Prescient Therapeutics Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Prescient Therapeutics Limited
ABN:	56 006 569 106
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	3.1%	to	68,187
Loss from ordinary activities after tax attributable to the owners of Prescient Therapeutics Limited	up	15.2%	to	(1,180,179)
Loss for the half-year attributable to the owners of Prescient Therapeutics Limited	up	15.2%	to	(1,180,179)

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 $1,180,179 (31 December 2016: $1,024,096).

The loss for the half-year to 31 December 2017 increased by $156,083 to the previous corresponding period due to an increase in corporate and research and development expenditure and reduction in the research and development incentive tax rebate amount receivable as at 31 December 2017.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	3.46	3.98

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.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

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

Not applicable.

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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 is attached as part of the Interim Report.

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11. Attachments

Details of attachments (if any):

The Interim Report of Prescient Therapeutics Limited for the half-year ended 31 December 2017 is attached.

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12. Signed

Signed ______________________ Date: 27 February 2018

Mr Steven Engle
Non-Executive Chairman

Prescient Therapeutics Limited

ABN 56 006 569 106

Interim Report - 31 December 2017

Directors	Mr Steven Yatomi-Clarke (Managing Director and CEO) Mr Steven Engle (Non-executive Chairman) Mr Paul Hopper (Executive Director) Dr James Campbell (Non-executive Director)
Company secretary	Ms Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 PH: 03 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne VIC 3205
Share register	Automic Registry Services Level 3 50 Holt Street Surrey Hills NSW 2010 PH: 1300 288 664
Auditor	Ernst & Young 8 Exhibition Street Melbourne VIC 3000
Stock exchange listing	Prescient Therapeutics Limited shares are listed on the Australian Securities Exchange (ASX codes: PTX and PTXO)
Website	www.prescienttherapeutics.com

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Prescient Therapeutics 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 2017.

Directors

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

Mr Steven Engle
Mr Paul Hopper
Dr James Campbell
Mr Steven Yatomi-Clarke

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- the preparation for and conduct of clinical trials relating to the Company's products;
- business development associated with the promotion of Prescient's proprietary technologies and products; and
- business development associated with developing collaborative, partnership relationships and corporate transactions.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $1,180,179 (31 December 2016: $1,024,096).

The consolidated entity has accounted for an estimated research and development incentive tax rebate for the half year amounting to $388,504. The loss for the half-year to 31 December 2017 increased by $156,083 to the previous corresponding period due to an increase in corporate and research and development expenditure and reduction in the research and development incentive tax rebate amount receivable as at 31 December 2017.

The net assets of the consolidated entity decreased by $1,118,252 to $10,666,701 as at 31 December 2017 (30 June 2017: $11,784,953). The consolidated entity's working capital position, being current assets less current liabilities decreased by $1,116,962 to $7,303,116 (30 June 2017: $8,420,078).

The Directors believe the consolidated entity is in a strong and stable position to expand and grow its current operations.

Below is a summary of the Company's operations during the period.

PTX-200

Prescient's novel PTX-200 technology inhibits an important tumor survival pathway known as Akt, which plays a key role in the development of many cancers. Prescient is in clinical stages evaluating PTX-200 as a treatment for breast cancer, ovarian cancer and Acute Myeloid Leukemia (AML).

Prescient's three clinical trials with PTX-200 were placed on hold by the U.S. Food and Drug Administration (FDA) after a serious adverse event on it breast cancer study. Prescient was able to obtain the lifting of the clinical holds on all three PTX-200 trials during the half-year period.

Breast Cancer

Prescient is in Phase 1b/2 of a trial testing PTX-200 in combination with chemotherapy agent paclitaxel as standard of care for the treatment of metastatic and locally advanced breast cancer at the Albert Einstein College of Medicine and Cancer Center in New York, as well the H. Lee Moffitt Cancer Center (Moffitt) in Florida. In particular, Prescient is focusing on HER2 negative breast cancer, which is characterized by a high level of unmet clinical need.

As noted above, the FDA granted the removal of the clinical hold on the Company's trial during the half year and the Company is in the process of resuming recruitment of patients for this trial, which is now in Phase 2.

Acute Myeloid Leukemia (AML)

Prescient is also evaluating PTX-200 in patients with refractory or relapsed AML in a Phase 1b trial combining PTX-200 with the chemotherapeutic agent cytarabine, following encouraging results from a previous Phase 1 study of PTX-200 as a monotherapy in acute leukemias. This trial is led by Principal Investigator Professor Jeffrey Lancet, a world renowned hematologist at the Moffitt.

