,163</u>
<b>Profit / (loss) for the period</b>		<b>477</b>	(4,709)
<b>Items that may be reclassified subsequently to profit and (loss)</b>			
Changes in the fair value of cash flow hedges/reserves, net of tax		<u><b>260</b></u>	<u>231</u>
<b>Total comprehensive profit / (loss) for the period</b>		<b>737</b>	(4,478)
		<b>Cents</b>	Cents
<b>Earnings per share for profit / (loss) attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted earnings per share	9	<b>0.3</b>	(3.0)

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Devine Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2014**

	Notes	30 June 2014 \$'000	31 December 2013 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		23,540	11,264
Receivables		53,802	59,315
Inventories		103,273	147,840
Current tax receivable		-	68
Prepayments		777	1,377
<b>Total current assets</b>		<b>181,392</b>	<b>219,864</b>
<b>Non-current assets</b>			
Inventories		195,207	173,800
Receivables		19,734	22,743
Investments accounted for using the equity method		17,953	36,193
Plant and equipment		2,294	2,866
Deferred tax assets		4,863	10,058
Intangible assets		3,316	3,316
Other non-current assets		-	193
<b>Total non-current assets</b>		<b>243,367</b>	<b>249,169</b>
<b>Total assets</b>		<b>424,759</b>	<b>469,033</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Advances and other payables		76,355	57,453
Provisions		3,158	4,201
Interest bearing loans		4,670	29,832
Non-interest bearing loans		25,520	25,280
<b>Total current liabilities</b>		<b>109,703</b>	<b>116,766</b>
<b>Non-current liabilities</b>			
Advances and other payables		9,391	7,341
Derivative financial instruments		213	458
Provisions		1,183	1,347
Interest bearing loans		58,767	93,676
Non-interest bearing loans		-	4,751
<b>Total non-current liabilities</b>		<b>69,554</b>	<b>107,573</b>
<b>Total liabilities</b>		<b>179,257</b>	<b>224,339</b>
<b>Net assets</b>		<b>245,502</b>	<b>244,694</b>
<b>EQUITY</b>			
Contributed equity		292,367	292,367
Reserves		150	(181)
Accumulated losses		(47,015)	(47,492)
<b>Total equity</b>		<b>245,502</b>	<b>244,694</b>

*The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Devine Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 30 June 2014**

	Contributed equity \$'000	Reserves \$'000	Retained earnings /(Accumulated losses) \$'000	Total equity \$'000
<b>Balance at 1 January 2014</b>	292,367	(181)	(47,492)	244,694
Profit for the half year	-	-	477	477
Other comprehensive income	-	260	-	260
<b>Total comprehensive profit for the half year</b>	<b>-</b>	<b>260</b>	<b>477</b>	<b>737</b>
<b>Transactions with owners in their capacity as owners:</b>				
Expense pursuant to employee incentive scheme	-	71	-	71
<b>Balance at 30 June 2014</b>	<b>292,367</b>	<b>150</b>	<b>(47,015)</b>	<b>245,502</b>
<b>Balance at 1 January 2013</b>	292,367	(453)	30,194	322,108
(Loss) for the half year	-	-	(4,709)	(4,709)
Other comprehensive income	-	231	-	231
<b>Total comprehensive (loss) for the half year</b>	<b>-</b>	<b>231</b>	<b>(4,709)</b>	<b>(4,478)</b>
<b>Transactions with owners in their capacity as owners:</b>				
(Benefit) pursuant to employee incentive scheme	-	(125)	-	(125)
<b>Balance at 30 June 2013</b>	<b>292,367</b>	<b>(347)</b>	<b>25,485</b>	<b>317,505</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*



