SUPPLYING MARKET LEADING BRANDED PRODUCTS

HGL Limited

Half Year Financial Report

31 March 2015

SUPPLYING MARKET LEADING BRANDED PRODUCTS

Result for six months ended 31 March 2015

HGL Limited half year result improved in continued challenging conditions.

- Statutory Profit of $2.2 million (2014: loss of 2.4 million)
- Underlying EBIT of $1.6 million, up from $0.4 million
- Net cash of $3.0 million, up from $2.2 million at 30 September 2014

Trading Overview

HGL Limited today announced a Statutory Profit for the first half of financial year 2015 of $2.2 million, up from a loss of $2.4 million in prior corresponding period.

Total revenue of $25.4 million was essentially stable and a reversal of the previously recorded declining sales trend. Revenue growth was achieved in JSB Lighting, BLC Cosmetics and Biante with sales in Leutenegger marginally down. SPOS continues to redirect its strategy towards shelving product solutions, comparable revenue down by $2.3 million was impacted by discontinued design project work. All business units are implementing product innovation programs and new brand introductions aimed at delivering competitive product lines that will underpin future market share expansion.

The overall gross margin remained strong.

Underlying operating expenses, excluding depreciation, reduced by 2% aided by productivity gains from reduced operational complexity and implementation of new business process technology. The decline in operating expenses was achieved after increased investment in additional sales force resources and staff development programs.

Cash on hand increased by 16% to $5.8 million aided by improved profits, strong working capital discipline and improved collection practices. Total borrowings were constant at $2.8 million for the six months period ending 31 March 2015. Net cash was $3.0 million, up from $2.2 million at 30 September 2014.

Our 50% owned joint venture company Mountcastle continued to expand its school uniform and corporate wear sales and delivered solid profit growth. Revenue increased by 14% and EBIT is up 26%. The closure of the Brisbane factory in February 2014 assisted to reduce operating expenses.

Reorganisation of HGL head office

As announced at the 2015 AGM in February 2015, HGL is consolidating and restructuring its corporate finance and administration function. As a result of the reorganisation Mr. Andrew

Whittles, CFO and Company Secretary and Joint Company Secretary, Mr. Peter Caldelis will be leaving the company on May 29th, 2015.

On behalf of the Board we thank Andrew, Peter and their colleagues Kylie and Jenny for their valuable contribution to the company and their dedicated service over many years.

The company is pleased to announce the appointment of Mr. Iain Thompson as new Chief Financial Officer and Company Secretary to lead the corporate finance department effective May 29th, 2015. Iain Thompson is a Chartered Accountant and comes with extensive corporate finance and company secretarial experience, having served as Finance Manager and Company Secretary in the ASX listed company Brickworks Limited for more than 18 years.

The restructure and relocation of the HGL head office to Macquarie Park should generate operational cost savings of approximately $0.5 million per annum.

Dividend
To assist the funding for the rebuilding of our business, the Board has deferred the payment of an interim dividend. The Board will consider the reintroduction of a dividend after the year end.

Outlook
Rebuilding foundations in phase one of the GPS Strategy has facilitated efficient operations with competitive product lines and stringent working capital management procedures.

The improved financial performance in the first half of financial year 2015 provides further confidence in the strategic outlook for the Group.

HGL is now progressing from rebuilding foundations towards a growth and development phase expected to deliver continuous earnings and shareholder value growth.

Peter Miller
Chairman
25 May 2015

For further information:
Henrik Thorup, Chief Executive Officer
Office: 02 9221 7155
Mobile: 0419 268 560

25 May 2015

HGL Limited – Half Year Report (Appendix 4D)
for the half year ended 31 March 2015

The Directors of HGL Limited announce the results for the half year ended 31 March 2015 as follows:

Final results for announcement to the market:

Extracted from the 2015 Half Year Report:

	% change	$A'000
Revenue from ordinary activities	down 1%	25,459
Net profit from ordinary activities after tax attributable to members	up 193%	2,193
Net profit after tax attributable to members	up 193%	2,193

Dividends per share:

	Amount per security	Franked amount per security
Interim dividend	nil	not applicable
Final dividend in respect of prior financial year	nil	not applicable
Interim dividend – previous corresponding period	2.0 cents	2.0 cents

Net Tangible Assets per share:

	31 March 2015	31 March 2014
Net Tangible Assets per share	20.2 cents	43.4 cents

The remainder of the information requiring disclosure to comply with the Listing Rules is contained in this 2015 Half Year Financial Report.

