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1H FY15 RESULTS PRESENTATION

BLUE SKY ALTERNATIVE INVESTMENTS LIMITED

FEBRUARY 2015

Private Equity / Private Real Estate / Hedge Funds / Real Assets

BlueSky
Alternative Thinking

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Non-IFRS information:

This presentation contains certain non-IFRS financial information. The directors of Blue Sky believe the presentation of certain non-IFRS financial information is useful for users of this presentation as they reflect the underlying financial performance of the business. The non-IFRS financial information includes Blue Sky's underlying Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flow (collectively, the 'underlying results'). These underlying results are presented with all equity held by Blue Sky in the funds that it manages being accounted for at fair value using the same approach as AASB 13 – *Fair Value Measurement*. This differs from Blue Sky's statutory financial statements where a range of Blue Sky's equity holdings in the funds that it manages are either consolidated or equity accounted following the adoption of the revised AASB 10 – *Consolidated Financial Statements* accounting standard. A reconciliation of the underlying results and Blue Sky's statutory financial statements is included as an Appendix to this presentation.

The non-IFRS financial information has been subject to review by Blue Sky's auditor (Ernst & Young).

SUMMARY

- Long term, structural tailwinds towards alternatives remain supportive of our strategy
- Underlying net profit after tax for 1H FY15 of \$2.6 million, up from \$0.3 million in 1H FY14
- Underlying NTA of \$49.1 million at 31 December 2014, including \$11.7 million cash
- On track to deliver priorities outlined at last year's AGM, including target of \$1 billion in AUM by 30 June 2015
- Anticipate full year underlying NPAT for FY15 of between \$8.0 – \$10.0 million

	Statutory Results		Underlying Results	
	1H FY14	1H FY15	1H FY14	1H FY15
Revenue	\$8.2m	\$26.0m	\$7.2m	\$16.5m
Net profit after tax	\$(1.2m)	\$2.5m	\$0.3m	\$2.6m
Net tangible assets	\$39.7m	\$56.7m	\$44.0m	\$49.1m

Please refer to the Appendix to this presentation as well as to the Consolidated Report for the half year ended 31 December 2014 for an explanation (and reconciliation) of the difference between the statutory and underlying results.

SUMMARY

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Priorities for FY15	Current Status
> Grow AUM to \$1b by 30 June 2015	On track
> Investment track record of >15% p.a. net of fees since inception ¹	On track
> Complete institutional mandates in Real Assets division	On track
> Deliver 3 – 5 exits from Private Equity division	On track
> Retain (and build) the team	On track

1. Note that past performance is not a reliable indicator of future performance.

INDUSTRY TRENDS

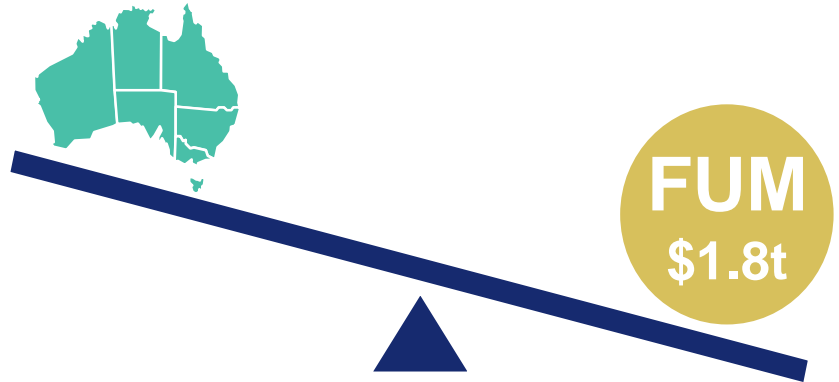
BLUE SKY ALTERNATIVE INVESTMENTS LIMITED

FUNDS MANAGEMENT IN AUSTRALIA

FUM Market Projections: 2014 - 2034

Despite expectations of slower future investment returns, the funds management market is projected to increase from \$1.8 trillion in 2014 to \$9 trillion in 2034 for a 5-fold increase – Rainmaker Roundup, December 2014

- The Australian FUM market was \$1.8 trillion at 30 June 2014, one fifth bigger than the Australian economy
- Fourth largest funds management industry globally
- While GDP growth was < 3% in 2013-14, the Australian funds management market grew at 12.3% (>4x the rate of GDP growth)
- Projecting forward 20 years, FUM is expected to be \$9.3 trillion, 3x larger than the nation's annual economic output at that time

