TZ Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	TZ Limited
ABN:	26 073 979 272
Reporting period:	For the half-year ended 31 December 2015
Previous period:	For the half-year ended 31 December 2014

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	38.9%	to	10,605
Loss from ordinary activities after tax attributable to the owners of TZ Limited	down	12.5%	to	(3,229)
Loss for the half-year attributable to the owners of TZ Limited	down	12.5%	to	(3,229)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $3,229,000 (31 December 2014: $3,692,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.79	0.93

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report, modified with an emphasis of matter paragraph regarding going concern, is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of TZ Limited for the half-year ended 31 December 2015 is attached.

12. Signed

Signed Mark Bouris

Date: 24 February 2016

Mark Bouris
Director
Sydney

TZ Limited

ABN 26 073 979 272

Interim Report - 31 December 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of TZ Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

Directors
The following persons were directors of TZ Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mark Bouris - Chairman
Kenneth Ting
Paul Casey

Principal activities
During the financial half-year the principal continuing activities of the consolidated entity consisted of the development of intelligent devices and smart device systems that enable the commercialisation of hardware and software solutions for the management, control and monitoring of business assets and the provision of associated value added services through Telezygology Inc. and TZI Australia Pty Limited ('TZI').

All of the operations of the consolidated entity are based in Australia, the United States of America and Singapore.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $3,229,000 (31 December 2014: $3,692,000).

Group overview
TZ Limited ("TZ") posted a half-year revenue of A$10,605,000 at 31 December 2015 representing a pleasing 39% uplift compared to the same period last year and maintaining the strong growth momentum that the business exhibited in 2015. This continued growth demonstrates the strength of the TZ business model, the ability to win in a competitive global market place and the recognition of the company as the leading technology solution provider in the segments that TZ participates in.

PAD sales increased 37% against last year's half year performance, strongly driven by sales to the Postal and Logistics sectors in the US and Asian markets and by Day Locker sales in the Australian market. With two major contract wins pending finalisation, the run rate is expected to improve in the second half of the year (although Q3 is anticipated to be a seasonally weaker quarter due to the slow-down in construction activity in the US and Australia and factory shutdowns in Asia due to the Chinese New Year break) and should help the company deliver another year of solid growth.

IXP Sales also showed solid improvement increasing 20% compared to the same period last year with consistent performance in the USA but strong sales recovery in the APAC region. With several projects anticipated to come on-stream in Q3 and Q4, the outlook for IXP in the second half of the fiscal year is promising.

Infinity Design, our wholly owned design company, also showed exceptional performance more than doubling its fee-for-service revenue to external customers over last year's half year result. This comes despite a significant proportion of Infinity Design's design and engineering professionals working exclusively on TZ product development projects.

Operating costs were down on last year's results primarily due to significantly reduced professional services and corporate costs and a reduction in R&D spend, as major product development projects such as manufacturing transition to Asia come to completion. This reduction, off-set a 20% increase in employee costs, largely due to recruitment of sales resources in the USA, giving the company West Coast to East Coast sales coverage.

Travel expenses remain tightly controlled and were only slightly above last year's expenditure despite increased sales and business development resources and active business across the US, Asia Pacific and EMEA. The opening of a West Coast office in San Mateo, California scheduled for end of February and the staffing of this office, should help the company better manage the tyranny of distance across the geographies and help to maintain and manage expenditure.

Gross margins were below expectation at around 36%, heavily biased by the lower margin Postal and Logistics sales which made up a larger proportion of the business mix at least in this half year. The imminent full scale production of core devices out of China will however help to improve these margins and should together with the growing pool of recurring annuity revenue help to lift margins back in line with company expectations.

The company is continuing to focus on building strong strategic relationships that can help accelerate the growth and market adoption of its products. In the US, the securing of a distribution agreement with a major provider of workplace solutions, should see broader sales of the company's full range of smart locker solutions throughout North and South America. The US Partner is a major player across multiple verticals in the USA and on the list of Fortune 500 world's largest corporations and in the Forbes 2000 list of leading companies.

Packaged asset delivery (PAD)
The PAD business continues to sustain its strong growth momentum with sales up 37% on the previous half year performance. Fuelled by strong sales in the Postal and Logistics sectors in the US and Asian markets and by Day Locker sales in the Australian market, the company continues to gain market share and make good headway with its offerings to these sectors.

