Appendix 4D

Half-year financial report

For the half-year ended 31 December 2018

JB Hi-Fi Limited

ACN 093 220 136

This half-year financial report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3.

JB Hi-Fi Limited

ACN 093 220 136

Reporting period

Half-year ended 31 December 2018

Comparative period

Half-year ended 31 December 2017

Results for announcement to the market

		Percentage change %		*Amount $m*
Revenue from ordinary activities	up	4.17%	to	3,843.7
Profit from ordinary activities after tax	up	5.54%	to	160.1
Net profit attributable to members of JB Hi-Fi Limited	up	5.54%	to	160.1

Dividend information

	Amount per security	*Franked amount per security*
Final dividend – year ended 30 June 2018	46.0¢	46.0¢
Interim dividend – year ended 30 June 2019	91.0¢	91.0¢

Record date for determining entitlements to the dividend:	
• final dividend	24 August 2018
• interim dividend	22 February 2019
Dividend payment date:	
• final dividend	7 September 2018
• interim dividend	8 March 2019

Net Tangible Assets Per Security

	31 Dec 2018 $	*31 Dec 2017 $*
Net tangible assets/(liabilities) per security	0.09	(0.61)

Other information

This report is based on the consolidated financial statements which have been reviewed by Deloitte.

For a brief explanation of the figures above please refer to the Announcement on the results for the half-year ended 31 December 2018 and the notes to the financial statements.

JB Hi-Fi Limited

ACN 093 220 136

Half-year financial report
for the half-year ended 31 December 2018

JB Hi-Fi Limited
Half-year financial report
for the half-year ended 31 December 2018

Contents

This half-year 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 2018 and any public announcements made by JB Hi-Fi Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' report

The directors of JB Hi-Fi Limited ("the Company") submit herewith the half-year financial report of the consolidated entity consisting of the Company and the entities it controlled ("the Group") for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The following persons held office as directors of JB Hi-Fi Limited during and since the end of the financial period:

Mr Greg Richards (Chairman)
Ms Beth Laughton
Mr Mark Powell
Mr Stephen Goddard
Ms Wai Tang
Mr Richard Uechtritz
Mr Richard Murray

Review of operations

The Group's net profit attributable to owners of JB Hi-Fi Limited for the half-year was $160.1 million (2017: $151.7 million). A review of the operations of the Group during the half-year and the results of these operations are set out in the Announcement on the results for the half-year ended 31 December 2018.

Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year financial report.

Rounding off of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the Directors' report and the half-year financial report are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors

Richard Murray
Group Chief Executive Officer

Melbourne,
11 February 2019

Deloitte Touche Tohmatsu
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The Board of Directors
JB Hi-Fi Limited
Level 4, Office Tower 2
Chadstone Shopping Centre
1341 Dandenong Road
CHADSTONE VIC 3148

11 February 2019

Dear Board Members

JB Hi-Fi Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of JB Hi-Fi Limited.

As lead audit partner for the review of the financial statements of JB Hi-Fi Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Travis Simkin
Partner
Chartered Accountants

Deloitte.

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Independent Auditor's Review Report to the members of JB Hi-Fi Limited

We have reviewed the accompanying half-year financial report of JB Hi-Fi Limited, which comprises the condensed consolidated balance sheet as at 31 December 2018, the condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 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 JB Hi-Fi 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.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of JB Hi-Fi Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of JB Hi-Fi 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 2018 and of its performance for the half-year ended on that date; and

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Travis Simkin
Partner
Chartered Accountants
Melbourne, 11 February 2019

Directors' declaration

The directors declare that:

(a) in the directors' opinion, 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

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors

Richard Murray
Group Chief Executive Officer

Melbourne,
11 February 2019

	Notes	Half-year ended 31 December 2018 $m	31 December 2017 $m
Revenue		**3,843.7**	3,689.8
Cost of sales		**(3,015.7)**	(2,895.9)
Gross Profit		**828.0**	793.9
Other income		**1.2**	0.6
Sales and marketing expenses		**(379.3)**	(357.4)
Occupancy expenses		**(151.4)**	(148.4)
Administration expenses		**(24.6)**	(25.6)
Other expenses		**(36.9)**	(37.1)
Finance costs		**(7.1)**	(8.3)
Profit before tax		**229.9**	217.7
Income tax expense		**(69.8)**	(66.0)
Profit for the half-year attributable to Owners of the Company		**160.1**	151.7