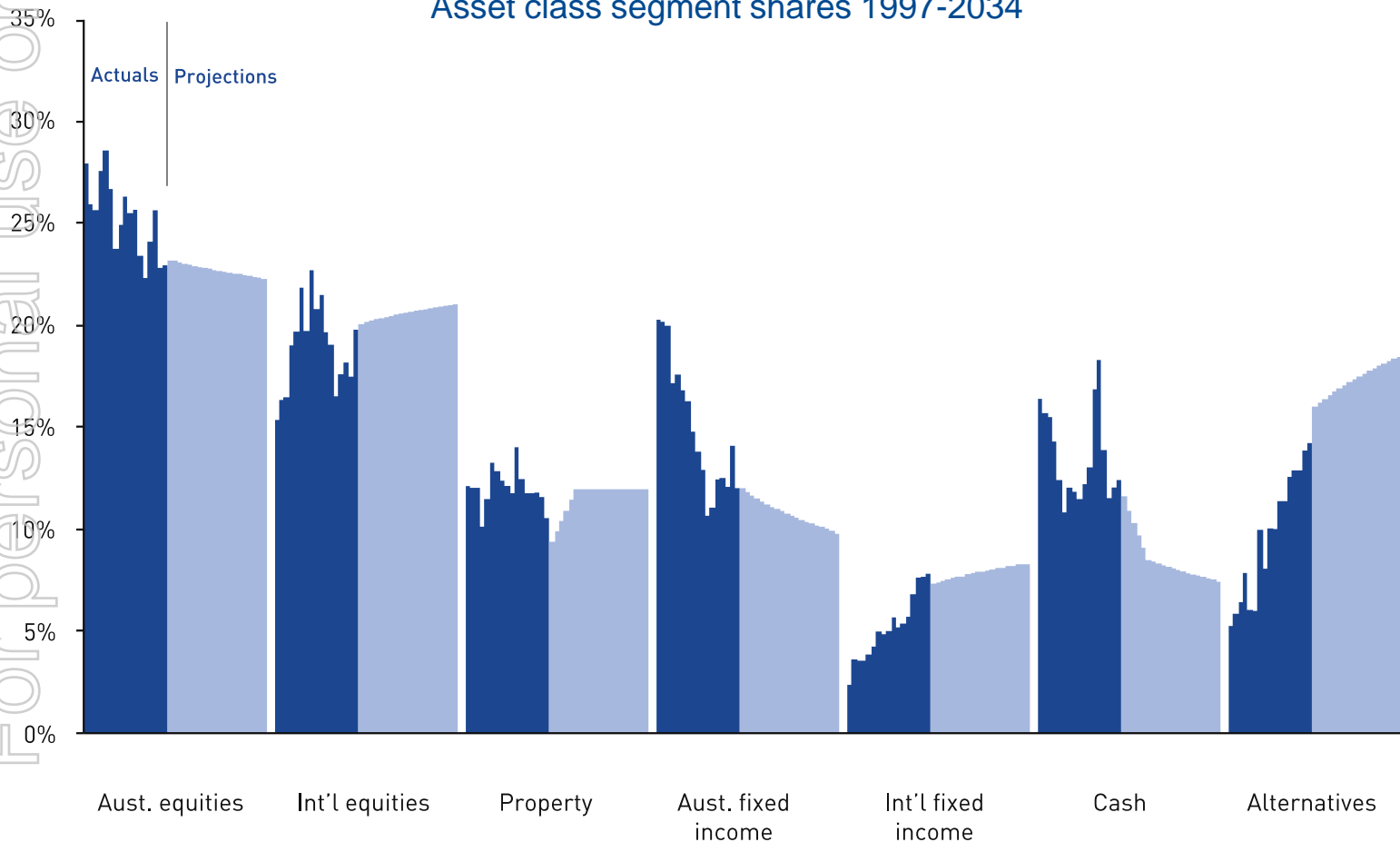


Source: Rainmaker Roundup – Edition 68 (December 2014)

LONG TERM, STRUCTURAL TAILWINDS TOWARDS ALTERNATIVES

Asset class segment shares 1997-2034

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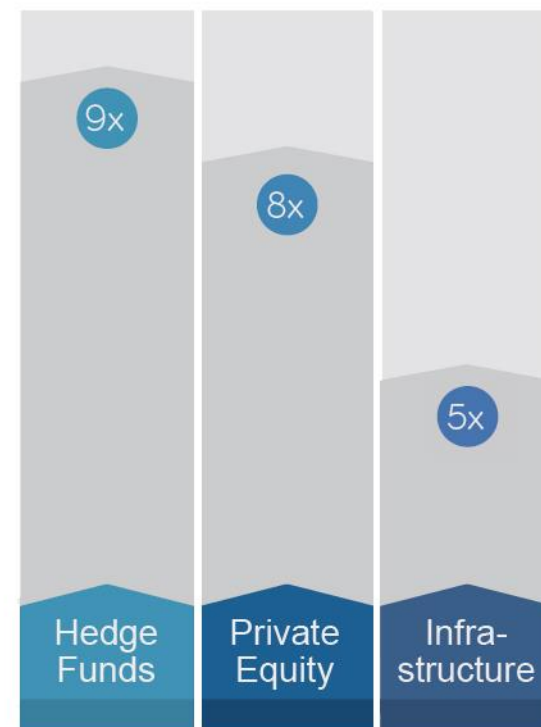
Allocations to alternatives have almost quadrupled, from 5% in 1997 to 19% in 2014 (including growth of 35% in the last 12 months).¹

Source: Rainmaker Roundup – Edition 68 (December 2014)

BREAKING DOWN THE GROWTH IN ALTERNATIVES

- Infrastructure as a share of alternatives *‘will continue to compress slightly because, while it is recognised as a nationally important asset sector, it is still not warmly embraced by all investors e.g. retail wealth institutions.’*
- Despite this, because of the rapidly growing pool of AUM allocated to alternative investments, Rainmaker projects:
 - Infrastructure to increase about 5-times over the next two decades;
 - Hedge funds to increase about 9-times; and
 - Private equity to increase about 8-times.

