PACIFIC CURRENT GROUP

33° 51' 50.457" S, 151° 12' 23.437" E
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28 February 2018

PACIFIC CURRENT GROUP INTERIM RESULTS
Six-month period ended 31 December 2017

HIGHLIGHTS

- Underlying NPBT of A$8.7m for the six months ended 31 December 2017, up 26% compared to A$6.9m in 1H17;
- Underlying NPAT of A$9.3m for the six months ended 31 December 2017, up 60% compared to A$5.8m in 1H17;
- Statutory NPAT of A$89.5m includes significant non-recurring gains and income tax benefit (1H17: a profit of A$6.1m);
- Strong growth in numerous boutiques, including Aperio, GQG, ROC and EAM;
- Interim dividend deferred; full-year dividend being considered in light of investment opportunities under consideration;
- Aggregate FUM of A$67bn, up 26% compared to 30 June 2017 (after adjusting for boutiques sold during the year).

SYDNEY (28 February 2018) - Pacific Current Group (ASX: PAC, “Pacific Current”) is pleased to report the Company’s full year results for the six-month period ended 31 December 2017.

PORTFOLIO COMPANY HIGHLIGHTS

Total funds under management (FUM) at 31 December 2017 was A$67bn, up 26% for the first half of 2018 (1H18), mainly due to strong inflows at GQG and Aperio. Many boutiques posted positive inflows during the six months, though growth was also aided by cooperative equity markets.

Total funds under management represents the aggregate of all boutiques’ FUM as if each boutique was 100% owned by PAC and excludes boutiques sold during the year. Note that the relationship between FUM and the economic benefits received by PAC can vary dramatically based on each boutique’s fee levels, PAC’s ownership stakes, and the specific economic features of each relationship. Accordingly, management cautions against simple extrapolation based on FUM updates or trends.

In June 2016, PAC invested in GQG, a new boutique led by former Vontobel Asset Management portfolio manager, Rajiv Jain. Since inception, GQG has grown exceptionally rapidly, reaching A$13.7bn at 31 December 2017. New clients have come from multiple geographies, including roughly A$1.6bn from Australian clients.

Aperio’s history of consistent growth continued in the first half of FY18, reaching A$30.5bn in FUM at 31 December 2017, which represents an increase of 80% over the two years since PAC’s investment. EAM also saw rapid growth in 1H18, primarily as a result of increased penetration in the Australian market and exceptional investment performance.

Seizert underwent a period of underperformance beginning shortly after the merger of Treasury Group and Northern Lights. Performance experienced a subsequent rebound, though results for 2017 were mixed, with strong results for its Large Cap Value strategy and significant underperformance for its Mid Cap product. FUM has remained flat over the last year with performance offsetting FUM outflows.

CAPITAL MANAGEMENT

In October, the company sold its 40% interest in IML for slightly less than A$120m. IML was the initial investment for the company, and its growth and success have been the foundation for the ongoing development of PAC. The company is actively seeking to redeploy the IML proceeds into new investments and currently has a large pipeline of potential opportunities. While there is no certainty that new investments will be consummated, PAC management is optimistic about both the quality and quantity of opportunities under review and expects to deploy capital into new investments in FY18. In the context of capital management, the Board has not declared an interim dividend but will review the position with the full-year results.

RESTATEMENT OF FINANCIALS

The reported results reflect a change to PAC's application of the accounting standards associated with joint control and consolidation and a consequential restatement of results for the comparison periods as required under the accounting standard on presentation of financial statements. The change does not affect the underlying results.

In the pre-audit announcement of 26 February 2018, the profit after tax attributable to members at 30 June 2017 was expected to be reduced by an estimated A$51m as a result of the restatement identified in that announcement. On finalisation of the half-yearly report, the final amount is A$43m.

This is predominantly driven by the initial recognition of net deferred tax assets and an income tax benefit of A$8m as at 30 June 2017 resulting from the deferred tax accounting entries related to the timing differences with goodwill and intangible assets in the United States.

The primary driver is the tax deduction relating to goodwill amortisation under US law that PAC is exposed to under consolidation.

The flow through of this deduction to the December 2017 result is an additional tax expense from the reduction of the net deferred tax asset recognised in the restated June 2017 result, which was driven by the reduction in the effective US corporate tax rate. Though the tax expense has increased by A$3.7m, PAC has not actually paid any tax in the United States.

The changes reflect the tax impact on PAC through the recognition of US tax assets and liabilities that have been taken up since consolidation.

The equity position as at 30 June 2017 has been reduced by A$40m, as opposed to A$48m previously indicated. This is due to the net deferred tax asset of A$8m being recognised at this date.

It should be noted that the underlying performance of the company does not change.

DIVIDEND

The Board has deferred the interim dividend and is considering the full-year dividend in light of investment opportunities under review.

OUTLOOK

Pacific Current's Chairman, Mr. Mike Fitzpatrick commented, "The last six months have seen the Company make significant progress. The company has reduced structural complexity and gearing and has seen steady organic growth across the portfolio. We are in a strong position to deploy capital in new growth opportunities."

Pacific Current's President, North America & Global CIO, Paul Greenwood added, "We couldn't be more excited about our current portfolio and the new opportunities we are seeing. With a little luck, 2018 will see PAC add multiple new portfolio companies that will add both growth and resilience to our future earnings."

Please refer to the presentation attached for the details.

