oldfields HOLDINGS LIMITED

Appendix 4D and Financial Report for the Half Year Ended 31 December 2013

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

APPENDIX 4D - FINANCIAL REPORT FOR THE HALF-YEAR ENDING 31 DECEMBER 2013

Results for announcement to the market

Comparative period: Half-year ending 31 December 2012

	31-Dec-13 $'000	31-Dec-12 $'000		% change
Revenue from continuing operations	**14,160**	13,928	Up	1.67%
Earnings before interest, taxes, depreciation and amortisation	**846**	6,185	Down	-86.32%
Profit/(loss) after tax	**(189)**	5,461	Down	N/A
Profit/(loss) after tax attributable to members of the parent entity	**(300)**	5,396	Down	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-13 $'000	30-Jun-13 $'000		% change
Net Assets	7,028	7,634	Down	-7.95%
Net Assets (cents per share)	**8.55**	**9.29**		
Net Tangible Assets	5,921	6,458	Down	-8.31%
Net Tangible Assets (cents per share)	**7.21**	**7.86**		

Investment in associates and joint ventures

Material investments in associates and joint ventures are as follows:	Contribution to Result		Percentage Held
	31-Dec-13 $'000	31-Dec-12 $'000	
PT Ace Oldfields	**56.9**	20.8	34%
Enduring Enterprises	**(29.1)**	(26.0)	34%
Honeytree & Partners	**8.8**	11.0	34%

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

C. M. Giles

Chris Giles
Company Secretary **26 February 2014**

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 2013.

Directors

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

William Lewis Timms	Appointed 18 December 2009
Christopher Michael Giles	Appointed 24 September 2010
Stephen Charles Hooper	Appointed 23 May 2013
Tony Joseph Grima	Appointed 14 October 2013

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, and painters tools;
- 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 2013

Operating Results

Oldfields Holdings Limited is pleased to announce consolidated group revenue for the half year to 31 December 2013 of $14,159,198. This is an increase of 1.7% from the $13,927,806 in the same period in 2012. The revenue increase was driven primarily through the scaffolding and paint applications divisions, partially offset by revenue declines in the garden shed division. The increase in revenue comes from an improved building and construction sector and the benefit from the continued expansion of the Masters Hardware chain, where Oldfields' paint application products have a strong presence. This trend is expected to continue in the second half of the year.

The consolidated net loss after tax of $189,440 for the half year ended 31 December 2013, compares to a consolidated profit after tax for the same period in 2012 of $5,460,961. The profit in the prior period included a one off profit on the debt buy back of $5,500,000 and a refund of interest from the Australian Tax Office (ATO) of $137,557. Excluding these one off impacts in the prior half year, the company's result was $12,844 lower than the prior half year.

The consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 23% to $845,400 compared to the six months ended 31 December 2012. The prior half year result was a 30.7% increase over the December 2011 period.

Gross margins declined by 120bps compared to the prior half year. This decline was largely the result of the depreciation of the Australian dollar by approximately 10% during the period, impacting on the cost of imported materials. A price increase in the paint applications division of approximately 8% was taken in mid-September to mitigate the impact of this. Margins are expected to improve in the upcoming six months.

Net cash provided by operating activities was $444,190 compared to an inflow of $1,200,016 in the previous corresponding period. This reduction reflects a slight increase in working capital in this reporting period, compared to a large reduction in the prior half year, and the one off interest remission received from the ATO in the prior comparative period.

Net cash interest bearing bank debt as at 31 December 2013 was $4,525,032, compared to $4,772,771 as at 30 June 2013. Net assets per share as at 31 December 2013 was 8.6 cents per share, compared to 9.3 cents per share as at 30 June 2013. The reduction in net asset per share is largely due to currency translations from the Group's equity accounted investments in Indonesia.