Segment growth to 2034



Source: Rainmaker Roundup – Edition 68 (December 2014)

EXAMPLE: THE FUTURE FUND IS 37% ALLOCATED TO ALTERNATIVES

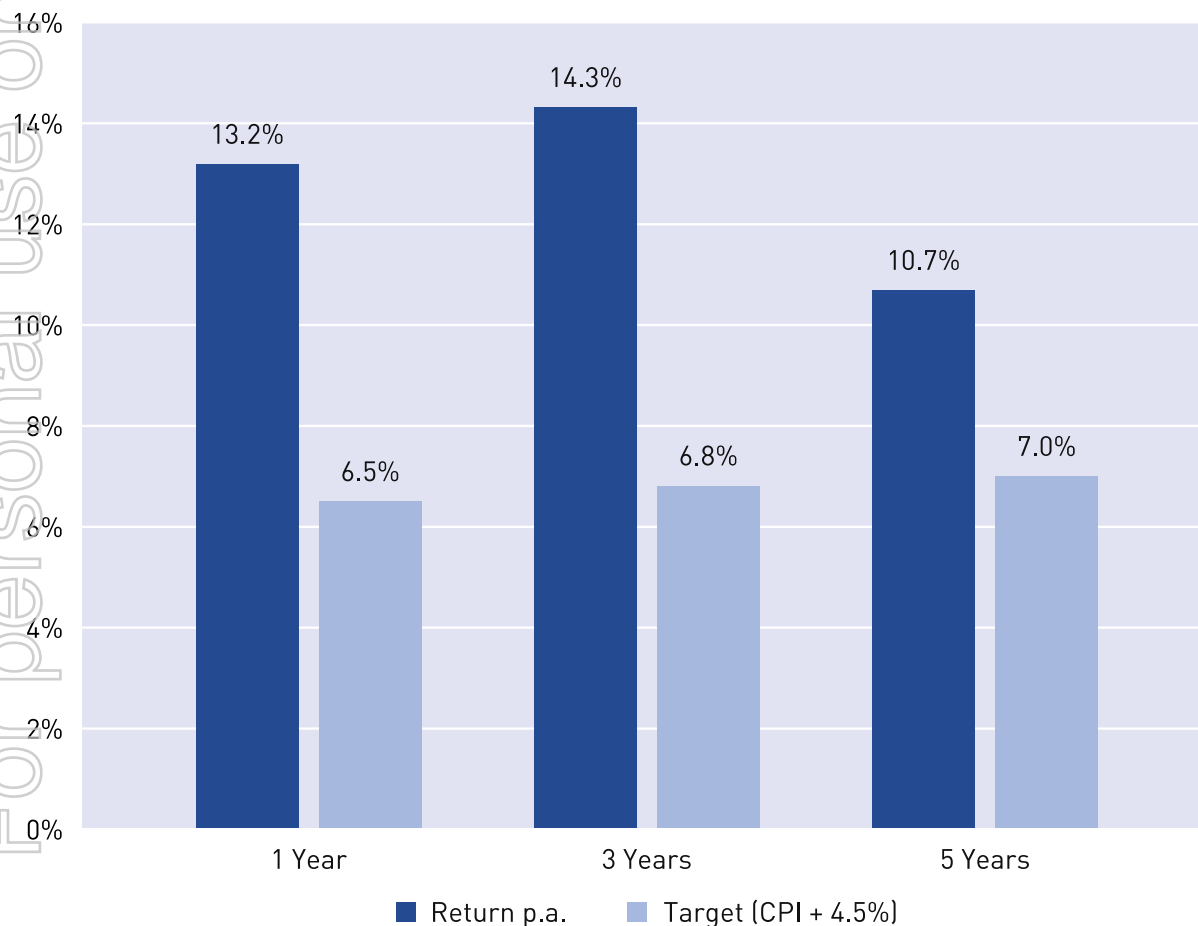
ASSET CLASS	A\$ MILLION	% OF FUND
Australian equities	9,608	8.8
Global equities:		
Developed markets	22,841	20.9
Emerging markets	10,274	9.4
Private equity	10,403	9.5
Property	6,928	6.3
Infrastructure and timberland	8,076	7.4
Debt securities	11,771	10.8
Other alternative assets	15,320	14.0
Cash	13,993	12.8
Total	109,214	100.0

Total Alternative
Asset Allocation:
37.2%

Source: Future Fund Asset Allocation as at 31 December 2014.

ALTERNATIVES HAVE HELPED DRIVE THE FUTURE FUND'S OUTPERFORMANCE

Future Fund performance



**Mr David Neal –
Managing Director,
Future Fund:**

“Our emphasis on diversification has delivered strongly over the year. The private equity, property and infrastructure programs in particular performed extremely well, significantly outperforming listed markets.”

Source: Australian Government Future Fund - Portfolio update at 31 December 2014 (February 2015)