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CONFERENCE CALL

Investors and analysts are invited to participate in a conference call at **11:00am AEDT on Wednesday, 28 February 2018** to be hosted by Pacific Current Group's Chairman, Mike Fitzpatrick, President, North America & Global CIO, Paul Greenwood, Chief Financial Officer and COO, Joseph Ferragina and Executive Director, Tony Robinson.

The dial-in details are as follows:

Location	Phone Number
Australia (toll free)	1800 590 693
Australia, Sydney	+61 2 9193 3719
New Zealand (toll free)	0800 423 972
New Zealand, Auckland	+64 9 9133 624
Singapore (toll free)	800 186 5106
Singapore	+65 6320 9041
United Kingdom (toll free)	0800 358 6374
United Kingdom	+44 330 336 9104
USA/Canada (toll free)	800 289 0462
USA, Los Angeles	+1 323 794 2442

Participant Passcode: **185489**

CONTACT

For Investor Enquiries:

Paul Greenwood
President, North America & Global CIO
(+1) (253) 617-7815

ABOUT PACIFIC CURRENT GROUP // www.paccurrent.com

Pacific Current Group is a multi-boutique asset management firm dedicated to providing exceptional value to shareholders, investors and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. As of 31 December 2017, Pacific Current Group has 14 boutique asset managers globally.

PACIFIC CURRENT GROUP

INTERIM RESULTS

For the half-year ended 31 December 2017

PRESENTERS:
Paul Greenwood, President, North America and Global CIO
Joseph Ferragina, Chief Financial Officer and COO
Tony Robinson, Executive Director

ASX: PAC

Disclaimer

The information in this presentation is general information about Pacific Current Group ('Pacific Current' or 'PAC') and is current only at the date of this presentation. In particular, this presentation:

- is not an offer or recommendation to purchase or subscribe for securities in Pacific Current, nor is it an invitation to any person to acquire securities in Pacific Current;
- is not personal advice and does not take into account the potential and current individual investment objectives or the financial situation of investors; and
- contains information in summary form and does not purport to be complete.

Note that the relationship between FUM and the economic benefits received by Pacific Current can vary dramatically based on each boutique's fee levels, PAC's ownership stakes, and the specific economic features of each relationship. Accordingly, management cautions against simple extrapolation based on FUM updates/ trends.

Certain statements in this presentation may constitute 'forward-looking statements.' Forward-looking statements are neither promises nor guarantees and involve known and unknown risks, uncertainties and other factors which may cause actual results to vary materially from any projection, future results or performance expressed or implied by such forward-looking statements.

Agenda

1. Overview
2. Portfolio Update
3. Financials
4. Q & A
5. Appendix


OVERVIEW

Overview – Interim Highlights

First Half of 2018 (1H18) Financial Highlights - 30 June 2017 to 31 December 2017

- Underlying NPBT of A$8.7m, up 26% from A$6.9m in 1H17
- Underlying NPAT of A$9.3m compared to A$5.8m in 1H17
- Statutory profit of A$89.5m compared to A$6.1m in 1H17
  - Includes a net after tax gain of A$86.3m from the sale of Investors Mutual Limited (IML)
- Reduced gearing with X-RPUs repaid in full and Seizert notes partially repaid
- Reduced complexity through simplification of structure, which resulted in full alignment of all shareholders through one common security
- Interim dividend deferred in light of investment opportunities under review

Portfolio Growth

- CY 2017 was a strong year of investment performance
- Rapid FUM growth across portfolio, aided by strong global equity markets
- 3 of PAC’s 4 Growth managers grew by more than 100% during CY 2017
- CY 2017 was a record year for FUM raised by PAC’s distribution team

Overview – Interim Highlights

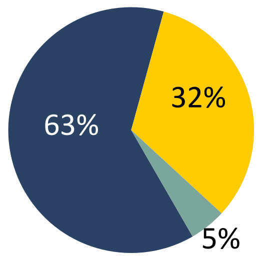
Investment Opportunities

- Divested IML on 3 October 2017 and Goodhart on 26 January 2018
- Pipeline of attractive opportunities at all-time high
- Most likely new investments will be in firms offering private capital and non-active equity strategies
- Pipeline spans continuum from smaller Growth-type investments (A$2m to A$10m) to larger Core investments (A$40m to A$80m)
- Valuation of Core investment opportunities has crept up as more capital comes into the space, leading many high quality organisations to contemplate transactions
- PAC expects the rest of CY 2018 to be quite active on new investment front

Interim Financial Results Summary

FUM

A$67bn*



» Total FUM of boutiques reaches A$67bn

- Core boutiques: A$41.9bn
- Growth boutiques: A$21.8bn
- Other boutiques: A$3.2bn

NPAT

A$9.3m**

A$89.5m statutory

60%

» Underlying Net Profit After Tax of A$9.3m, up 60% from A$5.8m in 1H17

NPBT

A$8.7m**

A$104.7m statutory

26%

» Underlying Net Profit Before Tax of A$8.7m, up 26% from A$6.9m in 1H17

EPS

19.6cps**

187.4cps statutory

6%

» Underlying Earnings Per Share of 19.6cps, down 6% from 20.8cps in 1H17

*FUM of private equity funds is based on capital commitments to each fund and does not reflect any return of capital to date. FUM excludes IML due to sale of PAC's interest in October 2017.
** Underlying net profit before tax and underlying net profit after tax are non-IFRS financial measures used by PAC to manage its business. EPS for 1H18 includes new shares issued in April 2017 (simplification) and June 2017 (capital raise).

