

VIA ELECTRONIC LODGEMENT

27 February 2009

Australian Stock Exchange
Company Announcements Platform

Half Year Financial Report – Over Fifty Group Limited (OFG)

Statutory Results for Six Months to 31 December 2008

OFG today released its financial report for the six months to 31 December 2008.

It is important to note that the financial results of the OFG listed company are separate to and quarantined from the affairs of the Friendly Society benefit funds.

Current accounting standards require OFG to bring to account non-cash impairment provisions and fair value adjustments for company assets and investments. Whilst the Group made a positive normalised profit in difficult trading conditions, final results for the period have been heavily affected by these non-cash adjustments.

As a result of these adjustments, the Net Profit generated by OFG corporate (excluding friendly society benefit funds) is summarised as follows. These financial results supersede the estimated figures released in the continuous disclosure release made on 24 February 2009:

	Half Year 2009	Half Year 2008
	\$ M	\$ M
Normalised After Tax Profit	2.544	5.284
Non Cash Adjustments		
Impairment of property trust investment	(4.881)	-
Impairment in respect to guarantee	(6.877)	-
Loss on property revaluations	(1.756)	-
Mark to market of financial instruments	(1.919)	0.142
Provision for doubtful debt – mortgages	(1.062)	(1.381)
Profit from discontinued operations	0.155	-
One off corporate expenses	-	(1.162)
Tax effect on non cash and specific items	3.968	0.768
Net Profit/Loss after Tax	(9.828)	3.651

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Interim Dividend

Your board has decided that non-payment of an interim dividend for the half year to 31 December 2008 is the most prudent step it can take bearing in mind the extremely challenging market conditions being experienced globally. It believes that it is in the shareholders interest that OFG give debt reduction and working capital requirements priority at this time.

Corporate Loan Facility

OFG is pleased to announce that its lender has agreed to renew its \$24.5M corporate loan facility for a further 12 months on commercial terms. This will represent an extension of an existing 12 month facility to the same lender.

Further Information

A further more detailed investor briefing will be publicly available over the next 5 business days.

For further information contact:

Investors
John McBain (02) 8923 8923
CEO

Media
Tim Allerton (02) 9267 4511

Yours faithfully,

Terry Reid
Company Secretary

Appendix 4D

Half Year Report

OVER FIFTY GROUP LIMITED

ABN: 22 095 454 336

1 Reporting period: 6 months to 31st December 2008		
Previous period: 6 months period to 31st December 2007		
	\$'000	% change from previous period
2 Results for announcement to the market		
2.1 (a) Revenue from ordinary activities (including Benefit funds).	55,745	-6.29%
2.1(b) Revenue from shareholder activities (refer 2.6 below)	25,720	-8.31%
2.2 Profit (loss) from ordinary activities after tax attributable to members.	(9,957)	-372.71%
2.3 (a) Net profit (loss) for the period attributable to members.	(9,957)	-372.71%
2.3 (b) Normalised net profit (loss) before tax for the period	3,634	-51.66%
2.4 Final dividend 2008: (paid in Oct 2008)		
Amount per security (cents)		3.00
Franked amount per security (cents)		3.00
Proposed interim dividend 2008:		
Amount per security (cents)		0.00
Franked amount per security (cents)		0.00
2.5 Interim dividend:		
Record date for determining entitlements to the dividend		N/A
2.6 Revenue from ordinary activities (refer 2.1(a)) includes the combine revenues of both the consolidated corporate group as well as the Benefit Funds which, due to accounting standards, all operating revenue and expenditure from the Benefit Funds of our wholly-owned friendly society must be consolidated with the Group results.		

The main sources of revenue from shareholder activities (refer 2.1(b)) were from the operations of the Over Fifty Mutual Friendly Society, the Property Funds Management division and the Reverse Mortgage business.

