ASX Release

30 August 2018

VIVA ENERGY GROUP LIMITED – RESULTS FOR ANNOUNCEMENT TO THE MARKET

In accordance with ASX's requirements as part of Viva Energy Group Limited's (**Company**) admission to the Official List of ASX, the Company encloses Viva Energy Holding Pty Limited's (**VEH**) Financial Report for the half-year ended 30 June 2018.

The Company was admitted to the Official List of ASX on 13 July 2018 (**ASX Listing**). In connection with its listing, the Company completed a corporate restructure, which included the acquisition of VEH and its controlled entities. Further information in relation to the restructure is included in the Company's Prospectus dated 20 June 2018 and released on ASX's announcements platform on 13 July 2018 (**Prospectus**).

The Company is not required to prepare a financial report for the period ended 30 June 2018. The VEH Financial Report is a special purpose financial report provided by the Company in accordance with ASX's requirements.

The Company was incorporated on 7 June 2018 and save for the transactions to acquire VEH and its controlled entities as part of the ASX Listing, has not traded separately. Accordingly, the results of VEH and its controlled entities are equivalent to those of the Company and its controlled entities going forward. However, certain sections of the VEH Financial Report are specific to that entity, and do not relate to the Company. In particular, please note that the sections relating to Directors and Dividends are specific to VEH. For information in respect of those matters relating to the Company, please refer to the Prospectus, where the information in such sections remains current to the time of this announcement.

Lachlan Pfeiffer

Company Secretary

Viva Energy Australia

Viva Energy Australia is one of Australia's leading energy companies and supplies approximately a quarter of the country's liquid fuel requirements. It is the exclusive supplier of high quality Shell fuels and lubricants in Australia through an extensive network of more than 1,100 Shell branded service stations across the country.

Viva Energy Australia owns and operates the strategically located Geelong Refinery in Victoria, and operates bulk fuels, aviation, bitumen, marine, chemicals and lubricants businesses supported by more than 20 terminals and 50 airports and airfields across the country.

For further information, please refer to www.vivaenergy.com.au

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Viva Energy Results: Half Year ended 30 June 2018

Viva Energy Group Limited (ASX:VEA) today announced the group's financial results for the six months ended 30 June 2018. On an underlying replacement cost basis (RC), Viva Energy recorded $129.4M Net Profit After Tax (NPAT) which was in line with the forecast of $129.7M set out in the Prospectus dated 20 June 2018 (lodged with ASX on 13 July 2018) for the same period. Historical cost (HC) NPAT of $144.6M was $32.3M above the Prospectus forecast driven primarily by inventory gains resulting from rising oil prices over the period.

Key Highlights

- Total fuel and specialty product volume sold up 0.8% on forecast
- Retail, Fuels and Marketing EBITDA of $474.4M, up $9.4M on forecast
- Supply, Corporate and Overheads EBITDA of -$260.0M, an improvement on forecast of $6.1M
- Refining EBITDA of $48.1M, down $19.7M on forecast predominantly due to lower regional refining margins in June
- Completed the planned maintenance turnaround of the secondary distillation unit at the Geelong refinery, and associated furnace upgrade which is expected to increase annual crude intake.
- Opened ten new company controlled retail service station sites
- Completed the transition of the Shell Aviation business to Viva Energy following the acquisition last year
- Successfully completed the transition to Oracle JDE from a legacy enterprise SAP platform
- Announced a 50% non-controlling equity investment in Westside Petroleum

Key Performance Indicators	1H2018 Actual	Prospectus Forecast	Performance
Total fuel and specialty product volume sold (ML)	**6,955.0**	**6,898.3**	**56.7**
Underlying EBITDA (RC)			
Retail, Fuels and Marketing	474.4	465.0	9.4
Retail	*308.0*	*299.0*	*9.0*
Commercial	*166.4*	*166.0*	*0.4*
Refining	48.1	67.8	(19.7)
Supply, Corporate and Overheads	(260.0)	(266.1)	6.1
Total Underlying EBITDA (RC)	**262.5**	**266.7**	**(4.2)**
NPAT (RC)	**129.4**	**129.7**	**(0.3)**
Net inventory gain (after tax)	15.0	(14.6)	29.5
NPAT (HC) before significant items	**144.4**	**115.1**	**29.3**
NPAT (HC) after significant items	**144.6**	**112.3**	**32.3**
Basic Earnings Per Share (RC) before significant items (cents)*	**6.7**	**6.7**	**(0.0)**
Basic Earnings Per Share (HC) after significant items (cents)*	**7.4**	**5.8**	**1.7**

*** Calculation based on number of shares of Viva Energy Group Limited**

	1H2018 Actual	FY2017 Actual	Change
Working capital	480.3	306.0	174.3
Net debt (working capital facilities)	(237.5)	(74.6)	(162.9)
Net working capital	**242.8**	**231.4**	**11.4**

Business Performance

Retail achieved Underlying EBITDA (RC) of $308.0M compared with the Prospectus forecast of $299.0M (+$9.0M). Sales volumes and margins were relatively stable through the period, with phasing and overall lower retail marketing and operating costs accounting for a significant proportion of the outperformance. During the period ten Company Controlled retail sites were opened and another seven independently owned retail sites were added to the Shell/Liberty branded network. V-Power Diesel was available at over 60 retail sites at the end June and represented 13% of Diesel sold at these locations. Premium petrol (Unleaded 95 and V-Power 98) represented 29% of all Petrol sold.

Commercial Underlying EBITDA (RC) was largely in line with forecast (+ $0.4M) with robust sales volumes underpinned by generally strong economic activity across the commercial sectors. During the period, the Aviation business was re-branded so that all airport refuelling operations now carry the Viva Energy livery. An agreement was also reached with Vitol Aviation to service their international customers in Australia and to access their global airport refuelling network.

Refining achieved an Underlying EBITDA (RC) of $48.1M compared with the Prospectus forecast of $67.8M predominantly driven by lower regional refining margins in June with Geelong Refining Margins falling to US$6.5/BBL. Over the six-month period, Geelong Refining Margins averaged US$7.3/BBL compared with the Prospectus forecast of US$8.3/BBL, with crude intake at 19.1 MBBLs compared with the forecast of 19.7 MBBLs.

Availability of 85.8% was impacted by an unplanned outage of the Residual Cat Cracking Unit (RCCU) in the first quarter of FY2018, following an abnormal weather event, and a planned maintenance turnaround of the Secondary Distillation Unit (CDU3) in the second quarter. As part of this planned event, a furnace associated with the CDU3 was overhauled to address a known long term production constraint, with crude intake lifting to 3.6 million barrels in June reflecting an annualised intake of 44 million barrels.