	Notes	**Cents**	Cents
Earnings per share			
Basic (cents per share)	3	**139.4**	132.2
Diluted (cents per share)	3	**138.0**	131.0

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

	Half-year ended 31 December 2018 $m	Half-year ended 31 December 2017 $m
Profit for the half-year	**160.1**	151.7
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of cash flow hedges (net of tax)	**0.4**	0.5
Exchange differences on translation of foreign operations	**1.3**	(1.5)
Other comprehensive income for the half-year (net of tax)	**1.7**	(1.0)
Total comprehensive income for the half-year attributable to Owners of the Company	**161.8**	150.7

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Notes	**31 December 2018 $m**	30 June 2018 $m	31 December 2017 $m
ASSETS				
Current assets				
Cash and cash equivalents		**117.1**	72.0	182.7
Trade and other receivables	5	**307.7**	204.7	302.2
Inventories		**1,076.4**	891.1	986.7
Other current assets		**41.2**	42.7	45.3
Total current assets		**1,542.4**	1,210.5	1,516.9
Non-current assets				
Plant and equipment		**206.8**	198.0	207.2
Deferred tax assets		**7.3**	-	-
Intangible assets	6	**1,037.3**	1,037.3	1,037.3
Other non-current assets		**43.2**	45.9	47.7
Total non-current assets		**1,294.6**	1,281.2	1,292.2
Total assets		**2,837.0**	2,491.7	2,809.1
LIABILITIES				
Current liabilities				
Trade and other payables	7	**1,015.5**	665.3	1,048.4
Deferred revenue		**169.5**	150.5	150.2
Provisions		**88.6**	83.5	82.4
Other current liabilities		**7.1**	8.3	8.0
Current tax liabilities		**26.4**	9.6	28.0
Total current liabilities		**1,307.1**	917.2	1,317.0
Non-current liabilities				
Borrowings	8	**330.8**	469.4	374.2
Deferred revenue		**96.5**	103.7	102.8
Provisions		**12.6**	12.5	11.7
Deferred tax liabilities		**-**	5.7	8.4
Other non-current liabilities		**34.8**	35.6	36.3
Total non-current liabilities		**474.7**	626.9	533.4
Total liabilities		**1,781.8**	1,544.1	1,850.4
Net assets		**1,055.2**	947.6	958.7
EQUITY				
Contributed equity	10	**434.6**	441.7	441.5
Reserves		**50.1**	42.7	36.7
Retained earnings		**570.5**	463.2	480.5
Total equity		**1,055.2**	947.6	958.7

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

	Notes	Contributed equity $m	Equity-settled benefits reserve $m	Foreign currency translation reserve $m	Hedging reserves $m	Common control reserve $m	Retained earnings $m	Total equity $m
Balance at 1 July 2017		**438.7**	**34.6**	**4.9**	**(0.2)**	**(6.1)**	**381.6**	**853.5**
Profit for the half-year		-	-	-	-	-	151.7	151.7
Cash flow hedges (net of tax)		-	-	-	0.5	-	-	0.5
Exchange difference on translation of foreign operations		-	-	(1.5)	-	-	-	(1.5)
Total comprehensive income for the half-year		**-**	**-**	**(1.5)**	**0.5**	**-**	**151.7**	**150.7**
Issue of shares under share option plans	10	2.8	-	-	-	-	-	2.8
Dividends provided for or paid	4	-	-	-	-	-	(52.8)	(52.8)
Share-based payments - expense		-	4.0	-	-	-	-	4.0
Share-based payments - income tax		-	0.5	-	-	-	-	0.5
Balance at 31 December 2017		**441.5**	**39.1**	**3.4**	**0.3**	**(6.1)**	**480.5**	**958.7**
Balance at 1 July 2018		**441.7**	**43.5**	**3.6**	**1.7**	**(6.1)**	**463.2**	**947.6**
Profit for the half-year		-	-	-	-	-	160.1	160.1
Cash flow hedges (net of tax)		-	-	-	0.4	-	-	0.4
Exchange difference on translation of foreign operations		-	-	1.3	-	-	-	1.3
Total comprehensive income for the half-year		**-**	**-**	**1.3**	**0.4**	**-**	**160.1**	**161.8**
Allocation of shares under share option plans	10	1.8	-	-	-	-	-	1.8
Dividends provided for or paid	4	-	-	-	-	-	(52.8)	(52.8)
Share-based payments - expense		-	5.4	-	-	-	-	5.4
Share-based payments - income tax		-	0.3	-	-	-	-	0.3
Acquisition of shares by employee share trust	10	(8.9)	-	-	-	-	-	(8.9)
Balance at 31 December 2018		**434.6**	**49.2**	**4.9**	**2.1**	**(6.1)**	**570.5**	**1,055.2**