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The after tax profit result for the six months (refer 2.2) was impacted by the following specific non-cash and significant expense items:

- (i). Specific provisions totalling \$1.16m to cover the expected non recovery of mortgage advances relating to the commercial mortgage division which is currently being wound down.
- (ii). The total valuation decrement of \$1.756m was recorded in relation to the properties held on balance sheet at Chisholm, Moonah Links and Torquay Sands.
- (iii). The parent entity recorded a provision of \$6.877m on 11.3 million units in Century Bulky Goods Fund No.1 (CBGF1) upon which it has provided a guarantee on for compulsory buy back.
- (iv). The parent entity incurred an impairment and equity accounted loss on the carrying value of units held in an unlisted property trust of \$4.9 million.
- (v). The unrealised loss on financial derivatives of \$1.92m.

3 Net tangible assets backing:

	<u>2008</u>	<u>2007</u>
Number of Ordinary Shares	60,298,873	58,870,394
Net tangible assets (\$000's)	27,752	53,486
Net tangible assets per security	\$0.46	\$0.91
Net assets	74,958	92,654
Net assets per security	\$1.24	\$1.57

4 There were no entities over which control has been gained during the period.

5 Final dividend 2008:

Date dividend paid	5-Oct-08
Amount of dividends paid	\$1,822,000
Amount per security of foreign sourced dividend	0.00
Proposed Interim dividend:	
Date dividend payable	N/A
Amount of dividend payable	\$0
Amount per security of foreign sourced dividend	0.00

6 A Dividend Reinvestment Plan ("Plan") has been in operation since the Company listed on the ASX on 26 March 2002.

A copy of the Plan Rules is available on the Company's website or from our share registry at ASX Perpetual Registrars Limited.

7 The Group owns 50% of the shares in Mortgageport Management Pty Limited. As the Company does not have control the entity is treated as an associate and accounted for using the equity method.

The contribution to the group's results for the half year was \$211,958 (2007: \$367,091).

8 Over Fifty Group Limited is not a foreign entity nor are any of the controlled entities.

9 This report is based on accounts, which have been reviewed by the auditors. A copy of the auditor's review report is attached.

The accounts are not subject to qualification.

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**OVER FIFTY GROUP LIMITED AND CONTROLLED
ENTITIES**

A.B.N. 22 095 454 336

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

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**OVER FIFTY GROUP LIMITED AND CONTROLLED ENTITIES
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

The Directors of Over Fifty Group Limited (the Company) submit the following report of the Over Fifty Group Limited and its subsidiaries (the Group) in respect of the half year ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of the Directors of the Company in office during or since the end of the half year are:

R.W. Dobson, LL.B(Hons), LL.M. (Chairman since appointment). Independent Director since 28th November 2007.

P.J. Done, BComm, FCA. Independent Director since 28th November 2007.

M.G. Grant BVSc, MBA, FAICD. Independent Director since 4th April 2001 - Resigned 29 Oct 2008.

D.K. Gupta, BComm, MBA. Independent Director since 28th November 2007.

J.C. Huljich, BComm. Executive Director since 28th November 2007.

J.E. McBain, DipUrbVal. Executive Director since 10th July 2006.

Unless indicated otherwise, Directors held their positions as a Director throughout the half year and up to the date of this report. Where Directors have resigned during the period their details are correct to the date of resignation.

COMPANY SECRETARY

T.D. Reid, Dip. Bus. Studies (Acc), CA, Fdn FPA. Company Secretary since 10th December 2007.

PRINCIPAL ACTIVITIES

The consolidated entity's principal activities of Over Fifty Group Limited (OFG) as the parent entity, and of its controlled entities in the course of the financial year, were the marketing and management of investment products (including friendly society investment bonds and property investment funds), general insurance through agency arrangements, mortgage lending and management, property investment and management of Over Fifty Guardian Friendly Society Limited.

There were no significant changes in the activities of the consolidated entity during the period.

**OVER FIFTY GROUP LIMITED AND CONTROLLED ENTITIES
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

REVIEW OF OPERATIONS

The net loss after tax for the half year to 31st December 2008 was \$9.828 million (2007 profit: \$3.651m). The net result was impacted by specific non cash and one off significant expense items detailed later in this report.

