Appendix 4D

Results for announcement to the market for the half-year ended 31 December 2017.

ASX Listing Rule 4.2A.3.

Reporting period

Reporting period: 31 December 2017

Previous corresponding period: 31 December 2016

The Half-Year Consolidated Financial Report should be read in conjunction with the 2017 Annual Report.

Results for announcement to the market

	31 DEC 2017 $'M	31 DEC 2016 $'M	UP/DOWN	MOVEMENT
Revenue from ordinary activities	**785.5**	724.5	Up	8.4%
Profit after income tax	**45.0**	28.0	Up	60.7%
Attributable to:				
Ordinary equity holders of the parent	**45.0**	28.0	Up	60.7%

Dividends (distributions)

DIVIDEND INFORMATION	AMOUNT PER SHARE (CENTS)	TAX RATE FOR FRANKING CREDIT
Final 2017 fully franked dividend (paid 5 October 2017)	**1.1**	30%
Interim 2018 fully franked dividend (to be paid 6 April 2018)	**1.1**	30%
Interim dividend dates:		
Record date		14 March 2018
Payment date		6 April 2018

An interim dividend of 1.1 cents per share has been declared. The Dividend Reinvestment Plan (DRP), will be in operation for the interim dividend. The DRP election date is 15 March 2018. Under the DRP, Cleanaway shares will be issued at the average of the daily Volume Weighted Average Price (VWAP) of all shares sold on the ASX over the period from 16 March to 22 March 2018. No discount will be applied to shares issued under the DRP.

Net Tangible Assets (NTA) per security

	31 DEC 2017 CENTS	30 JUNE 2017 CENTS
NTA per security	**39.2**	15.0

Commentary on the results for the period

Refer to the 31 December 2017 Half-Year Consolidated Financial Report, the Media Release and Investor Presentation.

Status of audit

The Consolidated Financial Report for the half-year ended 31 December 2017, which contains the independent auditor's report, is attached.

D J F Last
Company Secretary

20 February 2018

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ABN 74 101 155 220

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Cleanaway Waste Management Limited

ABN 74 101 155 220

Consolidated Financial Report

For the half-year ended 31 December 2017

Contents of Financial Statements

This interim Consolidated Financial Report does not include all notes of the type normally included in an Annual Financial Report. Accordingly, this Report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Cleanaway Waste Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

The Directors present their Report together with the Consolidated Financial Statements of the Group, consisting of Cleanaway Waste Management Limited (the Company) and its controlled entities (Cleanaway or the Group), for the half-year ended 31 December 2017.

Directors

The names of Directors of the Company at any time during or since the end of the financial period are set out below. Directors were in office for this entire period unless otherwise stated.

M P Chellew	Chairman and Non-Executive Director
V Bansal	Chief Executive Officer and Managing Director
R M Smith	Non-Executive Director
E R Stein	Non-Executive Director
T A Sinclair	Non-Executive Director
R M Harding	Non-Executive Director
P G Etienne	Non-Executive Director

The office of Company Secretary is held by D J F Last, LLB (Hons), B.Com, FGIA, GAICD.

Review of results

The Group's statutory profit after income tax for the half-year ended 31 December 2017 was $45.0 million (2016: $28.0 million).

The Group's underlying profit after income tax (attributable to ordinary equity holders) for the half-year ended 31 December 2017 of $43.9 million has increased by 25.8% on the prior period (2016: $34.9 million).

Operating cash flows increased 13.0% to $112.8 million (2016: $99.8 million). The Group's net assets increased from $1,825.0 million at 30 June 2017 to $2,366.0 million at 31 December 2017.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Legislative Instrument to the nearest hundred thousand dollars or, in certain cases, to the nearest dollar.

Directors' Report (continued)

Operating review

The Group comprises two operating segments being Solid Waste Services and Liquid Waste & Industrial Services. Unallocated balances include the Group's share of profits from equity accounted investments and corporate balances. A description of the operating segments and a summary of the associated segment results are set out below:

Solid Waste Services

Core business	**Collections** Commercial and industrial (C&I), municipal and residential collection services for all types of solid waste streams, including general waste, recyclables, construction and demolition waste and medical and washroom services as well as resource recovery and recycling facilities, commodities trading and secure product destruction and quarantine treatment operations. **Post Collections** Ownership and management of waste transfer stations and landfills, including the generation and sale of electricity produced utilising landfill gas.
Financial metrics	Total revenue for the Solid Waste Services segment increased by 10.5% to $587.5 million. Underlying EBITDA [1] increased by 8.2% to $139.2 million. Underlying EBIT [2] increased by 23.8% to $80.2 million. The Collections business reported both increased revenues and earnings for the period. Revenue increased by 9.3% and underlying EBITDA increased by 5.3% compared to the previous corresponding period. The Post Collections business reported increased revenues and earnings for the period. Revenue increased 17.5% and underlying EBITDA increased 13.0% compared to the previous corresponding period.
Performance	**Collections** Growth initiatives continue to be implemented across the division, with volume increases being recorded across all major solid waste collection categories. Pricing in major metropolitan markets remains competitive and our focus on improving pricing continues. Major new Commercial & Industrial and Municipal waste management contracts won in the year ended 30 June 2017 are expected to underpin growth in the second half of the current financial year and into the year ending 30 June 2019. **Post Collections** Landfill volumes increased, particularly on the East Coast of Australia, with revenue growth also assisted by the new South East Melbourne Transfer Station.

1 EBITDA represents earnings before interest, income tax, and depreciation, amortisation and impairments.
2 EBIT represents earnings before interest and income tax.

