Burson Group Limited
ABN 80 153 199 912

Appendix 4D and Interim Financial Report for the half year ended 31 December 2015

Lodged with the ASX under Listing Rule 4.2A

Burson Group Limited ABN 80 153 199 912

Half year ended: 31 December 2015 ("H1 FY2016")
(Previous corresponding period: Half year ended 31 December 2014 ("H1 FY2015"))

Results for Announcement to the Market

Result Summary

		$'000	%		H1 FY2016 Actual $'000
Revenue from ordinary activities	Up	137,161	74.1	to	322,169
Profit from ordinary activities after tax attributable to members	Up	8,456	77.9	to	19,317
Net profit after tax attributable to the members of Burson Group Limited	Up	8,456	77.9	to	19,317

Revenue and net profit after income tax for the half year to 31 December 2015 increased by 74.1% and 77.9% respectively compared to the corresponding period last year largely due to the impact of the acquisition of Aftermarket Network Australia (formerly Metcash Automotive), as well as continued strong performance of the Burson Auto Parts business.

Earnings per share for H1 FY2016 was 7.97 cents per share, up 24.3% compared to H1 FY2015.

Net debt at 31 December 2015 was $106.1M representing an annualised leverage ratio of 1.4X (December 2014: 1.47X) (Net debt : EBITDA)

For further explanation of the results above refer to the ASX/Media Announcement for the half year ended 31 December 2015 and the accompanying Directors Report.

Dividends / distributions

	Amount per security[1]	Franked amount per security
2015 interim dividend paid – 9 April 2015	$0.040	$0.040
2015 final dividend paid – 30 September 2015	$0.047	$0.047
2016 interim dividend (declared after balance date but not yet paid)	$0.050	$0.050

Record date for determining entitlements to the dividend	18 March 2016
Date dividend payable	8 April 2016

Other information required by Listing Rule 4.2A

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the 31 December 2015 Interim Financial Report (which includes the Directors' report).

[1] Based on the number of securities at the time the dividend was declared.

Contents

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 year ended 30 June 2015 and any public announcements made by Burson Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as "Burson" or "the Group") consisting of Burson Group Limited (the "Company") and the entities it controlled at the end of, or during, the financial half year ending 31 December 2015.

1. DIRECTORS

The following persons were Directors of the Company at any time during H1 FY2016, or since the end of H1 FY2016 up to the date of this report:

Robert McEniry	Independent, Non-Executive Chairman
Darryl Abotomey	Managing Director and Chief Executive Officer
Andrew Harrison	Independent, Non-Executive Director
Therese Ryan	Independent, Non-Executive Director

2. REVIEW OF OPERATIONS

Burson's consolidated revenue for the half year to 31 December 2015 was $322.2M, up 74.1% on the corresponding period last year. This is largely due to the acquisition of Aftermarket Network Australia Pty Ltd ("ANA", formerly Metcash Automotive Pty Ltd) on 31 July 2015. ANA has contributed $120.6M to revenue for the 5 months since its acquisition to the end of this financial reporting period. Burson Auto Parts ("BT") also experienced strong sales growth of 9.7% compared to the prior corresponding period.

Net profit after tax of the Group for the half year to 31 December 2015 amounted to $19.3M (H1 FY2015: $10.9M). The net profit of the Group compared to the corresponding period last year increased by 77.9%. This represents EPS growth of 24.3%.

For the half year ended 31 December 2015 the directors have declared an interim dividend of 5.0 cents per share to be paid on the 8 April 2016 to shareholders registered as of 18 March 2016. This compares with an interim dividend of 4.0 cents last year, an increase of 25%. The current year's interim dividend represents a payout ratio of 63% of net profit after tax.

(a) Burson Auto Parts ("BT")

Burson Auto Part's represents the traditional trade segment of Burson's business. BT's revenue for the half year to 31 December 2015 was $202.9M, up 9.7% compared to the corresponding period last year. Same store sales contributed 4.5% of the increase with the balance of the sales increase due to new stores to the Burson network in both FY2015 and H1 FY2016.

Six new stores were opened in H1 FY2016 consisting of one acquisition and five greenfield developments. The new stores are located in Western Australia (3), NSW (1), ACT (1), Qld (1). BT's store network has performed well with continued focus on integration of new stores, individual store performance, gross margin and cost control.

Gross margin percent excluding freight was 1.7% higher than H1 FY2015 and 0.8% higher than H2 FY2015. The gross margin % increase was achieved despite the market experiencing some competitive pricing, particularly in Western Australia, as well as rising supplier prices due to the lower Australian dollar. As is usual practice, BT passed supplier price increases onto customers as of the effective date of the increase.