The main sources of revenue were from the operations of the Over Fifty Mutual Friendly Society, the Property Funds Management and the Reverse Mortgage business. The result for the six months was however affected by following items of expense being:

1. Specific provisions totalling \$1.16m to cover the expected non recovery of mortgage advances relating to the commercial mortgage division which is currently being wound down.
2. The total valuation decrement of \$1.756m was recorded in relation to the properties held on balance sheet at Chisholm, Moonah Links and Torquay Sands.
3. The parent entity recorded a provision of \$6.877m on 11.3 million units in Century Bulky Goods Fund No.1 (CBGF1) upon which it has provided a guarantee for redemption.
4. The parent entity incurred an impairment and equity accounted loss on the carrying value of units held in an unlisted property trust of \$4.9 million.
5. The unrealised loss on financial derivatives of \$1.92m.

DIVIDENDS

A fully franked final dividend of 3 cents per share (totalling \$1.822 million) was declared on 7th July 2008 and paid on 3rd October 2008.

SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than those already disclosed, occurring subsequent to the end of the half year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**OVER FIFTY GROUP LIMITED AND CONTROLLED ENTITIES
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

ROUNDING OF AMOUNTS

The company is a company of the kind specified in the Australian Securities and Investments Commission class order 98/0100. In accordance with that class order, amounts in the financial report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

The Directors have obtained a declaration of independence from the consolidated entity's auditors, Deloitte Touche Tohmatsu, in accordance with section 307C of the Corporations Act 2001, which forms part of this report. A copy of this declaration is attached to this report as set out on page 5.

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

On behalf of the Directors



R.W. DOBSON
Chairman

Sydney, 27 February 2009



P.J. DONE
Director
Chairman - **Audit, Risk Management and Compliance
Committee**

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The Board of Directors
Over Fifty Group Limited
111 Pacific Highway
North Sydney NSW 2060

27 February 2009

Dear Board Members

Over Fifty Group Limited


In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Over Fifty Group Limited.

As lead audit partner for the review of the financial statements of Over Fifty Group Limited for the half-year ended 31 December 2008, 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.

Yours faithfully


DELOITTE TOUCHE TOHMATSU


Helen Hamilton-James
Partner
Chartered Accountants

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**OVER FIFTY GROUP LIMITED AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

The Directors declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors.



R.W. DOBSON
Chairman

Sydney, 27 February 2009



P.J. DONE
Director
Chairman - Audit, Risk Management and Compliance
Committee

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OVER FIFTY GROUP LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	NOTE	Half year ended 31-Dec-08 \$'000	Restated Half year ended 31-Dec-07 \$'000
Continuing operations			
Revenue	2(i)	44,489	52,386
Applications for bonus funds (DPF only)		11,044	6,731
Other income	2(ii)	1,303	1,375
Share of profit in associate	2(iii)	212	367
Employee benefits expense	2(v)	(3,954)	(4,671)
Finance costs	2(iv)	(10,480)	(6,477)
Administration and management fees	2(vi)	(9,711)	(11,564)
Redemption expense (DPF only)		(77,614)	(57,390)
Net movement in policy liabilities - benefit funds		77,498	37,259
Mortgage advance provisioning	2(vii)	(4,070)	(1,393)
Depreciation expense		(157)	(191)
Advertising and marketing expense		(884)	(1,033)
Rental expense - operating leases		(338)	(278)
Consulting and professional fees		(1,485)	(2,689)
Share of loss of associates	2(viii)	(10,158)	-
Realised/ unrealised loss on investments	2(ix)	(25,131)	(1,986)
Other expenses	2(x)	(8,684)	(1,916)
(Loss)/Profit before tax	2(xi)	(18,120)	8,530
Income tax benefit/(expense) relating to shareholders		2,878	(2,441)
Income tax benefit/(expense) relating to benefit funds		5,259	(2,357)
Total Income tax benefit/(expense)		8,137	(4,798)
(Loss)/Profit for the year from continuing operations		(9,983)	3,732
Discontinued operations			
Profit / (loss) for the year from discontinued operations		155	(81)
(Loss)/Profit attributable to equity holders of OFG Limited	3	(9,828)	3,651
Attributable to:			
Equity holders of the parent		(9,957)	3,651
Minority interest		129	-
		(9,828)	3,651
Earnings per share			
From continuing and discontinued operations:			
Basic (cents per share)		(16.4)	6.24
Diluted (cents per share)		(16.4)	6.24
From continuing operations:			
Basic (cents per share)		(16.7)	6.38
Diluted (cents per share)		(16.7)	6.38