DIRECTORS' REPORT

Comparative Statement of Profit and Loss

	Consolidated Half-year ended Dec-13 $000's	Dec-12 $000's	Change %	Dec-11 $000's
Sales	14,160	13,928	1.7%	14,872
Gross Margin (excluding depreciation and amortisation)	6,771	6,824	-0.8%	7,271
Gross Margin %	*47.8%*	*49.0%*	*-120 bps*	*48.9%*
Other revenues *	14	32	-54.8%	125
Operating expenses (excluding depreciation and amortisation)	5,976	6,200	-3.6%	6,887
Share of net profit of associated entities and joint ventures	37	6	528.9%	7
Profit on disposal of shares in associates and joint ventures	-	23	N/A	-
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	**846**	**685**	**23.4%**	**516**
Depreciation and amortisation	582	510	14.2%	543
Earnings before interest and tax (EBIT)	**264**	**176**	**50.3%**	**(27)**
Interest expense	232	144	61.4%	694
Income tax expense	120	71	69.2%	23
Revaluation of deferred senior loan note	101	-	N/A	-
Profit/(Loss) after tax from continuing operations	**(189)**	**(39)**	**385.3%**	**(745)**
Loss after tax from discontinued operations	-	-	0.0%	104
Debt buy-back	-	5,500	N/A	-
Net profit/(loss) for the year	**(189)**	**5,461**	**N/A**	**(849)**
Net Cash provided by operating activities	**444**	**1,200**	**-63.0%**	**(225)**
Earnings per share **	(0.2)	9.6	N/A	(1.5)

*** Calculations above exclude the one-off $5.5million debt buy back in December 2012.**

**** 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 net sales growth in line with expectations. Overall net sales revenue grew by 5.2% over the same period last year. This division continues its focus on best-in-class customer service, product innovation and improving its internal business processes. The group's focus is on ensuring the supply chain is as efficient as possible, meeting customer expectations with lead times and inventory controls in order to satisfy growing demand. We have built on the experience of recently appointed new hires to ensure we can service the growing market well. A continual focus on growth and being the brand of choice within the market will help us continue to be poised in a strong position for growth in the future.

The strong presence in Masters Hardware is providing good growth for the business, as the number of stores increase each month. In addition, there has been some growth in a number of specialist paint stores as the customers expect and require a high level of service, reliability and quality endorsements to ensure they have the best product solution for their application.

We are also now focused back on driving product improvements and product innovation. We are reviewing the market we serve consistently to ensure we are always meeting changing customer requirements. We have exclusive distribution rights to the patented CoverGrip painter's drop cloth, which was the winner of the best new product of the year at the Las Vegas hardware show in 2012. This product is performing well amongst trade partners and has gained strong distribution throughout Australia.

The sheds business continues to decline, predominately in the domestic market, and was partially offset by some modest growth in our European export business. As a result, the division undertook a restructuring program to realign the cost base and ensure the competitive position within the sheds division is maintained. The major focus continues to be on improving distribution and on gaining distribution in one or more of the major hardware outlets.

Scaffold Division
This business unit increased revenue by 6.2% compared to the prior period. There has been an increase in building approvals and general construction projects over the past six months, with most states seeing increasing activity in this area. Some states are more advanced than others, however the overall trend is upward.

With the increase in revenue, this division improved its earnings before interest, tax, depreciation and amortisation (EBITDA) by 53%. This improvement has come from better labour utilisation on scaffolding services provided, as well as some modest cost reductions in branch expenses. These cost reductions have come from various overhead areas, tighter controls on other discretionary expenditure, as well as a reduction in back office support. Offsetting the improvement in profitability from the increased activity has been a reduction in gross margins on sales of scaffolding products. The ability to passing on cost increases has been difficult with opportunistic low cost competitors entering the marketplace.

The divisions manufacturing operation in China completed the relocation of its facility to a new premises over a year ago and has continued to perform well. The facility is located closer to major infrastructure and suppliers, some cost savings have resulted from this move.

International sales have shown strong growth with further opportunities to expand in this area by utilising the Group's manufacturing facility in China.

Outlook
The focus for the Group going forward is to capitalise on an upturn in the building and construction industry. The business has also realigned to concentrate on profitable growth in its key divisions and segments, and the management team have recently revisited and realigned the Group's strategic direction moving forward. Part of this process was to remodel the Group's mission, realign it's key financial measures, and establish key goals and key strategies for growth. As part of this, several initiatives were established that would ensure the Group will be able to move into a more sustainable position for the future.

