



Link Administration Holdings Limited
ABN 27 120 964 098

All correspondence to:
Locked Bag A14
Sydney South NSW 1235
Australia

The Manager
Company Announcements
Australian Securities Exchange Limited
20 Bridge St
Sydney NSW 2000

Dear Sir / Madam

Appendix 4D - Interim financial report for the six months ended 31 December 2016

The Directors of Link Administration Holdings Limited (the "Company") present the results of Link Group (Link Administration Holdings Limited and its controlled entities) for the six months ended 31 December 2016 as follows:

			31 December 2016 \$'000	31 December 2015 \$'000
Results for announcement to the market				
Revenue from ordinary activities	Up	0.9%	395,768	392,412
Profit/(loss) from ordinary activities after tax		nmf ¹	41,578	(4,029)
Net profit/(loss) for the period attributable to owners of the Company		nmf ¹	41,396	(4,134)
Earnings per share				
Basic earnings (cents per share)			11.51	(1.34)
Diluted earnings (cents per share)			11.50	(1.34)
Net tangible assets				
Net tangible per security (cents per share)			(68)	(93)

Link Group defines net tangible assets as net assets less intangible assets. A large proportion of Link Group's assets are classified as intangible assets including goodwill, client lists, software and deferred tax assets (net of deferred tax liabilities). Intangible assets have been excluded from the calculation of net tangible assets, resulting in a negative net tangible asset per security.

Dividends

The Company declared and paid a dividend of \$28,783,786 in respect of the financial year ended 30 June 2016. This dividend was paid on 10 October 2016.

An interim dividend of \$21,587,839, which equates to 6.0 cents per share, unfranked in respect of the six months ended 31 December 2016 was declared by the Directors of the Company on 16 February 2017. A provision has not been recognised in the financial statements for the six months ended 31 December 2016 and the dividend declaration has been disclosed as a subsequent event. The record date for determining entitlements to the dividend is 21 March 2017. Payment of the dividend will occur on 3 April 2017.

1: Denotes not meaningful because the Group made a loss in the comparative period.

Other information

Link Group acquired 100% of the issued capital of White Outsourcing Pty Limited as at 22 December 2016, with economic effect from 31 December 2016. Link Group also entered into an agreement with System Support Services in India, which has been accounted for as a business combination. The acquisitions were not individually material to Link Group's assets or results.

The information in this Appendix 4D should be read in conjunction with the Link Group Interim financial report for the six months ended 31 December 2016 and the Annual financial report for the year ended 30 June 2016. The Link Group Interim financial report has been reviewed by KPMG.

Further information about the results is included in the Half Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

ACN 120 964 098

INTERIM FINANCIAL REPORT

31 DECEMBER 2016

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of Link Group, being Link Administration Holdings Limited ("the Company") and its controlled entities, for the six months ended 31 December 2016 ("the interim period") and the independent auditor's review report thereon.

Directors

The Directors of the Company at any time during or since the end of the interim period are:

1. Directors

<i>Name and qualifications</i>	<i>Experience</i>
M Carapiet, MBA	Independent Chairman and Non-Executive Director Appointed 26 June 2015
J M McMurtrie, BEc, BEc(Hons), MEc	Executive Director and Managing Director Appointed 16 February 2007
G Boreham, AM, BEc	Independent Non-Executive Director Appointed 23 September 2015
S Pitkin, PhD, LLM, LLB	Independent Non-Executive Director Appointed 23 September 2015
F Trafford-Walker, BEc.(Hons), MFin.	Independent Non-Executive Director Appointed 23 September 2015
A McDonald, CA, BEc	Independent Non-Executive Director Appointed 15 July 2016
P Gupta, MBA, BA	Independent Non-Executive Director Appointed 18 November 2016
C R Blanks, BEng, MEng(Hons)	Non-Executive Director Appointed 17 September 2006 Resigned 9 September 2016
P J McCullagh, BComm, MBS, FCA	Non-Executive Director Appointed 28 July 2006 Resigned 9 September 2016

LINK ADMINISTRATION HOLDINGS LIMITED and its Controlled Entities

DIRECTORS' REPORT

Principal Activities

The principal activity of the Company and Link Group during the course of the interim period was that of a technology-enabled provider of outsourced administration services for superannuation fund administration, corporate markets and related value added services including data management, analytics, digital communication and stake-holder education and advice.

There were no significant changes in the nature of the activities of Link Group during the interim period.

Dividends

Dividends declared and paid by the Company during the interim period were \$28,783,786 (31 December 2015: \$nil), which equated to 8.0 cents per share franked to 18.7%. In addition, on 16 February 2017, the Directors declared an interim unfranked dividend of \$21,587,839, which equates to 6.0 cents per share, in respect of the six months ended 31 December 2016. The record date for determining entitlements to the dividend is 21 March 2017. Payment of the dividend will occur on 3 April 2017.

Significant Changes in State of Affairs

Other Matters

In the opinion of the Directors there were no significant changes in the state of the affairs of the Company or Link Group that occurred during the interim period ended 31 December 2016.

