

Appendix 4D

Half- yearly report Period ended 31 December 2016

EUROZ LIMITED

ABN 53 000 364 465

Results for announcement to the market

Extracts from this report for announcement to the market

\$A'000

Total Revenue	Up	36.8%	To	30,523
Profit / (Loss) from ordinary activities after tax attributable to members of Euroz Limited	Up	2341.4%	To	13,969
Net Profit / (loss) for the period attributable to members of Euroz Limited	Up	2341.4%	To	13,969
Net tangible assets per share	Up	10.8%	To	72 cents

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	-	-
Interim dividend	1.75 Cents	1.75 Cents

Record date for determining entitlements to the dividend

19/1/2017

Dividend payable date

25/1/2017

Results commentary for announcement to the market

Euroz has experienced a continuation of improved trading conditions in the first half of the 2017 financial year. Primary drivers of this profitability include a strong performance by Euroz Securities and improvements in the share prices of our significant investments in the Westoz Investment Company Limited ("Westoz") (ASX:WIC) and Ozgrowth Limited ("Ozgrowth") (ASX:OZG).

Euroz Securities delivered an excellent result that included significant Equity Capital Market (ECM) raisings of \$576 million, the successful completion of three Merger and Acquisition mandates and a modest increase in brokerage.

Westoz and Ozgrowth experienced further improvements in gross investment performance for the half of 18.2% and 21.8% respectively, while the mark to market value of these investments contributed \$6.54 million after tax to this result.

Entrust Private Wealth Management has seen a continuation of organic growth and profitability. We continue to target external wealth advisers to join our wealth management platform as we believe we offer an excellent remuneration and equity participation package superior to the big bank dominated marketplace.

Our Prodigy Investment Partners funds management initiative has been quietly ramping up over the past 2 years. Building this multi boutique funds strategy requires time, patience and a modest amount of capital and the potential rewards could transform our overall business. Prodigy has an experienced and motivated team working closely with Flinders Investment Partners and Dalton Street Capital to navigate the challenges of the independent research and retail platform approvals. Flinders Investment Partners has achieved gross investment performance since inception (September 2015) to December 2016 of 21.2% pa.

Group Funds Under Management (FUM) remains a key focus for all of our businesses and the Directors are pleased to report an increase of 19% from \$952 million at 30 June 2016 to \$1.143 billion at 31 December 2016.

Our strategy is to continue to build a more consistent base of underlying recurring revenues through our growing wealth and funds management businesses whilst still retaining the transaction based upside of our traditional stockbroking business.

Reporting period

The financial information contained in this report is for the six month period ended 31 December 2016. This report should be read in conjunction with the Euroz Limited Annual Report for the twelve months to 30 June 2016.

**EUROZ LIMITED
AND CONTROLLED ENTITIES
A.B.N. 53 000 364 465**

HALF-YEAR REPORT

31 DECEMBER 2016

Euroz Limited and Controlled Entities

ABN 53 000 364 465

Half-year Report - 31 December 2016

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Euroz Limited Directors' Report

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2016.

DIRECTORS

The names of Directors who held office during or since the end of the half-year:-

Andrew McKenzie – *Executive Chairman*

Jay Hughes

Doug Young

Greg Chessell

Russell Kane

Simon Yeo

Anthony Brittain

COMPANY SECRETARY

Chris Webster was replaced by Tracey Everitt as Company Secretary on 15 December 2016.

PRINCIPAL ACTIVITIES

During the half-year the principal activities of the consolidated entity consisted of:

- Stockbroking;
- Corporate finance;
- Funds management;
- Investing; and
- Wealth management.

OPERATING RESULTS AND REVIEW OF OPERATIONS

The Directors of Euroz Limited announce a net consolidated profit after tax of \$13,206,599 for the half-year to 31 December 2016 (2015: Loss of \$794,339).

Primary drivers of this profitability include a strong performance by Euroz Securities and improvements in the share prices of our significant investments in the Westoz Investment Company Limited (“Westoz”) (ASX: WIC) and Ozgrowth Limited (“Ozgrowth”) (ASX: OZG).

