

Appendix 4D

Redbubble Limited

ABN: 11 119 200 592

Half-year ended 31 December 2016

(Previous corresponding period: Half-year ended 31 December 2015)

Results for announcement to the market

	Half year ended 31 Dec 2015 \$M	Half year ended 31 Dec 2016 \$M		Change \$M	Change %
Revenue from ordinary activities	62.3	78.7	Up	16.4	26.3%
Loss from ordinary activities after tax attributable to members	10.6	2.8	Down	-7.8	-73.6%
Net loss for the period attributable to members	10.6	2.8	Down	-7.8	-73.6%

Dividends

Redbubble Limited has not paid and does not propose to pay dividends for the six months ended 31 December 2016 (2015: Nil). There are no dividend or distribution reinvestment plans in operation.

Net tangible assets per security

	31 Dec 2015 cents	31 Dec 2016 cents
Net tangible assets per security	-11.9	12.9

Other information

Detailed analysis and commentary on the results for the half-year ended 31 December 2016 is contained in the Redbubble ASX release announcing the half-year financial results, the review of operations in the Directors' Report accompanying the attached Condensed Consolidated Interim Financial Report (Interim Financial Report) and the attached presentation to investors.

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the following pages.

This report is based on the Interim Financial Report for the half-year ended 31 December 2016 which has been reviewed by Ernst & Young. The Independent Auditor's Review Report is included in the Interim Financial Report.



Redbubble Limited and Controlled Entities

ABN 11 119 200 592

Condensed Consolidated Interim Financial Report
for the half-year ended 31 December 2016

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For the half-year ended 31 December 2016

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Redbubble Limited and Controlled Entities

Directors' Report

The Directors of Redbubble Limited (the **Company**) present their report for the Company and its controlled entities (together, the "**Group**") for the half-year ended 31 December 2016 (the **half-year**).

General information

Directors

The names of the Directors of the Company in office at any time during the half-year and since the end of the half-year until the date of this report are:

- Richard Cawsey (Chair)
- Martin Hosking (Managing Director, Chief Executive Officer)
- Teresa Engelhard
- Stephanie Tilenius (resigned effective 16 February 2017)
- Greg Lockwood
- Grant Murdoch
- Hugh Williams (appointed effective 22 February 2017)

Corina Davis and Paul Gordon hold the positions of Company Secretaries of the Company.

Principal activities

The Group, through its website at Redbubble.com and three foreign language sites, is an online marketplace that facilitates the sale and purchase of art and designs on a range of products between independent creatives and consumers. The products are produced and shipped by third party service providers (i.e. product manufacturers, printers and shipping companies) referred to as fulfillers.

No significant change in the nature of these activities occurred during the half-year.

Review of operations

Over the first half, the Group has continued to scale and demonstrated emerging operating leverage despite significant headwinds. Relative to the first half of FY 2016, the Group has seen:

- Gross Transaction Value (**GTV**) growth of 22.8% to \$98.6 million;
- Revenue growth of 26.3% to \$78.7 million;
- Gross profit growth of 38.1% to \$28.3 million;
- Gross profit margin improving to 36.0% from 32.9%;
- Gross profit after Paid Acquisition margin improving to 27.6% from 26.1%;
- Operating expenses ⁽¹⁾ growth of a modest 9.3% to \$21.2 million;
- A 75.0% reduction in EBITDA loss to \$1.1 million; and
- A 73.4% reduction in net loss after tax to \$2.8 million

⁽¹⁾ Operating expenses exclude fulfiller expenses, paid acquisition costs, share based payments and depreciation and amortisation.

Directors' Report

Net operating cash inflow for the half year was \$8.6 million with a closing cash balance of \$44.7 million at 31 December 2016.