Review of Operations

The net profit of Link Group for the six months ended 31 December 2016 was \$41.6 million (2015: net loss \$4.0 million).

Revenue for the six months increased to \$395.8 million in 2016 from \$392.4 million in 2015, reflecting organic growth in Fund Administration. Operating expenses declined from \$302.1 million in 2015 to \$287.3 million in 2016 reflecting the benefits of the Superpartners integration in both Fund Administration and Information, Digital and Data Services together with ongoing efficiency programs across the business. Link Group also incurred Significant items expenses associated with business combinations, integration, client migrations and IT business transformation amounting to \$9.8 million. Significant items are separately disclosed in Note 4 to the Interim Financial Statements to assist understanding of Link Group's results.

Total Operating EBITDA (which excludes Significant items) for the six months ended 31 December 2016 was \$108.5 million (2015: \$90.3 million). A reconciliation of Operating EBITDA to the net profit of Link Group is included in Note 4 to the Interim financial statements.

The net assets of Link Group increased to \$594.6 million as at 31 December 2016 from \$582.0 million as at 30 June 2016 reflecting profits for the period partially offset by a dividend payment of \$28.8 million. Link Group's borrowings have increased from \$291.9 million as at 30 June 2016 to \$317.7 million as at 31 December 2016 reflecting additional borrowings to fund business combinations in the period, partially offset by voluntary repayments.

Link Group continues to deliver on its growth strategy and is well positioned to pursue further opportunities across the various market segments and regions in which it operates.

Further information about the results is included in the Half Year Results Presentation and can be obtained via the ASX website or by visiting the Link Group website at www.linkgroup.com.

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

DIRECTORS' REPORT

Events Subsequent to Reporting Date

On 16 February 2017, the Directors declared an interim unfranked dividend of \$21,587,839, which equates to 6.0 cents per share, in respect of the six months ended 31 December 2016. The record date for determining entitlements to the dividend is 21 March 2017. Payment of the dividend will occur on 3 April 2017.

Other than the matter described above, there has not arisen in the interval between the end of the interim 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 Link Group, the results of those operations, or the state of affairs of Link Group, in future financial years.

Lead Auditor's Independence Declaration

The Lead Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4 and forms part of the Directors' Report for the six months ended 31 December 2016.

Rounding Off

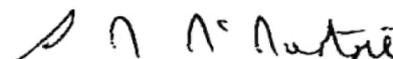
The Company is of a kind referred to in ASIC Rounding Instrument 2016/91 dated 1 April 2016 and in accordance with that Class Order, amounts in the interim financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors.

Dated 16 February 2017 at Sydney.



M Carapiet
Chairman



J M McMurtrie
Managing Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Link Administration Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in black ink, appearing to be 'AY', with a long horizontal line extending to the right.

Andrew Yates
Partner

Sydney

16 February 2017

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
for the six months ended 31 December 2016

	Note	31 December 2016 \$'000	31 December 2015 \$'000
Revenue – rendering of services	4	395,768	392,412
Expenses:			
Employee expenses		(175,514)	(187,417)
Occupancy expenses		(14,602)	(18,080)
IT costs		(39,172)	(41,425)
Administrative and general expenses		(61,136)	(66,341)
IPO related expenses		-	(22,790)
Acquisition related expenses		(6,632)	(673)
		(297,056)	(336,726)
Depreciation expense		(6,027)	(5,327)
Intangibles amortisation expense	6	(25,809)	(27,152)
		(31,836)	(32,479)
Gain on financial assets held at fair value through profit and loss		643	164
Finance income		399	358
Finance costs		(7,377)	(29,624)
Net finance costs		(6,978)	(29,266)
Profit/(loss) before tax		60,541	(5,895)
Tax (expense)/benefit	5(a)	(18,963)	1,866
Profit/(loss) for the period		41,578	(4,029)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations, net of tax		(1,072)	1,590
Net change in fair value of cash flow hedge, net of tax		-	2,886
		(1,072)	4,476
Other comprehensive income, net of tax		(1,072)	4,476
Total comprehensive income for the period		40,506	447

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDING LIMITED
and its Controlled Entities

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (continued)**
for the six months ended 31 December 2016