During the half year, the Company resumed recruitment of patients for this trial.

Ovarian Cancer

The third trial is a Phase 1b/2 trial of PTX-200 in combination with carboplatin (current standard of care chemotherapy), underway in patients with recurrent or persistent platinum resistant ovarian cancer at the Moffitt. Hyper-phosphorylated Akt is a key feature of platinum-resistant ovarian cancer, and these patients no longer respond to conventional chemotherapies like carboplatin.

Following removal of the clinical hold, the Company made further protocol changes and is in the process of resuming recruitment of patients for this trial recruitment of patients for this trial.

PTX-100

Prescient's second novel drug candidate, PTX-100 is a first in class compound with the ability to block an important cancer growth enzyme known as geranylgeranyl transferase (GGT).

In June 2017, the Company announced the results of PTX-100's pre-clinical study which were published in the scientific journal *Nature*. *Nature* is regarded as one of the world's most cited and prestigious scientific publications.

These results indicated that PTX-100 plays a key role in mitigating a new cancer pathway discovered by Professor Michele Pagano at New York University's Langone Medical Center, in New York.

Professor Pagano's study also showed in mouse models that when administered with PTX-100, plus photodynamic therapy, a protein known as FBXL2 is "switched-off" allowing abnormal cells to self-destruct. Therefore, patients whose tumors harbor defective PTEN may also be more likely to respond to a combination of PTEN and photodynamic therapy.

These findings have important translational implications for Prescient as patients whose tumors harbor defective PTEN may be more likely to respond to a combination of PTX-100 and photodynamic therapy.

Prescient continues to prepare for the commencement of a clinical trial of PTX-100 in hemtaological and gastric malignancies.

Manufacturing

The Company is in the process of manufacturing PTX-100 and additional supply of PTX-200 to meet the requirements of its clinical trials.

Intellectual Property

During the year, the Company bolstered its intellectual property portfolio, with key patents granted in the US and Europe that underpin the development and commercialization of lead drug candidate PTX-200.

In the September quarter, the Company announced that the US Patent and Trademark Office (USPTO) had issued two notices of allowance under the PTX-200 patent families "Effective treatment of tumors and cancer with triciribine and related compounds" and "Compositions including triciribines and taxanes and methods of use thereof".

In March, the issue of three additional US patents was announced. These patents include a platform method of treatment for identifying and treating a patient having a tumor with enhanced sensitivity to TCN, a method for treating esophageal adenocarcinoma which overexpress Akt kinase and a method for treating cancers which overexpress Akt in combination with trastuzumab.

Prescient also announced the granting of an additional patent in Europe in May. This patent is entitled “Effective treatment of tumors and cancers with triciribine and related compounds” and it covers particular therapeutic regimens of triciribine phosphate and compositions with reduced toxicity for the treatment of tumors, and cancer.

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.

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 immediately after this directors' report.

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

Steven Engle

Mr Steven Engle
Non-Executive Chairman

27 February 2018

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Auditor's Independence Declaration to the Directors of Prescient Therapeutics Limited

As lead auditor for the review of Prescient Therapeutics 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 Prescient Therapeutics Limited and the entities it controlled during the financial period.

Ernst + Young

Ernst & Young

Lonergan

Joanne Lonergan
Partner
27 February 2018

	Note	Consolidated 31 December 2017 $	31 December 2016 $
Revenue		68,187	70,381
Other income	4	388,504	493,040
Expenses			
Research and development costs		(897,078)	(847,760)
Corporate expenses		(338,604)	(301,629)
Administrative expenses		(145,831)	(151,491)
Foreign exchange		(28,454)	18,736
Employment expenses		(164,977)	(277,505)
Share based payments		(61,926)	(27,868)
Loss before income tax expense		(1,180,179)	(1,024,096)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Prescient Therapeutics Limited		(1,180,179)	(1,024,096)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Prescient Therapeutics Limited		(1,180,179)	(1,024,096)
		Cents	**Cents**
Basic earnings per share	11	(0.56)	(0.49)
Diluted earnings per share	11	(0.56)	(0.49)

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

Prescient Therapeutics Limited
Statement of financial position
As at 31 December 2017