DIRECTORS' REPORT

The Directors submit the financial report of HGL Limited for the half year ended 31 March 2015.

Directors

The names and particulars of the Directors of the Company during the half year and until the date of this report are:

PG Miller - Chairman
JD Constable - Non Executive Director
KJ Eley - Non Executive Director
FM Wolf - Non Executive Director

Review of Operations

The Directors report a consolidated profit before tax of $2,193,000 (2014: $2,169,000 loss).

The Chairman's report on pages 1-2 contains the review of operations.

The Board and senior management of HGL assess the performance of the business as a whole based on underlying earnings before interest and tax (EBIT) and underlying profit. The adoption of the performance measures, underlying EBIT and underlying profit are consistent with the presentation of internal financial information. These are non IFRS measures of financial performance which are not contemplated by Australian Accounting Standards. These measures are unaudited.

A reconciliation of underlying EBIT to the profit before tax in the Statement of Profit or Loss is as follows:

	Half year ended 31 March 2015	Half year ended 31 March 2014
	$'000	$'000
Underlying EBIT	1,556	382
Income from Createc	783	-
Reorganisation charges	(273)	-
Release of surplus rent provision	200	-
Interest income	55	71
Finance cost	(128)	(159)
Createc tax asset derecognised	-	(1,036)
Impairment of Createc	-	(1,427)
Profit/(loss) before tax	2,193	(2,169)

In 2015 underlying EBIT has benefitted from the following:

- The absence of the Createc trading loss of $446,000. Createc was sold in September 2014;
- A lower depreciation charge of $316,000 arising from the impairment of certain fixed assets in September 2014; and
- The utilisation of $258,000 of surplus lease provisions.

Dividends

The Directors have not declared an interim dividend (2014: 2.0 cents fully franked interim dividend).

Auditor's Independence Declaration

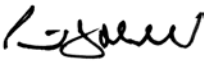
The auditor's independence declaration is included on page 17.

Rounding of Amounts

The consolidated entity is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order amounts in this report, and the financial report, have been rounded off to the nearest thousand dollars.

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

On behalf of the Directors:



PG Miller
Chairman
Sydney 25 May 2015

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Consolidated statement of profit or loss for the half year ended 31 March 2015

	Note	**Half year ended 31 March 2015 $'000**	Half year ended 31 March 2014 $'000
Sales revenue		**25,404**	25,601
Cost of sales		**(13,944)**	(14,147)
Gross profit		**11,460**	11,454
Other revenue	2	**55**	71
Other income	4	**783**	-
Share of associates' profit /(loss)	10	**560**	(1,037)
Impairment of associate	10	**-**	(1,427)
Sales, marketing and advertising expenses		**(3,161)**	(3,691)
Freight and distribution expenses		**(1,197)**	(883)
Administration expenses		**(5,443)**	(5,501)
Occupancy expenses		**(736)**	(1,049)
Profit on disposal of controlled entities	11	**-**	53
Finance costs		**(128)**	(159)
Profit/(loss) before tax		**2,193**	(2,169)
Income tax expense	3	**-**	(196)
Profit/(loss) for the period		**2,193**	(2,365)
Attributable to:			
Equity holders of the parent		**2,193**	(2,365)
		2,193	(2,365)
Earnings per share		**Cents**	Cents
Basic earnings per share		**4.1**	(4.4)
Diluted earnings per share		**4.1**	(4.4)

The notes to the financial statements are included on pages 11 to 15.

Consolidated statement of profit or loss and other comprehensive income for the half year ended 31 March 2015

	Half year ended 31 March 2015	Half year ended 31 March 2014
	$'000	$'000
Profit/(loss) for the period	**2,193**	(2,365)
Other comprehensive income, net of income tax		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations, net of tax	**85**	33
Other comprehensive income for the period	**85**	33
Total comprehensive income/(loss) for the period	**2,278**	(2,332)
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent	**2,278**	(2,332)
	2,278	(2,332)

The notes to the financial statements are included on pages 11 to 15.