H1 FY2016 EBITDA for BT was $23.4M, up 10.3% compared to H1 FY2015.

The Queensland distribution centre was fully commissioned in July 2015 and is now supplying in excess of 40 stores from this location.

(b) Aftermarket Network Australia ("ANA")

Since the acquisition of ANA on 31 July 2015, it has contributed revenue of $120.6M and EBITDA of $13.9M. The performance of ANA has been ahead of expectations and the transition into the Burson Group has progressed smoothly.

The retail operations of ANA have performed well and in particular Autobarn which has recorded same store sales growth of 5.0%. The specialist wholesale business Australian Automotive Distribution Group ("AAD") recorded sales in line with expectations however gross margin has been negatively impacted by an increase in the cost of goods due to the lower Australian dollar which have not yet been fully passed through to customers.

The number of stores in the ANA network has been relatively flat in H1 FY2016 as the business focus in this period was on consolidation of IT systems, clarifying strategic objectives and transition programs.

3. OUTLOOK

Burson Auto Parts is expected to continue to trade well in H2 FY2016 and will benefit from a general selling price increase implemented in January 2016. In addition the number of stores will continue to increase.

ANA will benefit from a full six month's trading in H2 FY2016 although we expect the gross margin % in the specialist wholesale business to continue to be under pressure.

Overall market conditions are expected to be similar to H1 FY2016.

As previously announced by Burson, the acquisitions of Bearing Wholesalers and Precision Automotive Equipment are expected to be completed by 1 April 2016, with a combined annual impact of $40M in sales and $6M in EBITDA. The investment for these acquisitions is $32M. The financial impact of these acquisitions to NPAT will be immaterial in FY2016 due to transaction costs.

The Burson Group has a number of "optimisation projects" to maximize the opportunities available to both BT and ANA as a result of the ANA acquisition. The "optimisation projects" being undertaken will see some small synergy benefits in the later stages of H2 FY2016, with larger benefits beginning in FY2017 and beyond.

In consideration of the above NPAT for the full year is expected to be in the range $41.5M to $43.0M. This would result in pro-forma EPS of between 17.04 and 17.66 cents per share representing annualised EPS growth of between 24.5% and 29.0%.

4. MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

Apart from the recently announced acquisitions of Bearing Wholesalers and Precision Automotive Equipment, no matter or circumstance has occurred subsequent to half year end that has significantly affected, or may significantly affect, the operations of Burson, the results of those operations or the state of affairs of Burson or economic entity in subsequent financial years.

5. 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 6.

6. ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts. In accordance with that Class Order amounts in the Directors' Report and Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors,

Robert McEniry	Darryl Abotomey
Chairman	Managing Director and Chief Executive Officer

Melbourne
18 February 2016

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Auditor's Independence Declaration

As lead auditor for the review of Burson Group Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Burson Group Limited and the entities it controlled during the period.

Daniel Rosenberg
Partner
PricewaterhouseCoopers

Melbourne
18 February 2016

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Consolidated statement of comprehensive income

For the half year ended 31 December 2015

		Consolidated	
	Notes	31 Dec 2015 $'000	31 Dec 2014 $'000
Revenue from continuing operations	2	**322,169**	**185,008**
Costs of goods sold		(184,966)	(109,242)
Employee benefits expense		(62,887)	(37,206)
Occupancy expenses		(13,332)	(5,913)
Freight to customer expenses		(2,039)	(1,998)
Advertising		(9,056)	(1,219)
Other expenses		(15,196)	(9,616)
Acquisition expenses		(189)	-
Depreciation and amortisation expense		(4,856)	(2,482)
Finance costs		(1,852)	(1,816)
Profit before income tax		**27,796**	**15,516**
Income tax expense	5(a)	(8,479)	(4,655)
Profit for the half year attributable to the Owners of Burson Group Limited		**19,317**	**10,861**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges		(483)	-
Other comprehensive income for the half year, net of tax		(483)	-
Total comprehensive income for the half year attributable to the Owners of Burson Group Limited		**18,834**	**10,861**

Earnings per share for profit attributable to the ordinary equity holders of the Company:

		Cents	Cents
Basic earnings per share	13	7.97	6.41
Diluted earnings per share	13	7.95	6.39