	31 December 2016 \$'000	31 December 2015 \$'000
Profit/(loss) attributable to:		
Owners of the Company	41,396	(4,134)
Non-controlling interests	182	105
Profit/(loss) for the period	41,578	(4,029)
Total comprehensive income attributable to:		
Owners of the Company	40,319	342
Non-controlling interests	187	105
Total comprehensive income for the period	40,506	447
Earnings per share	Cents per share	Cents per share
Basic earnings/(loss) per share	11.51	(1.34)
Diluted earnings/(loss) per share	11.50	(1.34)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	31 December 2016 \$'000	30 June 2016¹ \$'000
Current assets			
Cash and cash equivalents		35,362	30,153
Trade and other receivables		109,092	95,823
Other assets		14,339	13,324
Current tax assets		83	30
Total current assets		158,876	139,330
Non-current assets			
Investments		71,753	67,019
Plant and equipment		57,700	47,284
Intangible assets	6	850,519	845,162
Deferred tax assets		45,590	55,844
Other assets		198	268
Total non-current assets		1,025,760	1,015,577
Total assets		1,184,636	1,154,907
Current liabilities			
Trade and other payables		87,411	87,925
Interest-bearing loans and borrowings	7	220	198
Provisions	8	24,803	46,856
Employee benefits		38,493	38,627
Current tax liabilities		11,139	1,074
Total current liabilities		162,066	174,680
Non-current liabilities			
Trade and other payables		32,775	22,534
Interest-bearing loans and borrowings	7	317,711	291,922
Provisions	8	11,644	15,462
Employee benefits		7,535	7,723
Deferred tax liabilities		58,335	60,524
Total non-current liabilities		428,000	398,165
Total liabilities		590,066	572,845
Net assets		594,570	582,062
Equity			
Contributed equity	9	689,372	689,004
Reserves		(116,487)	(112,417)
Retained earnings	10	21,059	4,999
Total equity attributable to equity holders of the parent		593,944	581,586
Non-controlling interest		626	476
Total equity		594,570	582,062

1. Prior year comparatives have been restated to reflect the fair value adjustments to the purchase price allocation of prior period acquisitions during the measurement period. Refer to Note 15 (ii).

The consolidated statement of financial position is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 December 2016

	Share capital	Reserves	Retained earnings	Total	Non- controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016	689,004	(112,417)	4,999	581,586	476	582,062
Net profit	-	-	41,396	41,396	182	41,578
Foreign currency translation differences, net of tax	-	(1,077)	-	(1,077)	5	(1,072)
Total other comprehensive income, net of income tax	-	(1,077)	-	(1,077)	5	(1,072)
Total comprehensive income for the period	-	(1,077)	41,396	40,319	187	40,506
Transfer from retained earnings to distributable profits reserve	-	25,336	(25,336)	-	-	-
Transactions with shareholders						
Dividends paid from distributable profits reserve	-	(28,784)	-	(28,784)	-	(28,784)
Equity settled share based payments	-	438	-	438	-	438
Acquisition of non-controlling interest in a subsidiary	-	17	-	17	(37)	(20)
Changes to share capital due to changes in estimates of taxation associated with equity raising costs	368	-	-	368	-	368
Total contributions by and distributions to owners	368	(28,329)	-	(27,961)	(37)	(27,998)
Balance at 31 December 2016	689,372	(116,487)	21,059	593,944	626	594,570

The consolidated statement of changes in equity is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
for the six months ended 31 December 2015

	Share capital	Reserves	Accumulated losses	Total	Non- controlling interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015	202,481	(145,696)	(7,761)	49,024	119	49,143
Net profit/(loss)	-	-	(4,134)	(4,134)	105	(4,029)
Net change in fair value of cash flow hedge, net of tax	-	2,886	-	2,886	-	2,886
Foreign currency translation differences, net of tax	-	1,590	-	1,590	-	1,590
Total other comprehensive income, net of income tax	-	4,476	-	4,476	-	4,476
Total comprehensive income for the period	-	4,476	(4,134)	342	105	447
Transactions with shareholders						
Issue of share capital, net of costs of raising capital and tax	485,585	-	-	485,585	-	485,585
Total contributions by and distributions to owners	485,585	-	-	485,585	-	485,585
Balance at 31 December 2015	688,066	(141,220)	(11,895)	534,951	224	535,175

The consolidated statement of changes in equity is to be read in conjunction with the condensed notes to the financial statements.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

CONSOLIDATED STATEMENT OF CASHFLOWS
for the six months ended 31 December 2016

	<i>Note</i>	31 December 2016 \$'000	31 December 2015 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations		420,250	418,409
Cash payments in the course of operations		(363,366)	(363,982)
		56,884	54,427
Interest received		197	222
Dividend received		202	136
Borrowing costs paid		(4,952)	(22,034)
Income taxes paid		(1,176)	(553)
Net cash provided from operating activities	11(a)	51,155	32,198
Cash flows from investing activities			
Payments for plant and equipment		(5,488)	(10,368)
Payments for software		(11,576)	(11,682)
Acquisition of subsidiaries, net of cash acquired		(20,910)	(6,776)
Payments for investments		(4,005)	(5,668)
Net cash used in investing activities		(41,979)	(34,494)
Cash flows from financing activities			
Proceeds from borrowings		67,500	358,380
Repayment of borrowings		(42,063)	(826,323)
Dividends paid		(28,784)	-
Acquisition of non-controlling interests		(20)	-
Proceeds from issue of shares		-	499,738
IPO related costs		-	(36,542)
Net cash used in financing activities		(3,367)	(4,747)
Net increase/(decrease) in cash and cash equivalents		5,809	(7,043)
Cash and cash equivalents at the beginning of the period		30,153	31,835
Effect of exchange rate fluctuations on cash held		(600)	61
Cash and cash equivalents at the end of the period		35,362	24,853

The consolidated statement of cash flows is to be read in conjunction with the condensed notes to the financial statements.