Liquid Waste and Industrial Services

Core business	Liquid Waste and Industrial Services is a leading operator in the areas of: • Liquids and Hazardous Waste – collection, treatment, processing, refining and recycling of liquid and hazardous waste, including hydrocarbons, for disposal or re-sale. • Industrial Services – services include plant and asset maintenance capabilities, high pressure cleaning, vacuum loading, hydro excavation/non-destructive digging, site remediation, sludge management, concrete remediation, CCTV, corrosion protection and emergency response services.
Financial metrics	Total revenue increased by 3.2% to $214.7 million and underlying EBITDA increased by 4.2% from $28.8 million to $30.0 million as a result of restructuring activities.
Performance	Further restructuring of the business was undertaken during the period which has increased cost efficiencies. Industrial Services business remained flat, although improvements in the pipeline of work are anticipated in the second half of the year ending 30 June 2018.

Directors' Report (continued)

Group results for the half-year ended 31 December 2017

		UNDERLYING ADJUSTMENTS				
	STATUTORY [1] $'M	REBRANDING COSTS [4] $'M	ACQUISITION COSTS [5] $'M	TAX PROVISIONS [6] $'M	OTHER [7] $'M	UNDERLYING [1] $'M
Solid Waste Services						139.2
Liquid Waste & Industrial Services						30.0
Equity accounted investments						0.2
Waste management						**169.4**
Corporate						(10.4)
EBITDA [2]	**154.2**	**2.5**	**2.3**	–	–	**159.0**
Depreciation and amortisation	(79.5)	–	–	–	–	(79.5)
EBIT [3]	**74.7**	**2.5**	**2.3**	–	–	**79.5**
Net finance costs	(16.9)	–	–	–	0.1	(16.8)
Profit before income tax	**57.8**	**2.5**	**2.3**	–	**0.1**	**62.7**
Income tax expense	(12.8)	(0.8)	(0.2)	(5.0)	–	(18.8)
Profit after income tax	**45.0**	**1.7**	**2.1**	**(5.0)**	**0.1**	**43.9**
Attributable to:						
Ordinary equity holders	**45.0**	**1.7**	**2.1**	**(5.0)**	**0.1**	**43.9**

1 The use of the term 'Statutory' refers to IFRS financial information and 'Underlying' refers to non-IFRS financial information. Underlying earnings are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group. The non-IFRS financial information is unaudited.

2 EBITDA represents earnings before interest, income tax, and depreciation, amortisation and impairments.

3 EBIT represents earnings before interest and income tax.

4 Relates to costs incurred during the period to rebrand the Group to 'Cleanaway' (effective 1 February 2016) and reflects the final costs to be incurred on this project.

5 Acquisition costs include transaction costs and other costs associated with the acquisition of businesses during the period and other business acquisitions which are underway at 31 December 2017.

6 During the period the Group received notice from New Zealand Inland Revenue that their review of various matters, which related to the Group's period of ownership of the New Zealand business, was complete and no tax liability would arise in respect of certain matters. Accordingly the Group has released a tax provision of $5.0 million in this regard, reflecting the reduction in any potential tax liability payable to Inland Revenue.

7 Net finance costs relate to the foreign exchange loss on the USPP borrowings of $0.5 million offset by fair value changes on the mark-to-market valuation of derivative financial instruments of $0.4 million.

Group results for the half-year ended 31 December 2016

	STATUTORY [1] $'M	UNDERLYING ADJUSTMENTS RESTRUCTURING COSTS [4] $'M	REBRANDING COSTS [5] $'M	ACQUISITION COSTS [6] $'M	REMEDIATION AND RECTIFICATION COSTS [7] $'M	OTHER [8] $'M	UNDERLYING [1] $'M
Solid Waste Services							128.7
Liquid Waste & Industrial Services							28.8
Equity accounted investments							0.4
Waste management							**157.9**
Corporate							(7.5)
EBITDA [2]	**150.0**	**0.9**	**1.4**	**1.7**	**(3.6)**	–	**150.4**
Depreciation and amortisation	(89.3)	1.9	–	–	4.0	–	(83.4)
EBIT [3]	**60.7**	**2.8**	**1.4**	**1.7**	**0.4**	–	**67.0**
Net finance costs	(17.5)	–	–	–	–	0.3	(17.2)
Profit before income tax	**43.2**	**2.8**	**1.4**	**1.7**	**0.4**	**0.3**	**49.8**
Income tax expense	(15.2)	(0.8)	(0.4)	1.7	(0.1)	(0.1)	(14.9)
Profit after income tax	**28.0**	**2.0**	**1.0**	**3.4**	**0.3**	**0.2**	**34.9**
Attributable to:							
Ordinary equity holders	**28.0**	**2.0**	**1.0**	**3.4**	**0.3**	**0.2**	**34.9**

1 The use of the term 'Statutory' refers to IFRS financial information and 'Underlying' refers to non-IFRS financial information. Underlying earnings are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group. The non-IFRS financial information is unaudited.

2 EBITDA represents earnings before interest, income tax, and depreciation, amortisation and impairments.

3 EBIT represents earnings before interest and income tax.

4 Relates to costs and accelerated depreciation associated with the organisational restructure activities, ceased projects and site closures.

5 Relates to costs incurred during the period to rebrand the Group to 'Cleanaway' (effective 1 February 2016) and reflects part of the spend to be incurred.

