



24 August 2017

Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Electronic lodgement via ASX Online

Asaleo Care Limited (AHY) – Appendix 4D for the half year ended 30 June 2017

In accordance with ASX Listing Rule 4.2A.3, please find attached the Appendix 4D for the half year ended 30 June 2017 for immediate release. The Appendix 4D incorporates the Interim Financial Report.

Yours sincerely,

A handwritten signature in black ink, appearing to be "James Orr", written in a cursive style.

James Orr
Company Secretary

Appendix 4D Rule 4.2A.3

Half year report

Asaleo Care Limited
ABN 61 154 461 300

1. Details of reporting period and the previous corresponding period

Reporting Period: half year ended 30 June 2017
 Previous Corresponding Period: half year ended 30 June 2016

2. Results for announcement to the market

Key information	30 June 2017				30 June 2016	
Statutory results*						
2.1 Revenue from ordinary activities (thousands)	294,246	Up	1%	from	292,704	
2.2 Net profit after tax for the period attributable to members (thousands)	27,676	Up	11%	from	24,937	
2.3 Basic earnings per share (cents)	5.1	Up	16%	from	4.4	
2.4 Diluted earnings per share (cents)	5.1	Up	16%	from	4.4	
Underlying results*						
2.1 Revenue from ordinary activities (thousands)	294,246	Up	1%	from	292,704	
2.2 Net profit after tax for the period attributable to members (thousands)	28,246	Up	4%	from	27,116	
2.3 Basic earnings per share (cents)	5.2	Up	8%	from	4.8	
2.4 Diluted earnings per share (cents)	5.2	Up	8%	from	4.8	

Dividends	Amount per security	Franked amount per security
<i>Current Period</i>		
2.5 Interim dividend ⁽¹⁾	4.0 cents	50%
2.5 Final dividend (in respect of prior year) ⁽¹⁾	6.0 cents	50%
<i>Previous corresponding period</i>		
2.5 Interim dividend	4.0 cents	50%
2.5 Final unfranked dividend	6.0 cents	Nil

2.6 Record date for determining entitlements to the dividend	30 August 2017
2.6 Payment date	21 September 2017

	30 June 2017	30 June 2016
2.7 Net tangible asset backing per ordinary security (cents per share)	19.3	21.6

(1) The Conduit Foreign Income component on the interim dividend is 1.6 cents per share (final dividend 1.5 cents per share)

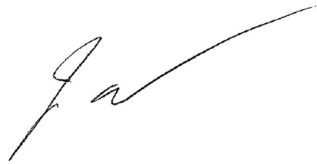
For explanation of the figures reported above or other item(s) of importance not previously released to the market, please refer to the attached Interim Financial Report (which incorporates the Directors' Report and Financial Statements).

*** Supplementary comments**

As required for statutory reporting purposes, the statutory financial information for Asaleo Care Limited (the Company) and its controlled entities (collectively referred to as the Asaleo Care Group) has been presented for the financial period ended 30 June 2017 and for the comparative period ended 30 June 2016.

A reconciliation between the 2017 Underlying financial information and Asaleo Care Group's statutory financial information is included in Note 3(c) of the Interim Financial Report.

The statutory results in this Report are based on the Interim Financial Report which has been reviewed by PwC.

A handwritten signature in black ink, appearing to be 'James Orr', written in a cursive style.

James Orr
Company Secretary

Date: 24 August 2017



Asaleo Care Limited

ABN 61 154 461 300

Interim Financial Report

for the half year ended

30 June 2017

Asaleo Care Limited

ABN 61 154 461 300

Interim Financial Report - 30 June 2017

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Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Asaleo Care Limited and the entities it controlled at the end of, or during, the half year ended 30 June 2017.

Directors

The following persons were directors of Asaleo Care Limited during the half year ended 30 June 2017:

Harry Boon	Independent Non-Executive Director
Peter Diplaris	Chief Executive Officer and Managing Director
Mats Berencrutz	Non-Executive Director (nominee of Essity AB)
Robert Sjöström	Non-Executive Director (nominee of Essity AB)
Sue Morphet	Independent Non-Executive Director
JoAnne Stephenson	Independent Non-Executive Director

Review of operations

A review of operations of the Group during the half year, and the results of those operations is contained in Asaleo Care Limited's statement to the Australian Stock Exchange and the Investor Results Release dated 24 August 2017.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial period were as follows:

- On 20 June 2017, Asaleo Care Limited entered into a sale and leaseback agreement for the Springvale manufacturing site. The gross proceeds from the transaction were \$22,400,000 with the profit on disposal being \$9,275,000 before tax. The lease entered into is for a 7 year period with two 5 year option periods (exercisable at the company's discretion) at a market based rent.