Consolidated statement of financial position as at 31 March 2015

	Note	31 March 2015 $'000	30 September 2014 $'000
Current Assets			
Cash and cash equivalents		**5,832**	4,985
Trade and other receivables		**8,915**	10,133
Inventories		**3,793**	4,101
Total Current Assets		**18,540**	19,219
Non Current Assets			
Investment in associates		**4,582**	4,172
Property, plant and equipment		**943**	1,016
Intangible assets		**10,166**	10,166
Total Non Current Assets		**15,691**	15,354
Total Assets		**34,231**	34,573
Current Liabilities			
Trade and other payables		**7,107**	9,180
Borrowings		**2,800**	2,800
Provisions		**1,439**	1,678
Total Current Liabilities		**11,346**	13,658
Non Current Liabilities			
Provisions		**1,803**	2,111
Total Non Current Liabilities		**1,803**	2,111
Total Liabilities		**13,149**	15,769
Net Assets		**21,082**	18,804
Equity			
Issued capital	6	**36,802**	36,802
Reserves	9	**1,426**	1,341
Accumulated losses	7	**(17,146)**	(19,339)
Equity attributable to the parent entity		**21,082**	18,804
Non controlling interests	8	**-**	-
Total Equity		**21,082**	18,804

The notes to the financial statements are included on pages 11 to 15.

Consolidated statement of changes in equity for the half year ended 31 March 2015

		Reserves						
	Issued Capital	Foreign Currency	Employee Share Scheme	Other	Retained Earnings	Total	Non Controlling Interests	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 September 2014	**36,802**	**(200)**	**2,442**	**(901)**	**(19,339)**	**18,804**	**-**	**18,804**
Profit for the period	**-**	**-**	**-**	**-**	**2,193**	**2,193**	**-**	**2,193**
Other comprehensive income for the period								
Translation of overseas controlled entity	**-**	**85**	**-**	**-**	**-**	**85**	**-**	**85**
Total comprehensive income for the period	**-**	**85**	**-**	**-**	**2,193**	**2,278**	**-**	**2,278**
Balance at 31 March 2015	**36,802**	**(115)**	**2,442**	**(901)**	**(17,146)**	**21,082**	**-**	**21,082**
Balance at 30 September 2013	36,624	(117)	2,442	(901)	4,254	42,302	855	43,157
Loss for the period	-	-	-	-	(2,365)	(2,365)	-	(2,365)
Other comprehensive income for the period								
Translation of overseas controlled entity	-	33	-	-	-	33	-	33
Total comprehensive income/(loss) for the period	-	33	-	-	(2,365)	(2,332)	-	(2,332)
Dividend paid	-	-	-	-	(1,073)	(1,073)	-	(1,073)
Disposal of controlled entities							(855)	(855)
Shares issued under employee share scheme	35	-	-	-	-	35	-	35
Shares issued under dividend reinvestment plan	383	-	-	-	-	383	-	383
Balance at 31 March 2014	37,042	(84)	2,442	(901)	816	39,315	-	39,315

The notes to the financial statements are included on pages 11 to 15.

Consolidated statement of cash flows for the half year ended 31 March 2015

	Note	**Half year ended 31 March 2015 $'000**	Half year ended 31 March 2014 $'000
Cash flows from operating activities			
Receipts from customers		**28,962**	31,672
Payments to suppliers and employees		**(28,818)**	(29,534)
Interest received		**54**	19
Interest paid		**(128)**	(158)
Net cash inflow from operating activities		**70**	1,999
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		**(98)**	(252)
Proceeds from sale of property, plant and equipment		**-**	7
Receipts from Createc	4	**783**	-
Dividend from associate		**150**	425
Loan repaid by associate		**301**	-
Loan repaid to associates		**(395)**	(1,533)
Proceeds from disposal of controlled entities	11	**-**	1,560
Cash in disposed entities		**-**	(850)
Net cash inflow/(outflow) from investing activities		**741**	(643)
Cash flows from financing activities			
Repayment of borrowings		**-**	(2,855)
Dividends paid:			
Members of the parent entity		**-**	(690)
Net cash outflow from financing activities		**-**	(3,545)
Net increase/(decrease) in cash held		**811**	(2,189)
Cash and cash equivalents at the beginning of the period		**4,985**	4,796
Effects of exchange rate changes on the balance of cash held in foreign currencies		**36**	(16)
Cash and cash equivalents at the end of the period		**5,832**	2,591

The notes to the financial statements are included on pages 11 to 15.

