oldfields
HOLDINGS LIMITED

Appendix 4D and Financial Report
for the Half Year Ended 31 December 2012

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ABN 92 000 307 988

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988 AND CONTROLLED ENTITIES

APPENDIX 4D - FINANCIAL REPORT FOR THE HALF-YEAR ENDING 31 DECEMBER 2012

Results for announcement to the market

Comparative period: Half-year ending 31 December 2011

	31-Dec-12 $'000	31-Dec-11 $'000		% change
Revenue from continuing operations	**13,928**	14,872	Down	-6.4%
Earnings before interest, taxes, depreciation and amortisation (excluding discontinued operations)	**6,185**	524	Up	1080.4%
Profit/(loss) after tax	**5,461**	(849)	Up	N/A
Loss from discontinued operations after tax	**0**	(104)	Up	N/A
Profit/(loss) attributable to members of the parent entity	**5,396**	(873)	Up	N/A

Dividends

No dividends have been paid or proposed during the year.
A dividend reinvestment plan is currently in operation.

Net tangible assets per share

	31-Dec-12 $'000	30-Jun-12 $'000		% change
Net Assets	8,566	756	Up	1033.0%
Net Assets (cents per share)	**10.42**	**1.35**		
Net Tangible Assets	7,380	(393)	Up	N/A
Net Tangible Assets (cents per share)	**8.98**	**(0.70)**		

Investment in associates and joint ventures

Material investments in associates and joint ventures are as follows:	Contribution to Result		Percentage Held
	31-Dec-12 $'000	31-Dec-11 $'000	
PT Ace Oldfields	**20.8**	23.7	34%
Enduring Enterprises	**(26.0)**	30.3	34%
Honeytree & Partners	**11.0**	14.0	34%
Brisbane Garden Sheds Pty Limited	**0.0**	4.8	0%

Audit status

This half-year financial report has been reviewed by the Group's auditors, BDO.

Robert Coleman
Company Secretary **19 February 2013**

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being the Company and its controlled entities for the half-year ended 31 December 2012.

Directors

The names of the directors in office at any time during or since the end of the half-year are:

Julie Garland McLellan	Appointed 1 March 2011
William Lewis Timms	Appointed 18 December 2009
Christopher Michael Giles	Appointed 24 September 2010

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated group during the period were:

- manufacturing and marketing of paint brushes, paint rollers, painters tools and spray guns;
- manufacturing, marketing and exporting of Treco garden sheds, outdoor storage systems, aviaries and pet homes;
- manufacturing and marketing of scaffolding and related equipment; and
- hiring of scaffolding and related products to the building and construction industry.

Summary of Events During and Following the Half-Year Period to December 2012

Operating Results

Oldfields Holdings Limited is pleased to announce a profit after tax of $5,460,961, for the half year ending 31 December 2012, which is a $6,309,495 increase on the previous half year. The profit for the half year ended 31 December 2012 included a one off profit of $5,500,000 from the debt buy back arrangement with the Group's bankers completed in December 2012. Excluding this benefit the Group made a net loss after tax of $39,039 compared to a loss of $848,534 in the corresponding period.

The consolidated group revenue for the half year ending 31 December 2012 was $13,927,806 and was down 6.4% from the $14,872,278 in the same period in 2011. The continuing revenue decline is predominately from the scaffolding division, where trading is subdued due to the continued weakness in the construction sector. This has been partially offset by revenue gains in the paint applications division.

Operating expenses reduced compared to the prior period by 10%, which is partially due to reduced revenue decreasing activity-based expenses such as distribution costs, but also due to action to reduce the Group's cost base to reflect the lower industry activity. These cost reductions have been achieved by renegotiating or in some cases changing suppliers, reducing administrative headcount and overhead expenses, eliminating waste and improving efficiencies.

Net cash provided by operating activities was a pleasing $1,200,016, compared to a net outflow of $224,737 in the previous corresponding period. This improved performance reflects lower interest payments during the period, improved working capital management, and improved profitability. In addition, a remission of interest of $137,557 from prior periods was received from the Australian Taxation Office during the period.

The consolidated earnings before interest, taxes, depreciation and amortisation increased by 32.9% to $685,194 compared to $515,661 for the half year ending 31 December 2011.