Euroz Securities delivered an excellent result that included significant Equity Capital Market (ECM) raisings of \$510 million, the successful completion of three Merger and Acquisition mandates and a modest increase in brokerage.

Westoz and Ozgrowth experienced further improvements in gross investment performance for the half of 18.2% and 21.8% respectively, while the mark to market value of these investments contributed \$6.54 million after tax to this result.

Entrust Private Wealth Management has seen a continuation of organic growth and profitability. We continue to target external wealth advisers to join our wealth management platform as we believe we offer an excellent remuneration and equity participation package superior to the big bank dominated market place.

Euroz Limited
Directors' Report (continued)

Prodigy Investment Partners funds management initiative has been quietly ramping up over the past 2 years. Building this multi boutique funds strategy requires time, patience and a modest amount of capital and the potential rewards could transform our overall business. Prodigy Investment Partners has an experienced and motivated team working closely with Flinders Investment Partners and Dalton Street Capital to navigate the challenges of the independent research and retail platform approvals. Flinders Investment Partners has achieved gross investment performance since inception (September 2015) to December 2016 of 21.2% pa.

Group "Funds Under Management" ("FUM") remains a key focus for all of our businesses and the Directors are pleased to report an increase of 19% from \$962 million at 30 June 2016 to \$1.143 billion at 31 December 2016.

Our strategy is to continue to build a more consistent base of underlying recurring revenues through our growing wealth and funds management businesses whilst still retaining the transaction based upside of our traditional stockbroking business.

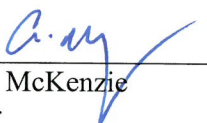
DIVIDENDS

A dividend of 1.75 cents per share, fully franked, was provided for and paid on 25 January 2017.

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2016.

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



Andrew McKenzie
Director

Dated: 24 February 2017

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF EUROZ LIMITED

In relation to our review of the financial report of Euroz Limited for the half year ended 31 December 2016, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Mack

PKF MACK

S. Fermanis

SIMON FERMANIS
PARTNER

24 FEBRUARY 2017
WEST PERTH
WESTERN AUSTRALIA

Euroz Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2016

	Note	31 December 2016 \$	31 December 2015 \$
Revenue	2	30,523,213	22,319,517
Gain / (loss) on fair value movement on investments		11,085,178	(7,327,235)
Brokerage and underwriting expenses		(2,744,693)	(2,341,076)
Carrying value of principal trading stock sold		(2,707,081)	(1,904,306)
Employee benefits expense		(14,445,484)	(9,240,169)
Depreciation and amortisation expenses	2	(116,974)	(69,521)
Regulatory expenses		(140,611)	(134,070)
Consultancy expenses		(770,551)	(604,363)
Conference and seminar expenses		(561,579)	(357,719)
Communication expenses		(142,487)	(140,666)
Other expenses		(2,282,426)	(2,548,357)
Profit / (Loss) before income tax expense		17,696,505	(2,347,965)
Income tax (expense) / benefit		(4,489,906)	1,553,626
Profit / (Loss) for the period		13,206,599	(794,339)
Other comprehensive income, net of tax		-	-
Total comprehensive income / (loss), net of tax		13,206,599	(794,339)
Profit / (Loss) for the period is attributable to:			
Non-Controlling interest		(762,185)	(171,118)
Owners of Euroz Limited		13,968,784	(623,221)
		13,206,599	(794,339)
Total comprehensive income/(loss) for the period is attributable to:			
Non-Controlling interest		(762,185)	(171,118)
Owners of Euroz Limited		13,968,784	(623,221)
		13,206,599	(794,339)
		Cents	Cents
Basic earnings per share		8.84	(0.50)
Diluted earnings per share		8.81	(0.50)

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

Euroz Limited
Consolidated Statement of Financial Position
As at 31 December 2016

