Your Directors submit their report for the half-year ended 31 December 2017.

DIRECTORS

The names and details of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Peter Terence Kempen
FCA, FAICD (Chairman)

Dr Sam Aaron Hupert
M.B.B.S. (Deputy Chairman and Chief Executive Officer)

Anthony Barry Hall
B.Sc.(Hons), M.Sc. (Executive Director and Technology Director)

Roderick Lewis John Lyle (retired 14 November 2017)
LL.B., B.Com, LL.M (Lond), MBA (Melb) (Non-Executive Director)

Anthony James Glenning
B.Sc, B.Eng, M.EE (Non-Executive Director)

Dr Leigh Farrell (appointed 8 September 2017)
PhD, B.Sc.(Hons), FAICD (Non-Executive Director)

REVIEW AND RESULTS OF OPERATIONS

The Company reported a first half after tax profit of $5.07m, an increase of $0.27m (up 5.7%) compared to the same period last year. Revenue for the 6 month period of the Company increased from $15.20m to $16.57m, an increase of 9.0%. The result was negatively impacted by a currency loss of $0.35m as compared with a gain of $0.72m in the previous corresponding period.

The result from the underlying operations for the period was a profit of $5.42m compared to an underlying profit of $4.08m from the previous corresponding period, an increase of 33.0%. The underlying profit is made up of reported profit after-tax of $5.07m and adding back the after-tax net currency loss of $0.35m, compared to the after-tax gain last year of $0.72m.

During the period there was increased volatility in foreign currency markets which impacted on the Company's holdings when expressed in Australian dollars. In the latter part of the period the Company took steps to mitigate the effect which was partially successful. Whilst the loss for the period is primarily unrealised, measures will continue to be applied to ameliorate the impact of any further volatility.

During the period the Company continued to make strong inroads into the North America market winning a key $18.0m contract with Yale New Haven Health, one of the most recognised health systems in North America. The timing of this contract has meant that the majority of the revenue from professional services will be taken in the second half of FY18. The Company continued to make significant progress, with all key implementations being on or ahead of schedule.

The Company is looking to further build on its presence in North America and is actively pursuing a growing number of opportunities within the enterprise imaging/large teaching hospitals and corporate/private imaging centre markets.

The Company's European business performed in line with expectations with increasing sales to external customers.

The Company's Australian business was in line with expectations as a result of increased adoption of the Visage RIS and Visage PACS products. Promedicus.net, the Company's e-health offering, continued to perform well throughout the period.

The Company continued its significant investment in R&D, both in Australia as well as overseas.

The Company's cash reserves have increased by $0.02m despite a 67.2% increase in final dividend payout, increased tax payments and greater investment in R&D for the 6 month period. Cash reserves remaining high at $22.80m at the end of December 2017 and the Company remains debt free.

The Board is of the view that there are sufficient cash reserves to fund the anticipated growth of the business from internal sources. As a result the Company has announced a fully franked interim dividend of 2.5c per share.

ROUNDING

The amounts contained in this report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors Reports) instrument 2016/191. The Company is an entity to which Legislative Instrument applies.

AUDITORS' INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, we have obtained a declaration of independence from our auditors Ernst & Young, a copy of which is attached.

Signed in accordance with a resolution of the directors.

Peter Kempen

P T Kempen
Chairman
Melbourne, 16 February 2018

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working world

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Auditor's Independence Declaration to the Directors of Pro Medicus Limited

