

Future Generation Investment Company Limited

A.B.N. 97 063 935 553

APPENDIX 4E - PRELIMINARY FINAL REPORT

For the year ended 30 June 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

All comparisons to the year ended 30 June 2014

	up/down	% mvmt	\$'000
Revenue from ordinary activities *	Up	5,430.1%	16,922
Profit from ordinary activities after tax attributable to members	Up	281.6%	11,372
Net profit from ordinary activities after tax attributable to members	Up	281.6%	11,372

*Current year revenue from ordinary activities largely comprised of dividends, distributions and investment manager fee rebates. Prior year revenue from ordinary activities largely comprised interest income earned on bank accounts.

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2015 Final Dividend cents per share	2.0	2.0	30%

Final dividend dates

Ex dividend date	12 October 2015
Record date	14 October 2015
Last election date for the DRP	15 October 2015
Payment date	23 October 2015

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended fully franked final dividend of 2.0 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be the volume weighted average market price of shares sold on the ASX (on an ex-dividend basis) four trading days from the ex-dividend date inclusive of the ex-dividend date.

Net Tangible Assets ('NTA')	30 June 2015** cents
NTA (per share) before tax	110.75
NTA (per share) after tax and before tax on unrealised gains	109.82
NTA (per share) after tax	110.73

**Due to the changes in the Company's shareholdings and the relevant consolidation during the year, the NTA for the comparative period is not presented.

Future Generation Investment Company Limited

A.B.N. 97 063 935 553

Statement of Comprehensive Income For the year ended 30 June 2015

		Year ended	
		2015	2014
	Notes	\$'000	\$'000
Investment income from ordinary activities			
Interest		986	306
Dividends and distributions		14,050	-
Investment management and performance fee rebates	3	1,886	-
		16,922	306
Expenses			
Board administrative expenses		-	(32)
Directors' fees		-	(215)
Director retirement expense		-	(12)
Loss on disposal of subsidiary	4(a)	-	(450)
Charity donation accrual	4(b)	(1,644)	-
Strategic initiatives costs	4(c)	-	(1,495)
ASX listing fees		-	(56)
Chess fees		(60)	-
Share registry fees		-	(364)
Share registry out-of-pocket		(73)	-
Audit fees		(39)	(72)
Insurance		(17)	(938)
Tax fees		-	(168)
Amortisation expense		(3)	-
Investment expenses		-	(13)
Accounting fees		-	(51)
Other Expenses		(65)	(245)
		(1,901)	(4,111)
Profit/(loss) before income tax		15,021	(3,805)
Income tax expense		(3,649)	(2,456)
Net profit/(loss) for the year		11,372	(6,261)
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Net unrealised losses on investments taken to equity, net of tax		(6,763)	-
Net realised losses on investments taken to equity, net of tax		(3)	-
Other comprehensive loss for the year, net of tax		(6,766)	-
Total comprehensive income/(loss) for the year		4,606	(6,261)
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the Company:			
	Notes	Cents	Cents
Basic earnings/(loss) per share *	11	7.63	(1.01)
Diluted earnings/(loss) per share *		7.63	(1.01)

*Due to changes in the Company's shareholdings and the relevant consolidation during the year, the calculation of basic and diluted earnings/(loss) per share for all periods presented were adjusted for these changes.

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

Future Generation Investment Company Limited

A.B.N. 97 063 935 553

Statement of Financial Position For the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		23,340	3,330
Trade and other receivables		9,733	6
Current tax assets		-	68
Other current assets		5	8
Total current assets		33,078	3,412
Non-current assets			
Financial assets at fair value through other comprehensive income	5	172,170	-
Deferred tax assets		4,417	203
Intangible assets		10	-
Total non-current assets		176,597	203
Total assets		209,675	3,615
LIABILITIES			
Current liabilities			
Trade and other payables		23	317
Charity donation accrual		1,644	-
Current tax liabilities		3,231	-
Total current liabilities		4,898	317
Non-current liabilities			
Deferred tax liabilities		153	-
Total non-current liabilities		153	-
Total liabilities		5,051	317
Net assets		204,624	3,298
EQUITY			
Issued capital	6(a)	200,248	3,528
Reserves		4,376	(3,781)
Retained earnings		-	3,551
Total Equity		204,624	3,298

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Future Generation Investment Company Limited

