

To COMPANY ANNOUNCEMENTS

Company ASX

Date 28 February 2018

From Paul Wylie

Subject: **APPENDIX 4D**

BY ELECTRONIC LODGEMENT

Please see attached for Beyond International Limited (ASX-BYI) for the 6 months ended 31 December 2017:

- (a) Appendix 4D – Half Yearly Report to 31 December 2017
- (b) Review of Operations
- (c) Directors Report
- (d) Financial Statements including Auditors Review Report

The functional currency is Australian dollars.

Rules 4.1, 4.3
Appendix 4D

Half Yearly Report

Introduced 1/1/2003.

Name of Entity	Beyond International Limited
ACN	003 174 409
Half Year Interim Financial Report	31 DECEMBER 2017
Previous Corresponding Reporting Period	31 DECEMBER 2016

Results for Announcement to the Market

Results for Announcement to the Market

	\$000's	Percentage increase /(decrease) over previous corresponding period
Revenues from ordinary activities	45,386	Up 5.8%
Profit from ordinary activities after tax attributable to members	1,053	N/A
Net Profit for the period attributable to members	1,053	N/A
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	N/A
Interim Dividend	Nil	N/A
Previous corresponding period	5 cents	N/A
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer attached release cover sheet		

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset per security	\$0.46	\$0.59

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit from ordinary activities since the date in the current period on which control was acquired	N/A
Profit from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	N/A
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	N/A

Details of Associates and Joint Venture Entities

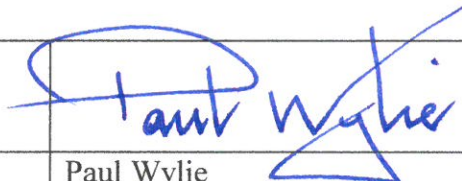
Name of Entity	Percentage Held		Share of Net Profit/(Loss)	
	Current Period	Previous Period	Current Period	Previous Period
7Beyond Media Rights Ltd	50%	50%	\$87k	(\$42k)
Aggregate Share of Net Profits/(Losses)			\$87k	(\$42k)

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	ASX Announcement
2	Interim Financial Report

Signed By (Director/Company Secretary)	
Print Name	Paul Wylie
Date	28 February 2018

BEYOND INTERNATIONAL LIMITED
PROFIT AND LOSS FOR THE SIX MONTHS TO DECEMBER 31 2017

	SIX MONTHS TO DECEMBER 2017 \$,000	SIX MONTHS TO DECEMBER 2016 \$,000	Variance - Fav/(Unfav) \$,000 %	
Operating Revenue	45,386	42,915	2,471	5.8%
Expenses	(40,296)	(41,114)	818	2.0%
EBITDA	5,090	1,801	3,289	182.7%
Depreciation and Amortisation	(2,620)	(2,559)	(61)	(2.4%)
EBIT	2,470	(758)	3,228	NMF
Net Interest Income/(Expense)	(144)	(23)	(121)	NMF
Profit/(Loss) Before Tax	2,326	(781)	3,107	NMF
Tax Benefit/(Expense)	(1,273)	281	(1,554)	NMF
Profit/(Loss) After Tax	1,053	(500)	1,553	NMF
Minority Interests	410	-	410	-
Profit/(Loss) After Tax attributable to members	1,463	(500)	1,963	NMF
Additional Information				
EPS (cents per share)	2.39	(0.81)	3.20	NMF
Dividends per Share (cents)	-	5.00	(5.00)	(100.0%)
NTA (cents per share)	46.19	58.85	(12.7)	(21.5%)