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 2.

Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This Directors' Report is made in accordance with a resolution of Directors.



JoAnne Stephenson
Director

Dated this 24th day of August 2017



Auditor's Independence Declaration

As lead auditor for the review of Asaleo Care Limited for the half-year ended 30 June 2017, 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 Asaleo Care Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Alison Tait'.

Alison Tait
Partner
PricewaterhouseCoopers

Melbourne
24 August 2017

Asaleo Care Limited
Consolidated Statement of Comprehensive Income
For the half year 30 June 2017

	Notes	Consolidated entity 30 June 2017 \$'000	30 June 2016 \$'000
Revenue from continuing operations			
Sale of goods	3(b)	294,246	292,704
Other revenue from ordinary activities		710	383
		294,956	293,087
Other income		9,301	79
Expenses			
Cost of sales of goods		(178,252)	(177,021)
Other expenses from ordinary activities:			
Distribution		(34,187)	(37,144)
Sales and administration		(32,998)	(32,401)
Other	3(c)	(13,961)	(6,075)
Finance costs	3(c)	(5,984)	(5,370)
Profit before income tax	3(c)	38,875	35,155
Income tax expense		(11,199)	(10,218)
Profit for the period		27,676	24,937
 <i>Item that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges	8	(1,214)	(5,060)
Exchange differences on translation of foreign operations	8	(2,049)	3,156
Income tax relating to these items	8	650	1,014
		(2,613)	(890)
Other comprehensive income (loss) for the period, net of tax			
Total comprehensive income for the period		25,063	24,047
 Total comprehensive income for the period attributable to:			
Owners of Asaleo Care Limited		25,063	24,047
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	4	5.1	4.4
Diluted earnings per share	4	5.1	4.4

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Asaleo Care Limited
Consolidated Balance Sheet
As at 30 June 2017

	Notes	Consolidated entity 30 June 2017 \$'000	31 December 2016 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		27,036	30,348
Trade receivables		18,642	20,628
Inventories		156,161	164,656
Derivative financial instruments		889	2,911
Other current assets		4,610	5,438
Total current assets		207,338	223,981
Non-current assets			
Property, plant and equipment	6	345,658	358,531
Intangible assets		190,227	190,785
Total non-current assets		535,885	549,316
Total assets		743,223	773,297
LIABILITIES			
Current liabilities			
Trade payables		62,190	56,533
Other payables		19,384	18,670
Current tax liabilities		6,184	4,028
Derivative financial instruments		3,314	4,199
Employee provisions		19,645	20,322
Total current liabilities		110,717	103,752
Non-current liabilities			
Borrowings		297,351	323,686
Deferred tax liabilities		39,309	37,818
Employee provisions		639	653
Total non-current liabilities		337,299	362,157
Total liabilities		448,016	465,909
Net assets		295,207	307,388
EQUITY			
Contributed equity	7	260,815	265,303
Other reserves	8	36,176	38,789
Retained (losses) / earnings		(1,784)	3,296
Total equity		295,207	307,388

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Asaleo Care Limited
Consolidated Statement of Changes in Equity
For the half year 30 June 2017

Consolidated entity	Notes	Attributable to owners of Asaleo Care Limited			Total equity
		Contributed equity	Reserves	Retained earnings/ (losses)	
		\$'000	\$'000	\$'000	
Balance at 1 January 2016		298,226	34,153	735	333,114
Profit for the period		-	-	24,937	24,937
Other comprehensive (loss) / income		-	(890)	-	(890)
Total comprehensive income for the period		-	(890)	24,937	24,047
Transactions with owners in their capacity as owners:					
Buy-back of shares, net of transaction costs and tax		(11,882)	-	-	(11,882)
Dividends provided for or paid		-	-	(33,988)	(33,988)
Share-based payments		-	145	-	145
		(11,882)	145	(33,988)	(45,725)
Balance at 30 June 2016		286,344	33,408	(8,316)	311,436
Balance at 1 January 2017		265,303	38,789	3,296	307,388
Profit for the period		-	-	27,676	27,676
Other comprehensive (loss) / income		-	(2,613)	-	(2,613)
Total comprehensive income for the period		-	(2,613)	27,676	25,063
Transactions with owners in their capacity as owners:					
Buy-back of shares, net of transaction costs and tax	7	(4,488)	-	-	(4,488)
Dividends provided for or paid	5	-	-	(32,756)	(32,756)
Balance at 30 June 2017		260,815	36,176	(1,784)	295,207