6 Acquisition costs include transaction costs and other costs associated with the acquisition of businesses during the period. Tax expense on acquisition costs relates to the tax consequences of acquiring the 50% non-controlling interest in Cleanaway Refiners of $2.0 million less deductions available on acquisition costs of $0.3 million.

7 Relates to a reduction in the remediation and rectification provision in relation to closed landfill sites and the accelerated depreciation of site infrastructure related to closing landfill sites.

8 Net finance costs relate to the foreign exchange loss on the USPP borrowings of $1.6 million offset by fair value changes on the mark to market valuation of derivative financial instruments of $1.3 million.

Directors' Report (continued)

Significant changes in the state of affairs

Other than matters mentioned in this Report, no other significant changes in the state of affairs of the Group occurred during the half-year under review, except as set out below.

On 17 August 2017, Cleanaway entered into a funding arrangement with the Clean Energy Finance Corporation. The agreement provides the Group with an unsecured loan of up to $90.0 million, on a fixed rate 8 year term.

On 11 December 2017, Cleanaway announced it had entered into a Scheme Implementation Deed to acquire 100% of the shares on issue in Tox Free Solutions Limited for $3.425 per share in cash, representing a value of $671.0 million (net of debt and minority interest of $160.0 million). The acquisition of Tox Free Solutions Limited is to be funded by: a fully underwritten $590.4 million 1 for 3.65 pro-rata accelerated non-renounceable entitlement offer comprising an institutional component of $515.2 million and a retail component of $75.2 million; and debt drawn down from a new $900.0 million multi-tranche facility which will replace Cleanaway's existing syndicated debt facilities. The acquisition is subject to Tox Free Solutions Limited's shareholder approval, court approval, completion of the institutional component of the Entitlement offer, ACCC approval, no prescribed occurrence and no material breach of the representations.

On 18 December 2017, the Group repurchased $62.9 million (US$48.0 million) of US Private Placement Notes (USPP).

On 21 December 2017, Cleanaway issued 381,623,662 shares to eligible institutional shareholders under the institutional component of the pro-rata accelerated non-renounceable offer, raising $515.2 million ($505.9 million net of transaction costs).

Environmental regulation

The Group's operations are subject to significant environmental regulation and the Group holds environmental licences for its sites.

The Group is committed to achieving the highest standards of environmental performance. There were no material breaches of environmental statutory requirements and no material prosecutions during the half-year under review.

The Group is registered under the *National Greenhouse and Energy Reporting Act 2007*, under which it is required to report energy consumption and greenhouse gas emissions for its Australian facilities.

Events subsequent to reporting date

On 31 January 2018, Cleanaway issued 55,700,243 shares under the retail component of the pro-rata accelerated non-renounceable entitlement offer, raising $75.2 million ($73.9 million net of transaction costs).

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 8.

This Report is made in accordance with a resolution of the Board.

M P Chellew
Chairman and Non-Executive Director

V Bansal
Chief Executive Officer and Managing Director

Melbourne, 20 February 2018

Auditor’s Independence Declaration

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Auditor’s Independence Declaration to the Directors of Cleanaway Waste Management Limited

As lead auditor for the audit of Cleanaway Waste Management Limited for the half-year ended 31 December 2017, I declare 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.

This declaration is in respect of Cleanaway Waste Management Limited and the entities it controlled during the financial period.

Ernst & Young

Brett Croft
Partner

20 February 2018

Consolidated Income Statement

For the half-year ended 31 December 2017

	NOTES	31 DEC 2017 $'M	31 DEC 2016 $'M
Revenue	3	785.5	724.5
Other income		1.6	0.3
Labour related expenses		(297.9)	(291.0)
Collection, recycling and waste disposal expenses		(207.5)	(176.3)
Fleet operating expenses		(76.8)	(69.3)
Property expenses		(22.5)	(17.9)
Other expenses		(28.4)	(20.7)
Share of profits from equity accounted investments	4	0.2	0.4
Profit from operations before depreciation and amortisation		**154.2**	**150.0**
Depreciation and amortisation expense		(79.5)	(89.3)
Profit from operations		**74.7**	**60.7**
Net finance costs	5	(16.9)	(17.5)
Profit before income tax		**57.8**	**43.2**
Income tax expense		(12.8)	(15.2)
Profit after income tax		**45.0**	**28.0**
Attributable to:			
Ordinary equity holders		45.0	28.0
Profit after income tax		**45.0**	**28.0**

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2017

	NOTES	31 DEC 2017 $'M	31 DEC 2016 $'M
Profit after income tax		**45.0**	**28.0**
Other comprehensive income			
Revaluation of land and buildings (net of tax)		1.2	–
Net comprehensive income recognised directly in equity		**1.2**	–
Total comprehensive income for the year		**46.2**	**28.0**
Attributable to:			
Ordinary equity holders		46.2	28.0
Total comprehensive income for the period		**46.2**	**28.0**
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	7	2.7	1.7
Diluted earnings per share (cents)	7	2.7	1.7