	Note	31 December 2016 \$	30 June 2016 \$
Current assets			
Cash and cash equivalents		37,847,619	34,202,416
Trade and other receivables		1,505,396	1,549,678
Inventories	8	5,216,549	5,826,554
Other current assets		787,492	1,148,305
Total current assets		<u>45,357,056</u>	<u>42,726,953</u>
Non-current assets			
Long term receivable		5,000,000	5,000,000
Investments	8	9,868,282	8,050,076
Investment entities at fair value	8	57,372,263	47,121,275
Plant and equipment		614,202	485,863
Deferred tax assets		6,229,423	8,575,166
Intangible assets		10,208,552	10,152,312
Total non-current assets		<u>89,292,722</u>	<u>79,384,692</u>
Total assets		<u>134,649,778</u>	<u>122,111,645</u>
Current liabilities			
Trade and other payables		3,268,484	1,204,171
Current tax liabilities		1,317,472	444,699
Short term provisions		5,470,906	5,541,116
Total current liabilities		<u>10,056,862</u>	<u>7,189,986</u>
Non-current liabilities			
Deferred tax liabilities		882,485	815,465
Long term provisions		86,579	276,344
Total non-current liabilities		<u>969,064</u>	<u>1,091,809</u>
Total liabilities		<u>11,025,926</u>	<u>8,281,795</u>
Net assets		<u>123,623,852</u>	<u>113,829,850</u>
Equity			
Share capital	9(a)	104,019,026	105,226,509
Reserve	9(f)	1,762,765	1,159,364
Retained earnings		19,319,902	8,159,633
Total Equity attributable to the holders of the Company		<u>125,101,693</u>	<u>114,545,506</u>
Minority interest		(1,477,841)	(715,656)
Total equity		<u>123,623,852</u>	<u>113,829,850</u>

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

Euroz Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2016

	Issued Capital	Retained Earnings	Share based payment reserve	Total	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	105,226,509	8,159,633	1,159,364	114,545,506	(715,656)	113,829,850
Profit for the period	-	13,968,784	-	13,968,784	(762,185)	13,206,599
Total comprehensive income for the period						
<i>Transactions with owners, recorded directly in equity</i>						
Issue of Ordinary Shares	-	-	-	-	-	-
Treasury shares acquired	(1,191,883)	-	-	(1,191,883)	-	(1,191,883)
Share buy back	(15,600)	-	-	(15,600)	-	(15,600)
Share Based Payments	-	-	603,401	603,401	-	603,401
Dividends to equity holders	-	(2,808,515)	-	(2,808,515)	-	(2,808,515)
Total contributions by and distributions to owners	(1,207,483)	11,160,269	603,401	10,556,187	(762,185)	9,794,002
Balance at 31 December 2016	104,019,026	19,319,902	1,762,765	125,101,693	(1,477,841)	123,623,852
Balance at 1 July 2015	99,533,415	11,032,079	658,175	111,223,669	33,743	111,257,412
Loss for the period	-	(623,221)	-	(623,221)	(171,118)	(794,339)
Total comprehensive income for the period	-	(623,221)	-	(623,221)	(171,118)	(794,339)
<i>Transactions with owners, recorded directly in equity</i>						
Issue of Ordinary Shares	6,550,102	-	-	6,550,102	125,000	6,675,102
Treasury shares acquired	(407,135)	-	-	(407,135)	-	(407,135)
Share Based Payments	-	-	276,572	276,572	-	276,572
Dividends to equity holders	-	(2,816,387)	-	(2,816,387)	-	(2,816,387)
Total contributions by and distributions to owners	6,142,967	(3,439,608)	276,572	2,979,931	(46,118)	2,933,813
Balance at 31 December 2015	105,676,382	7,592,471	934,747	114,203,600	(12,375)	114,191,225

