



**SHOPLY LIMITED
and Controlled Entities
ABN 93 085 545 973**

**ASX APPENDIX 4D - FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

**Lodged with ASX under Listing Rule 4.2A
This information should be read in conjunction with 30 June 2014
Annual report**

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**SHOPLY LIMITED
AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED**

31 DECEMBER 2014

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ASX Announcement - Appendix 4D

HALF YEARLY REPORT FOR THE SIX MONTHS TO 31 DECEMBER 2014

Name of Entity	Shoply Limited
Australian Business Number	93 085 545 973
Report for Half Year Ended:	31 December 2014
Previous corresponding Financial Year ended:	30 June 2013
And Half Year Ended:	31 December 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		% Change		\$
Revenues from ordinary activities	up	548.1	to	8,367,384
Loss from ordinary activities after tax attributable to members	up	389.2	to	(1,209,945)
Loss for the period attributable to members	up	351.5	to	(1,116,746)
Dividends (distributions)		Amount per share		Franked amount per share
Final dividend		Nil ¢		Nil ¢
Interim dividend				
Previous corresponding period		Nil ¢		Nil ¢
Record date for determining entitlements to the dividends		N/A		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:				
Revenue for the half-year ended 31 December 2014 was \$8,367,384, an increase of 548.1% over the previous corresponding period (2013: \$1,290,976).				
Net loss from continuing operations was 1,209,945 an increased loss of 389.2% over the previous corresponding period (2013: net loss \$247,333).				
Net tangible asset backing per ordinary share at 31 December 2014 was 0.58 cents (2013: 0.47 cents).				
There was no gain or loss of control over any entities during the half-year ended 31 December 2014				
The Company does not propose to pay a dividend. No dividend or distribution plans are in operation.				

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**SHOPLY LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

The Directors present their report together with the condensed financial report of the consolidated entity of Shoply Limited and the entities it controlled for the half-year ended 31 December 2014 and independent auditor's review report thereon. This financial report has been prepared in accordance with AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*.

DIRECTORS

The names of the Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Andrew Plympton	Non-Executive Chairman
Damien London	Non-Executive Director (Resigned 18 th December 2014)
Sophie Karzis	Non-Executive Director
Mark Goulopoulos	Non-Executive Director
Domenic Carosa	Non-Executive Director

REVIEW AND RESULTS OF OPERATIONS

The Group's results for the half-year ended 31 December 2014 was a loss of \$1,116,746 reflective of the transitional 6 months. The business has moved rapidly from a low-volume business-to-business online advertising to a high-volume online shopping company. The losses were primarily attributable to the growth investments in acquired companies, associated operations and organic growth capability within the Group. The previous corresponding period was a net loss of \$247,333.

Revenue for the half-year ended 31 December 2014 was \$8,367,384 an increase of 548.1% over the previous corresponding period (2013: \$1,290,976) primarily due to the acquisition of Your Home Depot and Warcom in June 2014.

The Group results reflect a considerable improvement in revenue generated and the Company is confident of continuing growth in revenue and scaling operations to the point of profitability.

The Company expects that revenue growth in the next six months will be generated mainly from Your Home Depot, Warcom and Wow Baby.

Forward Strategy

The Company remains committed to the acquisitive and organic growth plan and its path towards increased turnover and reaching economies of scale.

The Company continues to look for suitable acquisitions, increasing scale in existing retail categories and entry into new attractive online shopping categories.

Outlook

The Company remains optimistic about the outlook for Shoply, and the Directors are encouraged by the continuing development as a pure-play online shopping Company.

The Company's strategy continues to be the generation of organic growth, together with a proactive search for appropriate acquisition opportunities to broaden its scope and achieve economies of scale. The Company is continually reviewing the market in relation to acquisition opportunities and will continue to keep the market updated as developments occur.

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Financial performance

Revenue for the half-year ended 31 December 2014 was \$8,367,384, an increase of 548.1% over the previous corresponding period (2013: \$1,290,976)

Net loss from continuing operations was \$1,209,945 an increase of 389.2% over the previous corresponding period (2013: net loss \$247,333).

The net loss from continuing operations was due to the early stage profile of recent acquisitions and re-investment in these properties to support growth.

Financial position

The consolidated entity had net assets of \$4,711,563 as at 31 December 2014 (30 June 2014: \$5,655,356).

Cash flows

During the six months ended 31 December 2014, the consolidated entity generated net operating cash outflows of \$99,333 (2013: net outflows \$386,760). The consolidated entity had cash of \$3,282,882 as at 31 December 2014 (30 June 2014: \$3,510,259).