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Asaleo Care Limited
Consolidated Statement of Cash Flows
For the half year 30 June 2017

	Notes	Consolidated entity 30 June 2017 \$'000	30 June 2016 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		326,331	323,063
Payments to suppliers and employees (inclusive of goods and services tax)		(260,243)	(275,049)
		66,088	48,014
Income taxes paid		(6,404)	(5,018)
Interest received		122	153
Borrowing costs		(5,595)	(5,298)
Net cash inflow from operating activities		54,211	37,851
Cash flows from investing activities			
Payments for property, plant and equipment	6	(16,003)	(13,528)
Proceeds from sale of property, plant and equipment	6	22,426	35
Net cash inflow / (outflow) from investing activities		6,423	(13,493)
Cash flows from financing activities			
Proceeds from borrowings		43,500	50,000
Payments for shares bought back	7	(4,488)	(11,878)
Share buy-back transaction costs		-	(57)
Repayment of borrowings		(70,000)	(25,000)
Dividends paid to company's shareholders		(32,756)	(33,988)
Transaction costs for debt refinance		-	(25)
Net cash (outflow) from financing activities		(63,744)	(20,948)
Net (decrease) / increase in cash and cash equivalents		(3,110)	3,410
Cash and cash equivalents at the beginning of the financial year		30,348	35,153
Effects of exchange rate changes on cash and cash equivalents		(202)	269
Cash and cash equivalents at end of period		27,036	38,832

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these Consolidated Interim Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Interim Financial Statements are for the consolidated entity consisting of Asaleo Care Limited and its subsidiaries.

(a) Basis of preparation of interim report

This Condensed Consolidated Interim Financial Report for the half year ended 30 June 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Condensed Consolidated Interim Financial Report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual report of the consolidated entity as at and for the year ended 31 December 2016 and any public announcements made by Asaleo Care Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied by the consolidated entity in this Condensed Consolidated Interim Financial Report are consistent with those applied in the Annual Report for the year ended 31 December 2016.

This Financial Report is presented in Australian dollars with all values rounded to the nearest thousand dollars or where the amount is \$500 or less, zero, unless otherwise stated. This relief was previously provided by the Australian Securities and Investments Commission Class Order 98/100, however has been replaced with the Relief in ASIC Corporations (Rounding in Financial/Director's Reports) instrument 2016/191.

(b) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not yet been applied in the financial statements. The Group's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 *Financial Instruments* simplifies the model for classifying and recognising financial instruments and aligns hedge accounting more closely with common risk management practices. Changes in own credit risk in respect of liabilities designated at fair value through profit or loss shall now be presented within OCI; this change can be adopted early without adopting AASB 9.

AASB 9's new impairment model is a move away from AASB 139's incurred credit loss approach to an expected credit loss model. Earlier recognition of impairment losses is likely to result and for entities with significant lending activities, an overhaul of related systems and processes will be needed.

The new accounting standard is mandatory for the Group's 31 December 2018 Consolidated Financial Statements. The potential effect of the new and amending standards on the financial results of the consolidated entity upon adoption has yet to be fully determined.

AASB 15 *Revenue from contracts with customers* is the new standard for revenue recognition. This 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 notion of control replaces the existing notion of risks and rewards.

AASB 15 is effected for annual periods beginning on or after 1 January 2018. Management does not expect to early adopt this standard. Management is currently assessing the impact of the new rules and has not identified any major components of revenue that are likely to be affected. A more detailed assessment of the impact resulting from the application of AASB15 is underway and additional quantitative information will be disclosed prior to AASB 15 being adopted.

1 Summary of significant accounting policies (continued)

AASB 16 *Leases* introduces a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exceptions for short-term leases and leases of low value items. The new accounting standard is in effect for the annual periods starting on or after 1 January 2019. Management does not expect to early adopt this standard.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 Critical accounting estimates and judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amount of cash-generating units (CGUs) have been determined based on value-in-use calculations. These calculations require the use of assumptions for each CGU.