Supply, Corporate and Overheads Underlying EBITDA (RC) was -$260.0M compared with the Prospectus forecast of -$266.1M driven primarily by head office and overhead cost savings. Following eighteen months of preparation, the business successfully transitioned from the legacy SAP enterprise platform on 1st June to Oracle JDE. This is expected to provide the platform to deliver further efficiencies and business improvement opportunities in the future.

Net Debt increased by $162.9M as to support corresponding increases in working capital (+$174.3M) due to higher oil prices and increased inventory over the period. Inventory is expected to return to target levels over the remainder of 2018, with reductions in working capital and net debt anticipated.

Outlook and Subsequent events

In May 2018, Viva Energy agreed to acquire a 50% non-controlling interest in Westside Petroleum, an independently owned and operated retail fuels business, with more than 50 retail sites across New South Wales, Victoria and Queensland, for $15 million. Viva Energy has obtained relevant regulatory approvals and expects to complete the transaction shortly.

In addition to this acquisition, Viva Energy expects to open a further eight company controlled sites over the remainder of the year to meet the forecast of 18 new sites within the Coles Alliance and retail agent networks by year end. Further network growth is expected by Liberty Oil and within the other Retail channels.

During August, Viva Energy has commissioned an import Jet tank at Cairns to support the growing Aviation business and opened a new Bitumen import facility in Townsville.

By the end of this year, the company expects to commission expanded Diesel storage in Esperance and Kalgoorlie to support its business in the Goldfields, and largely complete the establishment of its largest fuel import terminal on the site of the old refinery at Clyde in Sydney.

Regional refining margins have improved significantly since June, however August results will be partially impacted by a temporary loss of production this week following a disruption to power supply from the state electricity grid. There are no major planned outages for the remainder of the year.

The Group financial forecast for the full year 2018 outlined in the prospectus remains unchanged.

Viva Energy Holding Pty Limited
and controlled entities

Financial report for the half-year ended 30 June 2018

ABN: 59 167 883 525

Contents

Directors' report

The Directors present their report on the consolidated entity consisting of Viva Energy Holding Pty Limited and the entities it controlled ("**Viva Energy**" or the "**Group**") at the end of, or during, the half-year ended 30 June 2018.

Directors

The following persons were directors of Viva Energy Holding Pty Limited during the half-year and up to the date of this report:

H.M. Kho (resigned 17 July 2018)
J. Ahmed (resigned 17 July 2018)
D. Duong (resigned 17 July 2018)
R. Hill (resigned 17 July 2018)
S. Wyatt (appointed 17 July 2018)
D. Ridgway (appointed 17 July 2018)

Company Secretary

L. Pfeiffer

Principal Activities

During the period, the principal activities of the Group included the following:

- manufacturing activities at the Group's Geelong Oil Refinery;
- management of a national supply, distribution and terminal network; and
- the sales of fuel and specialty products through Retail and Commercial channels across Australia.

Financial Report for the Half Year ended 30 June 2018

The half-year financial report is a special purpose financial report that is not required by the Australian Securities and Investments Commission (**ASIC**), is a non-IFRS compliant financial report and does not include comparative information or all the notes normally included in a half-year financial report.

The half-year financial report has been requested by the Australian Securities Exchange (**ASX**) for the purpose of providing the intended users a trading update of the Group.

In July 2018 the Group was part of an initial public offering and listing on the ASX (the **IPO**). As part of that process Viva Energy Holding Pty Limited was acquired by a newly formed public company, Viva Energy Group Limited, being the holding company now listed on the ASX.

Viva Energy Consolidated Results for the Half Year ended 30 June 2018 (1H2018)

The Group Net Profit After Tax (**NPAT**) on a historical cost basis (**HC**) for the half year ended 30 June 2018 (**1H2018**) was $144.6 million (**M**) compared with a Prospectus[1] forecast for the same period of $112.3M. After adjusting for significant one-off items and net inventory gain / (loss), Underlying NPAT on a replacement cost basis (**RC**) for the period was $129.4M compared with the $129.7M Prospectus forecast. A reconciliation from Underlying NPAT (RC) to statutory NPAT (HC) is summarised in the table below.

Reconciliation of Statutory Profit After Tax to Underlying NPAT (RC)	(A$M)
Statutory Profit After Tax	**144.6**
Less: Significant one-off items	(0.2)
Less: Net inventory gain net of tax at 30%	(15.0)
Underlying NPAT (RC)	**129.4**

Historical cost (**HC**) is calculated in accordance with IFRS and shows the cost of goods sold at the actual prices paid by the business using a first in, first out (FIFO) accounting methodology. As such, HC accounting includes gains and losses resulting from timing differences between purchases and sales of inventory and the rise and fall of oil and product prices during that time. Gains and losses arising from the rise and fall of oil and product prices

[1] Being the Prospectus lodged with ASIC by Viva Energy Group Limited on 20 June 2018 (Prospectus).

are typically offset by a change in working capital because of the higher or lower cost to replenish inventory. Replacement cost (**RC**) is a non-IFRS measure under which the cost of goods sold is calculated on the basis of theoretical new purchases of inventory instead of the historical cost of inventory. As a result, it removes the effect of timing differences to enable users of the Financial Information.

