Appendix 4D

For the half year ended 31 December 2018

(Previous corresponding period being the half year ended 31 December 2017)

Results for announcement to the market

Experience Co Limited ACN 167 320 470

				December 2018 $'000	December 2017 $'000
Revenue from ordinary activities	Up	42.3%	to	84,309	59,239
Net profit before tax	Up	63.1%	to	9,904	6,072
Net profit after tax attributable to shareholders	Up	59.1%	to	7,383	4,641

Net tangible assets	December 2018	December 2017
Net assets per share	$0.33	$0.32
Net tangible assets per share	$0.18	$0.16

Dividends

On 28 September 2018, a fully franked dividend of $0.01 per share was paid out of retained profits as at 30 June 2018, amounting to $5,558,118.

This Appendix 4D is based on the Interim Financial Report for the half year ended 31 December 2018 (as attached) which has been reviewed by the Experience Co Limited's auditors.

The remainder of the information requiring disclosure to comply with the Listing Rule 4.2A is contained in the Interim Financial Report that follows.

Experience Co Limited

ACN 167 320 470

Interim Financial Report

Half year ended 31 December 2018

Experience Co Limited
Half Year Report
For the period ended 31 December 2018

Contents

Experience Co Limited
Directors' Report

The directors present their report on the consolidated entity (referred to herein as the Group) consisting of Experience Co Limited and its controlled entities for the half year ended 31 December 2018.

The following persons were directors of Experience Co Limited during or since the end of the period up to the date of this report:

Kerry (Bob) East	Independent Non-Executive Director Chair (appointed 26 October 2018) Executive Chair (appointed 13 February 2019)
John Diddams	Independent Non-Executive Director Deputy Chair of the Board
Colin Hughes	Independent Non-Executive Director
Anthony Boucaut	Executive Director Managing Director
Anthony Ritter	Executive Director (resigned 13 February 2019) Chief Executive Officer (resigned 13 February 2019)

Company Secretaries
The Directors appointed Fiona van Wyk as Company Secretary on 10 September 2018 at which time joint Company Secretaries John Diddams and Anthony Ritter resigned.

Principal Activities
The principal activities of the Group during the period was the provision of adventure tourism and leisure experiences, including tandem skydiving in Australia and New Zealand, white water rafting, canyoning, helicopter and boat tours, snorkelling and diving in the Great Barrier Reef, rainforest tours in the Daintree in North Queensland and hot air ballooning in New South Wales and Queensland.

Business Overview
The Group is a leading adventure tourism and activities business offering customers adventure activities and experiences throughout Australia and New Zealand.

As at 31 December 2018, adventure activities and experiences operated from the following locations:
- 16 skydiving dropzones in Australia and 3 in New Zealand
- An eco-tourism adventure hub in Cairns Far North Queensland, offering customers white water rafting, hot air ballooning, canyoning, sea kayaking, snorkelling, scuba diving,helicopter and boat tours to the Great Barrier Reef and Daintree Forest Tours.
- Hot Air ballooning locations in Byron Bay and The Hunter Valley, New South Wales, and in Cairns, Far North Queensland.

The Group operates under a number of recognised and well respected brands including: Skydive the Beach, Skydive Australia, NZone Skydive, Skydive Wanaka, Raging Thunder Adventures, Reef Magic Cruises, Byron Bay and Wine Country Balloons, Great Barrier Reef Helicopters, Big Cat Green Island Reef Cruise, Tropical Journeys and Calypso Reef Tours.

The Group has a team of more than 1,000 comprising full time, part time employees and contractors to carry out Group activities.

Experience Co Limited
Directors' Report

Review of operations

Presented below is a summary of historical and current operating statistics and financial performance information, including a comparison of actual results for the period ended 31 December 2018 against the same period last year.