NMF – Not a meaningful number

FINANCIAL PERFORMANCE FOR THE SIX MONTHS TO 31ST DECEMBER 2017
COMPARED TO THE PRIOR CORRESPONDING PERIOD

- Operating Revenue for the six months increased by 5.8% to \$45,386,000;
- A positive EBITDA of \$5,090,000, an increase of \$3,289,000 over the corresponding period last year;
- A positive EBIT for the period of \$2,470,000;
- Income tax was impacted by adjustments relating to prior year deferred tax liabilities (\$239,000) and the write off of tax losses of \$480,000. These adjustments have no cash impact on the Company;
- The Company reported a net profit of \$1,463,000 after tax and minority interests;
- Earnings Per Share was 2.39 cents for the six months;
- Net cash outflows from operating activities for the six months was \$1,402,000 compared to the prior corresponding period increase in cash from operations of \$5,852,000;

- After investing in new 3rd party distribution advances and production development, net cash decreased by \$3,600,000 to \$4,044,000 from June 30 2017 to December 31 2017;
- The Company has a line of credit facility of \$6,000,000 with St George Bank. \$5,986,320 has been used to fund investment in programme production that attracts the producer offset/rebate or the post production, digital and visual effects income tax offset/rebate. Subsequent to the reporting date an amount of \$1,396,000 has been repaid.

REVIEW OF OPERATIONS FOR THE 6 MONTH PERIOD TO 31 DECEMBER 2017

EBITDA for the six months to 31 December 2017 was \$5,090,000 compared with EBITDA of \$1,801,000 for the corresponding period ended 31 December 2016.

EBIT reported for the six months to December 31 2017 was \$2,470,000 compared with EBIT of (\$758,000) for the six months to December 31 2016.

Cash flows from operating activities reduced by \$1,402,000 compared to the previous corresponding six-month period increase of \$5,852,000. The reduction was partly due to the payment of \$1,786,000 for inventory returned to the Home Entertainment division by a retailer. The value of the stock returned was recognised as an expense in the 2017 financial year.

After investing in new 3rd party distribution advances and production development, net cash decreased by \$3,600,000 to \$4,044,000 from June 30 2017 to December 31 2017;

No dividend has been proposed or paid during the period ended 31 December 2017.

During the six months, the Group's four operating segments all traded profitably. Following is an analysis of the performance of those segments.

REVIEW OF OPERATIONS BY SEGMENT FOR THE 6 MONTH PERIOD TO 31 DECEMBER 2017

	31 Dec 2017 \$,000	31 Dec 2016 \$,000	Variance \$,000	Variance %
Revenue				
Productions & Copyright	21,114	22,558	(1,444)	(6.4%)
Home Entertainment	7,359	4,264	3,095	72.6%
Distribution	11,192	10,501	691	6.6%
Digital Marketing	5,091	5,317	(226)	(4.3%)
Other Revenue	630	275	355	129.1%
Total Revenue	45,386	42,915	2,471	5.8%
OPERATING EBIT				
Productions & Copyright	4,155	5,292	(1,137)	(21.5%)
Home Entertainment	219	160	59	36.9%
Distribution	1,053	332	721	217.2%
Digital Marketing	113	(276)	389	NMF
Corporate	(2,800)	(2,928)	128	4.4%
7Beyond Joint Venture	87	(42)	129	NMF
Foreign Exchange Gain / (Loss)	(357)	(176)	(181)	(102.8%)
Operating EBIT	2,470	2,362	108	4.6%
Non Operating or Non Recurring Items:				
Home Entertainment	-	(2,697)	2,697	(100.0%)
Corporate	-	(423)	423	(100.0%)
EBIT	2,470	(758)	3,228	NMF

NMF – Not a meaningful number

1. Television Productions and Copyright Segment

Segment revenue decreased by \$1,444,000 to \$21,114,000 (6.4%) compared to the prior corresponding six-month period. This included a reduction in Copyright revenues of \$204,000 because of the mix and timing of projects in production compared to the corresponding six-month period in 2016. Total costs decreased by \$307,000 to \$16,959,000 also reflecting the mix and timing of projects in production.

This resulted in a segment EBITDA of \$5,036,000 (2016: \$5,796,000) and EBIT of \$4,155,000 (2016: \$5,292,000) – a reduction of 21.5% over the previous corresponding period.