Statement of Profit and Loss

	Summary Statement of Profit and Loss (A$M)	1H2018 Actual	1H2018 Prospectus	Difference
	Revenue	8,608.7	8,035.3	573.4
	Cost of goods sold (RC)	(7,759.8)	(7,198.4)	(561.4)
	Gross Profit (RC)	**848.9**	**836.9**	12.0
	Net inventory gain / (loss)	21.4	(20.8)	42.2
	Gross Profit (HC)	**870.3**	**816.1**	54.2
	Operating expenses	(586.4)	(570.2)	(16.2)
	Total Underlying EBITDA (HC)	**283.9**	**245.9**	**38.0**
	Less: Net inventory gain / (loss)	21.4	(20.8)	42.2
1.	**Total Underlying EBITDA (RC)**	**262.5**	**266.7**	**(4.2)**
	Retail, Fuels & Marketing			
	Retail	*308.0*	*299.0*	*9.0*
	Commercial	*166.4*	*166.0*	*0.4*
	Refining	*48.1*	*67.8*	*(19.7)*
	Supply, Corporate and Overheads	*(260.0)*	*(266.1)*	*6.1*
	Lease straight-lining	(13.5)	(13.5)	-
	Share of profit from associates	22.0	19.0	3.0
	Net gain / (loss) on other disposal of PP&E	(0.2)	(0.4)	0.2
	Revaluation gain / (loss) on FX and oil derivatives	(4.5)	(11.3)	6.8
	Depreciation and amortisation	(61.3)	(59.4)	(1.9)
	Profit before interest and tax (RC)	**205.0**	**201.1**	**3.9**
2.	Net inventory gain / (loss)	21.4	(20.8)	42.2
	Profit before interest and tax (HC)	**226.4**	**180.3**	**46.1**
3.	Net finance costs	(18.5)	(15.9)	(2.6)
	Profit before tax (HC)	207.9	164.4	**43.5**
4.	Income tax expense	(63.5)	(49.3)	(14.2)
	Profit After Tax before significant one-off items (HC)	**144.4**	**115.1**	**29.3**
	Less: Net inventory gain/(loss) net of tax at 30%	15.0	(14.6)	29.4
	Profit After Tax before significant one-off items (RC)	**129.4**	**129.7**	**(0.3)**
5.	Significant one-off items	0.2	(2.8)	3.0
	Net Profit After Tax (HC)	**144.6**	**112.3**	**32.3**
	Net Profit After Tax (RC)	**129.6**	**126.9**	**2.7**

1. Underlying EBITDA (RC)

	Summary of Underlying EBITDA (RC) (A$M)	1H2018 Actual	1H2018 Prospectus	Performance
a.	Retail, Fuels & Marketing			
a(i).	Retail	308.0	299.0	9.0
a(ii).	Commercial	166.4	166.0	0.4
b.	Refining	48.1	67.8	(19.7)
c.	Supply, Corporate and Overheads	(260.0)	(266.1)	6.1
	Total Underlying EBITDA (RC)	**262.5**	**266.7**	**(4.2)**

a(i). Retail

Retail consists of earnings from a national network of over 1,100 retail fuel and convenience sites comprising sites operated through various channels, including sites operated under a long term alliance (the **Alliance**) with Eureka Operations Pty Ltd (**Coles Express**), sites operated by other retail commission agents, unmanned truck stops operated by Viva Energy, and sites operated by independent dealer owners. Retail also includes fuel supply to Liberty Oil Holdings Pty Ltd (**Liberty Oil**), an entity in which the Group holds a 50% equity interest, as well as supply to other retail operators and wholesalers.

Sales volumes through the company controlled[2] network were relatively stable over the period, with growth secured through other retail channels and overall Retail EBITDA exceeding forecast by $9M. During the period 10 company controlled retail sites were opened and another seven independently owned retail sites were added to the “Shell” and ”Liberty” branded network.

a(ii). Commercial

Commercial includes supply of fuel, lubricants and specialty products to commercial customers in the aviation, marine, transport, resources and construction and manufacturing industries. The commercial business continues to perform in line with expectations.

b. Refining

Refining relates to the earnings from the refinery located in Geelong, Victoria (**The Geelong Refinery**) which is owned and operated by the Group and converts imported and locally sourced crude oil into petroleum products including gasoline, diesel, jet fuel, aviation gasoline, gas, solvents, bitumen and other specialty products.

Refinery performance was predominantly driven by refining margins available in the market. The Geelong Refining Margin[3] was US$7.3/Barrel (**BBL**) compared with US$8.3/BBL assumed in the Prospectus. Applying the average Reserve Bank of Australia AUD/USD exchange rate for the period, the Geelong Refining Margin in Australian dollars terms was A$9.5/BBL compared with A$10.7/BBL assumed in the Prospectus for the half year.

Operational availability was 85.8% compared with 87.8% and intake was 19.1MBBLs compared with 19.7MBBLs assumed in the Prospectus. Availability was impacted by an unplanned outage of the Residual Cat Cracking Unit (**RCCU**) in the first quarter of the 2018 financial year (**Q1**) following an abnormal weather event, and a planned maintenance turnaround of the Secondary Distillation Unit (**CDU3**) in the second quarter of the 2018 financial year (**Q2**).

c. Supply, Corporate and Overheads

Supply, Corporate and Overheads ended the half year to 30 June 2018 ahead of Prospectus forecasts due to corporate head office and insurance cost savings as well as slightly lower than expected property costs.

[2] Company controlled refers to retail sites in which Viva Energy holds the freehold or leasehold interest.
[3] **Geelong Refining Margin** is the hydrocarbon margin of The Geelong Refinery calculated based on a notional internal sales price which is referable to an import parity price for the relevant refined products, less the crude, freight and feedstock costs associated therewith, and is expressed in US$ per barrel.

2. Net inventory gain / (loss)

Net inventory gain / (loss) (A$M)	1H2018 Actual	1H2018 Prospectus	Performance
Net inventory gain / (loss)	21.4	(20.8)	42.2

Net inventory gain / (loss) relates to the effect of movements in oil price and foreign exchange on inventory recorded at historical cost using the First In, First Out (**FIFO**) principle of accounting.

From March 2018 to June 2018 average benchmark crude and finished product prices increased by US$8.0/BBL and were further compounded by movement in foreign exchange rates which resulted in an AUD based increase of A$14.1/BBL over the same period. This generated a net inventory gain of $42.2M for Q2 against the loss of $20.8M recorded for Q1.

By comparison the actual financial information for Q1 which was included in the 1H2018 Prospectus forecast assumed average benchmark crude and finished product prices falling by US$2.6/BBL (A$1.1/BBL) generating a net inventory loss of $20.8M. This was included in the 1H2018 Prospectus forecast and no further change in oil price was assumed throughout the forecast period.

3. Net finance costs

Net finance costs (A$M)	1H2018 Actual	1H2018 Prospectus	Performance
Net finance costs	(18.5)	(15.9)	(2.6)

Net finance costs include interest income, interest expense on borrowings, fees associated with trade finance instruments, finance costs associated with finance leases, amortised financing transaction costs and the unwind of discounting on balance sheet provisions.

For 1H2018, net finance costs are higher than the Prospectus forecast primarily due to a higher average working capital facility balance as a result of the temporary increase in stock levels outlined in note 1 *Working Capital* of the balance sheet summary on page 7.

4. Income tax expense

Income tax expense (A$M)	1H2018 Actual	1H2018 Prospectus	Performance
Income tax expense	(63.5)	(49.3)	(14.2)

Viva Energy records income tax expense on the basis of historical cost earnings rather than replacement cost earnings, ie. NPAT (HC) rather than NPAT (RC).