OVER FIFTY GROUP LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	NOTE	31-Dec-08 \$'000	30-Jun-08 \$'000
ASSETS			
Cash and cash equivalents	10	18,983	20,472
Trade and other receivables	11	6,403	13,980
Financial assets at fair value through profit and loss		590,904	687,636
Derivative financial assets		186	2,147
Other financial assets	12	242,736	220,946
Investment property	4	50,825	51,278
Investment in associates - equity method		12,798	5,602
Plant & equipment		1,608	1,745
Deferred tax assets		22,443	9,783
Intangible assets		47,206	47,182
Other assets		2,891	2,512
TOTAL ASSETS		996,983	1,063,283
LIABILITIES			
Trade and other payables		7,197	7,940
Borrowings	5	261,948	251,172
Policyholders funds		613,063	700,599
Derivative financial liabilities		29,027	6,305
Income tax payable		(588)	2,056
Deferred tax liabilities		2,626	418
Provisions		8,251	1,740
Other liabilities		501	399
TOTAL LIABILITIES		922,025	970,629
NET ASSETS		74,958	92,654
EQUITY			
Contributed equity	6	89,045	88,511
Reserves		(5,825)	755
Retained earnings		(3,752)	8,027
Equity attributable to equity holders of the parent		79,468	97,293
Minority interest		244	115
Put option held by minority interest		(4,754)	(4,754)
TOTAL EQUITY		74,958	92,654

The accompanying notes form an integral part of this Balance Sheet

**OVER FIFTY GROUP LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	NOTE	31-Dec-08 \$'000	31-Dec-07 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		9,427	22,792
Dividends received		11,590	6
Management fees received		9,941	14,902
Rent and other income received		4,255	20,665
Redemption paid from bonus funds (with DPF)		(77,614)	(57,390)
Redemption paid from unit linked funds (no DPF)		(11,909)	(8,763)
Applications received by unit linked funds (no DPF)		1,871	5,104
Applications received by bonus funds (with DPF)		11,044	6,731
Payments to suppliers & employees		(21,990)	(31,007)
Income tax paid		(2,865)	(7,825)
Net cash used in operating activities		<u>(66,250)</u>	<u>(34,785)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest made on mortgage loans net of mortgage receipt/ drawdowns		(4,978)	41,923
Payments for investment property		(1,566)	(3,493)
Payment for plant and equipment		(52)	(1,285)
Payment for acquisition of subsidiaries net of cash acquired		(259)	(161)
Proceeds/(Payments) from sale of other financial assets		56,763	(45,535)
Net cash provided by/(used in) investing activities		<u>49,908</u>	<u>(8,551)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from related entities		1,789	1,466
Dividends paid		(1,822)	(3,537)
Proceeds from borrowings		21,786	35,959
Repayment of borrowings	5	(6,900)	-
Net cash provided by financing activities		<u>14,853</u>	<u>33,888</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,489)	(9,448)
Cash and cash equivalents at the beginning of the period		20,472	50,159
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10	<u>18,983</u>	<u>40,711</u>