Currency: Australian dollars	Unit	1H19	1H18	Change	Change %
Financial performance metrics					
Sales revenue	$million	84.3	59.2	25.1	*42.3%*
EBITDA[1]	$million	17.6	11.2	6.4	*57.1%*
Net profit before income tax	$million	9.9	6.1	3.8	*63.1%*
Net profit	$million	7.4	4.6	2.8	*59.1%*
Underlying EBITDA[2]	$million	17.3	13.2	4.1	*31.1%*
Underlying operating cash flow[3]	$million	17.9	12.4	5.5	*44.4%*
Underlying operating cash flow conversion[4]	%	103.5%	93.9%	9.6ppt	*10.2%*
Earnings per share (basic)	cents	1.3	1.0	0.3	*29.2%*
Earnings per share (diluted)	cents	1.3	1.0	0.3	*29.9%*
Operating metrics					
Skydiving revenue[5]	$million	39.9	37.6	2.2	*5.8%*
Skydiving tandem jumps	No.	92,664	91,108	1,556	*1.7%*
Average revenue per tandem jump	$	430	413	17	*4.1%*
Skydiving Underlying EBITDA margin[6]	%	32.9%	34.3%	(1.4)ppt	*(4.0%)*
Adventure Experiences revenue	$million	42.0	20.5	21.5	*104.9%*
Adventure Experiences	No.	221,105	112,045	109,060	*97.3%*
Average revenue per experience	$	190	183	7	*3.8%*
Adventure Experiences Underlying EBITDA margin	%	22.1%	24.4%	(2.3)ppt	*(9.4%)*
Capital metrics		**Dec18**	**Jun18**	**Change**	**Change %**
Net debt	$million	23.1	28.4	(5.3)	*(18.7%)*
Gearing ratio[7]	%	15.1%	19.2%	(4.1)ppt	*(21.5%)*
Net debt to Underlying EBITDA	multiple	0.7	0.9	(0.2)	*(23.8%)*
Net assets per share	cents	32.8	32.5	0.4	*1.1%*
Net tangible assets per share	cents	17.8	16.1	1.7	*10.3%*

Notes

1. Earnings before interest, tax, depreciation and amortisation
2. Earnings before interest, tax, depreciation and amortisation adjusted for one-off items
3. Underlying operating cash flow is defined as operating cash flow before finance costs and income taxes, and one-off items
4. Underlying operating cash flow divided by Underlying EBITDA
5. Skydiving revenue is based the Sales revenue reported for the Skydiving segment, excluding other sales (being sales not associated with jump activity)
6. Calculated based on Underlying EBITDA for the Skydiving segment divided by Skydiving revenue (see Note 5 above)
7. Gearing ratio is net debt (gross borrowings less cash equivalents) as a % of total tangible assets

The profit for the Group after providing for income tax amounted to $7.4 million (31 December 2017: $4.6 million).

Underlying EBITDA saw an increase in the period to $17.3 million (31 December 2017: $13.2 million) which reflected:

- full period contribution from 1H18 acquisitions, which increased the contribution from the Adventure Experiences segment;
- stabilisation in Skydiving revenue and volume in both Australia and New Zealand; and
- increase in corporate costs.

Underlying operation cashflow conversion improved on the prior period to 103.5% (31 December 2017: 93.9%), demonstrating the business model's strong operating cash conversion cycle.

Skydiving

We continue to have a market leading position in both Australia and New Zealand.

FY18 saw the first fatalities in the Australian tandem skydive industry in over 30 years, and also the first Experience Co jump fatalities in the Mission Beach incident in October 2017 and a fatality at our Queenstown operation in January 2018.

These events and the effects of poor weather impacted the trajectory of the Skydiving operations in Australia and New Zealand heading into the period, and accordingly we were pleased with the increase in tandem jump volume by 1.4% in Australia and 2.5% in New Zealand on the prior period, or 1.7% across the Skydiving business.

Adventure Experiences

The growth on the prior period, has been driven by the full period contribution of the 1H18 acquisitions, in particular Big Cat, Tropical Journeys and Great Barrier Reef Helicopters ('GBRH').

Overall, with over 98% of our Adventure Experience business located in Far North Queensland our earnings have been impacted by record rainfalls in late 2018 and a softer tourism market, which is reflected in period on period decreases in airport arrivals (both domestic and international). Market commentary attributes a significant driver to be domestic airline capacity and ticket pricing, which is driving down the all important domestic incoming passenger volume, noting that Cairns international patronage often comes via other major Australian centres.

These factors were the primary drivers of the revised earnings guidance issued in February 2019, as these conditions continued into early 2019.

Corporate

1H19 corporate costs are tracking in line with expectations. The increase on the prior period is largely driven by internal reorganisation as a result of the 1H18 acquisitions, and amongst other items increases in insurance costs in the period.

Capital management

Heading into the second half the Group will be looking to heighten the focus on capital management discipline and improve fixed assets management to better align the physical, operational and financial objectives of the business.