US broadcast commissions in production during the period include *Deadly Women series 11* and series 12 for Investigation Discovery, a second season of the animated series, *Beat Bugs*, for the Seven Network and Netflix and series 11 of *Mythbusters* with new hosts for Discovery Science and *Dead Scientists* for Science Channel. In addition, the 7Beyond joint venture had *My Dream Lottery Home* commissioned for a fourth and fifth season and new commissions *Gingerbread House*, *Smoothini* and *Coast to Coaster*.

Australian program commissions during the period include season 11 of *Selling Houses Australia*, 2 series of *Love It Or List It Australia* for Foxtel, *WOW That's Amazing* for RTL Germany and the ABC, *Dumbotz* for the Nine Network, and *Team Of Champions* for NITV. In addition, *Pulse* season 1 and *Nippers* season 1 were delivered to the ABC.

The result for 7Beyond improved to a profit of \$87,000 against a corresponding prior year loss of \$42,000.

2. Home Entertainment Segment (BHE)

Revenue increased by 72.6% to \$7,359,000 (2016: \$4,264,000) compared to the corresponding six-month period. 2016 revenue included an extraordinary negative adjustment of \$6,586,000 due to significant stock returns because of a change to trading terms to consignment sales with a major customer.

BHE moved to a consignment stock model in May 2017. This removes the risk of stock being returned, with revenues only recognised when a sale has been made to the end consumer.

The Australian Home Entertainment market continues to decline, with GfK market data indicating that the physical media market recorded a 17% decline for the six months ended 31 December 2017.

For the calendar year 2017, Beyond was the number one distributor in sport (market share 66%) and factual television (market share 36%). Beyond was the number two distributor in stand-up comedy (market share 27%) and documentary content (market share 27%) and the number three distributor in children's content (market share 13%).

The segment reported an EBIT of \$219,000 (2016: loss of \$2,537,000 including the net adjustment for stock returns and scan backs of \$2,697,000). EBITDA for the division was \$1,622,000.

3. Distribution TV and Film Segment

Revenue increased by \$691,000 or 6.6% to \$11,192,000 compared to the corresponding six-month period last year.

Period EBIT increased to \$1,053,000 compared to \$332,000 in the corresponding period in 2016.

As a % of total revenue, the contribution of product sourced from third party producers reduced to 66% compared to 70% for the corresponding period last year with sales of internally produced product increasing from 30% to 34%. The division continues to focus on securing and acquiring product from external producers to complement the programs produced internally.

Total sales for programs produced by the Group in the current reporting period was \$3,623,000 compared to \$3,482,000 in the prior year. Strong sales were achieved for *Mythbusters* and *Deadly Women*. Successful programs acquired from third parties continue to include *Highway Thru Hell*, *Love It or List It*, *Heavy Rescue*, *Chasing Monsters* and *Pablo Escobar's Son*.

The rights to third party programs are primarily acquired by our executives based in the United Kingdom and Ireland from independent producers based in the US, UK and Canada.

Product focus continues to be factual series, documentaries, family and children's programs as there is a steady demand for these genres from niche broadcasters throughout the world.

Beyond Distribution is experiencing growth in sales to new and established SVOD and AVOD platforms in Australia and the rest of the world.

4. Digital Marketing Segment

In the six months to 31 December 2017 Beyond D revenues were \$5,091,000, 4.3% down on the previous corresponding period of \$5,317,000.

The segment profit for the 6 months improved to \$113,000 against a loss of \$276,000 for the corresponding period in 2016.

Beyond D is working with Google to provide Australian businesses with their own Google assistants. The assistants are currently accessed via Google Home, Google mini and all Android devices. Moving forward the assistant is being rolled out to cars, and a range of electrical goods such as speakers, televisions and fridges.

While there are challenges around the traditional service offerings of SEO, CRO and SEM, the new voice product and Beyond D's market position in the space, with Google recommending Beyond D as the first-choice developers to prospective voice search customers, means that we can simultaneously shift the business focus to voice and at the same time revitalise our traditional services with a slant towards voice optimisation.