The accompanying notes form an integral part of this of Cash Flow Statement

OVER FIFTY GROUP LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

10

Attributable to equity holders of the parent

	Share Capital	Retained Earnings	Cashflow hedge reserve	Share based incentive reserve	Minority interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2008	88,511	8,027	652	103	(4,639)	92,654
Loss on cash flow hedges	-	-	(6,477)	-	-	(6,477)
Net income recognised directly in equity	-	-	(6,477)	-	-	(6,477)
Profit or loss for the period	-	(9,957)	-	-	129	(9,828)
Total recognised income / expenses for the period	-	(9,957)	(6,477)	-	129	(16,305)
Issued during the period:	534	-	-	-	-	534
Executive share based incentives/(reverse)	-	-	-	(103)	-	(103)
Payment of dividends	-	(1,822)	-	-	-	(1,822)
As at 31 December 2008	89,045	(3,752)	(5,825)	-	(4,510)	74,958
As at 1 July 2007	87,783	17,474	(827)	292	-	104,722
Opening balance error correction	-	(1,056)	1,056	-	-	-
Corrected 1 July 2007 balance	87,783	16,418	229	292	-	104,722
Share based incentive	-	-	-	98	-	98
Profit for the period	-	3,509	-	-	-	3,509
Gain on cash flow hedges	-	-	667	-	-	667
Net effect of a correction of an error	-	142	(142)	-	-	-
Net income recognised directly in equity	-	3,651	525	98	-	4,274
Total recognised income / expenses for the period	-	3,651	525	98	-	4,274
Payment of dividends	-	(3,533)	-	-	-	(3,533)
As at 31 December 2007	87,783	16,536	754	390	-	105,463

CORPORATE INFORMATION

The financial report of Over Fifty Group Limited (the Company) for the half year ended 31 December 2008 was authorised for issue in accordance with a resolution of the Directors. Over Fifty Group Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year 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 half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed 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 company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars (\$'000) unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2008 annual financial report for the financial year ended 30 June 2008.

Going Concern

The Directors have prepared the financial report on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the period ended 31 December 2008, the Group had a consolidated net loss after tax of \$9,827,787 (2007: profit \$3,651,061) mainly as a result of the provision for the redemption guarantee provided to unitholders of Century Bulky Goods Fund No. 1 (CBGF1), property revaluation decrements, unrealised loss on fair value of financial derivatives and impairments on the commercial loan book and, as a result, exceeded certain of its loan covenants as at 31 December 2008.

The following table summarises key reconciling items between net (loss)/ profit after tax attributable to equity holders of OFG Limited, and operating after tax profit before non-cash and significant items.

	Half year ended 31-Dec-08 \$'000	Half year ended 31-Dec-07 \$'000
Net (loss) / profit attributable to equity holders of OFG Limited	(9,828)	3,651
Specific non-cash items and significant items:		
Loss on property revaluations	1,756	-
Impairment in respect to parent company guarantee	6,877	-
Net provision for doubtful debt on commercial mortgages	1,062	1,381
Ineffective fair value of financial derivatives	1,919	(142)
Impairment of investment in unlisted property trust	2,170	-
Equity accounting for investment held in unlisted property trust	2,711	-
Profit from discontinued operations	(155)	-
Expenses of a one off corporate nature	-	1,162
Tax effect on specific non-cash and significant items	(3,968)	(768)
Operating after tax profit (before non-cash and significant items)	2,544	5,284

Management is in negotiations on its working capital facility with the National Australia Bank, with respect to a technical, non monetary, breach of one of its loan covenants associated with net assets of the parent entity which has been impacted by the above unrealised impairments and provisioning. It has received an offer in principle to extend the facility for 12 months, and a waiver of the breach as at 31 December 2008, with a reduction in the loan facility over the 12 month period of circa \$2.3 million. This offer is subject to terms, pricing and covenants being agreed which will include a fixed and floating charge over the parent entity and selected subsidiary companies.