Reconciliation of net profit after tax to non-Australian Accounting Standard measures

	31 December 2018 $'000	31 December 2017 $'000
Net profit after tax	**7,383**	**4,641**
Add: Depreciation and amortisation	6,839	4,231
Add: Finance costs	884	894
Add: Income Tax Expense	2,521	1,431
Earnings before interest, taxes, depreciation, amortisation and impairment (EBITDA)	**17,627**	**11,197**
Add: One off Items [1]	(303)	1,995
Underlying EBITDA	**17,324**	**13,192**
Net profit after tax	**7,383**	**4,641**
Add: One off Items [1]	(303)	1,995
Less: Tax effect	91	(599)
Underlying Net Profit after Tax	**7,171**	**6,037**

1. One off items in HY19 comprised non-recurring redundancy and legal costs offset by an insurance recovery. 1H18 one-off items included business acquisition due diligence and advisory fees, rebranding project costs and office renovation expenses.

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the net profit under AAS adjusted for interest, taxation, depreciation and amortisation. The directors consider EBITDA to be meaningful measure of the operating performance of the consolidated entity on a statutory basis.

Underlying EBITDA and Underlying NPAT are financial measures not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for interest, taxation, depreciation and amortisation, and one-off items. The directors consider Underlying EBITDA to reflect the core earnings of the consolidated entity.

Outlook

The Group remains well positioned in key market and the core business remains solid.

Consistent with our announcement on 13 February 2019, the Group expects to achieve Underlying EBITDA of $30 million to $33 million for FY19, assuming no material changes in market conditions.

Dividends

On 28 September 2018, a fully franked dividend of $0.01 per share was paid out of retained profits at 30 June 2018, amounting to $5,558,118.

There have been no other dividends paid or declared during the period.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group in the period.

Events Subsequent to the End of the Reporting Period

On 13 February 2019 Anthony Ritter the CEO and an Executive Director resigned his positions effective on that date.

Rounding of Amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 206/191 issued by ASIC relating to rounding off applies and in accordance with that instrument amounts in the Financial Statements and Directors' Reports have been rounded to the nearest thousand dollars.

Auditor's independence declaration

A copy of the auditor's independence declaration as requested under section 307C of the Corporation Act 2001 is set out on page 18.

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

Anthony Boucaut
Managing Director

Kerry (Bob) East
Executive Chairman

Sydney: 25 February 2019

Experience Co Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Half year ended 31 December 2018

	Note	31 December 2018 $000	31 December 2017 $000
Sales revenue		**84,309**	**59,239**
Cost of sales		(50,364)	(34,879)
Gross profit		**33,945**	**24,360**
Other income		2,864	500
Administrative and corporate expenses		(14,400)	(10,287)
Occupancy expenses		(2,192)	(1,594)
Depreciation and amortisation expenses		(6,839)	(4,231)
Marketing, advertising and agents commission expenses		(1,540)	(1,291)
Repairs and maintenance expenses		(1,050)	(491)
Finance costs		(884)	(894)
Other expenses		-	-
Profit before income tax		**9,904**	**6,072**
Tax expense		(2,521)	(1,431)
Net profit after tax for the period		**7,383**	**4,641**
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Fair value gains on available-for-sale financial assets, net of tax		-	-
Fair value gains on cash flow hedges (effective portion), net of tax		-	-
Exchange differences on translating foreign operations, net of tax		125	208
Other comprehensive income for the period		**125**	**208**
Total comprehensive income for the period		**7,508**	**4,849**
Earnings per Share	**12**		
Basic earnings per share (cents)		1.33	1.03
Diluted earnings per share (cents)		1.30	1.00

The accompanying notes form part of these financial statements.

Experience Co Limited
Consolidated Statement of Financial Position
as at 31 December 2018