As at 31 December 2012, following the completion of the debt restructure with the Group's bankers in December 2012, interest bearing senior debt was $4,190,889 with a further $2,370,224 in a Deferred Senior Loan Note (refer note 6). Cash and cash equivalents were $796,285 with a working capital facility of $1,250,000. Net assets totalled $8,566,394 which equates to 10.4 cents per share, compared to 1.3 cents per share at 30 June 2012. The Group's net gearing ratio was 43.9% compared to 95.1% at 30 June 2012.

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988 AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Statement of Profit and Loss and Other Comprehensive Income (excluding benefit of debt buy back)

	Consolidated Half-year ended		
	Dec-12 $000's	**Dec-11 $000's**	**Change %**
Sales	13,928	14,872	-6.4%
Gross Margin (excluding depreciation and amortisation)	6,824	7,271	-6.1%
Gross Margin %	*49.0%*	*48.9%*	
Other revenues	32	125	-74.5%
Operating expenses (excluding depreciation and amortisation)	6,200	6,887	-10.0%
Share of net profit of associated entities and joint ventures	6	7	-21.0%
Profit on disposal of shares in associates and joint ventures	23	-	N/A
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	**685**	**516**	**32.9%**
Depreciation and amortisation	510	543	-6.1%
Earnings before interest and tax (EBIT)	**176**	**(27)**	**N/A**
Interest expense	144	694	-79.3%
Profit/(Loss) before tax from continuing operations	**32**	**(721)**	**N/A**
Net Cash provided by operating activities	**1,200**	**(225)**	**N/A**
Earnings per share **	9.6	(1.5)	N/A
Net assets	8,566	756	1033.0%

*** Calculations above exclude the one-off $5.5million debt buy back.**

**** Calculations of earnings per share are based on a weighted average number of shares.**

Review of Operations

Consumer Products Division

The paint applications division continues to improve with sales growth for the first time since 2008. This business segment is continuing its focus on customer service, product innovation and improvement, with more reliable supply of product as well as improvements in our customer representation. There have been a number of recent recruitments of highly experienced sales managers replacing staff who have retired, as well as the appointment of a new area manager in South Australia, previously serviced by a third party agent. These appointments have been very positive for the division, with revenue and profitability growth in the territories managed by these new employees. New product launches are also planned over the next six months.

The distribution gains in Masters Hardware is providing good growth for the business, as the number of stores grow each month. In addition, this division is also seeing growth in a number of independent paint speciality stores as service levels and reliability of supply and quality improve.

The Treco sheds division has declined, however the European export business continues to hold up remarkably well considering the strength of the Australian dollar and the depressed European economies. Domestic sales have declined, and a major focus over the short term is to improve the distribution of our products and focus on gaining distribution in one or more of the major hardware outlets. Additional promotional material and marketing for this category is also planned in the short to medium term.

Scaffold Division

The scaffold division had a decline in revenue of 8.2% for the period ending 31 December 2012. The recovery in activity has been uneven across the country. Despite the lower revenue base, the division has improved its EBITDA significantly as a result of better labour utilisation on scaffolding services and cost reductions in branch expenses. Cost reductions include motor vehicle expenses following the divestment of a number of excess vehicles and upgrading others, savings in telecommunications costs from a new agreement with our service provider, tighter controls on other discretionary expenditure, as well as a reduction in administrative support costs.

The division is making steady progress in improving customer service and has obtained a number of new key accounts, however building and construction activity is still subdued and competition has increased. Whilst the division has seen improvement in some states, there is no consistent stream of new activity. A change of management at some of the scaffolding branches has improved efficiencies and performance.

The division's manufacturing operation in China completed the relocation of its facility during the period, which was a great success with costs coming in on budget and only very minor disruption to production. The facility is now located closer to major infrastructure and suppliers and some cost savings are expected as a result.

International sales have been maintained with customers in Japan, Europe, USA and the Middle East satisfied with quality and performance. International markets continue to provide good growth opportunities for utilising the Group's low cost manufacturing facility in China.

Future Developments, Prospects and Business Strategies

Following the completion of the debt restructure in December 2012, the Group is well positioned to embark on growing its core business in the hardware sector. The introduction of a number of new innovative products in the Consumer division, which will be launched over the next six months, will ensure that Oldfields is once again recognised as an innovator in the market. In addition, the Group is exploring the opportunity of utilising the strength of the Oldfields brand to expand its reach in the hardware market. The development of new in-store promotional material as well as improving online presence will further increase brand recognition.

The Group is expected to continue its momentum with further improved performance in each of its business units compared to prior year. The scaffolding division's reliance on the building and construction market requires a recovery of this sector to long term average levels to benefit the Group.