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

	Notes	Half-year ended 31 December 2018 $m	31 December 2017 $m
Cash flows from operating activities			
Receipts from customers		**4,223.0**	4,036.0
Payments to suppliers and employees		**(3,877.6)**	(3,594.9)
Interest received		**0.4**	0.2
Interest and other finance costs paid		**(6.9)**	(8.7)
Income taxes paid		**(58.6)**	(58.9)
Net cash inflow from operating activities	9	**280.3**	373.7
Cash flows from investing activities			
Payments for plant and equipment		**(36.5)**	(30.4)
Proceeds from sale of plant and equipment		**0.1**	0.2
Net cash (outflow) from investing activities		**(36.4)**	(30.2)
Cash flows from financing activities			
Proceeds from issue of shares	10	**1.8**	2.8
Repayment of borrowings		**(139.2)**	(183.8)
Payments for shares acquired by the employee share trust	10	**(8.9)**	-
Dividends paid to owners of the Company	4	**(52.8)**	(52.8)
Net cash (outflow) from financing activities		**(199.1)**	(233.8)
Net increase in cash and cash equivalents		**44.8**	109.7
Cash and cash equivalents at the beginning of the half-year		**72.0**	72.8
Effects of exchange rate changes on cash and cash equivalents		**0.3**	0.2
Cash and cash equivalents at end of the half-year		**117.1**	182.7

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

1 Summary of significant accounting policies

This general purpose financial report for the half-year ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This half-year 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 2018 and any public announcements made by JB Hi-Fi Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2018 annual financial report for the financial year ended 30 June 2018, except for the impact of the adoption of the new and revised accounting policies discussed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Comparative figures are shown for 31 December 2017 in addition to 30 June 2018 in the balance sheet due to the seasonality of the business and the impact this has on working capital. There has been no restatement of figures in prior periods.

(b) New accounting standards and interpretations

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

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

(i) AASB 9 *Financial Instruments* and related amending Standards

The Group has adopted AASB 9 *Financial Instruments* from 1 July 2018 which replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, a new model for calculating the provision for doubtful debts (now termed the credit loss allowance), and new hedge accounting requirements.

The impact on the Group from the adoption of AASB 9 is set out below.

Credit losses on trade receivables

The Group has elected to apply the simplified approach to measuring expected credit losses, using the lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. A provision matrix is then determined based on the historic credit loss rate for each group, adjusted for any material expected changes to the future credit risk for that group.

The difference between the credit loss allowances calculated under AASB 9 compared to the incurred loss calculated under AASB 139 is not material to the Group.

Hedge accounting

In accordance with the transition provisions of AASB 9 for hedge accounting, the Group has applied the AASB 9 hedge accounting requirements prospectively from the date of initial application on 1 July 2018. There has been no change in the Groups transactions that are subject to hedge accounting from the adoption of AASB 9, being the interest rate swaps, caps and forward foreign currency exchange contracts. Accordingly, there has been no impact on the hedging reserve from the adoption of AASB 9.

1 Summary of significant accounting policies (continued)

(b) New accounting standards and interpretations (continued)

(ii) AASB 15 *Revenue from Contracts with Customers* and related amending Standards

The Group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018, which replaces AASB 118 *Revenue*.

