Appendix 4D
(Rule 4.2A.3)

BWX Limited
ABN 13 163 488 631

For the half-year ended: **31 December 2017**

Previous corresponding period: 31 December 2016

Results for announcement to the market

Revenue and Profit	2017 $'000	2016 $'000	Mvmt $'000	Mvmt %
Revenue from ordinary activities	67,205	37,490	29,715	79%
Net profit from ordinary activities attributable to members	5,394	8,208	(2,814)	(34)%
Net profit attributable to members	5,394	8,208	(2,814)	(34)%
Profit before depreciation, amortisation, finance costs, acquisition and restructuring related expenses	17,514	12,752	4,762	37%

Commentary on results for the period

Refer to the accompanying ASX announcement dated 21 February 2018 for commentary on the results.

Dividends

	Amount per security (cps)	Franked amount
Dividends paid		
2017 Final fully franked dividend – paid 12 October 2017	4.2	100%
Dividends declared		
2018 Interim fully franked dividend	3.25	100%
Record date for determining entitlements to the dividend		6 March 2018
Date dividend is payable		6 April 2018

The Company does not currently offer a dividend reinvestment plan.

Net tangible assets per ordinary share

Net tangible assets per ordinary share	2017 $	2016 $
Net tangible assets per ordinary share	(0.15)	0.20

Details of entities over which control has been gained

Name of the entity	Date of the gain of control
BWX Digital Pty Ltd	30 August 2017
Andalou Naturals	31 October 2017

Information on Audit or Review

Independent Review by Auditor
This report is based on the consolidated financial statements which have been reviewed by William Buck Audit (Vic) Pty Ltd.

BWX Limited
ABN 13 163 488 631

Interim Financial Report
For the half-year ended 31 December 2017

Contents

Directors' Report

The Directors present their report together with the consolidated financial statements of BWX Limited ("the Company") and its subsidiaries (collectively, the "Group") for the half-year ended 31 December 2017.

Directors

The Directors of the Company during the half-year and up to the date of this report:

Mr Denis Shelley
Mr John Humble
Mr Ian Campbell
Mr Aaron Finlay
Mrs Abi Cleland (appointed 17 August 2017, resigned 6 December 2017)

The above named Directors, except where specifically indicated, held office during the whole of the half-year and since the end of the half-year to the date of this report.

Review of operations

The profit of the Group before depreciation and amortisation, finance costs, acquisition, restructuring expenses and income tax expense for the half-year amounted to $17.514 million (2016: $12.752 million).

The profit of the Group for the half-year after providing for income tax amounted to $5.394 million (2016: $8.208 million).

The Group's basic earnings per share is 5.2 cents. Its diluted earnings per share is 5.0 cents.

The net assets of the Group are $248.715 million as at 31 December 2017 (30 June 2017: $99.293 million).

Acquisition of Andalou Naturals

On 31 October 2017, the Group acquired 100% of the outstanding shares of Andalou Naturals, a California-based business. Andalou Naturals is a leading growth brand of skin hair and body care brand inspired by innovative product development and quality natural ingredients. Andalou Naturals has a strong distribution network in the US with a presence across a number of key retailers, and is the number one selling facial skin care brand in the US natural channel.

Acquisition of Nourished Life

On 15 September 2017, the Group completed the acquisition of the Nourished Life business. An Australian business, based on Sydney's northern beaches, Nourished Life is recognised as a trusted, authentic online retail platform, exclusively focused on natural and organic skincare and health and wellbeing products. Nourished Life has quickly grown to become one of Australia's leading natural and organic online retail brands with a large and engaged community of followers.

Institutional placement – 15 September 2017

On 15 September 2017, 3,177,571 ordinary shares were issued in accordance with an institutional placement to raise $17m as announced by the Company on 11 September 2017. These shares were placed with new and existing institutional investors at a price of $5.35 per share to fund the initial cash consideration payable on the acquisition of Nourished Life. Transaction costs of $0.455m were incurred relating to the issue of shares under the placement.

Renounceable entitlement offer – Institutional and Retail

On 19 October 2017, the Company announced the acquisition of Andalou Naturals and the launch of the 1 for 5.7 pro-rata accelerated renounceable entitlement offer to fund the initial cash consideration, with remaining proceeds used to paydown existing debt facilities and fund transaction costs. Transaction costs of $3.915 million were incurred relating to the issue of shares under the institutional and retail components.

11,014,062 ordinary shares (New Shares) were issued on 1 November 2017 pursuant to the terms of the accelerated renounceable entitlement offer under the institutional component at a price of $5.92 per share. Shares issued under the institutional component were offered on the basis of 1 New Share for each 5.7 existing share held as at the Record Date of 7:00pm 24 October 2017.

5,976,675 ordinary shares (New Shares) were issued on 17 November 2017 pursuant to the terms of the renounceable entitlement offer under the retail component at a price of $5.92 per share. Shares issued under the retail component were offered on the basis of 1 New Share for each 5.7 existing share held as at the Record Date of 7:00pm 24 October 2017.

Dividends paid or recommended

The following dividends have been paid to shareholders during the half-year ended:

	cents per ordinary share	$'000
31 December 2017		
2017 Final fully franked dividend – paid 12 October 2017	4.2	3,889
31 December 2016		
2016 Final fully franked dividend – paid 12 October 2016	4.8	4,397
2016 Interim fully franked dividend – paid 6 April 2017	2.5	2,307

On 21 February 2018, the Directors determined to pay a fully franked final dividend of 3.25 cents per share to the holders of ordinary shares in respect of the half-year ended 31 December 2017, to be paid to shareholders on 6 April 2018. The dividend has not been included as a liability in these consolidated financial statements. The record date for determining entitlements to the dividend is 6 March 2018. The total estimated dividend to be paid is $3.956 million.

