Rules 4.2A.3

Appendix 4D

Half Year Report

Introduced 1/1/2003

Name of entity

MAXITRANS INDUSTRIES LIMITED

ABN 58 006 797 173	**Half Year Ended 31 December 2016**

Results for announcement to the market

(All comparisons to half-year ended 31 December 2015)

				$A'000
Revenues from ordinary activities	down	-5%	to	171,591
Net profit after tax (excluding significant items) attributable to members of the company [1, 2]	up	8%	to	6,074
Net profit after tax (including significant items) attributable to members of the company	up	17%	to	6,074

Dividends (distributions) - Note 2	Amount per security	Franked amount per security
Interim dividend – Ordinary shares	2.00¢	2.00¢
Previous corresponding period: Interim dividend – Ordinary shares	2.00¢	2.00¢

Record date for determining entitlements to the dividend.	24 March 2017

Refer to the attached ASX announcement regarding commentary on revenue, earnings (including underlying results) and business outlook.

(1) Net profit after tax (excluding significant items) attributable to members of the company is a non-IFRS measure, which has not been subject to review or audit by the Group's external auditors. This measure is presented to enable understanding of the underlying performance of the Group by users.

(2) Also referred to as underlying net profit after tax attributable to MXI shareholders. The 31 December 2015 underlying result includes the after tax value of the Bundaberg restructure costs of $438k.

MaxiTRANS Industries Limited
Directors' Report for the half-year ended 31 December 2016

The Directors of MaxiTRANS Industries Limited submit herewith the financial report for the half-year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors of the Company during or since the end of the half-year are:

Mr. Robert H. Wylie	(Chairman since June 2016)
Mr. James R. Curtis	(Director Since 1987 – Deputy Chairman since October 1994)
Mr. Michael A. Brockhoff	(Managing Director since June 2000)
Mr. Geoffrey F. Lord	(Retired as Director on 21 October 2016)
Mr. Joseph Rizzo	(Director since June 2014)
Ms. Samantha Hogg	(Director since April 2016)

Review of operations

Total revenue for 1H17 decreased by 5.4% from 1H16, with the decrease mainly attributable to an 8% decrease in revenue for the Trailer Solutions business, partially offset by a 1% increase in revenue from the Parts and Components businesses.

In the Trailer business, whilst sales of the Freighter and Maxi-CUBE products in Australia were down 28% on pcp, unit sales of the tipper products were 67% higher than pcp, capitalising on strong demand in the construction, agriculture and waste sectors. However, this product mix had an adverse impact on profit for the segment as margins on Freighter and Maxi-CUBE are generally higher than the tipper products. Profit for the segment declined by 21.4% from 1H16. A stronger tipper order bank at the end of the period and continuing good order intake positions the Company well as it enters the second half of FY17.

The delay in introducing new equipment regulations in New Zealand had a significant adverse impact on our New Zealand business as revenue declined by 44%. Those regulations have now been passed and we expect order intake to improve throughout the second half of FY17.

Revenue in the Parts and Components segment increased by 1% and profit improved 60% over pcp. Revenue for the MaxiPARTS business was flat in 1H17, however, significant margin improvement as a result of a number of business initiatives and strong overhead management saw profit materially improve. We expect this performance to continue. Similarly, significantly improved sales volume in our China business saw profit grow ahead of revenue in 1H17.

Outlook

The Australian trailer business entered 2H17 with a stronger order bank than the same time last year. Strong demand for tipper products continues, albeit at lower margins, as new infrastructure projects come on stream and optimism continues in the agriculture sector. Our tipper products are also gaining strong acceptance in the waste sector, evidenced by two of our top ten customers operating in that sector. A number of opportunities for Freighter and Maxi-CUBE also remain in the market.

We also expect the certainty from the new equipment regulations in New Zealand should result in a significant improvement in our New Zealand business in 2H17 as customers begin to order new equipment to capitalise on the improved equipment efficiency.

In the Parts and Components segment, we expect improved profitability from a continuing focus on pricing discipline, strong overhead management and contributions from our new business initiatives including the MaxiSTOCK customer inventory management system.

Dividend

The Directors have declared a fully franked interim dividend of 2.00 cents per share payable on 13 April, 2017 to holders on the record date, 24 March, 2017.

Auditor’s independence declaration

The independence declaration of our auditor, KPMG, in accordance with s. 307C of the Corporations Act 2001 is set out on page 4 for the half year ended 31 December 2016 and forms part of the Directors' report.