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

Consolidated statement of financial position

As at 31 December 2015

	Notes	Consolidated 31 Dec 2015 $'000	Consolidated 30 Jun 2015 $'000
Assets			
Current assets			
Cash and cash equivalents		27,932	107,896
Trade and other receivables		78,634	33,415
Inventories		148,534	77,206
Total current assets		255,100	218,517
Non-current assets			
Property, plant and equipment	6	32,104	23,057
Deferred tax assets		17,148	11,847
Intangible assets	7	324,612	99,854
Other non-current assets		4,736	935
Total non-current assets		378,600	135,693
Total assets		**633,700**	**354,210**
Liabilities			
Current liabilities			
Trade and other payables		123,073	68,488
Current tax liabilities		3,271	5,098
Provisions	8	19,469	11,414
Total current liabilities		145,813	85,000
Non-current liabilities			
Borrowings	9	133,261	-
Derivative Payable		691	-
Non-Current Provisions	10	5,573	2,285
Total non-current liabilities		139,525	2,285
Total liabilities		**285,338**	**87,285**
Net assets		**348,362**	**266,925**
Equity			
Contributed equity	11	410,735	337,390
Other reserves	12(a)	713	441
Retained earnings/(accumulated losses)	12(b)	(63,086)	(70,906)
Total equity		**348,362**	**266,925**

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

Consolidated statement of changes in equity

For the half year ended 31 December 2015

Consolidated	Notes	Contributed equity $'000	Reserves $'000	Retained earnings/ (accumulated losses) $'000	Total equity $'000
		Attributable to owners of Burson Group Limited			
Balance at 1 July 2014		180,775	56	(83,870)	96,961
Profit for the period		-	-	10,861	10,861
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	10,861	10,861
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax		-	-	-	-
Dividends and distributions provided for or paid		-	-	-	-
Share based payments		-	207	-	207
		-	207	-	207
Balance at 31 December 2014		**180,775**	**263**	**(73,009)**	**108,029**
Balance at 1 July 2015		337,390	441	(70,906)	266,925
Profit for the period		-	-	19,317	19,317
Other comprehensive income		-	(483)	-	(483)
Total comprehensive income for the period		-	(483)	19,317	18,834
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax		73,345	-	-	73,345
Dividends and distributions provided for or paid		-	-	(11,497)	(11,497)
Employee share option schemes	12(a)(i)	-	755	-	755
		73,345	755	(11,497)	62,603
Balance at 31 December 2015		**410,735**	**713**	**(63,086)**	**348,362**

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

Consolidated statement of cash flows

For the half year ended 31 December 2015

	Notes	Consolidated 31 Dec 2015 $'000	31 Dec 2014 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		354,979	205,937
Payments to suppliers and employees (inclusive of GST)		(327,591)	(190,174)
		27,388	15,763
Borrowing costs		(1,211)	(1,625)
Income taxes paid		(10,530)	(1,331)
Net cash inflow from operating activities		**15,647**	**12,807**
Cash flows from investing activities			
Payments to acquire businesses	18(b)	(270,883)	(2,982)
Payments for property, plant and equipment and software		(6,725)	(2,992)
Proceeds from sale of property, plant and equipment		316	231
Net cash outflow from investing activities		**(277,292)**	**(5,743)**
Cash flows from financing activities			
Proceeds from issues of ordinary shares		54,306	-
Dividends paid		(11,497)	-
Proceeds from borrowings		134,000	-
Net repayment of borrowings		-	(9,000)
Transaction costs relating to issue of share capital		(1,068)	-
Transaction costs relating to borrowings		(324)	-
Net cash outflow from financing activities		**175,417**	**(9,000)**
Net decrease in cash and cash equivalents		**(86,228)**	**(1,936)**
Cash and cash equivalents at the beginning of the financial year		107,896	10,863
Cash acquired from Business acquisition		6,264	-
Cash and cash equivalents at end of half year		**27,932**	**8,927**

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

Notes to the consolidated financial statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Burson Group Limited and its subsidiaries.

(a) Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Burson is a "for profit" entity for the purpose of preparing interim financial statements.

This condensed consolidated 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 year ended 30 June 2015 and any public announcements made by Burson Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(b) New and amended standards adopted by Burson

A number of new or amended standards became applicable for the current reporting period, however, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(c) Impact of standards issued but not yet applied by the entity

Title of standard	Nature of change	Impact	Application date
AASB 15 *Revenue from Contracts with Customers*	*This new standard will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the transfer of control replaces the existing notion of the transfer of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.*	While the group has yet to undertake a detailed assessment of the changes in the standard it is currently anticipated that there will be no significant impact on the group as a result of these changes.	The effective date of IFRS 15 has been extended to financial periods beginning on or after 1 January 2018 by IASB, and we expect AASB 15 will have the same effective date.