**Devine Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 30 June 2014**

	Notes	<b>30 June 2014 \$'000</b>	30 June 2013 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		<b>183,485</b>	160,454
Payments to suppliers and employees (inclusive of goods and services tax)		<b>(134,907)</b>	(148,401)
Profit distributions received from joint ventures		-	2,871
Interest and borrowing costs paid		<b>(7,553)</b>	(5,471)
Income taxes received		<b>29</b>	306
Interest received		<b>713</b>	543
<b>Net cash inflow from operating activities</b>		<b>41,767</b>	10,302
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		<b>(83)</b>	(675)
Payments for investments in joint ventures		<b>(776)</b>	(3,635)
Equity distributions received from joint ventures		<b>20,222</b>	2,447
Loans to joint ventures		<b>(1,794)</b>	(7,688)
Repayments of loans by joint ventures		<b>6,300</b>	-
Payments for investments in land inventory		<b>(134)</b>	(5,521)
Proceeds from sale of equity accounted investments		<b>6,522</b>	-
<b>Net cash (outflow) from investing activities</b>		<b>30,257</b>	(15,072)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		<b>31,766</b>	51,886
Repayment of borrowings		<b>(91,514)</b>	(46,503)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(59,748)</b>	5,383
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>12,276</b>	613
Cash and cash equivalents at the beginning of the reporting period		<b>11,264</b>	20,373
<b>Cash and cash equivalents at end of period</b>		<b>23,540</b>	20,986

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## **1 Summary of significant accounting policies**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for The Transitional Period ending 31 December 2013 and any public announcements made by Devine Limited during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

### **(a) Basis of preparation of half-year financial report**

#### *(i) Basis of Accounting*

The half-year ended financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporation Act 2001*, applicable Accounting Standards including AASB 134 *Interim Financial Reporting*, and other mandatory professional reporting requirements.

For the purpose of preparing the half-year ended financial report, the half-year ended has been treated as a discrete reporting period.

### **(b) New accounting standards and interpretations**

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual report for The Transitional Period ending 31 December 2013.

### **(c) Comparatives**

The comparative information is for the six month period ended 30 June 2013.

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosure.

## **2 Revenue**

	<b>30 June 2014</b>	30 June 2013
	<b>\$'000</b>	\$'000
<b>Revenue</b>		
Revenue from property development	<b>119,568</b>	123,933
Revenue from construction activities	<b>14,347</b>	2,616
Revenue from property development - related joint ventures	<b>4,244</b>	3,072
Revenue from construction activities - related joint ventures	<b>28,246</b>	11,362
	<b>166,405</b>	140,983
<b>Other revenue</b>		
Rent received	<b>85</b>	146
Interest received	<b>1,309</b>	1,057
Sundry income	<b>16</b>	1,977
Net realised gain on sale of interest in equity accounted investments	<b>7,405</b>	-
	<b>8,815</b>	3,180

Devine Limited  
Notes to the consolidated financial statements  
30 June 2014  
(continued)

### 3 Expenses

	30 June 2014 \$'000	30 June 2013 \$'000
<b>Expenses, excluding finance expenses, included in the statement of comprehensive income:</b>		
Marketing and selling costs	11,790	13,743
Occupancy	1,435	2,107
Administration	12,245	12,373
Other	2,247	2,216
Land holding expenses	1,739	3,387
	<u>29,456</u>	<u>33,826</u>

### 4 Income tax expense

#### (a) Income tax expense / (benefit)

##### Current tax expense/(benefit):

Current year charge	-	14
Adjustments in respect of prior periods	(183)	(22)
	-	-

##### Deferred tax expense / (benefit):

Origination and reversal of temporary differences	5,153	(2,135)
- Prior year tax losses not recognised	174	-
- Utilisation of tax losses not recognised	(19)	(20)

##### Income tax expense / (benefit) reported in the Consolidated statement of comprehensive income

	<u>5,125</u>	<u>(2,163)</u>
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#### (b) Numerical reconciliation of income tax expense / (benefit) to prima facie tax payable

Profit / (loss) from continuing operations before income tax expense	<u>5,602</u>	<u>(6,872)</u>
Tax at the Australian tax rate of 30.0% (2013 - 30.0%)	1,681	(2,062)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment	17	58
Options issued to employees	21	(120)
Other	-	4
Prior year tax losses not recognised	173	-
Under / (over) provisions from prior year	510	(43)
Current year tax losses not recognised	2,742	-
Utilisation of previously unrecognised tax losses	(19)	-
Income tax expense	<u>5,125</u>	<u>(2,163)</u>

#### (c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:

Net deferred tax - debited / (credited) directly to equity	<u>109</u>	<u>(88)</u>
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#### **4 Income tax expense (continued)**

##### **(d) Tax losses**

The Group has tax losses of \$31.1m (June 2013: Nil) which will be available for offsetting against future profits provided certain tests under relevant taxation legislations are met. The deferred tax asset in respect of these losses of \$9.3m (June 2013: Nil) has not been recognised.

