



Link Administration Holdings Limited
ABN 27 120 964 098

All correspondence to:
Locked Bag A14
Sydney South NSW 1235
Australia

The Manager
Company Announcements
Australian Securities Exchange Limited
20 Bridge St
Sydney NSW 2000

Dear Sir / Madam

Appendix 4D - Interim financial report for the six months ended 31 December 2015

The Directors of Link Administration Holdings Limited (the "Company") present the results of Link Group (Link Administration Holdings Limited and its controlled entities) for the six months ended 31 December 2015 as follows:

			31 December 2015 \$'000	31 December 2014 \$'000
Results for announcement to the market				
Revenue from ordinary activities	Up	73.5%	392,412	226,221
(Loss)/profit from ordinary activities after tax	Down	(828.6%)	(4,029)	553
Net (loss)/profit for the period attributable to owners of the Company	Down	(532.4%)	(4,134)	956
Earnings per share				
Basic earnings (cents per share)			(1.34)	0.34
Diluted earnings (cents per share)			(1.34)	0.34
Net tangible assets				
Net tangible per security (cents per share)			(93)	(292)

Link Group defines net tangible assets as net assets less intangible assets. A large proportion of Link Group's assets are classified as intangible assets including goodwill, client lists, software and deferred tax assets (net of deferred tax liabilities). Intangible assets have been excluded from the calculation of net tangible assets, resulting in a negative net tangible asset per security.

Link Administration Holdings Limited listed on the Australian Stock Exchange (ASX) on 27 October 2015 as a result of an Initial Public Offering (IPO), which resulted in a \$500.0 million increase in issued capital. Approximately 78.5 million new ordinary shares were issued under the IPO, resulting in the total shares issued as at 31 December 2015 increasing to approximately 359.8 million. The net assets of Link Group increased to \$535.2 million as at 31 December 2015 from \$49.2 million as at 30 June 2015.

Dividends

The Company did not declare or pay any dividends, nor is it proposing to pay any dividends in respect of the six months ended 31 December 2015, consistent with the Prospectus.

Other information

Link Group acquired 100% of the issued capital of Haubrok AG as at 13 October 2015, a company incorporated in Germany. It did not have a material impact on the net loss for the period attributable to owners of the Company.

The information in this Appendix 4D should be read in conjunction with the Link Group Interim financial report for the six months ended 31 December 2015 and the Annual financial report for the year ended 30 June 2015. The Link Group Interim financial report has been reviewed by KPMG.

Further information about the results is included in the Half Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

ACN 120 964 098

INTERIM FINANCIAL REPORT

31 DECEMBER 2015

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of Link Group, being Link Administration Holdings Limited ("the Company") and its controlled entities, for the six months ended 31 December 2015 ("the interim period") and the independent auditor's review report thereon.

Directors

The Directors of the Company at any time during or since the end of the interim period are:

1. Directors

<i>Name and qualifications</i>	<i>Experience</i>
M Carapiet, MBA	Chairman, Director Appointed 26 June 2015
J M McMurtrie, BEc, BEc(Hons), MEc	Managing Director Appointed 16 February 2007
C R Blanks, BEng, MEng(Hons)	Director Appointed 17 September 2006
G Boreham, AM, BEc	Director Appointed 23 September 2015
P J McCullagh, BComm, MBS, FCA	Director Appointed 28 July 2006
S Pitkin, PhD, LLM, LLB	Director Appointed 23 September 2015
F Trafford-Walker, BEc.(Hons), MFin.	Director Appointed 23 September 2015
R Shelswell, BSc, BSc(Hons), MBA	Director Appointed 12 December 2013 Resigned 23 September 2015
J M Tasker, MA(Cantab)	Director Appointed 12 December 2013 Resigned 23 September 2015
J Haines, BA, HBA	Director Appointed 12 December 2013 Resigned 23 September 2015

LINK ADMINISTRATION HOLDINGS LIMITED and its Controlled Entities

DIRECTORS' REPORT

Principal Activities

The principal activity of the Company and Link Group during the course of the interim period was that of a technology-enabled provider of outsourced administration services for superannuation fund administration, corporate markets and related value added services including data management, analytics, digital communication and stake-holder education and advice.

There were no significant changes in the nature of the activities of Link Group during the interim period.

Dividends

Dividends declared and paid by the Company during or since the end of the interim period were \$nil (31 December 2014: \$nil).

Significant Changes in State of Affairs

Listing

Link Administration Holdings Limited listed on the Australian Stock Exchange (ASX) on 27 October 2015. A diversified group of both retail and institutional investors acquired shares in the Company at the time of listing. As part of listing on the ASX, the Company changed from a proprietary limited company to a public company.

Other Matters

Other than the matter discussed above, in the opinion of the Directors there were no significant changes in the state of the affairs of the Company or Link Group that occurred during the interim period ended 31 December 2015.