GROWING ALTERNATIVE ASSETS – HARDER TO WIN, HARDER TO LOSE

Blackstone

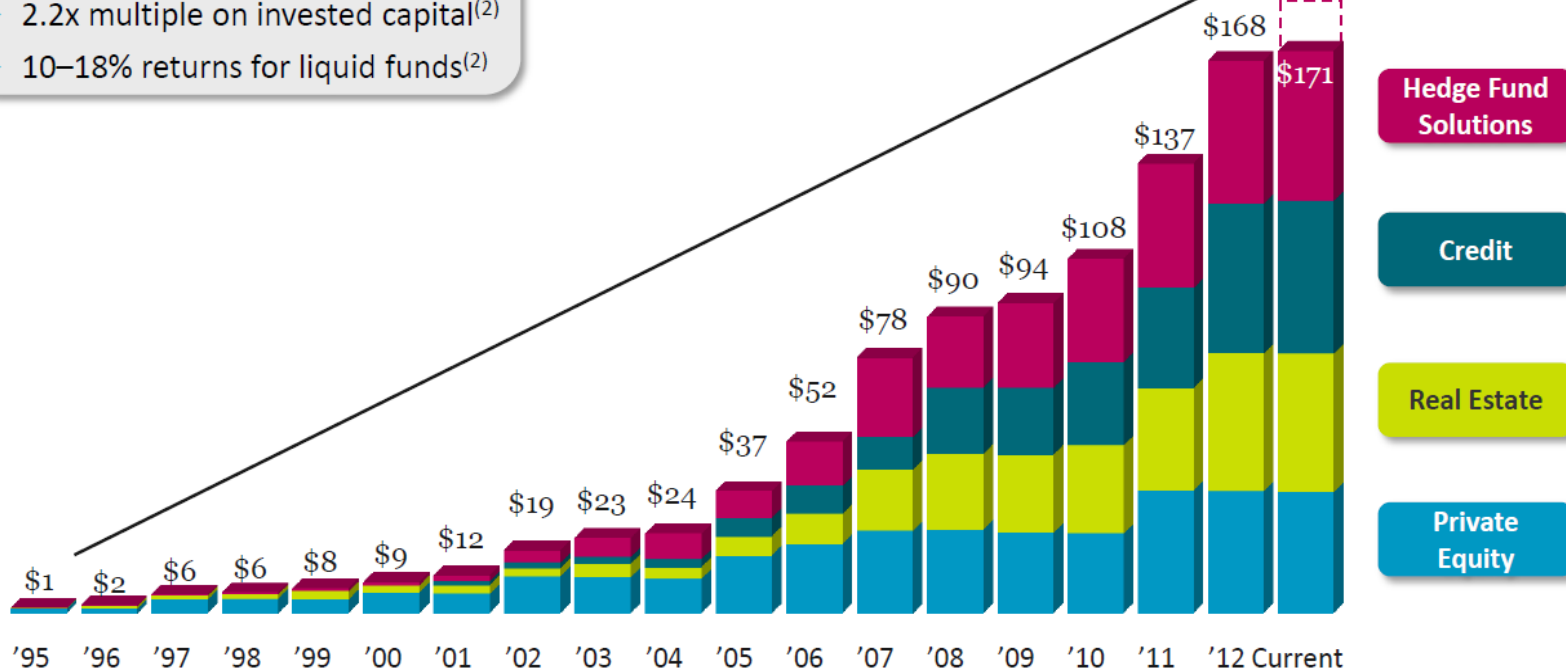
Historical Performance

- ▶ AUM growth 28% per year⁽¹⁾
- ▶ 2.2x multiple on invested capital⁽²⁾
- ▶ 10–18% returns for liquid funds⁽²⁾

Fee-Earning AUM
(\$ in billions)

Total AUM
\$218

AUM
\$290 billion
as at
31 December
2014



Source: Blackstone Investor Day Presentation, June 2013.

FOUR CLEAR TRENDS ARE EMERGING IN THE FUNDS MANAGEMENT MARKET

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- 1 CENTRALISATION OF INVESTMENT MANAGEMENT
- 2 DOMINATION OF AUSTRALIAN DOMICILED ASSETS
- 3 DIMINISHING MARKET SHARE OF BOUTIQUES AND COMPREHENSIVE 'BIG BRAND' MANAGERS
- 4 GROWTH IN OVERSEAS SOURCED AUM

Source: Rainmaker Roundup – Edition 68 (December 2014)

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BLUE SKY: OUR STRATEGY

BLUE SKY ALTERNATIVE INVESTMENTS LIMITED

STRATEGY

- **Since 2006, our strategy has been to build Australia's leading diversified alternative asset manager**
 - In 2006, alternatives were already entrenched overseas – 'alternatives' were already mainstream
 - However, in 2006 this trend in Australia was only beginning to emerge and allocations to alternatives were well below global levels
- **Our strategy has required focus on building a long term, strong track record of investor returns across the four major alternative asset classes**
 - Investor returns across all asset classes were 14.8% per annum (compounding, net of fees) at 30 June 2014. Latest investor returns to be released in March 2015.¹
- **In addition, we have deliberately sought to build diverse sources of capital...**
 - ...Across investor types:
 - Initial focus on private wealth due to long term structural increase in SMSFs in Australia
 - Private wealth remains our 'bread and butter', but capital is also sourced from institutional and retail investors
 - ...Across geographies:
 - Strategy remains to source approximately 50% of capital offshore; strategic investment has been made in a New York office to lay the foundations for this growth
 - ...Across asset classes:
 - Currently, breakdown of AUM is 'tilted' towards Private Equity and Private Real Estate, however Real Assets and Hedge Funds continue to exhibit growth

1. Note that past performance is not a reliable indicator of future performance.

KEY STRATEGIC ACHIEVEMENTS

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**Investor returns of 14.8% p.a.
across the four main
alternative asset classes¹**

- Critical to growth in AUM
- Provides significant barrier to entry (difficult to replicate across four asset classes in less than eight years)

IPO in 2012

- Enhanced transparency for investors
- Opportunity to create a 'public' track record
- Staff engagement and alignment

**Engagement with
Institutional Investors**

- First offshore institutional investor: 2009
- First domestic institutional investor: 2013