#### **5 Dividends**

##### **(a) Franking credits balance**

	<b>30 June 2014</b>	<b>30 June 2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (June 2013 - 30.0%)	<b>9,477</b>	<b>9,514</b>

#### **6 Contingencies**

##### **Contingent liabilities**

The Group had contingent liabilities at 30 June 2014 in respect of:

##### *(i) Guarantees*

The Group has provided the following guarantees:

The Group and controlled entities have provided bank guarantees and surety bonds totalling \$34.4m at 30 June 2014 (Dec 2013: \$30.2m) relating to individual land developments and other aspects of the Company's operations. The guarantees and bonds are secured by charges over the assets of the respective entities or indemnities. No liabilities are expected to arise.

The Group and, in most instances, its joint venture partners have provided guarantees for the performance of the joint ventures for debt totalling \$75.9m at 30 June 2014 (Dec 2013: \$62.1m). The debt is secured against assets of the joint ventures with a recorded value of \$147m (Dec 2013: \$118.4m) and is to be repaid from the property sales of the joint ventures. No liabilities are expected to arise.

The Group also provides performance and financial guarantees for land acquisitions, construction and developments in the normal course of its business operations. No liabilities are expected to arise.

##### *(ii) Litigation*

There are a small number of matters that are the subject of litigation or potential litigation with different parties. A provision is raised in the financial statements, based on estimates, where legal or other advice indicates that it is probable that the Group will incur costs either in progressing its investigation of the claim or ultimately in settlement. No provision will be raised where it is only possible but not probable the action will succeed or where it is expected that these matters will be resolved with no material cost being incurred by the Group.

## 7 Interests in joint arrangements

### (a) Joint operations

#### (i) Joint operations ownership interest

At balance date, the Group had interests in a number of joint operations and these are listed below. Each joint operation is resident in Australia and their principal activity is property development.

	Ownership interest %	
	30 June 2014	31 December 2013
Bacchus Marsh	50	50
Deer Park	50	50
Casey Fields *	55	55
Henry Road Pakenham	50	50
Turrumurra	50	50

\* The Group has an ownership interest greater than 50% but does not have the power to control the relevant activities which are the joint operation's financial and operating policies. Accordingly the joint operation is not required to be consolidated.

### (b) Joint ventures

#### (i) Joint ventures ownership interest

At balance date, the Group had equity interests in a number of joint ventures and these are listed below. Each joint venture is resident in Australia and their principal activity is property development.

	Ownership interest %	
	30 June 2014	31 December 2013
Hamilton Harbour Unit Trust	50	50
Townsville City Project Trust	50	50
Riverina Estate Development Trust	50	50
VR Pakenham Trust	50	50
Kurunjang Development Trust	50	50
Wallan Project Trust	50	50
DoubleOne 3 Unit Trust	50	50
North Parramatta Unit Trust*	-	50
Fallingwater Trust	15	15

\* Effective 3 June 2014, the units in North Parramatta Unit Trust were sold.

**Devine Limited**  
**Notes to the consolidated financial statements**  
**30 June 2014**  
(continued)

## 8 Segment information

### (a) Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Managing Director and CEO and the Board.

Effective from 1 January 2014 the Group changed from a "Geographic" based structure to a "Product" based structure and has four reportable segments, Communities, Housing, Development, and Construction. Comparative information has been restated accordingly.

### (b) Operating segments

<b>30 June 2014</b>	<b>Housing</b>	<b>Communities</b>	<b>Development</b>	<b>Construction</b>	<b>Other</b>	<b>Consolidated Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total sales revenue	54,716	66,797	2,299	42,593	-	166,405
Interest revenue	32	83	568	17	609	1,309
Other revenue	15	3	7,485	-	3	7,506
<b>Total segment revenue</b>	<b>54,763</b>	<b>66,883</b>	<b>10,352</b>	<b>42,610</b>	<b>612</b>	<b>175,220</b>
<b>Segment result</b>	<b>(2,102)</b>	<b>964</b>	<b>6,551</b>	<b>2,115</b>	<b>(1,926)</b>	<b>5,602</b>
Profit before income tax	-	-	-	-	-	5,602
Income tax expense	-	-	-	-	-	(5,125)
Profit for the half year	-	-	-	-	-	477
<b>As at 30 June 2014:</b>						
<b>Segment assets</b>	28,025	331,452	29,982	4,460	30,840	424,759
<b>Segment liabilities*</b>	23,424	75,116	426	11,744	68,547	179,257
<b>Other segment information</b>						
Investments in joint ventures	-	4,982	12,971	-	-	17,953
Share of net profits / (losses) of joint ventures	-	25	(629)	-	-	(604)

\* Corporate liabilities reflect borrowing by the Group which is made available to operating divisions as required to fund operations (excluding specific project funding).