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Link Administration Holdings Limited (the “Company”) is a company incorporated and domiciled in Australia. The Company’s registered office and principal place of business is Level 12, 680 George Street, Sydney NSW 2000, Australia. The consolidated interim financial statements of Link Group as at and for the six months ended 31 December 2016 (“the interim period”) comprises of the Company and its controlled entities. Link Group is a for-profit entity. Link Group is a technology-enabled provider of outsourced administration services for superannuation fund administration, corporate markets and related value added services including fund administration, registry services, data management, analytics, digital communication and stake-holder education and advice.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated interim financial statements are general purpose condensed financial statements which have been prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2016. However, selected explanatory notes are included to explain events and transactions that are significant to understanding changes in Link Group’s financial position and performance since the last consolidated annual financial statements as at and for the year ended 30 June 2016. The interim financial statements have been prepared on a going concern basis. The Directors of Link Administration Holdings Limited consider it probable that Link Group will continue to fulfil all obligations as and when they fall due for the foreseeable future and accordingly consider that Link Group’s financial statements should be prepared on a going concern basis.

Link Group had positive cash flows from operating activities for the interim period ended 31 December 2016 and is forecasting positive operating cash flows in the 2017 financial year. Link Group also has undrawn facilities that, if required, will enable Link Group to fulfil obligations as and when they fall due. The deficiency of current assets over current liabilities is impacted by provisions raised in respect of contractual obligations and other restructuring activities.

These interim financial statements were authorised for issue by the Board of Directors on 16 February 2017.

The Company is of a kind referred to in ASIC Rounding Instrument 2016/191 dated 1 April 2016 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(b) Significant accounting policies

Except as described below, the accounting policies applied in these consolidated interim financial statements are the same as those applied in Link Group's consolidated annual financial statements as at and for the year ended 30 June 2016, except for:

(i) Share based payments

As a result of the Omnibus Equity Plan beginning during the interim period, Link Group has provided share based payment disclosures in the interim financial statements in accordance with AASB 2. The fair value of the share based payments is determined at grant/service commencement date and is recognised as an expense, with a corresponding increase in reserves, over the vesting period. The amount expensed is adjusted based on the related service and non-market performance conditions which are expected to be met, resulting in the amount recognised being based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The impact of any changes to the estimates of non-market vesting conditions are adjusted each reporting period to reflect the most current expectation of vesting.

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial statements, the significant judgements made by management in applying Link Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements as at and for the year ended 30 June 2016.

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

4. OPERATING SEGMENTS

Link Group has three reportable segments, as described below, which are Link Group's key divisions. Each of the divisions offer different products and services and are managed separately because they require different technology and business strategies to service their respective markets and comply with relevant legislative or other requirements. Financial information for each division is provided regularly to Link Group's Managing Director (the chief operating decision maker). The following summary describes the operations in each of Link Group's reportable segments:

- **Fund Administration** – provides administration services to superannuation funds. Link Group provides a fully integrated platform solution to its clients, covering all major front, middle and back office administration functions.
- **Corporate Markets** – provides a comprehensive corporate market offering that connects issuers with their stakeholders. The division's key services include shareholder management and analytics, stakeholder engagement, share registry, employee share plans and company secretarial.
- **Information, Digital and Data Services** – is the technology hub of Link Group and a key driver of innovation. Information, Digital and Data Services provides core services of development and maintenance of proprietary IT systems and platforms, and value-added services of data analytics, digital solutions and digital communications. This division supports Fund Administration, Corporate Markets and a number of external clients.

	31 December 2016 \$'000	31 December 2015 \$'000
Segment revenue		
Fund Administration	290,419	285,434
Corporate Markets	95,458	99,016
Information, Digital and Data Services	105,037	107,978
Total	490,914	492,428
Eliminations	(95,146)	(100,016)
Total revenue	395,768	392,412
Operating EBITDA		
Fund Administration	63,889	42,287
Corporate Markets	22,401	27,528
Information, Digital and Data Services	24,746	23,785
Total segment Operating EBITDA	111,036	93,600
Head Office	(2,557)	(3,303)
Total Operating EBITDA	108,479	90,297
Significant items:		
- Business Combination costs	(6,026)	(701)
- Integration costs	1,025	(4,038)
- Client migration costs	(4,766)	(4,273)
- IT business transformation	-	(2,809)
Total Significant items	(9,767)	(11,821)

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

4. OPERATING SEGMENTS (continued)

	31 December 2016 \$'000	31 December 2015 \$'000
IPO related expenses	-	(22,790)
Depreciation expense	(6,027)	(5,327)
Intangibles amortisation expense – non-acquisition related	(11,557)	(10,903)
Intangibles amortisation expense – acquisition related	(14,252)	(16,249)
Gain on financial assets held at fair value through profit and loss	643	164
Finance income	399	358
Finance expense	(7,377)	(29,624)
Profit/(loss) before tax	60,541	(5,895)
Income tax (expense)/benefit	(18,963)	1,866
Net profit/(loss) after tax	41,578	(4,029)

External revenue is the same as segment revenue for all segments except Information, Digital and Data Services, which had external revenues of \$9.9 million (2015: \$7.9 million).