Management has agreed terms in principle with the representatives of unitholders of CBGF1, for whom OFG provided a guarantee at \$1 per unit upon stapling of CBGF1, that elected to opt for a redemption of their respective investment. Currently there are 11.3 million units that have a guarantee provided. Management has agreed with these unitholders, subject to final documentation, to satisfy its guarantee obligation through the issuance of a convertible note for a term of 4 years with a quarterly coupon payable at 8.33% p.a. at a face value per note of \$0.60.

After taking into account all available information, the Directors have concluded that there are reasonable grounds to believe:

- The refinancing as detailed above will occur;
- The Group will be able to pay its debts as and when they fall due;
- That the Group will not be required to settle the amount under the guarantee to the unitholders of CBGF1 in cash within a 12 month period; and
- The basis of preparation of the financial report on a going concern basis is appropriate.

1. SIGNIFICANT ACCOUNTING POLICIES (contd.)

The directors have formed this view based on a number of factors including:

- The Group's net asset position attributable to members of \$74,958,000.
- The underlying performance of the Group's business being management of the friendly society business, property funds management, the commercial loan book and the reverse mortgage business;
- There have been no defaults on the payment of interest nor principal and none is forecast;
- Indicative terms have been received from the National Australia Bank;
- Initial discussions have been held with the unitholders in CGBF1 who elected to redeem their units and they have indicated they will work with OFG to find a resolution for settlement of the guarantee; and
- That the Group will receive formal waivers of loan covenants from the banks in respect of forecast breaches on all other loans as necessary.

Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

2. REVENUE, INCOME AND EXPENSE ITEMS

(i) Revenue

Interest and dividends from:

- Benefit funds	20,188	25,885
- Parent and subsidiaries	11,286	7,947

Management fees from:

- Benefit funds	7,002	8,122
- Related entity	900	1,304
- Property	1,952	6,103
- Other	986	1,857

Rental revenue	2,093	1,131
Others	82	37

Total Revenue	44,489	52,386
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(ii) Other income

Commission received	863	690
Fair value gains/(losses) on interest rate swaps	(178)	(1)
Other income	618	686
Total other income	1,303	1,375

Total income	45,792	53,761
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(iii) Share of profit in associate

Share of profit in associate - parent and subsidiaries	212	367
	212	367

(iv) Finance costs:

- Interest	(9,993)	(6,208)
- Borrowing costs	(487)	(269)
	(10,480)	(6,477)

	31-Dec-08 \$'000	restated 31-Dec-07 \$'000
2. REVENUE, INCOME AND EXPENSE ITEMS (cont.)		
(v) Employee benefits expense:		
Employee benefits expense attributable to:		
Wages and salaries	(3,317)	(3,801)
Other associated personnel expenses	(637)	(870)
	<u>(3,954)</u>	<u>(4,671)</u>
(vi) Administration and management fees:		
Administration and management fees incurred by:		
- Benefit funds	(6,922)	(8,266)
- Parent and subsidiaries	(2,789)	(3,298)
	<u>(9,711)</u>	<u>(11,564)</u>
(vii) Mortgage advance provisioning		
Mortgage advance provisioning:		
- Benefit funds	(2,910)	(12)
- Parent and subsidiaries	(1,160)	(1,381)
	<u>(4,070)</u>	<u>(1,393)</u>
(viii) Share of Loss in Associate		
Attributable to:		
- Benefit funds	(7,364)	-
- Parent and subsidiaries	(2,794)	-
	<u>(10,158)</u>	<u>-</u>
(ix) Realised/ unrealised loss on investments		
Attributable to:		
(Loss)/Profit on sale of unit trusts - benefit funds	(2,207)	472
Unrealised (loss)/ profit on financial assets - benefit funds	(17,064)	(2,458)
- Parent and subsidiaries	(5,860)	-
	<u>(25,131)</u>	<u>(1,986)</u>
(x) Other Expenses		
Attributable to:		
- Impairment in respect of guarantee	(6,877)	-
- Parent and subsidiaries	(1,807)	(1,916)
	<u>(8,684)</u>	<u>(1,916)</u>
(xi) (Loss)/Profit before income tax expense		
The amount in the income statement is represented by:		
- (Loss)/Profit before income tax expense relating to shareholders	(12,861)	6,173
- (Loss)/Profit before income tax expense relating to benefit funds	(5,259)	2,357
	<u>(18,120)</u>	<u>8,530</u>

3 RESULTS FOR THE PERIOD

During the period the group incurred specific non-cash and significant one off items that were considered typical to the business units.

