

Real Estate Investar Group Ltd

Appendix 4D

Half-year information given to ASX under listing rule 4.2A

1. Company details

Name of entity:	Real Estate Investar Group Ltd
ABN:	39 141 276 959
Reporting period:	For the half-year ended 31 December 2015
Previous period:	For the half-year ended 31 December 2014

This information should be read in conjunction with the 2015 Annual Financial Report of Real Estate Investar Group Ltd and its controlled entities and any public announcements made in the period by Real Estate Investar Group Ltd in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2015.

This report is based on the consolidated financial statements for the half-year ended 31 December 2015 of Real Estate Investar Group Ltd and its controlled entities, which have been reviewed by BDO Audit Pty Ltd. The Independent Auditor's Report provided by BDO Audit Pty Ltd is included in the consolidated financial statements for the half-year ended 31 December 2015.

2. Results for announcement to the market (All comparisons to half-year ended 31 December 2014)

	<u>Up / down</u>	<u>Movement %</u>		<u>\$</u>
Revenues from ordinary activities	up	6.0%	to	1,952,966
Revenues from ordinary activities excluding interest income	up	5.8%	to	1,949,169
Net Loss for the half-year after tax from ordinary activities	up	32.4%	to	(860,566)

3. Dividend Information

There were no dividends declared or paid during the period.

4. Net tangible assets

	<u>31 Dec 2015</u>	<u>31 Dec 2014</u>
	<u>Cents</u>	<u>Cents</u>
Net tangible assets per ordinary security	<u>0.03</u>	<u>(0.08)</u>

*Note : 31 December 2014 reflects the share consolidation 1 for 2 that took place in December 2015.

5. Control gained over entities

Not applicable.

6. Loss of control over entities

Not applicable.

7. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

8. Attachments

Details of attachments (if any):

The Interim Report of Real Estate Investar Group Limited for the half-year ended 31 December 2015 is attached.

9. Signed



Signed _____

Date: 23 February 2016

Simon Baker
Chairman

**REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959**

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

Real Estate Investar Group Limited
ACN 141 276 959

Directors' Report
31 December 2015

The directors present their report, together with the financial statements, on the consolidated entity consisting of Real Estate Investar Group Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

Directors

The following persons were directors of Real Estate Investar Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Simon Baker
Mr Clinton Greaves
Mr Ian Penman
Mr Anthony Catalano (appointed 15 October 2015)
Mr Joe Hanna (appointed 15 October 2015)

Principal activities

During the financial half-year the principal activities of the consolidated entity were in the investment in development, sales and support of software in the provision of integrated solutions for property investors, and marketing platforms for the referral of industry partner services.

These activities were focussed around:

- Portfolio Builder: tools that help property investors make better acquisition decisions through education, and the identification and detailed analysis of potential investment properties;
- Transactions: a service that provides members with access to pre-evaluated investment grade properties that may not be available to non-members; and
- Portfolio Manager: tools that help property investors track and account for the performance of their existing investment properties.

There have been no significant changes in the nature of the group's principal activities during the half-year.

Review of operations

Real Estate Investar Group Limited raised \$5,256,630 in financing during the half year ending 31 December 2015, primarily from an Initial Public Offering (IPO). This has delivered a significantly strengthened financial position with net assets increasing to \$4,229,685.

In addition to the capital raised by the IPO, the ASX listing event also triggered the conversion of convertible notes of \$950,000 and debt of \$1,250,000 to be converted to equity, further strengthening the balance sheet.

The loss for the consolidated entity after providing for income tax amounted to \$875,795 (31 December 2014: \$666,581). The increase in costs can be attributed to the IPO costs, ASX listing and public company costs.

Outlook and Strategy Update

The additional capital and the significant increase in working capital provides improved liquidity to support the planned operational growth of the business.

Having achieved the IPO milestone, Real Estate Investar Group Limited will focus on increasing and improving the expertise of the management team, specifically in the sales and marketing areas.