**Listing of Alternatives
Access Fund (May 2014)**

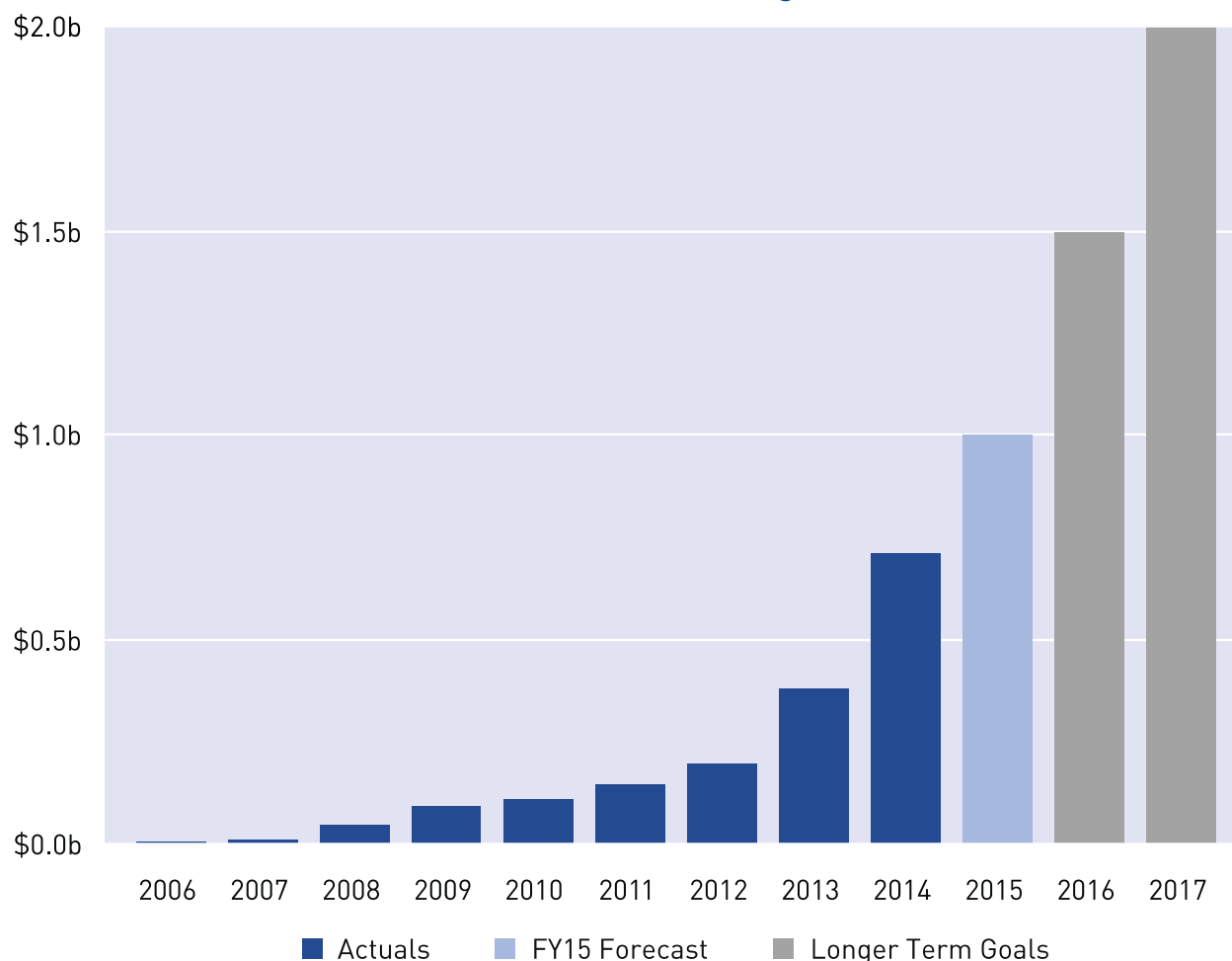
- Platform for retail and wholesale investors to access to a diverse portfolio of alternative assets
- Potential to become the alternatives 'fund of choice' for financial planners

1. Note that past performance is not a reliable indicator of future performance.

OUTCOMES OF OUR STRATEGY ARE REFLECTED IN GROWTH IN AUM

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Assets under management



- AUM approximately doubled from 30 June 2013 to 30 June 2014
- All four asset classes contributed to the growth in AUM in FY14
- On track to have \$1b in AUM by 30 June 2015

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1H FY15 RESULTS

BLUE SKY ALTERNATIVE INVESTMENTS LIMITED

INCOME STATEMENT: SUMMARY

In AUD \$m

	Statutory Results		Underlying Results	
	1H FY14	1H FY15	1H FY14	1H FY15
Operating revenue	\$8.1m	\$25.3m	\$6.5m	\$15.4m
Share of profit of associates (equity method)	\$0.1m	\$0.4m	-	-
Other income	-	\$0.4m	\$0.7m	\$1.1m
Total income	\$8.2m	\$26.0m	\$7.2m	\$16.5m
Expenses				
Employee benefits expense	\$(3.7m)	\$(6.9m)	\$(2.8m)	\$(5.0m)
Other operating costs	\$(6.5m)	\$(14.2m)	\$(3.5m)	\$(7.3m)
Total operating costs	\$(10.2m)	\$(21.1m)	\$(6.3m)	\$(12.3m)
EBITDA	\$(2.0m)	\$4.9m	\$0.9m	\$4.2m
EBIT	\$(2.7m)	\$3.8m	\$0.7m	\$4.1m
Net profit/(loss) after tax	\$(2.9m)	\$2.2m	\$0.3m	\$2.6m
Non-controlling interests (NCI)	\$(1.7m)	\$(0.3m)	-	-
Owners of Blue Sky	\$(1.2m)	\$2.5m	\$0.3m	\$2.6m

Note the figures may not add due to rounding.

Note that statutory profit includes the impact of a range of Blue Sky managed funds that have been consolidated or equity accounted following the adoption of the revised AASB 10. The underlying profit columns are non-IFRS financial information and are based on all equity held by Blue Sky in funds that it manages being accounted for at fair value using the same approach as outlined in AASB 13. A reconciliation between the Underlying Results and the Statutory Result is provided in the Appendix. The non-IFRS financial information has been subject to review by Blue Sky's auditor (Ernst & Young).

Note also that 1H FY14 results were restated following the adoption of the revised AASB 10. Please refer to 1H FY14 financial report for a reconciliation with previously reported figures.