(ii) Indefinite useful lives of brands

Management have determined that all of the Group's brands have indefinite useful lives. These assets have no legal or contractual expiry date and are integral to the future of revenue generation. Management intends to continue to promote, maintain and defend the brands to the extent necessary to maintain their value for the foreseeable future.

No factors have been identified in the period that would alter the Group's assumption of indefinite useful life for the brands.

(iii) Income taxes

The Group is subject to income taxes in Australia and foreign jurisdictions. The calculation of the Group's tax charge involves a degree of estimation and judgement. There are transactions and calculations for which the ultimate tax determination is uncertain.

The Group has recognised deferred tax assets relating to carried forward tax offsets. The assumptions regarding future realisation of deferred tax assets may change due to future operating performance and other factors.

(iv) Customer rebates

Trade receivables are disclosed net of rebates payable. The Group has the legal right to offset such balances as they are with the same customers and it is the Group's intention to net settle any outstanding items.

The main judgement related to accruals for customer rebates is the timing and extent to which temporary promotional activities has occurred prior to period end. Customer rebates consist primarily of customer pricing allowances and promotional allowances, which are governed by agreements with trade customers (retailers and distributors). Accruals are recognised under the terms of these agreements, to reflect the expected promotional activity and our historical experience.

3 Segment information

(a) Description of segments

Asaleo Care is a leading Personal Care and Hygiene Company that manufactures, markets, distributes and sells essential everyday consumer products across the Feminine Care, Incontinence Care, Baby Care, Consumer Tissue and Professional Hygiene product categories.

The consolidated entity is organised on an international basis into the following reporting segment:

Reporting Segment	Description
Tissue	This segment manufactures and markets personal toilet tissue, paper towel, facial tissue, napkins and other tableware products within Australia, New Zealand and Pacific Islands. All Pacific Islands product sales are recognised in the Tissue segment.
Personal Care	This segment manufactures and markets personal hygiene products and nappies within Australia and New Zealand.

Reporting segments and their related results below are consistent with the Group's internal reporting provided to the chief operating decision makers, being the Chief Executive Officer, Chief Financial Officer and other Executives (senior management). These Asaleo Care senior personnel provide strategic direction and management oversight of the entity in terms of monitoring results and approving strategic planning for the business.

(b) Segment information provided to senior management

Reportable segment information provided to senior management for the half year ended 30 June is as follows

	30 Jun 2017			30 June 2016		
	Tissue	Personal Care	Total	Tissue	Personal Care	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	206,699	87,547	294,246	205,306	87,398	292,704
Underlying EBITDA	32,745	28,166	60,911	27,668	30,885	58,553

(c) Underlying EBITDA

Senior management assess the performance of the operating segments based on a measure of underlying EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, finished goods inventory reduction initiative, nappy machine upgrade and relocation, and abnormal third party warehouse expenses. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

3 Segment information (continued)

A reconciliation of underlying EBITDA to operating profit before income tax is provided as follows:

	Consolidated entity	
	30 June 2017 \$'000	30 June 2016 \$'000
Underlying EBITDA	60,911	58,553
Finance costs	(5,984)	(5,370)
Interest received	122	153
Depreciation	(14,807)	(15,231)
Amortisation	(35)	(11)
Profit on sale of Springvale Site	9,275	-
Restructuring costs *	(861)	(655)
Nappy machine upgrade and relocation *	(171)	(1,425)
Non-recurring manufacturing expenses *	-	(859)
Finished goods inventory reduction initiative *	(8,499)	-
Abnormal third party warehouse expenses *	(1,076)	-
Profit before income tax from continuing operations	38,875	35,155

* These expenses are included in other expenses in the Consolidated Statement of Comprehensive Income

4 Earnings per share

(a) Earnings per share

	Consolidated entity	
	30 June 2017 Cents	30 June 2016 Cents
Basic earnings per share	5.1	4.4
Diluted earnings per share	5.1	4.4

(b) Weighted average number of shares used as denominator

	Consolidated entity	
	2017 Number	2016 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	545,115,268	563,645,428
Adjustments for calculation of diluted earnings per share:		
Share rights	-	374,586
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	545,115,268	564,020,014