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2017

	NOTES	31 DEC 2017 $'M	30 JUNE 2017 $'M
Assets			
Current assets			
Cash and cash equivalents		183.3	43.2
Trade and other receivables		261.1	247.9
Inventories		13.1	11.1
Derivative financial instruments		–	8.3
Assets held for sale		14.6	8.8
Other assets		14.4	15.5
Total current assets		**486.5**	**334.8**
Non-current assets			
Property, plant and equipment		971.6	936.5
Intangible assets		1,590.9	1,585.3
Equity accounted interests	4	15.2	11.5
Net deferred tax assets		93.6	89.5
Total non-current assets		**2,671.3**	**2,622.8**
Total assets		**3,157.8**	**2,957.6**
Liabilities			
Current liabilities			
Trade and other payables		206.3	177.6
Income tax payable		11.1	16.7
Borrowings	6	3.1	62.4
Employee entitlements		46.3	46.0
Provisions		59.2	55.6
Liabilities held for sale		5.4	–
Other liabilities		23.3	22.1
Total current liabilities		**354.7**	**380.4**
Non-current liabilities			
Borrowings	6	35.9	307.8
Employee entitlements		4.8	8.4
Provisions		264.5	302.6
Other liabilities		131.9	133.4
Total non-current liabilities		**437.1**	**752.2**
Total liabilities		**791.8**	**1,132.6**
Net assets		**2,366.0**	**1,825.0**
Equity			
Issued capital	8	2,592.6	2,083.0
Reserves		44.3	40.4
Retained earnings		(270.9)	(298.4)
Parent entity interest		2,366.0	1,825.0
Total equity		**2,366.0**	**1,825.0**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2017

	PARENT ENTITY INTEREST					
	ORDINARY SHARES $'M	RESERVES $'M	RETAINED EARNINGS $'M	TOTAL $'M	NON-CONTROLLING INTEREST $'M	TOTAL EQUITY $'M
At 1 July 2017	**2,083.0**	**40.4**	**(298.4)**	**1,825.0**	–	**1,825.0**
Profit for period	–	–	45.0	**45.0**	–	**45.0**
Other comprehensive income	–	1.2	–	**1.2**	–	**1.2**
Total comprehensive income for the period	–	1.2	45.0	**46.2**	–	**46.2**
Issue of shares (net of transaction costs)	507.3	–	–	**507.3**	–	**507.3**
Share-based payment expense	–	2.7	–	**2.7**	–	**2.7**
Dividends reinvested/(paid)	2.3	–	(17.5)	**(15.2)**	–	**(15.2)**
Balance at 31 December 2017	**2,592.6**	**44.3**	**(270.9)**	**2,366.0**	–	**2,366.0**
At 1 July 2016	**2,076.4**	**43.3**	**(344.8)**	**1,774.9**	**6.6**	**1,781.5**
Profit for period	–	–	28.0	**28.0**	–	**28.0**
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the period	–	–	28.0	**28.0**	–	**28.0**
Share-based payment expense	–	1.6	–	**1.6**	–	**1.6**
Dividends reinvested/(paid)	4.2	–	(14.3)	**(10.1)**	–	**(10.1)**
Acquisition of non-controlling interest	–	–	4.1	**4.1**	(6.6)	**(2.5)**
Balance at 31 December 2016	**2,080.6**	**44.9**	**(327.0)**	**1,798.5**	–	**1,798.5**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2017

	31 DEC 2017 $'M	31 DEC 2016 $'M
Cash flows from operating activities		
Profit before income tax	57.8	43.2
Adjustments for:		
Depreciation and amortisation expense	79.5	89.3
Write back of remediation provision related to closed sites	–	(3.6)
Net finance costs	16.9	17.5
Share-based payment expense	2.2	1.0
Share of profits from equity accounted investments	(0.2)	(0.4)
Net gain on disposal of property, plant and equipment	(0.9)	(0.2)
Other non-cash items	2.5	1.6
Net cash from operating activities before changes in assets and liabilities	**157.8**	**148.4**
Changes in assets and liabilities:		
Increase in receivables	(13.0)	(21.8)
Decrease/(increase) in other assets	1.7	(3.2)
(Increase)/decrease in inventories	(2.0)	0.5
Increase in payables	26.2	9.7
Decrease in employee benefits	(3.6)	(3.3)
(Decrease)/increase in other liabilities	(2.0)	1.2
Decrease in provisions	(22.6)	(22.7)
Cash generated from operating activities	**142.5**	**108.8**
Net interest paid	(9.0)	(9.0)
Income taxes paid	(20.7)	–
Net cash from operating activities	**112.8**	**99.8**
Cash flows from investing activities		
Payments for property, plant and equipment	(86.5)	(67.0)
Payments for intangible assets	(6.5)	(7.3)
Payments for purchase of businesses and non-controlling interest	(14.6)	(29.3)
Proceeds from disposal of property, plant and equipment	2.0	0.5
Investment in equity accounted interests	(4.4)	–
Dividends received from equity accounted investments	0.9	0.2
Net cash used in investing activities	**(109.1)**	**(102.9)**
Cash flows from financing activities		
Proceeds from borrowings	25.0	30.0
Repayment of borrowings	(386.9)	(20.0)
Repayment of finance lease liabilities	(0.2)	–
Net proceeds from settlement of derivatives	8.7	–
Payment of debt and equity raising costs	(10.2)	(0.1)
Proceeds from issue of ordinary shares	515.2	–
Payment of dividends to ordinary equity holders	(15.2)	(10.1)
Repayment of loan to related parties	–	(0.5)
Net cash from/(used in) financing activities	**136.4**	**(0.7)**
Net increase/(decrease) in cash and cash equivalents	**140.1**	**(3.8)**
Cash and cash equivalents at the beginning of the period	43.2	48.3
Cash and cash equivalents at 31 December	**183.3**	**44.5**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. *Summary of significant accounting policies*

Statement of compliance

The Half-Year Consolidated Financial Report is a general purpose financial report which has been 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 all the notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report. It is also recommended that the half-year report be considered together with any public announcements made by the Group during the half-year ended 31 December 2017 in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

Basis of preparation

The Half-Year Consolidated Financial Report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets (non-landfill land and buildings) and derivative financial instruments. Cost is based on the fair value of the consideration given in exchange for assets.