A.B.N. 97 063 935 553

Statement of Changes in Equity For the year ended 30 June 2015

	Notes	Issued capital \$'000	Investment reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 1 July 2013		116,569	-	(35,476)	46,404	127,497
Net profit for the year		-	-	-	(6,261)	(6,261)
Other comprehensive income for the year						
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(6,261)	(6,261)
Transactions with owners in their capacity as owners:						
Loss of control in AIFT - deconsolidation of reserves and retained earnings		-	-	31,695	(31,695)	-
Share restructure costs charged to equity		(52)	-	-	-	(52)
Return of capital		(112,989)	-	-	-	(112,989)
Dividends provided for/or paid	7(a)	-	-	-	(4,897)	(4,897)
		(113,041)	-	31,695	(36,592)	(117,938)
Balance at 30 June 2014		3,528	-	(3,781)	3,551	3,298
Balance at 1 July 2014		3,528	-	(3,781)	3,551	3,298
Net profit for the year		-	-	-	11,372	11,372
Other comprehensive loss for the year						
Other comprehensive loss, net of tax		-	(6,766)	-	-	(6,766)
Total comprehensive income/(loss) for the year		-	(6,766)	-	11,372	4,606
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs and tax		198,809	-	-	-	198,809
Buy-back of ordinary shares		(2,089)	-	-	-	(2,089)
Dividends provided for or paid		-	-	-	-	-
Transfer to profits reserve		-	-	14,923	(14,923)	-
		196,720	-	14,923	(14,923)	196,720
Balance at 30 June 2015		200,248	(6,766)	11,142	-	204,624

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

Future Generation Investment Company Limited

A.B.N. 97 063 935 553

Statement of Cash Flows For the year ended 30 June 2015

	Year ended	
	2015	2014
	\$'000	\$'000
Cash flows from operating activities		
Interest received	916	306
Other income received	262	5,362
Finance costs paid	-	(9)
Income taxes paid	(386)	(2,660)
Payments for other expenses	(501)	(2,867)
Net cash inflow from operating activities	291	132
Cash flows from investing activities		
Payments for intangible assets	(14)	-
Loss on disposal of subsidiary - AIFT	-	(450)
Payments for financial assets at fair value through other comprehensive income	(191,800)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	15,939	-
Net cash (outflow) from investing activities	(175,875)	(450)
Cash flows from financing activities		
Proceeds from issues of shares and options exercised	201,433	-
Payments for shares bought back	(2,089)	-
Share issue and buy-back transaction costs	(3,750)	(52)
Payment of strategic initiatives costs	-	(1,495)
Payment upon return of capital	-	(112,989)
Dividends paid to the Company's shareholders	-	(4,897)
Net cash inflow (outflow) from financing activities	195,594	(119,433)
Net increase (decrease) in cash and cash equivalents	20,010	(119,751)
Cash and cash equivalents at the beginning of the year	3,330	123,081
Cash and cash equivalents at the end of the year	23,340	3,330

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

Future Generation Investment Company Limited

A.B.N. 97 063 935 553

Notes to the Financial Statements For the year ended 30 June 2015

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity Future Generation Investment Company Limited.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Future Generation Investment Company Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Historical cost convention

These financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss or through other comprehensive income.

2. Segment information

The Company has only one reportable segment as at 30 June 2015. The Company's previous reportable operating segment was in the cash and term deposits segment. As at 30 June 2015, the Company's reportable operating segment was investments in unlisted unit trusts and cash and/or cash equivalents.

3. Investment income from ordinary activities

The Company has invested in 17 unlisted unit trusts and where available, has invested in unit classes that have zero management and performance fees. The unit trusts with a zero fee unit class are the Bennelong Long Short Fund, the Discovery Australian Small Companies Fund, the Optimal Australia Absolute Trust and the LHC Capital Australia High Conviction Fund. The remaining investments are in unit classes that charge management and performance fees. These Fund Managers have rebated the fees charged. The aggregate management and performance fees rebated to the Company were \$1.886 million for the year ended 30 June 2015 (2014: N/A).

4. Other expense items

(a) Loss on disposal of subsidiary

	Year ended	
	2015	2014
	\$'000	\$'000
Loss on disposal of subsidiary	-	(450)

On 19 February 2014, an independent unrelated party acquired ownership of AIFT. As a result of this, a loss on disposal of AIFT of \$450,000 was recognised.

(b) Charity donation accrual

The Company has a commitment to accrue and pay a 1.0% charity donation to support Australian charities with a focus on children at risk. The charity donation commitment is calculated and accrued monthly and paid annually in arrears and is based on the Company's net assets before tax. The accrual commenced at the end of September 2014, being the month the Company relisted following recapitalisation.