The company has been successful in locking in new business in the Postal and Logistics sector. Note that winning a Postal and Logistics organisation's business is a significant effort that follows a lengthy process of engagement which can take several months from RFI (request for information), RFP (request for purchase) and supply contract negotiations. Undertaking pilot supply does not guarantee future business and the timing of award and contract finalisation is outside the control of the company. Nonetheless, two sizable supply contracts are now pending finalisation, one of which is with a major US transportation corporation. The other, should reinforce our supply relationship with Singapore Post, providing for regional locker supply that will accommodate their requirements for Couriers Please in Australia, their own POPStation network in Singapore and potentially other regional business opportunities.

The roll-out in Australia with Couriers Please is an exciting development that started several years ago with the establishment of the ADAM Parcel Locker Network. Couriers Please's intention to build an extensive national Parcel Locker network in Australia represents the realisation of that original vision and signals a significant opportunity for the company as a strategic support partner and enabler.

Shipment of Poste Italiane Locker Banks was completed in December representing a major production milestone for the first commercial sales of the Company's next generation and proprietary Locker System.

In Malaysia, the next batch of Pos Malaysia Locker Banks have been delivered to Kuala Lumpur and are pending deployment to Pos Malaysia locations. The performance of the system in Malaysia and customer receptiveness has been very positive and if Pos Malaysia follow in the footsteps of other postal customers should lead to expansion opportunities for the Company.

US sales to the corporate sector only delivered modest growth against the same period last year, although the US corporate pipeline of potential sales opportunities continues to grow and quotation levels remain very strong. The newly formed partnership with a leading workplace solutions provider should start to expand the breadth of engagement in the Americas, albeit the official national launch is not anticipated until April 2016.

The company also expects to see wins in the US Higher Education sector in the second half of the year given the large number of tenders and submissions that the company has been invited to participate on.

On the US residential front, TZ continues to make encouraging progress with a number of major property management firms in the US. The planned revamp of the TZ residential software offering later this year will help to further differentiate the company's offering and create a more distinctive competitive advantage in this sector over increasing competition.

In Australia, Day Locker sales exceeded expectations, fueled by expansion within existing customers. Both Westpac Barangaroo and Westpac Kogarah were successfully commissioned. In addition, another major milestone for TZ was the successful development and deployment of a custom built Enterprise Server Software within the Westpac IT infrastructure which ensures seamless integration into Westpac's back-end management systems. Looking forward, there are two further Westpac projects of significance which will be started in the second half of 2016 and will flow into 2017.

KPMG Sydney and Melbourne are underway with both projects progressively being commissioned with installation commencing in Q3 and expected to be completed in early FY 2017. On-going Day Locker sales are expected to continue with another major banking partner looking to commence multiple projects in Q3 and Q4 of FY 2016. TZ is also expecting to secure the Day Locker business of a major corporate customer who is also moving into Sydney's Barangaroo precinct late this calendar year.

To expand sales outside of the Day Locker segment, the TZI team has been working with specialist local mailroom provisioning companies to target Corporate Mail Rooms and also University Campuses following the lead of our US business. Both of these segments are looking towards Locker solutions to support logistics operations, as it is becoming increasingly difficult to make direct deliveries of parcels ordered via the internet to the recipient. Multiple opportunities have been identified and proposals have been submitted which are scheduled to be awarded shortly.

Outside of Poste Italiane, TZ has not actively pursued Parcel Locker opportunities in Europe given the well-established and intense local competition. Despite a lack of active promotion, TZ has been fielding multiple enquiries from subsidiaries of US corporations and/or enquiries from our web-site to price and support fairly significant Accountable Mail Locker, Day Locker and Residential Locker sales. A plan is currently being formulated on how best to increase our representation and participation in this part of the world, as the potential for on-going sales looks highly probably.

The opportunity for PAD business growth remains significant. The growth achieved to date represents a small in-road into what is potentially a very large addressable opportunity for the company. The US remains a key market to underpin the future high growth ambitions of the company and as such, focus, effort and investment is being made in the US to ensure we are remain well placed to realise the potential.

