

Appendix 4D

Half Year Report

Name of Entity

Devine Limited

ABN

51 010 769 365

Reporting period ("2015")

30 June 2015

Previous Corresponding period ("2014")

30 June 2014

Results for announcement to the market

\$A'000

Revenues from continuing operations	down	-16.4%	to	146,447
Profit/ (loss) after tax attributable to members	up	89.1%	to	902

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Refer to the attached consolidated interim financial report for the period ended 30 June 2015 and the Directors' Comments for the review of operations.

Dividends (in the case of a trust, distributions)

Date the dividend (distribution) is payable

N/A

Record date to determine entitlements to the dividend (distribution) (i.e. on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHESS approved)

N/A

If it is a final dividend, has it been declared?

N/A

Dividends

		Amount per security	Franked amount per security at 30% tax
Final dividend:	Current year	n/a	n/a
	Previous year	-	-
Interim dividend:	Current year	nil	nil
	Previous year	-	-

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Statement of Retained Earnings

	2015 \$A'000	2014 \$A'000
Retained losses at the beginning of the financial period	(43,893)	(47,492)
Net profit attributable to members	902	477
Dividends and other equity distributions paid or payable	-	-
Retained losses at the end of the financial period	(42,991)	(47,015)

Net Tangible Assets per security (NTA)

	2015 \$	2014 \$
Basic NTA	\$ 1.55	\$ 1.53
Diluted NTA	\$ 1.55	\$ 1.53

Earnings per security (EPS)

	2015 cents	2014 cents
Basic EPS	0.6 cents	0.3 cents
Diluted EPS	0.6 cents	0.3 cents

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to the ASX.

Identify other standards used

N/A

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies, other than as disclosed

3 This report does/~~does not~~* (~~delete one~~) give a true and fair view of the matters disclosed

4 This report is based on accounts to which one of the following applies.
(Tick one)

The accounts have been audited.

The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have not yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/~~will follow immediately they are available~~* (~~delete one~~).

6 The entity has/~~does not have~~* (~~delete one~~) a formally constituted audit committee.



Sign here:
(Company Secretary)

Date: 12 August 2015

Print name: Craig Bellamy

Devine Limited ABN 51 010 769 365
Interim report - 30 June 2015

Lodged with the ASX under Listing Rule 4.2A
This information should be read in conjunction with the
31 December 2014 Annual Report

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Devine Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Devine Limited
Level 1, KSD1
485 Kingsford Smith Drive
Hamilton Queensland 4007

For queries in relation to our reporting please call (07) 3608 6300

**Devine Limited
Directors' report
30 June 2015**

Directors' report

Your directors submit their report for the half-year ended 30 June 2015.

Directors

The following persons held office as Directors of Devine Limited during the half-year and up to the date of this report and were in office for this entire period unless otherwise stated:

P J Dransfield, (Chairman)
D B Keir, (Managing Director and CEO)
J S Downes
Hon. T M Mackenroth
J D Cummings
M C Gray (appointed 27 May 2015)
D P Robinson (appointed 27 May 2015)
G E McOrist (resigned 27 May 2015)
I Frost (resigned 30 April 2015)

Chief Financial Officer and Company Secretary

C G Bellamy

Dividends

There were no dividends declared or paid to members during or since the end of the half-year ended 30 June 2015.

Review of operations

The Directors' comments form an integral part of the Directors' report. Refer attached Directors' comments for the review of operations.

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 16.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, 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 Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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



P J Dransfield
Chairman



D B Keir
Managing Director and CEO

Brisbane
12 August 2015

Devine Limited
Consolidated statement of comprehensive income
For the half-year ended 30 June 2015

	Notes	30 June 2015 \$'000	30 June 2014 \$'000
Revenue	2	144,377	166,405
Other revenue	2	2,070	8,815
Total revenue		146,447	175,220
Cost of properties sold		(120,069)	(136,954)
Gross profit		26,378	38,266
Expenses, excluding finance expenses	3	(25,071)	(29,456)
Finance expenses		(2,465)	(2,604)
Share of net loss of joint ventures accounted for using the equity method		(39)	(604)
(Loss) / profit before income tax		(1,197)	5,602
Income tax benefit / (expense)	4	2,099	(5,125)
Profit for the period		902	477
Items that may be reclassified subsequently to profit and (loss)			
Changes in the fair value of cash flow hedges/reserves, net of tax		(21)	260
Total comprehensive income for the period		881	737
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings per share	9	0.6	0.3