5. Corporate

Corporate costs before non-operating items reduced by 4% or \$128,000 against the prior reporting period. This was due to increased recoveries of overheads from productions.

FOREIGN EXCHANGE – IMPACT ON RESULTS

There continued to be volatility in the currency markets during the reporting period, with the Australian dollar ranging from a high of \$0.812 to a low of \$0.751 against the US dollar. This volatility is reflected in the different business segments in the 2016 and 2017 reporting periods that have international exposure.

The total foreign exchange loss for the six-month period is \$356,572 (2016: loss \$175,896). This loss is allocated to the operating segments as follows:

Item	Segment	Dec-17	Dec-16	Movement	
		\$	\$	\$	%
Realised gain / (loss)	Distribution / TV	(26,284)	(13,812)	(12,472)	(90%)
Unrealised gain / (loss)	Distribution / TV	(26,802)	101,305	(128,107)	126%
Realised gain / (loss)	Production	33,144	-	33,144	-
Unrealised (loss)/gain	Production	(33,543)	(223,531)	189,988	85%
Realised (loss)/gain	Other	(19,024)	(39,858)	20,834	52%
Unrealised (loss)/gain	Other	(284,063)	-	(284,063)	-
Total FX Gain/(loss)		(356,572)	(175,896)	(180,676)	103%

* The Australian dollar expense component of US dollar denominated production contracts are hedged when the contracts are entered.

DIVIDEND

The Directors have decided to not declare any Dividend during the period. It is expected that depending on the full year result, Directors will consider a final dividend be paid in November 2018.

OUTLOOK TO 30 JUNE 2018

The Company continues to secure new program commissions in the Australian and international market and from multi territory SVOD platforms and is forming close relationships with external creative producers and program makers to increase the number and quality of programs being produced.

In conjunction with the production initiatives the Company is strengthening the relationships with external program creators and producers to enable the Company to secure more product for international licensing to multiple platforms.

It is also pleasing that both the digital marketing and home entertainment segments delivered much improved results compared to the prior corresponding period.

The Company is operating in the international market place as a media producer and distributor and the demand for quality content in the market is increasing. The fact that the Company has a track record of delivering quality content to international customers and has successfully operated both production and distribution operations in the EU and USA for over 30 years positions it well for future growth in an expanding market.


Mikael Borglund
CEO & Managing Director
28 February 2018

ABOUT BEYOND

Beyond International Limited (ASX:BYI) is a leading international producer and distributor of television and digital content and is one of the largest independent distributors of home entertainment product in Australia. The Company is headquartered in Sydney and listed on the Australian Stock Exchange.

Beyond has produced over five thousand hours of television programs for broadcast internationally including Mythbusters, Taboo, Selling Houses Australia, Deadly Women and Facing Evil. The company has production offices in Sydney, San Francisco and Los Angeles and produces programs for Australian, US and International broadcasters.

Beyond's international distribution business markets an extensive program catalogue sourced from third party producers and internal production. This business unit is headquartered in Dublin, with sale offices in London and Sydney.

The Home Entertainment operation focuses on digital and DVD distribution and has an extensive catalogue of product, which is distributed throughout Australia and New Zealand.

The Digital Marketing business performs online search optimisation, website creation, development and performance and online media sales within Australia and New Zealand.

This announcement is made pursuant to Listing Rule 4.1 & 3.1.

All enquiries should be directed to:

Mr Mikael Borglund. Managing Director, Beyond International Limited
Telephone 02 9437 2000 or email investor_relations@beyond.com.au

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2017.

Directors

The names of directors who held office during or since the end of the half-year:

Ian Ingram – Non-Executive Chairman
Mikael Borglund – Managing Director
Ian Robertson – Non-Executive Director
Anthony Lee – Non-Executive Director

Review of Operations

Revenue for the six months increased by 5.8% to \$45,386,000.