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

Ernst & Young

Ernst & Young

Paul Gower

Paul Gower
Partner

16 February 2018

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	Consolidated 2017 $'000	2016 $'000
Continuing operations			
Revenue	2	**16,568**	15,184
Finance Revenue		**6**	18
Revenue		**16,574**	15,202
Cost of Sales		**(92)**	(360)
Gross Profit		**16,482**	14,842
Net foreign currency (losses)/gains	3a	**(498)**	1,032
Accounting and secretarial fees		**(378)**	(370)
Advertising and public relations		**(741)**	(706)
Depreciation & amortisation	3b	**(2,190)**	(2,081)
Insurance		**(398)**	(351)
Legal costs		**(262)**	(156)
Operating lease expense		**(261)**	(255)
Other expense		**(414)**	(190)
Salaries and employee benefits expense	3b	**(4,588)**	(4,448)
Travel and accommodation		**(376)**	(408)
Profit before tax		**6,376**	6,909
Income tax expense	9	**(1,307)**	(2,113)
Profit for the period		**5,069**	4,796
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation		**33**	(281)
Other comprehensive income for the period		**33**	(281)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**5,102**	4,515
Earnings per share (cents per share)			
-basic for net profit for half-year		4.92¢	4.69¢
-diluted for net profit for the half-year		4.86¢	4.61¢

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	Consolidated Dec 2017 $'000	Consolidated Jun 2017 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	6	**22,796**	22,775
Trade and other receivables	7	**4,271**	3,489
Accrued revenue		**2,764**	3,264
Inventories		**47**	54
Prepayments		**841**	598
Total Current Assets		**30,719**	30,180
Non-Current Assets			
Deferred tax asset	9	**1,639**	1,023
Plant and equipment		**322**	283
Intangible assets	8	**16,449**	15,478
Prepayments		**136**	242
Total Non-Current Assets		**18,546**	17,026
TOTAL ASSETS		**49,265**	47,206
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**3,234**	3,458
Income tax payable		**386**	1,972
Provisions		**1,785**	1,822
Total Current Liabilities		**5,405**	7,252
Non-Current Liabilities			
Deferred tax liabilities	9	**4,411**	5,045
Provisions		**82**	75
Total Non-Current Liabilities		**4,493**	5,120
TOTAL LIABILITIES		**9,898**	12,372
NET ASSETS		**39,367**	34,834
EQUITY			
Contributed equity		**1,937**	1,937
Share buyback reserve		**(73)**	(73)
Share reserve		**3,714**	1,717
Foreign currency translation reserve		**178**	145
Retained earnings		**33,611**	31,108
TOTAL EQUITY		**39,367**	34,834

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Consolidated					
	Issued Capital	Share Buyback Reserve	Share Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2017	1,937	(73)	1,717	145	31,108	34,834
Profit for the period	-	-	-	-	5,069	5,069
Other comprehensive income	-	-	-	33	-	33
Total comprehensive income for the period	-	-	-	33	5,069	5,102
Transactions with owners in their capacity as owners						
Share based payment	-	-	282	-	-	282
Income tax effect of share based payment	-	-	1,715	-	-	1,715
Exercise of share options	-	-	-	-	-	-
Dividends	-	-	-	-	(2,566)	(2,566)
At 31 December 2017	**1,937**	**(73)**	**3,714**	**178**	**33,611**	**39,367**

	Issued Capital	Treasury Share Reserve	Share Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2016	1,302	-	1,104	117	24,862	27,385
Profit for the period	-	-	-	-	4,796	4,796
Other comprehensive income	-	-	-	(281)	-	(281)
Total comprehensive income for the period	-	-	-	(281)	4,796	4,515
Transactions with owners in their capacity as owners						
Share based payment	-	-	321	-	-	321
Exercise of share options	635	-	-	-	-	635
Share buy-back	-	(73)	-	-	-	(73)
Dividends	-	-	-	-	(1,535)	(1,535)
At 31 December 2016	1,937	(73)	1,425	(164)	28,123	31,248