Real Estate Investar Group Limited
ACN 141 276 959

Directors' Report
31 December 2015

Real Estate Investar Group Limited remains focussed on driving growth in revenue and activities planned to support the second half performance are:

- Increasing partnerships to create increased awareness of the services provided;
- Increasing direct promotions of the business;
- Developing a deeper knowledge of subscription customers;
- Improving the conversion of free members to paid subscriptions and reducing the churn rate;
- Increasing revenue from non-subscription referral services;
- Developing the property transaction revenue channel of the business; and
- Identifying and implementing new initiatives to increase the value of products and services offered to members.

The Directors believe that Real Estate Investar Group Limited, in conjunction with the opportunities provided by the Australian and New Zealand property investment markets and the expertise of the Board and management, now has a strong platform for future growth.

Significant changes in the state of affairs

The Real Estate Investar Group Limited listed on the Australian Securities Exchange on the 10th of December 2015.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included following this directors' report.

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

On behalf of the Directors



Simon Baker
Chairman

23 February 2016

**DECLARATION OF INDEPENDENCE BY ANTHONY J WHYTE TO THE DIRECTORS OF REAL ESTATE
INVESTAR GROUP LTD**

As lead auditor for the review of Real Estate Investar Group Ltd for the half-year ended 31 December 2015, 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 Real Estate Investar Group Ltd and the entities it controlled during the period.



A J Whyte
Director

BDO Audit Pty Ltd

Brisbane, 23 February 2016

REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

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General Information

The financial report covers Real Estate Investar Group Limited as a consolidated entity consisting of Real Estate Investar Group Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Real Estate Investar Group Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Real Estate Investar Group Limited is an ASX public listed company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue, in accordance with a resolution of directors, on 23 February 2016. The directors have the power to amend and reissue the financial report.

REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated Entity Half Year	
		2015 \$	2014 \$
Revenue			
Membership revenue		1,642,260	1,775,066
Referral and other income		310,706	67,431
		1,952,966	1,842,497
Expenses			
Commissions		309,349	181,043
Data Costs and Website costs		833,736	814,760
Employee benefits expense		1,052,614	1,331,658
Depreciation and amortisation expense		219,727	105,765
Finance costs		57,544	7,265
Other Expenses		298,974	9,480
Rent		41,588	42,635
		2,813,532	2,492,606
Profit/(loss) before income tax expense		(860,566)	(650,109)
Income tax benefit / (expense)		-	-
		-	-
Profit/(loss) after income tax expense for the half year		(860,566)	(650,109)
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Foreign currency translation differences		(15,229)	
		(15,229)	
Total comprehensive income/(loss) for the half year		(875,795)	(650,109)
		Cents	Cents
Earnings per share			
Basic earnings per share		(0.02)	(0.01)
Diluted earnings per share		(0.02)	(0.01)

The above Consolidated Statement of Profit or Loss and other comprehensive income should be read in conjunction with the accompanying notes

REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	Consolidated Entity	
		31 December 2015 \$	30 June 2015 \$
Assets			
Current assets			
Cash and cash equivalents		3,456,724	128,813
Trade and other receivables		<u>453,140</u>	<u>712,414</u>
Total current assets		<u>3,909,864</u>	<u>841,227</u>
Non-current assets			
Intangible assets		1,725,379	1,655,937
Other receivables	3	320,000	-
Property, plant and equipment		32,991	45,179
Deferred tax asset		<u>119,014</u>	<u>119,014</u>
Total non-current assets		<u>2,197,384</u>	<u>1,820,130</u>
Total assets		<u>6,107,248</u>	<u>2,661,357</u>
Current liabilities			
Trade and other payables	4	1,489,650	3,841,324
Borrowings	5	<u>241,255</u>	<u>706,300</u>
Total current liabilities		<u>1,730,905</u>	<u>4,547,624</u>
Non-current liabilities			
Borrowings	5	2,625	5,775
Provision for employee entitlements		25,019	15,054
Deferred tax liability		<u>119,014</u>	<u>119,014</u>
Total non-current liabilities		<u>146,658</u>	<u>139,843</u>
Total Liabilities		<u>1,877,563</u>	<u>4,687,467</u>
Net assets		<u><u>4,229,685</u></u>	<u><u>(2,026,110)</u></u>
Equity			
Issued capital	6	11,288,601	4,165,796
Retained profits / (loss)		(7,132,594)	(6,272,028)
Reserves		73,678	80,122
		<u>4,229,685</u>	<u>(2,026,110)</u>