A EBIT of \$2,470,000 was delivered for the six months compared to negative EBIT of \$758,000 in the corresponding reporting period last year. After a tax expense in the current period of \$1,273,000 and minority interests of \$410,000, the net profit after tax and minority interests was \$1,463,000 compared to a net loss after tax in the corresponding period last year of \$500,000.

Earnings per share were positive at 2.39 cents compared to negative 0.81 cents last year.

Net cash flows from operating activities decreased by \$7,254,000 to an outflow of \$1,402,000 compared to the previous corresponding period. This was partly due to the repayment of \$1,782,000 for stock returned to BHE in early 2017. The expense was recognised in the 2017 financial accounts. After investing in new 3rd party distribution advances, production development and dividends, net cash decreased by \$3,600,000 to \$4,044,000 from June 30 2017 to December 31 2017.

The Company has a line of credit facility for \$6,000,000 with St. George Bank and \$5,986,320 of this has been utilised to fund investment in programme production that attracts the producer offset and post, digital and visual effects offset. Note that subsequent to the reporting period, an amount of \$1,396,000 of the facility has been repaid.

Television Production and Copyright Segment

Television production and Copyright revenue decreased by \$1,444,000 compared to the prior corresponding period. This included a reduction in Copyright income of \$204,000 compared to the corresponding six-month period.

EBIT for the segment including 7Beyond is \$4,242,000 compared to EBIT of \$5,250,000 in 2016.

Home Entertainment Segment (BHE)

BHE operating revenue increased by 73% to \$7,359,000 compared to the corresponding six-month period. EBITDA was \$1,624,000 for the six months compared to negative \$1,293,000 for the six months to 31 December 2016. EBIT was \$219,000 compared to a loss of \$2,537,000 for the corresponding period last year.

TV and Film Distribution Segment (Beyond Distribution)

Revenue has increased by 6.6% to \$11,192,000 compared to the corresponding period to December 2016.

EBIT for the segment is \$1,053,000 compared to \$332,000 in 2016.

Digital Marketing Segment (Beyond D)

Revenue has decreased by \$226,000, or 4.3%, to \$5,091,000 compared to \$5,317,000 in 2016.

The segment reported an EBIT profit of \$113,000 compared to an EBIT loss of \$276,000 for the corresponding period last year.

Dividends

The Directors have decided not to declare any Interim Dividend.

Rounding of Amounts

The amounts contained in this report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in the Financial/Director's Reports) Instruments 2016/191. The Company is an entity which the Legislative Instrument applies.

Auditors

We have received a declaration from the auditor, BDO, of their independence, which is attached as the third page of this Directors' Report.

The report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Mikael Borglund', with a long horizontal flourish extending to the right.

Mikael Borglund
CEO & Managing Director

Dated: 28 February 2018

DECLARATION OF INDEPENDENCE BY MARTIN COYLE TO THE DIRECTORS OF BEYOND INTERNATIONAL LIMITED

As lead auditor for the review of Beyond International Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Beyond International Limited and the entities it controlled during the half-year period.



Martin Coyle
Partner

BDO East Coast Partnership

Sydney, 28 February 2018

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

ABN 65 003 174 409

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	Consolidated Entity	
	31 Dec 2017 \$000's	31 Dec 2016 \$000's
Revenue from continuing operations	45,386	42,915
Other income	106	105
Share of profits of joint ventures accounted for using the equity method	87	-
Royalty expense	5,920	6,127
Production costs	15,981	17,197
Home entertainment direct costs	5,589	4,975
Digital marketing direct costs	3,579	3,825
Administration costs	2,979	2,843
Employee benefits expense	7,079	6,541
Finance costs	156	61
Provisions	309	361
Depreciation and amortisation expense	1,304	1,192
Net foreign exchange loss	357	176
Investment write off	-	423
Loss on disposal of property, plant and equipment	-	39
Share of loss of joint venture accounted for using the equity method	-	42
Profit/(loss) before income tax	2,326	(781)
Income tax (expense)/benefit	(1,273)	281
Profit/(loss) after income tax for the period	1,053	(500)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
De-recognition of available for sale financial asset	-	423
Changes in the fair value of available-for-sale financial assets	-	(13)
Foreign currency translation	-	(48)
Other comprehensive income for the period, net of tax	-	362
Total comprehensive income/(loss) for the period	1,053	(138)
Profit/(loss) is attributable to:		
Owners of Beyond International Limited	1,463	(500)
Non-controlling interest	(410)	-
	1,053	(500)
Total comprehensive income/(loss) for the period is attributable to:		
Owners of Beyond International Limited	1,463	(138)
Non-controlling interest	(410)	-
	1,053	(138)
Earnings per share attributable to the owners of Beyond International Limited	Cents	Cents
Basic and diluted earnings/(loss)per share	2.39	(0.81)
Dividends per share	-	5.00