Key operating metrics

The key drivers to the growth rates achieved during the half-year relative to the previous corresponding period were:

	1H FY2016	1H FY2017	Growth
Visits	75.1m	91.6m	21.9%
Conversion rate	2.00%	2.21%	10.3%
Average order value	\$53.10	\$48.70	-8.2%
Customers	1.25m	1.68m	33.8%
Selling artists	106,700	164,300	54.0%
Products (as at 31 December)	51	62	21.6%
Fulfillers (as at 31 December)	12	15	25.0%

The Group's revenue growth remains significantly higher than the rate of global online retail sales, despite being impacted by:

- a strong Australian dollar affecting approximately 93% of revenue denominated in other currencies;
- negative macro-economic drivers, including the uncertainty, both economically and otherwise, of the political situation in the US and the economic uncertainty caused by the UK decision to leave the European Union; and
- a significant and rapid shift to mobile traffic, though the Group expects benefit from this consumer behaviour change in the longer term as mobile becomes dominant, with Group's year on year growth in GTV from mobiles being 52.3% compared to 13.8% for other devices.

Performance of our European language sites has been a highlight with better than average GTV growth rates in each jurisdiction: Spain 80.8%, Germany 61.8% and France 33.7%; despite the relative strength of the Australian dollar against the Euro.

The Group has seen strong and profitable growth from its paid marketing activity by proactively increasing paid marketing spend, benefiting from improved processes and in response to the shift to mobile where paid placements get a higher profile on the smaller mobile screens.

The Group continues to prudently manage operating expenditure in response to anticipated revenue growth whilst maintaining significant growth capability.

The global opportunity before Redbubble remains large and the company is investing to seize that opportunity. Redbubble's ongoing growth initiatives are designed to deliver sustained and profitable growth with continued improvement in our key business metrics.

Redbubble Limited and Controlled Entities

Directors' Report

Rounding of amounts

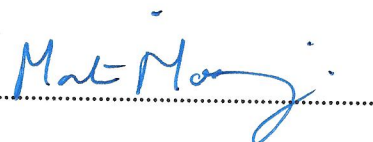
The amounts contained in the Interim Financial Report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$000) under the option available to the Company under ASIC CO 2016/191. The Company is an entity to which the class order applies.

Auditor's independence declaration

A copy of Ernst & Young's Auditor's Independence Declaration, as required under sections 307C of the Corporations Act 2001, is set out on Page 7.

Signed in accordance with a resolution of the board of directors:

Director: 

Director: 

Dated: 23 February 2017



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Auditor's Independence Declaration to the Directors of Redbubble Limited

As lead auditor for the review of Redbubble Limited for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Redbubble Limited and the entities it controlled during the financial period.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'K Bodenham'.

Kylie Bodenham
Partner
23 February 2017

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2016

		31 Dec 2016	31 Dec 2015
	Notes	\$'000	\$'000
Revenue from services		78,722	62,328
Operating expenses			
Fulfiller expenses	3	(50,408)	(41,827)
Employee and contractor costs	4	(14,737)	(12,304)
Marketing expenses	5	(7,392)	(5,884)
Operations and administration	6	(6,805)	(6,215)
Depreciation and amortisation	7	(3,003)	(1,689)
Finance costs	8	-	(574)
Total operating expenses		(82,345)	(68,493)
Other income	9	323	84
Other expenses		(502)	(339)
Loss before income tax		(3,802)	(6,420)
Income tax (expense)/benefit	10	971	(4,242)
Total loss for the half-year attributable to owners		(2,831)	(10,662)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Gain / (Loss) on foreign currency translation		294	(346)
Total other comprehensive gain / (loss) attributable to owners		294	(346)
Total comprehensive loss for the half-year attributable to owners		(2,537)	(11,008)
Loss per share attributable to the ordinary equity holders of the company			
Basic loss per share	11	(0.01)	(0.07)
Diluted loss per share	11	(0.01)	(0.07)