AASB 15 establishes a principles-based approach for revenue recognition whereby revenue is recognised when performance obligations are satisfied and the control of goods or services is transferred. The standard applies a five-step approach to the timing of revenue recognition and is applicable to all contracts with customers, except those in the scope of other standards, replacing the separate models for goods, services and construction contracts under the previous accounting standards.

The major sources of the Group's revenue are from the sale of goods, commissions and rendering of services, which are each considered below.

Sale of goods

The adoption of AASB 15 has not impacted the timing of revenue recognition on the sale of goods, which continues to be recognised on a point in time basis.

In previous reporting periods, revenue from the sale of goods was recognised when the customer accepted the risks and rewards of ownership, which occurred at the point of sale or when the goods were collected/delivered. In applying AASB 15, revenue associated with the sale of goods is recognised when the performance obligation of the sale has been fulfilled and control of the goods has transferred to the customer, which continues to occur at the point of sale or when the goods are collected/delivered.

Gift cards and store credits are considered a prepayment for goods and services to be delivered in the future. The Group has an obligation to transfer the goods or services in the future - creating a performance obligation. The Group recognises deferred revenue for the amount of the prepayment and recognises revenue when the customer redeems the gift card or store credit and the Group fulfils the performance obligation related to the transaction or the likelihood of the gift card being redeemed by the customer is deemed remote.

In recognising revenue from the sale of goods, the Group considers its historical experience with sales returns to determine if it is 'highly probable' that a significant reversal of revenue will arise in the future.

Commissions

The Group acts as an agent in the sale of various products and services to customers such as telecommunication contracts. Under AASB 15, commissions associated with agency sales are recognised on a point in time basis when all performance obligations have been completed to entitle the Group to the commission.

There has been no change in the point of revenue recognition for commissions arising from the adoption of AASB 15.

Rendering of services

The Group generates revenue from the provision of various services including installation, customer delivery, IT services and extended care and customer support services.

Under AASB 15, revenue relating to installation, customer delivery and IT services is principally recognised on a point in time basis, which occurs upon completion of the service given the short time period over which the services are provided.

Revenue relating to extended care and customer support services is recognised over the period of cover where the Group retains the responsibility for the performance obligations associated with the services and at point of sale when a third party assumes the responsibility for the performance obligations associated with the services. Amounts collected for services not yet provided are recorded as deferred revenue in the balance sheet.

The adoption of AASB 15 has not impacted the timing of revenue recognition for services revenue.

Timing of revenue recognition

As described above, the Group's revenue is principally generated on a 'point in time' basis, the amount of revenue recognised by the Group on an 'over time' basis is not material in the context of the Group's total revenue.

1 Summary of significant accounting policies (continued)

(b) New accounting standards and interpretations (continued)

(iii) AASB 2016-5 *Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions.*

The adoption of this amending Standard did not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

The effects of the following Standards that are issued but not yet effective are still being determined:

(i) AASB 16 *Leases* (effective 1 January 2019)

The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements.

Further to the disclosures made at 30 June 2018, the Group continues to progress its assessment of AASB 16. The Group has now completed its assessment of all leases that will be subject to the new standard and has collated all data associated with these leases. The Group has also elected to transition to the new standard using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under AASB 117, the Group can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group is assessing the potential impact of using these practical expedients.

A reliable estimate of the financial impact on the Group's consolidated results is dependent on a number of unresolved areas, including:

- Use of practical expedients on transition;
- Finalisation of approach to discount rates; and
- Estimates of lease-term for leases with options.

In addition, the financial impact is dependent on the facts and circumstances at the time of transition.

(c) Rounding off of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the Directors' report and the half-year financial report are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.

2 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer that are used to make strategic and operating decisions.

The Group Chief Executive Officer considers the business primarily from a brand and geographic perspective. On this basis management has identified three reportable segments, JB Hi-Fi Australia ("JB Aust"), JB Hi-Fi New Zealand ("JB NZ") and The Good Guys ("TGG"). The Group Chief Executive Officer monitors the performance of these three segments separately. The Group does not operate under any other brand or in any other geographic segment.

