QUARTERLY REPORT TO 31 MARCH 2017[1]

Performance, net asset value and financial outcomes[2]

Quarterly portfolio return: 5.74%

The East 72 Holdings Limited (**E72, Company**) portfolio returned 7.0% during the three months to 31 March 2017, prior to costs; after cost imposts equating to 1.22% (of which only 0.18% was in March 2017), the net return within the Company over the period was 5.74%.

These return calculations are performed on a time weighted basis to properly account for the proportionally significant capital raisings which took place in March 2017[3], an approach E72 has utilised throughout the 2017 financial year. E72's pre tax net asset value grew by 6.7% over the period from 32.96c per share to 35.18c per share as at 31 March 2017. This was aided mainly by investment returns and a very minor benefit from the two larger placements in March 2017.

FYTD portfolio return: 45.3%

In the first full nine-month period of E72's operation, the gross portfolio return before expenses has been 54.5%; after deduction of operating expenses, the net return equates to 45.3%. This chasm between "gross" and "net" return will now start to reduce given the benefits of the increased capital base in amortising expenses over a larger denominator.

NTA has increased by 59.7% from 22.0c to 35.2c pre tax, and by 58.8% to 34.77c per share after accounting for tax on realised and unrealised gains. The correspondingly larger increase in NTA was aided by three anti-dilutive placements: one in August and two in December 2016. The large scale placements in March were undertaken at a level close to NTA.

Corporate developments

We held a general meeting of shareholders on 23 February 2017 which approved two sets of initiatives to raise capital and tidy-up smaller shareholdings. Subsequently in early March 2017, we successfully placed 6,756,428 shares (nearly treble the previous share count) at $0.35 per share raising nearly $2,365,000 in gross proceeds at close to prevailing NTA/share. We will know the results of the sale of unmarketable parcels just after the Easter break.

[1] East 72 Holdings Limited (**E72**) provides monthly **unaudited** updates on its company performance and exposure supplemented by a more substantial quarterly note. Readers are referred to footnotes 3 and 17-21 explaining the derivation of the numbers. All returns are pre-tax unless stated otherwise. At the current level of net assets, cost imposition is estimated at 0.15% per month over the course of a full year and is fully accrued monthly according to the best estimates of management. Readers are explicitly referred to the disclaimer on page 8.

[2] Month by month tabulation of investment return and exposures is given on page 10, along with exposure metrics and unaudited attribution for the quarter.

[3] Time weighting requires that E72 values the portfolio immediately before a significant cash inflow of new capital to provide an investment return to that date, and then recommences a new calculation with the new cash inflow. The two (or more) calculations are then multiplied out. The March 2017 month is made up of three separate calculations; the YTD return figures are comprised of 14 chain-linked calculations made at month-ends and placement dates.

Apart from providing further investible funds, the capital raising reduces our cost base relative to assets; we expect this to fall in the 2-2.5% area in the full 2018 year – the objective of the Directors – after allowing for some minor increases in expenditure.

The company also relocated its corporate office during March 2017.

As will be evident from the following comments, we have been especially careful about investing the proceeds of the capital raising given the high levels of market pricing. However, as should be expected from a stock selection-driven investment company, we are gradually finding some acceptably priced, if opportunistic, exposures.

Commentary[4]

It is rare that politics has much broad influence on equity markets over any extended period of time, in the absence of governing regimes enabling the expropriation of assets of publicly listed companies[5], or significant adjustments to taxation regimes which provide meaningful changes to investor returns. (It is acknowledged that political regimes can certainly hold major sway over individual industries). However, the past quarter has once again been unusual in that politics has played an influential role – often in a 140 character format – whilst disguising some further worrying shoots of euphoria.

There is little doubt that "animal spirits" are alive and well in the world's largest capital market, through a further 5.5% gain in broad-based indices during the March quarter, once again accompanied by a downward revision in 2017 EPS expectations for the S&P500. Factset[6] data – which adjusts for non-recurring items – suggests EPS growth in CY2017 of just under 10% for S&P500 companies, down from over 11% at the end of the last quarter. Excluding energy, this growth figure is around 6.8%, heavily influenced by expected growth of 12% in financial profits; financials make up ~15% of the S&P500.

The ebullience of investors, pushing record amounts of inflow into index and tracker type funds, appears fuelled by four factors:

- ongoing belief in the ability of the Republican administration to enact explicitly pro-business policy;
- strong economic indicators – especially of the "soft" survey variety;
- a strengthened belief in the ability of America's info-technology heavyweights to grow earnings strongly given a perceived competitive advantage and rollout of robotics, AI and machine learning capabilities; and
- the probability that CY17 earnings growth – commencing in Q1 rather than being "back – ended" - will show an acceleration over recent periods.