Events subsequent to the reporting date

Other than the matters discussed above, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

Auditor's independence declaration

The lead auditor's independence declaration for the half-year ended 31 December 2017 has been received and is attached to this Directors' Report.

CEO and Finance Director declaration

The CEO and Finance Director have given a declaration to the Board concerning the Group's financial statements under section 295A(2) of the Corporations Act 2001 and recommendations 4.1 and 7.2 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations in regards to the integrity of the financial statements.

Rounding

The amounts contained in this report and in the financial 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 Financial / Directors' Reports) Instrument 2016/191.

Auditor's Independence Declaration

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BWX LIMITED

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2017 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

— no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director
Dated this 21st day of February, 2018

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Consolidated Statement
of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2017

	Note	Half-year ended 31 December 2017 $'000	Half-year ended 31 December 2016 $'000
Sales revenue		67,205	37,490
Cost of sales		(27,160)	(13,055)
Gross profit		**40,045**	**24,435**
Other income		796	74
Corporate and administrative expenses		(8,356)	(5,472)
Marketing, selling and distribution expenses		(13,191)	(4,887)
Occupancy expenses		(1,244)	(886)
Research and development and quality control expenses		(536)	(512)
Profit before depreciation, amortisation, finance costs, acquisition and restructuring related expenses		**17,514**	**12,752**
Depreciation and amortisation		(946)	(343)
Finance expenses		(1,922)	(485)
Acquisition and restructuring expenses	3	(5,453)	-
Profit before tax		**9,193**	**11,924**
Income tax expense		(3,799)	(3,716)
Profit after tax		**5,394**	**8,208**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of overseas subsidiaries		(488)	-
Other comprehensive income for the period		**(488)**	**8,208**
Total comprehensive income attributable to owners of the Company		**4,906**	**8,208**
Earnings per share (EPS)			
Basic EPS (cents)	7	5.2	8.7
Diluted EPS (cents)	7	5.0	8.2

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

Consolidated Statement of Financial Position
as at 31 December 2017

	Note	31 December 2017 $'000	30 June 2017 $'000
Current assets			
Cash and cash equivalents		26,889	11,010
Trade and other receivables		26,269	18,592
Inventories		20,408	16,395
Other assets		1,358	1,197
Total current assets		**74,924**	**47,194**
Non-current assets			
Plant and equipment		3,861	4,316
Intangible assets and goodwill		264,191	132,455
Deferred tax assets		3,049	1,277
Total non-current assets		**271,101**	**138,048**
Total assets		**346,025**	**185,242**
Current liabilities			
Trade and other payables		15,410	12,080
Financial liabilities	4	21,677	18,895
Current tax liabilities		4,990	4,530
Employee benefits		1,272	1,219
Total current liabilities		**43,349**	**36,724**
Non-current liabilities			
Financial liabilities	4	53,815	49,089
Employee benefits		146	136
Total non-current liabilities		**53,961**	**49,225**
Total liabilities		**97,310**	**85,949**
Net assets		**248,715**	**99,293**
Equity			
Contributed equity	5	229,959	81,929
Reserves		550	663
Retained earnings		18,206	16,701
Total equity		**248,715**	**99,293**

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 31 December 2017

Total	Contributed equity $'000	Reserves $'000	Retained earnings $'000	$'000
Balance at 1 July 2016	**80,169**	**637**	**9,958**	**90,764**
Profit for the period	-	-	8,208	**8,208**
Other comprehensive income for the period	-	-	-	**-**
Total other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**8,208**	**8,208**
Transactions with owners of the Company				
Transactions with employee loan plan shareholders	75	-	-	**75**
Shares issued, net of costs	963	-	-	**963**
Vesting costs for share options and performance rights	-	448	-	**448**
Share options and performance rights vested	446	(446)	-	**-**
Dividends paid (Note 6)	-	-	(4,397)	**(4,397)**
Total transactions with owners	**1,484**	**2**	**(4,397)**	**(2,911)**
Balance at 31 December 2016	**81,653**	**639**	**13,769**	**96,061**
Balance at 1 July 2017	**81,929**	**663**	**16,701**	**99,293**
Profit for the period	-	-	5,394	**5,394**
Other comprehensive income for the period				
Exchange difference on translation of overseas subsidiaries	-	(488)	-	**(488)**
Total other comprehensive income	-	(488)	-	**(488)**
Total comprehensive income	**-**	**(488)**	**5,394**	**4,906**
Transactions with owners of the Company				
Transactions with employee loan plan shareholders	588	-	-	**588**
Shares issued, net of costs	147,061	(177)	-	**146,884**
Vesting costs for performance rights	-	702	-	**702**
Performance rights vested	150	(150)	-	**-**
Dividends paid (Note 6)	231	-	(3,889)	**(3,658)**
Total transactions with owners	**148,030**	**375**	**(3,889)**	**144,516**
Balance at 31 December 2017	**229,959**	**550**	**18,206**	**248,715**

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

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2017

	Note	Half-year ended 31 December 2017 $'000	Half-year ended 31 December 2016 $'000
Cash flows from operating activities			
Cash receipts from customers		72,487	35,045
Cash paid to suppliers and employees		(54,571)	(25,226)
Payments for transaction costs		(7,492)	-
Income taxes paid		(4,859)	(700)
Interest received		22	5
Interest paid		(1,916)	(396)
Net cash flows from operating activities		**3,671**	**8,728**
Cash flows from investing activities			
Acquisition of plant and equipment		(382)	(381)
Acquisition of intangible assets		-	(2)
Cash outflow on acquisition of business, net of cash acquired	8	(98,074)	-
Net cash flows used in investing activities		**(98,456)**	**(383)**
Cash flows from financing activities			
Proceeds from issue of share capital	5	128,226	-
Transaction costs for issue of shares	5	(4,457)	(14)
Dividends paid		(3,771)	(4,321)
Proceeds from (repayments of) loans and borrowings		(9,428)	1,618
Net cash flows from / (used in) financing activities		**110,570**	**(2,717)**
Net increase (decrease) in cash and cash equivalents		15,785	5,628
Effect of exchange rate changes on cash held		94	-
Cash and cash equivalents at 1 July 2017		11,010	2,651
Cash and cash equivalents at 31 December 2017		**26,889**	**8,279**