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

		Consolidated Entity	
	Note	31 Dec 2017 \$000's	30 Jun 2017 \$000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		4,044	7,645
Trade and other receivables		26,359	25,704
Current tax receivables		343	116
Inventories		3,099	3,624
Other current assets	4	15,304	14,048
Financial assets	5	71	62
TOTAL CURRENT ASSETS		49,220	51,199
NON-CURRENT ASSETS			
Trade and other receivables		6,612	6,825
Investments accounted for using the equity method		369	313
Financial assets		-	-
Property plant and equipment		2,318	2,414
Intangible assets	6	4,809	4,869
Deferred tax assets		130	943
Other non-current assets	4	8,746	7,421
TOTAL NON-CURRENT ASSETS		22,984	22,785
TOTAL ASSETS		72,204	73,984
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		7,250	8,324
Financial liabilities	5	-	-
Employee benefits		3,474	3,419
Current tax liabilities		48	261
Other financial liabilities		2,354	2,373
Other current liabilities	7	14,011	15,607
Borrowings		5,986	5,744
TOTAL CURRENT LIABILITIES		33,123	35,727
NON-CURRENT LIABILITIES			
Deferred tax liabilities		1,660	1,183
Employee benefits		244	287
Other financial liabilities		1,219	2,340
Other non-current liabilities	7	2,820	2,362
TOTAL NON-CURRENT LIABILITIES		5,943	6,173
TOTAL LIABILITIES		39,066	41,900
NET ASSETS		33,138	32,085
EQUITY			
Issued capital		34,018	34,018
Reserves		269	269
Accumulated losses		(870)	(2,333)
Non-controlling interests		(279)	132
TOTAL EQUITY		33,138	32,085

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
 ABN 65 003 174 409
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Issued capital	Reserves	Retained earnings/ (losses)	Total	Non-controlling interests	Total equity
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 01 July 2017	34,018	269	(2,333)	31,953	132	32,085
Profit/(loss) for the period	-	-	1,463	1,463	(410)	1,053
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	1,463	1,463	(410)	1,053
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	-	-	-	-
Employee share plan	-	-	-	-	-	-
Balance at 31 December 2017	34,018	269	(870)	33,416	(279)	33,138
Balance at 01 July 2016	33,991	(94)	10,910	44,807	-	44,807
Profit/(loss) for the period	-	-	(500)	(500)	-	(500)
Other comprehensive income for the period, net of tax	-	362	-	362	-	362
Total comprehensive income for the period	-	362	(500)	(138)	-	(138)
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(3,067)	(3,067)	-	(3,067)
Employee share plan	26	-	-	26	-	26
Balance at 31 December 2016	34,018	267	7,343	41,629	-	41,629