Under the new mission statement and guidance are four strategic pillars that will be instilled within the business. They will drive a relentless focus for staff to achieve and are centred on;

- Profitable growth opportunities and developing and driving innovation to the market;
- Developing and investing in people and continuing to build on a market lead culture;
- Improving on and ensuring the supply chain is efficient and operations are productive; as well as
- Improving several key operational and market based processes and enhancing the enterprise resource planning (ERP) systems capabilities.

Each of these pillars will be supported by financial and operating measures to support their success. The management team and the Board are excited about where the business is heading in the future and feel confident that results will improve based on these focus areas. The group will continue to invest at appropriate levels to improve performance and in turn benefit from the recovery in the building and construction markets.

Significant Changes in State of Affairs
There have been no significant changes in the state of affairs during or since the half-year ending 31 December 2013.

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 2013.

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.

Tony Grima
Director **26 February 2014**

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 2013 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.

Tony Grima
Director **26 February 2014**

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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 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. 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, 26 February 2014

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 2013

	Consolidated Half-year ended 31-Dec-13 $	31-Dec-12 $
Revenue	14,159,998	13,927,806
Cost of sales	(7,680,936)	(7,385,167)
Gross profit	6,479,062	6,542,639
Other income	14,384	5,531,842
Distribution expenses	(4,030,133)	(4,180,350)
Marketing expenses	(237,669)	(214,653)
Occupancy expenses	(702,149)	(679,983)
Administrative expenses	(1,288,727)	(1,350,516)
Finance costs	(239,844)	(146,586)
Revaluation of deferred senior loan note derivative component	(101,426)	-
Profit on disposal of shares in associates and joint ventures	-	23,410
Share of net profit of associates and joint ventures	36,677	5,832
Profit/(loss) before income tax	(69,825)	5,531,635
Income tax expense	(119,615)	(70,674)
Profit/(loss) for the period	(189,440)	5,460,961
Other comprehensive income:		
Effective portion of gain on cash flow hedges	3,589	738
Exchange differences on translating foreign entities	(346,568)	(95,335)
Other comprehensive income for the period, net of tax	(342,979)	(94,597)
Total comprehensive income for the period	(532,419)	5,366,364
Profit/(loss) attributable to:		
Members of the parent entity	(299,945)	5,396,477
Non-controlling interest	110,505	64,484
	(189,440)	5,460,961
Total comprehensive income attributable to:		
Members of the parent entity	(642,924)	5,301,880
Non-controlling interest	110,505	64,484
	(532,419)	5,366,364
Basic earnings per share (cents per share)	(0.23)	9.55
Diluted earnings per share (cents per share)	(0.23)	9.55

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 2013

	Note	Consolidated Group 31-Dec-13 $	30-Jun-13 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		560,260	677,404
Trade and other receivables		3,706,108	3,622,227
Inventories		4,219,028	4,047,827
Other assets		533,578	371,300
Current tax assets		-	42,439
TOTAL CURRENT ASSETS		9,018,974	8,761,197
NON-CURRENT ASSETS			
Investments accounted for using the equity method		510,792	875,027
Property, plant and equipment		7,902,750	8,221,565
Intangible assets		1,106,784	1,176,699
Deferred tax assets		34,068	32,540
TOTAL NON-CURRENT ASSETS		9,554,394	10,305,831
TOTAL ASSETS		18,573,368	19,067,028
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		2,615,830	2,437,649
Borrowings		965,780	1,261,216
Short-term provisions		986,970	938,269
Current tax liabilities		46,399	-
Derivative liability		2,015	5,604
TOTAL CURRENT LIABILITIES		4,616,994	4,642,738
NON-CURRENT LIABILITIES			
Borrowings		4,973,366	4,998,375
Long-term provisions		72,582	35,818
Deferred tax liabilities		76,633	51,054
Derivative liability		1,806,054	1,704,628
TOTAL NON-CURRENT LIABILITIES		6,928,635	6,789,875
TOTAL LIABILITIES		11,545,629	11,432,613
NET ASSETS		7,027,739	7,634,415
EQUITY			
Issued capital	3	21,176,101	21,176,101
Reserves		(1,584,840)	(1,241,861)
Retained earnings		(13,048,458)	(12,748,513)
Parent interest		6,542,803	7,185,727
Non-controlling interest		484,936	448,688
TOTAL EQUITY		7,027,739	7,634,415