Infrastructure protection (IXP) business overview

The half year saw the IXP business recover from last year's dip in sales to post a solid growth of 20%. Exceptional demand particularly in the Australian and Asian markets saw sales triple that achieved in the same period last year, strongly contributing to the overall improved performance. Although the business still remains highly dependent on infrastructure expansion and building cycles, the outlook for the business is encouraging with existing customers planning site expansions and a number of major projects that have been on the horizon, now coming to project finalisation and the procurement stage.

The IXP business in the Americas maintained a consistent and steady performance, although falling around 20% behind last year's results for the same period, largely due to project timings. This shortfall has since been caught up with a stronger than planned January sales performance.

Demand from new project initiation within strategic accounts, coupled with a number of new customer wins gave the US IXP business a good balance in terms of new and retained business. A more granular look at the sales mix however, shows a pleasing trend towards the adoption and preference for the Centurion System, together with Centurion Server Software and the purchasing of the associated software maintenance package. This represents the fastest growing part of the product mix and demonstrates that the efforts to promote our software offerings and to build annuity revenue are starting to show some results.

The outlook for the second half of FY 2016 in the US remains positive and should deliver the targeted performance of 20% year-on-year growth. The scheduled release of two new IXP product extensions namely the TZ PushLock in Q3 (which will extend compatibility to almost 100% of the cabinets available on the market) and the much anticipated TZ Electronic SwingHandle Module in Q4 should round out the product offer, support further product differentiation and expand the breadth of application opportunities.

The Australian IXP business showed strong improvement with sales significantly exceeding plan targets for the first half of the fiscal year. Underpinning the IXP revenue was the successful completion of Stage 1 and Stage 2 of our first major deployment in Hong Kong for a well-known technology corporation. Further wins in Australia and Asia are anticipated as our established customer base look to expand their operations in these markets and drive consistent standards across their data centre offering. An example of this, is a Sydney-based data centre of a large US headquartered Systems Integrator which has earmarked the Centurion System as their cabinet level security product of choice, based on successful adoption and product specification in the USA.

Drivers such as PCI-DSS (Payment Card Industry Data Security Standards) and ITIL (IT Infrastructure Library which is a widely accepted approach to IT Service Management) are also starting to have an influence on the market and in particular financial institution customers, who are leading the migration towards electronic security solutions. Of particular note, is a large Singapore data centre of a major banking corporation which is scheduled to make the first of several substantial purchases in the coming months, after two years of planning and negotiation.

Our current retained business in Australia has also been strong as customers such as NextDC and Macquarie Telecom data centres look towards their expansion programs and increase their buying rates which has also helped to boost the half year's performance.

In Europe, the IXP business continues its steady growth with a number of new projects including a new data centre for a major Global Systems Integrator in Newcastle in the UK, a TZ Praetorian System deployment in Turkey, and also the installation of the Centurion System on multiple cabinets for two major credit card providers in the UK, who are looking to secure their payment gateways to ensure PCI-DSS compliance.

While the IXP business has been eclipsed by the exponential and phenomenal growth in our PAD business, the business continues to maintain steady sales growth with a balanced mix of new and retained customers across governments, corporates and major data centre operators. While new regulatory standards are starting to have an influence on the market and product preferences, unless legislation mandates higher levels of security and real-time monitoring for IT assets, the outlook for the IXP remains solid with consistent year-on-year growth and modest penetration and market share gains.

Closing statement
The foundations for business growth have taken time to establish, but are now well supported by an impressive portfolio of AAA customers, the potential for improving gross margins through Asian based supply and an emerging and potentially significant annuity income stream through software maintenance and service contracts. With large contracts close to finalisation that will fuel a secure pipeline of business into the future, the focus for the Board is to revitalise the original vision for the company and explore new and exciting “internet of things” (ioT) business opportunities incorporating TZ’s smart device technologies.

According to industry analysts, IoT product and service suppliers will generate incremental revenues exceeding $300 billion by 2020, and some predict the worldwide market for IoT solutions will grow from $1.9 trillion in 2013 to $7.1 trillion in 2020.

The company is proactively exploring new licensing and strategic partnerships that can fast track engagement with enterprise customers who are interested in commercialising new and innovative ioT applications. The opening and staffing of the new TZ office in San Mateo, California at the end of February in Silicon Valley’s hub of innovation and technology, is the first step towards this end game.