Review of Operations

The net loss of Link Group for the six months ended 31 December 2015 was \$4.0 million (2014: net profit \$0.6 million). The net loss was impacted by \$22.8 million of one-off costs relating to the Initial Public Offering (IPO).

Revenue for the six months increased from \$226.2 million in 2014 to \$392.4 million in 2015, reflecting organic growth in Fund Administration, strong capital markets growth in Corporate Markets, together with contributions from acquisitions including Superpartners, Link New Zealand, D.F. King and HCE Haubrok AG. Expenses growth reflects similar drivers to revenue. Link Group also incurred expenses associated with business combinations, integration, client migrations and IT business transformation amounting to \$11.8 million, which are identified as significant items.

Total Operating EBITDA excluding significant items for the six months ended 31 December 2015 was \$90.3 million (2014: \$66.7 million). A reconciliation of Operating EBITDA to the net loss of Link Group is included in Note 4 to the Interim financial statements.

The net assets of Link Group increased to \$535.2 million as at 31 December 2015 from \$49.1 million as at 30 June 2015, reflecting a \$500.0 million increase in issued capital resulting from the IPO, offset by certain equity issuance costs, and the admission of Link Administration Holdings Limited to the ASX. Link Group used the proceeds of the offer to repay debt and pay costs of the offer. Link Group also entered into a new syndicated debt facility in November 2015. Link Group's borrowings have decreased to \$326.1 million as at 31 December 2015 (30 June 2015: \$788.6 million).

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

DIRECTORS' REPORT

Review of operations (continued)

Link Group remains committed to the growth strategies outlined in the recent Prospectus, including:

- further penetration of Link Group's attractive markets by winning new clients across all divisions and increasing the revenue from existing clients through new and enhanced value-added products and services;
- strengthening the competitive advantage of the business through product and service innovation;
- pursuing client, product and regional expansions including via its focused Business Combination strategy to enhance its product and service offerings, expand international operations and add new clients;
- executing the integration of Superpartners and the migration of its key clients to Link Group's proprietary platforms from which Link Group management expects to realise material synergies; and
- pursuing opportunities in markets adjacent to Link Group's existing operations

Further information about the results is included in the Half Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

Events Subsequent to Reporting Date

There has not arisen in the interval between the end of the interim period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of Link Group, the results of those operations, or the state of affairs of Link Group, in future financial years.

Lead Auditor's Independence Declaration

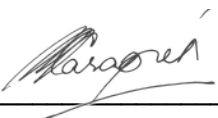
The Lead Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4 and forms part of the Directors' Report for the six months ended 31 December 2015.

Rounding Off

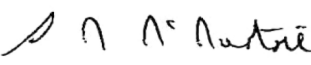
The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the interim financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors.

Dated 26 February 2016 at Sydney.



M Carapiet
Chairman



J M McMurtrie
Managing Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Link Administration Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the 6 month period ended 31 December 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature of the KPMG representative, appearing as 'KPMG' in a stylized, cursive script.

KPMG

A handwritten signature of Andrew Yates, consisting of a stylized 'A' followed by a long horizontal stroke.

Andrew Yates
Partner

Sydney

26 February 2016

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
for the six months ended 31 December 2015

	<i>Note</i>	2015 \$'000	2014 \$'000
Revenue – rendering of services	4	392,412	226,221
Expenses:			
Employee expenses		(187,417)	(98,537)
Occupancy expenses		(18,080)	(7,804)
IT costs		(41,425)	(19,805)
Administrative and general expenses		(66,341)	(41,131)
IPO related expenses		(22,790)	-
Net acquisition related expenses		(673)	(8,998)
		(336,726)	(176,275)
Depreciation expense		(5,327)	(3,592)
Intangibles amortisation expense	6	(27,152)	(19,649)
		(32,479)	(23,241)
Gain on financial assets held at fair value through profit and loss		164	226
Finance income		358	348
Finance costs		(29,624)	(25,191)
Net finance costs		(29,266)	(24,843)
Share of profit of equity accounted investee, net of tax		-	396
(Loss)/profit before tax		(5,895)	2,484
Tax benefit/(expense)	5(a)	1,866	(1,931)
(Loss)/profit for the period		(4,029)	553
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations, net of tax		1,590	2,658
Net change in fair value of cash flow hedge, net of tax		2,886	(710)
		4,476	1,948
Other comprehensive income, net of tax		4,476	1,948
Total comprehensive income for the period		447	2,501

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDING LIMITED
and its Controlled Entities

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (continued)**
for the six months ended 31 December 2015

	2015 \$'000	2014 \$'000
(Loss)/profit attributable to:		
Owners of the Company	(4,134)	956
Non-controlling interests	105	(403)
(Loss)/profit for the period	(4,029)	553
Total comprehensive income attributable to:		
Owners of the Company	342	2,899
Non-controlling interests	105	(398)
Total comprehensive income for the period	447	2,501
Earnings per share	Cents per share	Cents per share
Basic and diluted (loss)/earnings per share	(1.34)	0.34