The Half-Year Consolidated Financial Report is presented in Australian dollars and all values are rounded to the nearest hundred thousand dollars, except when otherwise indicated. This presentation is consistent with the requirements of Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements.

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 Group's annual financial report for the financial year ended 30 June 2017, except for the impact of new and revised standards noted below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New and revised standards

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

New and revised Standards, amendments thereof and Interpretations which became effective during the current half-year and relevant to the Group include:

- AASB 2016-2 *Amendments to Australian Accounting standards – Disclosure Initiative: Amendments to AASB 107*

  This amendment requires the Group provide disclosures about the changes in the borrowings of the Group, including both changes arising from cash flows and non-cash changes. Despite this disclosure only being required for annual periods the Group has chosen to include this disclosure in its interim report to explain the non-cash movements in the Group's borrowings. Note 6 to the financial statements provides this information for the current interim period.

A number of new standards are effective for annual periods beginning after 1 July 2017 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- AASB 15 *Revenue from Contracts with Customers,* and the relevant amending standards (expected to be initially applied in the financial year ending 30 June 2019)

  AASB 15 replaces the existing revenue recognition standards AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations. AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

  Cleanaway has established a team comprising AASB 15 specialists working together with the business units. Work was segregated into revenue streams with activity to date focussing on larger revenue streams. Contracts from each large revenue stream have been analysed against the AASB 15 five-step model. The Group's review of selected contracts in the Group has confirmed that the new standard is not expected to significantly impact the quantum of revenue recognition or the treatment of contract costs of the Group, however implementation of the standard is expected to result in timing impacts of revenue recognition.

1. Summary of significant accounting policies (continued)

In some contracts, pricing elements have been identified as variable consideration. In most cases the uncertainty that gives rise to the variability is resolved by, or at, the reporting date. However where the uncertainty exists at reporting date the variable consideration will need to be estimated and the impact adjusted on transition. Variable consideration takes many forms in the Group's contracts as follows:

- Incentives are provided to some customers based on certain volumes being collected or disposed of over a specified period of time. Where that time period is over a reporting period, any future discount expected to be applied to future services may be required to be reflected in the transaction price and the transaction price is to be allocated to the services performed over the period of the contract. Cleanaway currently applies discounts when the threshold is reached.
- Penalties may be applied if certain volumes priced in a contract over a specified period of time are not met. Cleanaway currently only recognises additional revenue at the end of the contracted period when the volumes are not met.
- Cleanaway performs services for industrial customers under contracts which can span over a reporting period. Revenue is currently recognised in line with services provided to date, on a cost plus basis, where Cleanaway considers the revenue is probable of receipt. Under AASB 15 a constraint is applied to variable consideration whereby Cleanaway will only recognise revenue to the extent that it is highly probable that a significant reversal of revenue will not occur in future periods.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period presented, which would be 1 July 2017 for Cleanaway; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the date of initial application, which would be 1 July 2018 for Cleanaway. Cleanaway will be in a position to adopt the new standard on the required effective date. Cleanaway is still in process of assessing which transition method it will adopt. This decision will depend in part on the completion of, and impact arising from, the evaluation of our revenue arrangements.

- AASB 9 *Financial Instruments,* and the relevant amending standards (expected to be initially applied in the financial year ending 30 June 2019)

  AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*. It includes a model for classification and measurement, a single, forward-looking 'expected-loss' impairment model and a substantially-reformed approach to hedge accounting. Based on the Group's current financial position, the new standard will not have any impact on the financial position or results of the Group.

- AASB 16 *Leases*, and the relevant amending standards (expected to be initially applied in the financial year ending 30 June 2020)

  AASB 16 supersedes AASB 117 *Leases*. The key features of AASB 16 from a lessee perspective are as follows:

  - Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
  - A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
  - Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.
  - The likely impact on the Group of adopting this new standard has not been determined.

2. *Segment reporting*

The Group has identified its operating segments on the basis of how the Chief Operating Decision Maker reviews internal reports about components of the Group in order to assess the performance and allocation of resources to a particular segment. Information reported to the Group's Chief Executive Officer (Chief Operating Decision Maker) for the purpose of performance assessment and resource allocation is specifically focused on the following segments:

- **Solid Waste Services**

  Comprises the collection, treatment, recycle and disposal of all types of solid waste streams, including general waste, recyclables, construction and demolition waste and medical and washroom services. Solid Waste Services owns and manages waste transfer stations, resource recovery and recycling facilities, secure product destruction, quarantine treatment operations and landfills and participates in commodities trading of recovered paper, cardboard, metals and plastics to the domestic and international marketplace. Solid Waste Services also generate and sell electricity produced utilising landfill gas.

- **Liquid Waste and Industrial Services**

  Comprises the collection, treatment, processing and recycling of liquid and hazardous waste, including industrial waste, grease trap waste, oily waters and used mineral and cooking oils in packaged and bulk forms for resale, disposal and to produce fuel oils and base oils, as well as services including industrial cleaning, vacuum tanker loading, site remediation, sludge management, parts washing, concrete remediation, CCTV, corrosion protection and emergency response services.

Unallocated balances include the Group's share of profits from equity accounted investments and corporate balances. Corporate balances relate to shared services functions that are not directly attributable to an identifiable segment. These functions include management, finance, legal, information technology, marketing, and human resources that provide support to the other segments identified above.

