

1. Company details

Name of entity:	Big River Industries Limited
ABN:	72 609 901 377
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	21.8% to	104,623,988
Profit from ordinary activities after tax attributable to the owners of Big River Industries Limited	up	15.8% to	2,911,698
Profit for the half-year attributable to the owners of Big River Industries Limited	up	15.8% to	2,911,698
		31 Dec 2017 Cents	31 Dec 2016 Cents
Basic earnings per share		5.52	74.39
Diluted earnings per share		5.38	74.39
Adjusted basic earnings per share		5.52	6.54
Adjusted diluted earnings per share		5.38	6.54

Adjusted earnings per share

The Company's preference shares were converted on the Initial Public Offer into ordinary shares on a 1 for 1 basis. To provide a more meaningful comparison, the Company has also presented Adjusted EPS which shows the impact as though the preference shares were ordinary shares from the date they were issued. The number of shares at 31 December 2016 does not include those shares that were issued as part of the Initial Public Offer. Refer to note 14 in the attached financial statements for further details.

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend paid on 29 September 2017	3.500	3.500
Interim dividend to be paid on 4 April 2018	3.500	3.500

Comments

The profit for the Group after providing for income tax amounted to \$2,911,698 (31 December 2016: \$2,514,921).

Refer to the Interim Report attached to this Appendix 4D Half-year Report for detailed explanation and commentary on the results.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>92.45</u>	<u>90.81</u>

Big River Industries Limited

ABN 72 609 901 377

Interim Report - 31 December 2017

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Big River Industries Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

The following persons were directors of Big River Industries Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Gregory Ray Laurie
 James Bernard Bindon
 Martin Kaplan
 Malcolm Geoffrey Jackman
 Vicky Papachristos (appointed 4 October 2017)

Principal activities

During the financial year the principal continuing activities of the Group consisted of the manufacture of veneer, plywood and formply, and the distribution of building supplies.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	Consolidated
	31 Dec 2017	31 Dec 2016
	\$	\$
A class preference dividend for the period ended 30 June 2017, paid prior to the Group listing	-	1,495,794
Final dividend of 3.5 cents per fully paid ordinary share paid on 29 September 2017	1,840,721	-
	<u>1,840,721</u>	<u>1,495,794</u>

On 27 February 2018, the directors declared a fully franked dividend of 3.5 cents per fully paid ordinary share to be paid on 4 April 2018.

Review of operations

Overall revenue for the December 2017 half-year of \$104.6 million was up 21.8% from \$85.9 million in the December 2016 half-year.

	31 Dec 2017	31 Dec 2016	Change
	\$'000	\$'000	%
Revenue:			
Same stores	86,449	85,876	0.7%
Acquisitions (since pcg)	18,175	-	-
Total Revenue	<u>104,624</u>	<u>85,876</u>	<u>21.8%</u>

Net profit after tax for the half-year was \$2.9 million, up 15.8% from \$2.5 million in the previous half-year.

On a same-stores basis, distribution EBITDA was \$5.3 million, a rise of 14.2% over the December 2016 half-year of \$4.6 million.

The two acquisitions made towards the end of FY2017, along with two further acquisitions made during the December 2017 half-year have made a positive contribution. EBITDA from acquisitions was \$1.2 million.

EBITDA on manufacturing operations was down \$1.0 million on the previous corresponding period due to a number of factors, including lower volume, increased energy costs and a delay in the timing of a number of projects.

Overall EBITDA before acquisition costs was \$5.9 million, a rise of 19.3% over the corresponding period last year.

Significant changes in the state of affairs

On 24 August 2017, the Group executed a business purchase deed to acquire the business and assets of Midcoast Timbers, a business located in Burleigh West, Queensland. The purchase price was \$2,710,732 which includes the acquisition of inventory and plant and equipment and was settled through the payment of \$2,410,732 in cash and \$300,000 in ordinary shares of Big River Industries Limited.

On 3 November 2017, the Group executed a business purchase deed to acquire the business and assets of Ern Smith Timber & Hardware, a business located in Hume, Australian Capital Territory. The purchase price was \$1,720,000 which includes the acquisition of inventory and plant and equipment and was settled through the payment of \$1,020,000 in cash, \$600,000 in ordinary shares of Big River Industries Limited and \$100,000 in contingent consideration. The values identified in relation to both acquisitions are provisional as at 31 December 2017.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Gregory Laurie
Chairman



James Bindon
Managing Director

27 February 2018
Sydney

The Board of Directors
Big River Industries Limited
Trenayr Road
Junction Hill NSW 2480

27 February 2018

Dear Board Members

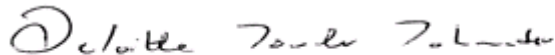
Big River Industries Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Big River Industries Limited.