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	31 December 2015 \$'000	30 June 2015 ¹ \$'000
Current assets			
Cash and cash equivalents		24,853	31,835
Trade and other receivables		100,227	85,018
Other assets		11,149	10,678
Current tax assets		47	242
Total current assets		136,276	127,773
Non-current assets			
Investments		40,310	34,432
Plant and equipment		28,598	22,618
Intangible assets	6	858,183	862,435
Deferred tax assets		72,889	69,623
Other assets		338	408
Total non-current assets		1,000,318	989,516
Total assets		1,136,594	1,117,289
Current liabilities			
Trade and other payables		87,810	72,693
Interest-bearing loans and borrowings	7	173	24,007
Derivative financial liabilities		-	208
Provisions	8	95,026	90,044
Current tax liabilities		332	441
Total current liabilities		183,341	187,393
Non-current liabilities			
Trade and other payables		4,384	6,527
Interest-bearing loans and borrowings	7	326,703	765,596
Derivative financial liabilities		-	3,915
Provisions	8	26,361	41,821
Deferred tax liabilities		60,630	62,894
Total non-current liabilities		418,078	880,753
Total liabilities		601,419	1,068,146
Net assets		535,175	49,143
Equity			
Contributed equity	9	688,066	202,481
Reserves		(141,220)	(145,696)
Accumulated losses	10	(11,895)	(7,761)
Total equity attributable to equity holders of the parent		534,951	49,024
Non-controlling interest		224	119
Total equity		535,175	49,143

1. Prior year comparatives have been restated to reflect the fair value adjustments to the purchase price allocation of prior period acquisitions during the measurement period. Refer to Note 14 (ii).

The consolidated statement of financial position is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 December 2015

	Share capital	Reserves	Accumulated losses	Non- controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015	202,481	(145,696)	(7,761)	119	49,143
Net profit/(loss)	-	-	(4,134)	105	(4,029)
Net change in fair value of cash flow hedge, net of tax	-	2,886	-	-	2,886
Foreign currency translation differences, net of tax	-	1,590	-	-	1,590
Total other comprehensive income, net of income tax	-	4,476	-	-	4,476
Total comprehensive income for the year	-	4,476	(4,134)	105	447
Transactions with shareholders					
Issue of share capital, net of costs of raising capital and tax	485,585	-	-	-	485,585
Total contributions by and distributions to owners	485,585	-	-	-	485,585
Balance at 31 December 2015	688,066	(141,220)	(11,895)	224	535,175

The consolidated statement of changes in equity is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
for the six months ended 31 December 2014

	Share capital	Reserves	Accumulated losses	Non- controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2014	197,535	(147,879)	(11,559)	630	38,727
Net profit/(loss)	-	-	956	(403)	553
Net change in fair value of cash flow hedge, net of tax	-	(710)	-	-	(710)
Foreign currency translation differences, net of tax	-	2,653	-	5	2,658
Total other comprehensive income, net of income tax	-	1,943	-	5	1,948
Total comprehensive income for the year	-	1,943	956	(398)	2,501
Balance at 31 December 2014	197,535	(145,936)	(10,603)	232	41,228

The consolidated statement of changes in equity is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF CASHFLOWS
for the six months ended 31 December 2015

	<i>Note</i>	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations		418,409	232,978
Cash payments in the course of operations		(363,982)	(202,517)
		54,427	30,461
Interest received		222	193
Dividend received		136	155
Borrowing costs paid		(22,034)	(14,399)
Income taxes paid		(553)	(402)
Net cash provided from operating activities	11(a)	32,198	16,008
Cash flows from investing activities			
Payments for plant and equipment		(10,368)	(4,305)
Payments for software		(11,682)	(7,183)
Acquisition of subsidiaries, net of cash acquired		(6,776)	(129,229)
Dividends from equity accounted investee		-	471
Payments for investments		(5,668)	(1,903)
Net cash used in investing activities		(34,494)	(142,149)
Cash flows from financing activities			
Proceeds from borrowings		358,380	181,090
Repayment of borrowings		(826,323)	(18,259)
Proceeds from issue of shares		499,738	-
IPO related costs		(36,542)	-
Dividends paid to non-controlling interests		-	(9)
Net cash (used in)/provided by financing activities		(4,747)	162,822
Net (decrease)/increase in cash and cash equivalents		(7,043)	36,681
Cash and cash equivalents at the beginning of the period		31,835	27,706
Effect of exchange rate fluctuations on cash held		61	130
Cash and cash equivalents at the end of the period		24,853	64,517