(b) Segment information provided to the Group Chief Executive Officer

The segment information provided to the Group Chief Executive Officer for the reportable segments for the half-year ended 31 December 2018 is as follows:

31 Dec 2018	**JB Aust** $m	**JB NZ** $m	**TGG** $m	**Intersegment eliminations** $m	**Total** $m
Revenue from external customers	2,591.3	121.7	1,130.7	-	3,843.7
EBITDA	211.8	2.2	50.3	-	264.3
Total segment assets	1,430.5	74.2	1,323.7	8.6	2,837.0
Total segment liabilities	1,237.3	37.7	498.2	8.6	1,781.8

31 Dec 2017	**JB Aust** $m	**JB NZ** $m	**TGG** $m	**Intersegment eliminations** $m	**Total** $m
Revenue from external customers	2,476.0	114.0	1,099.8	-	3,689.8
EBITDA	204.5	1.4	50.4	-	256.3
Total segment assets	1,427.1	59.0	1,365.5	(42.5)	2,809.1
Total segment liabilities	1,283.9	22.9	586.1	(42.5)	1,850.4

(i) EBITDA

The Group Chief Executive Officer assesses the performance of the operating segments based on a measure of EBITDA. This measurement basis excludes the effects of interest revenue, finance costs, income tax, depreciation, amortisation, impairment and non-operating intercompany charges.

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

	31 December 2018 **$m**	31 December 2017 $m
EBITDA	**264.3**	256.3
Interest revenue	**0.4**	0.2
Finance costs	**(7.1)**	(8.3)
Depreciation and impairment	**(27.7)**	(30.5)
Profit before income tax	**229.9**	217.7

3 Earnings per share

	31 December 2018 Cents	31 December 2017 Cents
Basic (cents per share)	**139.4**	132.2
Diluted (cents per share)	**138.0**	131.0

(a) Reconciliation of earnings used in calculating earnings per share

	31 December 2018 $m	31 December 2017 $m
Basic earnings per share		
Profit for the half-year attributable to owners of the Company	**160.1**	151.7
Diluted earnings per share		
Profit for the half-year attributable to owners of the Company	**160.1**	151.7

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

	31 December 2018 No. m	31 December 2017 No. m
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**114.9**	114.7
Adjustments for calculation of diluted earnings per share:		
Options	**1.1**	1.1
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**116.0**	115.8

Details of movements in ordinary shares during the current and prior half-year reporting periods are set out in note 10.

(c) Information concerning the classification of securities

Options

Options granted to employees under the Group's executive and employee share option plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

4 Dividends

	31 December 2018 Cents per share	31 December 2018 $m	31 December 2017 Cents per share	31 December 2017 $m
Recognised amounts				
Final dividend - previous financial year	**46.0**	**52.8**	46.0	52.8

	31 December 2018 Cents per share	31 December 2018 $m	31 December 2017 Cents per share	31 December 2017 $m
Unrecognised amounts				
Interim dividend - current financial year	**91.0**	**104.5**	86.0	98.8

In respect of the half-year ended 31 December 2018, the directors have recommended the payment of an interim dividend of 91.0 cents per share. The record date is 22 February 2019.

All dividends declared and subsequently paid by the Company are franked to 100% at the 30% corporate income tax rate.

5 Trade and other receivables

	31 December 2018 $m	30 June 2018 $m	31 December 2017 $m
Trade receivables	**72.7**	56.6	73.3
Allowance for doubtful debts	**(1.4)**	(1.1)	(1.1)
	71.3	55.5	72.2
Non-trade receivables	**236.4**	149.2	230.0
	307.7	204.7	302.2

6 Intangible assets

	Goodwill $m	**Brand names $m**	**Location premiums $m**	**Rights to profit share $m**	**Total $m**
Half-year 31 December 2017					
Opening net book amount	747.0	284.4	2.4	3.5	1,037.3
Closing net book amount	747.0	284.4	2.4	3.5	1,037.3
Half-year 31 December 2018					
Opening net book amount	747.0	284.4	2.4	3.5	1,037.3
Closing net book amount	747.0	284.4	2.4	3.5	1,037.3

The Group has performed an assessment of impairment indicators at the end of the reporting period, following the full impairment testing the was conducted at 30 June 2018. There were no indicators of impairment identified that required a full impairment test to be conducted at the end of the reporting period.