For 1H2018, the higher than forecast income tax expense was driven by the net inventory gain of $21.4M compared with the Prospectus forecast net inventory loss of $20.8M. The effective tax rate for 1H2018 was 30.5%.

5. Significant one-off items

Significant one-off items (A$M)	1H2018 Actual	1H2018 Prospectus	Performance
Significant one-off items net of tax at 30%	0.2	(2.8)	3.0

Significant one-off items during the period include $20.7M in recoveries of capital expenditure incurred in relation to upgrading the Shell Brand and visual identity of retail service stations. This is offset by management fees of $15.3M that will no longer be incurred beyond 30 June 2018 as outlined in the Prospectus, as well as IPO transaction and restructuring costs of $5.2M.

Balance Sheet

Since 31 December 2014, annual financial reports have been lodged by Viva Energy Holding Pty Limited with ASIC that consolidate the financial position of the company and its controlled entities.

Summary Balance Sheet (A$M)	1H2018 Actual	FY2017 Actual	Performance
1. Working capital	480.3	306.0	174.3
2. Property, plant and equipment	1,477.3	1,408.3	69.0
Intangible assets	381.1	384.7	(3.6)
3. Investment in Associates	631.4	628.6	2.8
4. Net debt	(237.5)	(74.6)	(162.9)
Finance lease liability	(50.8)	(50.6)	(0.2)
5. Long term provisions, other assets and liabilties	(144.0)	(141.5)	(2.5)
6. Net deferred tax liabilities	(218.8)	(226.1)	7.3
7. Total Equity	**2,319.0**	**2,234.8**	**84.2**

1. Working capital

Working capital increased as a result of an increase in average benchmark crude and refined product prices of A$15.0/BBL between December 2017 and June 2018 as well as inventory levels of approximately 1MBBLs above typical target stock levels. This occurred primarily due to management of the supply chain post a significant weather event at The Geelong Refinery towards the end of Q1, to provide supply during the planned maintenance turnaround of the secondary distillation unit, and is expected to unwind in the second half of 2018 ending 31 December 2018 (**2H2018**).

2. Property, plant and equipment

Property, plant and equipment relates to freehold terminal property, leasehold retail and terminal improvements, plant and infrastructure such as tanks and pipelines held at terminals, airports and retail sites and The Geelong Refinery land and equipment.

Property, plant and equipment increased during the year as a result of capital expenditure of $124.7M offset by depreciation of $53.6M. Capital expenditure for 1H2018 was higher than that forecast in the Prospectus predominantly due to phasing of project spend between 1H2018 and 2H2018. A breakdown of capital expenditure by segment is outlined below.

Summary of Capital Expenditure (A$M)	1H2018 Actual	Prospectus Forecast	Performance
a. Retail, Fuels and Marketing	27.4	40.0	(12.6)
b. Refining	46.9	35.0	11.9
c. Supply, Corporate and Overheads	50.4	38.6	11.8
	124.7	**113.6**	**11.1**

a. Retail, Fuels and Marketing capital expenditure is lower than the Prospectus forecast predominantly due to progress of the tank replacement program and some new site fit out occurring in 2H2018 compared with expectations in 1H2018 forecasts.

b. Refinery capital expenditure is higher than the forecast for 1H2018 primarily due to the full completion of the secondary distillation unit turnaround and furnace revamp in 1H2018 rather than carrying over into 2H2018.

c. Supply, Corporate and Overheads capital expenditure is higher than the Prospectus forecast primarily driven by phasing of forecast capital expenditure associated with the completion and capitalisation of the replacement Enterprise Resource Planning (**ERP**) system between 1H2018 and 2H2018.

3. Investment in Associates

This includes Viva Energy's investment in the Viva Energy REIT[4] and Liberty Oil. Share of profit / (loss) from associates are recorded against this investment offset by distributions or dividends received.

4. Net debt

Net debt relates to Viva Energy's Revolving Credit Facility (**RCF**) which is used as a working capital facility to fund fluctuations in working capital, net of cash in bank. Viva Energy does not hold any long term structural debt. Net debt increased as a result of the increase in working capital, of which the higher stock levels are expected to unwind in 2H2018.

5. Long term provisions, other assets and liabilities

This predominantly relates to: (i) long term provisions associated with asset retirement obligations required by accounting standards; (ii) long term environmental provisions; and (iii) provisions associated with lease straight lining on lease obligations with Viva Energy REIT.

6. Net deferred tax liabilities

Viva Energy expected to form a tax consolidated group immediately following completion of the Offer outlined in the Prospectus. The Prospectus indicated that once complete, the effect of this will be to reduce net deferred tax liabilties by approximately A$226.1M. The Group is currently completing the work associated with the formation of a tax consolidated group, the preliminary results of which will be included in the full year annual report for the year ending 31 December 2018.

7. Total Equity

Total equity increased by the NPAT (HC) of $144.6M for the period offset by a capital return and dividend of $58.6M completed during the period to return capital to the then sole shareholder of the Group, Viva Energy B.V.. The dividend and capital return were related to certain properties surplus (or soon to be surplus) to the operational requirements of Viva Energy, which were transferred out of the Group. The balance relates to the remeasurement of defined benefit obligations in equity reserves.

[4] Viva Energy REIT is a stapled company and trust structure, and is listed on the ASX with Code VVR.