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

Redbubble Limited and Controlled Entities

Consolidated Statement of Financial Position

As at 31 December 2016

	Notes	31 Dec 2016 \$'000	30 June 2016 \$'000
Current assets			
Cash and cash equivalents	13	44,730	41,977
Trade and other receivables		637	490
Inventories		451	181
Other financial assets		168	40
Other current assets		1,137	919
Current tax assets		741	637
Total current assets	12	47,864	44,244
Non-current assets			
Property, plant and equipment		2,186	1,245
Intangible assets	14	8,655	7,416
Other financial assets		722	1,088
Deferred tax assets	10	2,556	1,649
Total non-current assets		14,119	11,398
Total assets		61,983	55,642
Current liabilities			
Trade and other payables		19,438	12,962
Unearned revenue		3,171	2,443
Provisions	15	1,323	1,070
Other current liabilities		42	4
Total current liabilities	12	23,974	16,479
Non-current liabilities			
Provisions	15	77	67
Other non-current liabilities		247	113
Total non-current liabilities		324	180
Total liabilities		24,298	16,659
Net assets		37,685	38,983
Equity			
Contributed equity	16	70,757	67,865
Treasury reserve		(995)	-
Share based payment reserve		2,556	3,214
Foreign exchange translation reserve		(612)	(906)
Accumulated losses		(34,021)	(31,190)
Total equity		37,685	38,983

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2016

		Share capital	Treasury reserve	Share based payments reserve	Foreign exchange translation reserve	Accumulated losses	Total
2015	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015		9,532	-	1,680	(602)	(11,373)	(763)
Loss for the half-year		-	-	-	-	(10,662)	(10,662)
Other comprehensive loss		-	-	-	(346)	-	(346)
Total comprehensive loss for the half-year		-	-	-	(346)	(10,662)	(11,008)
Exercise of share options	16	389	-	-	-	-	389
Transfer to issued capital on issuance of shares for exercised options / settled performance rights		399	-	(399)	-	-	-
Share-based payments expense		-	-	822	-	-	822
Balance at 31 December 2015		10,320	-	2,103	(948)	(22,035)	(10,560)

		Share capital	Treasury reserve ⁽¹⁾	Share based payments reserve	Foreign exchange translation reserve	Accumulated losses	Total
2016	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016		67,865	-	3,214	(906)	(31,190)	38,983
Loss for the half-year		-	-	-	-	(2,831)	(2,831)
Other comprehensive income		-	-	-	294	-	294
Total comprehensive loss for the half-year		-	-	-	294	(2,831)	(2,537)
Exercise of share options / warrants	16	323	-	-	-	-	323
Transfer to issued capital on issuance of shares for exercised options / warrants / settled performance rights ⁽²⁾		1,879	-	(1,879)	-	-	-
Share-based payments expense		-	-	1,221	-	-	1,221
Issue of shares to the Employees Share Trust	16	4,999	(4,999)	-	-	-	-
Shares issued / allocated to Participants from the Employees Share Trust	16	(4,004)	4,004	-	-	-	-
Payment of withholding taxes to US tax authorities on settlement of performance rights funded by shares withheld	16	(305)	-	-	-	-	(305)
Balance at 31 December 2016		70,757	(995)	2,556	(612)	(34,021)	37,685

⁽¹⁾ During the half-year, the Group established an Employee Share Trust for the purpose of issuance of shares to participants on exercise of options / settlement of performance rights. The Group issued 5,050,000 shares to the Employee Share Trust of which 4,045,003 shares were issued / allocated to the participants from the Employee Share Trust. The balance as at 31 December 2016 represents book value of shares held by the Employee Share Trust for future issue of shares to participants on exercise of options / settlement of performance rights.

⁽²⁾ Includes \$1,487,361 in relation to performance rights issued from March 2013 onwards which were settled in November 2016 (six months from the IPO in May 2016) on account of satisfaction of liquidity event condition.

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2016

	Notes	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Cash flows from operating activities			
Receipts from customers		100,710	80,778
Payments to artists ⁽¹⁾		(14,820)	(9,583)
Payments to fulfillers		(45,371)	(35,338)
Payments to other suppliers and employees		(32,275)	(27,148)
Finance income received		261	84
Other income		76	-
Net cash provided by operating activities		8,581	8,793
Cash flows from investing activities			
Payment for property, plant and equipment		(1,339)	(550)
Payment for intangible assets		(3,814)	(2,625)
Repayment of related party loan and interest		-	323
Net cash used in investing activities		(5,153)	(2,852)
Cash flows from financing activities			
Proceeds from exercise of share options / warrants	16	323	389
Payment of withholding taxes to US tax authorities on settlement of performance rights funded by shares withheld	16	(305)	-
Net cash provided by financing activities		18	389
Net increase in cash and cash equivalents held		3,446	6,330
Cash and cash equivalents at beginning of year		41,977	13,974
Effect of exchange rate changes on cash and cash equivalents		(693)	(413)
Cash and cash equivalents at end of the half-year	13	44,730	19,891