Overview of PAC

PACIFIC CURRENT GROUP

Aurora Trust

Core Boutiques

AETHER INVESTMENT PARTNERS, LLC	Diversified real assets
aperio	Customised tax managed equity
RARE	Global listed infrastructure
SCP SEIZERT CAPITAL PARTNERS	US equity

Growth Boutiques

Blackcrane CAPITAL	International equity
EAM GLOBAL INVESTORS	International and emerging markets small cap
GQG PARTNERS	Global and emerging markets equity
ROC PARTNERS	Private equity and real assets

Other Boutiques

ALPHA SHARES	China ETF index provider
CELESTE Funds Management	Australian small cap
FIM Freehold Investment Management	Australian REIT & unlisted property
NORTHERN LIGHTS ALTERNATIVE ADVISORS	Private equity and hedge fund placement agent
Nereus	Alternative energy infrastructure
STRATEGIC CAPITAL INVESTORS	Hedge fund seeding

The simplification and restructure resulted in PAC owning 100% of the Aurora Trust.

Boutique Results

Core Boutiques

AETHER INVESTMENT PARTNERS, LLC	Diversified real assets
aperio	Customised tax managed equity
IML INVESTORS MUTUAL LTD	Australian equities
RARE	Global listed infrastructure
SCP SEIZERT CAPITAL PARTNERS	US equities

Key Metrics

	1H17	1H18
FUM as at 31 December	A$42.8b	A$41.9b
Revenue for the half year	A$104.2m	A$68.5m
Earnings to the Group*	A$16.4m	A$11.4m

» IML was sold on 3 October 2017. Data above is for partial period only.

» For Aperio we have recognised an expense in relation to a form of phantom equity, issued to key staff, that is entitled to capital appreciation above certain thresholds. The equity vests after 10 years or on a substantial sale of the business. Aperio has grown to the point that these units have begun to take on significant value, and while no such transaction is imminent, it is appropriate for PAC to recognise the expected dilution of its stake in the event of a sale. The above result reflects an underlying result.

*The table above shows a look-through pro forma earnings contribution from boutiques.

Boutique Results

Growth Boutiques

Blackcrane Capital	International equity
EAM Global Investors	International and emerging markets small cap
GQG Partners	Global and emerging markets equity
ROC Partners	Private equity and real assets

Key Metrics

	1H17	1H18
FUM as at 31 December	A$6.7b	A$21.8b
Revenue for the half year	A$10.1m	A$28.9m
Earnings to the Group*	(A$0.2m)	A$0.5m

» 1H17 includes Raven, which was sold in October 2016.

» FY2017 FUM is significantly higher due to GQG. Our economics in GQG are in the form of dividends calculated as a share of revenue between a minimum and maximum threshold. Above the maximum threshold, participation in incremental growth declines significantly. Dividends are recognised as declared by GQG. We expect this to happen during the second half of our current financial year.

*The table above shows a look-through pro forma earnings contribution from boutiques.

Boutique Results

Other Boutiques

ALPHA SHARES	China ETF index provider
CELESTE Funds Management	Australian small cap
FIM Freehold Investment Management	Australian REIT & unlisted property
Goodhart partners	Japan small cap & EM equity
Northern Lights Alternative Advisors	Private equity and hedge fund placement agent
Nereus	Alternative energy infrastructure
Strategic Capital Investors	Hedge fund seeding

Key Metrics

	1H17	1H18
FUM as at 31 December	A$2.2b	A$3.2b
Revenue for the half year	A$5.7m	A$15.4m
Earnings to the Group*	A$0.2m	A$1.2m

» PAC sold its interest in Goodhart Partners on 26 January 2018.

*The table above shows a look-through pro forma earnings contribution from boutiques.

PORTFOLIO UPDATE

Portfolio Company Update – Interim Highlights

Portfolio Company Developments

- Last six months saw rapid organic growth, led by GQG, Aperio, and EAM
- Post 31 December, State of New Jersey announced a US$135m separate account with Aether
- Gerry Seizert has now delegated day-to-day firm management, though he remains active in portfolio management
- Performance generally strong during the year, with strongest results from EAM (all products) and weakest results from Seizert Mid Cap

Portfolio Company Performance

Each dot in the table represents one strategy. Performance based on gross annualised returns.

● Strategy outperformed manager-preferred benchmark

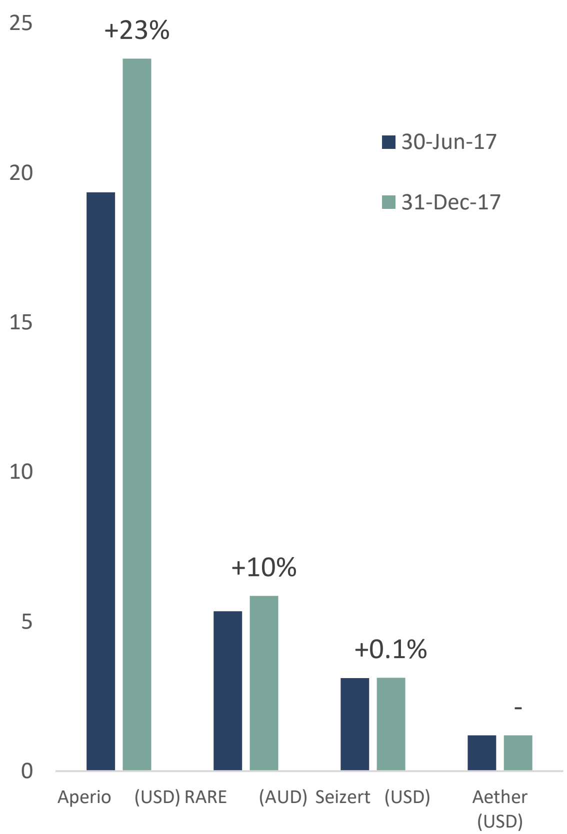
○ Strategy underperformed manager-preferred benchmark