(d) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Burson Group Limited ('company' or 'parent entity') as at 31 December 2015 and the results of all subsidiaries for the half year then ended. Burson Group Limited and its subsidiaries together are referred to in this Financial Report as Burson or the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which Burson has control. Burson controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 1(i)).

Burson applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

Investments in subsidiaries are accounted for at cost in the separate financial statements of Burson Group Limited.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of Burson's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Burson Group Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Burson recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Burson's activities as described below. Burson bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods

A sale is recorded when goods have been delivered to the customer, the customer has accepted the goods and collectability of the related receivables is probable.

(ii) Interest income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(iii) Rendering of services – Franchise fees and advertising

Revenue from the provision of franchise, accounting services, information technology and marketing support is recognised on a periodical as-delivered basis.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where Burson's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Tax consolidation legislation

The Company and all its wholly-owned Australian entities are part of a tax-consolidated group under Australian taxation law. Burson Group Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences are recognised by the members of the tax consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

(h) Leases

Leases of property, plant and equipment where Burson, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Burson will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Burson as lessee are classified as operating leases (note 17).

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by Burson. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition-date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(j) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(k) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(l) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the end of the reporting period.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(m) Inventories

Inventory is valued at lower of cost and net realisable value on an average cost basis.

(n) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- *Plant and equipment* — *2-15 years*
- *Motor vehicles* — *3-7 years*
- *Leasehold improvements* — *5 years*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(o) Intangible assets

(i) Goodwill

Goodwill is measured as described in note 1(i). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

(ii) Software

Costs incurred in acquiring, developing and implementing new software are recognised as intangible assets only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, licenses and direct labour. Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost of software over their estimated useful lives, which is two and a half to four years.

(iii) Brands and trademarks

Brands and trademarks are recognised as intangible assets where a registered trademark is acquired with attributable value. Trade names are valued using a relief from royalty method. Trade names are considered indefinite life intangibles and are not amortised unless there is an intention to discontinue use of the name in which case it is amortised over its estimated remaining useful life. Brands and trademarks are all currently assessed to have an indefinite life and as such not amortised.

(iv) Customer Contracts

Contractual customer relationships are recognised as intangible assets when the criteria specified in the relevant accounting standards have been met. These are assessed to have a finite life and are amortised over the assets useful life. Customer contracts are currently amortised between 3-20 years.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to Burson prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the end of the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date or specific event, are classified as liabilities.

Borrowings are classified as current liabilities unless Burson has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is amortised on a straight-line basis over the term of the facility.

(r) Provisions

Provisions are recognised when Burson has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(s) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the Burson Long Term Incentive Plan ("BLTIP"). Information relating to these schemes is disclosed in the 30 June 2015 annual report. The fair value of performance rights granted under the BLTIP is recognised as an employee benefit expense over the period during which the employees become unconditionally entitled to the rights and options with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights and options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest which are revised at the end of each reporting period. The impact of the revision to original estimates, if any, is recognised in the consolidated income statement, with a corresponding adjustment to equity.

The fair value is measured at grant date and the expense recognised over the life of the plan. The fair value is independently determined using a Black-Scholes or similar option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(t) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

(i) Cash flow hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risk associated with a recognised asset or liability or a firm commitment which could affect income or expenses. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to profit or loss. When the hedged item is closed out, the cumulative gain or loss that was previously reported in equity is immediately reclassified to profit and loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(u) Contributed equity

Ordinary shares are classified as equity.

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(y) Critical accounting estimates

The preparation of this interim financial report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to this interim financial report, are disclosed in the annual report for the year ended 30 June 2015.

(z) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the senior management personnel. Burson has two operating business segments. Refer to note 3 for further information.

2 Revenue

		Consolidated	
	Notes	31 Dec 2015 $'000	31 Dec 2014 $'000
From continuing operations			
Sales revenue			
Sale of goods		322,169	185,008

3 Segment information

(a) Description of segments

Identification of reportable operating segments
AASB 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. For disclosure purposes the consolidated entity currently has two operating segments being the newly acquired Aftermarket Network Australia (ANA) segment and the Burson Auto Parts (BT) segment. The consolidated entity has determined that a disclosure of segments is most appropriate due to the economic characteristics faced by the operating segments and the similar nature of the products and services being delivered. Both the ANA and the BT segments operate in one geographical segment, Australia.

Segment revenue
Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

Segment EBITDA
Segment performance is assessed on the basis of Segment EBITDA. Segment EBITDA comprises expenses which are incurred in the normal trading activity of the segments and excludes the impact of depreciation, amortisation, interest, share-based payments and other items which are determined to be outside of the control of the respective segments.