1. Basis of preparation of the half year financial statements

The half year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 "Interim Financial Reporting" ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing activities of the entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of HGL Limited as at 30 September 2014 and any public announcements made by HGL Limited during the half year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

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 HGL Limited 30 September 2014 annual report, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

In the six months to 31 March 2015 the Consolidated Entity has reported a profit after tax of $2,193,000 (inclusive of $783,000 of one off income from Createc). This profit follows two financial years where significant losses were incurred mainly due to impairment and restructure charges and the underperformance of a number of business units. The Consolidated Entity reported a loss after income tax of $21,430,000 for the year end 30 September 2014 (2013: loss of $8,772,000).

The $2.8 million fully drawn Cash Advance Facility is disclosed as a current liability in these financial statements as the facility is due for renewal on 30 January 2016.

During the half year revised credit facilities were entered into. The Cash Advance Facility remains at $2.8 million and The Australia and New Zealand Banking Group Limited (ANZ) has introduced revisions to the Company's covenants.

The Directors are confident of retaining the continued financial support of its bankers.

Application of new and revised Accounting Standards

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 their operations and effective for the current half year.

No new or revised Standards or Interpretations effective for the period under review are considered to materially impact the Group.

2. Other Revenue

	Half year ended 31 March 2015 $'000	Half year ended 31 March 2014 $'000
Interest	**55**	71

3. Income Tax Expense

	Half year ended 31 March 2015 $'000	Half year ended 31 March 2014 $'000
The prima facie income tax expense on pre-tax accounting profit/(loss) reconciles to the income tax expense in the accounts as follows:		
Prima facie income tax expense on the operating profit/(loss) at 30% (2014: 30%)	**658**	(651)
Tax effect of:		
Equity accounted associates	**(168)**	739
Income on scheme loans recognised directly in equity	**-**	15
Current year tax losses and deferred tax assets not brought to account	**(451)**	-
Tax effect on disposal of controlled entities	**-**	77
Non-allowable expenses	**11**	48
Prior period over provision	**(50)**	(32)
Income tax expense	**-**	196

4. Other Income - Createc Pty Limited

In September 2014 Createc Pty Limited sold its business and most of its assets. On sale no cash was received by HGL. The successful negotiation of a number of trade disputes and the minimisation of lease payments on surplus properties enabled $783,000 to be paid to HGL in cash in March 2015. $0.2 million of deferred consideration partially secures sale warranties and is receivable by Createc in March 2016, subject to warranty claims.

In the period ended 31 March 2014 Createc derecognised tax assets with an effect of $1,036,000 to HGL. In addition, HGL recognised an impairment charge of $1,427,000 on Createc.

5. Dividends

	Half year ended 31 March 2015 $'000	Year ended 30 September 2014 $'000
Interim 2014 dividend paid 11 July 2014		
2.0 cents 100% franked at 30%	**-**	1,090
Final 2013 dividend paid 13 December 2013		
2.0 cents 100% franked at 30%	**-**	1,073
	-	2,163
Paid in cash	**-**	1,386
Satisfied by the issue of shares	**-**	777
Dividends actually paid	**-**	2,163

The dividend policy is to distribute not less than 75% of underlying profit as dividends.

6. Issued Capital

	Half year ended 31 March 2015		Half year ended 31 March 2014	
	Number	**$'000**	Number	$'000
Balance at the beginning of the period	**53,956,011**	**36,802**	53,647,751	36,624
Allotment pursuant to HGL Dividend Reinvestment Plan	**-**	**-**	763,969	383
Shares issued to Employee Share Scheme participants	**-**	**-**	63,152	35
Balance at the end of the period	**53,956,011**	**36,802**	54,474,872	37,042

Reconciliation of Total Share Capital

In accordance with AASB 2 Share-based Payment the shares issued to the executive key management personnel after November 2002 under the Employee Share Scheme were recognised as equity settled options.

	Half year ended 31 March 2015 Number	Half year ended 31 March 2014 Number
Issued capital at the end of the period	**53,956,011**	54,474,872
Shares issued to Employee Share Scheme participants after November 2002	**-**	2,389,839
Total share capital at the end of the period	**53,956,011**	56,864,711

7. (Accumulated Losses)/Retained Earnings

	Half year ended 31 March 2015	Half year ended 31 March 2014
	$'000	$'000
Balance at the beginning of the period	**(19,339)**	4,254
Net profit/(loss) attributable to members of the entity	**2,193**	(2,365)
Dividends paid	**-**	(1,073)
Balance at the end of the period	**(17,146)**	816

8. Non Controlling Interests

	Half year ended 31 March 2015 $'000	Half year ended 31 March 2014 $'000
Balance at the beginning of the period	**-**	855
Disposal of controlled entities	**-**	(855)
Balance at the end of the period	**-**	-

9. Reserves

	Half year ended 31 March 2015 $'000	Half year ended 31 March 2014 $'000
Employee Share Scheme Reserve	**2,442**	2,442
Foreign Currency Translation Reserve	**(115)**	(84)
Other Reserve	**(901)**	(901)
	1,426	1,457

The foreign currency translation reserve arises on the retranslation of the opening net assets of overseas subsidiaries, at period end rates of exchange, net of tax.