The consolidated statement of cash flows is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDINGS LIMITED and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Link Administration Holdings Limited (the “Company”) is a company incorporated and domiciled in Australia. The Company’s registered office and principal place of business is Level 12, 680 George Street, Sydney NSW 2000, Australia. The consolidated interim financial statements of Link Group as at and for the six months ended 31 December 2015 (“the interim period”) comprises of the Company and its controlled entities. Link Group is a for-profit entity. Link Group is a technology-enabled provider of outsourced administration services for superannuation fund administration, corporate markets and related value added services including fund administration, registry services, data management, analytics, digital communication and stake-holder education and advice.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated interim financial statements are general purpose condensed financial statements which have been prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2015. However, selected explanatory notes are included to explain events and transactions that are significant to understanding changes in Link Group’s financial position and performance since the last consolidated annual financial statements as at and for the year ended 30 June 2015.

The interim financial statements have been prepared on a going concern basis. The current period loss is impacted by large one off Initial Public Offering (“IPO”) costs. The deficiency of current assets over current liabilities is impacted by provisions raised in respect of contractual obligations and other restructuring activities. Link Group had positive cash flows from operating activities for the interim period ended 31 December 2015 and is forecasting positive operating cash flows in the 2016 financial year. Link Group also has undrawn facilities that, if required, will enable Link Group to fulfil obligations as and when they fall due. The Directors of Link Administration Holdings Limited consider it probable that Link Group will continue to fulfil all obligations as and when they fall due for the foreseeable future and accordingly consider that Link Group’s financial statements should be prepared on a going concern basis.

These interim financial statements were authorised for issue by the Board of Directors on 26 February 2016.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(b) Significant accounting policies

Except as described below, the accounting policies applied in these consolidated interim financial statements are the same as those applied in Link Group’s consolidated annual financial statements as at and for the year ended 30 June 2015, except for:

(i) Segment reporting

As a result of the IPO in the interim period, Link Group has provided the segment disclosures in the interim financial statements in accordance with under AASB 134. Segments results that are reported to Link Group’s Managing Director (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(ii) Earnings per share

As a result of the IPO that occurred during the interim period, Link Group has presented basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3. USE OF JUDGEMENTS AND ESTIMATES

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

In preparing this consolidated interim financial statements, the significant judgements made by management in applying Link Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements as at and for the year ended 30 June 2015.

4. OPERATING SEGMENTS

Link Group has three reportable segments, as described below, which are Link Group's key divisions. Each of the divisions offer different products and services and are managed separately because they require different technology and business strategies to service their respective markets and comply with relevant legislative or other requirements. Financial information for each division is provided regularly to Link Group's Managing Director (the chief operating decision maker). The following summary describes the operations in each of Link Group's reportable segments:

- **Fund Administration** – provides administration services to superannuation funds. Link Group provides a fully integrated platform solution to its clients, covering all major front, middle and back office administration functions. These services include core and value-added and trustee services.
- **Corporate Markets** – provides a comprehensive corporate market offering that connects issuers with their stakeholders. The division's key services include shareholder management and analytics, stakeholder engagement, share registry, employee share plans and company secretarial.
- **Information, Digital and Data Services** – is the technology hub of Link Group and a key driver of innovation. Information, Digital and Data Services provides core services of development and maintenance of proprietary IT systems and platforms, and value-added services of data analytics, digital solutions and digital communications. This division supports Fund Administration, Corporate Markets and a number of external clients.

	31 December 2015 \$'000	31 December 2014 \$'000
Segment revenue		
Fund Administration	285,434	133,738
Corporate Markets	99,016	82,740
Information, Digital and Data Services	107,978	53,496
Total	492,428	269,974
Eliminations	(100,016)	(43,753)
Revenue	392,412	226,221

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

4. OPERATING SEGMENTS (continued)

	31 December 2015 \$'000	31 December 2014 \$'000
Operating EBITDA		
Fund Administration	42,287	26,487
Corporate Markets	27,528	27,332
Information, Digital and Data Services	23,785	14,645
Total segment Operating EBITDA	93,600	68,464
Head Office	(3,303)	(1,734)
Total Operating EBITDA	90,297	66,730
Significant items:		
- Business Combination costs	(701)	(8,804)
- Integration costs	(4,038)	(703)
- Client migration costs	(4,273)	(4,001)
- IT business transformation	(2,809)	(2,221)
- Settlement of legal claims	-	(1,055)
IPO related expenses	(22,790)	-
Depreciation expense	(5,327)	(3,592)
Intangibles amortisation expense - investments	(10,903)	(7,852)
Intangibles amortisation expense – acquisitions	(16,249)	(11,797)
Gain on financial assets held at fair value through profit and loss	164	226
Finance income	358	348
Finance expense	(29,624)	(25,191)
Share of profit of equity accounted investee, net of tax	-	396
(Loss)/profit before tax	(5,895)	2,484
Income tax benefit/(expense)	1,866	(1,931)
Net (loss)/profit after tax	(4,029)	553

External revenue is the same as segment revenue for all segments except Information, Digital and Data Services, which had external revenues of \$7.9 million (2014: \$9.7 million).