The net operating cash outflow for the half was due to the investment in working capital relating to Your Home Depot, Warcom and Wow Baby.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 is included on page 6 and forms part of Shoply Limited's Directors' report for the period from 1 July 2013 to 31 December 2013.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



Andrew Plympton
Non-Executive Chairman
27 February 2014

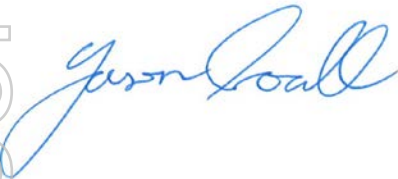
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Shoply Limited for the half year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



J S CROALL
Partner

Melbourne, VIC
27 February 2015

**SHOPLY LIMITED
& CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Notes	Half Year to 31 Dec 2014 \$	Half Year to 31 Dec 2013 \$
Revenue			
Sales revenue		8,367,384	1,290,976
Finance revenue		23,990	7,298
		8,391,374	1,298,274
Direct costs		(6,977,086)	(723,972)
Gross profit		1,414,288	574,302
Distribution expense		(372,323)	-
Performance marketing expense		(324,325)	-
Transaction expense		(144,936)	-
Employee benefits expense		(905,676)	(470,581)
Occupancy costs		(245,428)	(31,457)
Professional fees		(248,555)	(180,908)
Depreciation and amortisation expenses		(188,369)	(8,598)
Other expenses		(191,259)	(122,033)
Finance costs		(3,362)	(8,058)
(Loss) / Profit before income tax		(1,209,945)	(247,333)
Income tax benefit / (expense)		-	-
(Loss) / Profit from continuing operations		(1,209,945)	(247,333)
Discontinued operations		93,199	
Other Comprehensive Income		-	-
Total Comprehensive (loss) / profit for the period		(1,116,746)	(247,333)
Earnings per share from continuing operations (cents per share)			
- Basic earnings/(loss) per share		(0.002)	(0.001)
- Diluted earnings/(loss) per share		(0.002)	(0.001)

The accompanying notes form part of these financial statements.

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**SHOPLY LIMITED
& CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	As at 31 Dec 2014 \$	As at 30 Jun 2014 \$
Current Assets			
Cash and cash equivalents		3,282,882	3,504,504
Trade and other receivables		209,136	102,791
Inventories		1,927,129	1,537,488
Prepayments and deposits		40,268	14,971
Assets classified as held for disposal		-	47,104
Total Current Assets		5,459,415	5,206,858
Non-current Assets			
Property, plant and equipment		379,786	262,244
Intangible Assets		1,684,723	1,822,838
Total Non-current Assets		2,064,509	2,085,082
Total Assets		7,523,924	7,291,940
Current Liabilities			
Trade and other payables		2,300,412	960,999
Financial liability		275,000	271,250
Employee benefit liabilities		100,195	12,426
Liabilities classified as held for disposal		-	119,036
Total Current Liabilities		2,675,607	1,363,711
Non-current Liabilities			
Financial liability		122,392	255,449
Employee benefit liabilities		14,362	17,424
Total Non-current Liabilities		136,754	272,873
Total Liabilities		2,812,361	1,636,584
Net Assets		4,711,563	5,655,356
Equity			
Contributed equity		32,988,188	32,868,235
Reserves		119,616	66,616
Accumulated losses		(28,396,241)	(27,279,495)
Total equity		4,711,563	5,655,356

The accompanying notes form part of these financial statements.

**SHOPLY LIMITED
& CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2014	32,868,235	66,616	(27,279,495)	5,655,356
Loss for the period	-	-	(1,116,746)	(1,116,746)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(1,116,746)	(1,116,746)
Transactions with owners in their capacity as owners				
Shares issued	119,953	-	-	119,953
Exercise of unlisted options	-	-	-	-
Share options expense	-	53,000	-	53,000
Capital raising costs	-	-	-	-
At 31 December 2014	32,988,188	119,616	(28,396,241)	4,711,563
At 1 July 2013	26,404,522	24,000	(25,789,559)	638,963
Loss for the period	-	-	(247,333)	(247,333)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(247,333)	(247,333)
Transactions with owners in their capacity as owners				
Shares issued	842,003	-	-	842,003
Exercise of listing options	14,378	-	-	14,378
Capital raising costs	(55,572)	-	-	(55,572)
At 31 December 2013	27,205,331	24,000	(26,036,982)	1,192,439

The accompanying notes form part of these financial statements.

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**SHOPLY LIMITED
& CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Half Year to 31 Dec 2014 \$	Half Year to 31 Dec 2013 \$
Cash Flows From Operating Activities		
Receipts from customers	8,885,698	1,491,583
Payments to suppliers and employees	(9,004,991)	(1,883,404)
Interest received	24,279	7,298
Borrowing costs	(4,319)	(2,237)
Net cash (used in) / from operating activities	(99,333)	(386,760)
Cash Flow From Investing Activities		
Payments for intangible assets	(120,514)	(77,383)
Payments for property, plant and equipment	(7,530)	(10,196)
Net cash flows used by investing activities	(128,044)	(87,579)
Cash Flow From Financing Activities		
Proceeds from shares issued	-	856,381
Capital raising costs	-	(55,572)
Net cash flows provided by financing activities	-	800,809
Net (decrease) / increase in cash and cash equivalents	(227,377)	326,470
Cash at beginning of period	3,510,259	564,223
Cash at end of period	3,282,882	890,693

The accompanying notes form part of these financial statements.