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 2013

	Issued Capital	Retained Earnings	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Non-controlling interests	Total
Consolidated Group	$	$	$	$	$	$
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
Balance at 1 July 2013	21,176,101	(12,748,513)	(5,604)	(1,236,257)	448,688	7,634,415
Loss attributable to members of parent entity	-	(299,945)	-	-	-	(299,945)
Profit attributable to non-controlling interests	-	-	-	-	110,505	110,505
Total other comprehensive income for the period	-	-	3,589	(346,568)	-	(342,979)
Sub-total	21,176,101	(13,048,458)	(2,015)	(1,582,825)	559,193	7,101,996
Dividends paid or provided for	-	-	-	-	(74,257)	(74,257)
Balance at 31 December 2013	21,176,101	(13,048,458)	(2,015)	(1,582,825)	484,936	7,027,739
	-	-	-		-	

The accompanying notes form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

		Consolidated Group	
		31-Dec-13	31-Dec-12
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		15,519,053	16,149,939
Interest received		182	145,028
Payments to suppliers and employees		(14,908,973)	(14,915,073)
Finance costs		(159,346)	(138,143)
Income tax paid/received		(6,726)	(41,735)
Net cash provided by operating activities		444,190	1,200,016
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		118,271	125,270
Purchase of property, plant and equipment		(236,737)	(311,519)
Net cash used in investing activities		(118,466)	(186,249)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		340,060	367,888
Repayment of borrowings		(335,908)	(2,960,179)
Proceeds from issue of additional shares		-	2,613,259
Payments relating to issue of additional shares		-	(169,329)
Dividends paid to non-controlling interest		(74,257)	-
Net cash used in financing activities		(70,105)	(148,361)
Net increase in cash held		255,619	865,407
Cash and cash equivalents at beginning of period		(177,780)	(69,122)
Cash and cash equivalents at end of period	2	77,839	796,285

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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 2013 annual financial report for the financial year ended 30 June 2013, 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 did not have any significant impact on the amounts reported for the current or prior periods.

Note 2 Reconciliation of cash and cash equivalents

	Consolidated Group	
	31-Dec-13	31-Dec-12
	$	$
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	560,260	796,285
Bank overdrafts	(482,421)	-
	77,839	796,285

Note 3 Issued Capital

	Consolidated Group	
	31-Dec-13	30-Jun-13
	$	$
82,176,198 (June 2013: 82,176,198) fully paid ordinary shares	21,176,101	21,176,101
	21,176,101	21,176,101

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

	Consolidated Group	
Ordinary Shares	31-Dec-13	30-Jun-13
	No.	No.
At the beginning of the reporting period	82,176,198	56,043,605
Shares issued during the period		
— 24 December 2012	-	26,132,593
At the end of the reporting period	82,176,198	82,176,198

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 4 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 5 Commitments & Contingencies

There have been no significant movements in commitments or contingencies since the previous annual reporting period, being 30 June 2013.

Note 6 Events After the Reporting Period

There have been no other significant events which have occurred since 31 December 2013.

Note 7 Related Party Transactions

The following transactions occurred with related parties:

		Consolidated Group	
		31-Dec-13	31-Dec-12
		$	$
i.	**Associated Companies**		
	Purchase of paint application products by Oldfields Pty Ltd from Enduring Enterprises	386,772	592,202
	Interest paid to Enduring Enterprises	-	5,685
ii.	**Other Related Parties**		
	Administration service fee paid to Sibley Investments Pty Ltd, being the holder of a minority interest in Adelaide Scaffold Solutions Pty Ltd	-	106,080
	Interest paid to Sibley Investments Pty Ltd, being the holder of a minority interest in Adelaide Scaffold Solutions Pty Ltd	33,930	42,908
	Dividends paid to Sibley Investments Pty Ltd, being the holder of a minority interest in Adelaide Scaffold Solutions Pty Ltd	74,256	-
iii.	***Loans from Other Related Parties***		
	Loan payable to Sibley Investments Pty Ltd, being the holder of a minority interest in Adelaide Scaffold Solutions Pty Ltd.		
	Beginning of the year	(143,750)	(174,750)
	Loan repayment paid	45,000	31,000
	End of the year	(98,750)	(143,750)
	Loan payable to Timms & Timms Superannuation Fund, being a related party of William Lewis Timms (non-executive director)		
	Beginning of the year	-	(153,582)
	Interest accrued	-	(6,324)
	End of the year	-	(159,906)

Note 8 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 in assessing performan and in determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have nota 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 products division
- Scaffolding division

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

Note 8 Segment Information (continued)

(i) Segment performance

31 December 2013	Consumer Products $	Scaffolding $	Total $
Revenue			
Sales revenue	6,006,040	8,175,205	14,181,245
Inter-segment sales	-	-	(21,247)
	6,006,040	8,175,205	14,159,998
Other income	10,465	3,919	14,384
	10,465	3,919	14,384
Total segment revenue	**6,016,505**	**8,179,124**	**14,174,382**
Reconciliation of segment result to group net profit/loss before tax			
Segment net profit/(loss) loss before tax	(174,268)	430,470	256,202
Corporate			(326,027)
Inter-segment elimination			-
Net profit before tax from continuing operations	(174,268)	430,470	(69,825)
Income tax expense	-	(119,615)	(119,615)
Total profit/(loss) after tax	**(174,268)**	**310,855**	**(189,440)**
Share of net profit/(loss) from associates and joint ventures after tax	36,677	-	36,677
Finance costs	(7,332)	(78,679)	(86,011)
Corporate	-	-	(191,080)
Inter-segment elimination	-	-	37,247
Total finance costs	**(7,332)**	**(78,679)**	**(239,844)**
Depreciation and amortisation expense	(132,739)	(404,815)	(537,554)
Corporate	-	-	(44,337)
Total depreciation and amortisation expense	**(132,739)**	**(404,815)**	**(581,891)**

31 December 2012	Consumer Products $	Scaffolding $	Total $
Revenue			
Sales revenue	6,245,469	7,709,292	13,954,761
Inter-segment sales	-	-	(26,955)
	6,245,469	7,709,292	13,927,806
Other income	9,527	14,904	24,431
Inter-segment other income	-	-	7,411
	9,527	14,904	31,842
Total segment revenue	**6,254,996**	**7,724,196**	**13,959,648**
Reconciliation of segment result to group net profit/loss before tax			
Segment net profit/(loss) loss before tax	(247,007)	29,899	(217,108)
Corporate	-	-	5,641,711
Inter-segment elimination	-	-	107,032
Net profit before tax from continuing operations	(247,007)	29,899	5,531,635
Income tax expense	-	(70,674)	(70,674)
Total profit/(loss) after tax	**(247,007)**	**(40,775)**	**5,460,961**
Share of net profit/(loss) from associates and joint ventures after tax	5,832	-	5,832
Finance costs	(206,612)	(190,285)	(396,897)
Corporate	-	-	207,404
Inter-segment elimination	-	-	42,907
Total finance costs	**(206,612)**	**(190,285)**	**(146,586)**
Depreciation and amortisation expense	(107,169)	(375,610)	(482,779)
Corporate	-	-	(26,835)
Total depreciation and amortisation expense	**(107,169)**	**(375,610)**	**(509,614)**

Note 8 Segment Information (continued)

(ii) Segment assets

31 December 2013	Consumer Products $	Scaffolding $	Total $
Segment assets	6,683,127	13,143,890	19,827,017
Corporate	-	-	4,122,406
Intersegment eliminations	-	-	(5,376,055)
Total group assets	**6,683,127**	**13,143,890**	**18,573,368**
Included in segment assets are:			
— Equity accounted associates and joint ventures	510,792	-	510,792