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

Euroz Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2016

	31 December 2016	31 December 2015
	\$	\$
Cash flows from operating activities		
Receipts from customers	26,189,126	17,650,091
Proceeds from sale of trading shares	2,549,014	2,086,627
Payments to suppliers and employees	(17,717,436)	(15,838,823)
Payments for trading shares	(578,734)	(974,141)
Interest received	468,991	458,464
Income taxes paid	(1,204,371)	255,533
	<hr/>	<hr/>
Net cash (used in)/from operating activities	9,706,590	3,637,751
	<hr/>	<hr/>
Cash flows from investing activities		
Payments for property, plant and equipment	(245,313)	(261,157)
Payments for investments	(2,502,359)	(5,215,102)
Receipts from investments	1,507,230	2,583,406
Payment for subsidiaries net of cash received (refer note 4)	-	(1,529,978)
	<hr/>	<hr/>
Net cash used in investing activities	(1,240,442)	(4,422,831)
	<hr/>	<hr/>
Cash flows from financing activities		
Payment for treasury shares	(1,191,883)	(407,135)
Dividends paid	(3,613,462)	(4,092,027)
Shares bought-back	(15,600)	-
	<hr/>	<hr/>
Net cash used in financing activities	(4,820,945)	(4,499,162)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	3,645,203	(5,284,242)
Cash and cash equivalents at 1 July	34,202,416	45,041,470
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	37,847,619	39,757,228
	<hr/> <hr/>	<hr/> <hr/>

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

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2016

Note 1. Statement of significant accounting policies

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

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 2016 and any public announcements made by Euroz Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Euroz Limited is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The half-year financial report is presented in Australian dollars.

This consolidated half-year financial report was approved by the Board of Directors for issue on 24 February 2017.

Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the consolidated entity's 2016 annual financial report for the financial year ended 30 June 2016.

The half-year report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and realisation of assets and the settlement of liabilities in the normal course of business.

Adoption of new or revised accounting standards and interpretations

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, significant judgment made by management in applying the consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2016.

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2016

Note 2: Segment information

AASB 8 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.

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the executive team (the chief operating decision makers) in assessing performance and in allocating resources.

The consolidated entity's reportable segments under AASB 8 are therefore as follows;

Stockbroking & corporate activities

Stockbroking business offering trading of Australian securities, post trade reporting, corporate finance opportunities & provision of company research.

Principal trading

Principal trading relates to the purchase and sale of securities by the consolidated group.

Funds management

The consolidated group provides advice in relation to funds management.

Investments

The consolidated group invests in listed and unlisted securities from which it derives dividends.

Wealth management

The consolidated group provides wealth management services including the administration of funds under management.

Basis of accounting for purpose of reporting by operating segments

The accounting policies used by the consolidated entity in reporting segments internally are consistent with those adopted in the financial statements of the consolidated entity.

Segment assets and liabilities

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset.

Liabilities are allocated to segments where there is a direct nexus between the liability and the operations of the segment.

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2016

Note 2: Segment information (continued)

Segment performance

	Stockbroking & Corporate Activities	Principal Trading	Funds Management	Investment	Wealth Management	Total
	\$	\$	\$	\$		\$
31 December 2016:						
Revenue	21,660,193	2,549,014	1,073,750	-	3,386,016	28,668,973
Interest revenue	222,795	314	23,010	75,375	631	322,125
Other revenue	-	10,892	-	1,496,398	24,825	1,532,115
Total segment revenue	<u>21,882,988</u>	<u>2,560,220</u>	<u>1,096,760</u>	<u>1,571,773</u>	<u>3,411,472</u>	<u>30,523,213</u>
Segment net profit after tax	<u>4,811,821</u>	<u>129,347</u>	<u>(1,338,405)</u>	<u>9,134,854</u>	<u>468,982</u>	<u>13,206,599</u>
Depreciation & amortisation	94,107	-	22,867	-	-	116,974
Segment assets	<u>33,625,903</u>	<u>5,216,549</u>	<u>4,897,869</u>	<u>86,629,003</u>	<u>4,280,454</u>	<u>134,649,778</u>
Segment liabilities	<u>4,844,018</u>	<u>144,198</u>	<u>653,264</u>	<u>4,648,444</u>	<u>736,001</u>	<u>11,025,925</u>
	Stockbroking & Corporate Activities	Principal Trading	Funds Management	Investment	Wealth Management	Total
	\$	\$	\$	\$		\$
31 December 2015:						
Revenue	13,136,183	2,086,627	879,228	-	3,137,572	19,239,610
Interest revenue	225,501	-	19,620	179,841	1,828	426,790
Other revenue	-	-	-	2,618,518	34,599	2,653,117
Total segment revenue	<u>13,361,684</u>	<u>2,086,627</u>	<u>898,848</u>	<u>2,798,359</u>	<u>3,173,999</u>	<u>22,319,517</u>
Segment net profit after tax	<u>1,516,234</u>	<u>33,201</u>	<u>(517,185)</u>	<u>(2,445,839)</u>	<u>619,250</u>	<u>(794,339)</u>
Depreciation & amortisation	65,459	-	4,062	-	-	69,521
Segment assets	<u>30,742,520</u>	<u>1,937,759</u>	<u>2,777,502</u>	<u>82,279,074</u>	<u>4,207,954</u>	<u>121,944,809</u>
Segment liabilities	<u>2,553,701</u>	<u>-</u>	<u>60,198</u>	<u>4,410,159</u>	<u>729,526</u>	<u>7,753,584</u>