**SHOPLY LIMITED
& CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

1. Basis of preparation of the half-year financial report

(a) Basis of preparation

This condensed half year financial report has been prepared in accordance with Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*.

This half year financial report does not include all the notes of the type usually included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this interim financial report be read in conjunction with the financial report for the year ended 30 June 2014 and any public announcements made by Shoply Limited during the half year ended 31 December 2014 in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001* and ASX listing rules.

(b) Significant accounting policies

Except as described below, the accounting policies and methods of computation in preparing the consolidated financial statements for the half-year ended 31 December 2014 are consistent with those of the most recent annual financial report.

Fair value measurement

All financial instruments including cash, trade receivables and trade payables are all carried at fair value.

The management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(c) Going concern basis of accounting

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$1,116,746 (2013: loss \$247,333) and had net cash outflows from operating activities of \$99,333 (2013: outflow \$386,760) for the half year ended 31 December 2014.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The company has positive working capital at 31 December 2014 of \$2,783,808, including cash of \$3,282,882. The Directors are confident that the combination of careful management of overheads, the continuation of its organic revenue growth from acquired online shopping brands, and the potential to raise capital should circumstances require, provides sufficient funds to meet ongoing capital requirements of the consolidated entity for the foreseeable future.

**SHOPLY LIMITED
& CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

2. Dividends

The Company does not intend to pay a dividend in respect of the period ended 31 December 2014 (2013: nil). The Company does not have any dividend or distribution reinvestment plans in operation.

3. Net tangible assets per share

Net tangible asset backing per ordinary share at 31 December 2014 was 0.58 cents (2013: 0.47 cents).

4. Intangible Assets

	As at 31 Dec 2014 \$	As at 30 Jun 2014 \$
(a) Carrying values		
Intangible assets	1,779,709	1,851,582
Accumulated amortisation	(94,986)	(28,744)
Net carrying amount	<u>1,684,723</u>	<u>1,822,838</u>

As at 31 December 2014, the Company amortised \$81,124 to statement of comprehensive income.

**SHOPLY LIMITED
& CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

5. Contributed Equity

	As at 31 Dec 2014 \$	As at 30 Jun 2014 \$
a. Issued and paid up capital		
Ordinary shares fully paid	32,870,468	32,750,515
Listed options	117,720	117,720
Share issue costs	-	-
	32,988,188	32,868,235
Movement in ordinary shares on issue	No. of shares	No. of shares
Opening balance	479,241,137	207,901,921
Shares issued during the period		
Shares issue on 15 October 2013	-	31,185,288
Issue of placement shares on 11 March 2014	-	60,000,000
Issue of rights issue on 9 April 2014	-	60,000,000
Exercise of listed options	-	120,153,928
Exercise of unlisted options on 7 July 2014	39,625,824	-
Shares issued on 9 July 2014	3,071,199	-
Shares issued on 17 October 2014	2,851,052	-
Closing balance	524,789,212	479,241,137
b. Listed Options	No. of options	No. of options
Movement in listed options over ordinary shares		
Opening balance	102,687,230	147,248,490
Listed options issued	-	75,592,668
Exercise of options	-	(120,153,928)
Exercise of options on 7 July 2014	(39,625,824)	-
Lapse of options	(3,071,199)	-
Closing balance	59,990,207	102,687,230

6. Details of entities over which control has been gained or lost during the period

Control gained over entities

During the half year ended 31 December 2014, the Company did not acquire any subsidiary entities.

7. Loss of control of entities

There was no disposal of subsidiary entities in the half-year ended 31 December 2014.

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**SHOPLY LIMITED
& CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

8. Associates and joint venture entities

The Company did not have any interests in associates or joint venture entities during the period ended 31 December 2014 (2013: nil).

9. Subsequent events

The Group has no subsequent events to report.

10. Segment reporting

The Group has one operating segment, the financial reports presented in the ASX Appendix 4D reflect the performance of this segment.

11. Contingent liabilities and contingent assets

The Group has no contingent liabilities and contingent assets to report.

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**SHOPLY LIMITED
& CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

In accordance with a resolution of Directors of Shoply Limited, the Directors of the company declare that:

- (a) The financial statements and notes, as set out on pages 7 to 14 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
 - ii. give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date.
- (b) In the directors' opinion there are reasonable grounds to believe that the Shoply Limited will be able to pay its debts as and when they become due and payable.

On behalf of the board



Andrew Plympton
Non-Executive Chairman

27 February 2015

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
SHOPLY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Shoply Limited which comprises the consolidated statement of financial position as at 31 December 2014, consolidated statement of 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2014 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 Shoply Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Shoply Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

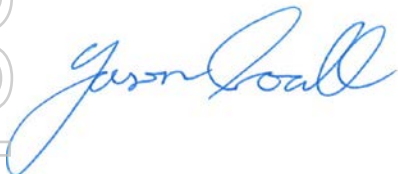
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Shoply 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 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



J S CROALL
Partner

Melbourne, VIC
27 February 2015