The other reserve arose when HGL increased its equity interests in BLC Cosmetics Pty Limited and J Leutenegger Pty Limited, as these transactions were classified as common controlled transactions under AASB 3 Business Combinations. Consequently, the excess of the purchase consideration over the share of net assets acquired was adjusted directly to reserves rather than recognised as an increase to goodwill.

10. Segment Information

Operating segments are reported in a manner which is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

The internal reports reviewed by the Board, which are used to make strategic decisions, are categorised as Branded Products. Revenue is derived from supplying branded products into specialist markets.

The consolidated entity operates under one segment, branded products. The wholly owned entities' products include home sewing and craft, point of sale, top end lighting, beauty and collector model cars. The associate's products are specialist headwear and uniforms.

Underlying profit is the measure by which the Board manages the business. Underlying profit is the non-statutory measure which is designed to assist users of the financial report in understanding the performance of the consolidated entity.

The reconciliation of underlying profit/(loss) before share of associates profit/(loss), interest and tax to reported profit/(loss) after tax is as follows:

	Half year ended 31 March 2015			Half year ended 31 March 2014		
	Underlying Profit $'000	**Other $'000**	**Consolidated $'000**	Underlying Profit $'000	Other $'000	Consolidated $'000
Underlying profit before share of associates profit/(loss), interest and tax	**996**	**-**	**996**	383	-	383
Share of associates profit/(loss)	**560**	**-**	**560**	(1)	(1,036)	(1,037)
Surplus lease provision	**-**	**200**	**200**	-	-	-
Income from Createc	**-**	**783**	**783**	-	-	-
Reorganisation charges	**-**	**(273)**	**(273)**	-	-	-
Impairment of Createc	**-**	**-**	**-**	-	(1,427)	(1,427)
Interest income	**55**	**-**	**55**	71	-	71
Interest expense	**(128)**	**-**	**(128)**	(159)	-	(159)
Profit/(loss) before tax	**1,483**	**710**	**2,193**	294	(2,463)	(2,169)
Income tax expense	**-**	**-**	**-**	(196)	-	(196)
Profit/(loss) after tax	**1,483**	**710**	**2,193**	98	(2,463)	(2,365)

In 2015 lease provisions became surplus when the head office surrendered its lease and committed to relocate into some of the surplus space. The income from Createc is described in note 4. The reorganisation charges are head office redundancies and accelerated depreciation on head office fixed assets. There was no payment to surrender the head office lease.

In 2014 "Other" is Createc derecognising tax assets with an effect of $1,036,000 to HGL and the impairment charge of $1,427,000. See note 4 for further details.

11. Changes in the composition of the consolidated entity (excluding first time application of AASB 10)

Disposal of interests in Kinsole Pty Ltd and BOC Ophthalmic Instruments Unit Trust

In October 2013 HGL Limited disposed of its 50% interests in Kinsole Pty Ltd and BOC Ophthalmic Instruments Unit Trust. The total proceeds on disposal of $1,560,000 were received in cash. A profit of $53,000 was recognised.

12. Contingent liabilities

There are no significant contingent liabilities.

13. Subsequent events

There are no significant subsequent events.

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 section 303(5) of the Corporations Act 2001.

On behalf of the Directors:

PG Miller
Chairman

Sydney 25 May 2015

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
HGL Limited
Level 11, 280 George Street
SYDNEY NSW 2000

25 May 2015

Dear Board Members

HGL 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 HGL Limited.

As lead audit partner for the review of the financial statements of HGL Limited for the half-year ended 31 March 2015, 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

Tara Hill
Partner
Chartered Accountants

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Independent Auditor's Review Report to the Members of HGL Limited

We have reviewed the accompanying half-year financial report of HGL Limited, which comprises the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes 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 as set out on pages 6 to 16.

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 March 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 HGL 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 HGL 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 HGL 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 March 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*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants
Sydney, 25 May 2015