The attached financial statements detail the performance and financial position of the consolidated entity for the half-year ended 31 December 2015. It also contains an independent auditor’s report which includes an emphasis of matter paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the company’s ability to continue as a going concern. For further information, refer to note 1 to the financial statements, together with the independent auditor's report.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts
The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

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

On behalf of the directors

Mark Bouris
Director

24 February 2016
Sydney

Grant Thornton

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Auditor's Independence Declaration
To The Directors of TZ Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of TZ Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M Leivesley

M R Leivesley
Partner - Audit & Assurance

Sydney, 24 February 2016

Contents

General information

The financial statements cover TZ Limited as a consolidated entity consisting of TZ Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is TZ Limited's functional and presentation currency.

TZ Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 11, 1 Chifley Square Sydney NSW 2000	TZ Limited and TZI Australia Pty Limited, Level 11, 1 Chifley Square, Sydney NSW 2000 Telezygology Inc., 1017 W. Washington Blvd, Unit 2C, Chicago IL 60607, USA

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2016. The directors have the power to amend and reissue the financial statements.

TZ Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2015

	Note	Consolidated 31 Dec 2015 $'000	Consolidated 31 Dec 2014 $'000
Revenue	3	10,605	7,635
Other income	4	-	114
Expenses			
Raw materials and consumables used		(6,746)	(4,773)
Employee benefits expense		(4,563)	(3,819)
Occupancy expense		(218)	(165)
Depreciation and amortisation expense	5	(933)	(666)
Communications expense		(125)	(73)
Professional and corporate services		(99)	(690)
Travel and accommodation expense		(473)	(466)
Development costs		(70)	(274)
Other expenses		(654)	(494)
Loss before income tax (expense)/benefit		(3,276)	(3,671)
Income tax (expense)/benefit		47	(21)
Loss after income tax (expense)/benefit for the half-year attributable to the owners of TZ Limited		(3,229)	(3,692)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(442)	1,160
Other comprehensive income for the half-year, net of tax		(442)	1,160
Total comprehensive income for the half-year attributable to the owners of TZ Limited		(3,671)	(2,532)
		Cents	**Cents**
Basic earnings per share	16	(0.69)	(0.96)
Diluted earnings per share	16	(0.69)	(0.96)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

TZ Limited
Statement of financial position
As at 31 December 2015

	Note	Consolidated 31 Dec 2015 $'000	Consolidated 30 Jun 2015 $'000
Assets			
Current assets			
Cash and cash equivalents	6	2,250	5,688
Trade and other receivables	7	7,010	5,007
Inventories		414	336
Other		383	325
Total current assets		10,057	11,356
Non-current assets			
Property, plant and equipment		511	794
Intangibles		9,676	9,310
Total non-current assets		10,187	10,104
Total assets		20,244	21,460
Liabilities			
Current liabilities			
Trade and other payables	8	6,570	4,201
Provisions		197	266
Other		50	-
Total current liabilities		6,817	4,467
Non-current liabilities			
Deferred tax		102	110
Provisions		53	51
Total non-current liabilities		155	161
Total liabilities		6,972	4,628
Net assets		13,272	16,832
Equity			
Issued capital	9	200,998	200,998
Reserves		(3,972)	(3,530)
Accumulated losses		(183,754)	(180,636)
Total equity		13,272	16,832

The above statement of financial position should be read in conjunction with the accompanying notes

TZ Limited
Statement of changes in equity
For the half-year ended 31 December 2015

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2014	192,278	(5,133)	(174,691)	12,454
Loss after income tax expense for the half-year	-	-	(3,692)	(3,692)
Other comprehensive income for the half-year, net of tax	-	1,160	-	1,160
Total comprehensive income for the half-year	-	1,160	(3,692)	(2,532)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	1,000	-	-	1,000
Share-based payments	-	-	325	325
Balance at 31 December 2014	193,278	(3,973)	(178,058)	11,247

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2015	200,998	(3,530)	(180,636)	16,832
Loss after income tax benefit for the half-year	-	-	(3,229)	(3,229)
Other comprehensive income for the half-year, net of tax	-	(442)	-	(442)
Total comprehensive income for the half-year	-	(442)	(3,229)	(3,671)
Transactions with owners in their capacity as owners:				
Share-based payments	-	-	111	111
Balance at 31 December 2015	200,998	(3,972)	(183,754)	13,272