	31 December 2016 \$'000	30 June 2016 ¹ \$'000
Segment assets		
Fund Administration	474,822	471,768
Corporate Markets	388,027	370,783
Information, Digital and Data Services	187,441	185,977
Total segment assets	1,050,290	1,028,528
Head office	134,346	126,379
Total assets	1,184,636	1,154,907

Geographical segment

Link Group operates predominantly in one geographical segment being Australia and New Zealand. Revenues relating to overseas operations approximate 7% of total revenue.

1. Restated due to amendment of provisional acquisition accounting. Refer to Note 15 (ii).

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

5. TAXATION

	31 December 2016 \$'000	31 December 2015 \$'000
(a) Income tax (expense)/benefit		
Current tax (expense)/benefit		
Current period	(14,037)	3,815
Adjustment for prior years	137	(777)
	(13,900)	3,038
Deferred tax (expense)/benefit		
Origination and reversal of temporary differences	(5,653)	(1,992)
Adjustment for prior years	590	820
	(5,063)	(1,172)
Tax (expense)/benefit from continuing operations	(18,963)	1,866
Profit/(loss) before income tax	60,541	(5,895)
Prima facie income tax (expense)/benefit calculated at 30% on operating profit/(loss) from ordinary activities:	(18,162)	1,769
Effect of tax rates in foreign jurisdictions	(24)	(154)
Non-deductible expenses	(1,769)	(1,142)
Non-assessable income	371	24
(De-recognition)/recognition of tax losses	(106)	1,326
Over provision of tax in respect of prior years	727	43
Income tax (expense)/benefit	(18,963)	1,866

(b) Tax recognised in other comprehensive income and equity

	2016			2015		
	Before tax \$'000	Tax (expense) benefit \$'000	Net of tax \$'000	Before tax \$'000	Tax (expense) benefit \$'000	Net of tax \$'000
Foreign Currency Translation Reserve	(1,130)	58	(1,072)	1,715	(125)	1,590
Cash flow hedge	-	-	-	4,123	(1,237)	2,886
	(1,130)	58	(1,072)	5,838	(1,362)	4,476

(c) Unrecognised tax losses

As at 31 December 2016, companies within Link Group had tax losses of \$233.8 million (30 June 2016: \$233.9 million) unrecognised for deferred tax purposes, available to offset against taxable income in future years. The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these losses because it is not probable the conditions will be met to utilise them.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

6. INTANGIBLE ASSETS

	Goodwill \$'000	Client lists \$'000	Software \$'000	Brand Names \$'000	Total \$'000
Cost					
Balance at 1 July 2016¹	594,546	217,200	322,646	4,476	1,138,868
Acquisitions through business combinations	16,880	3,342	135	-	20,357
Additions	-	-	11,576	-	11,576
Effects of movements in exchange rates	(405)	(913)	(47)	(206)	(1,571)
Balance at 31 December 2016	611,021	219,629	334,310	4,270	1,169,230
Amortisation and impairment losses					
Balance at 1 July 2016	(2,500)	(85,455)	(204,081)	(1,670)	(293,706)
Effects of movements in exchange rates	-	710	49	45	804
Amortisation charge	-	(7,984)	(17,667)	(158)	(25,809)
Balance at 31 December 2016	(2,500)	(92,729)	(221,699)	(1,783)	(318,711)
Carrying amount at 31 December 2016	608,521	126,900	112,611	2,487	850,519
Cost					
Balance at 1 July 2015	586,480	214,875	297,350	5,089	1,103,794
Acquisitions through business combinations	5,215	3,176	226	-	8,617
Additions	-	-	12,173	-	12,173
Effects of movements in exchange rates	1,490	448	(33)	(20)	1,885
Balance at 31 December 2015	593,185	218,499	309,716	5,069	1,126,469
Amortisation and impairment losses					
Balance at 1 July 2015	(2,500)	(68,432)	(169,262)	(1,165)	(241,359)
Effects of movements in exchange rates	-	146	76	3	225
Amortisation charge	-	(9,171)	(17,559)	(422)	(27,152)
Balance at 31 December 2015	(2,500)	(77,457)	(186,745)	(1,584)	(268,286)
Carrying amount at 31 December 2015	590,685	141,042	122,971	3,485	858,183

1. Restated due to amendment of provisional acquisition accounting. Refer to Note 15 (ii).

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

7. INTEREST-BEARING LOANS AND BORROWINGS		31 December 2016 \$'000	30 June 2016 \$'000
Current			
Finance lease		220	198
Non – current			
Finance lease		430	465
Loans		317,281	291,457
		317,711	291,922
Financing Arrangements	Contractual Interest Rate at 31 December 2016		
Total facilities available:			
Non amortising term loan facility	2.8% - 3.1%	550,000	550,000
Working capital facility	1.4% - 3.1%	30,000	30,000
		580,000	580,000
Facilities utilised at reporting date:			
Non amortising term loan facility	2.8% - 3.1%	318,500	293,000
Working capital facility	1.4%	13,201	12,959
		331,701	305,959
Facilities not utilised at reporting date			
Non amortising term loan facility	0.44% - 0.56%	231,500	257,000
Working Capital facility	0.56%	16,799	17,041
		248,299	274,041

Facilities utilised at reporting date includes \$13,201,000 (30 June 2016: \$12,959,000) of guarantees provided to external parties, which have not been drawn down.