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

REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Issued capital	Retained Profits/ (Loss)	Share based payment reserve	Foreign Currency translation reserve	Total equity
	\$	\$			\$
Balance at 1 July 2014	4,002,196	(4,177,839)	83,010	(5,173)	(97,806)
Profit/(loss) after income tax expense for half year	-	(650,109)	-	-	(650,109)
Other comprehensive income	-	-	-	-	-
Total comprehensive profit /(loss) for the half year	-	(650,109)	-	-	(650,109)
<i>Transaction with owners in their capacity as</i>					
Shares issued, net of transaction costs	68,116	-	-	-	68,116
At 31 December 2014	<u>4,070,312</u>	<u>(4,827,948)</u>	<u>83,010</u>	<u>(5,173)</u>	<u>(679,799)</u>
Balance at 1 January 2015	4,070,312	(4,827,948)	83,010	(5,173)	(679,799)
Profit/(loss) after income tax expense for half year	-	(1,444,080)	-	-	(1,444,080)
Other comprehensive income					
Exchange difference on translation of foreign operations	-	-	-	2,285	2,285
Total comprehensive profit /(loss) for the half year	-	(1,444,080)	-	2,285	(1,441,795)
<i>Transaction with owners in their capacity as</i>					
Shares issued, net of transaction costs	95,484	-	-	-	95,484
At 30 June 2015	<u>4,165,796</u>	<u>(6,272,028)</u>	<u>83,010</u>	<u>(2,888)</u>	<u>(2,026,110)</u>
Balance at 1 July 2015	4,165,796	(6,272,028)	83,010	(2,888)	(2,026,110)
Profit/(loss) after income tax expense for half year	-	(860,566)	-	-	(860,566)
Other comprehensive income					
Exchange difference on translation of foreign operations	-	-	-	(15,229)	(15,229)
Total comprehensive profit /(loss) for the half year	-	(860,566)	-	(15,229)	(875,795)
<i>Transaction with owners in their capacity as</i>					
Shares issued, net of transaction costs	7,122,805	-	-	-	7,122,805
Share based payment expense			8,785		8,785
At 31 December 2015	<u>11,288,601</u>	<u>(7,132,594)</u>	<u>91,795</u>	<u>(18,117)</u>	<u>4,229,685</u>

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

REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Consolidated Entity	
	Half Year	
	2015	2014
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,714,151	1,766,511
Payments to suppliers and employees	(3,241,722)	(1,638,015)
Interest paid	(6,955)	(7,265)
Interest received	3,797	530
Net cash flow from operating activities	<u>(1,530,729)</u>	<u>121,761</u>
Cash flows from investing activities		
Payment for website development	(274,366)	(688,007)
Receipt of research and development claim	433,403	466,339
Payment for property, plant and equipment	(2,615)	(1,356)
Net cash flow from investing activities	<u>156,422</u>	<u>(223,024)</u>
Cash flows from financing activities		
Repayment of borrowings	(108,783)	(5,621)
Proceeds from issue of shares	5,006,630	106,400
Payments for equity raising costs	(445,629)	(38,035)
Proceeds from issue of convertible notes	250,000	-
Net cash flow from financing activities	<u>4,702,218</u>	<u>62,744</u>
Net increase/(decrease) in cash and cash equivalents	3,327,911	(38,519)
Cash and cash equivalents at the beginning of the financial period	128,813	86,097
Cash and cash equivalents at the end of the financial period	<u>3,456,724</u>	<u>47,578</u>

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

REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Note 1 - Basis of Preparation of Half-Year Financial Statements

These interim financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The historical cost basis has been used.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements 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 statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2015 and any public announcements made by Real Estate Investar Group Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

Note 2 - Segment Information

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level.