No operating segments have been aggregated to form the reportable segments.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The Group has the following allocation policies:

- Sales between segments are on normal commercial terms; and
- Corporate charges are allocated where possible based on estimated usage of corporate resources.

Segment assets and liabilities have not been disclosed as these are not provided to the Chief Operating Decision Maker. This information is provided at a Group level only.

Net finance costs are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Inter-segment revenues are eliminated on consolidation.

2. Segment reporting (continued)

31 DECEMBER 2017	OPERATING SEGMENTS				UNALLOCATED		
	SOLID WASTE SERVICES $'M	LIQUID WASTE AND INDUSTRIAL SERVICES $'M	ELIMINATIONS $'M	TOTAL OPERATING SEGMENTS $'M	EQUITY ACCOUNTED INVESTMENTS $'M	CORPORATE $'M	GROUP $'M
Revenue							
Sales of goods and services	573.0	195.3	–	768.3	–	–	768.3
PSO benefits [1]	–	9.6	–	9.6	–	–	9.6
Other revenue	6.9	0.6	–	7.5	–	0.1	7.6
Inter-segment sales	7.6	9.2	(16.8)	–	–	–	–
Total revenue	**587.5**	**214.7**	**(16.8)**	**785.4**	–	**0.1**	**785.5**
Underlying EBITDA	**139.2**	**30.0**	–	**169.2**	**0.2**	**(10.4)**	**159.0**
Depreciation and amortisation	(59.0)	(13.5)	–	(72.5)	–	(7.0)	(79.5)
Underlying EBIT	**80.2**	**16.5**	–	**96.7**	**0.2**	**(17.4)**	**79.5**
Rebranding costs							(2.5)
Acquisition costs							(2.3)
Profit from operations (EBIT)							**74.7**
Net finance costs							(16.9)
Profit before income tax							**57.8**
Income tax expense							(12.8)
Profit after income tax							**45.0**
Capital expenditure:							
Property, plant and equipment	84.0	1.7	–	85.7	–	0.8	**86.5**
Intangible assets	2.7	1.2	–	3.9	–	2.6	**6.5**

1 Product Stewardship for Oil benefits.

2. Segment reporting (continued)

31 DECEMBER 2016	OPERATING SEGMENTS: SOLID WASTE SERVICES $'M	OPERATING SEGMENTS: LIQUID WASTE AND INDUSTRIAL SERVICES $'M	OPERATING SEGMENTS: ELIMINATIONS $'M	TOTAL OPERATING SEGMENTS $'M	UNALLOCATED: EQUITY ACCOUNTED INVESTMENTS $'M	UNALLOCATED: CORPORATE $'M	GROUP $'M
Revenue							
Sales of goods and services	518.2	189.7	–	707.9	–	–	707.9
PSO benefits [1]	–	6.8	–	6.8	–	–	6.8
Other revenue	8.8	0.8	–	9.6	–	0.2	9.8
Inter-segment sales	4.5	10.7	(15.2)	–	–	–	–
Total revenue	**531.5**	**208.0**	**(15.2)**	**724.3**	–	**0.2**	**724.5**
Underlying EBITDA	**128.7**	**28.8**	–	**157.5**	**0.4**	**(7.5)**	**150.4**
Depreciation and amortisation	(63.9)	(13.7)	–	(77.6)	–	(5.8)	(83.4)
Underlying EBIT	**64.8**	**15.1**	–	**79.9**	**0.4**	**(13.3)**	**67.0**
Restructuring costs [2]							(2.8)
Rebranding costs							(1.4)
Acquisition costs							(1.7)
Remediation and rectification costs							(0.4)
Profit from operations (EBIT)							**60.7**
Net finance costs							(17.5)
Profit before income tax							**43.2**
Income tax expense							(15.2)
Profit after income tax							**28.0**
Capital expenditure:							
Property, plant and equipment	56.2	7.0	–	63.2	–	3.8	**67.0**
Intangible assets	1.7	–	–	1.7	–	5.6	**7.3**

1 Product Stewardship for Oil benefits.
2 Includes accelerated depreciation of $1.9 million.

3. Revenue

	31 DEC 2017 $'M	31 DEC 2016 $'M
Sale of goods and services	768.3	707.9
Product Stewardship for Oil (PSO) benefits	9.6	6.8
Other revenue	7.6	9.8
Total Revenue	**785.5**	**724.5**

4. Equity accounted interests

The Group holds a 50% interest in the following equity accounted investments but does not have control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group does not have power over these entities either through management control or voting rights.

			OWNERSHIP INTEREST		CARRYING VALUE OF INVESTMENT	
NAME OF ENTITY	COUNTRY	REPORTING DATE	31 DEC 2017 %	30 JUNE 2017 %	31 DEC 2017 $'M	30 JUNE 2017 $'M
(a) Joint ventures:						
Wonthaggi Recyclers Pty Ltd	Australia	30 June	50	50	0.4	0.7
Earthpower Technologies Sydney Pty Ltd	Australia	30 June	50	50	–	–
Tomra Cleanaway Pty Ltd [1]	Australia	30 June	50	–	4.1	–
(b) Associates:						
Total Waste Management Pty Ltd	Australia	31 Dec	50	50	5.1	5.5
Western Resource Recovery Pty Ltd	Australia	31 Dec	50	50	5.6	5.3
					15.2	**11.5**

1 The Group acquired a 50% interest in Tomra Cleanaway Pty Ltd on 17 July 2017. The carrying value includes a $0.4 million loan to Tomra Cleanaway Pty Ltd.