Link Group also has access to an uncommitted facility of \$250,000,000 under the Syndicated Loan Facility. This is an uncommitted revolving credit facility for general corporate purposes to fund acquisitions permitted under the facility (and related advisory fees, costs and expenses) and growth capital expenditure and to refinance existing debt of an acquired target.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

8. PROVISIONS	31 December 2016 \$'000	30 June 2016 ¹ \$'000
Current		
Provisions	24,803	46,856
Non-current		
Provisions	11,644	15,462

A reconciliation of the carrying amount of each material class of provisions is set out below:

	Self insured claims \$'000	Restructuring \$'000	Migration related \$'000	Other \$'000	Total \$'000
Balance at 1 July 2016¹	19,228	5,085	22,995	15,010	62,318
Contractual liabilities incurred through business combinations	-	-	-	-	-
Unwinding of finance charge	-	-	1,400	-	1,400
Provisions made during the period	2,085	-	-	-	2,085
Provisions used during the period	(746)	(3,032)	(15,805)	(4,902)	(24,485)
Provisions reversed during the period	(2,016)	-	-	(2,926)	(4,942)
Foreign exchange translation difference	35	-	16	20	71
Balance at 31 December 2016	18,586	2,053	8,606	7,202	36,447
Current	9,086	2,053	8,606	5,058	24,803
Non-current	9,500	-	-	2,144	11,644

Self Insured Claims: Link Group self-insures for processing errors associated with the handling of administration activities for clients. Incidents that may give rise to a claim are measured at the cost that Link Group expects to incur in settling the claim, which may have or have not been reported.

Restructuring provision: The restructuring provision is for redundancy expenses. The restructuring provision is based on estimates of the future costs associated with the redundancy. The provision calculation includes assumptions around the timing and costs of the redundancy.

Migration related: The migration provisions represent contractual liabilities incurred through business combinations and other related liabilities. The migration provision recognised on acquisition is stated at fair value based on estimates of the costs required to perform the migration procedures contractually required under the agreements.

Other: Other provisions are for onerous contracts, litigation, and make good liabilities.

1. Restated due to amendment of provisional acquisition accounting. Refer to Note 15 (ii).

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

9. CONTRIBUTED EQUITY	31 December 2016 \$'000	30 June 2016 \$'000
Issued and paid-up capital		
Balance at the beginning of the period	689,004	202,481
Equity issued	-	500,014
Equity raising costs, net of tax	-	(13,491)
Changes to share capital due to changes in estimates of taxation associated with equity raising costs	368	-
Balance at the end of the period	689,372	689,004

Number of shares:	Ordinary Shares issued 000's	Class A shares issued 000's	Preference shares issued 000's
Opening balance 1 July 2015	251,671	19,413	10,221
Conversion to ordinary shares from other classes	29,634	(19,413)	(10,221)
Shares issued	78,493	-	-
Closing balance as at 31 December 2015	359,798	-	-
Opening balance 1 July 2016	359,798	-	-
Shares issued	-	-	-
Closing balance as at 31 December 2016	359,798	-	-

Ordinary shares

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

Class A and preference shares

All outstanding Class A and preference shares converted to Ordinary shares at the Initial Public Offering ("IPO").

10. RETAINED EARNINGS	31 December 2016 \$000	31 December 2015 \$000
Retained earnings/(accumulated losses) at the beginning of the financial period	4,999	(7,761)
Net profit/(loss) attributable to equity holders	41,396	(4,134)
Transfer from retained earnings to reserves	(25,336)	-
Retained earnings/(accumulated losses) at the end of the period	21,059	(11,895)

Dividends declared and paid by the Company during or since the end of the interim period were \$28,783,786 (2015: \$nil).

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

11. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of net profit after tax to net cash inflow from operating activities

	31 December 2016 \$'000	31 December 2015 \$'000
Net profit/(loss) after income tax	41,578	(4,029)
Add/(less) non-cash items		
Depreciation	6,027	5,327
Amortisation	25,809	27,152
Foreign exchange gain	(18)	(54)
Borrowing cost amortisation	323	4,725
Unwinding of discount on provisions and accruals	1,582	2,320
Gain on financial assets held at fair value through profit & loss	(643)	(164)
Net cash inflow from operating activities before changes in assets and liabilities	74,658	35,277
IPO costs expensed through income statement	-	22,790
Change in operating assets and liabilities		
Change in trade and other receivables	(10,999)	(14,587)
Change in other assets	(918)	220
Change in trade and other payables	(1,154)	4,528
Change in provisions	(28,123)	(13,504)
Change in current and deferred tax balances	17,691	(2,526)
Net cash inflow from operating activities	51,155	32,198

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

12. SHARE-BASED PAYMENT ARRANGEMENT

(a) Description of share-based payment arrangements

At 31 December 2016, Link Group had the following share-based payment arrangements.