30 June 2013	Consumer Products $	Scaffolding $	Total $
Segment assets	6,757,001	12,928,854	19,685,855
Corporate	-	-	4,013,820
Intersegment eliminations	-	-	(4,632,647)
Total group assets	**6,757,001**	**12,928,854**	**19,067,028**
Included in segment assets are:			
— Equity accounted associates and joint ventures	875,027	-	875,027

(iii) Segment liabilities

31 December 2013	Consumer Products $	Scaffolding $	Total $
Segment liabilities	2,370,564	1,459,865	3,830,429
Corporate	-	-	7,765,998
Inter-segment elimination	-	-	(50,798)
Total group liabilities	**2,370,564**	**1,459,865**	**11,545,629**

30 June 2013	Consumer Products $	Scaffolding $	Total $
Segment liabilities	1,932,328	1,474,258	3,406,586
Corporate	-	-	7,386,978
Inter-segment elimination	-	-	639,049
Total group liabilities	**1,932,328**	**1,474,258**	**11,432,613**

(iv) Revenue by geographical region

31 December 2013	Consumer $	Scaffolding $	Total $
Domestic	5,251,823	7,701,765	12,953,588
International	764,683	477,358	1,242,041
Inter-segment elimination	-	-	(21,247)
Total revenue	**6,016,506**	**8,179,123**	**14,174,382**

31 December 2012	Consumer $	Scaffolding $	Total $
Domestic	5,794,825	7,426,431	13,221,256
International	460,171	297,766	757,937
Inter-segment elimination	-	-	(19,545)
Total revenue	**6,254,996**	**7,724,197**	**13,959,648**

Note 9 Fair values of financial instruments

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

	31-Dec-13	30-Jun-13
Derivative liabilities	$	$
— Forward exchange contracts - Level 2	2,015	5,604
— Deferred Senior Loan Note - Level 2	1,806,054	1,704,628
	1,808,069	1,710,232

Fair value hierarchy

AASB13 *Fair Value Measurement* requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted process (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - a valuation technique using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices);
- Level 3 - a valuation technique using inputs that are not observable based on observable market data (unobservable inputs).

Transfers

During the half-year ended 31 December 2013, there were no transfers of derivatives.

Valuation techniques used to derive level 2 fair values

The forward exchange derivative liability of $2015 (June 2013: $5604) has been valued using Level 2 inputs by reference to quoted prices in active markets.

The derivative element of the DSLN of $1,806,054 (June 2013: $1,704,628) has been valued using Level 2 inputs which are included in the terms and conditions of this instrument. The main terms of the 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. The core debt has been discounted to net present value over the expected term of the DLSN and is included in non-current borrowings. The assessed value of the derivative takes into account the expected cashflows incorporating the term (10 years) and discount rate 12%.

Fair values of financial instruments not measured at fair value

The fair values of financial assets and financial liabilities are presented in the following table:

	31-Dec-13		**30-Jun-13**	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$	$	$	$
Financial assets				
Cash and cash equivalents	560,260	560,260	677,404	677,404
Trade and other receivables	3,706,108	3,706,108	3,707,036	3,707,036
Total financial assets	4,266,368	4,266,368	4,384,440	4,384,440
Financial liabilities				
Trade and other payables	2,615,830	2,615,830	2,437,649	2,437,649
Hire purchase liabilities	638,335	638,335	531,282	531,282
Derivative liabilities				
- Forward exchange contracts	2,015	2,015	5,604	5,604
- Derivative element of DSLN	1,806,054	1,806,054	1,704,628	1,704,628
Other related parties	98,750	98,750	143,750	143,750
Bank overdraft	482,421	482,421	855,184	855,184
Bank loans	3,862,002	3,862,002	3,919,902	3,919,902
Debt element of DSLN	857,638	857,638	809,473	809,473
	10,363,045	10,363,045	10,407,472	10,407,472

Due to their short-term natures, the carrying amounts of current receivables, current trade and other payables and current interest-bearing liabilities is assumed to approximate their fair value.

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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 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 the company 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 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 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 2013 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 2013 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

Sydney, 26 February 2014