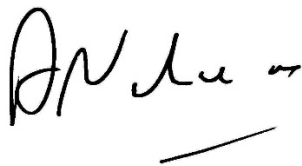
As lead audit partner for the review of the condensed consolidated financial statements of Big River Industries Limited for the financial half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Alfred Nehama
Partner
Chartered Accountants

Big River Industries Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017



		Consolidated	
	Note	31 Dec 2017	31 Dec 2016
		\$	\$
Revenue	4	104,623,988	85,876,163
Expenses			
Raw materials and consumables used	5	(73,652,918)	(58,908,782)
Selling and distribution expense		(3,499,385)	(3,302,589)
Employee benefits expense		(14,829,511)	(12,934,187)
Occupancy expense		(4,050,243)	(3,421,766)
General and administration expense		(2,676,420)	(2,349,516)
Acquisition costs		(240,826)	-
Depreciation and amortisation expense	5	(1,213,617)	(880,263)
Finance costs	5	(326,303)	(470,469)
Profit before income tax expense		4,134,765	3,608,591
Income tax expense		(1,223,067)	(1,093,670)
Profit after income tax expense for the half-year attributable to the owners of Big River Industries Limited		2,911,698	2,514,921
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Big River Industries Limited		<u>2,911,698</u>	<u>2,514,921</u>
		Cents	Cents
Basic earnings per share	14	5.52	74.39
Diluted earnings per share	14	5.38	74.39

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2017 \$	30 Jun 2017 \$
Assets			
Current assets			
Cash and cash equivalents		772,316	3,551,708
Trade and other receivables	6	32,283,674	36,845,446
Inventories		30,115,600	24,441,759
Other		2,392,326	905,224
Total current assets		<u>65,563,916</u>	<u>65,744,137</u>
Non-current assets			
Property, plant and equipment		25,810,003	24,563,327
Intangibles	7	9,447,189	7,420,632
Deferred tax		2,329,013	2,333,461
Total non-current assets		<u>37,586,205</u>	<u>34,317,420</u>
Total assets		<u>103,150,121</u>	<u>100,061,557</u>
Liabilities			
Current liabilities			
Trade and other payables		29,459,070	30,926,342
Borrowings	8	2,416,241	1,330,804
Income tax		515,747	1,186,213
Provisions		3,125,909	2,933,597
Total current liabilities		<u>35,516,967</u>	<u>36,376,956</u>
Non-current liabilities			
Borrowings	9	8,328,911	6,239,245
Deferred tax		343,200	422,400
Provisions		472,597	498,357
Total non-current liabilities		<u>9,144,708</u>	<u>7,160,002</u>
Total liabilities		<u>44,661,675</u>	<u>43,536,958</u>
Net assets		<u>58,488,446</u>	<u>56,524,599</u>
Equity			
Issued capital	10	59,522,743	58,629,873
Accumulated losses		<u>(1,034,297)</u>	<u>(2,105,274)</u>
Total equity		<u>58,488,446</u>	<u>56,524,599</u>

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

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	38,460,001	(3,609,653)	34,850,348
Profit after income tax expense for the half-year	-	2,514,921	2,514,921
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	2,514,921	2,514,921
<i>Transactions with owners in their capacity as owners:</i>			
Dividends paid (note 11)	-	(1,495,794)	(1,495,794)
Balance at 31 December 2016	<u>38,460,001</u>	<u>(2,590,526)</u>	<u>35,869,475</u>
Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	58,629,873	(2,105,274)	56,524,599
Profit after income tax expense for the half-year	-	2,911,698	2,911,698
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	2,911,698	2,911,698
<i>Transactions with owners in their capacity as owners:</i>			
Issue of ordinary shares as consideration for business combinations, net of transaction costs (note 10)	892,870	-	892,870
Dividends paid (note 11)	-	(1,840,721)	(1,840,721)
Balance at 31 December 2017	<u>59,522,743</u>	<u>(1,034,297)</u>	<u>58,488,446</u>