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

Note 1: Reporting Entity

This half-year financial report of BWX Limited (the Company) as at and for the half-year ended 31 December 2017 comprises the Company and its subsidiaries (together referred to as the Group). BWX Limited is a listed public company domiciled in Australia. The Company's registered office is at Level 17, 525 Collins Street, Melbourne, Victoria, Australia. The Group is primarily involved in the manufacture, wholesale, online and distribution sale, and development of natural body, hair and skin care products.

This half-year financial report does not include notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by BWX Limited during the half-year reporting period ended 31 December 2017 and until the date of this report in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The annual financial report of the Group as at and for the year ended 30 June 2017 is available upon request.

Note 2: Summary of significant accounting policies

The following significant accounting policies have been adopted in the presentation and presentation of the half-year financial report.

(a) Statement of Compliance

The half-year financial report has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting".

This half year financial report was approved by the Directors on 21 February 2018.

(b) Basis of Preparation

The accounting policies and methods of computation adopted in the preparation of this half-year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the year ended 30 June 2017, except for the impact of the adopted of the new and revised accounting policies discussed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company is a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191, relating to the 'rounding off' of amounts in the directors' and financial reports. Amounts in this report have been rounded off in accordance with that instrument to the nearest thousand dollars, unless otherwise indicated.

(c) Changes in accounting policy and disclosures

The Company has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There has ben no material impact on these financial statements arising from the adoption of these Standards and Interpretations.

(d) Changes in accounting estimates and assumptions

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates and may impact subsequent reporting periods.

In preparing this report, except for the significant estimates and judgements identified below, the significant estimates and judgements applied in the Group's accounting policies were consistent with those applied to the consolidated financial statements as at and for the year ended 30 June 2017.

Deferred consideration on acquisition of Nourished Life
At acquisition date, the Group assesses whether conditions relating to the contingent consideration on acquisition of the Nourished Life business is likely to be satisfied, resulting in payment. The deferred consideration is payable contingent upon estimated growth in Gross Profit of the business over a four-year period for Nourished Life. As at 31 December 2017, management have performed an assessment and values provided as deferred consideration reflects the net

present value of the amount estimated to be payable in subsequent reporting periods, translated at the relevant reporting rate.

In subsequent reporting periods, the Group revises its estimate. The impact of the revision of the original estimates, if any, is recognised in profit or loss.

Andalou Naturals deferred payments
At acquisition date, the Group assesses whether the performance conditions relating to the deferred payments for the Andalou Naturals business are likely to be satisfied, resulting in payment. The payments are payable contingent upon estimated growth in Gross Profit of the business over a five-year period for Andalou Naturals. As at 31 December 2017, management have performed an assessment and values provided reflects the net present value of the amount estimated to be payable in subsequent reporting periods, translated at the relevant reporting rate.

In subsequent reporting periods, the Group revises its estimate. The impact of the revision of the original estimates, if any, is recognised in profit or loss.

Deferred consideration on acquisition of Mineral Fusion
Contingent consideration of $6.002 million was recognised on acquisition of the Mineral Fusion business. Contingent consideration payable of $4.567 million at acquisition was contingent upon the Mineral Fusion business meeting certain target gross margin performance measures for the 12-month period to 31 December 2017.

As at 31 December 2017, management have performed an assessment and evaluated that the targets relating to the measure to 31 December 2017 have not been satisfied. Accordingly, the impact of the revision in estimate is included in "Acquisition and restructuring expenses" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(e) Accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting period ended 31 December 2017 are outlined in the table below:

Standard	Mandatory date for annual reporting periods beginning on or after)	Reporting period standard adopted by the company
AASB 9 Financial Instruments and related standards	1 January 2018	1 July 2018
AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018	1 July 2018
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	1 July 2018
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	1 July 2018
Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019	1 July 2019
AASB 16 - Leases	1 January 2019	1 July 2019

Management has considered the impact of AASB 15 - Revenue and based on the analysis performed has concluded that the impact to the Group would not be material. Under AASB 15 the Group plans to adopt the modified retrospective approach. The Group does not anticipate that there will be significant implications of this change in respect of current contracts and rebate arrangements. The Group will consider the application of AASB 15 with respect to new contracts as they are entered into.

Management has also considered the impact of AASB 16 - Leases and note based on the analysis performed there would be a material impact on the Group. The Group is currently in the process of performing an analysis of identifying leases signed between the Group and various third parties.

Note 3: Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer (the Chief Operating Decision Maker as defined under AASB 8) that are used to make strategic and operating decisions.

Following the acquisition of the Mineral Fusion and Andalou businesses, the Group operates within two reportable markets, United States of America (USA) and Australia/International (which comprises all other business outside of the USA). The executive management team review the results of the Group at this level. Segment revenue, segment expense and segment result include transfers between operating segments. Those transfers are eliminated on consolidation. Inter-segment pricing is determined on an arm's-length basis.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. The Chief Executive Officer assesses the performance of the operating segment based on a measure of profit before taxation, depreciation, amortisation, finance costs, and acquisition and restructuring related expenses.