The above statement of changes in equity should be read in conjunction with the accompanying notes

TZ Limited
Statement of cash flows
For the half-year ended 31 December 2015

	Consolidated	
	31 Dec 2015 $'000	**31 Dec 2014 $'000**
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	8,743	6,342
Payments to suppliers and employees (inclusive of GST)	(11,233)	(8,751)
	(2,490)	(2,409)
Interest received	20	18
Other revenue	-	114
Income taxes refunded/(paid)	39	(30)
Net cash used in operating activities	(2,431)	(2,307)
Cash flows from investing activities		
Payments for property, plant and equipment	(231)	(20)
Payments for intangibles	(789)	(83)
Proceeds from investment redemption	-	73
Net cash used in investing activities	(1,020)	(30)
Cash flows from financing activities		
Proceeds from issue of shares	-	1,000
Net cash from financing activities	-	1,000
Net decrease in cash and cash equivalents	(3,451)	(1,337)
Cash and cash equivalents at the beginning of the financial half-year	5,688	2,646
Effects of exchange rate changes on cash and cash equivalents	13	-
Cash and cash equivalents at the end of the financial half-year	2,250	1,309

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 31 December 2015 and are not expected to have any significant impact for the full financial year ending 30 June 2016. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

These financial statements have been prepared 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.

In making the assessment of the applicability of the going concern assumption, the Directors conducted a comprehensive review of the consolidated entity's affairs including, but not limited to:

- The consolidated entity's financial position as at 31 December 2015;
- The cash flow forecast for the consolidated entity for the period of 12 months from the date of the issuance of these financial statements;
- Sales and profitability forecasts for the consolidated entity for not only the current financial year, but beyond 30 June 2016; and
- The continued support of the consolidated entity's shareholders.

While the consolidated entity incurred losses for the year, in assessing the appropriateness of the going concern concept the following factors have been taken into consideration by the Directors:

- The Directors are of the view the consolidated entity is on track to meet revenue targets for the 2015/16 financial year and that this is strongly supported by a substantial backlog of purchase orders and secured contracts. It is expected, as the monthly revenue levels increase, the consolidated entity's operating business units will be in a position to contribute positive cash to the bottom line; and
- The Directors maintain a positive outlook on achieving its first quarter of positive cash flow in the last half of the 2016 financial year.

In making their assessment, the Directors acknowledge that the ability of the consolidated entity to continue as a going concern is dependent on meeting sales and profitability forecasts, the generation of positive cash flows, the continued support of shareholders and the raising of additional share capital as and when required in the future.

The financial statements have been prepared on the going concern basis for the above reasons. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments
The consolidated entity's operating segment is based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The consolidated entity now operates in one segment being the development and commercialisation of hardware and software products primarily in the US, Australian and Asian markets.

The information reported to the CODM, on at least a monthly basis, is profit or loss and adjusted earnings before interest, tax, depreciation and amortisation and other one off-items ('Adjusted EBITDA').

Comparative information has been restated in line with the current operating segment.

Geographical information

	Sales to external customers		Geographical non-current assets	
	31 Dec 2015 $'000	31 Dec 2014 $'000	31 Dec 2015 $'000	30 Jun 2015 $'000
Australia	3,520	3,165	940	1,270
United States of America	4,583	2,531	9,245	8,832
United Kingdom	187	149	-	-
Canada	-	1	-	-
Singapore	1,729	1,649	2	2
Italy	417	59	-	-
Malaysia	58	56	-	-
Hong Kong	89	-	-	-
	10,583	7,610	10,187	10,104

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post employment benefits assets and rights under insurance contracts.