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

Devine Limited
Consolidated statement of financial position
As at 30 June 2015

	Notes	30 June 2015 \$'000	31 December 2014 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		17,789	18,122
Receivables		39,230	42,447
Inventories		95,228	91,955
Prepayments		766	1,496
Total current assets		153,013	154,020
Non-current assets			
Inventories		169,369	195,656
Receivables		27,395	16,739
Investments accounted for using the equity method	7	19,456	12,473
Plant and equipment		2,272	2,477
Deferred tax assets		5,677	3,569
Intangible assets		3,316	3,316
Total non-current assets		227,485	234,230
Total assets		380,498	388,250
LIABILITIES			
Current liabilities			
Advances and other payables		80,323	57,485
Provisions		3,226	2,837
Interest bearing loans		43,499	70,356
Derivative financial instruments		102	174
Non-interest bearing loans		176	3,500
Total current liabilities		127,326	134,352
Non-current liabilities			
Advances and other payables		2,222	3,815
Provisions		1,380	1,448
Total non-current liabilities		3,602	5,263
Total liabilities		130,928	139,615
Net assets		249,570	248,635
EQUITY			
Contributed equity		292,367	292,367
Reserves		194	161
Accumulated losses		(42,991)	(43,893)
Total equity		249,570	248,635

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

Devine Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2015

	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2015	292,367	161	(43,893)	248,635
Profit for the half year	-	-	902	902
Other comprehensive income	-	(21)	-	(21)
Total comprehensive profit for the half year	-	(21)	902	881
Transactions with owners in their capacity as owners:				
Expense pursuant to employee incentive scheme	-	54	-	54
Balance at 30 June 2015	292,367	194	(42,991)	249,570

Balance at 1 January 2014	292,367	(181)	(47,492)	244,694
Profit for the half year	-	-	477	477
Other comprehensive income	-	260	-	260
Total comprehensive (loss) for the half year	-	260	477	737
Transactions with owners in their capacity as owners:				
Expense pursuant to employee incentive scheme	-	71	-	71
Balance at 30 June 2014	292,367	150	(47,015)	245,502

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

Devine Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2015

	Notes	30 June 2015 \$'000	30 June 2014 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		161,927	183,485
Payments to suppliers and employees (inclusive of goods and services tax)		(127,017)	(134,907)
Interest and borrowing costs paid		(4,017)	(7,553)
Income taxes received		-	29
Interest received		497	713
Net cash inflow from operating activities		<u>31,390</u>	<u>41,767</u>
Cash flows from investing activities			
Payments for plant and equipment		(124)	(83)
Proceeds/(payments) for investments in joint ventures		26	(776)
Equity distributions received from joint ventures		-	20,222
Loans to joint ventures		(6,658)	(1,794)
Repayments of loans by joint ventures		1,451	6,300
Payments for investments in land inventory		(138)	(134)
Proceeds from sale of equity accounted investments		-	6,522
Proceeds from sale of 50% interest in subsidiary		1,430	-
Net cash (outflow) from investing activities		<u>(4,013)</u>	<u>30,257</u>
Cash flows from financing activities			
Proceeds from borrowings		7,190	31,766
Repayment of borrowings		(34,900)	(91,514)
Net cash (outflow)/inflow from financing activities		<u>(27,710)</u>	<u>(59,748)</u>
Net (decrease) / increase in cash and cash equivalents		(333)	12,276
Cash and cash equivalents at the beginning of the reporting period		<u>18,122</u>	<u>11,264</u>
Cash and cash equivalents at end of period		<u>17,789</u>	<u>23,540</u>

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

1 Summary of significant accounting policies

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 31 December 2014 and any public announcements made by Devine Limited during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

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

(i) Basis of Accounting

The half-year ended financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporation Act 2001*, AASB 134 *Interim Financial Reporting*, and other mandatory professional reporting requirements.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(ii) Going Concern

The Group generated a profit after tax for the half year of \$0.9m and has incurred a profit in the previous half year. As at 30 June 2015, the Group had net assets of \$249.6m, cash and cash equivalents of \$17.8m and net current assets of \$25.7m.

As at 30 June 2015, the senior finance facility of the Group has been classified as a current liability due to its maturity being 31 August 2015. Total drawn debt under the facility as at 30 June 2015 was \$53.4m including bank guarantees.