⁽¹⁾ During the half-year, the Group changed its payment terms for artists. Payments are now being paid mid-monthly and the Group no longer applies a minimum accumulated earnings threshold before payment. Consequently, the payments to artists as a percentage of receipts from customers is higher in the current half-year as compared to previous corresponding period.

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

Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2016

1. Corporate information

The condensed consolidated interim financial statements of Redbubble Limited for the half-year ended 31 December 2016 (**Interim Financial Report**) were authorised for issue by a resolution of the Directors on 23 February 2017.

The Interim Financial Report covers Redbubble Limited and its controlled entities as the consolidated group (**the Group**). Redbubble Limited is the ultimate parent company, the parent entity, of the Group.

Redbubble Limited (**the Company**) is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Stock Exchange.

The Group is a global online marketplace for independent artists.

2. Basis of Preparation

This Interim Financial Report for the half-year reporting period ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting.

This Interim Financial Report does not include all the information and disclosures required in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2016.

The accounting policies adopted in the preparation of the Interim Financial Report are consistent with those followed in the preparation of the Annual Report of the Group for the year ended 30 June 2016, except for the adoption of new standards and interpretations as of 1 July 2016 that did not have a material effect on the financial position or performance of the Group during the period.

During the half-year ended 31 December 2016, the Group early adopted AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions which had an initial application date of 1 January 2018. Accordingly, the withholding of shares to fund the payment of taxes to the US tax authorities in respect of the employee's tax obligation associated with the share-based payment is accounted for as a deduction from equity (Refer to Note 16(b), footnote ⁽⁴⁾). The Group continues to treat all share-based payment transactions with a net settlement feature for withholding tax obligations as equity-settled share-based payment transactions. The earlier adoption has no impact on previous accounting periods. Other than the above, the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2016

3. Fulfiller expenses

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Fulfiller expenses ⁽¹⁾	50,408	41,827
Total fulfiller expenses	50,408	41,827

⁽¹⁾ Fulfiller expenses comprise product and printing, shipping and transaction costs and are equivalent to cost of goods sold.

4. Employee and contractor costs

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Salary costs	9,825	8,433
Contractor costs	2,928	2,518
Share-based payments and other long-term incentives	1,221	822
Superannuation costs and other pension related costs ⁽¹⁾	763	531
Total employee and contractor costs	14,737	12,304

⁽¹⁾ Includes contribution to 401K funds, which is the superannuation equivalent for the US subsidiary.

5. Marketing expenses

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Paid acquisition costs	6,565	4,235
Other marketing expenses	827	1,649
Total marketing expenses	7,392	5,884

6. Operations and administration

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Technology infrastructure and software costs	2,076	1,922
Travel expenses	614	845
Rental expense on operating leases	796	611
Recruiting expenses	416	617
Other operations and administration expense	2,903	2,220
Total operations and administration	6,805	6,215

Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2016

7. Depreciation and amortisation

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Depreciation of property, plant and equipment	414	366
Amortisation of capitalised development costs	2,589	1,323
Total depreciation and amortisation	3,003	1,689

8. Finance costs

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Interest and amortised transaction costs on cumulative redeemable preference shares (CRPS) ⁽¹⁾	-	461
Transaction costs on loan facility with the Commonwealth Bank of Australia (CBA) ⁽²⁾	-	113
Total finance costs	-	574

⁽¹⁾ The CRPS were converted into ordinary shares upon the Initial Public Offering in May 2016.

⁽²⁾ Represents amortisation of transaction costs incurred for establishment of a loan facility with CBA that expired on 8 December 2015 and was not renewed.