	Half-year ended 31 December 2017		
Segment result	**USA $'000**	**Australia / International $'000**	**Total $'000**
Revenue			
Revenue from operations	21,531	45,674	67,205
Inter-segment revenue	118	384	502
Total segment revenue	**21,649**	**46,058**	**67,707**
Inter-segment elimination	(118)	(384)	(502)
Total consolidated revenue	**21,531**	**45,674**	**67,205**
Result			
Profit before tax, depreciation, amortisation, finance costs, acquisition and restructuring related expenses	3,855	15,363	19,218
Depreciation and amortisation	(342)	(527)	(869)
Acquisition and restructuring expenses	(1,254)	(4,788)	(6,042)
Segment result	**2,259**	**10,048**	**12,307**
Head office result			(1,192)
Profit before tax and finance expenses			**11,115**
Finance expenses			(1,922)
Profit before tax			**9,193**
Income tax expense			(3,799)
Net profit after tax			**5,394**

	Half-year ended 31 December 2016		
Segment result	**USA $'000**	**Australia / International $'000**	**Total $'000**
Revenue			
Revenue from operations	-	37,490	37,490
Inter-segment revenue	-	-	-
Total segment revenue	**-**	**37,490**	**37,490**
Inter-segment elimination	-	-	-
Total consolidated revenue	**-**	**37,490**	**37,490**
Result			
Profit before tax, depreciation, amortisation, finance costs, acquisition and restructuring related expenses	-	14,562	14,562
Depreciation and amortisation	-	(307)	(307)
Acquisition and restructuring expenses	-	-	-
Segment result	**-**	**14,255**	**14,255**
Head office result			(1,846)

Segment result	Half-year ended 31 December 2016 USA $'000	Australia / International $'000	Total $'000
Profit before tax and finance expenses			**12,409**
Finance expenses			(485)
Profit before tax			**11,924**
Income tax expense			(3,716)
Net profit after tax			**8,208**

Geographical information
Revenue per geographical region based on the location of the external customer is presented as follows:

	Half-year ended 31 December 2017 $'000	Half-year ended 31 December 2016 $'000
Net sales revenue		
Australia	35,689	30,622
United States	21,531	-
Other	9,985	6,868
	67,205	**37,490**

Non-current operating assets[1] per geographical region is presented as follows:

	31 December 2017 $'000	30 June 2017 $'000
Non-current operating assets[1]		
Australia	106,950	80,415
United States	160,916	56,167
Other	186	189
	268,052	**136,771**

[1] Non-current assets exclude financial instruments, deferred tax assets and deferred tax liabilities

Acquisition and restructuring costs
During the period ended 31 December 2017, $5.453 million in acquisition and restructuring costs (2016: nil) were incurred in relation to the acquisition of Nourished Life and Andalou Natural businesses, finalisation of Mineral Fusion acquisition matters and restructuring of the Australian manufacturing and distribution business. Restructuring costs of $4.788 million (2016: nil) were incurred in the transition from contract manufacturing to the manufacture of own branded products and transition of distribution model to the national wholesalers.

Deferred consideration on acquisition
Refer to Note 4 for details of deferred consideration on acquisition of Mineral Fusion, Andalou Naturals and Nourished Life.

Note 4: Financial liabilities

	31 December 2017 $'000	30 June 2017 $'000
Current		
Bank loan	8,375	8,375
Trade finance facility	5,856	4,995
Equipment finance	399	303
Amortised borrowing costs	(779)	(780)
	13,851	12,893
Deferred consideration – Mineral Fusion	1,409	6,002
Deferred consideration – Nourished Life	1,525	-
Deferred payments – Andalou Naturals	4,730	-
Working capital adjustments payable – Andalou Naturals	162	-
	21,677	**18,895**

	31 December 2017 $'000	30 June 2017 $'000
Non-current		
Bank loan	38,878	49,083
Equipment finance	467	568
Amortised borrowing costs	(361)	(562)
	38,984	49,089
Deferred consideration – Nourished Life	6,132	-
Deferred payments – Andalou Naturals	8,699	-
	53,815	**49,089**

Mineral Fusion business deferred consideration

Contingent consideration of $6.002 million was recognised on acquisition of the Mineral Fusion business. Contingent consideration payable of $4.567 million at acquisition was contingent upon the Mineral Fusion business meeting certain target gross margin performance measures for the 12-month period to 31 December 2017. As at 31 December 2017, management have performed an assessment and evaluated that the targets relating to the measure to 31 December 2017 have not been satisfied. Accordingly, the impact of the revision in estimate is included in "Acquisition and restructuring expenses" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Nourished Life business deferred consideration

Contingent consideration of $7.717 million at acquisition has been recognised in relation to the Nourished Life business. The deferred consideration is based on the performance of the Nourished Life business and relates to the estimated growth in Gross Profit of the business over a four-year period, excluding contributions from the Group's owned brands. Payments due under the agreement are payable in equal portions of cash and equity based on the 30-day VWAP immediate prior to their issue. All shares issued as part of the deferred consideration agreement will be subject to 12 months voluntary escrow.

Andalou Naturals deferred payments

Disparate future performance related amounts which are required by accounting standards to be recognised as consideration transferred may become payable in subsequent periods of $13.673 million (as at acquisition date) have been recognised. These payments are based on the performance of the Andalou Naturals business and relate to the estimated growth in Gross Profit of the business over the next five years against established growth target measures. These performance payments have been designed to ensure US based management are appropriately incentivised in the continued success of the business within the Group. Payments due under the arrangement are payable in cash.

Terms and repayments schedule

The terms and conditions of outstanding loans are as follows:

			31 December 2017		30 June 2017	
	Nominal interest rate	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Bank loan – USD	LIBOR + 2.9%	2020	28,828	28,828	29,358	29,358
Bank loan	BBSY + 2.9%	2018-2020	18,425	18,425	28,100	28,100
Trade finance facility	2.5%	2018	5,856	5,856	4,995	4,995
Amortised borrowing costs			-	(1,140)	-	(1,342)
Total interest-bearing liabilities			**53,109**	**51,969**	**62,453**	**61,111**

During the current reporting period, the Group obtained an interest rate option derivative to hedge a portion of the interest rate risk representing approximately 50% of outstanding bank loans. The effect of the interest rate option is to limit/cap a portion of the exposure in 3 month USD LIBOR to increases above 2.00%.