(b) Segment financial information

The ANA business was acquired on 31 July 2015 and financial information for this business is presented below from the date of acquisition. Before this date Burson had one operating segment.

	ANA $'000	BT $'000	Intersegment Eliminations/ Unallocated $'000	Consolidated Total $'000
31 December 2015				
Segment revenue	120,577	202,885	(1,293)	322,169
Other revenue	-	-	-	-
Consolidated revenue	**120,577**	**202,885**	**(1,293)**	**322,169**
Segment EBITDA	13,887	23,386	(2,769)	**34,504**
Depreciation and amortisation expense				(4,856)
Finance costs				(1,852)
Profit before income tax				**27,796**
Tax expense				(8,479)
Profit after income tax				**19,317**
Total Segment Assets	**361,651**	**272,771**	**(722)**	**633,700**
Total Segment Liabilities	**70,002**	**82,291**	**133,045**	**285,338**
31 December 2014				
Segment revenue	-	185,008	-	185,008
Other revenue	-	-	-	-
Consolidated revenue		**185,008**		**185,008**
Segment EBITDA	**-**	**21,210**	**(1,396)**	**19,814**
Depreciation and amortisation expense				(2,482)
Finance costs				(1,816)
Profit before income tax				**15,516**
Tax expense				(4,655)
Profit after income tax				**10,861**
Total Segment Assets	**-**	**242,717**	**-**	**242,717**
Total Segment Liabilities	**-**	**43,567**	**64,462**	**108,029**

4 Expenses

Profit/(loss) before income tax includes the following specific expenses:	31 Dec 2015	31 Dec 2014
Depreciation and amortisation expense:		
Plant and equipment and software	2,722	1,398
Motor vehicles	1,255	1,048
Amortisation	700	-
Make good provision	179	36
Total depreciation and amortisation	4,856	2,482
Finance costs:		
Interest and finance charges paid/payable	1,852	1,816
	1,852	1,816
Net loss on disposal of property, plant and equipment	21	44
Rental expense relating to operating leases - minimum lease payments	12,186	5,425

5 Income tax

(a) Income tax expense

Current tax		8,170	4,367
Deferred tax		186	288
Under / (over) provision in prior years		123	-
	5(b)	8,479	4,655

The entire income tax expense relates to profit from continuing operations.

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit from ordinary activities before income tax expense	27,796	15,516
Income tax calculated at 30% (2014: 30%)	8,339	4,655
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:		
Entertainment	4	-
Other	13	-
	8,356	-
Income tax adjusted for permanent differences:		
Under / (over) provision in prior year	123	-
Income tax expense attributable to profit from ordinary activities	8,479	4,655

6 Non-current assets - Property, plant and equipment

Consolidated	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Cost or fair value			
At 1 July 2014	**22,368**	**13,079**	**35,447**
Additions	4,853	3,695	8,548
Acquisition of business	118	-	118
Disposals	(342)	(1,590)	(1,932)
At 30 June 2015	**26,997**	**15,184**	**42,181**
Additions	3,011	2,351	5,362
Acquisition of business	6,409	808	7,217
Disposals	(94)	(1,090)	(1,184)
At 31 December 2015	**36,323**	**17,253**	**53,576**
Depreciation and impairment			
At 1 July 2014	**(10,841)**	**(5,205)**	**(16,046)**
Depreciation charge for the year	(2,422)	(2,126)	(4,548)
Impairment	-	-	-
Disposals	312	1,158	1,470
At 30 June 2015	**(12,951)**	**(6,173)**	**(19,124)**
Depreciation charge for the half year	(1,984)	(1,255)	(3,239)
Impairment	-	-	-
Disposals	91	800	891
At 31 December 2015	**(14,844)**	**(6,628)**	**(21,472)**
Net Book value			
At 30 June 2015	14,046	9,011	23,057
At 31 December 2015	**21,480**	**10,624**	**32,104**