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Consolidated Entity	
	31 Dec 2017	31 Dec 2016
	\$000's	\$000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	47,369	52,216
Payments to suppliers and employees	(48,202)	(46,057)
Interest received	12	37
Finance costs paid	(156)	(61)
Income tax paid	(425)	(284)
Net cash (used in)/provided by operating activities	(1,402)	5,852
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(494)	(723)
Investment in websites and databases	-	(98)
Distribution guarantees paid	(2,078)	(1,710)
Distribution guarantees recouped	915	913
Prepaid royalties	(1,030)	(1,942)
Prepaid royalties recouped	2,171	903
Proceeds from/(loss on sale) of property, plant and equipment	4	(37)
Payment for investments and joint venture	(826)	(330)
Investments in development projects	(1,102)	(779)
Net cash flows used in investing activities	(2,440)	(3,801)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	242	-
Proceeds from share issue	-	26
Dividend paid	-	(3,067)
Net cash flows provided by/(used in) financing activities	242	(3,042)
Net decrease in cash held	(3,600)	(991)
Cash and cash equivalents at the beginning of the financial year	7,645	6,379
Cash and cash equivalents at the end of the financial year	4,044	5,387

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

NOTE 1: CORPORATE INFORMATION

The financial report of Beyond International Limited and controlled entities for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 28 February 2018.

Beyond International Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

NOTE 2: BASIS OF PREPARATION

The half-year financial report has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards, including AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirement, as appropriate for-profit oriented entities.

The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, it is recommended that the half-year financial report should be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Beyond International Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in these half-year financial statements as compared with the most recent annual financial statements.

Rounding of amounts

The amounts contained in this report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in the Financial/Director's Reports) Instruments 2016/191. The Company is an entity which the Legislative Instrument applies.

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 3: Dividends paid

No dividend was paid in relation to half year ended 31 December 2017 (30 June 2017: 2 cents per share totalling \$1,226,738).

NOTE 4: Other assets

Current

	31 Dec 2017	30 Jun 2017
	\$000's	\$000's
Capitalised Development Costs	2,858	2,307
Less: Development funding received	(1,827)	(1,412)
	1,031	896
Distribution Advances	19,207	17,619
Less: Provision for impairment	(13,815)	(13,584)
	5,392	4,034
Prepaid Royalties	5,666	6,805
Capitalised Production Costs	2,103	1,386
Prepayments and other assets	1,113	928
	3,216	2,313
	15,304	14,048

Non-current

Distribution Advances	90	90
Less: Provision for impairment	-	-
	90	90
Investments in Copyright	1,167	341
Capitalised Production Costs	7,488	6,989
	8,746	7,421

NOTE 5: Financial assets and liabilities

Non-current assets

Foreign currency forward contracts - at fair value	71	62
	71	62

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 5: Financial assets and liabilities (Cont'd)

	31 Dec 2017	30 Jun 2017
	\$000's	\$000's
Foreign currency forward contracts	71	62

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level in the fair value

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices).
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

Transfers

During the half year ended 31 December 2017, there were no transfers of available-for-sale equity securities or derivatives between levels 1 and 2 of the fair value hierarchy.

During the half year ended 31 December 2017, the consolidated entity had no level 3 financial instruments.

Valuation techniques used to derive level 2 fair values

The fair value of derivatives not traded in an active market (foreign currency forward contracts) are determined using valuation techniques which uses only observable market data relevant to the hedged position. There has been no change in the valuation technique used since the end of the previous annual reporting period.

Fair values of financial instruments not measured at fair value

The following financial instruments are not measured at fair value in the statement of financial position. These had the following fair values as at 31 December 2017:

	Carrying Amount	Fair Value
	\$'000	\$'000
NON-CURRENT ASSETS		
Trade and other receivables	6,612	6,200
	6,612	6,200

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 5: Financial assets and liabilities (Cont'd)

	Carrying Amount	Fair Value
	\$'000	\$'000
NON-CURRENT LIABILITIES		
Other non-current liabilities	2,820	2,645
	2,820	2,645

Due to their short-term nature, the carrying amounts of cash and cash equivalents, current receivables and current trade and other payables are assumed to approximate their fair value. A discount rate of 6.64% has been applied to all non-current trade and other receivables and other non-current liabilities to determine fair value.