(a) Share of (loss)/profit from joint ventures

	31 DEC 2017 $'M	31 DEC 2016 $'M
Revenues	12.7	6.4
Expenses	(13.4)	(5.8)
(Loss)/profit before income tax (100%)	**(0.7)**	**0.6**
Share of (loss)/profit before income tax	(0.4)	0.3
Income tax benefit/(expense)	0.1	(0.1)
Share of net (loss)/profit recognised	**(0.3)**	**0.2**

4. Equity accounted interests (continued)

(b) Share of profit from associates

	31 DEC 2017 $'M	31 DEC 2016 $'M
Revenues	14.2	13.7
Expenses	(13.0)	(13.1)
Profit before income tax (100%)	**1.2**	**0.6**
Share of profit before income tax	0.6	0.3
Income tax expense	(0.1)	(0.1)
Share of net profit recognised	**0.5**	**0.2**

(c) Transactions with equity accounted investments

The following table provides the total amount of transactions with equity accounted investments during the half-year ended 31 December 2017.

	SALES TO EQUITY ACCOUNTED INVESTMENTS		PURCHASES FROM EQUITY ACCOUNTED INVESTMENTS	
	31 DEC 2017 $'M	31 DEC 2016 $'M	31 DEC 2017 $'M	31 DEC 2016 $'M
Joint ventures	1.0	–	0.9	0.5
Associates	1.2	0.6	1.6	1.5
	2.2	**0.6**	**2.5**	**2.0**

Transactions were made on normal commercial terms and conditions and at market rates.

5. Net finance costs

	31 DEC 2017 $'M	31 DEC 2016 $'M
Finance costs		
Interest on borrowings	(9.1)	(9.6)
Amortisation of capitalised transaction costs	(0.3)	(0.2)
Unwind of discount on provisions and other liabilities	(7.6)	(7.6)
Foreign currency exchange loss on USPP borrowings	(0.5)	(1.6)
Change in fair value of derivative instruments related to USPP borrowings	0.4	1.3
	(17.1)	**(17.7)**
Finance income		
Interest revenue	0.2	0.2
	0.2	**0.2**
Net finance costs	**(16.9)**	**(17.5)**

6. *Borrowings*

	UNSECURED			SECURED	
	US PRIVATE PLACEMENT NOTES $'M	BANK LOANS $'M	CLEAN ENERGY FINANCE CORPORATION $'M	LEASE LIABILITIES $'M	TOTAL BORROWINGS $'M
Opening balance at 1 July 2017	62.4	307.8	–	–	370.2
Proceeds/(repayment) of borrowings	(62.9)	(309.0)	10.0	(0.2)	(362.1)
Borrowing costs paid	–	(0.1)	(0.8)	–	(0.9)
Cash flows	(62.9)	(309.1)	9.2	(0.2)	(363.0)
Lease drawdowns [1]	–	–	–	31.4	31.4
Foreign currency loss	0.5	–	–	–	0.5
Amortisation of borrowing costs	–	0.3	–	–	0.3
Borrowing costs accrued	–	(0.4)	–	–	(0.4)
Closing balance at 31 December 2017	–	**(1.4)**	**9.2**	**31.2**	**39.0**

1 Finance leases have been utilised to fund the purchase of fleet for new and renewed contracts.

Bank loans and the Clean Energy Finance Corporation (CEFC) loan are net of capitalised transaction costs of $2.2 million (30 June 2017: $1.2 million).

The headroom available in the Group's facilities at 31 December 2017 is summarised below:

		AVAILABLE $'M	UTILISED $'M	NOT UTILISED $'M
Syndicated Facility Agreement	Facility A [1]	135.0	(51.3)	83.7
	Facility B [2]	130.0	–	130.0
	Facility C [2]	335.0	–	335.0
Clean Energy Finance Corporation [3]		90.0	(10.0)	80.0
Bank guarantee facilities [1]		90.3	(86.0)	4.3
		780.3	**(147.3)**	**633.0**

1 These facilities include $137.3 million (30 June 2017: $123.7 million) in guarantees and letters of credit which only give rise to a liability where the Group fails to perform its contractual obligations.
2 These facilities represent the amount drawn down as 'bank loans' excluding the capitalised transaction costs of $1.4 million (30 June 2017: $1.2 million).
3 The CEFC facility was entered into on 17 August 2017. The amount utilised excludes capitalised transaction costs of $0.8 million (30 June 2017: nil).

7. *Earnings per share*

	31 DEC 2017	31 DEC 2016 Restated
Basic earnings per share (cents)	2.7	1.7
Diluted earnings per share (cents)	2.7	1.7

	31 DEC 2017 $'M	31 DEC 2016 $'M
Profit after income tax	45.0	28.0
Profit after income tax attributable to ordinary equity holders	**45.0**	**28.0**

Calculation of weighted average number of ordinary shares

The calculation of weighted average number of ordinary shares for the current and comparative periods have been adjusted to reflect the bonus element in the non-renounceable entitlement offer which occurred during December 2017 and January 2018.

	31 DEC 2017	31 DEC 2016 Restated
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	1,662,793,936	1,636,449,114
Number for diluted earnings per share	1,676,111,286	1,647,953,406

8. *Issued capital*

	31 DEC 2017		30 JUNE 2017	
	NUMBER OF SHARES	$'M	NUMBER OF SHARES	$'M
Opening balance	1,592,889,317	2,083.0	1,586,344,605	2,076.4
Issue of shares under dividend reinvestment plan	1,694,938	2.3	5,760,784	6.6
Issue of shares under employee incentive plan	1,635,712	–	783,928	–
Issue of shares under entitlement offer [1]	381,623,662	515.2	–	–
Costs related to share issue, net of tax [2]	–	(7.9)	–	–
Closing balance	**1,977,843,629**	**2,592.6**	**1,592,889,317**	**2,083.0**

1 Relates to shares issued on 21 December 2017 under the non-renounceable institutional entitlement offer as part of the proposed acquisition of Tox Free Solutions Limited. Under the institutional entitlement offer, one new share was offered at the discounted price of $1.35 per share, for every 3.65 shares held. The retail component of the entitlement offer was completed on 31 January 2018. Refer to note 13.