	Note	Consolidated 31 December 2017 $	Consolidated 30 June 2017 $
Assets			
Current assets			
Cash and cash equivalents		5,987,324	7,645,388
Trade and other receivables		17,366	21,822
Short Term Investments		20,000	20,000
Other Current Assets	5	1,551,884	1,173,514
Total current assets		7,576,574	8,860,724
Non-current assets			
Property, plant and equipment		3,029	2,230
Intangibles		3,366,897	3,366,894
Total non-current assets		3,369,926	3,369,124
Total assets		10,946,500	12,229,848
Liabilities			
Current liabilities			
Trade and other payables		212,541	400,587
Employee benefits		60,917	40,059
Total current liabilities		273,458	440,646
Non-current liabilities			
Employee benefits		6,341	4,249
Total non-current liabilities		6,341	4,249
Total liabilities		279,799	444,895
Net assets		10,666,701	11,784,953
Equity			
Issued capital	6	55,497,148	55,497,148
Reserves	7	790,616	728,689
Accumulated losses		(45,621,063)	(44,440,884)
Total equity		10,666,701	11,784,953

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

Prescient Therapeutics Limited
Statement of changes in equity
For the half-year ended 31 December 2017

Consolidated	Issued capital $	Share Based Payments Reserves $	Retained profits $	Share Loan Plan Reserve $	Total equity $
Balance at 1 July 2016	54,276,559	609,214	(41,873,251)	-	13,012,522
Loss after income tax expense for the half-year	-	-	(1,024,096)	-	(1,024,096)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,024,096)	-	(1,024,096)
Transactions with owners in their capacity as owners:					
Share-based payments	-	21,227	-	6,641	27,868
Conversion of Options	352	-	-	-	352
Contribution of equity	1,354,737	-	-	-	1,354,737
Capital Raising Fees	(134,500)	-	-	-	(134,500)
Balance at 31 December 2016	55,497,148	630,441	(42,897,347)	6,641	13,236,883

Consolidated	Issued capital $	Share Based Payments Reserve $	Retained profits $	Share Loan Plan Reserve $	Total equity $
Balance at 1 July 2017	55,497,148	682,199	(44,440,884)	46,490	11,784,953
Loss after income tax expense for the half-year	-	-	(1,180,179)	-	(1,180,179)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,180,179)	-	(1,180,179)
Transactions with owners in their capacity as owners:					
Share-based payments	-	22,079	-	39,848	61,927
Balance at 31 December 2017	55,497,148	704,278	(45,621,063)	86,338	10,666,701

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

	Consolidated	
	31 December 2017 $	31 December 2016 $
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(1,725,061)	(2,226,244)
Interest received	69,442	37,899
R&D tax incentive received	-	644,828
Net cash used in operating activities	(1,655,619)	(1,543,517)
Cash flows from investing activities		
Payments for investments in 6 month term deposits	-	(3,520,000)
Payments for property, plant and equipment	(1,522)	-
Net cash used in investing activities	(1,522)	(3,520,000)
Cash flows from financing activities		
Proceeds from issue of shares	-	1,355,089
Capital raising costs	-	(134,500)
Net cash from financing activities	-	1,220,589
Net decrease in cash and cash equivalents	(1,657,141)	(3,842,928)
Cash and cash equivalents at the beginning of the financial half-year	7,645,388	9,753,646
Effects of exchange rate changes on cash and cash equivalents	(923)	18,733
Cash and cash equivalents at the end of the financial half-year	5,987,324	5,929,451

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

Note 1. General information

The financial statements cover Prescient Therapeutics Limited as a consolidated entity consisting of Prescient Therapeutics 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 Prescient Therapeutics Limited's functional and presentation currency.

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

Level 4, 100 Albert Road
South Melbourne, VIC, 3205

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 27 February 2018.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 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 2017 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 or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The financial report has been prepared on the 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.

The working capital position as at 31 December 2017 of the consolidated entity results in an excess of current assets over current liabilities of $7,303,116 (30 June 2017: $8,420,078 excess). The consolidated entity made a loss after tax of $1,180,179 during the financial half-year (2016: $1,024,096 from continuing operations) and the net operating cash outflow was $1,655,619 (2016: $1,543,517 net outflow). The cash balance (being the total of cash and cash equivalents and short term investments) as at 31 December 2017 was $5,987,324 (30 June 2017: $7,645,388).

The Directors are of the opinion that the existing cash reserves will provide the Company with adequate funds to ensure its continued viability and operate as a going concern.