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	Consolidated 2017 $'000	2016 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**16,286**	15,749
Payments to suppliers and employees		**(7,612)**	(7,412)
Income tax paid		**(2,429)**	(2,140)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**6,245**	6,197
CASH FLOWS USED IN INVESTING ACTIVITIES			
Capitalised development costs	8	**(3,091)**	(2,753)
Interest received		**6**	18
Purchase of property, plant and equipment		**(108)**	(69)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(3,193)**	(2,804)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Payment of dividends on ordinary shares	4b	**(2,566)**	(1,535)
Payment for share buy-back		**-**	(73)
Proceeds from issuing shares		**-**	635
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(2,566)**	(973)
Net increase in cash and cash equivalents		**486**	2,420
Net foreign exchange differences		**(465)**	751
Cash and cash equivalents at beginning of period		**22,775**	17,107
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	**22,796**	20,278

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. Corporate Information

The interim consolidated financial statements of the Group for the half-year ended 31 December 2017 were authorised for issue in accordance with a resolution of directors on 16 February 2018.

Pro Medicus Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in note 2.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of Preparation

The interim consolidated financial statements for the half-year ended 31 December 2017 have been prepared in accordance with AASB 134 *Interim Financial Reporting.*

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2017, together with any public announcements made by the Company during the half-year ended 31 December 2017.

(b) Significant accounting policies

Apart from the changes in accounting policy noted below, accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements for the year ended 30 June 2017.

Significant accounting judgements, estimates and assumptions

Taxation:
The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

(c) Changes in accounting policy

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2017.

The Group has adopted the applicable changes in accounting standards for the half-year ended 31 December 2017 and are of the view that the adoption of the standards did not have an affect on the financial position or the performance of the Group. In addition, the Group has elected not to adopt any new standards or amendments issued but not yet effective.

2. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on country of origin. Discrete financial information is reported to the executive management team on at least a monthly basis.

Impairment is not monitored at a segment level.

Types of products and services
The Group produces integrated software applications for the health care industry. In addition the Group provides services in the form of installation and support.

Accounting policies and inter-segment transactions
The accounting policies used by the Group in reporting segments internally are the same as those used in preparing the financial statements in prior periods.

Inter-entity sales
Inter-entity sales are recognised based on an internally set transfer price. The price aims to reflect what the business operation could achieve if they sold their output and services to external parties at arm's length.

Operating Segments

	Australia		Europe		North America		Total Operations	
Half-year ended	**Dec 2017 $'000**	Dec 2016 $'000	**Dec 2017 $'000**	Dec 2016 $'000	**Dec 2017 $'000**	Dec 2016 $'000	**Dec 2017 $'000**	Dec 2016 $'000
Revenue								
Sales to external customers - software	**4,115**	4,370	**1,209**	819	**11,244**	9,594	**16,568**	14,783
Sales to external customers - hardware	**-**	401	**-**	-	**-**	-	**-**	401
Inter-segment sales	**7,120**	5,674	**2,596**	2,350	**-**	-	**9,716**	8,024
Total segment revenue	**11,235**	10,445	**3,805**	3,169	**11,244**	9,594	**26,284**	23,208
Inter-segment elimination							**(9,716)**	(8,024)
Total consolidation revenue							**16,568**	15,184
Results								
Segment Result	**5,385**	6,035	**693**	607	**292**	249	**6,370**	6,891
Interest Revenue							**6**	18
Non segment expenses								
Income tax expense							**(1,307)**	(2,113)
Net Profit/(Loss)							**5,069**	4,796

	Dec 2017 $'000	June 2017 $'000	**Dec 2017 $'000**	June 2017 $'000	**Dec 2017 $'000**	June 2017 $'000	**Dec 2017 $'000**	June 2017 $'000
Assets								
Segment Assets	**45,415**	47,112	**13,352**	24,178	**10,696**	24,790	**69,463**	96,080
Inter-segment elimination							**(20,198)**	(48,874)
Total Assets							**49,265**	47,206
Liabilities								
Segment Liabilities	**16,452**	31,696	**964**	2,147	**8,790**	23,638	**26,206**	57,481
Inter-segment elimination							**(16,308)**	(45,109)
Total Liabilities							**9,898**	12,372