	1 Year	3 Years	5 Years
EAM Global Investors	● ● ●	● ● ●	● ●
Blackcrane Capital	● ●	● ○	-
Seizert Capital Partners	● ● ○ ○ ○ ○	● ● ● ○ ○ ○	● ● ● ○ ○
GQG Partners	● ● ○	-	-
Celeste Funds Management	○	●	○
RARE Infrastructure Ltd.	● ○ ● ○	○ ○ ○ ○	● ● ● ●
Freehold Investment Management	● ●	● ●	● ○

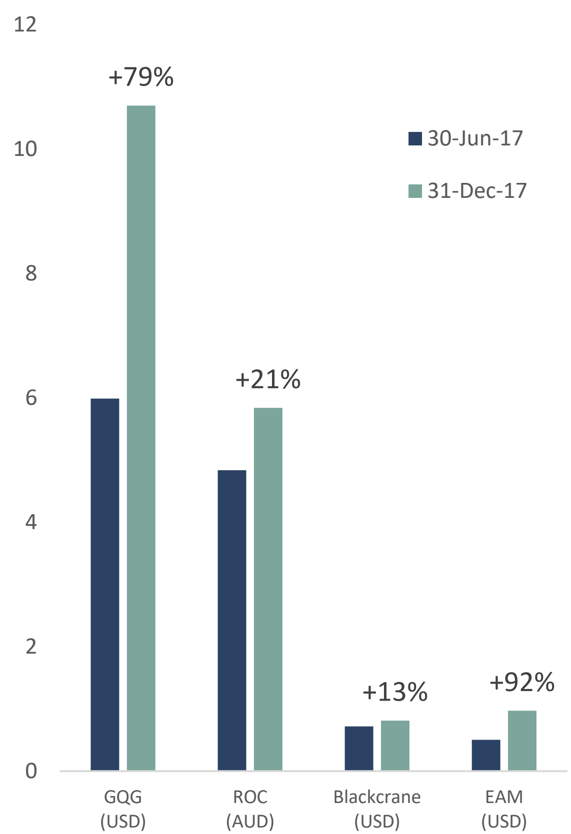
Portfolio Company Update

FUM 30 June 2017 vs. 31 December 2017 (in each manager's home currency)

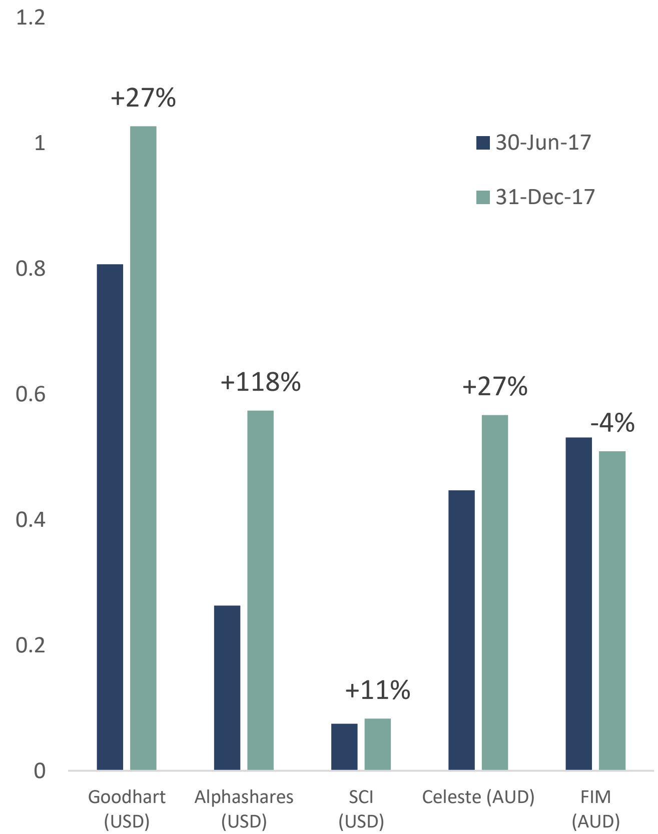
Core Boutiques



Growth Boutiques



Other Boutiques



* Boutiques sold during 2017 are not shown.