7 Non-current assets - Intangible assets

Consolidated	Notes	Computer software $'000	Customer Contracts $'000	Trade names $'000	Goodwill $'000	Total $'000
Cost or fair value						
At 1 July 2014		**2,806**	**-**	**-**	**96,171**	**98,977**
Additions		757	-	-	-	757
Acquisition of business		-	-	-	2,146	2,146
Disposals		-	-	-	-	-
At 30 June 2015		**3,563**	**-**	**-**	**98,317**	**101,880**
Additions		1,240	-	-	-	1,240
Acquisition of business		1,725	24,334	43,211	155,689	224,959
Disposals		(50)	-	-	-	(50)
At 31 December 2015		**6,478**	**24,334**	**43,211**	**254,006**	**328,029**
Amortisation and impairment						
At 1 July 2014		**(1,560)**	**-**	**-**	**-**	**(1,560)**
Amortisation charge for the year		(466)	-	-	-	(466)
Impairment		-	-	-	-	-
Disposals		-	-	-	-	-
At 30 June 2015		**(2,026)**	**-**	**-**	**-**	**(2,026)**
Amortisation charge for the half year		(740)	(699)	-	-	(1,439)
Impairment		-	-	-	-	-
Disposals		48	-	-	-	48
At 31 December 2015		**(2,718)**	(699)	-	-	**(3,417)**
Net Book value						
At 30 June 2015		1,537	-	-	98,317	99,854
At 31 December 2015		**3,760**	**23,635**	**43,211**	**254,006**	**324,612**

8 Current liabilities – Provisions

	Notes	Consolidated 31 Dec 2015 $'000	30 Jun 2015 $'000
Employee benefits		18,418	11,414
Rental Subsidy		980	-
Other		71	-
		19,469	**11,414**

9 Non-current liabilities - Borrowings

	31 Dec 2015 $'000	30 Jun 2015 $'000
Secured		
Bank loans - Westpac	67,000	-
Bank loans - ANZ	67,000	-
Total secured non-current borrowings	134,000	-
Less: unamortised borrowing costs capitalised	(739)	-
Total non-current borrowings	**133,261**	**-**

10 Non-current liabilities – provisions

	31 Dec 2015 $'000	30 Jun 2015 $'000
Make good provision	2,325	1,100
Onerous lease provision	1,688	-
Employee benefits	1,560	1,185
	5,573	2,285

11 Contributed equity

(a) Share capital

	31 Dec 2015 Shares	30 Jun 2015 Shares	31 Dec 2015 $'000	30 Jun 2015 $'000
Fully paid				
Ordinary Shares	244,622,784	219,663,293	410,735	337,390
	244,622,784	219,663,293	410,735	337,390

(b) Movements in ordinary share capital

Date	Details	Number of shares	$'000
1 July 2015	**Opening balance**	**219,663,293**	**337,390**
16 July 2015	Retail share offer	20,263,968	57,752
16 July 2015	Retail Share issue costs (net of tax)	-	(747)
31 July 2015	Share issue as part consideration for ANA	4,695,523	16,340
31 December 2015	**Closing balance**	**244,622,784**	**410,735**

12 Other reserves and retained earnings/(accumulated losses)

(a) Other reserves

	Consolidated	
	31 Dec 2015 $'000	**30 Jun 2015 $'000**
Share based payment reserve	1,196	441
Cash flow hedge reserve	(483)	-
	713	441

(i) Movements:

Cash flow hedge reserve		
Opening balance	-	-
Revaluation	(691)	-
Tax associated with cash flow hedges	208	-
Cancellation of hedge released to profit and loss	-	-
Closing balance	**(483)**	**-**
Share based payments reserve		
Opening balance	441	56
Share based payment expense	564	248
Tax associated with share schemes	191	137
Closing balance	**1,196**	**441**

(ii) Nature and purpose of reserves

Cash flow hedges reserve: is used to record gains/losses on the revaluation of the hedging instruments that are recognised directly in equity.

Share based payments reserve: is used to hold the amortised fair value of unexercised performance rights.

(b) Retained earnings/(accumulated losses)

Movements in retained earnings/(accumulated losses) were as follows:

Opening balance	(70,906)	(83,870)
Net profit/(loss) for the period	19,317	19,507
Dividends paid	(11,497)	(6,543)
Closing balance	**(63,086)**	**(70,906)**

13 Earnings per share (EPS)

All shares are fully paid and have been included in both the Basic EPS and the Diluted EPS.

	31 Dec 2015 cents per share	31 Dec 2014 cents per share
Basic EPS	7.97	6.41
Diluted EPS	7.95	6.39

Basic EPS amounts are calculated by dividing the profit for the half year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the half year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the half year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

(a) Weighted average number of shares used as the denominator

	31 Dec 2015 Number	31 Dec 2014 number[1]
Weighted average number of shares used as the denominator in calculating basic EPS	242,454,964	169,316,153
Weighted average number of Options	649,616	667,867
Weighted average number of shares used as the denominator in calculating diluted EPS	243,104,580	169,984,020

(b) Reconciliation of earnings used in calculating EPS

	31 Dec 2015 $'000	31 Dec 2014 $'000
Earnings used in calculating basic EPS	19,317	10,861
Earnings used in calculating diluted EPS	19,317	10,861

14 Dividends

	Payment date	Amount per share	Franked amount per share	Total dividend $'000
2015				
2015 Interim dividend	9 April 2015	$0.040	$0.040	6,543
2016				
2015 Final dividend	30 September 2015	$0.047	$0.047	11,497
Dividends paid or declared by the Company after the current reporting period:				
2016 Interim dividend	8 April 2015	$0.050	$0.050	12,231

(a) Franked dividends

The franked portions of the dividends recommended on or after 31 December 2015 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the period ending 30 June 2016.