5 Dividends

Ordinary shares

	Consolidated entity	
	30 June 2017 \$'000	30 June 2016 \$'000
2016 final dividend at 6.0 cents per share (2015: 6.0 cents per share)	32,756	33,988

Dividends not recognised at the end of the reporting period

Since period end the Directors have recommended the payment of a final dividend of 4.0 cents per fully paid ordinary share, the dividend will be partially franked as the Group does not currently have sufficient Australian franking credits available to fully frank the distribution. The aggregate amount of the proposed dividend expected to be paid on 21 September 2017 out of the dividend appropriation reserve at 30 June 2017, but not recognised as a liability at period end, is \$21,725,000.

Franking account

The interim dividend for 2017 is 50% franked (2016 interim dividend: 50%). The Company is of the opinion that sufficient franking credits will arise from tax instalments expected to be paid in the year ending 31 December 2017.

6 Property, Plant and Equipment

On 20 June 2017, Asaleo Care Limited entered into a sale and leaseback agreement for the Springvale manufacturing site. The gross proceeds from the transaction were \$22,400,000 with the profit on disposal being \$9,275,000 before tax. The lease entered into is for a 7 year period with two 5 year option periods (exercisable at the company's discretion) at a market based rent. The total contracted commitment over the 7 year period is \$11,335,000.

	Freehold land \$'000	Buildings \$'000	Plant and equipment \$'000	Capital development \$'000	Total \$'000
Half Year ended 30 June 2017					
Opening net book amount 1 January 2017	34,947	60,444	246,070	17,070	358,531
Exchange differences	(41)	(158)	(898)	19	(1,078)
Reclassification of Asset Class	-	39	8,320	(8,359)	-
Additions	-	3	1,634	14,366	16,003
Disposals	(7,400)	(5,002)	(586)	(3)	(12,991)
Depreciation	-	(2,110)	(12,697)	-	(14,807)
Closing net book amount	27,506	53,216	241,843	23,093	345,658

7 Contributed equity

(a) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	\$'000
1 January 2016	Opening balance	566,472,198	-	298,226
	Share buy-back	(20,545,693)	\$1.60	(32,918)
	Transaction costs on share buy-back	-	-	(7)
	Deferred tax credit directly in equity	-	-	2
31 December 2016		545,926,505	-	265,303
	Share buy-back	(2,804,014)	\$1.60	(4,488)
30 June 2017		543,122,491		260,815

(b) Share buy-back

The Group announced on 26 August 2015 that it would undertake an on-market share buy-back as part of its the ongoing capital management strategy. The shares were acquired at an average price of \$1.60 for the six months to 30 June 2017 (2016: \$1.60 per share), with prices ranging from \$1.52 to \$1.66 (2016: \$1.43 to \$2.05).

The share buy-back was completed on 17 May 2017. During the buy-back the shares were acquired at an average price of \$1.65, with prices ranging from \$1.43 to \$2.05, totalling 60,346,943 shares.

8 Reserves

	Consolidated entity	
	30 June 2017 \$'000	31 December 2016 \$'000
Movements:		
<i>Cash flow hedges</i>		
Opening balance	(491)	(1,311)
Revaluation - gross	(1,214)	1,181
Deferred tax	368	(361)
	<u>(1,337)</u>	<u>(491)</u>
<i>Share-based payments</i>		
Opening balance	15,861	16,166
Share plan expense	-	223
Employee Share Trust to employees	-	(528)
	<u>15,861</u>	<u>15,861</u>
<i>Foreign currency translation</i>		
Opening balance	23,419	19,298
Currency translation differences arising during the year	(2,049)	4,792
Deferred tax	282	(671)
	<u>21,652</u>	<u>23,419</u>

9 Events occurring after the reporting period

No other matters occurred after the reporting date.

Directors' Declaration

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 1 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half year on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Note 1 confirms that the interim financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



JoAnne Stephenson
Director

Dated this 24th day of August 2017



Independent auditor's review report to the shareholders of Asaleo Care Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Asaleo Care Limited (the Company), which comprises the consolidated balance sheet as at 30 June 2017, 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 Asaleo Care Limited (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled during that 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 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 30 June 2017 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 Asaleo Care 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
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au



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 Asaleo Care Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


PricewaterhouseCoopers


Alison Tait
Partner

Melbourne
24 August 2017