Summary of Boutique Economics

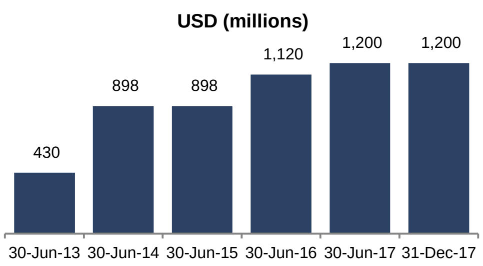
	Core Boutiques	Growth Boutiques	Other Boutiques
Traditional Economics Economics to PAC are broadly correlated with their equity ownership in the funds	AETHER Investment Partners, LLC aperio SCP Seizert Capital Partners RARE IML Investors Mutual Ltd	ROC Partners	Alpha Shares FIM Freehold Investment Management CELESTE Funds Management
Non-Traditional Economics Economics to PAC are leveraged to revenue and FUM growth of the funds.		Blackcrane Capital EAM Global Investors GQG Partners	Nereus Northern Lights Alternative Advisors Strategic Capital Investors

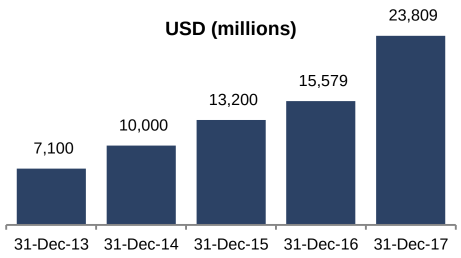
- **PAC earnings from Core Boutiques** generally operate under traditional economics, with fees directly correlated to FUM.
  - Core Boutiques accounted for > 86% of boutique earnings in 1H18; Aether was the largest contributor followed closely by Seizert. IML and Aperio contributed approximately equal proportions.
- **PAC earnings from Growth Boutiques** are generally disproportionate to its shareholding, with potential for PAC to earn fee income above the level of equity ownership.
  - Growth boutiques expected to be an increasing contributor to earnings going forward.
  - Economics in GQG comes through share of revenue between a minimum and maximum threshold. Above the maximum threshold participation in incremental growth declines significantly. As at 31 December 2017, GQG had not yet declared a distribution; it is expected to be recognised in second half of current financial year.

Core Boutiques

Boutique:	AETHER INVESTMENT PARTNERS, LLC	aperio
Equity Ownership:	100%	23.4%
PM / CIO:	Sean Goodrich and Troy Schell	Patrick Geddes
Economics:	100% of excess management fee*	Equity share
FUM as at 31 Dec 17:	US$1.2bn	US$23.8bn
Fund Flows:	State of NJ announced SMA of US$135m in Jan 2018	Consistently strong flows
First Investment:	Invested at firm inception in 2008, zero FUM	Invested in existing firm in January 2016, when FUM was US$13.2bn
Commentary:	Raised ARA IV and first co-invest fund in long-term closed-end vehicles in late 2016	Benefitting from numerous powerful trends, including ESG, passive and smart beta

Asset Growth:



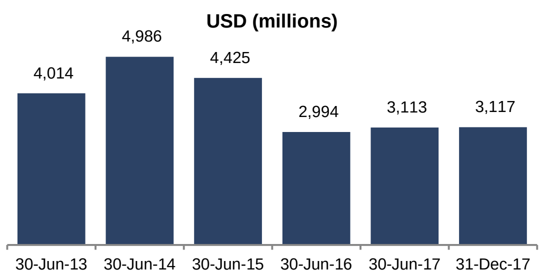


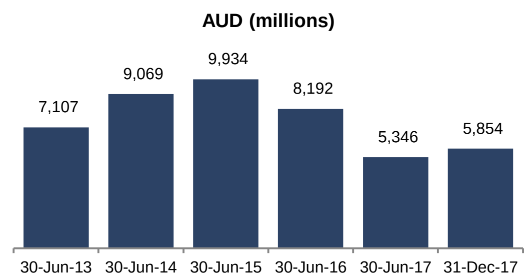
*Excess management fee relates to management fees less operating expenses.

Core Boutiques

Boutique:	SCP SEIZERT CAPITAL PARTNERS	RARE
Equity Ownership:	100%	10%
PM / CIO:	Gerald Seizert, David Collon and Edward Eberle	Richard Elmslie and Nick Langley
Economics:	Preferred profit share, reduced to pro rata after certain milestones	Equity
FUM as at 31 Dec 17:	US$3.1bn	A$5.9bn
Fund Flows:	Outflows have slowed; winning some new business in difficult environment	Lost significant FUM in FY17, though FUM has stabilized in 1H18
First Investment:	Invested in existing firm in 2008, FUM of US$826m	Invested at firm inception in 2006, zero FUM
Commentary:	Performance of Mid Cap very weak in 2017, though Large Cap Value was strong; continues to face headwinds of active management in US	Sold 75% of the investment to Legg Mason in October 2015, remaining ownership of 10%**

Asset Growth:



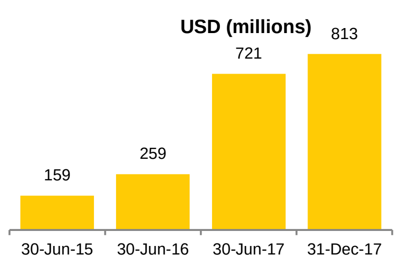


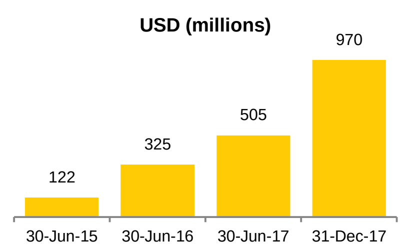
**Remaining 10% ownership in RARE subject to a Put/Call option exercisable from October 2017

Growth Boutiques

Boutique:	Blackcrane CAPITAL	EAM GLOBAL INVESTORS
Equity Ownership:	25%	18.75%*
PM / CIO:	Dan Kim	Travis Prentice and Josh Moss
Economics:	Equity share	Equity and revenue share
FUM as at 31 Dec 17:	US$813m	US$970m
Fund Flows:	FUM more than doubled in 2017	Rapid FUM growth in 1H18
First Investment:	Invested in existing firm in 2014, FUM of approximately US$3 million	Invested in existing firm in 2014 to launch non-US strategies through a new EAM subsidiary
Commentary:	Accelerating growth has helped Blackcrane reach critical mass and profitability	EAM landed two Australian clients with PAC's assistance