The Directors believe the going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities as and when they fall due, is appropriate for the following reasons:

- 1) Current assets exceed current liabilities by \$25.7m;
- 2) The Group is in compliance with its bank covenants;
- 3) The Group is forecast to generate a positive operating cashflow for the 12 months to 30 June 2016 based on current Group forecast information;
- 4) Subsequent to half year end the Group negotiated an extension of 12 months to its existing senior finance facility, which now expires on 31 August 2016. Under the terms of the refinanced facility the Group will have a maximum loan to value ratio (LVR) on selected properties of 35% by 1 December 2015. Based on forecast cash flows, the Directors are confident the Group will be compliant with the LVR requirement from normal trading by 1 December 2015 (LVR approximately 31% at 30 June 2015);
- 5) Upon execution of all relevant security documentation, the CIMIC Limited corporate guarantee of \$50m will be released.

In addition to the above senior facility, included within current interest bearing liabilities is an amount of \$2.6m relating to a project debt facility of a joint venture operation (Stonehill) which is due to expire 31 August 2015.

Subsequent to half year end, the senior financier has agreed to extend the Stonehill facility to 31 August 2016.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities at 30 June 2015 that might be necessary should the Group not continue as a going concern.

1 Summary of significant accounting policies (continued)

(b) New accounting standards and interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual report for the financial year ended 31 December 2014.

(c) Comparatives

The comparative information is for the six month period ended 30 June 2014. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosure.

2 Revenue

	30 June 2015	30 June 2014
	\$'000	\$'000
Revenue		
Revenue from property development	90,976	119,568
Revenue from construction activities	47,059	14,347
Revenue from related joint ventures	6,342	32,490
	144,377	166,405
Other revenue		
Rent received	-	85
Interest received	666	1,309
Sundry income including sale of 50% interest in subsidiary	1,404	16
Net realised gain on sale of interest in equity accounted investments	-	7,405
	2,070	8,815

Devine Limited
Notes to the consolidated financial statements
30 June 2015
(continued)

3 Expenses

	30 June 2015 \$'000	30 June 2014 \$'000
Expenses, excluding finance expenses, included in the statement of comprehensive income:		
Marketing and selling costs	10,186	11,790
Occupancy	1,524	1,435
Administration	8,699	12,245
Other	1,570	2,247
Land holding expenses	1,223	1,739
Restructure expenses *	1,869	-
	<u>25,071</u>	<u>29,456</u>

* Relates to restructure of detached housing business (Refer to Note 8 for further information)

4 Income tax expense

(a) Income tax (benefit) / expense

Current tax expense/(benefit):

Current year charge	-	-
Adjustments in respect of prior periods	-	(183)

Deferred tax (benefit) / expense:

Origination and reversal of temporary differences	(333)	5,153
- Recognition of previously unrecognised tax losses	(1,766)	174
- Utilisation of tax losses not recognised	-	(19)

Income tax (benefit) / expense reported in the consolidated statement of comprehensive income

<u>(2,099)</u>	<u>5,125</u>
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(b) Numerical reconciliation of income tax (benefit) / expense to prima facie tax payable

(Loss) / profit from continuing operations before income tax expense	<u>(1,197)</u>	5,602
Tax at the Australian tax rate of 30.0% (2014 - 30.0%)	(359)	1,681
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Entertainment	10	17
Options issued to employees	16	20
Recognition of previously unrecognised tax losses	(1,766)	-
Prior year tax losses not recognised	-	(19)
Under / (over) provisions from prior year	-	155
Current year tax losses not recognised	-	2,742
Reversal of prior year tax losses recognised	-	529
Income tax (benefit) / expense	<u>(2,099)</u>	<u>5,125</u>

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:

Net deferred tax – (credited) / debited directly to equity	<u>(9)</u>	109
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4 Income tax expense (continued)

(d) Tax losses

The Group has total tax losses of \$53,018,883 (June 2014: \$39,612,318) which will be available for offsetting against future profits provided certain tests under relevant taxation legislations are met. \$23,693,883 of these losses (June 2014: \$31,112,318) have not been recognised.

5 Dividends

(a) Franking credits balance

	30 June 2015	30 June 2014
	\$'000	\$'000
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (June 2014 - 30.0%)	<u>9,477</u>	<u>9,477</u>

6 Contingencies

Contingent liabilities

The Group had contingent liabilities at 30 June 2015 in respect of:

(i) Guarantees

The Group has provided the following guarantees:

The Group and controlled entities have provided bank guarantees and surety bonds totalling \$35.7m at 30 June 2015 (Dec 2014: \$32.9m) relating to individual land developments and other aspects of the Company's operations. The guarantees and bonds are secured by charges over the assets of the respective entities or indemnities. No liabilities are expected to arise.