	31 December 2015 \$'000	30 June 2015 \$'000
Segment assets		
Fund Administration	472,806	477,160
Corporate Markets	377,242	362,580
Information, Digital and Data Services	181,901	178,981
Total segment assets	1,031,949	1,018,721
Head office	104,645	98,568
Total assets	1,136,594	1,117,289

Geographical segment

Link Group operates predominantly in one geographical segment being Australia.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

5. TAXATION

	31 December 2015 \$'000	31 December 2014 \$'000
(a) Income tax benefit/(expense)		
Current tax benefit/(expense)		
Current period	3,815	(3,380)
Adjustment for prior years	(777)	242
	3,038	(3,138)
Deferred tax benefit/(expense)		
Origination and reversal of temporary differences	(1,992)	1,251
Adjustment for prior years	820	(44)
	(1,172)	1,207
Tax benefit/(expense) from continuing operations	1,866	(1,931)
(Loss)/profit before income tax	(5,895)	2,484
Prima facie income tax benefit/(expense) calculated at 30% on operating (loss)/profit from ordinary activities:	1,769	(745)
Effect of tax rates in foreign jurisdictions	(154)	9
Non-deductible expenses	(1,142)	(1,512)
Non-assessable income	24	119
Recognition of previously unrecognised tax losses	1,326	-
Over provision of tax in respect of prior years	43	198
Income tax benefit/(expense)	1,866	(1,931)

(b) Tax recognised in other comprehensive income and equity

	2015			2014		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Foreign Currency						
Translation Reserve	1,715	(125)	1,590	2,758	(100)	2,658
Cash flow hedge	4,123	(1,237)	2,886	(1,014)	304	(710)
	5,838	(1,362)	4,476	1,744	204	1,948

(c) Unrecognised tax losses

As at 31 December 2015, companies within Link Group had tax losses of \$234.7 million (30 June 2015: \$235.2 million) unrecognised for deferred tax purposes, available to offset against taxable income in future years. The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these losses because it is not probable the conditions will be met to utilise them.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

6. INTANGIBLE ASSETS

	Goodwill	Client lists	Software	Brand Names	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Cost					
Balance at 1 July 2015¹	586,480	214,875	297,350	5,089	1,103,794
Acquisitions through business combinations	5,215	3,176	226	-	8,617
Additions	-	-	12,173	-	12,173
Effects of movements in exchange rates	1,490	448	(33)	(20)	1,885
Balance at 31 December 2015	593,185	218,499	309,716	5,069	1,126,469
Amortisation and impairment losses					
Balance at 1 July 2015¹	(2,500)	(68,432)	(169,262)	(1,165)	(241,359)
Effects of movements in exchange rates	-	146	76	3	225
Amortisation charge	-	(9,171)	(17,559)	(422)	(27,152)
Balance at 31 December 2015	(2,500)	(77,457)	(186,745)	(1,584)	(268,286)
Carrying amount at 31 December 2015	590,685	141,042	122,971	3,485	858,183
Cost					
Balance at 1 July 2014	445,077	137,370	244,149	1,149	827,745
Acquisitions through business combinations	119,768	68,444	31,380	3,528	223,120
Additions	-	-	7,138	-	7,138
Adjustments to provisional acquisition accounting	2,834	-	-	-	2,834
Effects of movements in exchange rates	1,318	1,228	244	18	2,808
Disposals/Assets written off	-	-	(154)	-	(154)
Balance at 31 December 2014	568,997	207,042	282,757	4,695	1,063,491
Amortisation and impairment losses					
Balance at 1 July 2014	(2,500)	(49,106)	(138,734)	(522)	(190,862)
Effects of movements in exchange rates	-	(39)	(83)	(158)	(280)
Amortisation charge	-	(9,041)	(10,547)	(61)	(19,649)
Disposals/assets written off	-	-	153	-	153
Balance at 31 December 2014	(2,500)	(58,186)	(149,211)	(741)	(210,638)
Carrying amount at 31 December 2014	566,497	148,856	133,546	3,954	852,853

1. Restated. Refer to Note 14 (ii).

LINK ADMINISTRATION HOLDINGS LIMITED
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NOTES TO THE INTERIM FINANCIAL STATEMENTS

7. INTEREST-BEARING LOANS AND BORROWINGS

	31 December 2015 \$'000	30 June 2015 \$'000
Current		
Finance lease	173	209
Loans	-	23,798
	173	24,007
Non – current		
Finance lease	569	790
Loans	326,134	764,806
	326,703	765,596