Performance share rights

The issue of securities under the Omnibus Equity Plan (a long term incentive) was approved by shareholders at Link Group's 2016 Annual General Meeting. The Omnibus Equity Plan entitles senior executives and senior leaders to receive shares in the Company subject to the satisfaction of service-based conditions and performance hurdles, which will, when satisfied, allow participants to receive fully paid ordinary shares in the Company. Under this plan, Performance Share Rights (PSRs) were granted to the Managing Director on 18 November 2016, following the Annual General Meeting, and all other participants on 15 September 2016.

The PSRs are divided into 2 tranches of 75% and 25% and subject to testing against an earnings per share (EPS) target and relative total shareholder return (relative TSR) respectively.

The terms and conditions of the PSRs granted during the six months ended 31 December 2016 are as follows.

Grant date/employees entitled	Number of PSRs granted	Vesting conditions	Contractual life of PSRs
PSRs granted to the Managing Director on 18 November 2016	127,992	75% against an earnings per share target and 25% against relative total shareholder return for the 3 year period commencing 1 July 2016.	7 years, with last exercise occurring 18 November 2023, (unless the PSRs lapse earlier in accordance with the terms of the invitation)
Senior executives included within KMP on 15 September 2016	188,850	75% against an earnings per share target and 25% against relative total shareholder return for the 3 year period commencing 1 July 2016.	7 years, with last exercise occurring 9 September 2023 (unless the PSRs lapse earlier in accordance with the terms of the invitation)
Other senior executives and senior leaders on 15 September 2016	307,815	75% against an earnings per share target and 25% against relative total shareholder return for the 3 year period commencing 1 July 2016.	7 years, with last exercise occurring 9 September 2023 (unless the PSRs lapse earlier in accordance with the terms of the invitation)

The number of PSRs issued to each participant was calculated with reference to the 5 day Volume Weighted Average Price (VWAP) following the release of the 2016 full year results and accounted for at fair value in accordance with accounting standards from grant date.

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

12. SHARE-BASED PAYMENT ARRANGEMENT (continued)

(b) Measurement of grant date fair values

The following inputs were used in the measurement of the fair values at grant date of the Omnibus Equity Plan:

	Managing Director	All other senior executives and senior leaders
Grant date	18 November 2016	15 September 2016
Fair value at grant date:		
i) EPS tranche at grant date	\$6.62	\$7.49
ii) TSR tranche fair value at grant date	\$3.35	\$4.34
Share price at grant date	\$7.33	\$8.25
Exercise price	-	-
Expected volatility (weighted average volatility)	25%	25%
PSR life (expected weighted average life)	3 years	3 years
Holding lock discount:		
i) 1 year	6%	6%
ii) 2 years	9%	9%
Expected dividends	2.42%	2.15%
Risk-free interest rate (based on government bonds)	1.90%	1.64%

The fair value of services received in return for PSRs is based on the fair value of PSRs granted, measured using a Monte Carlo model.

Expected volatility is estimated taking into account historic average share price volatility of the Company and certain other ASX listed companies, given the Company has only been listed since 27 October 2015.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

13. EARNINGS PER SHARE

(a) Basic earnings per share

	31 December 2016 \$'000	31 December 2015 \$'000
Profit/(loss) for the period attributable to owners of the Company	41,396	(4,134)
	Number of shares '000	Number of shares '000
Weighted average number of ordinary shares (basic)		
Issued ordinary shares at 1 July	359,798	281,305
Effect of allotment and issuances	-	27,729
Basic weighted average number of ordinary shares	359,798	309,034
	\$'000	\$'000
Profit/(loss) for the period attributable to owners of the Company	41,396	(4,134)
	Number of shares '000	Number of shares '000
Basic weighted average number of ordinary shares	359,798	309,034
Effect of dilutive securities	322	-
Weighted average number of ordinary shares (diluted)	360,120	309,034
Basic earnings/(loss) per share (cents)	11.51	(1.34)
Diluted earnings/(loss) per share (cents)	11.50	(1.34)

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

14. FINANCIAL RISK MANAGEMENT

Fair Value of financial instruments

The following table details Link Group's fair value amounts of financial instruments categorised by the following levels:

- Level 1: quotes prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
31 December 2016				
Assets				
Unlisted investments designated at fair value through profit and loss	-	4,383	63,983	68,366
Listed equity securities designated at fair value through profit and loss	3,387	-	-	3,387
	3,387	4,383	63,983	71,753

30 June 2016

Assets

Unlisted investments designated at fair value through profit and loss	-	3,752	60,529	64,281
Listed equity securities designated at fair value through profit and loss	2,738	-	-	2,738
	2,738	3,752	60,529	67,019

There have been no assets transferred between levels during the period (2015: none).