Rounding of amounts

The parent entity has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and accordingly, amounts in the interim financial statements and the Director’s Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the Board of Directors.

M Brockhoff

Michael A. Brockhoff
Managing Director

Melbourne, 24 February 2017

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

To: the directors of MaxiTRANS Industries Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 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.

KPMG

KPMG

S E Bell

Suzanne Bell

Partner

Melbourne

24 February 2017

DIRECTORS' DECLARATION

In the opinion of the Directors of MaxiTRANS Industries Limited ("the Company"):

1 the interim consolidated financial statements and notes set out on pages 6 to 15, are 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 2016 and of its performance for the half-year ended on that date; 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 the Company will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of the Board in accordance with a resolution of Directors made pursuant to s.303(5) of the Corporations Act 2001.

M Brockhoff

Michael A. Brockhoff
Managing Director

Melbourne, 24 February 2017

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

CONSOLIDATED INCOME STATEMENT	Note	31 Dec 2016 $'000	31 Dec 2015 $'000
Sale of goods		**161,835**	173,650
Rendering of services		**9,756**	7,715
Changes in inventories of finished goods and work in progress		**2,868**	(6,406)
Raw materials and consumables used		**(107,068)**	(105,224)
Interest income		**29**	44
Other income		**426**	-
Employee expenses and contract labour		**(41,537)**	(41,313)
Warranty expenses		**(661)**	(1,006)
Depreciation and amortisation expenses		**(2,404)**	(2,672)
Finance costs		**(1,170)**	(1,161)
Restructure costs		**-**	(626)
Other expenses		**(13,892)**	(16,114)
Share of net profits of joint ventures accounted for using the equity method		**408**	477
Profit before income tax		**8,590**	7,364
Income tax expense		**(2,259)**	(2,035)
Profit for the period		**6,331**	5,329
Profit attributable to:			
Equity holders of the company		**6,074**	5,189
Non-controlling interests		**257**	140
Profit for the period		**6,331**	5,329

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Profit for the period	**6,331**	5,329
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Revaluation of land and buildings	**2,260**	-
Related tax	**(678)**	-
Total items that will never be reclassified to profit or loss	**1,582**	**-**
Items that may subsequently be reclassified to profit or loss:		
Net exchange difference on translation of financial statements of foreign operations	**112**	760
Effective portion of changes in fair value of cash flow hedges	**147**	34
Related tax	**(44)**	(10)
Total items that may subsequently be reclassified to profit or loss	**215**	784
Other comprehensive income for the period, net of income tax	**1,797**	784
Total comprehensive income for the period	**8,128**	6,113
Total comprehensive income attributable to:		
Equity holders of the company	**7,897**	5,968
Non-controlling interests	**231**	145
Total comprehensive income for the period	**8,128**	6,113
Earnings per share		
Basic earnings per share (cents per share)	**3.28¢**	2.80¢
Diluted earnings per share (cents per share)	**3.28¢**	2.80¢
	Number	Number
Weighted average number of shares:		
Number for basic earnings per share	**185,075,653**	185,075,653
Number for diluted earnings per share	**185,075,653**	185,075,653
Net Tangible Assets Backing (cents per share)	**50.11¢**	45.99¢
Net Assets Backing (cents per share)	**70.02¢**	68.59¢

The consolidated income statement and consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the consolidated half-year financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 Dec 2016 $'000	30 June 2016 $'000
Current Assets			
Cash and cash equivalents		**5,974**	10,831
Trade and other receivables		**35,173**	38,386
Inventories		**56,917**	53,341
Current tax asset		**3,313**	2,863
Other		**2,640**	1,120
Total Current Assets		**104,017**	106,541
Non-Current Assets			
Investments in joint venture	3	**4,210**	4,187
Property, plant & equipment		**82,940**	78,563
Intangible assets		**36,852**	37,059
Deferred tax assets		**469**	1,780
Other		**1,154**	1,156
Total Non-Current Assets		**125,625**	122,745
Total Assets		**229,642**	229,286
Current Liabilities			
Trade and other payables		**44,203**	48,276
Interest bearing loans and borrowings		**2,354**	1,829
Current tax liability		**-**	253
Provisions		**11,783**	12,476
Total Current Liabilities		**58,340**	62,834
Non-Current Liabilities			
Interest bearing loans and borrowings		**39,745**	41,323
Deferred tax liabilities		**779**	446
Provisions		**1,141**	1,147
Other		**47**	199
Total Non-Current Liabilities		**41,712**	43,115
Total Liabilities		**100,052**	105,949
Net Assets		**129,590**	123,337
Equity			
Issued capital		**56,386**	56,386
Reserves		**18,577**	16,643
Retained earnings		**52,560**	48,337
Equity attributable to equity holders of the company		**127,523**	121,366
Non-controlling interest		**2,067**	1,971
Total Equity		**129,590**	123,337