	Consolidated	
	31 Dec 2015 $'000	30 June 2015 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (June 2015: 30%)	22,789	6,007

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax,
(b) franking debits that will arise from the payment of dividends recognised as a liability at the end of the reporting period, and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the end of the reporting period.

[1] The weighted average number of shares for 31 Dec 2014 has been adjusted for a 7 for 15 share offer to institutional investors and retail investors, made in June 2015 and July 2015 respectively.

15 Fair Value measurements

Financial assets or financial liabilities carried at fair value are forward foreign exchange contracts and floating interest rate to fixed interest rate swaps.

(a) Foreign exchange contracts

The directors consider the foreign exchange contracts to be Level 2 financial instruments because, unlike Level 1 financial instruments, their measurement is derived from inputs other than quoted prices that are observable for the assets and liabilities, either directly (as prices) or indirectly (derived from prices). There have been no transfers between levels 1, 2 and 3 for recurring fair value measurements during the half year.

As at 31 December 2015 Burson had various foreign exchange contracts in place to be settled subsequent to the end of the financial period. Burson is committed to pay A$18.6M and receive US$13.3M and JPY$7.6M at various dates subsequent to 31 December 2015.

The directors consider that the carrying amount of other financial assets and liabilities recorded in the financial statements approximate their fair values.

(b) Interest rate swaps

The directors consider the interest rate swap contracts to be Level 2 financial instruments because, unlike Level 1 financial instruments, their measurement is derived from inputs other than quoted prices that are observable for the assets and liabilities, either directly (as prices) or indirectly (derived from prices). There have been no transfers between levels 1, 2 and 3 for recurring fair value measurements during the half year.

As at 31 December 2015 Burson had various interest rate swap contracts to convert part of the borrowing facility's floating interest rate to a fixed interest rate. These contracts are in place to be settled subsequent to the end of the financial period. Burson is committed to pay a monthly fixed rate on $60M and receive a monthly floating rate on $60M.

The directors consider that the carrying amount of other financial assets and liabilities recorded in the financial statements to approximate their fair values.

(c) Contingent consideration

The directors consider contingent consideration to be a Level 3 financial instrument because inputs in valuing this instrument are not based on observable market data. The fair value of this instrument is determined based on an estimated discounted cash flow analysis. Refer note 18(c) for more information.

16 Contingencies

(a) Guarantees

As part of the syndicated debt facility Burson has guarantees to the value of $3,309,880 (30 June 2015: $1,872,000).

(b) Contingent liabilities

Burson had no significant contingent liabilities at 31 December 2015 (30 June 2015: nil).

17 Commitments

(a) Capital commitments

There are no further capital commitments outstanding as at the 31 December 2015 other than what is already disclosed in previous notes.

18 Business combination

(a) Summary of acquisitions

In July 2015 Burson acquired 100% of the share capital of Aftermarket Network Australia Pty Ltd (formerly Metcash Automotive Pty Ltd). In August 2015 Burson acquired the net assets of the Beaudesert store:

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Consolidated 31 Dec 2015		
	Beaudesert $'000	ANA $'000	Total $'000
Purchase consideration (refer to note (b) below):			
Cash paid	397	270,477	270,874
Contingent consideration	-	4,084	4,084
Share Issued	-	16,340	16,340
Total purchase consideration	397	290,901	291,298

The assets and liabilities recognised as a result of the acquisitions are provisionally recorded at fair value as follows:

	Fair value		
Cash and cash equivalents	1	6,264	6,265
Trade and other receivables	-	46,920	46,920
Inventories	153	56,344	56,497
Property, Plant and Equipment	-	7,226	7,226
Deferred tax asset	10	4,348	4,358
Brand names	-	43,211	43,211
Franchise agreements	-	24,335	24,335
Software	-	1,725	1,725
Trade and other payables	-	(44,431)	(44,431)
Current Provisions	(33)	(8,194)	(8,227)
Non-current provisions	-	(2,270)	(2,270)
Net identifiable assets acquired	131	135,478	135,609
Add: goodwill	266	155,423	155,689
Net assets acquired	397	290,901	291,298

Goodwill in relation to these acquisitions is related to the anticipated future profitability of their contribution to Burson's total business.