The Level 2 derivatives were valued monthly by the financial institution with which Link Group entered the contract. These were valued using a discounted cash flow approach taking into account appropriate rates of discount and credit risk. The unlisted managed investment schemes were valued based at fair value through profit and loss. These are fair valued based on quoted unit prices.

The Level 3 unlisted investment held by Link Group is not listed on any stock exchange nor has a widely observable market price and as such its valuation was determined to be Level 3 under the fair value hierarchy.

Management has assessed the fair value as appropriate based on a valuation performed by an independent valuer, using a discounted cash flow method based on 10 year forecasts, taking into account appropriate adjustments. Significant increases or decreases in future cash flows would increase or decrease, respectively, the fair value of the investment.

LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities

NOTES TO THE INTERIM FINANCIAL STATEMENTS

14. FINANCIAL RISK MANAGEMENT (continued)

Fair Value of financial instruments (continued)

	31 December 2016 \$000	31 December 2015 \$000
Opening balance at the beginning of the financial period	60,529	29,620
Purchase	3,454	4,906
Closing balance at the end of the financial period	63,983	34,526

The carrying amounts of investments, cash and cash equivalents, trade and other receivables, interest rate swaps, trade and other payables and interest bearing loans and borrowings approximate their fair value for Link Group.

15. BUSINESS COMBINATIONS

In addition to organic growth, Link Group seeks to grow through acquisitions and leverage the existing systems, skillsets and processes to improve client satisfaction and obtain synergies to drive positive returns for shareholders.

(i) Acquisitions

On 22 December 2016, with economic effect from 31 December 2016, Link Group acquired 100% of the shares and voting interests of White Outsourcing Pty Limited. Link Group also entered into an agreement with System Support Services in India, which has been accounted for as a business combination. The acquisitions were not individually material to Link Group's assets or results. The provisional acquisition accounting has been accounted for in the consolidated interim financial statements as follows:

	31 December 2016 \$000
Cash consideration paid or payable	30,762
Add: working capital adjustments	840
Cash consideration paid or payable	31,602
Less: fair value of net identifiable assets acquired	(14,722)
Goodwill	16,880
Identifiable assets acquired and liabilities assumed:	
Cash	11,104
Receivables	2,747
Deferred tax assets	243
Client Lists	3,342
Software	135
Payables	(1,320)
Provisions	(495)
Tax payable	(16)
Deferred tax liabilities	(1,018)
Net assets	14,722

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

15. BUSINESS COMBINATIONS (continued)

(i) Acquisitions (continued)

The fair values of assets and liabilities at 31 December 2016 are measured on a provisional basis, whereby the accounting balances for the acquisition may be revised in accordance with AASB 3 – *Business Combinations*. If new information obtained within one year of the acquisition about the facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

(ii) Amendment of provisional acquisition accounting

During the interim period, the Group identified new information regarding facts and circumstances that existed at acquisition date that resulted in adjustments to the provisional acquisition accounting for the agreement with AON, which was accounted for as a business combination, in accordance with AASB 3 *Business Combinations*. Link Group obtained further information with respect of the migration work required to be performed resulting in an adjustment to the provisional accounting, with a net increase in goodwill of \$0.4m. Link Group notes that the measurement period for AON is now complete.

	31 December 2016 \$000
Goodwill has been recognised as follows:	
Total consideration transferred	9,477
Less: provisional value of identifiable net assets	(3,290)
Add: fair value adjustment to identifiable net assets due to finalisation of Purchase Price Allocation	429
Goodwill - restated	6,616

16. SUBSEQUENT EVENTS

On 16 February 2017, the Directors declared an interim unfranked dividend of \$21,587,839, which equates to 6.0 cents per share, in respect of the six months ended 31 December 2016. The record date for determining entitlements to the dividend is 21 March 2017. Payment of the dividend will occur on 3 April 2017.

Other than the matter described above, there has not arisen in the interval between the end of the financial 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 Link Group, the results of those operations, or the state of affairs of Link Group, in future financial periods.

**LINK ADMINISTRATION HOLDINGS LIMITED
and its Controlled Entities**

Directors' Declaration

In the opinion of the Directors of Link Administration Holdings Limited ("the Company"):

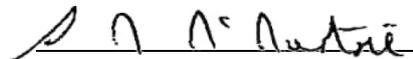
- (a) the consolidated financial statements and notes that are set out on pages 5 to 26 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of Link Group's financial position as at 31 December 2016 and of its performance, for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated 16 February 2017 at Sydney.



M Carapiet
Chairman



J M McMurtrie
Managing Director



Independent Auditor's Review Report

To the members of Link Administration Holdings Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying Interim Financial Report of Link Administration Holdings Limited ("the Company").

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Link Administration Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the Interim Period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The Interim Financial Report comprises:

- Consolidated statement of financial position as at 31 December 2016;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The Group comprises the Company and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The Interim Period is the 6 months ended on 31 December 2016.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim 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 Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the Interim Period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A review of an Interim Period 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*.

KPMG

Andrew Yates
Partner

Sydney

Kim Lawry
Partner

Sydney

16 February 2017