The Group and, in most instances, its joint venture partners have provided guarantees for the performance of the joint ventures for debt totalling \$23.3m at 30 June 2015 (Dec 2014: \$25.2m). The debt is secured against assets of the joint ventures with a recorded value of \$64.4m (Dec 2014: \$64.9m) and is to be repaid from the property sales of the joint ventures. No liabilities are expected to arise.

The Group also provides performance and financial guarantees for land acquisitions, construction and developments in the normal course of its business operations. No liabilities are expected to arise.

(ii) Litigation

There are a small number of matters that are the subject of litigation or potential litigation with different parties. A provision is raised in the financial statements, based on estimates, where legal or other advice indicates that it is probable that the Group will incur costs either in progressing its investigation of the claim or ultimately in settlement.

7 Interests in joint arrangements

(a) Joint operations

(i) Joint operations ownership interest

At balance date, the Group had interests in a number of joint operations and these are listed below. Each joint operation is resident in Australia and their principal activity is property development.

	Ownership interest %	
	30 June 2015	31 December 2014
Bacchus Marsh	50	50
Deer Park	50	50
Casey Fields *	55	55
Henry Road Pakenham	50	50

* The Group has an ownership interest greater than 50% but does not have the ability to use its power over the investee to affect the amount of Devine's returns. Accordingly the joint operation is not required to be consolidated.

All joint operations have a year end of 30 June. They have a different year end to the Group as they have remained consistent with the reporting date adopted by the joint operation at the inception of the arrangement.

The Group has included its interests generated by these joint operations in the assets employed, liabilities incurred, revenue and expenses in the appropriate line items in the consolidated statement of financial position and consolidated statement of comprehensive income in accordance with the accounting policy set out in Note 1 (c) of the December 2014 annual report.

(b) Joint ventures

(i) Joint ventures ownership interest

At balance date, the Group had equity interests in a number of joint ventures and these are listed below. Each joint venture is resident in Australia and their principal activity is property development.

	Ownership interest %	
	30 June 2015	31 December 2014
Hamilton Harbour Unit Trust	50	50
Townsville City Project Trust	50	50
Riverina Estate Development Trust	50	50
Kurunjang Development Trust	50	50
Wallan Project Trust	50	50
DoubleOne 3 Unit Trust	50	50
Fallingwater Trust	15	15
Woodforde JV Pty Ltd *	50	50
Mode Apartments Unit Trust **	50	-

* This joint venture was established December 2014.

** 50% ownership of a previously wholly owned subsidiary, Mode Apartments Unit Trust was sold to an external party on 28 May 2015. Devine's ownership of the unit trust was consolidated up to the date of disposal and then equity accounted from 28 May 2015 to 30 June 2015.

7 Interests in joint arrangements (continued)

(c) Reconciliation of movement in investments accounted for using the equity method

	\$'000
Opening balance 31 December 2014	12,473
Equity contributions	1,331
Equity Disbursements	(1,316)
Transfer *	7,007
Share of net loss	<u>(39)</u>
Closing balance 30 June 2015	<u>19,456</u>

* Relates to the Group's interest in the Hamilton Harbour Unit Trust. During the December 2014 financial year a key inventory asset of the Trust was sold and the proceeds returned to the Group. As at December 2014 this was disclosed as a return of equity, it has now been reclassified to a current payable in the June 2015 accounts.

8 Segment information

(a) Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Managing Director and CEO and the Board.

Effective 30 April 2015 the Group announced that it would undertake a repositioning of its housing business which will result in its closure. The closure will occur progressively over the remainder of this year as it completes its contractual commitments.

Going forward the Group intends to focus on the medium density and integrated housing business for its existing and new Communities' projects. In addition to the medium density business the Group will also continue to service select wholesale clients with respect to housing solutions.

As a result of this decision, the Group has incurred \$1.869m in business restructure costs across the entire Group of which \$1.445m directly relates to the housing business.