Further cash generation is expected in the second half of the year.

The board will continue to investigate strategies to enhance shareholder value.

Significant Changes in State of Affairs

With exception to the debt buy back of $8million for a consideration of $2.5million and restructure of senior debt as disclosed in note 6, there have been no other significant changes in the consolidated Group's state of affairs during the year.

Dividends Paid or Recommended

Since the start of the financial year, no dividends have been paid or declared.

After Balance Date Events

There have been no other significant events which have occurred since 31 December 2012.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 4 of the half-year report.

This Report of the Directors' is signed in accordance with a resolution of the Board of Directors.

C. M. Giles

Christopher Giles
Director **19 February 2013**

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988 AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the financial half-year ended on that date; and

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors.

Christopher Giles
Director **19 February 2013**

Tel: 61 2 9251 4100
Fax: 61 2 9240 9821
www.bdo.com.au

Level 10, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF OLDFIELDS HOLDINGS LIMITED

As lead auditor for the review of Oldfields Holdings Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Oldfields Holdings Limited and the entities it controlled during the period.

Paul Bull

Partner

BDO East Coast Partnership

Sydney, 19 February 2013

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988 AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Consolidated Half-year ended 31-Dec-12 $	Consolidated Half-year ended 31-Dec-11 $
Revenue	13,927,806	14,872,278
Cost of sales	(7,385,167)	(7,889,453)
Gross profit	6,542,639	6,982,825
Other income	31,842	124,991
Distribution expenses	(4,180,350)	(4,352,741)
Marketing expenses	(214,653)	(265,365)
Occupancy expenses	(679,983)	(687,896)
Administrative expenses	(1,350,516)	(1,827,704)
Finance costs	(146,586)	(702,184)
Debt buy back	5,500,000	-
Profit on disposal of shares in associates and joint ventures	23,410	-
Share of net profit of associates and joint ventures	5,832	7,379
Profit/(loss) before income tax	5,531,635	(720,695)
Income tax expense	(70,674)	(23,402)
Profit/(loss) from continuing operations	5,460,961	(744,097)
Discontinued operations		
Loss for the period from discontinued operations after tax	-	(104,437)
Profit/(loss) for the period	5,460,961	(848,534)
Other comprehensive income:		
Effective portion of gain on cash flow hedges	738	(2,205)
Exchange differences on translating foreign entities	(95,335)	(86,248)
Other comprehensive income for the period, net of tax	(94,597)	(88,453)
Total comprehensive income for the period	5,366,364	(936,987)
Profit/(loss) attributable to:		
Members of the parent entity	5,396,477	(872,652)
Non-controlling interest	64,484	24,118
	5,460,961	(848,534)
Total comprehensive income attributable to:		
Members of the parent entity	5,301,880	(961,105)
Non-controlling interest	64,484	24,118
	5,366,364	(936,987)
Overall Operations		
Basic earnings per share (cents per share)	9.55	(1.51)
Diluted earnings per share (cents per share)	9.55	(1.51)
Continuing Operations		
Basic earnings per share (cents per share)	9.55	(1.32)
Diluted earnings per share (cents per share)	9.55	(1.32)
Discontinued Operations		
Basic earnings per share (cents per share)	-	(0.19)
Diluted earnings per share (cents per share)	-	(0.19)

The accompanying notes form part of these financial statements.

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988 AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Consolidated Group	
	31-Dec-12	30-Jun-12
	$	$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	796,285	384,321
Trade and other receivables	3,195,703	3,832,690
Inventories	4,240,668	4,313,525
Other assets	611,723	581,168
Current tax assets	-	14,907
TOTAL CURRENT ASSETS	8,844,379	9,126,611
NON-CURRENT ASSETS		
Investments accounted for using the equity method	820,235	1,265,903
Property, plant and equipment	8,573,184	8,980,177
Intangible assets	1,186,612	1,149,189
Deferred tax assets	29,684	41,429
TOTAL NON-CURRENT ASSETS	10,609,715	11,436,698
TOTAL ASSETS	19,454,094	20,563,309
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	2,408,298	3,773,092
Borrowings	873,433	14,542,163
Current tax liabilities	9,577	2,731
Short-term provisions	913,299	1,000,245
Derivatives	1,304	2,042
TOTAL CURRENT LIABILITIES	4,205,911	19,320,273
NON-CURRENT LIABILITIES		
Borrowings	5,026,431	398,323
Deferred tax liabilities	3,195	6,812
Other long-term provisions	39,615	81,801
Derivatives	1,612,548	-
TOTAL NON-CURRENT LIABILITIES	6,681,789	486,936
TOTAL LIABILITIES	10,887,700	19,807,209
NET ASSETS	8,566,394	756,100
EQUITY		
Issued capital	21,195,231	18,751,301
Reserves	(1,298,732)	(1,204,135)
Retained earnings	(11,839,009)	(17,235,486)
Parent interest	8,057,490	311,680
Non-controlling interest	508,904	444,420
TOTAL EQUITY	8,566,394	756,100

The accompanying notes form part of these financial statements.

OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988 AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Issued Capital	Retained Earnings	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Non-controlling interests	Total
Consolidated Group	$	$	$	$	$	$
Balance at 1 July 2011	18,751,301	(13,529,156)	(11,931)	(997,802)	(1,517,875)	2,694,537
Loss attributable to members of parent entity	-	(872,652)	-	-	-	(872,652)
Profit attributable to non-controlling interests	-	-	-	-	24,118	24,118
Total other comprehensive income for the period	-	-	(2,205)	(86,248)	-	(88,453)
Transfer between retained earnings and non-controlling interests	-	(1,892,349)	-	-	1,892,349	-
Transactions with owners in their capacity as owners:						
Shares issued during the period	-	-	-	-	-	-
Sub-total	18,751,301	(16,294,157)	(14,136)	(1,084,050)	398,592	1,757,550
Dividends paid or provided for	-	-	-	-	-	-
Balance at 31 December 2011	18,751,301	(16,294,157)	(14,136)	(1,084,050)	398,592	1,757,550
Balance at 1 July 2012	18,751,301	(17,235,486)	(2,042)	(1,202,093)	444,420	756,100
Profit attributable to members of parent entity	-	5,396,477	-	-	-	5,396,477
Profit attributable to non-controlling interests	-	-	-	-	64,484	64,484
Total other comprehensive income for the period	-	-	738	(95,335)	-	(94,597)
Transactions with owners in their capacity as owners:						
Shares issued during the period (net of transaction costs)	2,443,930	-	-	-	-	2,443,930
Sub-total	21,195,231	(11,839,009)	(1,304)	(1,297,428)	508,904	8,566,394
Dividends paid or provided for	-	-	-	-	-	-
Balance at 31 December 2012	21,195,231	(11,839,009)	(1,304)	(1,297,428)	508,904	8,566,394

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	31-Dec-12	31-Dec-11
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	16,149,939	16,715,426
Rent received	-	100,471
Interest received	145,028	93
Payments to suppliers and employees	(14,915,073)	(16,297,173)
Finance costs	(138,143)	(615,050)
Income tax paid	(41,735)	(128,504)
Net cash provided by/(used in) operating activities	1,200,016	(224,737)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	125,270	3,908,092
Purchase of property, plant and equipment	(311,519)	(553,363)
Net cash (used in)/provided by investing activities	(186,249)	3,354,729
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	367,888	483,219
Repayment of borrowings	(2,960,179)	(4,294,564)
Proceeds from issue of additional shares	2,613,259	-
Payments relating to issue of additional shares	(169,329)	-
Net cash used in financing activities	(148,361)	(3,811,345)
Net increase/(decrease) in cash held	865,407	(681,353)
Cash and cash equivalents at beginning of period	(69,122)	431,409
Cash and cash equivalents at end of period	796,285	(249,944)

The accompanying notes form part of these financial statements.

Note 1 Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2012 annual financial report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no affect on the amounts reported for the current or prior periods.

Note 2 Going Concern

The directors' believe that the Group will continue to operate as a going concern for the following reasons:

- On 21 December 2012, the Group signed a new finance facility agreement with its existing debt provider that will extend to June 2015. As part of this agreement the Group bought back $8 million of debt for a consideration of $2.5 million. The total consideration to buy back the debt was funded through a capital raising which involved the issue of new equity. In addition, the debt provider swapped senior debt for a Deferred Senior Loan Note (DSLN) for $2,370,224 with a 10 year maturity. The terms of the loan note are disclosed in note 6;
- The Group has reported net cash inflows from operating activities of $1,200,016 (2011: outflow of $224,737) and an overall increase in available cash of $865,407;
- The Group has in place a working capital facility with its bankers of $1,250,000;
- The director's continue to support the prudent management of cash whilst growing the core businesses; and
- The Group's debts are being paid as and when they fall due.