9. Other income

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Finance income	261	84
Rental income	62	-
Total other income	323	84

Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2016

10. Income tax expense / (benefit)

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Current income tax expense	62	-
Deferred income tax expense / (benefit) ⁽¹⁾	(1,033)	4,242
Total income tax expense / (benefit)	(971)	4,242

⁽¹⁾ During the half-year ended 31 December 2016, the Group recognised DTA of \$1.0 million of which \$0.8 million is attributable to tax losses incurred during the period and \$0.2 million is attributable to other items such as timing differences. At 31 December 2015, the Group had taken a conservative approach to tax losses and de-recognised DTA of \$4.6 million due to the uncertainty associated with their recoverability following the then proposed initial public offer in May 2016.

As at 31 December 2016, the Group has a DTA of \$2.6 million of which \$1.4 million is attributable to Australian tax losses and non-refundable research and development offsets. Further, as at 31 December 2016, the Group has unrecognised DTA of \$7.8 million attributable to Australian carried forward tax losses and non-refundable research and development offsets.

11. Loss per share

	31 Dec 2016 \$ per share	31 Dec 2015 \$ per share
Basic loss per share		
Basic loss per share attributable to the ordinary equity holders of the company	(0.01)	(0.07)
Diluted loss per share		
Diluted loss per share attributable to the ordinary equity holders of the company	(0.01)	(0.07)

Weighted average number of shares used as the denominator

	31 Dec 2016 number	31 Dec 2015 number
Weighted average number of shares used as denominator in calculating basic and diluted loss per share	201,246,340	142,681,761

Reconciliation of loss used in calculating loss per share

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Loss attributable to the ordinary equity holders of the company used in calculating basic and diluted loss per share	(2,831)	(10,662)

Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2016

12. Seasonality of Operations

The Group's revenue is affected by the Thanksgiving and Christmas holiday seasons which result in higher sales particularly in the December quarter. Consequently, the current assets and liabilities as at 31 December 2016 are not strictly comparable with the balances as at 30 June 2016.

13. Cash and cash equivalents

	31 Dec 2016 \$'000	30 June 2016 \$'000
Cash at bank and on hand	29,596	20,977
Fixed term bank deposits ⁽¹⁾	15,134	21,000
Total cash and cash equivalents	44,730	41,977

⁽¹⁾ Fixed term bank deposits attract interest at normal term deposit rates. They are placed for a period of 1-3 months and are not subject to any risk of change of values.

14. Intangible assets

Cost	Capitalised development costs \$'000
Balance at 1 July 2016	13,513
Additions	3,814
Disposals	-
Exchange differences	55
Balance at 31 December 2016	17,382
Balance at 1 July 2015	7,434
Additions	2,625
Disposals	-
Exchange differences	-
Balance at 31 December 2015	10,059
Accumulated amortisation	
Balance at 1 July 2016	(6,097)
Charge for the year	(2,589)
Disposals	-
Exchange differences	(41)
Balance at 31 December 2016	(8,727)
Balance at 1 July 2015	(2,843)
Charge for the year	(1,323)
Disposals	-
Exchange differences	-
Balance at 31 December 2015	(4,166)
Net book value	
As at 31 December 2016	8,655
As at 31 December 2015	5,893

Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2016

14. Intangible assets (continued)

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a straight-line basis based on the future economic benefits over the useful life of the project, typically between 2 to 3 years.

15. Provisions

Current:

	31 Dec 2016 \$'000	30 June 2016 \$'000
Annual leave	1,118	976
Long service leave	136	94
Other	69	-
Total current provisions	1,323	1,070

Non-current:

	31 Dec 2016 \$'000	30 June 2016 \$'000
Long service leave	77	67
Total non-current provisions	77	67

16. Contributed equity

(a) Share capital

	31 Dec 2016 Shares	30 June 2016 Shares	31 Dec 2016 \$'000	30 June 2016 \$'000
Ordinary shares				
Issued and fully paid	205,613,754	198,352,517	68,119	67,106
Transfer from share based payments reserve for exercised options / warrants / settled performance rights	-	-	2,638	759
Total	205,613,754	198,352,517	70,757	67,865

Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2016

16. Contributed equity (continued)

(b) Movements in share capital

	Number of shares	\$'000
Balance at 1 July 2015 ⁽¹⁾	141,263,640	9,344
Exercise of options ⁽¹⁾	2,492,400	389
Shares issued to employees for vested performance rights ⁽¹⁾	552,640	-
Balance at 31 December 2015	144,308,680	9,733
Balance at 1 July 2016	198,352,517	67,106
Exercise of options / warrants	2,665,109	323
Settlement of vested performance rights	3,930,797	-
Issue of shares to the Employees Share Trust ⁽²⁾	5,050,000	4,999
Shares issued / allocated to Participants from the Employees Share Trust ⁽³⁾	(4,045,003)	(4,004)
Payment of withholding taxes to US tax authorities on settlement of performance rights funded by shares withheld ⁽⁴⁾	(339,666)	(305)
Balance at 31 December 2016 (including treasury shares)	205,613,754	68,119
Treasury shares - unallocated ⁽⁵⁾	(1,004,997)	(995)
Balance at 31 December 2016 (excluding treasury shares)	204,608,757	67,124

⁽¹⁾ Effective 1 December 2015, each share of the company was split into 40. All the numbers have been converted to equivalent post split numbers for better understanding and comparison.

⁽²⁾ During the half-year, the Group issued shares to the Employees Share Trust for the purpose of issuance of shares to participants on exercise of options / settlement of performance rights.

⁽³⁾ Represents shares issued to participants from the Employees Share Trust / allocated to participants in the Trust on exercise of options / settlement of performance rights.

⁽⁴⁾ Represents payment of withholding taxes accounted for as a deduction from equity in accordance with AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions.

⁽⁵⁾ Represents shares held by the Employees Share Trust for future issue of shares to participants on exercise of options / settlement of performance rights.

17. Segment information

The Group is an online marketplace and accordingly, has identified that as its only operating segment.

18. Contingent liabilities

As at the date of these financial statements there are current lawsuits filed against entities within the Group that relate to alleged intellectual property infringement and/or breach of consumer laws.

The Group does not consider that any of the current actions are likely to have a material adverse effect on the business or financial position of the Group.

Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2016

19. Matters or circumstances arising after the end of the year

No other matters or circumstances have arisen since the half-year ended 31 December 2016 that significantly affect or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Directors' Declaration

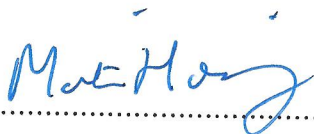
In accordance with a resolution of the directors of Redbubble Limited, we state that in the opinion of the directors:

- 1 the financial statements and notes, as set out on pages 8 to 19, are in accordance with the *Corporations Act 2001* including:
 - a. giving true and fair view of the financial position as at 31 December 2016 and of the performance for the year ended on that date of the consolidated group; and
 - b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- 2 there are reasonable grounds to believe that Redbubble Limited will be able to pay its debts as and when they become due and payable.

Director



Director



Dated: 23 February 2017

Independent Auditor's Review Report



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To the members of Redbubble Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Redbubble Limited, which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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 consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Redbubble Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. 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 Redbubble Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Kylie Bodenham
Melbourne
23 February 2017

Redbubble Limited and Controlled Entities

Corporate Information

Directors	Richard Cawsey (Chair) Martin Hosking (Managing Director, Chief Executive Officer) Teresa Engelhard Greg Lockwood Grant Murdoch Hugh Williams
Company Secretaries	Corina Davis Paul Gordon
Registered Office	Level 3, 271 Collins Street Melbourne VIC 3000 Australia
Share Register	Link Market Services Tower 4, 727 Collins Street Melbourne VIC 3008 Australia
Auditors	Ernst & Young 8 Exhibition Street Melbourne VIC 3000 Australia
Bankers	Commonwealth Bank of Australia
Stock Exchange Listing	Redbubble shares are listed on the Australian Securities Exchange (listing code: RBL)
Website	www.redbubble.com
Investor Centre	shareholders.redbubble.com