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2016

31 December 2016	31 December 2015
\$	\$

Note 3: Dividends

Fully franked ordinary dividend declared on 31 December 2016 of 1.75 cents (2015: 1.75 cents) per share franked at the tax rate of 30% (2015: 30%). This has been recognised as a provision in the statement of financial position at 31 December 2016.

2,817,314	2,816,387
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Note 4: Business combination

There were no business combinations in the current half-year. On 13 July 2015, Euroz Limited completed the acquisition of Entrust Private Wealth Management Pty Ltd to further enhance its wealth management capabilities.

Details of the acquisition is as follows:

Fair value

ASSETS

\$

Cash and cash equivalents	820,022
Receivables and other current assets	710,396
Deferred tax assets	314,176
Intangibles	1,722,927
	3,567,521

Goodwill on acquisition

5,596,273

9,163,794

LIABILITIES

Trade and other current liabilities	776,807
Current tax liabilities	60,601
Provisions	526,386
	1,363,794

Fair value of net assets acquired

7,800,000

Representing:

Cash	2,350,000
Shares issued	5,450,000
Fair value of consideration paid to vendors	7,800,000

Net cash paid for subsidiary:

Cash consideration paid	2,350,000
Less: net cash acquired	(820,022)
	1,529,978

The fair values in relation to the acquisition have been finalised.

The consideration paid consists of 5,450,000 shares in Euroz Limited fair valued to \$5,450,000 and cash totaling \$2,350,000.

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2016

Note 5: Contingent liabilities and assets

The consolidated entity had contingent liabilities at 31 December 2016 as follows:

	31 December 2016	30 June 2016
	\$	\$
(i) Secured guarantees in respect of: operating lease of the consolidated entity	882,699	790,180

The consolidated entity has a deposit with Pershing in order to meet its capital requirements under ASX Clear Pty Ltd. This deposit totaled \$5,000,000 at reporting date.

Legal proceedings were filed on 22 January 2016 in the Supreme Court of Western Australia on behalf of two former clients of Euroz Securities Ltd. Euroz Securities Ltd and Entrust Private Wealth Management Pty Ltd are two of four Australian Financial Services Licence (AFSL) holders jointly named in the Writ of Summons. The total value of the claim is \$2,400,000.

A court appointed mediation was conducted on 20 October 2016 and all parties have agreed and settled one of the claims. The remaining claim is in the process of being negotiated by all parties. In the event the mediation process is successful the Directors believe that the maximum potential liability for Euroz is approximately \$250,000 which has been provided for at reporting date.

Note 6: Key management personnel

Permanent arrangements of key management personnel are disclosed in the annual financial report.

Note 7: Subsequent events

The Directors are not aware of any other matter or circumstance subsequent to 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

Note 8: Fair value measurement

The following table details the consolidated entities fair value of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Such unlisted investments are held at recent trading prices.

Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

31 December 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets:				
Inventories	5,071,242	145,307	-	5,216,549
Investments	67,240,545	-	-	67,240,545
Total Assets	72,311,787	145,307	-	72,457,094
30 June 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets:				
Inventories	5,535,939	290,615	-	5,826,554
Investments	55,171,351	-	-	55,171,351
Total Assets	60,707,290	290,615	-	60,997,905

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2016

Note 9: Share capital

	31 December 2016 Shares	30 June 2016 Shares	31 December 2016 \$	30 June 2016 \$
(a) Share capital				
Ordinary shares:				
Issued and paid up capital - consisting of ordinary shares (net of treasury shares)	157,304,382	158,574,382	104,019,026	105,226,509

(b) Movements in ordinary share capital

	31 December 2016 (no)	30 June 2016 (no)
At the beginning of the period	158,574,382	152,997,812
Acquisition of treasury shares	(1,250,000)	(1,125,000)
Acquisition of business (see note 4)	-	5,450,000
Issued as part of dividend reinvestment plan	-	1,586,570
Share buy-back	(20,000)	(335,000)
At the end of the period	<u>157,304,382</u>	<u>158,574,382</u>

(c) Movements in ordinary share capital

	31 December 2016 \$	30 June 2016 \$
At the beginning of the period	105,226,509	99,533,415
Acquisition of treasury shares	(1,191,883)	(933,008)
Acquisition of business (refer to note 4)	-	5,450,000
Issued as part of dividend reinvestment plan	-	1,420,312
Share buy-back	(15,600)	(244,210)
At the end of the period	<u>104,019,026</u>	<u>105,226,509</u>

Total value attributed to treasury shares acquired deducted from issued share capital as at 31 December 2016 amounts to \$3,692,841 (30 June 2016: \$2,500,958).

(d) Movements in treasury shares

	31 December 2016 (no)	30 June 2016 (no)
Opening balance	2,435,000	1,310,000
On-market purchase during the period	1,250,000	1,125,000
	<u>3,685,000</u>	<u>2,435,000</u>

(e) Performance rights

87 performance rights were granted during the current period to employees eligible to participate in the performance rights plan ("the plan"). The fair value vesting expense in relation to these performance rights totalled \$294,948. The vesting expense relating to plan shares held as treasury shares in relation to the plan for FY 2014, 2015 and 2016 amounts to \$308,453. Therefore, the total vesting expense associated with the plan for the current period totals \$603,401.

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2016

Note 9: Share capital (continued)

(f) Movements in share based payments reserve

	31 December 2016 \$	30 June 2016 \$
Opening balance	1,159,364	658,175
Movement	603,401	501,189
Closing balance	<u>1,762,765</u>	<u>1,159,364</u>


The increase in share based payments reserve relates to the fair value of performance rights issued as part of the performance rights plan. The fair value of performance rights is calculated as 25% of an individual's annual bonus as determined by the Board. Furthermore, 25% of brokerage commissions above a certain level earned by staff may participate in the plan subject to a certain threshold being reached. Performance rights convert to plan shares after year 1 which are held as treasury shares by the Euroz Share Trust. These plan shares are subject to a 3 year vesting life.

Euroz Limited
Directors' Declaration
For the half-year ended 31 December 2016

The Directors of the company declare that:-

1. The financial statements and notes, of the consolidated entity are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
2. 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.

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



Andrew McKenzie
Director

Dated: 24 February 2017

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
EUROZ LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Euroz Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a 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 31 December 2016, or 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 the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls 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 2016 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Euroz Limited and the entities it controlled during the half year, 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. In accordance with the Corporations Act 2001, we have given the Directors' of the company a written Auditor's Independence Declaration.

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 Euroz 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 2016 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.

PKF Mack

PKF MACK

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SIMON FERMANIS
PARTNER

24 FEBRUARY 2017
WEST PERTH
WESTERN AUSTRALIA