Statement of Cash Flows

	Summary cash flow statement (A$)	1H2018 Actual	1H2018 Prospectus	Performance
	Underlying EBITDA (RC)	**262.5**	**266.7**	**(4.2)**
	Net inventory gain/(loss)	21.4	(20.8)	42.2
	Lease straight-lining	(13.5)	(13.5)	-
	Share of profit of associates	22.0	19.0	3.0
	Net gain/(loss) on other disposal of PP&E	(0.2)	(0.4)	0.2
	Revaluation gain/(loss) on FX and oil derivatives	(4.5)	(11.3)	6.8
	Profit before interest, tax, depreciation and amortisation (HC) before significant items	**287.7**	**239.7**	**48.0**
1.	*Decrease / (increase) in inventories*	*(203.8)*		
2.	*Decrease / (increase) in receivables*	*(17.0)*		
3.	*Increase / (decrease) in payables*	*153.0*		
4.	*Increase / (decrease) in current provisions*	*(20.4)*		
	Changes in working capital	(88.2)	68.8	(157.0)
5.	Unrealised loss/(gain) on FX and Derivatives	(18.9)	-	(18.9)
	Non-cash and other items in profit before interest, tax, depreciation and amortisation	(18.4)	(18.6)	0.2
	Operating free cash flow before capital expenditure	**162.2**	**289.9**	**(127.7)**
6.	Capital expenditure	(124.7)	(113.6)	(11.1)
7.	Proceeds from sale of PP&E and intangibles	-	9.0	(9.0)
	Dividends received from associates	18.2	19.0	(0.8)
	Net free cash flow before financing, tax and dividends	**55.7**	**204.3**	**(148.6)**
8.	Significant one-off items	0.2	46.6	(46.4)
	Finance costs	(10.3)	(12.3)	2.0
9.	Income tax instalments in respect of FY2018	(90.5)	(98.7)	8.2
10.	Income tax payment in respect of FY2017 return	(117.0)	(117.0)	-
	Net cash flow before borrowings	**(161.9)**	**22.9**	**(184.8)**
	Net drawings / (repayment) of borrowings	127.6	8.6	120.0
	Net cash flow	**(34.3)**	**31.5**	**(65.8)**
	Opening net debt	**(74.6)**	**(74.6)**	
	Amortisation of capitalised borrowing costs	(1.0)	-	
	Closing net debt	**(237.5)**	**(51.7)**	
	Change in net debt	(161.9)	22.9	**(184.8)**

1. Increase in inventories

Inventory increased as a result of an increase in average benchmark crude and refined product prices of A$15.0/BBL between December 2017 and June 2018 as well as inventory levels appromixately 1MBBLs above typical target stock levels. This occurred primarily due to continued management of the supply chain post a abnormal weather event at the Geelong Refinery towards the end of Q1, and to provide supply during the planned maintenance turnaround of the secondary distillation unit, and is expected to unwind in 2H2018. The Prospectus assumed no movement in benchmark crude and refined product prices and stock levels in line with typical target levels.

2. Increase in receivables

Receivables increased as a result of an increase in average benchmark crude and refined product prices of A$15.0/BBL between December 2017 and June 2018 offset by lower sales volume in the month of June 2018 compared with December 2017, which is consistent with historical seasonal trends in the business. The Prospectus assumed no movement in benchmark crude and refined product prices.

3. Increase in payables

Payables increased as a result of an increase in average benchmark crude and refined product prices of A$15.0/BBL between December 2017 and June 2018 as well as higher purchases in the months of May 2018 and June 2018 compared with November 2017 and December 2017, associated with the higher than typical target stock levels described above. The Prospectus assumed no movement in benchmark crude and refined product prices and stock levels in line with typical target levels.

4. Current provisions settled with cash

This relates to cash settled historical long term employee bonus schemes, payment of annual and long service leave entitlements and settlement of environmental provisions. This is consistent with Prospectus assumptions.

5. Unrealised loss/(gains) on FX and Derivatives

This represents unrealised loss(gains) on foreign exchange denominated assets and liabilities including trade payables denominated in USD and derivatives used to manage movements in oil price, refinery margin and foreign exchange. The Prospectus assumed no change in base oil price and foreign exchange during the period.

6. Capital expenditure

Refer to note 2 within Balance Sheet commentary on page 7.

7. Proceeds from sale of PP&E and intangibles

This relates to the sale of two freehold sites that were formerly retail service stations and have since been closed and remediated. These were originally expected to settle during 1H2018. However, this is now expected to occur during 2H2018.

8. Significant one-off items

In addition to the significant one-off items outlined in note 5 to the Income Statement on page 6, the Prospectus included receipt of a US$39.0M receivable from Shell associated with the settlement of claims relating to previously incurred Clyde Terminal Conversion Project and environmental expenditure. This was received during early July 2018.

9. Income tax

Income tax payments included a $117.0M payment in respect of settlement of the tax expense for the year ended 31 December 2017, which was paid on 1 June 2018 along with lodgement of the tax return for the same period. This payment was outlined in the Prospectus and was made in addition to monthly tax instalments for the year ending 31 December 2018. It is expected that such a substantial true-up payment will not occur in future years as monthly tax instalments were only paid for five out of the twelve months in FY2017 once Viva Energy lodged its return for the prior year.

Dividend

Viva Energy declared and paid a dividend of $13.5M on 29 March 2018, to the then sole shareholder of the Group, Viva Energy BV, such dividend being related to certain properties surplus (or soon to be suplus) to the operational requirements of Viva Energy, which were transferred out of the Group.

Group restructure

Since 31 December 2014, annual financial reports have been lodged by Viva Energy Holding Pty Limited with ASIC that consolidate the financial performance, financial position and cash flows of Viva Energy Holding Pty Limited and its controlled entities.

In connection with the IPO, the following corporate restructure transactions have been undertaken after 30 June 2018:

- Viva Energy Group Limited acquired:
    - all of the shares in Viva Energy Holding Pty Limited from Viva Energy B.V.;
    - all of the options in Viva Energy Holding Pty Limited from the participants in the legacy Long Term Incentive Plan in return for options over ordinary shares in Viva Energy Group Limited. Immediately following the ASX listing, a portion of the new options were cancelled for a cash payment which was, in part, immediately applied to satisfy the exercise price in respect of all vested new options.
- Viva Energy Group Limited restructured a number of commercial arrangements to which Viva Energy Holding Pty Ltd and its controlled entities were a party with Vitol Investment Partnership Limited, Vitol Holdings B.V. and/or certain of their respective affiliates.

As a result of the restructure, Viva Energy Group Limited held 100% of the shares and options in Viva Energy Holding Pty Limited from 17 July 2018.

On 19 June 2018 a new entity, Viva Energy S.G. Pte Ltd (an entity incorporated in Singapore) was incorporated as an indirect wholly-owned entity of Viva Energy. Viva Energy S.G. Pte Ltd did not trade in the reporting period.

The restructure has been treated as a common control transaction and is not in the scope of *AASB 3 Business Combinations*.

Rounding of amounts

The company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest hundred thousand dollars in accordance with the instrument.

This report is made in accordance with a resolution of directors.