Commentary on underlying results:

- Operating revenue up ~137% driven by growth in ongoing management fees, transaction activity, investment performance and AUM.
- ~79% increase in employee costs, reflecting continued investment in marketing, distribution and investment teams (including the acquisition of Investment Science in 2H FY14), as well as increased performance fees to staff.
- Increase in other operating costs reflects fee rebates to the Alternatives Fund (BAF) and increased capital raising commissions.

Commentary on statutory results:

- Higher operating revenue and operating costs includes transactions from funds that are consolidated and equity accounted (e.g. revenue from sale of water from water infrastructure funds, revenue and costs associated with the development and sale of residential apartments).

FINANCIAL POSITION: SUMMARY

In AUD \$m

	Statutory Results	Underlying Results
	At 31 Dec 2014	At 31 Dec 2014
Cash	\$12.3m	\$11.7m
Other current assets	\$26.0m	\$17.5m
Total current assets	\$38.3m	\$29.2m
Investments accounted for using the equity method	\$26.6m	-
Financial assets at fair value through profit and loss	\$0.2m	\$40.0m
Property, Plant and Equipment	\$28.0m	\$0.6m
Intangible assets	\$18.8m	\$5.6m
Other non-current assets	\$5.1m	\$3.2m
Total non current assets	\$78.7m	\$49.4m
Total assets	\$117.0m	\$78.6m
Trade and other payables	\$7.4m	\$6.2m
Borrowings	\$14.1m	\$7.1m
Other current liabilities	\$7.4m	\$6.0m
Total current liabilities	\$28.9m	\$19.3m
Borrowings	\$3.3m	-
Other non current liabilities	\$9.3m	\$4.6m
Total non current liabilities	\$12.6m	\$4.6m
Total liabilities	\$41.5m	\$23.9m
Net assets	\$75.5m	\$54.7m
Net tangible assets	\$56.7m	\$49.1m

Note the figures may not add due to rounding

Commentary on underlying results:

- \$17.5m in other current assets includes \$16.5m of receivables, comprised mainly of bridging finance provided by Blue Sky to new funds and accrued performance fees.
- \$40.0m in financial assets reflecting investments in funds managed by Blue Sky (and overall increases in the value of these investments).
- Debt drawn to \$7.0m.
- Net tangible assets of \$49.1m (\$44.0m 1H14).

Commentary on statutory results:

- \$26.6m in investments accounted for using the equity method includes 27 funds in which Blue Sky holds equity.
- \$28.0m PP&E includes items such as water infrastructure owned by Water Utilities Australia. \$18.8m intangible assets include items such as goodwill in relation water infrastructure businesses owned by Water Utilities Australia.
- \$17.4m in debt includes debt in funds consolidated by Blue Sky (that is non-recourse to Blue Sky)

CASH FLOW: SUMMARY

In AUD \$m

	Statutory Results	Underlying Results
	1H FY15	1H FY15
Receipts from customers	\$21.5m	\$16.1m
Payments to suppliers and employees	\$(21.9m)	\$(11.7m)
Interest received	\$0.1m	\$0.1m
Interest and other finance costs paid	\$(0.2m)	\$(0.1m)
Income taxes paid	\$(1.2m)	\$(1.0m)
Net cash from operating activities	\$(1.7m)	\$3.4m
Cash disposed on de-consolidation of a controlled entity	\$(1.3m)	-
Payment for investments	\$(0.9m)	\$(0.9m)
Payment for property, plant and equipment	\$(0.6m)	\$(0.3m)
Payments for intangible assets	\$(0.1m)	\$(0.1m)
Loans from/(to) related and other parties	\$(1.4m)	\$(1.1m)
Net cash used in investing activities	\$(4.3m)	\$(2.4m)
Proceeds from issue of shares (NCI)	\$1.2m	-
Proceeds from borrowings	\$8.8m	\$3.7m
Loans (to)/from related parties	\$(3.9m)	\$(3.9m)
Dividends paid	\$(4.0m)	\$(3.9m)
Net cash from financing activities	\$2.1m	\$(4.1m)

Note the figures may not add due to rounding

Commentary on underlying results:

- \$3.4m (1H14: -\$0.4m) in cash from operating activities, reflecting:
 - Increased management and transaction fees
 - Increased performance fees.
- \$3.7m drawn from debt used to bridge new deals.
- \$3.9m dividend (\$2.3m 1H14).
- Additional \$0.9m co-invested into Blue Sky funds.

Commentary on statutory results:

- Receipts from customers substantially higher due to cash inflows from the sale of apartments at Riverside Gardens, management and letting rights and the sale of water.
- Cash disposed on de-consolidation of a controlled entity represents Blue Sky no longer "controlling" (and therefore consolidating) a water infrastructure fund given dilution from other investors.
- Proceeds from borrowings are substantially higher due to borrowings from consolidated funds.

FY15 FULL YEAR GUIDANCE

- On track to meet or exceed target of \$1b in AUM by 30 June 2015
- Anticipate releasing latest investment returns in March 2015
- Subject to no significant changes in the investment market, we anticipate underlying NPAT of between \$8.0m - \$10.0m for FY15
- Not currently possible to give guidance for anticipated statutory NPAT for FY15

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APPENDIX

BLUE SKY ALTERNATIVE INVESTMENTS LIMITED

ADOPTION OF AASB 10: BACKGROUND

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Adoption of the revised AASB 10: Impact on Blue Sky's statutory financial statements

- Blue Sky adopted the revised *AASB 10 - Consolidated Financial Statements* for the first time in 1H FY14.
- As a result of adopting the revised AASB 10, the Group changed its accounting policy for determining whether it has control over and consequently whether it consolidates the funds that it manages. The revised AASB 10 uses a new control model that broadens situations when a fund managed by Blue Sky is considered to be controlled by Blue Sky.
 - As a result, funds such as 'Riverside Gardens' (managed by Blue Sky Private Real Estate) are now consolidated as part of Blue Sky's statutory financial statements.
 - In the 'Riverside Gardens' example, this means that items such as the cash, debt and inventory (apartments) that are owned by this fund are consolidated as part of Blue Sky's statutory financial statements.
- As a result of adopting the revised AASB 10, the Group has also changed its accounting policy for determining whether it has significant influence over and consequently whether it accounts for the equity it holds in funds that it manages in accordance with the equity method.
 - 27 funds are equity accounted in Blue Sky's statutory financial statements.