Note 3 Reconciliation of cash

	Consolidated Group	
	31-Dec-12	31-Dec-11
	$	$
Cash at the end of the half-year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	796,285	311,468
Bank overdrafts	-	(561,412)
	796,285	(249,944)

Note 4 Discontinued operations

(i) Shed Holdings Pty Ltd

Last year, the Group wound down its investment property division, Shed Holdings Pty Ltd. The loss from this discontinued operation is as follows:

	6 months ending	
	31-Dec-12	31-Dec-11
	$	$
Other income	-	17,882
Distribution expenses	-	(2,965)
Occupancy expenses	-	(5,423)
Administrative expenses	-	(857)
Finance costs	-	(85,424)
Impairment exposes	-	-
Loss before income tax	-	(76,787)
Income tax expense	-	(32,423)
Loss for the year	-	(109,210)

(ii) Brisbane Garden Sheds Pty Ltd

Last year, the Group wound down the joint venture entity, Brisbane Garden Sheds Pty Ltd. The profit from this discontinued operation is as follows:

	6 months ending	
	31-Dec-12	31-Dec-11
	$	$
Share of net profit of associates and joint ventures before tax	-	4,773
Income tax expense	-	-
Share of net profit of associates and joint ventures after tax	-	4,773

Note 5 Investments accounted for using the Equity Method

On 17 October 2012, the Group reduced it's interest in the Indonesian joint venture, PT Ace Oldfields, Enduring Enterprises and Honeytree and Partners. This resulted in a decrease in the ownership interest of the investments from 49% to 34%. Consideration received in relation to this sale was $391,820. The gain on the disposal of these shares was $23,410.

Note 6 Borrowings

On 21 December 2012, the Group renewed its facility agreement with the bank for an additional three years. As part of this agreement, the Group bought back $8 million of debt for a consideration of $2.5 million which was funded through capital raising which involved the issue of new equity.

The current facility agreement includes normal commercial terms and conditions which are subject to such covenants as interest cover ratios; capital expenditure limits; gearing ratios; and the Group cannot create or acquire a new subsidiary unless that subsidiary becomes a party to the agreement.

In addition, the bank swapped senior debt for a Deferred Senior Loan Note (DSLN) for $2,370,224 with a 10 year maturity. The main terms of this loan note are as follows:

- The DSLN is secured against assets of the Group;
- Interest will be capitalised and paid either on termination or early repayment;
- If the DSLN is repaid or partially repaid within the first 5 years, it will attract interest at 12% pa;
- If the DSLN is repaid or partially repaid after the first 5 years, the amount of interest paid will be dependent upon the share price of the Group, but capped at 12% pa;
- In the event that the weighted average share price of the company is the same or below the issue price of the capital raised at the time of repayment after the first 5 years, the only payment due will be the original debt;
- The DSLN noteholder will also be entitled to receive a payment to the equivalent value of any dividend payments made by the Group;
- Entitlement to a dividend-triggered payment will be based on the face value of the DSLN divided by the issue price upon commencement of the facility agreement; and
- Other normal conditions apply in respect to meeting gearing and interest cover ratios.

Accordingly, the DSLN has been identified as containing two main components: the core debt and a derivative element capturing the capital appreciation payment, interest and dividend-triggered entitlement (refer note 7). The core debt has been discounted to net present value over the expected term of the DLSN and is included in non-current borrowings.

As at 30 June 2012, all bank loans were classified as current in the financial report in accordance with the requirements of AASB101 Presentation of Financial Statements. Under AASB101, unless the Group had an "unconditional right to defer settlement for at least twelve months after the reporting period", the borrowings must be classified as current.

Note 7 Derivatives

	Consolidated Group	
	31-Dec-12	30-Jun-12
	$	$
CURRENT		
Forward exchange contracts	1,304	2,042
NON CURRENT		
Deferred Senior Loan Note (Borrowings)	1,612,548	-
Total derivative financial instruments	1,613,852	2,042

a. Forward exchange contracts

Forward exchange contracts are used to hedge cash flow risk associated with future transactions. Gains and losses arising from changes in the fair value of derivatives are initially recognised directly in a hedge reserve in the equity section of the statement of financial position. At the date of the transaction, amounts included in the hedge reserve are transferred from equity and included in either the statement of profit and loss and other comprehensive income or the cost of assets. The statement of changes in equity includes transfers to and from the hedge reserve.

b. Deferred Senior Loan Note (capital appreciation, interest and dividend-triggered entitlement)

The capital appreciation, interest and dividend-triggered entitlement components of the Deferred Senior Loan Note, the details of which have been set out in note 6, have been accounted for as a derivative financial instrument liability on the basis that interest payments are indexed to the value of issued capital, but capped at 12% pa.