The facilities are secured by a mortgage over the assets of the consolidated group of companies. The facilities are subject to debt service coverage, gross leverage and working capital covenants. The facility imposes obligations on the Group with respect to reporting to the Commonwealth Bank of Australia. For the half-year ended 31 December 2017, the Group has complied with its obligations under the facility.

Notes to the Consolidated Financial Statements

for the half-year ended 31 December 2017

Note 5: Contributed Equity

	31 December 2017 $'000	30 June 2017 $'000
Ordinary shares, fully paid	229,959	81,929

The Company does not have authorised capital or par value in respect of its issued shares.

Movements in share capital

	2017		2016	
	Number	$'000	Number	$'000
Balance at 1 July	92,296,020	81,929	91,592,729	80,169
Shares issued under employee loan plan[1]				
- 23 September 2016	-	-	493,000	-
- 5 July 2017	105,000	-	-	-
- 18 August 2017	200,000	-	-	-
- 21 September 2017	100,000	-	-	-
- 5 December 2017	545,000	-	-	-
Shares issued on exercise of Options[2]				
- 23 October 2017	250,000	500	-	-
- 7 November 2017	500,000	1,047	-	-
- 28 November 2017	3,220,000	6,440	-	-
- 13 December 2017	500,000	1,130	-	-
Shares issued for (deferred) consideration on acquisition				
- deferred consideration on acquisition of Lightning Brokers[3]	-	-	210,291	978
- consideration on acquisition of Nourished Life[4]	741,057	4,000	-	-
- consideration on acquisition of Andalou Naturals[5]	3,105,885	19,816	-	-
Placements and rights issues				
- institutional placement[6]	3,177,571	17,000	-	-
- renounceable entitlement offer – accelerated institutional component[7]	11,014,062	65,203	-	-
- renounceable entitlement offer – retail component[7]	5,976,675	35,382	-	-
Receipt of exercise price for exercise of Options on 2 January 2018[8]	-	1,000	-	-
Transaction costs relating to share issues	-	(4,457)	-	(14)
Vesting of employee loan plan shares	-	150	-	444
Transactions with employee loan plan shareholders[9]	-	588	-	75
Distributions paid[10]	-	231	-	-
Balance at 31 December	**121,731,270**	**229,959**	**92,296,020**	**81,653**

1 Shares were issued to senior management as part of the Company's Employee Loan Plan. Refer to Note 9 for further details;
2 Shares issued as part of the Company's Performance Options plan on exercise. Refer to Note 9 for further details;
3 210,291 shares were issued at a fair value of $4.654 per share as at the grant date on 30 September 2016 in connection with the acquisition of the Lightning Brokers business;
4 741,057 shares were issued at a fair value of $5.398, representing the 30 day VWAP immediately prior to the date of the sale agreement in connection to the acquisition of the Nourished Life business. Shares are subject to a 12 month voluntary escrow period ending 14 September 2018.
5 3,105,885 shares were issued at a fair value of $6.38, representing the 30 day VWAP 3 trading days prior to completion in connection to the acquisition of the Andalou Naturals. Shares are subject to a 36 month voluntary escrow period ending 31 October 2020.
6 Refer to section "Institutional placement – 15 September 2017" for further details;
7 Refer to section "Renounceable entitlement offer – Institutional and Retail" for further details;
8 Cash received in advance in respect to exercise of Options on 2 January 2018.
9 Proceeds from employee loan plan participants in satisfaction of outstanding loan balances on exercise of vested employee loan plan shares; and

10 Distributions on employee loan plan shares are not fully paid in cash as per the employee loan plan agreement. The extent to which the Company pays cash on dividends is limited to the total tax payable on the dividend income in the shareholders' name, less the value of franking credits attributable to that dividend.

Ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings in a poll or one vote per shareholder on a show of hands. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Institutional placement – 15 September 2017

On 15 September 2017, 3,177,571 ordinary shares were issued in accordance with an institutional placement to raise $17m as announced by the Company on 11 September 2017. These shares were placed with new and existing institutional investors at a price of $5.35 per share to fund the initial cash consideration payable on the acquisition of Nourished Life. Transaction costs of $0.455m were incurred relating to the issue of shares under the placement.

Renounceable entitlement offer – Institutional and Retail

On 19 October 2017, the Company announced the acquisition of Andalou Naturals and the launch of the 1 for 5.7 pro-rata accelerated renounceable entitlement offer to fund the initial cash consideration, with remaining proceeds used to paydown existing debt facilities and fund transaction costs. Transaction costs of $3.915 million were incurred relating to the issue of shares under the institutional and retail components.

11,014,062 ordinary shares (New Shares) were issued on 1 November 2017 pursuant to the terms of the accelerated renounceable entitlement offer under the institutional component at a price of $5.92 per share. Shares issued under the institutional component were offered on the basis of 1 New Share for each 5.7 existing share held as at the Record Date of 7:00pm 24 October 2017.

5,976,675 ordinary shares (New Shares) were issued on 17 November 2017 pursuant to the terms of the renounceable entitlement offer under the retail component at a price of $5.92 per share. Shares issued under the retail component were offered on the basis of 1 New Share for each 5.7 existing share held as at the Record Date of 7:00pm 24 October 2017.