Underlying results

- In order to provide shareholders with insight into the financial condition and performance of the Group, Blue Sky also reports its 'underlying' financial statements. These statements are prepared on the basis that all of the funds in which Blue Sky holds equity are accounted for using the same principles of fair value that are included in *AASB 13 – Fair Value Measurement*.
- The non-IFRS financial information has been subject to review by Blue Sky's auditor (Ernst & Young).

INCOME STATEMENT – 1H FY15 (RECONCILIATION)

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<i>In AUD \$m</i>	Consolidated Statement of Comprehensive Income ('Statutory Profit')	Impact where investments are consolidated or equity accounted rather than reported at fair value	Underlying Results
Total revenue	\$26.0m	\$(9.5m)	\$16.5m
Expenses			
Employee benefits expense	\$(6.9m)	\$1.9m	\$(5.0m)
Fee rebates to BSAAF Limited	\$(1.5m)	-	\$(1.5m)
Depreciation and amortisation expense	\$(1.1m)	\$1.0m	\$(0.1m)
Finance costs	\$(0.4m)	\$0.1m	\$(0.3m)
Other expenses	\$(12.7m)	\$6.9m	\$(5.8m)
Total expenses	\$(22.6m)	\$9.9m	\$(12.7)
Profit/(loss) before income tax	\$3.4m	\$0.4m	\$3.8m
Income tax (expense)/benefit	\$(1.2m)	-	\$(1.2m)
Profit/(loss) after income tax for the period	\$2.2m	\$0.4m	\$2.6m
Total comprehensive income/(loss) for the period	\$2.2m	\$0.4m	\$2.6m
Non-controlling interests	\$(0.3m)	\$0.3m	-
Owners of Blue Sky	\$2.5m	\$0.1m	\$2.6m

INCOME STATEMENT – 1H FY14 (RECONCILIATION)

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<i>In AUD \$m</i>	Consolidated Statement of Comprehensive Income (‘Statutory Profit’)	Impact where investments are consolidated or equity accounted rather than reported at fair value	Underlying Results
Total revenue	\$8.2m	\$(1.0m)	\$7.2m
Expenses			
Employee benefits expense	\$(3.7m)	\$0.9m	\$(2.8m)
Depreciation and amortisation expense	\$(0.7m)	\$0.5m	\$(0.2m)
Finance costs	\$(0.3m)	\$0.1m	\$(0.2m)
Other expenses	\$(6.5m)	\$3.0m	\$(3.5m)
Total expenses	\$(11.2m)	\$4.5m	\$(6.7m)
Profit/(loss) before income tax	\$(3.0m)	\$3.5m	\$0.5m
Income tax (expense)/benefit	\$0.1m	\$(0.3m)	\$(0.2m)
Profit/(loss) after income tax for the period	\$(2.9m)	\$3.2m	\$0.3m
Total comprehensive income/(loss) for the period	\$(2.9m)	\$3.2m	\$0.3m
Non-controlling interests	\$(1.7m)	\$1.7m	-
Owners of Blue Sky	\$(1.2m)	\$1.5m	\$0.3m

STATEMENT OF FINANCIAL POSITION AT 31 DEC 2014 (RECONCILIATION)

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<i>In AUD \$m</i>	Consolidated Statement of Financial Position	Impact where investments are consolidated or equity accounted rather than reported at fair value	Underlying Statement of Financial Position
Cash	\$12.3m	\$(0.6m)	\$11.7m
Other current assets	\$26.0m	\$(8.5m)	\$17.5m
Total current assets	\$38.3m	\$(9.1m)	\$29.2m
Investments accounted for using the equity method	\$26.6m	\$(26.6m)	-
Financial assets at fair value through profit and loss	\$0.2m	\$39.8m	\$40.0m
PP&E	\$28.0m	\$(27.4m)	\$0.6m
Intangible assets	\$18.8m	\$(13.2m)	\$5.6m
Other non-current assets	\$5.1m	\$(1.9m)	\$3.2m
Total non current assets	\$78.7m	\$(29.3m)	\$49.4m
Total assets	\$117.0m	\$(38.4m)	\$78.6m
Trade and other payables	\$7.4m	\$(1.2m)	\$6.2m
Borrowings	\$14.1m	\$(7.0m)	\$7.1m
Other current liabilities	\$7.4m	\$(1.4m)	\$6.0m
Total current liabilities	\$28.9m	\$(9.6m)	\$19.3m
Borrowings	\$3.3m	\$(3.3m)	-
Other non current liabilities	\$9.3m	\$(4.7m)	\$4.6m
Total non current liabilities	\$12.6m	\$(8.0m)	\$4.6m
Total liabilities	\$41.5m	\$(17.6m)	\$23.9m
Net assets	\$75.5m	\$(20.8m)	\$54.7m
Net tangible assets	\$56.7m	\$(7.6m)	\$49.1m

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014 (RECONCILIATION)