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	Note	Issued capital $'000	Asset revaluation reserve[1] $'000	Retained earnings $'000	Non-controlling interest $'000	Other reserves[2] $'000	Total $'000
Balance as at 1 July 2015		56,386	12,046	46,805	1,838	3,537	120,612
Comprehensive income for the period							
Profit for the period		-	-	5,189	140	-	5,329
Other comprehensive income							
Net exchange difference on translation of financial statements of foreign operations		-	-	-	5	755	760
Revaluation of land and buildings		-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	24	24
Total comprehensive income for the period		-	-	5,189	145	779	6,113
Transactions with owners, recorded directly in equity							
Dividends to equity holders	2	-	-	-	(84)	-	(84)
Share based payment transactions		-	-	-	-	309	309
Total transactions with owners		-	-	-	(84)	309	225
Balance 31 December 2015		56,386	12,046	51,994	1,899	4,625	126,950
Balance as at 1 July 2016		56,386	12,605	48,337	1,971	4,038	123,337
Comprehensive income for the period							
Profit for the period		-	-	6,074	257	-	6,331
Other comprehensive income							
Net exchange difference on translation of financial statements of foreign operations		-	-	-	(26)	138	112
Revaluation of land and buildings		-	1,582	-	-	-	1,582
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	103	103
Total comprehensive income for the period		-	1,582	6,074	231	241	8,128
Transactions with owners, recorded directly in equity							
Dividends to equity holders	2	-	-	(1,851)	(135)	-	(1,986)
Share based payment transactions		-	-	-	-	111	111
Total transactions with owners		-	-	(1,851)	(135)	111	(1,875)
Balance 31 December 2016		**56,386**	**14,187**	**52,560**	**2,067**	**4,390**	**129,590**

1. Asset revaluation reserve
The asset revaluation reserve includes the net revaluation increments arising from the revaluation of land and buildings.

2. Other reserves
Other reserves comprises the foreign currency translation reserve, share based payment reserve and hedging reserve.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

	31 Dec 2016	31 Dec 2015
	$'000	$'000
Cash Flows from Operating Activities		
Receipts from customers	**197,331**	209,912
Payments to suppliers & employees	**(192,262)**	(193,818)
Interest received	**29**	44
Interest & other costs of finance paid	**(1,170)**	(1,161)
Income tax paid	**(1,894)**	(1,795)
Net Cash Provided by/(Used in) Operating Activities	**2,034**	13,182
Cash Flows from Investing Activities		
Payments for property, plant & equipment	**(4,434)**	(4,336)
Dividends received	**385**	374
Proceeds from sale of property, plant & equipment	**206**	1,950
Net Cash Provided by/(Used in) Investing Activities	**(3,843)**	(2,012)
Cash Flows from Financing Activities		
Proceeds from borrowings	**2,297**	2,318
Repayment of borrowings	**(3,240)**	(14,056)
Payment of finance lease liabilities	**(110)**	(1,625)
Dividends paid	**(1,986)**	(84)
Net Cash Provided by/(Used in) Financing Activities	**(3,039)**	(13,447)
Net increase/(decrease) in cash	**(4,848)**	(2,277)
Cash and cash equivalents 1 July	**10,831**	4,345
Effect of exchange rate fluctuations on cash held	**(9)**	62
Cash and cash equivalents 31 December	**5,974**	2,130
Reconciliation of cash		
Cash at bank and on hand	**5,974**	2,130
Non-cash financing and investing activities		
Acquisition of plant & equipment by means of finance leases	**-**	-

These acquisitions of plant and equipment are not reflected in the statement of cash flows.

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

1. Statement of Compliance and Significant Accounting Policies

Reporting entity

MaxiTRANS Industries Limited (the “Company”) is a company domiciled in Australia and its registered office is 346 Boundary Road, Derrimut, Victoria. The consolidated interim financial statements of the Company as at and for the six months ended 31 December 2016 comprises the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint ventures and jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2016 is available upon request from the Company’s registered office at 346 Boundary Rd, Derrimut, Victoria or at www.maxitrans.com

Statement of compliance

The consolidated interim financial statements is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial statements does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2016.

This consolidated interim financial statements was approved by the Board of Directors on 24 February 2017.