Financing Arrangements	Contractual Interest Rate at 31 December 2015		
Total facilities available:			
Amortising loan facility	n/a	-	41,221
Non amortising term loan facility	3.32%-3.62%	550,000	512,000
Capex and acquisition facility	n/a	-	325,000
Working capital facility	3.62%	30,000	30,000
		580,000	908,221
Facilities utilised at reporting date:			
Amortising loan facility	n/a	-	41,221
Non amortising term loan facility	3.32%-3.62%	328,000	512,000
Capex and acquisition facility	n/a	-	240,000
Working capital facility	1.5%-3.57%	13,031	12,450
		341,031	805,671
Facilities not utilised at reporting date			
Non amortising term loan facility	0.48%-0.60%	222,000	-
Capex and acquisition facility	n/a	-	85,000
Working Capital facility	0.60%	16,969	17,550
		238,969	102,550

Facilities utilised at reporting date includes \$13,031,000 (30 June 2015: \$12,450,000) of guarantees provided to external parties, which have not been drawn down.

Link Group signed a new Syndicated Loan Facility on 18 September 2015, in preparation for refinancing following the Initial Public Offering ("IPO"). On 2 November 2015, Link Group repaid existing debt facilities in full (\$811,221,000), and made a drawdown of \$343,000,000 on the new Syndicated Loan Facility. Link Group repaid \$15,000,000 during the interim period.

Link Group also has access to an uncommitted facility of \$250,000,000 under the new Syndicated Loan Facility. This is an uncommitted revolving credit facility for general corporate purposes to fund acquisitions permitted under the facility (and related advisory fees, costs and expenses) and growth capital expenditure and to refinance existing debt of an acquired target.

LINK ADMINISTRATION HOLDINGS LIMITED
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NOTES TO THE INTERIM FINANCIAL STATEMENTS

8. PROVISIONS

	31 December 2015 \$'000	30 June 2015 \$'000
Current		
Employee entitlements	37,165	35,975
All other provisions	57,861	54,069
	95,026	90,044
Non-current		
Employee entitlements	8,936	9,187
All other provisions	17,425	32,634
	26,361	41,821

A reconciliation of the carrying amount of each material class of provisions except for employee entitlements is set out below:

	Self insured claims \$'000	Restructuring \$'000	Migration related \$'000	Other \$'000	Total \$'000
Balance at 1 July 2015	12,543	8,644	51,273	14,243	86,703
Contractual liabilities incurred through business combinations	-	-	852	-	852
Unwinding of finance charge	-	-	2,050	-	2,050
Provisions made during the period	5,799	-	-	1,115	6,914
Provisions used during the period	(565)	(1,436)	(16,209)	(2,750)	(20,960)
Provisions reversed during the period	(3)	(224)	-	-	(227)
Foreign exchange translation difference	(60)	4	-	10	(46)
Balance at 31 December 2015	17,714	6,988	37,966	12,618	75,286
Current	8,214	6,988	36,223	6,436	57,861
Non-current	9,500	-	1,743	6,182	17,425

Self Insured Claims: Link Group self-insures for processing errors associated with the handling of administration activities for clients. Incidents that may give rise to a claim are measured at the cost that Link Group expects to incur in settling the claim, which may have or have not been reported.

Restructuring provision: The restructuring provision is for redundancy expenses.

Migration related: The migration provisions represent contractual liabilities incurred through business combinations and other related liabilities. The migration provision recognised on acquisition is stated at fair value based on estimates of the costs required to perform the migration procedures contractually required under the agreements.

Other: Other provisions are for onerous contracts, litigation, and make good liabilities.

LINK ADMINISTRATION HOLDINGS LIMITED
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NOTES TO THE INTERIM FINANCIAL STATEMENTS

9. CONTRIBUTED EQUITY	31 December 2015 \$'000	30 June 2015 \$'000
Issued and paid-up capital		
Balance at the beginning of the period	202,481	197,535
Equity issued	500,014	4,946
Equity raising costs, net of tax	(14,429)	-
Balance at the end of the period	688,066	202,481

Number of shares:	Ordinary Shares issued 000's	Class A shares issued 000's	Preference shares issued 000's	Management performance shares issued 000's
Opening balance 1 July 2014	242,259	19,413	10,221	7,816
Conversion to ordinary shares from other classes	-	-	-	-
Shares issued	-	-	-	-
Closing balance as at 31 December 2014	242,259	19,413	10,221	7,816
Opening balance 1 July 2015	251,671	19,413	10,221	-
Conversion to ordinary shares from other classes	29,634	(19,413)	(10,221)	-
Shares issued under IPO	78,493	-	-	-
Closing balance as at 31 December 2015	359,798	-	-	-

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. Holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

Class A shares

Holders of Class A shares were entitled to receive dividends as declared from time to time but were not entitled to vote at shareholders' meetings. In the event of winding up of the Company, Ordinary and Class A shareholders rank equally after all other shareholders and creditors and are fully entitled to any proceeds of liquidation. Class A shares automatically convert to Ordinary shares at an Exit Event. An Exit Event was defined as the date on which a prospectus was lodged in relation to a stock market listing, an agreement for a share sale was completed or a trade sale was completed. All outstanding Class A shares converted to ordinary shares during the interim period ended 31 December 2015.