Scott Wyatt
Director and CEO

Melbourne
29 August 2018

Consolidated statement of profit or loss

For the half-year ended 30 June 2018

	Notes	30 June 2018
		$M
Revenue	4	8,608.7
Replacement cost of goods sold		(5,599.1)
Net Inventory gain		21.4
Sales duties and taxes		(2,031.2)
Import freight expenses		(129.5)
Historical cost of goods sold		**(7,738.4)**
Gross profit		**870.3**
Net (loss) on other disposal of property, plant and equipment		(0.2)
Other income/(loss)		**(0.2)**
Transportation expenses		(158.6)
Salaries and wages		(119.6)
General and administration expenses		(72.4)
Maintenance expenses		(45.2)
Operating leases	5	(143.3)
Sales and marketing expenses		(60.6)
		270.4
Interest income		1.2
Share of profit of associates		22.0
Realised/unrealised gain on derivatives		17.0
Net foreign exchange (loss)		(21.5)
Depreciation and amortisation expenses	5	(61.3)
Finance costs	5	(19.7)
Profit before income tax expense		**208.1**
Income tax expense		(63.5)
Profit after tax		**144.6**

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

For the half-year ended 30 June 2018

	30 June 2018 $M
Profit for the year	**144.6**
Other comprehensive income	
Other comprehensive income that may be reclassified to profit or loss in subsequent years (net of tax)	
Effective portion of changes in fair value of cash flow hedges – Unrealised (losses) on cash flow hedges recognised by Viva energy REIT	(0.7)
Other comprehensive income not to be reclassified to profit or loss in subsequent years (net of tax)	
Remeasurement of retirement benefit obligation	(1.1)
Net other comprehensive income/(loss)	**(1.8)**
Total comprehensive income for the year (net of tax)	**142.8**

Consolidated statement of financial position

As at 30 June 2018

	Notes	30 June 2018 $M
ASSETS		
Current assets		
Cash and cash equivalents		130.4
Trade and other receivables		1,131.8
Inventories	8	1,169.0
Assets classified as held for sale		9.7
Derivative assets		14.2
Prepayments		52.2
Other current assets		0.5
Total current assets		**2,507.8**
Non-current assets		
Long-term receivables		12.0
Property, plant and equipment		1,467.6
Intangible assets, including Goodwill		381.1
Post-employment benefits		16.0
Investments accounted for using the equity method		631.4
Other non-current assets		1.7
Total non-current assets		**2,509.8**
Total assets		**5,017.6**
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables		1,754.0
Provisions		131.7
Short-term borrowings	9	7.1
Derivative liabilities		0.5
Current tax liabilities		1.2
Total current liabilities		**1,894.5**
Non-current liabilities		
Provisions		173.7
Long-term borrowings	9	411.6
Net deferred tax liabilities		218.8
Total non-current liabilities		**804.1**
Total liabilities		**2,698.6**
Net assets		**2,319.0**
Equity		
Contributed equity		600.1
Reserves		9.7
Retained earnings		1,709.2
Total equity		**2,319.0**

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

Consolidated statement of changes in equity

For the half-year ended 30 June 2018

	Contributed equity	Reserves	Retained earnings	Total equity
	$M	$M	$M	$M
Balance at 1 January 2018	**645.2**	**11.5**	**1,578.1**	**2,234.8**
Profit for the half-year			144.6	144.6
Unrealised (losses)/gains on cash flow hedges recognised by Viva Energy REIT	-	(0.7)	-	(0.7)
Remeasurement of retirement obligations	-	(1.1)	-	(1.1)
Total comprehensive income for the year		**(1.8)**	**144.6**	**142.8**
Dividends paid	-	-	(13.5)	(13.5)
Capital reduction	(45.1)	-	-	(45.1)
Share based payment reserve	-	-	-	-
Balance at 30 June 2018	**600.1**	**9.7**	**1,709.2**	**2,319.0**

In March 2018, land and associated plant & equipment assets with a net book value of $5.4M were transferred out of the Group to be utilised in a special purpose land owning entity wholly owned by the Group's immediate parent entity. This transfer, along with the $53.2M sales transfer initiated in December 2017, resulted in a total non-cash capital return of $45.1M and a non-cash dividend payment of $13.5M.

Consolidated statement of cash flows

For the half-year ended 30 June 2018

	Notes	30 June 2018 $M
Operating activities		
Receipt from trade and other debtors		9,875.5
Payments to suppliers and employees		(9,711.0)
Interest received		1.2
Interest paid on loans		(7.7)
Interest paid on finance lease		(3.8)
Income tax paid		(207.5)
Net cash flows from operating activities	7	**(53.3)**
Investing activities		
Purchases of property, plant and equipment		(124.9)
Net cash consideration paid for the acquisition of Shell Aviation		-
Proceeds from sale of other property, plant and equipment		2.1
Loan repayments received from third parties		(4.0)
Dividends received from associates		18.2
Net cash flows (used in)/from investing activities		**(108.6)**
Financing activities		
Drawdown of borrowings		1,775.0
Repayments of borrowings		(1,645.0)
Dividend paid		-
Upfront financing costs paid and capitalised		(2.4)
Net cash flows used in financing activities		**127.6**
Net (decrease) in cash and cash equivalents		(34.3)
Cash and cash equivalents at the beginning of the half-year		164.7
Cash and cash equivalents at the end of the half-year		**130.4**

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

Notes to the financial statements

1. Basis of preparation

The half-year consolidated financial statements for the period ended 30 June 2018 of Viva Energy Holding Pty Limited and controlled entities were authorised for issue in accordance with a resolution of the Directors on 29 August 2018.

The half-year financial report is a special purpose financial report that is not required by ASIC, is a non-IFRS compliant financial report and does not include comparative information or all the notes normally included in an annual financial report.

The half-year financial report has been requested by the ASX for the purpose of providing the intended users a trading update of Viva Energy Holding Pty Limited and its controlled entities.

In July 2018 the Group was part of an IPO and listing on the ASX. As part of that process, Viva Energy Holding Pty Limited was acquired by a newly formed public company, Viva Energy Group Limited, being the holding company now listed on the ASX.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group changed its accounting policies as a result of adopting the following standards:

- AASB 9 *Financial Instruments*, and
- AASB 15 *Revenue from Contracts with Customers*.

The impact of the adoption of these standards and the new related accounting policies are disclosed in note 2 below. Other new and amended standards applicable for the current reporting period did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

(b) Impact of standards issued but not yet applied by the Group

AASB 16 *Leases* (effective 1 January 2019)

AASB 16 *Leases* represents a significant change to how lessees account for operating leases. Under the new standard, as a lessee the Group will be required to:

- recognise all right of use assets and lease liabilities, with the exception of low value and short-term leases, on the consolidated statement of financial position. The liability is initially measured at the present value of future lease payments for the lease term, which includes any lease extension options if the Group is reasonably certain that it will exercise the option;
- recognise depreciation of right to use assets and interest on lease liabilities in the consolidated statement of profit and loss over the lease term; and
- present separately the total cash paid into a principal portion and interest portion with the consolidated statement of cash flows.