Note 6: Dividends

The following dividends have been paid to shareholders during the half-year ended:

	cents per ordinary share	$'000
31 December 2017		
2017 Final fully franked dividend – paid 12 October 2017	4.2	3,889
31 December 2016		
2016 Final fully franked dividend – paid 12 October 2016	4.8	4,397
2016 Interim fully franked dividend – paid 6 April 2017	2.5	2,307

On 21 February 2018, the Directors determined to pay a fully franked final dividend of 3.25 cents per share to the holders of ordinary shares in respect of the half-year ended 31 December 2017, to be paid to shareholders on 6 April 2018. The dividend has not been included as a liability in these consolidated financial statements. The record date for determining entitlements to the dividend is 6 March 2018. The total estimated dividend to be paid is $3.956 million.

In accordance with the tax consolidation legislation, the Company as the head entity in the Group has also assumed the benefit of $7,612,974 (30 June 2017: $5,952,029) franking credits.

Note 7: Earnings per share

	Half-year ended 31 December 2017 Cents	Half-year ended 31 December 2016 Cents
Basic earnings per share	5.2	8.7
Diluted earnings per share	5.0	8.2

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, adjusted for any bonus issue. The calculation of diluted earnings per share has been based on the above, taking adjustment for the effects of all dilutive potential ordinary shares.

	Half-year ended 31 December 2017 $'000	Half-year ended 31 December 2016 $'000
Net profit used in calculating basic and diluted EPS	5,394	8,208

The calculations for the weighted average number of ordinary shares for the current and comparative period have been adjusted to reflect the bonus element in the renounceable entitlement offer which occurred during October and November 2017.

	2017 Number '000s	2016 Number '000s
Weighted average number of ordinary shares at 31 December used in the calculation of basic earnings per share	**103,490**	**93,884**
Add: effect of potential conversion to ordinary shares under options schemes	5,176	6,067
Weighted average number of ordinary shares at 31 December used in the calculation of diluted earnings per share	**108,666**	**99,951**

Note 8: Business combinations

(a) Andalou Nautrals

On 31 October 2017, the Group acquired 100% of the outstanding shares of Andalou Naturals, a California-based business. Andalou Naturals is a leading growth brand of skin hair and body care brand inspired by innovative product development and quality natural ingredients. Andalou Naturals has a strong distribution network in the US with a presence across a number of key retailers, and is the number one selling facial skin care brand in the US natural channel.

Cash consideration of $81.457 million was funded via the Renounceable entitlement offer to institutional and retail investors. Refer to Note 5 for further details.

From the date of acquisition, Andalou Naturals contributed $7.991 million of revenue and $0.731 million profits were recognised for the period ended 31 December 2017. Transaction related costs $5.183 million were expensed and are included in "Acquisition and restructuring expenses" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Revenue and profit from the acquired entities that would have been earned if the acquisition had occurred at the commencement of the financial year have not been provided on the basis that the calculation of that information is impracticable.

Assets acquired and liabilities assumed

The fair value of identifiable assets and liabilities of Andalou Naturals at the date of acquisition were:

	Fair value recognised on acquisition (provisional) $'000
Assets	
Cash and cash equivalents	4,069
Trade and other receivables[1]	6,298
Inventories	7,375
Deferred tax assets	257
	17,999
Liabilities	
Trade and other payables	5,292
	5,292
Total identifiable net assets at fair value[2]	**12,707**
Goodwill arising on acquisition[3]	106,473
Purchase consideration	**119,180**

[1] Trade and other receivables are expected to be fully collectable at acquisition date.
[2] Fair values translated at AUD/USD rate of 0.7665 as at acquisition date of 31 October 2017.
[3] Translated at AUD/USD effective rate of 0.7805.

No contingent assets or liabilities have been recognised at acquisition date. Goodwill is mainly attributable to the value of expected synergies arising from the acquisition into the Group's vertically integrated operations and the ability to further expand distribution of the Andalou Nautrals brands as well as the Group's other brands. In particular, the acquisition creates a quality US distribution network and supports the existing network with the prior acquisition of Mineral Fusion.

These amounts have been measured on a provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of the acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, the accounting for the acquisition will be revised.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	Fair value recognised on acquisition (provisional) $'000
Cash consideration paid at completion[1]	85,526
Equity settled consideration at completion (refer to Note 5)[2]	19,816
Working capital adjustment payable[2]	165
Deferred payments (refer to Note 4)[2]	13,673
Total consideration	**119,180**

[1] USD consideration translated at an effective AUD/USD rate of 0.7834
[2] Fair values translated at AUD/USD rate of 0.7665 as at acquisition date of 31 October 2017.

Analysis of cash flows on acquisition

	Fair value recognised on acquisition (provisional) $'000
Cash consideration paid	85,526
Cash and cash equivalents acquired with acquisition	(4,069)
Net cash flow outflow on acquisition (included in cash flows from investing activities)	**81,457**

(b) Acquisition of Nourished Life Business

On 15 September 2017, the Group completed the acquisition of the Nourished Life business. An Australian business, based on Sydney's northern beaches, Nourished Life is recognised as a trusted, authentic online retail platform, exclusively focused on natural and organic skincare and health and wellbeing products. Nourished Life has quickly grown to become one of Australia's leading natural and organic online retail brands with a large and engaged community of followers.

Total cash consideration of $16.617 million was funded via the direct placement of ordinary shares to institutional investors. Refer to Note 5 for further details.

From the date of acquisition, Nourished Life contributed $6.910 million of revenue and $0.230 million profits were recognised for the period ended 31 December 2017. Transaction related costs $0.120 million were expensed and are included in "Acquisition and restructuring expenses" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Revenue and profit from the acquired entities that would have been earned if the acquisition had occurred at the commencement of the financial year have not been provided on the basis that the calculation of that information is impracticable.