The Group has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and, accordingly, amounts in the interim financial statements have been rounded to the nearest thousand dollars unless specifically stated otherwise.

Significant accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2016.

Impact of standards issued but not yet applied by the entity:

AASB 16 *Leases* - requires companies to bring most leases on-balance sheet, which will likely result in the recognition of new assets and liabilities for assets currently classified as an operating lease under AASB 117 Leases. In addition, there are likely to be changes to the timing of amounts recognised in the income statement. The new standard will be applied for the annual reporting period ending 30 June 2020.

AASB 15 *Revenue from contracts with customers* - applicable for annual reporting periods beginning on or after 1 January 2018. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at point in time or over time. The model features a contract based five step analysis of transactions to determine whether, how much and when revenue is recognised.

IFRS 9 *Financial Instruments* - applicable for annual reporting periods beginning on or after 1 January 2018. The new standard includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, and supplements the general hedge accounting requirements previously published. It supersedes AASB 9 (issued in December 2009 - as amended) and AASB 9 (issued in December 2010 - as amended).

The Group expect to adopt these standards in the financial year they apply. The financial impact of adopting the new or amended standards has not yet been determined.

Accounting Estimates and Judgements

The preparation of the 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 expense. Actual results may differ from these estimates.

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

2. Dividends

	31 Dec 2016 $'000	31 Dec 2015 $'000
Dividends paid:		
A final dividend of 1.00 cent per share franked at the rate of 30% was paid for the financial year ended 30 June 2016. No final dividend was paid for the financial year ended 30 June 2015.	**1,851**	-
Dividends proposed:		
Interim dividend of 2.00 (2015: 2.00) cents per share franked at the rate of 30% (2015: 30%).	**3,702**	3,702
Dividend franking account		
Class C (30%) franking credits available to shareholders of MaxiTRANS Industries Limited for subsequent financial years	**21,111**	21,187

On 24 February 2017, the Directors have declared a fully franked interim dividend of 2.00 cents per share, payable on 13 April 2017 to holders of ordinary shares at the record date, 24 March 2017. No liability has been recorded in relation to this dividend at 31 December 2016.

The above franking credits available amounts are based on the balance of the dividend franking account at 31 December 2016 adjusted for franking debits that will arise from the payment of dividends recognised as a liability at period-end and franking credits that will arise from the payment of tax liabilities.

The operation of the Company's dividend reinvestment plan ('DRP') was suspended on 21 June 2011 until further notice and will not apply to the above dividend.

3. Investment in Joint Venture

		Ownership Interest	
Name of Entity	**Principal Activity**	**31 Dec 2016 %**	30 Jun 2016 %
Trailer Sales Pty Ltd	Trailer retailer. Repair and service provider. Sale of Spare parts	**36.67**	36.67
		$'000	$'000
Carrying amount of investments in joint ventures		**4,210**	4,187

4. Bank Facilities

Core Australian and New Zealand loan facilities of $75.0m mature as follows, subject to continuing compliance with the terms of the facilities:

- $45.0m in January 2018
- $30.0m in December 2018

5. Segment Information

During the financial year ended 30 June 2016, the Company redefined both its reportable segments and CGU's. In accordance with AASB 8 - *Operating Segments* , the Company redefined its segments as:

1. Trailing Solutions, encompassing trailer Manufacturing and Retail & Service divisions;
2. Parts & Components, encompassing MaxiPARTS and China divisions.

As a result, the segment information for both the 2016 and 2015 half year-ends ending 31 December are disclosed based on the new segments i.e Trailing Solutions and Parts & Components within this set of accounts.

It is the Group's policy that inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-bearing loans, borrowings and expenses, and corporate assets and expenses. Total finance costs of the Group are included in unallocated corporate costs.

Six months ended 31 December 2016

Business Segments	**Trailing Solutions**	**Parts & components**	**Eliminations**	**Consolidated**
	$'000	$'000	$'000	$'000
Revenue				
External segment revenue	116,650	54,410	-	171,060
Inter-segment revenue	994	6,424	(7,418)	-
Total segment revenue	117,644	60,834	(7,418)	171,060
Unallocated sundry revenue				531
Total Revenue				171,591
Segment Result				
Segment net profit before tax	5,281	3,018	-	8,299
Share of net profit of equity accounted investments				408
Unallocated corporate expenses				(117)
Profit before related income tax expense				8,590
Income tax expense				(2,259)
Net profit				6,331
Assets				
Segment assets	125,972	76,421	-	202,393
Unallocated corporate assets				27,249
Consolidated total assets				229,642
Liabilities				
Segment liabilities	38,610	26,301	-	64,911
Unallocated corporate liabilities				35,141
Consolidated total liabilities				100,052