The adoption of AASB 16 will therefore result in higher assets and liabilities in the consolidated statement of financial position and charges to the consolidated statement of profit or loss will be included in depreciation and interest which are excluded from profit before interests, taxes, depreciation and amortisation (although included in profit before income tax). Under AASB 16, lessees will have one accounting model for accounting for leases, which is similar to the current finance lease model in AASB 117 *Leases*.

The Group has commenced work to understand the impact of the new standard, which has included preliminary review procedures to identify key characteristics of existing contractual arrangements. The Group is putting together a work program to be undertaken in 2018 that will support the system, process and reporting requirements needed to be able to meet the requirements of the new standard when it becomes effective. It is expected that the Group will adopt the fully simplified approach, which allows the liability to be calculated at transition date based on the present value of future payments at transition date.

The application of AASB 16 *Leases* will also affect accounting for the Group's leasing arrangements where it acts as sub lessor. Although lessor accounting is not significantly changing under AASB 16 as the Group will now be recognising right of use assets for the head lease arrangement, a re-assessment of the sub- lease will need to be

1. Basis of preparation (continued)

made to assess whether this now represents a finance lease of the recognised right of use asset. Where the lease terms are substantially matched, it is anticipated that these will represent finance leases and the right of use asset will be derecognised and replaced with a finance lease receivable. For such leases, operating lease rental income will no longer be recorded and will instead be replaced with interest income on the finance lease receivable balance.

2. Changes in accounting policies

This note explains the impact of the adoption of AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

AASB 9 Financial Instruments – Impact of adoption

AASB 9 was generally adopted without restating comparative information. The adjustments arising from the new impairment rules are not material and have not been reflected in the balance sheet as at 30 June 2018.

While trade and other receivables and cash and cash equivalents are subject to the impairment requirements of AASB 9, the identified impairment loss was not material.

AASB 15 Revenue from Contracts with Customers – Impact of adoption

AASB 15 *Revenue from Contracts with Customers* specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services when control of the goods or services passes to the customer. The revenue to be recognised should reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Group previously showed revenue and cost of goods sold on a gross basis for certain buy-sell contracts it holds with other industry participants for the purchase and sale of refined products. New standard guidance implies that these contracts are not within the scope of AASB 15 and revenue was adjusted to be shown on a net basis in respect of these contracts under the new standard. An equivalent adjustment to remove the purchase side from cost of goods sold was also made, and thus there is no impact on Gross Profit or on Profit after Tax. The adjustment for the half-year to 30 June 2018 reduced revenue and cost of goods sold by $878.3M as compared to the revenue which would have been recorded under the previous revenue standard, AASB 118.

3. Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the half-year to 30 June 2018:

- the refinancing of the US$900M secured borrowing base facility with a US$700M unsecured revolving credit facility (Note 9);
- the transfer of land and associated plant and equipment assets with a net book value of $5.4M out of the Group, along with the $53.2M sales transfer initiated in December 2017, resulting in a total capital return of $45.1M and a dividend payment of $13.5M;
- the adoption of the new revenue standard AASB 15 Revenue from Contracts with Customers (Note 2).

4. Revenue and other income

	30 June 2018
	$M
Revenue from sale of goods	8,501.0
Non-fuel income	73.7
Other revenue	34.0
Total revenue	**8,608.7**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and GST collected on behalf of third parties. Total revenue includes the recovery of excise paid.

5. Expenses

	30 June 2018
Operating leases	**$M**
Leases from Viva Energy REIT	65.4
Other operating leases	64.4
Non-cash straight lining on leases	13.5
Total operating leases	**143.3**

	30 June 2018
Finance costs	**$M**
Interest on debts and borrowings	12.5
Interest on finance lease	4.0
Unwinding of discount on provisions	3.2
Total finance costs	**19.7**

	30 June 2018
Depreciation and amortisation	**$M**
Property plant and equipment	53.6
Intangible assets	7.7
Total depreciation and amortisation	**61.3**

6. Segment information

The Group has identified its operating segments on the basis of how the Chief Operating Decision Maker reviews internal reports about components of the Group to assess performance and determine the allocation of resources. The Group is organised into business units based on operational activities and has three reportable segments:

Retail, Fuels and Marketing

The Retail, Fuels and Marketing segment consists of both retail and commercial sales and marketing of fuel and specialty products in Australia under the "Shell" and "Viva Energy" brands as well as generation of non-fuel income. All sales and marketing focused activities are included in this segment.

Refining

The Group's refinery in Geelong, Victoria, refines crude oil into petrol, diesel and jet fuel. The refinery also manufactures and produces specialty products such as liquid petroleum gas, bitumen and solvents.

Supply, Corporate and Overheads

The Group owns and manages an integrated supply chain of terminals, storage facilities, depots, pipelines and distribution assets throughout Australia in order to facilitate product distribution and delivery through wholesale and retail sites. This segment also includes property expenses and corporate functions that facilitate business activity. These activities have been grouped as a segment as they largely represent the overhead base of the business and undertake all the non-sales and non-manufacturing activities within the Group.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. The performance of operating segments is evaluated based on segment profit and loss, and is measured consistently with profit or loss in the consolidated financial statements in accordance with the Group's accounting policies. Transfer prices between operating segments are on an arm's length basis similar to transactions with third parties. The Group's country of domicile is Australia, with all operations located and revenues generated in Australia. All of the Group's non-financial non-current assets are located in Australia.

Information about reportable segments

30 June 2018	Retail, Fuels and Marketing	Refining	Supply, Corporate and Overheads	Total Segments
	$M	$M	$M	$M
Segment revenue:				
Total segment revenue	8,374.2	2,051.0	7,943.9	18,369.1
Inter-segment revenue	-	(2,051.0)	(7,709.4)	(9,760.4)
External segment revenue	**8,374.2**	**-**	**234.5**	**8,608.7**
Gross Profit	667.8	134.1[1]	47.0	848.9
Net inventory gain			21.4	21.4
Gross Profit	**667.8**	**134.1**	**68.4**	**870.3**
Profit before interests, taxes, depreciation and amortisation	**474.4**	**48.1**	**(234.6)**	**287.9**
Interest income	-	-	1.2	1.2
Depreciation and amortisation expenses	(22.3)	(24.3)	(14.7)	(61.3)
Finance costs	(8.0)	-	(11.7)	(19.7)
Segment profit before tax	**444.1**	**23.8**	**(259.8)**	**208.1**
Other material items:				
Share of profit of associates	-	-	22.0	**22.0**
Capital expenditure	27.4	46.9	50.4	**124.7**

[1] Refining gross profit represents intersegment revenue less the actual price of crude oil, feedstock and energy incurred on a replacement cost basis.