- Impairment and equity accounted loss on property trust investment	(4,881)	-
- Impairment in respect of guarantee	(6,877)	-
- Loss on property revaluations	(1,756)	-
- Expenses of a one off corporate nature	-	(1,162)
- Mark to market of financial instruments	(1,919)	142
	<u>(15,433)</u>	<u>(1,020)</u>

4. INVESTMENTS PROPERTIES

Disposals

There were no disposals during the half-year.

Acquisitions

There were no new acquisitions during the half-year, however the company continued the development of its property located at 74 Halley Street Chisholm, ACT.

Revaluations

Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date. Revaluations are assessed bi-annually and supplemented by independent valuations, at least every three years.

During the half-year, a valuation decrement of \$1,756,000 was recorded in relation to properties at Chisholm, Moonah Links and Torquay Sands.

5. BORROWINGS

	31-Dec-08 \$'000	30-Jun-08 \$'000
Current (i)	60,941	39,400
Non-Current (ii)	201,007	211,772
	<u>261,948</u>	<u>251,172</u>

(i) During the half year ended 31 December 2008, \$3,000,000 has been repaid by OFG Parent company.

(ii) During the half year ended 31 December 2008, \$3,900,000 has been repaid by OFG Senex Trust.

OFG was in breach of the loan to valuation ratio and the interest cover ratio on the loan with CBA relating to the Chisholm property at 31 December 2008 and is currently negotiating a formal waiver of these covenants with the bank. This loan is recourse only to the Chisholm property. Accordingly, this loan has been classified as current in the disclosure above.

6. ISSUED CAPITAL

	31-Dec-08 \$'000	30-Jun-08 \$'000
(a) Issued and paid up capital		
Issued and paid up capital	<u>89,045</u>	<u>88,511</u>

Movement in

	31-Dec-08		31-Dec-07	
	No. of Shares	\$'000	No. of Shares	\$'000
On issue at beginning of half year	59,670,387	88,511	58,870,394	87,783
Issued during the year:				
Dividend Reinvestment Plan	628,486	534	-	-
On issue at end of half year	<u>60,298,873</u>	<u>89,045</u>	<u>58,870,394</u>	<u>87,783</u>

7. DIVIDENDS PAID

	31-Dec-08 \$'000	31-Dec-07 \$'000
Final fully franked 3 cents per share (2007: 6 cents fully franked)	<u>1,822</u>	<u>3,533</u>

8. CONTINGENT ASSETS, LIABILITIES AND COMMITMENTS

Since the last annual reporting date, there has been no material change of any contingent liabilities, contingent assets or commitments.

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9. SEGMENT INFORMATION

The following is an analysis of the revenue and results for the period, analysed by business segment, the Group's primary basis of segmentation

BUSINESS SEGMENTS

Revenue is derived by the consolidated entity from the following business segments:

- (a) Funds Administration - a range of financial products, including single and multi-premium investments.
- (b) Insurances - health and general insurance agency.
- (c) Mortgages - provide funding and equity capital secured by mortgages.
- (d) Property - acquire and hold properties for income and growth.