Accordingly, management currently identifies the consolidated entity as having only one operating segment, being the provision of real estate information services. There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from the segment are equivalent to the financial statements of the consolidated entity as a whole.

Note 3 - Other Receivables

South Mapleton Pty Ltd Loan Agreement

On 30 September 2011 Real Estate Investar Group Ltd entered into a subscription agreement with South Mapleton Pty Ltd, a company owned and controlled by Mr Clint Greaves. The subscription agreement provided South Mapleton Pty Ltd the option to subscribe for 4,000,000 shares at a price of \$0.08 each on the 30 September 2016.

Following REI's 1:2 share consolidation in October 2015, the subscription agreement was varied to 2,000,000 shares at a price of \$0.16 each to reflect the share consolidation.

The subscription agreement was again varied, updating the subscription date to the earlier date of 10 November 2015 and on that date REI issued 2,000,000 shares to South Mapleton Pty Ltd for an aggregate subscription price of \$320,000. The subscription price was funded by way of a loan provided by Real Estate Investar Group Ltd to South Mapleton Pty Ltd.

The loan to South Mapleton Pty Ltd carries an interest rate of 5.65% accruing and payable quarterly in arrears and otherwise on usual and customary commercial terms.

The loan is repayable in full on or before 31 March 2018 and is identified as a related party transaction.

REAL ESTATE INVESTAR GROUP LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Note 4 - Trade and other payables	Dec 2015	Jun 2015
Current	\$	\$
Trade creditors	189,120	2,106,330
Accruals	253,095	331,346
Income in advance	886,258	969,709
GST and other statutory liabilities	114,857	182,022
Other payables	10,624	45,626
ATO	-	99,962
Prepaid Service fees	35,696	106,329
	<u>1,489,650</u>	<u>3,841,324</u>

On the 10th of December 2015, the amount of \$1,484,955 payable to Australian Property Monitors Pty Ltd was settled by issue of shares of \$1,250,000 in Real Estate Investar Group Limited and \$234,955 was settled by the issue of convertible notes as per the Equity Participation Agreement.

Trade creditors are unsecured and are normally settled within 30 to 60 days.

Note 5 - Borrowings

Current	\$	\$
Finance Lease	6,300	6,300
Convertible notes	234,955	700,000
	<u>241,255</u>	<u>706,300</u>
Non Current		
Finance Lease	<u>2,625</u>	<u>5,775</u>

On the 10th of December 2015, the amount of \$950,000 convertible notes were converted and shares issued. \$700,000 were for notes prior to financial year and \$250,000 was for convertible notes issued and converted in the period.

Real Estate Investar Group Limited issued \$234,955 of convertible notes as part of the settlement of a payable to Australian Property Monitors Pty Ltd under the Equity Participation Agreement.

REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Note 6 - Equity securities issued

	Note	Half Year		Half Year	
		2015 Shares	2014 Shares	2015 \$	2014 \$
Balance at 1 July		80,542,605	79,477,938	4,165,796	4,002,196
Issue of ordinary shares Jul to Sep		66,360	354,667	6,636	106,400
Issue of shares on exercise of options	3	4,000,000		320,000	
Share consolidation 1 for 2		(42,304,466)			
Issue of shares IPO Dec 15		25,000,000		5,000,000	
Issue of shares Dec 15 to APM		10,576,125		1,250,000	
Issue of shares Dec 15 to Convertible Note Holders		6,613,980		950,000	
Interest payable to Convertible Note Holders				50,589	
Capital raising costs for half year				(454,420)	(38,284)
Balance at 31 December		<u>84,494,604</u>	<u>79,832,605</u>	<u>11,288,601</u>	<u>4,070,312</u>

Note 7 - Share Based Payments

The Company granted 3 million share options to the Directors upon the ASX listing on the 10th of December 2015. These Options were granted in recognition of services to the Company upon completion of the IPO.