Product information

	Consolidated	
Revenue from External customers	**Dec 2017 $'000**	Dec 2016 $'000
Radiology Information Systems (RIS)	**3,564**	3,522
Picture Archiving Communications Systems (Visage 7/PACS)	**12,978**	11,239
Hardware income	**-**	401
Other income	**26**	22
	16,568	15,184

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

3. EXPENSES

	Consolidated	
	Dec 2017	Dec 2016
	$'000	$'000
(a) Net Foreign Currency Gains/(Loss)		
Currency Gains	**2,028**	2,087
Currency (Loss)	**(2,526)**	(1,055)
	(498)	1,032
(b) Expenses		
Depreciation and Amortisation		
Property Improvements	**1**	1
Motor Vehicles	**4**	4
Office Equipment	**55**	74
Furniture and Fittings	**10**	11
Amortisation on computer software	**-**	1
Amortisation on capitalised development costs	**2,120**	1,990
Total Depreciation and Amortisation Expenses	**2,190**	2,081
Salaries and Employee Benefits Expense		
Gross wages & salaries	**6,216**	5,826
Capitalised wages & salaries **	**(2,411)**	(2,168)
Long service leave provision	**34**	25
Share-based payment ***	**282**	321
Defined contribution plan expense	**467**	444
	4,588	4,448

** - The Group's total Wages & Salaries incurred was $6,216,000 (2016:$5,826,000) of which $2,411,000 (2016:$2,168,000) of these costs have been capitalised.

*** - 328,814 performance rights were granted on 7 September 2017 under a new long term incentive plan in relation to the financial years ending 30 June 2018, 2019 and 2020. The performance rights vest over 4 years from grant date on completion of service. The fair value of the performance rights at grant date was $564,707. The amount of share-based payment expense for the half-year ended 31 December 2017 takes into consideration the probability of certain performance conditions vesting.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

4. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES	Consolidated Dec 2017 $'000	Dec 2016 $'000
(a) Dividends proposed and recognised as a liability		
Franked dividend	**-**	-
(b) Dividends paid during the half-year		
Franked dividend	**2,566**	-
Unfranked dividend	**-**	1,535
(c) Dividends proposed and not recognised as a liability		
Interim Franked dividend	**2,584**	-
Interim Unfranked dividend	**-**	1,540
Dividends per share (cents per share)		
-Franked dividends paid per share (cents per share)	**2.50¢**	Nil
-interim dividend per share	**2.50¢**	1.50¢

5. EVENTS AFTER THE BALANCE SHEET DATE

On 16 February 2018, the directors of Pro Medicus Limited declared an interim dividend of 2.5 cents per share. The total amount of the dividend is $2,583,601 which represents an franked dividend of a total of 2.5 cents per share. The dividend has not been provided for in the 31 December 2017 financial statements.

6. CASH AND CASH EQUIVALENTS

Reconciliation of Cash

For the purposes of the Statement of Cash Flow, cash and cash equivalents comprise the following at 31 December:

	Dec 2017 $'000	Jun 2017 $'000
Cash at bank and in hand	**22,796**	22,775
	22,796	22,775

7. TRADE AND OTHER RECEIVABLES

	Dec 2017 $'000	Jun 2017 $'000
Trade receivables	**4,227**	3,284
	4,227	3,284
Other receivables	**44**	205
	4,271	3,489

8. INTANGIBLE ASSETS

	Intellectual Property $'000	Development Costs $'000	Consolidated Software Licenses $'000	Total $'000
Half-year ended 31 December 2017				
At 1 July 2017 net of accumulated amortisation and impairment	-	15,477	1	15,478
Additions - internal development	-	3,091	-	3,091
Amortisation charge for the period	-	(2,120)	-	(2,120)
At 31 December 2017 net of accumulated amortisation and impairment	-	16,448	1	16,449
At 31 December 2017				
Cost	1,848	36,600	304	38,752
Accumulated amortisation	(1,848)	(20,152)	(303)	(22,303)
Net carrying amount	-	16,448	1	16,449
Year ended 30 June 2017				
At 1 July 2016 net of accumulated amortisation and impairment	-	13,510	2	13,512
Additions - internal development	-	6,070	-	6,070
Amortisation charge for the year	-	(4,103)	(1)	(4,104)
At 30 June 2017 net of accumulated amortisation and impairment	-	15,477	1	15,478
At 30 June 2017				
Cost	1,848	38,725	294	40,867
Accumulated amortisation	(1,848)	(23,248)	(293)	(25,389)
Net carrying amount	-	15,477	1	15,478