	Note	As at 31 December 2018 $000	As at 30 June 2018 $000
ASSETS			
Current assets			
Cash and cash equivalents		12,848	7,171
Trade and other receivables		7,264	8,385
Inventories		5,881	4,710
Current tax asset		390	317
Other assets		2,830	1,979
Total current assets		**29,213**	**22,562**
Non-current assets			
Trade and other receivables		1,240	1,803
Other financial assets		2,080	1,560
Property, plant and equipment	**5**	120,359	121,539
Deferred tax assets		-	-
Intangible assets	**6**	83,633	84,968
Total non-current assets		**207,312**	**209,870**
Total assets		**236,525**	**232,432**
LIABILITIES			
Current liabilities			
Trade and other payables		11,515	9,630
Borrowings	**9**	1,584	3,305
Provisions		2,999	2,834
Deferred revenue		1,843	1,158
Total current liabilities		**17,941**	**16,927**
Non-current liabilities			
Borrowings	**9**	34,331	32,230
Deferred tax liabilities		1,387	2,429
Provisions		524	454
Total non-current liabilities		**36,242**	**35,113**
Total liabilities		**54,183**	**52,040**
Net assets		**182,342**	**180,392**
EQUITY			
Issued capital	**7**	168,860	168,860
Retained earnings		16,469	14,644
Reserves		(2,987)	(3,112)
Total equity		**182,342**	**180,392**

The accompanying notes form part of these financial statements.

Experience Co Limited
Consolidated Statement Changes in Equity
Half year ended 31 December 2018

	Note	Issued Capital	Retained Earnings	Asset Revaluation Reserve	Common Control Reserve	Share Option Reserve	Foreign Currency Translation Reserve	Total
		$000s	$000s	$000s	$000s	$000s	$000s	$000s
Consolidated Group								
Balance at 1 July 2017		84,321	12,208	2,386	(4,171)	18	(266)	94,496
Comprehensive income								
Profit for the period		-	4,641	-	-	-	-	4,641
Other comprehensive income		-	-	-	-	-	208	208
Total comprehensive income		**-**	**4,641**	**-**	**-**	**-**	**208**	**4,849**
Transactions with owners, in their capacity as owners.								
Shares issued during the period	**7**	86,946	-	-	-	-	-	86,946
Capital raising costs		(3,438)	-	-	-	-	-	(3,438)
Dividends paid during the period	**3**	-	(4,349)	-	-	-	-	(4,349)
Total transactions with owners and other transfers		**83,507**	**(4,349)**	**-**	**-**	**-**	**-**	**79,158**
Balance at 31 December 2017		**167,828**	**12,500**	**2,386**	**(4,171)**	**18**	**(58)**	**178,503**
Balance at 1 July 2018		**168,860**	**14,644**	**1,382**	**(4,171)**	**18**	**(341)**	**180,392**
Comprehensive income								
Profit for the period		-	7,383	-	-	-	-	7,383
Other comprehensive income		-	-	-	-	-	125	125
Total comprehensive income		**-**	**7,383**	**-**	**-**	**-**	**125**	**7,508**
Transactions with owners, in their capacity as owners								
Dividends paid during the period		-	(5,558)	-	-	-	-	(5,558)
Total transactions with owners and other transfers		**-**	**(5,558)**	**-**	**-**	**-**	**-**	**(5,558)**
Balance at 31 December 2018		**168,860**	**16,469**	**1,382**	**(4,171)**	**18**	**(216)**	**182,342**

The accompanying notes form part of these financial statements.

Experience Co Limited
Consolidated Statement of Cash Flows
Half year ended 31 December 2018

	31 December 2018 $000	31 December 2017 $000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (GST inclusive)	97,305	65,331
Payments to suppliers and employees (GST inclusive)	(79,081)	(56,877)
Finance costs	(741)	(894)
Income tax paid	(2,131)	(2,538)
Net cash provided by operating activities	**15,352**	**5,022**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	1,654	-
Purchase of property, plant and equipment	(5,281)	(15,825)
Purchase of other non-current assets	(111)	(1,500)
Payments for investments in subsidiaries	(1,250)	(69,058)
Cash acquired in business acquisitions	-	1,897
Net cash used in investing activities	**(4,988)**	**(84,486)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	80,946
Capital raising costs	-	(3,438)
Proceeds from borrowings	2,500	13,447
Repayment of borrowings	(2,121)	(2,071)
Dividends paid by parent entity	(5,558)	(4,349)
Loan repayments from related parties	371	-
Net cash (used)/provided by financing activities	**(4,808)**	**84,535**
Net increase in cash held	**5,555**	**5,071**
Cash and cash equivalents at beginning of the period	**7,171**	**9,490**
Effect of exchange rates on cash holdings in foreign currencies	122	(96)
Cash and cash equivalents at end of the period	**12,848**	**14,465**

The accompanying notes form part of these financial statements.