	Note	Consolidated 31 Dec 2017 \$	31 Dec 2016 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		119,581,865	96,810,669
Payments to suppliers and employees (inclusive of GST)		<u>(116,276,446)</u>	<u>(92,502,606)</u>
Other revenue		3,305,419	4,308,063
Interest and other finance costs paid		60,267	2,162
Income taxes paid		<u>(326,303)</u>	<u>(470,469)</u>
		<u>(1,968,285)</u>	<u>(928,466)</u>
Net cash from operating activities		<u>1,071,098</u>	<u>2,911,290</u>
Cash flows from investing activities			
Payment for purchase of businesses, net of cash acquired	13	(3,430,732)	-
Final payments for prior period's business acquisition		(200,000)	-
Payments for property, plant and equipment		(1,547,010)	(572,981)
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>16,455</u>
Net cash used in investing activities		<u>(5,177,742)</u>	<u>(556,526)</u>
Cash flows from financing activities			
Share issue transaction costs		(7,130)	-
Proceeds from borrowings		3,595,938	-
Repayment of borrowings		(420,835)	(234,758)
Dividends paid		<u>(1,840,721)</u>	<u>(1,495,794)</u>
Net cash from/(used in) financing activities		<u>1,327,252</u>	<u>(1,730,552)</u>
Net increase/(decrease) in cash and cash equivalents		(2,779,392)	624,212
Cash and cash equivalents at the beginning of the financial half-year		<u>3,551,708</u>	<u>(1,562,284)</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>772,316</u></u>	<u><u>(938,072)</u></u>

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

Note 1. General information

The financial statements cover Big River Industries Limited as a Group consisting of Big River Industries Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Big River Industries Limited's functional and presentation currency.

Big River Industries Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Trenayr Road
Junction Hill NSW 2460

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2018.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment as the Group operated predominantly in Australia and in one industry being the supply of building products. This assessment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Accordingly the information provided in this Interim Report reflects the one operating segment.

Note 4. Revenue

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$	\$
<i>Sales revenue</i>		
Sale of goods	104,563,721	85,858,305
<i>Other revenue</i>		
Other revenue	60,267	17,858
Revenue	<u>104,623,988</u>	<u>85,876,163</u>

Note 5. Expenses

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	73,652,918	58,908,782
<i>Depreciation</i>		
Buildings	90,033	88,861
Plant and equipment	859,584	791,402
Total depreciation	<u>949,617</u>	<u>880,263</u>
<i>Amortisation</i>		
Customer relationships	264,000	-
Total depreciation and amortisation	<u>1,213,617</u>	<u>880,263</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	326,303	470,469
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	1,317,824	984,473
<i>Superannuation expense</i>		
Defined contribution superannuation expense	867,660	768,698

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$	\$
Trade receivables	32,252,406	36,077,732
Less: Provision for impairment of receivables	(1,185,531)	(1,166,338)
	<u>31,066,875</u>	<u>34,911,394</u>
Other receivables	1,216,799	1,934,052
	<u>32,283,674</u>	<u>36,845,446</u>

Note 7. Non-current assets - intangibles

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$	\$
Goodwill - at cost	8,303,189	6,012,632
Customer relationships - at cost	1,584,000	1,584,000
Less: Accumulated amortisation	(440,000)	(176,000)
	<u>1,144,000</u>	<u>1,408,000</u>
	<u>9,447,189</u>	<u>7,420,632</u>

Note 8. Current liabilities - borrowings

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$	\$
Bank bills	1,500,000	500,000
Lease liability	916,241	830,804
	<u>2,416,241</u>	<u>1,330,804</u>

Note 9. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$	\$
Bank bills	6,920,000	4,520,000
Lease liability	1,408,911	1,719,245
	<u>8,328,911</u>	<u>6,239,245</u>

Note 10. Equity - issued capital

	Consolidated			
	31 Dec 2017	30 Jun 2017	31 Dec 2017	30 Jun 2017
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>53,043,949</u>	<u>52,592,007</u>	<u>59,522,743</u>	<u>58,629,873</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2017	52,592,007		58,629,873
Issue of shares as purchase consideration for Midcoast Timbers	5 September 2017	153,059	\$1.96	300,000
Issue of shares as purchase consideration for Ern Smith Timber & Hardware	4 December 2017	298,883	\$2.01	600,000
Transaction costs arising on share issue, net of tax				(7,130)
Balance	31 December 2017	<u>53,043,949</u>		<u>59,522,743</u>

Note 10. Equity - issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 11. Equity - dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$	\$
A class preference dividend for the period ended 30 June 2017, paid prior to the Group listing	-	1,495,794
Final dividend of 3.5 cents per fully paid ordinary share paid on 29 September 2017	<u>1,840,721</u>	<u>-</u>
	<u>1,840,721</u>	<u>1,495,794</u>

On 27 February 2018, the directors declared a fully franked dividend of 3.5 cents per fully paid ordinary share to be paid on 4 April 2018.

Note 12. Contingent liabilities

The Group has given bank guarantees as at 31 December 2017 of \$742,975 (31 December 2016: \$581,137) to various landlords.