7 Trade and other payables

	31 December 2018 $m	30 June 2018 $m	31 December 2017 $m
Trade payables	**895.4**	582.0	934.8
Goods and services tax (GST) payable	**66.0**	37.3	51.1
Other creditors and accruals	**54.1**	46.0	62.5
	1,015.5	665.3	1,048.4

8 Borrowings

	31 December 2018 $m	30 June 2018 $m	31 December 2017 $m
Unsecured			
Bank loans	**330.8**	469.4	374.2

There have been no changes to the Group's borrowing facilities, the amount drawn at the end of each reporting period varies based on the Group's cash requirements.

In line with the Group's financial risk management policy, the Group has utilised an interest rate swap and interest rate cap over approximately 50% of the Group's borrowings to mitigate the risk of changing interest rates on the variable rate debt held.

9 Reconciliation of profit after income tax to net cash inflow from operating activities

	Half-year ended	
	31 December 2018 $m	31 December 2017 $m
Profit for the half-year	**160.1**	151.7
Depreciation and amortisation	**27.7**	30.5
Non-cash employee benefits expense - share-based payments	**5.4**	4.0
Net loss on disposal of non-current assets	**0.2**	-
Fair value adjustment to derivatives	**0.4**	0.5
Change in operating assets and liabilities:		
(Increase) decrease in inventories	**(183.8)**	(128.9)
(Increase) decrease in current receivables	**(100.6)**	(109.2)
(Increase) decrease in other current assets	**4.2**	(4.7)
(Decrease) increase in deferred tax liabilities	**(13.0)**	(7.7)
(Decrease) increase in current payables	**347.5**	404.6
(Decrease) increase in current provisions	**6.1**	6.2
(Decrease) increase in other current liabilities	**(1.1)**	(0.5)
(Decrease) increase in deferred revenue	**11.8**	11.6
(Decrease) increase in non-current provisions	**0.2**	(0.1)
(Decrease) increase in other non-current liabilities	**(2.0)**	0.8
(Decrease) increase in current tax liabilities	**17.2**	14.9
Net cash inflow from operating activities	**280.3**	373.7

10 Contributed equity

(a) Movements in ordinary share capital

Date	Details	Number of shares	$m
1 July 2017	Opening balance	114,421,403	438.7
	Issue of shares under share option and deferred STI plans	444,964	2.8
31 December 2017	Closing balance	114,866,367	441.5
1 July 2018	Opening balance	114,883,372	441.7
	Shares acquired by employee share trust	(354,617)	(8.9)
	Allocation of shares under share option and deferred STI plans	340,082	1.8
	Balance excluding shares held by employee share trust	114,868,837	434.6
	Unallocated shares held by employee share trust	14,535	-
31 December 2018	Closing balance	114,883,372	434.6

(b) Share options

During the half-year reporting period, the Company issued 267,993 share options (2017: 465,837) over ordinary shares under its executive and employee share option plan.

11 Fair value measurements

The only financial assets or financial liabilities carried at fair value are interest rate swaps, interest rate caps and foreign currency forward contracts.

All these instruments are considered 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 or liabilities, either directly (as prices) or indirectly (derived from prices).

The fair value of the interest rate swaps and caps at 31 December 2018 was a liability of $0.2m (31 December 2017: $0.4m liability). The interest rate swaps and caps fair value was obtained from third party valuations derived from discounted cash flow forecasts of interest rates from observable yield curves at the end of the reporting period and contract interest rates.

The fair value of the foreign currency forward contracts at 31 December 2018 was an asset of $1.4m (31 December 2017: $0.3m liability). The forward contracts fair value was obtained from third party valuations derived from discounted cash flow forecasts of forward exchange rates at the end of the reporting period and contract exchange rates.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the half-year. The carrying amount of other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

12 Events occurring after the reporting period

There have been no matters or circumstances occurring subsequent to the end of the half-year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.