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<i>In AUD \$m</i>	Consolidated Statement of Financial Position	Impact where investments are consolidated or equity accounted rather than reported at fair value	Underlying Statement of Financial Position
Cash	\$16.3m	\$(1.5m)	\$14.8m
Other current assets	\$18.0m	\$(9.0m)	\$9.0m
Total current assets	\$34.3m	\$(10.5m)	\$23.8m
Investments accounted for using the equity method	\$25.2m	\$(25.2m)	-
Financial assets at fair value through profit and loss	\$0.2m	\$38.9m	\$39.1m
PP&E	\$28.0m	\$(27.6m)	\$0.4m
Intangible assets	\$18.9m	\$(13.3m)	\$5.6m
Other non-current assets	\$5.7m	\$(0.1m)	\$5.6m
Total non current assets	\$78.0m	\$(27.3m)	\$50.7m
Total assets	\$112.3m	\$(37.8m)	\$74.5m
Trade and other payables	\$4.6m	\$(1.2m)	\$3.4m
Borrowings	\$10.9m	\$(3.9m)	\$7.0m
Other current liabilities	\$4.7m	\$(0.5m)	\$4.2m
Total current liabilities	\$20.2m	\$(5.6m)	\$14.6m
Borrowings	\$3.3m	\$(3.3m)	-
Other non current liabilities	\$9.8m	\$(5.8m)	\$4.0m
Total non current liabilities	\$13.1m	\$(9.1m)	\$4.0m
Total liabilities	\$33.3m	\$(14.7m)	\$18.6m
Net assets	\$79.0m	\$(23.1m)	\$55.9m
Net tangible assets	\$60.1m	\$(9.8m)	\$50.3m

STATEMENT OF CASH FLOWS – 1H FY15 (RECONCILIATION)

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<i>In AUD \$m</i>	Consolidated Statement of Cash Flows	Impact where investments are consolidated or equity accounted rather than reported at fair value	Underlying Statement of Cash Flows
Receipts from customers	\$21.5m	\$(5.4m)	\$16.1m
Payments to suppliers and employees	\$(21.9m)	\$10.2m	\$(11.7m)
Interest received	\$0.1m	-	\$0.1m
Interest and other finance costs paid	\$(0.2m)	\$0.1m	\$(0.1m)
Income taxes paid	\$(1.2m)	\$0.2m	\$(1.0m)
Net cash used in operating activities	\$(1.7m)	\$5.1m	\$3.4m
Cash disposed on de-consolidation of a controlled entity	\$(1.3m)	\$1.3m	-
Payment for investments	\$(0.9m)	-	\$(0.9m)
Payment for property, plant and equipment	\$(0.6m)	\$0.3m	\$(0.3m)
Payments for intangible assets	\$(0.1m)	-	\$(0.1m)
Loans from/(to) related and other parties	\$(1.4m)	\$0.3m	\$(1.1m)
Net cash used in investing activities	\$(4.3m)	\$1.9m	\$(2.4m)
Proceeds from issue of shares (NCI)	\$1.2m	\$(1.2m)	-
Proceeds from borrowings	\$8.8m	\$(5.1m)	\$3.7m
Loans (to)/from related parties	\$(3.9m)	-	\$(3.9m)
Dividends paid	\$(4.0m)	\$0.1m	\$(3.9m)
Net cash from financing activities	\$2.1m	\$(6.2m)	\$(4.1m)

STATEMENT OF CASH FLOWS – 1H FY14 (RECONCILIATION)

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<i>In AUD \$m</i>	Consolidated Statement of Cash Flows	Impact where investments are consolidated or equity accounted rather than reported at fair value	Underlying Statement of Cash Flows
Receipts from customers	\$8.6m	\$(2.1m)	\$6.5m
Payments to suppliers and employees	\$(14.0m)	\$8.0m	\$(6.0m)
Interest received	\$0.1m	-	\$0.1m
Interest and other finance costs paid	\$(0.2m)	\$0.1m	\$(0.1m)
Income taxes paid	\$(0.9m)	-	\$(0.9m)
Net cash used in operating activities	\$(6.4m)	\$6.0m	\$(0.4m)
Payment for acquisition of controlled entity	\$(25.9m)	\$25.9m	-
Cash acquired on purchased of controlled entity, net of cash payment for acquisition	\$1.6m	\$(1.5m)	\$0.1m
Payment for investments	\$(7.7m)	\$(5.6m)	\$(13.3m)
Payment for property, plant and equipment	\$(2.9m)	\$2.5m	\$(0.4m)
Payments for intangible assets	\$(5.1m)	\$5.0m	\$(0.1m)
Net cash used in investing activities	\$(40.0m)	\$26.3m	\$(13.7m)
Proceeds from issue of shares	\$31.4m	-	\$31.4m
Proceeds from issue of units to non-controlling interests	\$23.5m	\$(23.5m)	-
Proceeds from borrowings	\$15.1m	\$(8.1m)	\$7.0m
Loans (to)/from related parties	\$(1.4m)	\$(1.0m)	\$(2.4m)
Dividends paid	\$(2.4m)	-	\$(2.4m)
Distributions paid to NCI in controlled entities	\$(0.1m)	\$0.1m	-
Net cash from financing activities	\$66.1m	\$(32.5m)	\$33.6m

GLOSSARY

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TERM	DEFINITION
Alternatives Fund	Blue Sky Alternatives Access Fund Limited ACN 168 941 704
AUM	Assets under management
Blue Sky	Blue Sky Alternative Investments Limited ACN 136 866 236
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Group	Blue Sky Alternative Investments Limited and the entities it controls
IPO	Initial Public Offering
NCI	Non-controlling interests

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