1 Significant Accounting Policies

Statement of compliance
The interim financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The interim financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation
The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's 30 June 2018 Annual Financial Report for the financial year ended 30 June 2018. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

AASB 3 Business Combinations
AASB 3 allows a measurement period after a business combination to provide the acquirer a reasonable time to obtain information necessary to identify and measure all of the various components of the business combinations as at the acquisition date. This period cannot exceed one year from the acquisition date.

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policy below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Impact of adoption
AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There is no impact on opening retained profits as at 1 July 2018.

Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Judgements, Estimates and Assumptions
The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. All critical accounting estimates and judgements are consistent with those applied and included in the annual financial report for the year ended 30 June 2018.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and did not have any significant impact on the amounts reported for the current or prior periods.

2 Segment information

Identification of reportable segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (who are identified as the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group's financial performance is examined primarily from an activities perspective and operating segments have therefore been determined on the same basis.

The Group has identified the following reportable operational segments:
- Skydive Operations
- Adventure Experiences
- Corporate

(i) One off items in HY19 comprised non-recurring redundancy and legal costs offset by the reversal of an insurance recovery. 1H18 one-off items included business acquisition due diligence and advisory fees, rebranding project costs and office renovation expenses

Corporate costs are primarily head office costs borne by the group that are not allocated to operating segments as they are deemed costs that can not be accurately allocated. They include head office payroll costs, sales & marketing costs, travel expenses, acquisition costs and advisory fees. During the period the Directors have reallocated the Shared Services costs to Corporate.

The following is an analysis of the Group's revenue and results by reportable operating segment for the period under review:

(i) Operating Segment information

31 December 2018	Skydiving $000	Adventure Experiences $000	Corporate $000	Total $000
Revenue				
Sales to external customers	42,267	42,042	-	84,309
Inter-segment sales				-
Sales revenue	**42,267**	**42,042**	**-**	**84,309**
Other income	1,140	1,724	-	2,864
Total segment revenue	**43,407**	**43,766**	**-**	**87,173**
EBITDA	**13,118**	**10,055**	**(5,546)**	**17,627**
Depreciation and amortisation	(2,868)	(3,743)	(228)	(6,839)
EBIT	**10,250**	**6,312**	**(5,774)**	**10,788**
Finance costs				(884)
Income Tax Expense				(2,521)
Net profit after tax				**7,383**
EBITDA	**13,118**	**10,055**	**(5,546)**	**17,627**
One Off Items	**-**	(745)	442	(303)
Underlying EBITDA	**13,118**	**9,310**	**(5,104)**	**17,324**

31 December 2017	Skydiving $000	Adventure Experiences $000	Corporate $000	Total $000
Revenue				
Sales to external customers	38,724	20,497	18	59,239
Inter-segment sales	-	-	-	-
Sales revenue	**38,724**	**20,497**	**18**	**59,239**
Other income	113	387	-	500
Total Revenue	**38,837**	**20,884**	**18**	**59,739**
EBITDA	**12,933**	**4,839**	**(6,575)**	**11,197**
Depreciation and amortisation	(3,207)	(852)	(172)	(4,231)
EBIT	**9,726**	**3,987**	**(6,747)**	**6,966**
Finance costs				(894)
Income Tax Expense				(1,431)
Net profit after tax				**4,641**
EBITDA	**12,933**	**4,839**	**(6,575)**	**11,197**
One Off Items	-	111	1,884	1,995
Underlying EBITDA	**12,933**	**4,950**	**(4,691)**	**13,192**

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the net profit under AAS adjusted for interest, taxation, depreciation and amortisation. The directors consider EBITDA to be meaningful measure of the operating performance of the consolidated entity on a statutory basis.

31 December 2018	Skydiving $000	Adventure Experiences $000	Corporate $000	Total $000
Assets				
Segment Assets	**121,607**	**114,746**	**172**	**236,525**
Liabilities				
Segment Liabilities	**20,127**	**11,120**	**22,936**	**54,183**
30 June 2018				
Assets				
Segment Assets	**119,503**	**112,760**	**169**	**232,432**
Liabilities				
Segment Liabilities	**19,331**	**10,680**	**22,029**	**52,040**

2 Segment information (continued)

Identification of reportable segments
The Group has identified two geographical segments, Australia and New Zealand.