	Year ended	
	2015	2014
	\$'000	\$'000
Charity donation accrual	1,644	-

Future Generation Investment Company Limited

A.B.N. 97 063 935 553

Notes to the Financial Statements For the year ended 30 June 2015

4. Other expense items (continued)

(c) Expenses

	2015 \$'000	2014 \$'000
Strategic initiatives costs		
Fund Holding Deed defence costs	-	100
Recapitalisation costs	-	325
Change in Responsible Entity expenses	-	330
Restructure legal fees	-	740
Total cost of sales and providing services and other expenses from ordinary activities	-	1,495

5. Non-current assets - Financial assets at fair value through other comprehensive income

	Year ended 2015 \$'000	2014 \$'000
Financial assets at fair value through other comprehensive income	172,170	-

The Bennelong Alpha 200 Fund was closed during March 2015. The fair value of the full redemption from this fund made during the year was \$15.94 million (2014: N/A). Proceeds from the full redemption were invested into the Bennelong Long Short Fund, the Tribeca Alpha Plus Fund and the Qato Capital Market Neutral Long Short Fund.

6. Issued capital

(a) Share capital

	30 June 2015 Number '000	30 June 2014 Number '000	30 June 2015 \$'000	30 June 2014 \$'000
Ordinary shares - fully paid	184,047	620,734	200,248	3,528

(b) Other equity securities

	30 June 2015 Number '000	30 June 2014 Number '000
Options	181,425	-

(c) Movements in ordinary share capital

Details	30 June 2014 Number '000	30 June 2014 \$'000
Opening balance - 1 July 2013	620,734	116,569
Costs of raising capital	-	(52)
Return of capital	-	(112,989)
Closing balance - 30 June 2014	620,734	3,528

Future Generation Investment Company Limited

A.B.N. 97 063 935 553

Notes to the Financial Statements For the year ended 30 June 2015

6. Issued Capital (continued)

(c) Movements in ordinary share capital (continued)

	30 June 2015 Number '000	30 June 2015 \$'000
Opening balance - 1 July 2014	620,734	3,528
Issue of shares - Wilson Foundation Pty Limited	200,000	1,000
Share buyback - off market	(417,750)	(2,089)
Cancellation of shares	(401,148)	-
	1,836	2,439
Issue of shares	181,818	200,000
Exercise of options - proceeds received	393	434
Costs of raising capital	-	(2,625)
Closing balance - 30 June 2015	184,047	200,248

7. Dividends

	2015 \$'000	2014 \$'000
a) Ordinary shares		
Interim dividend for the 2014 financial year	-	1,862
Final dividend for the 2014 financial year	-	3,035
	-	4,897

b) Dividends not recognised at year end

	2015 \$'000	2014 \$'000
In addition to the above dividends, since the end of the year, the Directors have declared a 2.0 cent per share fully franked dividend which has not been recognised as a liability at the end of the financial year:	3,681	-

Future Generation Investment Company Limited

A.B.N. 97 063 935 553

Notes to the Financial Statements For the year ended 30 June 2015

c) Dividend franking account

	2015 \$'000	2014 \$'000
Opening balance of franking account	538	-
Franking credits on dividends received	756	1,535
Tax paid during the year	386	1,102
Franking credits paid on ordinary dividends paid	-	(2,099)
Loss of franking credits under 45 day rule	-	-
Closing balance of franking account	1,680	538
Adjustments for tax payable/refundable in respect of the current year's profits and the receipt of dividends/distributions and dividends/distributions declared	2,575	-
Adjusted franking account balance	4,255	538

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

8. Contingencies

The Company had no contingent liabilities at 30 June 2015 (2014: transactions as per Implementation Deed completed on 19 February 2014).

9. Commitments

The Company has a commitment to accrue and pay a 1.0% charity donation to support Australian charities with a focus on children at risk. The charity donation commitment is calculated and accrued monthly and paid annually in arrears and is based on the Company's net assets before tax. The accrual commenced at the end of September 2014, being the month the Company relisted following recapitalisation.

10. Events occurring after the reporting period

Since year end, the Board declared a final dividend of 2.0 cents per share fully franked to be paid on 23 October 2015.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

11. Earnings per share

	Year ended	
	2015 \$'000	2014 \$'000
Profit/(loss) after income tax used in the calculation of basic and diluted earnings per share	11,372	(6,262)
	Number '000	Number '000
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	149,076	620,734