2008	Half year ended 31 December 2008						
	Funds		Commercial	Reverse	Property	Unallocated	Consolidated
	Administration	Insurances	Mortgages	Mortgages			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Interest, dividends and other investment income	20,254	5	622	10,510	77	7	31,475
Management, risk and establishment fees	7,902	-	24	52	2,913	30	10,921
Rent and other	11,368	574	1	88	2,621	-	14,652
Total segment revenue	39,524	579	647	10,650	5,611	37	57,048
Segment result	481	105	(778)	1,520	(1,482)	(16,298)	(18,120)
Income tax benefit							8,137
Profit on discontinued operations							155
Net loss							(9,828)

2007	Half year ended 31 December 2007						
	Funds		Commercial	Reverse	Property	Unallocated	Consolidated
	Administration	Insurances	Mortgages	Mortgages			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Interest, dividends and other investment income	25,926	4	1,619	6,075	52	163	33,839
Management, risk and establishment fees	9,426	-	1,554	37	6,405	-	17,422
Rent and other	7,282	554	15	457	1,285	5	9,598
Total segment revenue	42,634	558	3,188	6,569	7,742	168	60,859
Segment result	8,638	295	1,439	(998)	3,755	(4,599)	8,530
Income tax expense							(4,798)
Loss on discontinued operations							(81)
Net profit							3,651

GEOGRAPHIC SEGMENTS

The consolidated entity operates in one geographic region, Australia.

10. CASH AND CASH EQUIVALENTS

Under AIFRS the income, expenses, assets and liabilities of the benefit funds are included in the Group's income statement, balance sheet and cashflow statement. As a result, the benefit funds' cash is included in the Group's statements with a corresponding amount included in liabilities. The shareholders of the Group have no rights over the cash held in the benefit funds. The composition of the closing cash balance is as follows;

	AS AT 31-Dec-08 \$'000	AS AT 30-Jun-08 \$'000
Attributable to shareholders	11,350	13,307
Attributable to benefit fund policyholders	7,633	7,165
Total	<u>18,983</u>	<u>20,472</u>

11. TRADE AND OTHER RECEIVABLES

Attributable to shareholders	5,716	11,386
Attributable to benefit fund policyholders	687	2,594
Total	<u>6,403</u>	<u>13,980</u>

12. OTHER FINANCIAL ASSETS

Attributable to shareholders	188,565	220,946
Attributable to benefit fund policyholders	54,171	-
Total	<u>242,736</u>	<u>220,946</u>

13. SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than those already disclosed, occurring subsequent to the end of the half year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

14. CORRECTION OF PRIOR PERIOD ERROR

OFG, through a subsidiary Trust (Senex Warehouse Trust No.1), has taken out 50 year interest rate swaps in respect of the debt related to fixed for life reverse mortgages. The specific provisions of Accounting Standard AASB 139 do not permit the OFG subsidiary to apply fair value Hedge Accounting for these 50 year hedges, therefore they must be taken through the income statement as a fair value adjustment. Accordingly, a correction has been made to the 2007 comparative income statement after tax by reducing the profit by approximately \$2.9 million, with the corresponding entry to the Hedge Reserve in Equity.

Financial report line item affected	Half-year ended		
	Actual for half year ended 31 Dec 2007 \$'000	Correction \$'000	Corrected actual for half year ended 31 Dec 2007 \$'000
Income statement extract			
Fair value (loss)/gain on interest rate swaps	-	142	142
Profit / (loss) attributable to equity holders of OFG Limited	<u>3,509</u>	<u>142</u>	<u>3,651</u>
Statement of changes in equity extract			
Cash flow hedge reserve			
Balance at 1 July 2007 (Opening balance has been corrected in 30 June 08 accounts)	229	-	229
Gain/(loss) on cash flow hedges	667	(142)	525
Balance at 31 Dec 2007	<u>896</u>	<u>(142)</u>	<u>754</u>

This changed EPS from 6.0 cps to 6.24 cps

Independent Auditor's Review Report to the Members of Over Fifty Group Limited

We have reviewed the accompanying half-year financial report of Over Fifty Group Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, cash flow statement, statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising Over Fifty Group Limited and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 Over Fifty Group Limited's financial position as at 31 December 2008 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 Over Fifty Group 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.

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Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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 Over Fifty Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of Over Fifty Group Limited's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants
Sydney, 27 February 2008

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