The following is an analysis of the Group's revenue and non current assets per geographical segment for the period under review:

Segment performance

	Australia $000	New Zealand $000	Total $000
31 December 2018			
Revenue			
Sales to external customers	69,166	15,143	84,309
	69,166	**15,143**	**84,309**
31 December 2017			
Revenue			
Sales to external customers	46,258	12,981	59,239
	46,258	**12,981**	**59,239**
Non Current Segment Assets			
31 December 2018			
Non Current Segment assets	182,112	25,200	207,312
	182,112	**25,200**	**207,312**
30 June 2018			
Non Current Segment assets	184,149	25,721	209,870
	184,149	**25,721**	**209,870**

3 Dividends

On 28 September 2018, a fully franked dividend of $0.01 per share was paid out of retained profits at 30 June 2018, amounting to $5,558,118.

No other dividends have been paid or declared.

4 Acquisition of Controlled Entities

On 4 October 2018, Experience Co Limited paid an amount of $1,250,000 to the vendors of GBR Helicopters Pty Ltd and GBRH Holdings Pty Ltd. This payment was a fulfillment of an obligation in accordance with the sale and purchase agreement for GBR Helicopters Pty Ltd and GBRH Holdings Pty Ltd, which was acquired on 1 November 2017.

5 Property, Plant and Equipment

	As at 31-Dec-18 $000	As at 30-Jun-18 $000
Plant and equipment:		
At cost	13,944	11,342
Accumulated depreciation	(4,754)	(3,621)
	9,190	**7,721**
Leasehold improvements:		
At cost	4,690	4,434
Accumulated depreciation	(949)	(890)
	3,741	**3,544**
Aircraft:		
At revalued amounts	64,888	64,628
Accumulated depreciation	(4,977)	(2,713)
	59,911	**61,915**
Motor vehicles:		
At cost	6,710	6,403
Accumulated depreciation	(1,963)	(1,571)
	4,747	**4,832**
Office equipment:		
At cost	1,621	1,463
Accumulated depreciation	(1,071)	(920)
	550	**543**
Land and buildings:		
At cost	9,297	9,096
Accumulated depreciation	(80)	(181)
	9,217	**8,915**
Vessels:		
At revalued amounts	35,340	34,506
Accumulated depreciation	(3,967)	(2,111)
	31,373	**32,395**
Floating Docks		
At cost	1,969	1,838
Accumulated depreciation	(339)	(164)
	1,630	**1,674**
Total property, plant and equipment	**120,359**	**121,539**

5 Property, Plant and Equipment (continued)

a) Movements in Carrying Amounts

	Plant & Equipment	Leasehold Improvements	Aircraft	Motor Vehicles	Office Equipment	Land and buildings	Vessels	Floating Docks	Total
Opening balance	7,721	3,544	61,915	4,832	543	8,915	32,395	1,674	**121,539**
Additions through business combinations	-	-	-	-	-	-	-	-	**-**
Additions	2,336	256	1,189	451	114	345	459	131	**5,281**
Revaluations	-	-	-	-	-	-	-	-	**-**
Disposals	-	-	(905)	(156)	-	-	-	-	**(1,061)**
Transfers between classes	-	-	-	-	-	-	-	-	**-**
Depreciation expense	(867)	(59)	(2,288)	(380)	(107)	(43)	(1,481)	(174)	**(5,399)**
Closing balance	**9,190**	**3,741**	**59,911**	**4,747**	**550**	**9,217**	**31,373**	**1,630**	**120,359**

6 Intangible Assets

	As at 31-Dec-18 $000	As at 30-Jun-18 $000
Goodwill:		
Cost	37,040	36,301
Accumulated impaired losses	-	-
	37,040	**36,301**
Leases & Licences:		
Cost	12,226	10,860
Accumulated amortisation and impairment losses	(1,907)	(1,305)
	10,319	**9,555**
Trademarks:		
Cost	14,423	14,370
Accumulated amortisation and impairment losses	(66)	-
	14,357	**14,370**
Computer software:		
Cost	1,356	1,338
Accumulated amortisation and impairment losses	(1,078)	(1,020)
	278	**318**
Customer relationships and other intangible assets:		
Cost	24,827	26,976
Accumulated amortisation	(3,188)	(2,552)
	21,639	**24,424**
Total intangibles	**83,633**	**84,968**

a) Movements in Carrying Amounts	Goodwill $000	Leases & Licences $000	Trademarks $000	Computer Software $000	Customer relationships and other $000	Total $000
Opening balance	36,301	9,555	14,370	318	24,424	**84,968**
Additions through business combinations	-	-	-	-	-	**-**
Additions	-	-	95	16	-	**111**
Disposals	-	-	-	-	-	**-**
Transfers between classes	739	1,366	(108)	-	(1,997)	**-**
Amortisation expense	-	(602)	-	(56)	(788)	**(1,446)**
Closing balance	**37,040**	**10,319**	**14,357**	**278**	**21,639**	**83,633**