	31 Dec 2017	30 Jun 2017
	\$000's	\$000's
NOTE 6: Intangible assets		
Goodwill	4,600	4,600
Trademarks and patents	150	150
Websites and databases	59	119
	4,809	4,869

NOTE 7: Other liabilities

Current (unsecured)

Deferred revenue	3,901	6,213
GST payable	302	225
Producer share payable	9,684	9,039
Other	124	130
	14,011	15,607

Non-current (unsecured)

Producer share payable	2,820	2,362
	2,820	2,362

NOTE 8: Contingent assets and liabilities

There has been no change in contingent assets and liabilities since the last annual reporting date.

**BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

NOTE 9: Subsequent Events

There are no subsequent events to disclose.

NOTE 10: Segment Information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the business on a global basis in the following four operating divisions:

TV Production and Copyright

Production of television programming and ownership of television product copyright.

Film and Television Distribution

International distribution of television programmes and feature films.

Home Entertainment

Distribution of DVDs Australia and New Zealand.

Digital Marketing

Online search optimisation, website creation, development and performance and online media sales within Australia and New Zealand

Unallocated Corporate Expense

Includes the parent entity, centralised administrative support services to the group comprising legal and business affairs, finance and human resources, in addition to internet development. None of these activities constitute a separately reportable business segment.

BEYOND INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 10 - Segment information (Cont'd)

Financial Results as at December 2017

Operating Segment	TV Production & Copyright \$'000	Distribution TV & Film \$'000	Home Entertainment \$'000	Digital Marketing \$'000	Other & Inter Segment Eliminations \$'000	Consolidated \$'000
Revenue						
External revenues excluding fx	21,114	11,192	7,359	5,091	630	45,386
Other segments	-	-	-	-	-	-
Total revenue	21,114	11,192	7,359	5,091	630	45,386
Result before fx, interest and D&A	5,142	1,141	1,624	174	20	8,101
Depreciation and amortisation	(900)	(87)	(1,405)	(62)	(166)	(2,620)
Result before interest, fx and other expense	4,242	1,053	219	113	(146)	5,481
Net interest expense						(144)
Foreign exchange loss						(357)
Corporate expense						(2,654)
Profit before income tax						2,326
Income tax expense						(1,273)
Profit/(loss) after income tax						1,053
Non-controlling interest (profit)/loss						410
Profit/(loss) for the year						1,463

Financial Results as at December 2016

Operating Segment	TV Production & Copyright \$'000	Distribution TV & Film \$'000	Home Entertainment \$'000	Digital Marketing \$'000	Other & Inter Segment Eliminations \$'000	Consolidated \$'000
Revenue						
External revenues excluding fx	22,558	10,501	4,264	5,317	275	42,915
Other segments	3,379	-	-	17	(3,396)	-
Total revenue	25,937	10,501	4,264	5,334	(3,121)	42,915
Result before fx, interest and D&A	5,898	602	(1,266)	(74)	-	5,160
Depreciation and amortisation	(649)	(270)	(1,272)	(203)	(165)	(2,559)
Result before interest, fx and other expense	5,249	332	(2,538)	(277)	(165)	2,601
Net interest expense						(23)
Foreign exchange loss						(176)
Corporate expense						(3,183)
Loss before income tax						(781)
Income tax benefit						281
Loss after income tax						(500)
Depreciation and amortisation						
	31 Dec 2017 \$'000	30 Jun 2017 \$'000				
As per the Profit and Loss statement	1,304	1,192				
Development and library costs in Direct costs	1,316	1,367				
Segment Profit and Loss	2,620	2,559				

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Beyond International Limited, we state that:

In the opinion of the directors:

- (a) the accompanying financial statements and notes of the consolidated entity as set out on pages 16 to 26 are in accordance with the Corporations Act 2001 and:
 - (i) give a true and fair view of the financial position at 31 December 2017 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Mikael Borglund', with a stylized flourish extending to the right.

Mikael Borglund
Managing Director

28 February 2018
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Beyond International Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Beyond International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 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 2017 and its financial 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 the Group, 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

A handwritten signature in dark ink, appearing to read 'Martin Coyle', is written over a faint, handwritten 'BDO' in the same ink.

Martin Coyle
Partner

Sydney, 28 February 2018