Preference shares

Holders of Preference shares were entitled to receive dividends as declared from time to time and entitled to vote at shareholders' meetings. The dividends were non-cumulative and non-interest bearing. The preference element relates to the return to the shareholder on exit and insolvency, in that the investor could have received a return equivalent to 10% p.a. in priority to other equity investors and then achieves returns equivalent to other investors above this return. All outstanding Preference shares converted to ordinary shares during the interim period ended 31 December 2015.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

10. ACCUMULATED LOSSES

	31 December 2015 \$000	31 December 2014 \$000
Accumulated losses at the beginning of the financial period	(7,761)	(11,559)
Net (loss)/profit attributable to equity holders	(4,134)	956
Accumulated losses at the end of the period	(11,895)	(10,603)

Dividends declared and paid by the Company during or since the end of the interim period were \$nil (2014: \$nil). Accumulated losses increased during the interim period, in part due to amortisation of intangible assets relating to business combinations. This amortisation is not relevant to the Company's ability to pay dividends because it only arose on consolidation and does not impact on the retained earnings of the Company.

11. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of net profit after tax to net cash inflow from operating activities

	31 December 2015 \$'000	31 December 2014 \$'000
Net profit/(loss) after income tax	(4,029)	553
Add/(less) non-cash items		
Depreciation	5,327	3,592
Amortisation	27,152	19,649
Foreign exchange gain	(54)	142
Share of profit from associates	-	(396)
Borrowing cost amortisation	4,725	2,608
Unwinding of discount on provisions and accruals	2,320	-
Disposal of plant & equipment	-	(11)
Gain on financial assets held at fair value through profit & loss	(164)	(226)
Net cash inflow from operating activities before changes in assets and liabilities	35,277	25,911
IPO costs expensed through income statement	22,790	-
Change in operating assets and liabilities		
Change in trade and other receivables	(14,587)	(7,589)
Change in other assets	220	(35)
Change in trade and other payables	4,528	14,809
Change in provisions	(13,504)	(18,317)
Change in current and deferred tax balances	(2,526)	1,229
Net cash inflow from operating activities	32,198	16,008

LINK ADMINISTRATION HOLDINGS LIMITED
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NOTES TO THE INTERIM FINANCIAL STATEMENTS

12. EARNINGS PER SHARE

(a) Basic earnings per share

	31 December 2015 \$'000	31 December 2014 \$'000
(Loss)/profit for the period attributable to owners of the Company	(4,134)	956
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares (basic)		
Issued ordinary shares at 1 July	281,305	279,709
Effect of allotment and issuances	27,729	-
Basic weighted average number of ordinary shares	309,034	279,709

(b) Diluted earnings per share

	\$'000	\$'000
(Loss)/profit for the period attributable to owners of the Company	(4,134)	956
	Number of shares '000	Number of shares '000
Basic weighted average number of ordinary shares	309,034	279,709
Effect of dilutive securities	-	-
Weighted average number of ordinary shares (diluted)	309,034	279,709
Basic and diluted (loss)/earnings per share (cents)	(1.34)	0.34

LINK ADMINISTRATION HOLDINGS LIMITED
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NOTES TO THE INTERIM FINANCIAL STATEMENTS

13. FINANCIAL RISK MANAGEMENT

Fair Value of financial instruments

The following table details Link Group's fair value amounts of financial instruments categorised by the following levels:

- Level 1: quotes prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
31 December 2015				
Assets				
Unlisted investments designated at fair value through profit and loss	-	2,960	34,526	37,486
Listed equity securities designated at fair value through profit and loss	2,824	-	-	2,824
	<u>2,824</u>	<u>2,960</u>	<u>34,526</u>	<u>40,310</u>
30 June 2015				
Assets				
Unlisted investments designated at fair value through profit and loss	-	2,050	29,620	31,670
Listed equity securities designated at fair value through profit and loss	2,762	-	-	2,762
	<u>2,762</u>	<u>2,050</u>	<u>29,620</u>	<u>34,432</u>
Liabilities				
Derivative - Interest rate swap at fair value	-	4,123	-	4,123
	<u>-</u>	<u>4,123</u>	<u>-</u>	<u>4,123</u>

There have been no assets transferred between levels during the period (2014: none).

The Level 2 derivatives were valued monthly by the financial institution which Link Group entered the contract with. These were valued using a discounted cash flow approach taking into account appropriate rates of discount and credit risk. The unlisted managed investment schemes were valued based at fair value through profit and loss. These are fair valued based on quoted unit prices.

The Level 3 unlisted investment held by Link Group is not listed on any stock exchange nor has a widely observable market price and as such its valuation was determined to be Level 3 under the fair value hierarchy.