Asset Growth:



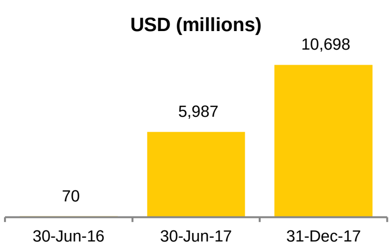


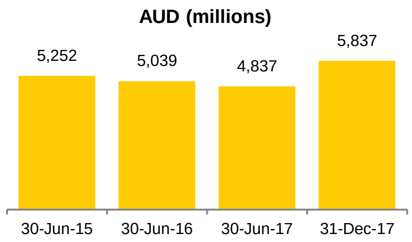
* PAC increased equity ownership in EAM on 21 February from 15% to 18.75%

Growth Boutiques

Boutique:	GQG PARTNERS	ROC PARTNERS
Equity Ownership:	5%	17.6%
PM / CIO:	Rajiv Jain	Michael Lukin and Shaw Ng
Economics:	Revenue share	Equity share
FUM as at 31 Dec 17:	US$10.7bn	A$5.8bn
Fund Flows:	Growing exceptionally rapidly since launch in June of 2016	Significant uptick in 1H18
First Investment:	Invested at firm inception in June of 2016, zero FUM	Supported management buyout in 2014
Commentary:	Experiencing significant growth in FUM with a high level of interest from funds in Australia, Europe and the USA; Two US mutual funds growing steadily	Specialised investment firm offering both pooled and customised Asia Pacific private equity solutions

Asset Growth:





Other Boutiques

ALPHA SHARES	» Provides direct exposure to Chinese markets primarily through a series of China indexes » Revenue generated through an index licensing agreement » Equity ownership: 31%, Dec-17 FUM: US$574m*
CELESTE Funds Management	» Australian small cap fund providing above-benchmark returns over the medium to long term » Equity ownership: 27.5%, Dec-17 FUM: A$567m
FIM Freehold Investment Management	» Specialist investment manager focused on Australian and global real estate and infrastructure » Equity ownership: 31%, Dec-17 FUM: A$509m
Nereus	» Private equity fund focused on alternative energy infrastructure and project development in India » Equity ownership 50%, FUM: n/a
NORTHERN LIGHTS ALTERNATIVE ADVISORS	» Strategic partner and financial advisory business for private companies, hedge funds and private equity » Equity ownership: 29.9%, FUM: n/a
STRATEGIC CAPITAL INVESTORS	» Hedge fund seeding and acceleration investing in sub-scale and new hedge funds » Equity ownership 54%, Dec-17 FUM: US$83m

FINANCIALS

Underlying Financial Results of PAC

PAC P&L showing underlying results of the group on a 'look-through' basis

P&L Highlights (A$m)	PAC Look-Through P&L* 1H17	PAC Look-Through P&L* 1H18	% Change
Revenue	1.3	3.8	192.3%
Share of earnings from boutiques	16.4	13.2	(19.5%)
Total revenue	**17.7**	**17.0**	**(4.0%)**
Gross employee expenses	4.4	3.9	(11.4%)
Occupancy expenses	0.5	0.3	(40.0%)
Travel and entertainment expenses	0.5	0.4	(20.0%)
Advisory, tax and accounting expenses	1.1	0.7	(36.4%)
Legal and consulting expenses	1.3	0.4	(69.2%)
Insurance expenses	0.2	0.2	-
Interest expense	1.1	0.7	(36.4%)
Other expenses	1.6	1.6	-
Total expenses	**10.7**	**8.2**	**(23.4%)**
Underlying pro forma net profit before tax	**6.9**	**8.7**	**26.1%**
Income tax (expense) / benefit	**(1.1)**	**0.6**	**-**
Underlying pro forma net profit after tax	**5.8**	**9.3**	**60.3%**

- The corresponding table shows pro forma PAC P&L for half-year 2017 and 2018, which has been adjusted to exclude non-recurring and/or non-cash items to show underlying business performance.
- For consistency of presentation with other boutiques and to help investors understand expenses at a PAC corporate level, Aether, Seizert and Strategic Capital Partners are not consolidated into the pro forma accounts, with contributions included as share of earnings from boutiques.
- Excludes Interest expense on debt in relation to Seizert notes payable.
- Employment expense excludes non-cash long-term incentive amortisation.
- Calculations exclude gain on sale of IML.
- In share of earnings from boutiques, earnings for Aperio exclude expense relating to S-Class Units as it is a non-cash item and therefore not part of underlying results.

* Presentation of P&L above is a non-IFRS financial measure used by PAC to manage its business.