The options have been issued on the following terms. Each holder is entitled to acquire 1 newly issued Share for each Option held. The Options have been granted for nil consideration and have an exercise price \$0.20 per Option. The Options are exercisable after 31 December 2017 and lapse on 31 December 2020.

The options do not carry any dividend or voting rights.

	Dec 2015 \$	Dec 2014 \$
Share-based payment expense recognised during the financial year		
Cash-settled	-	-
Options issued	8,775	-
	<u>8,775</u>	<u>-</u>

REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Note 7 - Share Based Payments (continued)

31 Dec 2015

Grant date	Exercise date	Exercise price per share	Balance at beginning of year	Granted during the year	Other	Exercised during the year	Exercisable at end of year
30 Sep 2011	10 Nov 2015	\$ 0.16	4,000,000		(2,000,000)	(2,000,000)	-
10 Dec 2015	31 Dec 2017	\$ 0.20	-	3,000,000	-	-	-
Total			<u>4,000,000</u>	<u>3,000,000</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>

Weighted average exercise price \$ 0.16

The weighted average remaining contractual life of share options outstanding at 31 December 2015 was \$0.20.

31 Dec 2014

Grant date	Exercise date	Exercise price per share	Balance at beginning of year	Granted during the year	Forfeited during the year	Exercised during the year	Exercisable at end of year
30 Sep 2011		\$ 0.08	4,000,000				4,000,000
Total			<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>

The weighted average remaining contractual life of share options outstanding at 31 December 2014 was \$0.08

Options exercised

Under the South Mapleton Pty Ltd subscription agreement and the South Mapleton Pty Ltd Loan Agreement 2,000,000 shares (pre share consolidation 4,000,000 shares) were exercised on the 10th of November 2015.

Fair value of options granted

The weighted average fair value of options granted during the half-year was \$0.18 cents. The fair value at grant date was determined using a Black-Scholes option pricing model that takes into account the share price at grant date, exercise price, expected volatility, option life, expected dividends, the risk free rate, vesting and performance criteria, the impact of dilution, the fact that the options are not tradeable. The inputs used for the Black-Scholes option pricing model for options granted during the half-year ended 31 December 2015 were as follows:

- options are granted for nil consideration, have a 3 year life and are exercisable after 2 years
- grant date: 10 Dec 15
- share price at grant date: \$0 .20
- exercise price: \$0 .20
- expected volatility: 70%
- expected dividend yield: 0%
- risk free rate: 2%

REAL ESTATE INVESTAR GROUP LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Note 7 - Share Based Payments (continued)

Employee Share Option Plan

During the financial period, no options under the employee share option scheme were granted.

Note 8 - Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, to 30 June 2015.

Note 9 - Events subsequent to the reporting period

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the result of those operations, or the consolidated entity's state of affairs in future financial years.

**REAL ESTATE INVESTAR GROUP LIMITED
ACN 141 276 959**

**DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

The directors of the Company declare that:

- 1 The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes:
 - (a) comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001 and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.

- 2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Director: Simon Baker

Date: 23 February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Real Estate Investar Group Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Real Estate Investar Group Ltd, which comprises the consolidated statement of financial position as at 31 December 2015, 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 ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal 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 consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Real Estate Investar Group Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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 Real Estate Investar Group Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Real Estate Investar Group Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit Pty Ltd

BDO



A J Whyte
Director

Brisbane, 23 February 2016