Note 8 Issued Capital

	Consolidated Group	
	31-Dec-12	30-Jun-12
	$	$
82,176,198 (2012: 56,043,605) fully paid ordinary shares	21,195,231	18,751,301
	21,195,231	18,751,301

The company has authorised share capital amounting to 82,176,198 ordinary shares.

	Consolidated Group	
Ordinary Shares	31-Dec-12	30-Jun-12
	No.	No.
At the beginning of the reporting period	56,043,605	56,043,605
Shares issued during the period		
— 24 December 2012	26,132,593	-
At the end of the reporting period	82,176,198	56,043,605

On 24 December 2012, the company issued 26,132,593 ordinary shares at $0.10 each to subscribing shareholders on the basis of 1 for every 1 share held raising $2,613,259.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 9 Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings. The Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or service;
- the distribution method; and
- any external regulatory requirements.

The Group has identified the following reportable segments:

- Consumer Division
- Scaffold Division
- Property Division
- Corporate Division

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

(i) Segment performance

31 December 2012	Consumer $	Scaffolding $	Property $	Corporate $	Total $
Continuing operations					
Revenue					
External sales	6,245,469	7,709,292	-	-	13,954,761
Other revenue	9,527	14,904	-	1,342,637	1,367,068
Inter-segment elimination					(1,362,181)
Total segment revenue	6,254,996	7,724,196	-	1,342,637	13,959,648
Segment net profit before tax					
Reconciliation of segment result to group net profit before tax					
Net profit/(loss) before tax	(247,007)	29,899	-	5,641,711	5,424,603
Inter-segment elimination					107,032
Net profit before tax from continuing operations					5,531,635

31 December 2011	Consumer $	Scaffolding $	Property $	Corporate $	Total $
Continuing operations					
Revenue					
External sales	6,504,116	8,395,323	-	-	14,899,439
Other revenue	105,004	33,219	-	1,947,472	2,085,695
Inter-segment elimination					(1,987,865)
Total segment revenue	6,609,120	8,428,542	-	1,947,472	14,997,269
Segment net loss before tax					
Reconciliation of segment result to group net loss before tax					
Net loss before tax	(81,795)	(637,044)	-	(1,856)	(720,695)
Inter-segment elimination					-
Net loss before tax from continuing operations					(720,695)
Discontinued operations					
Revenue					
External sales	-	-	-	-	-
Other revenue	-	-	17,882	-	17,882
Total segment revenue	-	-	17,882	-	17,882
Segment net loss before tax					
Net profit/(loss) before tax from discontinued operations	4,773	-	(76,787)	-	(72,014)

Note 9 Segment Information (continued)

(ii) Revenue by geographical region

31 December 2012	Consumer $	Scaffolding $	Property $	Corporate $	Total $
Domestic	5,794,825	7,426,431	-	1,342,637	14,563,893
International	460,171	297,766	-	-	757,937
Inter-segment elimination					(1,362,182)
Total revenue	6,254,996	7,724,197	-	1,342,637	13,959,648

31 December 2011	Consumer $	Scaffolding $	Property $	Corporate $	Total $
Domestic	6,154,082	8,167,579	-	1,947,472	16,269,133
International	455,038	260,963	-	-	716,001
Inter-segment elimination					(1,987,865)
Total revenue	6,609,120	8,428,542	-	1,947,472	14,997,269

Note 10 Comparative figures

Comparative figures in the statement of profit and loss and other comprehensive income have been adjusted to conform to changes in classification for the current financial year.

Note 11 Commitments & Contingencies

There have been no significant movements in commitments or contingencies since the previous annual reporting period, being 30 June 2012.

Note 12 Events After the Reporting Period

There have been no other significant events which have occurred since 31 December 2012.

Tel: 61 2 9251 4100
Fax: 61 2 9240 9821
www.bdo.com.au

Level 10, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oldfields Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Oldfields Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising Oldfields Holdings Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity 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 control as the directors determine is 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 half-year 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 31 December 2012 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 Oldfields Holdings Limited, 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 confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of Oldfields Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Oldfields Holdings 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 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO East Coast Partnership

BDO

Paul Bull

Partner

19 February 2013

Sydney