Note 13. Business combinations

Midcoast Timbers

On 24 August 2017, the Group executed a business purchase deed to acquire the business and assets of Midcoast Timbers, a business located in Burleigh West, Queensland. The purchase price was \$2,710,732 which includes the acquisition of inventory and plant and equipment and was settled through the payment of \$2,410,732 in cash and \$300,000 in ordinary shares of Big River Industries Limited.

Ern Smith Timber & Hardware

On 3 November 2017, the Group executed a business purchase deed to acquire the business and assets of Ern Smith Timber & Hardware, a business located in Hume, Australian Capital Territory. The purchase price was \$1,720,000 which includes the acquisition of inventory and plant and equipment and was settled through the payment of \$1,020,000 in cash, \$600,000 in ordinary shares of Big River Industries Limited and \$100,000 in contingent consideration.

The values identified in relation to the acquisitions are provisional as at 31 December 2017.

Note 13. Business combinations (continued)

Details of the acquisitions are as follows:

	Midcoast Timbers Fair value \$	Ern Smith Timber & Hardware Fair value \$	Total Fair value \$
Inventories	506,075	1,037,936	1,544,011
Plant and equipment	143,383	505,900	649,283
Employee benefits	(24,715)	(28,404)	(53,119)
Net assets acquired	624,743	1,515,432	2,140,175
Goodwill	2,085,989	204,568	2,290,557
Acquisition-date fair value of the total consideration transferred	<u>2,710,732</u>	<u>1,720,000</u>	<u>4,430,732</u>
Representing:			
Cash paid or payable to vendor	2,410,732	1,020,000	3,430,732
Big River Industries Limited shares issued to vendor	300,000	600,000	900,000
Contingent consideration	-	100,000	100,000
	<u>2,710,732</u>	<u>1,720,000</u>	<u>4,430,732</u>
Acquisition costs expensed to profit or loss	<u>178,380</u>	<u>62,446</u>	<u>240,826</u>
Cash used to acquire business, net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	2,710,732	1,720,000	4,430,732
Less: contingent consideration	-	(100,000)	(100,000)
Less: shares issued by Company as part of consideration	(300,000)	(600,000)	(900,000)
Net cash used	<u>2,410,732</u>	<u>1,020,000</u>	<u>3,430,732</u>

Note 14. Earnings per share

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$	\$
Profit after income tax attributable to the owners of Big River Industries Limited	2,911,698	2,514,921
Preference dividends	-	(1,495,794)
Profit after income tax attributable to the owners of Big River Industries Limited used in calculating earnings per share	<u>2,911,698</u>	<u>1,019,127</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	52,735,646	1,370,001
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	1,382,520	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>54,118,166</u>	<u>1,370,001</u>
	Cents	Cents
Basic earnings per share	5.52	74.39
Diluted earnings per share	5.38	74.39

Note 14. Earnings per share (continued)

Adjusted earnings per share

The Company's preference shares were converted on the Initial Public Offer into ordinary shares on a 1 for 1 basis. To provide a more meaningful comparison, the Company has also presented Adjusted EPS which shows the impact as though the preference shares were ordinary shares from the date they were issued. The number of shares at 31 December 2016 does not include those shares that were issued as part of the Initial Public Offer.

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$	\$
Profit after income tax attributable to the owners of Big River Industries Limited used in calculating adjusted earnings per share	2,911,698	2,514,921
	Number	Number
Weighted average number of ordinary shares	52,735,646	1,370,001
Weighted average number of preference shares	-	37,090,000
Weighted average number of shares used in calculating adjusted basic earnings per share	52,735,646	38,460,001
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	1,382,520	-
Weighted average number of shares used in calculating adjusted diluted earnings per share	54,118,166	38,460,001
	Cents	Cents
Adjusted basic earnings per share	5.52	6.54
Adjusted diluted earnings per share	5.38	6.54

Note 15. Events after the reporting period

Apart from the dividend declared as disclosed in note 11, no other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Gregory Laurie
Chairman

27 February 2018
Sydney



James Bindon
Managing Director

Independent Auditor's Review Report to the Members of Big River Industries Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Big River Industries Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit and loss and comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 15.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 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 Big River Industries Ltd, 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.

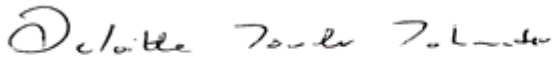
Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Big River Industries Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

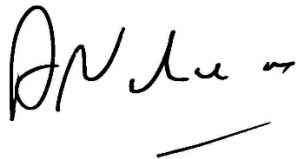
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Big River Industries Ltd 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 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Alfred Nehama
Partner
Chartered Accountants
Sydney, 27 February 2018