5. Segment Information (cont.)

Six months ended 31 December 2015

Business Segments	Trailing Solutions	Parts & components	Eliminations	Consolidated
	$'000	$'000	$'000	$'000
Revenue				
External segment revenue	126,469	53,871	-	180,340
Inter-segment revenue	984	5,760	(6,744)	-
Total segment revenue	127,453	59,631	(6,744)	180,340
Unallocated sundry revenue				1,025
Total Revenue				181,365
Segment Result				
Segment net profit before tax	6,716	1,885	-	8,601
Share of net profit of equity accounted investments				477
Unallocated corporate expenses				(1,714)
Profit before related income tax expense				7,364
Income tax expense				(2,035)
Net profit				5,329
Assets				
Segment assets	130,867	74,589	-	205,456
Unallocated corporate assets				8,462
Consolidated total assets				213,918
Liabilities				
Segment liabilities	34,546	24,570	-	59,116
Unallocated corporate liabilities				27,852
Consolidated total liabilities				86,968

SECONDARY REPORTING

The Group's external revenues are predominately derived from customers located within Australia. The customer base is sufficiently diverse to ensure the Group is not reliant on any particular customer. The Group's assets and capital expenditure activities are predominantly located within Australia.

6. Financial Instruments

Net fair value

Fair Value Measurement requires that financial and non-financial assets and liabilities measured at fair value be disclosed according to their position in the fair value hierarchy.

This hierarchy has three levels. Level 1 is based on quoted prices in active markets for identical assets; Level 2 is based on quoted prices or other observable market data not included in Level 1; while Level 3 valuations are based on inputs other than observable market data.

The following table presents MaxiTRANS assets and liabilities measured and recognised at fair value and their classification within the fair value hierarchy at 31 December 2016.

As at 31 December 2016	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Derivatives	-	147	-	147
Non-financial assets				
Land and buildings	-	-	42,425	42,425
	-	147	42,425	42,572
Financial Liabilities				
Derivatives	-	-	-	-
	-	147	42,425	42,572

As at 30 June 2016	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Derivatives	-	-	-	-
Non-financial assets				
Land and buildings	-	-	40,284	40,284
	-	-	40,284	40,284
Financial Liabilities				
Derivatives	-	(267)	-	(267)
	-	(267)	40,284	40,017

The fair value of Level 2 financial instruments is determined by reference to observable inputs from markets not considered active. The forward foreign currency exchange contracts and interest rate swaps are priced with reference to an active yield or rate, but with an adjustment applied to reflect the timing of maturity dates. Level 3 assets include MaxiTRANS land and buildings reflecting the use of directly unobservable market inputs in their valuation.

Formal valuations were obtained at 30 June 2016 for the New Zealand property and at 31 December 2016 for all properties held in Australia.

Valuations are conducted by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The following table presents the changes in Level 3 assets during the half year ended 31 December 2016 for recurring fair value measurements of non-financial assets.

6. Financial Instruments (cont'd)

	Land and Buildings $'000
Opening balance as at 1 July 2016	40,284
Fair value revaluation	2,260
Additions	-
Disposals	-
Depreciation recognised in the consolidated income statement	(259)
Exchange rate variance	140
Closing balance as at 31 December 2016	42,425

The following table provides quantitative information about the significant unobservable inputs used in Level 3 fair value measurements including the sensitivity of fair value measurement to changes in the noted unobservable inputs.

Description	Fair Value $'000	Valuation Technique	Unobservable Inputs	Fair Value Movement Due to +/- Change in Unobservable Inputs $'000
Land and Buildings	42,425	Highest and best use to market participants	Derived assumptions including rents, yields and discount rates obtained from analysed transactions	2,260

7. Events Subsequent to Reporting Date

There have been no events subsequent to the reporting date which would have a material effect on the Group's consolidated interim financial statements at 31 December 2016.

Campbell Richards
Company Secretary

Melbourne, 24 February 2017

Independent auditor's review report to the members of MaxiTRANS Industries Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of MaxiTRANS Industries Limited ('MaxiTRANS'), which comprises the consolidated statement of financial position as at 31 December 2016, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 7 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 half-year's end or from time to time during the half-year.

Responsibility of the Directors for the 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 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 Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of MaxiTRANS, 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*.

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 MaxiTRANS 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 2016 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

S E Bell

Suzanne Bell
Partner

Melbourne

24 February 2017