Management has assessed the fair value as appropriate based on a valuation performed by an independent valuer, using a discounted cash flow method based on 10 year forecasts, taking into account appropriate adjustments. Significant increases or decreases in future cash flows would increase or decrease, respectively, the fair value of the investment.

LINK ADMINISTRATION HOLDINGS LIMITED
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NOTES TO THE INTERIM FINANCIAL STATEMENTS

13. FINANCIAL RISK MANAGEMENT (continued)
Fair Value of financial instruments (continued)

	31 December 2015	31 December 2014
	\$000	\$000
Opening balance at the beginning of the financial period	29,620	22,554
Purchase	4,906	3,775
Closing balance at the end of the financial period	34,526	26,329

The carrying amounts of investments, cash and cash equivalents, trade and other receivables, interest rate swaps, trade and other payables and interest bearing loans and borrowings approximate their fair value for Link Group.

14. BUSINESS COMBINATIONS

In addition to organic growth, Link Group seeks to grow through acquisitions and leverage the existing systems, skillsets and processes to improve client satisfaction and obtain synergies to drive positive returns for shareholders.

(i) Acquisitions

On 13 October 2015, Link Group acquired 100% of the shares and voting interests of HCE Haubrok AG, a company incorporated in Germany. Link Group entered into an agreement with AON to provide third party Fund Administration services to AON and certain AON clients, which was accounted for as a business combination. The acquisitions were not material to Link Group's assets or results. The provisional acquisition accounting has been accounted for in the consolidated interim financial statements as follows:

	31 December 2015
	\$000
Cash consideration paid or payable	7,892
Contractual liabilities assumed on acquisition	852
Less deferred tax asset recognised on contractual liabilities	(239)
	8,505
Less: fair value of net identifiable assets acquired	(3,290)
Goodwill	5,215
Identifiable assets acquired and liabilities assumed:	
Cash	2,247
Receivables	730
Plant and equipment	125
Client Lists	3,176
Software	226
Payables	(1,974)
Provisions	(148)
Tax payable	(74)
Deferred tax liabilities	(1,018)
Net assets	3,290

The fair values of assets and liabilities at 31 December 2015 are measured on a provisional basis, whereby the accounting balances for the acquisition may be revised in accordance with AASB 3 – *Business Combinations*.

LINK ADMINISTRATION HOLDINGS LIMITED
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NOTES TO THE INTERIM FINANCIAL STATEMENTS

(ii) Amendment of provisional acquisition accounting

During the interim period, the Group identified new information regarding facts and circumstances that existed at acquisition date that resulted in adjustments to the provisional acquisition accounting for Superpartners and Link Market Services Limited (New Zealand) acquisitions in accordance with AASB 3 *Business Combinations*. With respect of Superpartners, Link Group subsequently quantified the fair value of the commitments made prior to acquisition to deliver software to Superpartners' clients and obtained more clarity around pre-acquisition tax obligations resulting in adjustment to the provisional accounting, with a net increase of \$2.8m of goodwill. Link Group notes that the measurement period for Superpartners is now complete.

In relation to Link Market Services Limited (New Zealand), Link Group subsequently obtained further information with respect of the valuation of assets and liabilities acquired resulting in an adjustment in the valuation of assets and liabilities and total consideration, resulting in a net increase in goodwill of \$0.4m. Link Group notes that the measurement period for Link Market Services Limited (New Zealand) is still open.

	\$000
Goodwill has been recognised as follows:	
Total consideration transferred	214,563
Less: provisional value of identifiable net assets	(76,305)
Add: fair value adjustment to identifiable net assets due to finalisation of Purchase Price Allocation	3,240
Goodwill - restated	<u>141,498</u>

15. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of Link Group, the results of those operations, or the state of affairs of Link Group, in future financial periods.

**LINK ADMINISTRATION HOLDINGS LIMITED
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Directors Declaration

In the opinion of the Directors of Link Administration Holdings Limited ("the Company"):

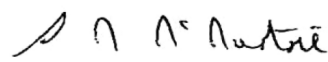
- (a) the consolidated financial statements and notes that are set out on pages 5 to 23 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of Link Group's financial position as at 31 December 2015 and of its performance, for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; 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.

Signed in accordance with a resolution of the Directors:

Dated 26 February 2016 at Sydney.



M Carapiet
Chairman



J M McMurtrie
Managing Director



Independent auditor's review report to the members of Link Administration Holdings Limited

We have reviewed the accompanying interim financial report of Link Administration Holdings Limited ("the Company"), which comprises the consolidated condensed statement of financial position as at 31 December 2015, consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the interim period ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the end of, or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation of the interim 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 interim 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Link Administration Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Link Administration Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



KPMG



Andrew Yates
Partner

Sydney

26 February 2016



Kim Lawry
Partner