7 Issued Capital

	As at 31-Dec-18 $000	As at 30-Jun-18 $000
Fully paid ordinary shares	**168,860**	**168,860**
	No.	**No.**
At the beginning of the reporting period	555,811,840	434,877,669
Shares issued during the period	-	120,934,171
Balance at the end of the reporting period	**555,811,840**	**555,811,840**

8 Fair Value Measurements

The Group measures and recognises the aircraft assets at fair value on a recurring basis after initial recognition.

The Group subsequently measures some items of freehold land and buildings at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows;

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group elects to use external valuation experts where possible. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

	31 December 2018			
Recurring fair value measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-financial assets	**$000**	**$000**	**$000**	**$000**
Aircraft	-	-	59,911	59,911
Vessels	-	-	31,373	31,373
Total non-financial assets recognised at fair value on a recurring basis	-	-	91,284	91,284
Total non-financial assets recognised at fair value	-	-	91,284	91,284

(b) Valuation techniques and inputs used to measure Level 3 fair values

Fair Value ($) at 31 December 2018		**Valuation technique(s)**	**Inputs used**
Description			
Non-financial assets			
Aircraft equipment	59,911	Market approach using recent observable market data for similar assets	Make and model of vessels, aircraft frame, engines and other key components, maintenance status, damage history
Vessels	31,373		
	91,284		

The fair value of aircraft equipment and vessels is expected to be determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data.

There were no changes during the period in the valuation techniques used by the Group to determine Level 3 fair values.

9 Borrowings

	As at 31-Dec-18 $000	As at 30-Jun-18 $000
Current		
Bank loans	-	263
Finance lease liabilities	1,584	3,042
Vendor finance loan	-	-
Total current borrowings	**1,584**	**3,305**
Non-Current		
Bank loans	20,000	18,004
Finance lease liabilities	14,331	14,226
Total non-current borrowings	**34,331**	**32,230**
Total borrowings	**35,915**	**35,535**
Total current and non-current secured liabilities:		
Bank loan	20,000	18,267
Finance lease liabilities	15,915	17,268
Vendor finance loan	-	-
	35,915	**35,535**

10 Contingent Assets and Contingent Liabilities

The Group had no contingent assets or contingent liabilities as at 31 December 2018.

11 Events After the End of the Period

On 13 February 2019 Anthony Ritter the CEO and an Executive Director resigned his positions effective on that date.

12 Earnings Per Share

			2018 $000	2017 $000
(a)	Earnings used to calculate basic and diluted EPS		**7,383**	**4,641**
(b)	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS		555,811,840	452,277,244
	Weighted average number of dilutive options outstanding		10,300,000	10,300,000
	Weighted average number of dilutive service rights outstanding	Issued 30/11/18	188,701	-
	Weighted average number of dilutive converting preference shares on issue		**-**	-
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS		**566,300,541**	**462,577,244**
	Basic earnings per share (cents)		1.33	1.03
	Diluted earnings per share (cents)		1.30	1.00

13 Company Details

The registered office and principal place of business is:
51 Montague Street
NORTH WOLLONGONG NSW 2500

Experience Co Limited
Directors' Declaration

In accordance with a resolution of the directors of Experience Co Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 16:

(a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and

(b) give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the period ended on that date.

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

Anthony Boucaut
Managing Director
Dated: 25 February 2019

Kerry (Bob) East
Executive Chairman

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Experience Co Limited for the half year ended 31 December 2018, 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 AUSTRALIA PARTNERS

CAMERON HUME
Partner

Sydney, NSW
Dated: 25 February 2019

RSM Australia Partners

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GPO Box 5138 Sydney NSW 2001

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

EXPERIENCE CO LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Experience Co Limited which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and 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 consolidated entities are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 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 Experience Co 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 Experience Co Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 Experience Co 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 2018 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 AUSTRALIA PARTNERS

CAMERON HUME
Partner

Sydney, NSW
Dated: 25 February 2019