**Devine Limited**  
**Notes to the consolidated financial statements**  
**30 June 2014**  
(continued)

**8 Segment information (continued)**

**(b) Operating segments (continued)**

<b>30 June 2013</b>	<b>Housing</b>	<b>Communities</b>	<b>Development</b>	<b>Construction</b>	<b>Other</b>	<b>Consolidated Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total sales revenue	57,163	66,504	730	16,586	-	140,983
Interest revenue	63	263	325	22	384	1,057
Other revenue	84	-	2,036	-	3	2,123
<b>Total segment revenue</b>	<b>57,310</b>	<b>66,767</b>	<b>3,091</b>	<b>16,608</b>	<b>387</b>	<b>144,163</b>
Operating segment result before write-down	(4,208)	5,384	(497)	3,331	(882)	3,128
Inventory write-down, impairment and other expenses	-	-	(10,000)	-	-	(10,000)
<b>Segment result</b>	<b>(4,208)</b>	<b>5,384</b>	<b>(10,497)</b>	<b>3,331</b>	<b>(882)</b>	<b>(6,872)</b>
(Loss) before income tax	-	-	-	-	-	(6,872)
Income tax benefit	-	-	-	-	-	2,163
<b>(Loss) for the half year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,709)</b>
<b>As at 31 December 2013:</b>						
<b>Segment assets</b>	<b>25,110</b>	<b>348,076</b>	<b>71,058</b>	<b>(1,489)</b>	<b>26,278</b>	<b>469,033</b>
<b>Segment liabilities*</b>	<b>18,152</b>	<b>73,511</b>	<b>4,460</b>	<b>6,169</b>	<b>122,047</b>	<b>224,339</b>
<b>Other segment information</b>						
Investments in joint ventures	-	4,182	32,011	-	-	36,193
Share of net (losses) of joint ventures	-	(128)	(3,785)	-	-	(3,913)

\* Corporate liabilities reflect borrowing by the Group which is made available to operating divisions as required to fund operations (excluding specific project funding).

## 9 Earnings per share

### (a) Basic and diluted earnings per share

	<b>30 June 2014 Cents</b>	30 June 2013 Cents
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Company	<u>0.3</u>	<u>(3.0)</u>

### (b) Reconciliation of earnings used in calculating earnings per share

	<b>30 June 2014 \$'000</b>	30 June 2013 \$'000
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:	<u>477</u>	<u>(4,709)</u>

### (c) Weighted average number of shares used as denominator

	<b>30 June 2014 Number</b>	30 June 2013 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>158,730,556</u>	<u>158,730,556</u>

Options and performance rights granted to employees are only included in the determination of diluted earnings per share to the extent they are considered potentially dilutive.

### Conversions, calls, subscriptions or issues since the reporting date

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

## 10 Events occurring after the reporting period

As announced to the ASX on 25 June 2014, Leighton Holdings Limited commenced a confidential expression of interest process to seek potential investors of its 50.6% investment in the Group.

Following on from this, the Board have formed a view that it is in the best interests of shareholders as a whole to explore a formal sale process for 100% of the shares of the Company.

The expression of interest program has commenced and it is expected to conclude with submissions received before 25 August 2014, with shortlisted proponents granted access to due diligence in September 2014, subject to confidentiality arrangements.

There remains no assurances that a sale of Devine Limited will be finalised or what form the transaction (if any) will take.



**Devine Limited**  
**Directors' declaration**  
**30 June 2014**

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 2 to 12 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



P J Dransfield  
Chairman

Brisbane  
13 August 2014



D B Keir  
Managing Director and CEO



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## Auditor's Independence Declaration to the Directors of Devine Limited

In relation to our review of the financial report of Devine Limited for the half-year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive, flowing script.

Ernst & Young

A handwritten signature in black ink that reads 'Alison de Groot' in a cursive, flowing script.

Alison de Groot  
Partner  
Brisbane  
13 August 2014

## Independent auditor's review report

To the members of Devine Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Devine Limited, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Devine Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Devine Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Alison de Groot  
Partner  
Brisbane  
13 August 2014