Decrease in pro forma underlying expenses

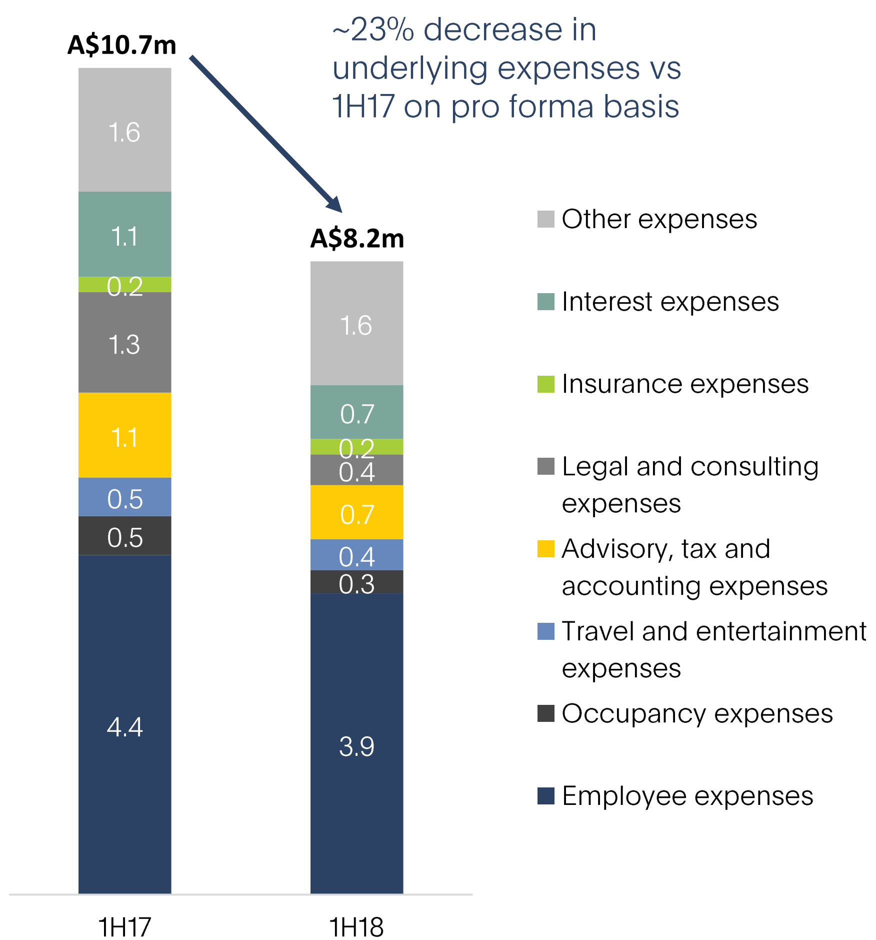
Reduction in corporate costs and interest expense has improved operating leverage

Corporate cost reductions

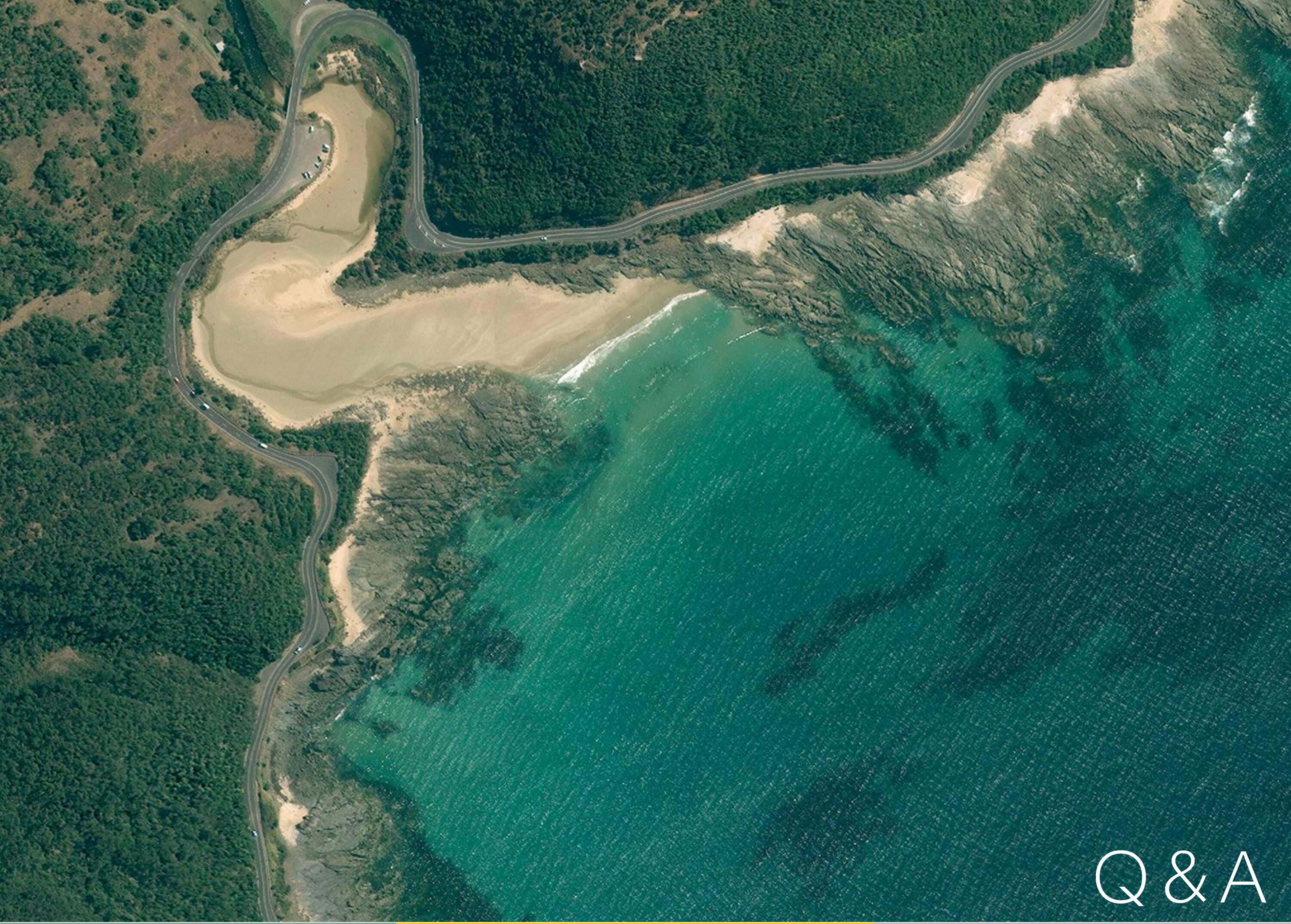
- Reduced employee-related expenses a significant driver of the reduced costs in 1H18, with lower legal and consulting expenses and advisory, tax and accounting expenses also contributing factors