In accordance with the Group's accounting policies and process, the Group evaluated each cash generating unit ('CGU') at 31 December 2017, to determine whether they were any indications of impairment. Where an indicator of impairment exists a formal estimate of the recoverable amount is performed.

After consideration of potential indicators which could impact the valuation of the CGU's at 31 December, the Group concluded there are no impairment indicators for the Group's CGU's as at 31 December 2017.

Impact of judgements and estimates on valuation outcomes
It should be noted that significant judgement and assumptions are required in making estimates of an asset's recoverable amount. This is particularly so in the assessment of long life assets. The projected cash flows used in the recoverable amount valuation are subject to variability in key assumptions, including, but not limited to revenue forecasts. A change in the revenue forecasts used in the estimates could result in a change in an asset's recoverable amount as outlined in the 30 June 2017 annual financial report.

9. INCOME TAX

The Group calculates the period income tax expense using the tax rate that would be applicable to expected total annual earnings, i.e., the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

The major components of income tax expense in the interim consolidated income statements are:

Income taxes	Dec 2017 $'000	Dec 2016 $'000
Current income tax expense	**(2,099)**	(1,677)
Prior year adjustment	**(27)**	169
Deferred income tax (expense)/benefit related to origination and reversal of deferred taxes	**819**	(605)
Income tax expense	**(1,307)**	(2,113)
Income tax recognised in other comprehensive income	**-**	-
Total income tax expense	**(1,307)**	(2,113)

	Interim Consolidated Statement of Financial Position		Interim Consolidated Statement of Comprehensive Income		Direct to Equity	
Deferred tax liabilities	**Dec 2017 $'000**	Jun 2017 $'000	**Dec 2017 $'000**	Dec 2016 $'000	**Dec 2017 $'000**	Dec 2016 $'000
Foreign currency exchange gain	**43**	732	**689**	(364)	**-**	-
Capitalised development expenses	**4,327**	4,264	**(63)**	(423)	**-**	-
Prepayments	**-**	-	**-**	(2)	**-**	-
Depreciation expenses	**41**	49	**8**	(74)	**-**	-
	4,411	5,045	**634**	(863)	**-**	-
Deferred tax assets						
Employment entitlements	**574**	690	**(116)**	255	**-**	-
Intellectual property expenses	**299**	308	**(9)**	(9)	**-**	-
Audit fee accrual	**34**	22	**12**	14	**-**	-
Employee share trust	**727**	-	**296**	-	**431**	-
Other	**5**	3	**2**	(2)	**-**	-
	1,639	1,023	**185**	258	**431**	-
Deferred tax movement			**819**	(605)	**431**	-

10. TRADE AND OTHER PAYABLES

Current	Dec 2017 $'000	Jun 2017 $'000
Trade payables	**597**	446
Other payables and accruals	**1,974**	2,086
	2,571	2,532
Deferred Income	**663**	926
	3,234	3,458

Directors' Declaration

In accordance with a resolution of the directors of Pro Medicus Limited, I state that:

In the opinion of the directors:

(a) The Financial Statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* , including:

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

(ii) complying with 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.

On behalf of the Board

Peter Kempen

P T Kempen
Chairman
Melbourne, 16 February 2018

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Independent Auditor's Review Report to the Members of Pro Medicus Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Pro Medicus Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2017, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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.

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

Paul Gower
Partner
Melbourne

16 February 2018