7. Reconciliation of profit to net cash flows from operating activities

	30 June 2018
	$M
Profit	**144.6**
Adjustments for:	
Net loss on disposal of property, plant and equipment	0.2
Depreciation and amortisation	61.3
Non-cash interest and amortisation on long term loans	1.1
Amortisation of finance lease	0.2
Unrealised (gain) on derivatives	(18.8)
Unrealised foreign exchange movements	33.9
Share of associate's profit not received as dividends or distribution	(22.0)
Net cash flows from operating activities before movements in assets/liabilities	**200.5**
Movements in assets and liabilities:	
Working capital balances	
(Increase) in receivables	(25.3)
(Increase) in inventories	(203.9)
Increase in payables	153.0
	(76.2)
Other	
Decrease in other assets	8.4
(Increase) in derivative assets	(23.1)
(Increase) deferred tax assets	(6.5)
(Increase) in post-employment benefits	(2.3)
(Decrease) in tax liability	(137.8)
(Decrease) in provisions	(16.3)
Net cash flows from operating activities	**(53.3)**

8. Inventories

	30 June 2018
	$M
Crude for processing	424.5
Hydrocarbon finished products	726.5
	1,151.0
Stores and spare parts	18.0
Total inventories	**1,169.0**

9. Borrowings

	30 June 2018
	$M
Secured	
Short-term bank loans	-
Short-term finance lease liability	7.1
Total short-term secured borrowings	**7.1**
Long-term bank loans	-
Long-term finance lease liability	43.7
Total long-term secured borrowings	**43.7**
Unsecured	
Short-term bank loans	-
Total short-term unsecured borrowings	**-**
Long-term bank loans	367.9
Total long-term unsecured borrowings	**367.9**
Total short-term borrowings	**7.1**
Total long-term borrowings	**411.6**

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

On 26 March 2018, the Group refinanced the US$900M secured borrowing base facility and replaced it with a US$700M unsecured revolving credit facility which has an initial 2 year term and a 1 year extension option. The first utilisation date under the new facility was 28 March 2018.

10. Interests in associates and joint operations

(a) Associates

The Group has a non-controlling interest in the following entities which are classified as associates under the current ownership structure in accordance with AASB 128 *Investments in Associates and Joint Ventures.* These investments have been recognised in the consolidated financial statements using the equity method.

	30 June 2018
	Interest
Liberty Oil	50%
Viva Energy REIT	38%

(b) Joint Operations

The following investments are classified as joint operations under AASB 11 Joint arrangements, where the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses, and has proportionately consolidated its interests under the appropriate headings in the consolidated financial statements.

	30 June 2018
	Interest
W.A.G Pipeline Pty Limited	52%
Crib Point Terminal Pty Limited	50%
Cairns Airport Refuelling Services Pty Limited	33%

11. Financial assets and liabilities not measured at fair value

The Group has a number of financial instruments which are not measured at fair value in the balance sheet. For these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

12. Events occurring after the reporting period

Subsequent to the period end, in July 2018 the Group was part of an initial public offering and listing on the ASX. As part of that process Viva Energy Holding Pty Limited was acquired by a newly formed public company, Viva Energy Group Limited, being the holding now listed on the ASX. The restructure has been treated as a common control transaction and is not in the scope of *AASB 3 Business Combinations*.

During the half year ended 30 June 2018, the Group entered into an agreement to purchase a 50% interest in fuel retailer Westside Petroleum Pty Limited (**Westside Petroleum**). As at 30 June 2018, the acquisition remained subject to regulatory approvals. Subsequent to the period end all regulatory conditions had been satisifed and, subject to the completion of certain contractual conditions, management intend to finalise the deal shortly. The initial cash purchase price in respect of the 50% interest is $15 million. The Group intends to account for the interest in Westside Petroleum using the equity method.

Directors' declaration

As stated in Note 1 to the financial statements, the half-year financial report is a special purpose financial report that is not required by ASIC, and has been requested by the ASX for the purpose of providing the intended users a trading update of Viva Energy Holding Pty Limited and its controlled entities. The financial report has been prepared in accordance with the Accounting Policies set out in Note 1.

In the Directors' opinion:

(a) the consolidated financial statements and notes set out on pages 12 to 23 have been prepared in accordance with the accounting policies set out in Note 1 including presenting fairly, in all material respects, the consolidated entity's financial position as at 30 June 2018 and its performance for the financial period ended on that date;

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of Directors.

Scott Wyatt
Director and CEO

Melbourne
29 August 2018

Independent auditor's review report to the members of Viva Energy Holding Pty Limited

Report on the Half-Year Financial Statements

We have reviewed the accompanying half-year financial statements, being a special purpose financial report, of Viva Energy Holding Pty Limited (the Company), which comprises the condensed consolidated statement of financial position as at 30 June 2018, the condensed consolidated statement of comprehensive income, condensed consolidated statement of profit or loss, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Viva Energy Holding Pty Limited. The group comprises the Company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial statements

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial statements in accordance with the accounting policies as described in Note 1 to the financial statements and have determined that the accounting policies in Note 1, which form part of the financial statements, are appropriate to meet the needs of the members and internal purposes. The directors' are also responsible for such internal control as the directors determine is necessary to enable the preparation of the half-year financial statements 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 statements based on our review. We conducted our review in accordance with Australian 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, anything has come to our attention that causes us to believe that the half-year financial statements are not presented fairly, in all material respects, in accordance with the accounting policies as described in Note 1 to the financial statements. As the auditor of Viva Energy Holding Pty Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of a half-year financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the half-year financial statements to determine whether it contains any material inconsistencies with the half-year financial statements. 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.

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Independence

In conducting our review, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial statements of Viva Energy Holding Pty Limited do not present fairly, in all material respects, the consolidated entity's financial position as at 30 June 2018 and its performance for the half-year ended on that date, in accordance with the accounting policies as described in Note 1 to the financial statements.

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 1 in the half-year financial statements, which describes the basis of accounting. The financial statements are not required by the Australian Securities and Investment Commission, and have been prepared for the purpose of providing a trading update of Viva Energy Holding Pty Limited. As a result, the half-year financial statements may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers

PricewaterhouseCoopers

C Dodd

Chris Dodd
Partner

Melbourne
29 August 2018