Interest expense reductions

- Interest expense in 1H17 includes:
  - Interest on loan facility entered into in December 2016 to pay the second payment for the purchase of equity in Aperio; loan facility paid off as at 30 June 2017
  - Interest on Seizert notes payable



* Presentation of P&L above is non IFRS financial measure used by PAC to manage its business.



Q & A

APPENDIX

PAC – Statutory P&L

P&L Highlights (A$m)	PAC Statutory 1H17	PAC Statutory 1H18
Revenue	20.1	19.8
Net gains on investments	8.1	103.8
Employee expenses	8.8	10.5
Other expenses	18.4	8.8
Depreciation and amortisation expenses	1.2	0.7
Interest expenses	1.9	1.2
Share of net profits/(losses) of associates and JVs accounted for using equity method	7.7	2.5
Profit before tax	**5.6**	**104.7**
Income tax (expense) / benefit	0.5	(15.2)
Profit after tax	**6.1**	**89.5**
Underlying net profit after tax	**5.8**	**9.3**
Underlying earnings per share (cents)	20.8	19.6

- Results for 1H17 and 1H18 are consolidated with PAC, Aurora Trust, Seizert, Aether, SCI and Midco.
- Simplified business structure aimed to increase transparency and reduce complexity starting FY18.
- EPS for 1H18 reflects new shares issued post simplification.
- The reported results reflect a change to PAC's application of the accounting standards associated with joint control and consolidation and a consequential restatement of results for the comparison periods as required under the accounting standard on presentation of financial statements. The change does not affect the underlying results.

PAC – Underlying P&L

Underlying P&L (A$m)	1H17	1H18
Statutory net profit after tax	**6.1**	**89.5**
Gain on sale of investments	(0.5)	(104.3)
Income tax expense on the sale of IML (1H17: Aubrey)	0.1	17.9
Take-up of liability relating to S class shares issued by Aperio	-	2.9
Loss on redemption and cancellation of X-RPUs (1H17: gain on revaluation of X-RPUs)	(15.3)	0.8
Legal and consulting expenses in relation to sale of IML, simplification and X-RPU restructuring	-	0.7
Foreign currency losses	(0.4)	2.0
Amortisation of identifiable intangibles	1.1	0.6
Impairment of investments	11.2	-
Loss on revaluation of FVTPL investment	7.7	-
Fair value adjustments	0.9	0.4
Long-term incentives amortisation	0.5	0.6
Other expenses	-	0.4
Share of non-controlling interests	(3.9)	(0.2)
Back-out of net Income tax (benefit) relating to non-recurring items	(1.7)	(2.1)
Underlying net profit after tax	**5.8**	**9.3**

- Gain on sale of investment reflects profit on sale of IML.
- Gain on revaluation of X-RPUs reflects the fixed liability nature of X-RPUs post simplification.
- X-RPUs were repaid on 11 October 2017.
- Interest expense is in relation to a one-off payment plan which came to an end in October 2017.

PAC – Balance Sheet

Balance Sheet – PAC (A$m)		31 Dec 2017
Current assets		120.6
Non-current assets		
Other financial assets	69.6	
Investments in associates	54.2	
Intangible assets	99.9	
Plant and equipment	6.1	
Loans and other receivables	13.2	243.1
Total assets		**363.7**
Current liabilities		18.9
Non-current liabilities		
Deferred tax liability	2.2	
Provisions	0.2	
Financial liabilities	12.0	14.3
Total liabilities		**33.2**
Net assets		**330.5**

- Balance sheet reflects consolidation of Aether, Seizert, Midco and its subsidiaries.
- Carrying values have been tested and/or adjusted for change in value.
- Cash on balance sheet includes proceeds from sale of IML.
- Simplification of structure significantly reduced gearing and eliminated complexity.
- Deferred tax liability is recognized through the accounting on consolidation. It does not reflect tax provisions to the Australian Tax Office.
- Current liabilities include A$12m tax liability resulting from the gain on sale of IML.
- Non current liabilities: Financial liabilities include Seizert notes payable of US$8.75m, due in November 2019.

Details of Non-Current Liabilities

Name	Amount (Face Value)	Maturity	Notes
Promissory notes	US$0.8m*	Nov 2018	Vendor finance related to Seizert acquisition. Compound Interest accrued at LIBOR rate + 5% on total liability.
	US$8.75m	Nov 2019	

* The amount shown above is lower than previously stated due to a partial repayment of Seizert notes on 12 August 2017 and 29 November 2017.