(b) Purchase consideration - cash outflow

Outflow of cash to acquire businesses, net of cash acquired			
Cash consideration	397	270,477	270,874
Less: balances acquired	(1)	(6,264)	(6,265)
Net outflow of cash	396	264,213	264,609

(c) Contingent consideration

As part of the acquisition of Aftermarket Network Australia Pty Ltd, Burson took on the existing obligation of a contingent payment relating to the purchase of the Opposite Lock business. This payment is due to the vendors of Opposite Lock if certain future targets are met by the Opposite Lock business. An estimate has been made of this future contingent payment and is currently accrued in the accounts at $4,084,000.

(d) Acquisition-related costs

Acquisition-related costs of $nil (31 December 2014: $nil) are included in other expenses in profit and loss and in operating cash flows in the consolidated statement of cash flows. In the financial year ending June 2015 transaction costs $4,211,000 were included "Capital raising and other transaction costs" in profit and loss for that period relating to the ANA acquisition.

19 Events occurring after the reporting period

Subsequent to the end of this reporting period on 11 February 2016, Burson announced entering into binding agreements to acquire Bearing Wholesalers and Precision Automotive Equipment. Burson's total investment in the acquisition will be $32M in cash and shares as set out below;

- Burson will issue 1,234,567 new shares at completion of these acquisitions which will be subject to voluntary escrow restrictions until 1 April 2017. For the purposes of the purchase consideration of these acquisitions, these shares will have a deemed value of $4.05 per share based on a volume weighted price of Burson shares in January 2016.
- Burson will pay cash of $19.4M to the relevant vendors; and
- Burson will pay the balance of the cash consideration over a three year period post completion.

Subject to fulfilment or waiver of a number of customary closing conditions, the acquisitions are expected to be completed by 1 April 2016.

No other or circumstance has occurred subsequent to half year end that has significantly affected, or may significantly affect, the operations of Burson, the results of those operations or the state of affairs of Burson or economic entity in subsequent financial years.

20 Net tangible asset backing

	31 Dec 2015 cents per share	30 June 2015 cents per share
Net tangible asset backing per share	0.097	0.761

A large proportion of the Group's assets are intangible in nature, consisting of goodwill relating to businesses acquired, and software. These assets are excluded from the calculation of net tangible assets per security.

Net assets per share at 31 December 2015 was $1.424 (30 June 2015: $1.215) cents per share.

Directors' declaration

In the Directors' opinion:

a) the financial statements, comprising; the consolidated statement of comprehensive income; consolidated statement of financial position; consolidated statement of changes in equity; consolidated statement of cash flows; and accompanying notes, are in accordance with the *Corporations Act 2001*, including:

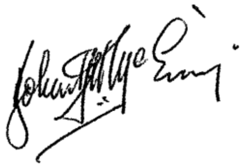
   i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b) there are reasonable grounds to believe that Burson Group Limited will be able to pay its debts as and when they become due and payable; and

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

On behalf of the Board of Burson Group Limited,



Robert McEniry
Chairman

Melbourne
18 February 2016

Independent auditor's review report to the members of Burson Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Burson Group Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Burson Group Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled 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 thehalf-year financial report based on our review. We conducted our review in accordance with Australian 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 2015 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 Burson Group 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*.

PricewaterhouseCoopers, ABN 52 780 433 757
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T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Independent auditor's review report to the members of Burson Group Limited

Report on the Half-Year Financial Report (continued)

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 Burson Group 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 2015 and of its performance for the half-year ended on that date;

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

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the company for the half-year ended 31 December 2015 included on Burson Group Limited's web site. The company's directors are responsible for the integrity of the Burson Group Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

PricewaterhouseCoopers

Daniel Rosenberg
Partner

Melbourne
18 February 2016

Corporate information

Directors
Robert McEniry (Independent, Non-Executive Chairman)
Darryl Abotomey (Managing Director and Chief Executive Officer)
Andrew Harrison (Independent, Non-Executive Director)
Therese Ryan (Independent, Non-Executive Director)

Company Secretary
Gregory Fox

Registered office
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Share registry
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Auditor
PricewaterhouseCoopers
Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006

Stock exchange listing
Burson Group Limited shares are listed on the Australian Securities Exchange (ASX: BAP)

Website
www.burson.com.au