Devine Limited
Notes to the consolidated financial statements
30 June 2015
(continued)

(b) Operating segments

30 June 2015	Housing	Communities	Development	Construction	Other	Consolidated Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total sales revenue	48,048	47,967	1,966	46,396	-	144,377
Interest revenue	19	209	1	11	426	666
Other revenue	-	6	1,398	-	-	1,404
Total segment revenue	48,067	48,182	3,365	46,407	426	146,447
Operating segment result before adjustments**	(2,057)	404	1,920	724	(311)	680
Net sale transaction costs	-	-	-	-	(8)	(8)
Restructure costs	(1,445)	-	-	-	(424)	(1,869)
Segment result	(3,502)	404	1,920	724	(743)	(1,197)
Loss before income tax	-	-	-	-	-	(1,197)
Income tax benefit	-	-	-	-	-	2,099
Profit for the half year	-	-	-	-	-	902
As at 30 June 2015:						
Segment assets	23,962	286,990	32,808	10,746	25,992	380,498
Segment liabilities*	15,966	38,310	7,219	20,655	48,778	130,928
Other segment information						
Investments in joint ventures	-	3,890	15,566	-	-	19,456
Share of net profits / (losses) of joint ventures	-	(1)	(38)	-	-	(39)

* Corporate liabilities reflect borrowing by the Group which is made available to operating divisions as required to fund operations (excluding specific project funding).

** Corporate costs/recharges are included within individual operating segment results.

Devine Limited
Notes to the consolidated financial statements
30 June 2015
(continued)

8 Segment information (continued)

(b) Operating segments (continued)

30 June 2014	Housing	Communities	Development	Construction	Other	Consolidated Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total sales revenue	54,716	66,797	2,299	42,593	-	166,405
Interest revenue	32	83	568	17	609	1,309
Other revenue	15	3	7,485	-	3	7,506
Total segment revenue	54,763	66,883	10,352	42,610	612	175,220
Segment result**	(2,102)	964	6,551	2,115	(1,926)	5,602
Profit before income tax	-	-	-	-	-	5,602
Income tax expense	-	-	-	-	-	(5,125)
Profit for the half year	-	-	-	-	-	477
As at 31 December 2014:						
Segment assets	23,097	305,097	30,693	5,283	24,080	388,250
Segment liabilities*	17,817	37,070	2,251	9,689	72,788	139,615
Other segment information						
Investments in joint ventures	-	3,782	8,691	-	-	12,473
Share of net profits / (losses) of joint ventures	-	214	(521)	-	-	(307)

* Corporate liabilities reflect borrowing by the Group which is made available to operating divisions as required to fund operations (excluding specific project funding).

** Corporate costs/recharges are included within individual operating segment results.

9 Earnings per share

(a) Basic and diluted earnings per share

	30 June 2015 Cents	30 June 2014 Cents
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Company	<u>0.6</u>	<u>0.3</u>

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

	30 June 2015 \$'000	30 June 2014 \$'000
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:	<u>902</u>	<u>477</u>

(c) Weighted average number of shares used as denominator

	30 June 2015 Number	30 June 2014 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>158,730,556</u>	<u>158,730,556</u>

Options and performance rights granted to employees are only included in the determination of diluted earnings per share to the extent they are considered potentially dilutive.

Conversions, calls, subscriptions or issues since the reporting date

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

10 Events occurring after the reporting period

Subsequent to balance date the senior finance facility for the Group has been extended to 31 August 2016. For additional detail refer to Note 1 (a) (ii).

Devine Limited
Directors' declaration
30 June 2015

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 2 to 14 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 2015 and of its performance for the half-year ended 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.

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



P J Dransfield
Chairman

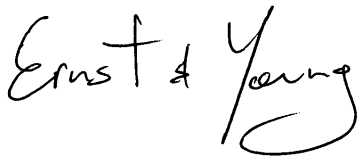


D B Keir
Managing Director and CEO

Brisbane
12 August 2015

Auditor's Independence Declaration to the Directors of Devine Limited

In relation to our review of the financial report of Devine Limited for the half-year ended 30 June 2015, 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.



Ernst & Young



Ric Roach
Partner
Brisbane
12 August 2015

Independent auditor's review report

To the members of Devine Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying 30 June 2015 financial report of Devine Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Devine Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

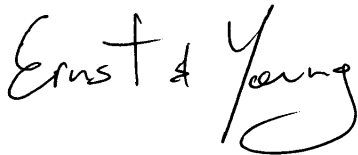
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' 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 Devine Limited is not in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the company's financial position as at 30 June 2015 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*.



Ernst & Young



Ric Roach
Partner
Brisbane

12 August 2015