The Company continues to closely monitor expenditure, and the Board is confident that it will be able to manage its cash resources appropriately without negatively impacting upon planned activities. On this basis the directors consider that the consolidated entity remains a going concern and these financial statements have been prepared on this basis.

Note 3. Operating segments

Identification of reportable operating segments
The Company operated predominately in the clinical stage oncology industry within Australia. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the Company as a whole in the business segment of clinical stage oncology within Australia.

Note 4. Other income

	Consolidated	
	31 December 2017 $	31 December 2016 $
Research and Development Tax Incentive	388,504	493,040

Effective 1 July 2011, the R&D tax incentive regime replaced the R&D tax concession. Under this regime, Prescient, having expected aggregated annual turnover of under $20 million, is entitled to a refundable R&D credit of 43.5% (2016: 43.5%) on the eligible R&D expenditure incurred on eligible R&D activities.

The 43.5% (2016: 43.5%) refundable R&D tax offset is accounted for under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance and is recorded as 'other income' in the Statement of profit or loss & other comprehensive income.

During the half year ended 31 December 2017 the consolidated entity has recognised a receivable of $388,504 (2016: $493,040).

Note 5. Current assets - Other Current Assets

	Consolidated	
	31 December 2017 $	30 June 2017 $
R&D tax incentive receivable	1,446,526	1,058,021
Prepayments	105,358	115,493
	1,551,884	1,173,514

Note 6. Equity - issued capital

	Consolidated			
	31 December 2017 Shares	30 June 2017 Shares	31 December 2017 $	30 June 2017 $
Ordinary shares - fully paid	211,250,107	211,250,107	55,497,148	55,497,148

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.

Share buy-back
There is no current on-market share buy-back.

Note 7. Equity - reserves

	Consolidated	
	31 December 2017 $	30 June 2017 $
Share based payments reserve	704,278	682,199
Share loan plan reserve	86,338	46,490
	790,616	728,689

Share based payments reserve
This reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Share loan plan reserve
This reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services. On 30 November 2016, shareholders approved the Company's proposal to issue up to 8,000,000 Loan Funded Shares (LFS) with an expiry date of 30 November 2021 to the Company's Managing Director, Mr Steven Yatomi-Clarke, by way of a non-recourse, interest-free loan. The loan is repayable at any time or is repayable immediately if the participant ceases to be an employee. If the employee sells the shares, the shares are payable on the date of receipt of the funds. The initial tranche of 2,000,000 shares was issued at $0.094 (9.4 cents) on 21 December 2016. The second tranche, of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.15 (15 cents) prior to the expiry date; the third tranche of 2,000,000 shares will be issued when the 5-day VWAP of the ordinary shares in the Company reaches $0.22 (22 cents) prior to the expiry date; and the fourth and final tranche of 2,000,000 shares will be issued when the 5-day VWAP of ordinary shares in the Company reaches $0.29 (29 cents) prior to the expiry date.

Note 8. Equity - dividends

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

Note 9. Contingent assets and contingent liabilities

There are no contingent assets and contingent liabilities that need disclosure in the financial statements of the Group.

Note 10. Events after the reporting period

Subsequent to 31 December 2017, the consolidated entity received $1,058,021 relating to the research and development tax incentive rebate for the 2017 financial year.

No other matter or circumstance has arisen since 31 December 2017 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 11. Earnings per share

	Consolidated	
	31 December 2017 $	31 December 2016 $
Loss after income tax attributable to the owners of Prescient Therapeutics Limited	(1,180,179)	(1,024,096)

Note 11. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	209,957,838	208,686,639
Weighted average number of ordinary shares used in calculating diluted earnings per share	209,957,838	208,686,639

	Cents	Cents
Basic earnings per share	(0.56)	(0.49)
Diluted earnings per share	(0.56)	(0.49)

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 'Earnings Per Share'. The rights to options are non-dilutive as the consolidated entity is loss generating.

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 2017 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

Mr Steven Engle
Non-Executive Chairman

27 February 2018

Building a better
working world

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Independent Auditor's Review Report to the Members of Prescient Therapeutics Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Prescient Therapeutics Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2017, the statement of profit and 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 of significant accounting policies and other explanatory information, and the directors' declaration.

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 financial position 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* and 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*.

Ernst + Young

Ernst & Young

Lonergan

Joanne Lonergan
Partner
Melbourne
27 February 2018