Assets acquired and liabilities assumed
The fair value of identifiable assets and liabilities acquired of Nourished Life at the date of acquisition were:

	Fair value recognised on acquisition (provisional) $'000
Assets	
Inventories	1,464
Other assets	131
Plant and equipment	39
	1,634
Liabilities	
Trade and other payables	961
Employee benefits	38
	999
Total identifiable net assets at fair value	**635**
Goodwill arising on acquisition	27,700
Purchase consideration	**28,335**

The acquisition adds a further direct/online channel to BWX's existing distribution capability, provides an online community of engaged consumers already embracing natural products and allows the Company to access the upstream margin generated by retail sales of Life Basics.

No contingent assets or liabilities have been recognised at acquisition date. Goodwill is mainly attributable to the value of expected synergies arising from the acquisition. None of the Goodwill acquired at acquisition is expected to be deductible for tax purposes in subsequent periods.

These amounts have been measured on a provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of the acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, the accounting for the acquisition will be revised.

Consideration transferred
The following table summarises the acquisition date fair value of each major class of consideration transferred:

	Fair value recognised on acquisition (provisional) $'000
Cash consideration paid at completion	15,948
Equity settled consideration at completion (refer to Note 5)	4,000
Working capital adjustment settled in cash	670
Deferred consideration (refer to Note 4)	7,717
Total consideration	**28,335**

Note 9: Share-based payments

Employee Loan Plan

During the current reporting period, performance rights were issued to executive directors and senior management under the Company's Employee Loan Plan ("ELP"). The issue of the rights was financed by the Group through limited recourse loan agreements which have no interest-bearing terms.

Under the ELP, participants are provided with a limited recourse loan with no interest bearing terms from the Company for the sole purpose of acquiring shares in the Company. The shares have all the rights and entitlements attached to ordinary shares, with the following exceptions:

- From their grant date the shares cannot be disposed or assigned until they have vested in accordance with performance milestones as disclosed in public announcements;
- Any dividends paid on the shares while any part of the loan remains outstanding (on a notional after-tax basis) will be applied towards repaying the loan;
- With regards to the enforcement of loan repayments, the Board holds discretion to modify the repayment terms;

Vested shares	Unvested shares
• Repayment of the loan must be made within five years from when the shares were issued; • The borrower must repay the lesser of the outstanding value of the loan or the market value of the shares acquired within the loan facility at the time of repayment; and • If the borrower leaves employment with the Group, they must repay within 12 months from their termination date the lesser of the outstanding balance on the loan amount or the market value of the shares acquired with the loan facility at repayment date.	• Repayment of the loan must be made within five years from when the shares are issued; • The borrower must repay the market value at the time of repayment of the shares unless the loan had previously been repaid in full; and • If the borrower leaves employment with the Group and holds unvested shares the borrower must repay the market value of the shares at the time of repayment unless the loan has been previously repaid in full.

In assessing the accounting treatment of this transaction, the Directors considered AASB 2 Share Based Payments, and determined that the arrangement constituted in economic substance the granting of performance rights to employees and key management personnel, where, subject to the criteria set out above, the recipients have the entitlement to acquire the full economic benefit of the shares (being the right to unfettered dividend and capital return entitlements for those shares issued and granted at that date).

Fair value of performance rights granted during the period

The Binomial option pricing model utilised to calculate fair value at grant date factored in the expected life for the exercise of those shares in determining the fair value of the arrangement that will vest to the reserve over the course of the completion of the performance milestones.

The key terms and conditions related to the grants under these programs are as follows:

Grant date / Tranche	Number of shares at grant	Expected vesting date at issue	Contractual life of option
5 July 2017			
Tranche 1	70,832	5 July 2018	5 years
Tranche 2	70,834	5 July 2019	5 years
Tranche 3	70,834	5 July 2020	5 years
Tranche 4	106,250	31 August 2018	5 years
Tranche 5	106,250	31 August 2019	5 years
18 August 2017			
Tranche 1	33,332	18 August 2018	5 years
Tranche 2	33,334	18 August 2019	5 years
Tranche 3	33,334	18 August 2020	5 years
Tranche 4	50,000	31 August 2018	5 years
Tranche 5	50,000	31 August 2019	5 years
21 September 2017			
Tranche 1	16,666	21 September 2018	5 years
Tranche 2	16,667	21 September 2019	5 years
Tranche 3	16,667	21 September 2020	5 years
Tranche 4	25,000	31 August 2018	5 years
Tranche 5	25,000	31 August 2019	5 years
5 December 2017			
Tranche 1	90,832	5 December 2018	5 years
Tranche 2	90,834	5 December 2019	5 years
Tranche 3	90,834	5 December 2020	5 years
Tranche 4	136,250	31 August 2018	5 years
Tranche 5	136,250	31 August 2019	5 years

Number of ELP shares to vest

To gain access to the shares, the participant must repay the outstanding loan following successful testing of the respective vesting conditions. Details of the vesting conditions have been included below for grants made for the current period.

Vesting conditions Tranche	Portion of ELP shares	Vesting Conditions
1	One sixth	Completion of 12 months' service from the date of issue of ELP shares
2	One sixth	Completion of 24 months' service from the date of issue of ELP shares
3	One sixth	Completion of 36 months' service from the date of issue of ELP shares
4	25%	First occurrence of a 30% or more increase in EBITDA for a financial year from the EBITDA for the year ended 30 June 2017 as set out in the Company's Annual Report
5	25%	First occurrence of a 50% or more increase in EBITDA for a financial year from the EBITDA for the year ended 30 June 2017 as set out in the Company's Annual Report

The following table lists the key inputs to the model used for the ELP for all issues of performance rights active for the current reporting period:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Date of grant – 5 July 2017					
Share price at valuation date	$5.88	$5.88	$5.88	$5.88	$5.88
Expected volatility	41.39%	41.39%	41.39%	41.39%	41.39%
Risk free rate	1.74%	1.90%	2.03%	1.74%	1.90%
Expected life of performance option	2.00 years	3.00 Years	4.00 Years	2.00 years	3.00 Years
Expected dividend growth	2.50%	2.50%	2.50%	2.50%	2.50%
Fair value of performance right	$1.57	$1.97	$2.32	$1.57	$1.97
Date of grant – 18 August 2017					
Share price at valuation date	$5.14	$5.14	$5.14	$5.14	$5.14