Adjusted earnings before interest, tax, depreciation, amortisation, impairment, and head office income and expenses ('Adjusted EBITDA')

A reconciliation to loss after income tax expense is as follows:

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Adjusted EBITDA	(2,363)	(3,025)
Interest income	20	20
Depreciation and amortisation	(933)	(666)
Income tax benefit/(expense)	47	(21)
Loss after income tax expense	(3,229)	(3,692)

Note 3. Revenue

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Sales revenue		
Sales and services revenue	10,583	7,610
Other revenue		
Interest	20	20
Royalty	2	5
	22	25
Revenue	10,605	7,635

Note 4. Other income

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Government grants	-	114

Note 5. Expenses

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	3	4
Plant and equipment	47	23
Office equipment	29	13
Total depreciation	79	40
Amortisation		
Trade names	-	1
Re-acquired rights	449	364
Other intangibles	405	261
Total amortisation	854	626
Total depreciation and amortisation	933	666
Net foreign exchange loss		
Net foreign exchange loss	35	45

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2015 $'000	30 Jun 2015 $'000
Cash at bank	2,250	5,688

Note 7. Current assets - trade and other receivables

	Consolidated 31 Dec 2015 $'000	Consolidated 30 Jun 2015 $'000
Trade receivables	6,244	3,239
Accrued revenue	766	1,728
Goods and services tax receivable	-	40
	7,010	5,007

Note 8. Current liabilities - trade and other payables

	Consolidated 31 Dec 2015 $'000	Consolidated 30 Jun 2015 $'000
Trade payables	3,883	3,175
Employee expense payables	70	143
Goods and services tax payable	133	-
Other payables	2,484	883
	6,570	4,201

Note 9. Equity - issued capital

	Consolidated 31 Dec 2015 Shares	30 Jun 2015 Shares	31 Dec 2015 $'000	30 Jun 2015 $'000
Ordinary shares - fully paid	465,601,566	465,601,566	200,998	200,998

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 10. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Fair value measurement

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 12. Contingent assets

There are no contingent assets at 31 December 2015.

Note 13. Contingent liabilities

There are no contingent liabilities at 31 December 2015.

Note 14. Related party transactions

Parent entity
TZ Limited is the parent entity.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 31 Dec 2015 $	31 Dec 2014 $
Payment for other expenses:		
Rent and serviced office expenditure paid to State Capital Property Pty Limited*	88,164	30,827
Professional fees paid to Yellow Brick Road Accounting and Wealth Management Pty Limited*	2,905	184,510
Brokerage fees charged for insurance policies arranged by Yellow Brick Road Wealth Management Pty Limited*	-	250
Administration fees, storage and office rent paid to YBR Services Pty Limited*	25,864	84,889
Marketing expenses paid to Yellow Brick Road Group Pty Limited*	60,000	60,000

* A commonly controlled entity in which Mark Bouris is a director

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 31 Dec 2015 $	30 Jun 2015 $
Current payables:		
Rent, serviced office expenditure and remaining rental bond payable to State Capital Property Pty Limited*	31,526	31,526
Professional fees payable to Yellow Brick Road Accounting and Wealth Management Pty Limited*	-	12,447
Administration fees, storage and office rent payable to YBR Services Pty Limited*	10,284	10,284
Marketing expenses payable to Yellow Brick Road Group Pty Limited*	22,000	22,000

* A commonly controlled entity in which Mark Bouris is a director

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 16. Earnings per share

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Loss after income tax attributable to the owners of TZ Limited	(3,229)	(3,692)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	465,601,566	386,135,163
Weighted average number of ordinary shares used in calculating diluted earnings per share	465,601,566	386,135,163
	Cents	Cents
Basic earnings per share	(0.69)	(0.96)
Diluted earnings per share	(0.69)	(0.96)

TZ Limited
Directors' declaration
31 December 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Mark Bouris

Mark Bouris
Director

24 February 2016
Sydney

Grant Thornton

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Independent Auditor's Review Report
To the Members of TZ Limited

We have reviewed the accompanying half-year financial report of TZ Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of TZ Limited 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 controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 TZ Limited consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations

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Regulations 2001. As the auditor of TZ 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 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 TZ 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 2015 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.

Emphasis of Matter

Without qualification to the conclusion expressed above, we draw attention to Note 1 of the financial statements that describes conditions which may cast significant doubt about the consolidated entity's ability to continue as a going concern.

The ability of the consolidated entity to continue as a going concern is dependent on it achieving sufficient profitability and operating cash flows to enable it to maintain working capital and the raising of additional share capital or borrowings in the future to support the working capital needs of the consolidated entity, when and if required.

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GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M R Leivesley
Partner - Audit & Assurance

Sydney, 24 February 2016