2 Costs related to the share issue were $11.2 million (after tax $7.9 million) of which $9.3 million was paid at 31 December 2017.

9. *Dividends and distributions*

	31 DEC 2017 CENTS PER SHARE	31 DEC 2016 CENTS PER SHARE	31 DEC 2017 $'M	31 DEC 2016 $'M
Dividends paid during the period				
Final dividend relating to prior period	1.1	0.9	17.5	14.3
Dividends determined in respect of the period				
Interim dividend relating to current period	1.1	1.0	22.4	15.9

10. Business combinations

Half-year ended 31 December 2017

Business combinations

During the half-year ended 31 December 2017, the Group completed one business combination. Details of the business combination are provided below:

BUSINESS ACQUIRED	DATE OF ACQUISITION	DESCRIPTION OF THE BUSINESS
SA Waste	3 July 2017	Waste collection and resource recovery business based in Adelaide, South Australia.

The provisional fair values of the identifiable assets and liabilities of the business combination at the date of acquisition were:

	31 DEC 2017 $'M
Assets	
Trade and other receivables	0.1
Inventories	0.1
Property, plant and equipment	5.5
Deferred tax assets	0.3
Intangible assets	5.7
	11.7
Liabilities	
Employee entitlements	0.4
Provisions	0.6
Other liabilities	0.3
Deferred tax liabilities	1.7
	3.0
Total identifiable net assets at fair value	**8.7**
Goodwill arising on acquisition	3.4
Purchase consideration	**12.1**

The intangible assets identified as part of the acquisition included customer relationship intangibles. These intangible assets were valued based on the expected cash flows from the customers of the acquired business, applying an expected attrition rate of the customer base. Goodwill acquired comprises the value of expected synergies arising from integration of the acquired businesses and is non-deductible for income tax purposes.

	31 DEC 2017 $'M
Cash	12.1
Total purchase consideration	**12.1**

	31 DEC 2017 $'M
Transaction costs of the acquisition (included in cash flows from operating activities)	0.1
Cash consideration paid (included in cash flows from investing activities)	12.1
Net cash flow on acquisition	**12.2**

From the date of acquisition to 31 December 2017, the business contributed $5.4 million of revenue and a $0.1 million loss to profit before tax to the Group, after amortisation of customer intangibles of $0.7 million.

11. Financial assets and liabilities measured at fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy on the basis of nature, characteristics and risks and described as follows based on the lower level of input that is significant to the fair value measurement as a whole.

Level 1 – the fair value is calculated using prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

There were no transfers between levels during the half-year.

The Group enters into currency rate swaps with financial institutions with investment grade credit ratings. These derivatives are valued using techniques with market observable inputs. The valuation techniques include forward pricing and swap models, using present value calculations.

The following table provides the fair value measurement hierarchy of the Group's derivative financial instruments:

31 DECEMBER 2017	LEVEL 1 $'M	LEVEL 2 $'M	LEVEL 3 $'M	TOTAL $'M
Assets				
Derivative financial instruments – USD foreign currency swap	–	–	–	–

30 JUNE 2017	LEVEL 1 $'M	LEVEL 2 $'M	LEVEL 3 $'M	TOTAL $'M
Assets				
Derivative financial instruments – USD foreign currency swap	–	8.3	–	8.3

The carrying value of all financial assets and liabilities other than derivative financial instruments approximate fair value.

12. Contingent liabilities

Other than as set out below there have been no material changes to the contingent liabilities which were disclosed in the 30 June 2017 Annual Report.

Taxation authority reviews

New Zealand Inland Revenue has completed its review of certain taxation matters which arose during the period of the Group's ownership of the New Zealand business. The review of one matter is still outstanding however the Group had previously determined the potential amount of tax payable for this outstanding matter, and included this amount in the tax liability provision. The Group intends to vigorously defend the remaining outstanding matter. No contingent liabilities are outstanding following the finalisation of the New Zealand Inland Revenue review in December 2017.

13. Events occurring after the reporting date

Proceeds from share issue

On 31 January 2018, Cleanaway issued 55,700,243 shares under the retail component of the pro-rata accelerated non-renounceable entitlement offer, raising $75.2 million.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes of the Group for the half-year ended 31 December 2017 are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

  (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

M P Chellew
Chairman and Non-Executive Director

V Bansal
Chief Executive Officer and Managing Director

Melbourne, 20 February 2018

Independent Auditor's Report

to the members of Cleanaway Waste Management Limited

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Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Cleanaway Waste Management Limited (the Company) and its subsidiaries (collectively the Group), which comprises the Consolidated Balance Sheet as at 31 December 2017, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial 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*.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such 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, anything has come to our attention that causes us to 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 Group's Consolidated Balance Sheet as at 31 December 2017 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*. As the auditor of the Group, 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 Cleanaway Waste Management Limited, would be in the same terms if given to the Directors as at the time of this auditor's report.

Ernst & Young

Ernst & Young

Brett Croft
Partner
Melbourne, 20 February 2018