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Expected volatility	37.01%	37.01%	37.01%	37.01%	37.01%
Risk free rate	1.76%	1.93%	2.05%	1.76%	1.93%
Expected life of performance option	2.00 years	3.00 Years	4.00 Years	2.00 years	3.00 Years
Expected dividend growth	2.50%	2.50%	2.50%	2.50%	2.50%
Fair value of performance right	$1.27	$1.61	$1.90	$1.27	$1.61
Date of grant – 21 September 2017					
Share price at valuation date	$5.85	$5.85	$5.85	$5.85	$5.85
Expected volatility	35.79%	35.79%	35.79%	35.79%	35.79%
Risk free rate	1.94%	2.13%	2.25%	1.94%	2.13%
Expected life of performance option	2.00 years	3.00 Years	4.00 Years	2.00 years	3.00 years
Expected dividend growth	2.50%	2.50%	2.50%	2.50%	2.50%
Fair value of performance right	$1.39	$1.77	$2.10	$1.39	$1.77
Date of grant – 5 December 2017					
Share price at valuation date	$6.38	$6.38	$6.38	$6.38	$6.38
Expected volatility	33.54%	33.54%	33.54%	33.54%	33.54%
Risk free rate	1.86%	2.00%	2.11%	1.86%	2.00%
Expected life of performance option	2.00 years	3.00 Years	4.00 Years	2.00 years	3.00 years
Expected dividend growth	2.50%	2.50%	2.50%	2.50%	2.50%
Fair value of performance right	$1.43	$1.81	$2.14	$1.43	$1.81

Movements in performance rights during the period

The Group recorded a share based payments expense for performance rights of $0.702 million (2016: $0.448 million) disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income under "Corporate and Administrative expenses".

	Number of ELP (performance rights) 2017	Weighted average exercise price 2017	Number of ELP (performance rights) 2016	Weighted average exercise price 2016
Outstanding at 1 July	**2,513,000**	**$2.20**	**2,150,000**	**$1.59**
Forfeited during the period	-	-	-	-
Exercised during the period	(420,000)	$1.50	-	-
Granted during the period	950,000	$5.97	493,000	$4.87
Outstanding at 31 December	**3,043,000**	**$3.87**	**2,643,000**	**$2.20**
Exercisable at 31 December	1,210,200	$1.61	1,460,000	$1.53

Options

The Options plan is designed as an incentive to participants to build and expand BWX's business. The plan also recognises participant's initial financial and time commitments to the Company. Options were largely issued to Directors of the Company at the inception of BWX during 2013 and prior to the Company's listing on ASX on 11 November 2015

Reconciliation of outstanding share options

The number and weighted average exercise prices of the Company's share options are as follows:

	Number of options 2017	Weighted average exercise price 2017	Number of options 2016	Weighted average exercise price 2016
Outstanding at 1 July	5,940,000	$2.00	5,940,000	$2.00
Exercised during the period	(4,470,000)	$2.00	-	-
Outstanding at 31 December	**1,470,000**	**$2.00**	**5,940,000**	**$2.00**
Exercisable at 31 December	1,470,000	$2.00	5,940,000	$2.00

After the end of the reporting period to the date to this report, a total of 1,000,000 ordinary shares were issued (2016: nil) in respect to Options exercisable at the end of the reporting period. An amount of $1.000 million was received in the current reporting period in respect to exercise of 500,000 Options and issuance of ordinary shares on 2 January 2018.

Note 10: Fair value measurement

Due to the nature of the Group's operating profile, the Directors and management do not consider that the fair values of the Group's financial assets and liabilities are materially different from their carrying amounts at 31 December 2017.

Business combinations

Fair value recognised on acquisition have been measured on a provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of the acquisition identifies adjustments to the above amounts, or any additional provision that existed at the date of acquisition, the accounting for the acquisition will be revised. Refer to Note 8 for further details.

Note 11: Subsequent events

An interim dividend of 3.25 cents per fully paid ordinary share has been determined for the period ended 31 December 2017 – refer to Note 6.

On 2 January 2018, 500,000 ordinary shares were issued in exercise of Options on issue, exercise proceeds for these Options were received in advance during the reporting period ended 31 December 2017 – refer to Note 5. An additional 500,000 ordinary shares were issued on 11 January 2018 in exercise of Options on issue in respects to proceeds received subsequent to reporting period to the date of this report.

There has not been any other matter of circumstance occurring subsequent to the end of the reporting period that has significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years, other than that disclosed in the Directors' Report.

Directors' Declaration

In the opinion of the directors of BWX Limited (the Company):

(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in their opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 and Corporations Regulations 2001, including compliance with Accounting Standards AASB 134 Interim Financial Statements and givie a true and fair view of the financial position and performance of the consolidated entity for the half-year ended 31 December 2017.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

John Humble
Chief Executive Officer

Melbourne, 21 February 2018

William Buck

BWX Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

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

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and

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

Responsibilities of the Directors' for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Half-Year Financial Report

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

— giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and

— complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

As the auditor of BWX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

CHARTERED ACCOUNTANTS
& ADVISORS
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William Buck

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 BWX Limited, would be in the same terms if given to the directors as at the time of this auditor's review report

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

N.S Benbow
Director

Dated this 21st day of February, 2018

Corporate Directory

Directors (as at 31 December 2017)

Mr Denis Shelley	Non-Executive Chairman
Mr John Humble	Chief Executive Officer
Mr Ian Campbell	Non-Executive Director
Mr Aaron Finlay	Finance Director

Company Secretary

Mr Aaron Finlay

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