It is hard to dispute the last three of these factors. However, we would caution that stock prices in the US are either fully anticipating such outcomes, leaving little scope for adverse surprise, and/or have a belief that positive outcomes will occur more rapidly than is likely.

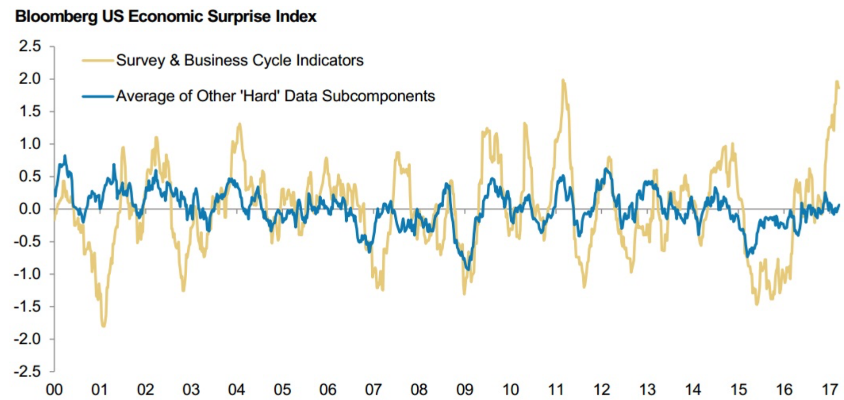
[4] All comparative performances are for relevant period to 31 March 2017
[5] A thrilling and frightening tale of this is chronicled in Bill Browder's 2015 book "Red Notice"
[6] Factset "Earnings Insight" 24 March 2017

These comments should be contextualised against:

- High pricing of US equities relative to historic parameters – in the simplest form, the P/E of the S&P500 – on a reported, not "adjusted" basis - is in the 93rd percentile of expensiveness for monthly figures since 1900 (74th if forecast adjusted figures are used);

- The significant "catch-up" amongst heavyweight technology share prices over the past quarter (eg. Apple +24%; Facebook +23.4%; Amazon +18.2%); these three stocks alone, which account for over 25% of the NASDAQ 100 index have added a cumulative equity capitalisation of US$289billion in the past three months. Even the unprofitable (and heavily shorted) Tesla has also appreciated 30% in the past quarter); and

- The relative lack of correlation (and occasionally direction) between "soft" survey data (eg. consumer confidence) and "hard" economic data (eg. retail sales) now appears extreme as illustrated in the chart below;



Source: Bloomberg, Morgan Stanley Research

Such factors all suggest an excessive level of bullish sentiment which may be difficult to realise. Such exuberance about the future makes it difficult to rationalise the policy positioning of the Federal Reserve Board. Is it lugubrious to suggest the US central bank is loitering behind the play in respect of monetary policy? That there are genuine risks of partially repeating the Greenspan errors of 2003 – 2006 when interest rates stayed too low for too long, and created the seeds of the sub-prime crisis? Remember, the Fed Funds rate (FFR) stayed at 1% for H2 2003 when growth was 2.8%, unemployment around 6% and CPIΔ at 1.9%.

It is instructive to note, for example, in 2006, the FFR was 5%+ for the latter half of the year when GDP growth in real terms was 2.7%, unemployment around 6% and CPIΔ at 2.5%. Growth in 2016 was over 3%, and the unemployment rate is around 4.6%. There are obvious structural factors at work with CPIΔ still tracking below 1% (but definite signs of acceleration) with the unemployment rate not truly reflecting the level of underemployment as workers effectively drop put of the workforce. Increasing use of technology suggests this phenomenon will not reverse. You don't have to be an economics graduate to figure that a FFR of 1% (just raised on 15 March) is palpably too low given the excessive creation of debt to lift the economy out of the "Great Recession".

There appears a belief in the US that some "pent-up" spring in earnings seems to exist. It is noteworthy that S&P500 EPS has grown less than 3.5%pa since 2007 – despite massive technological advance - and 2017 will represent the first year of near double-digit growth (if it eventuates) since 2011. At 18x forward earnings of $131[7] for the S&P500 (which is some 26% greater than GAAP reported earnings given the preponderance of adjustments for non-recurring or abnormal items!!), past history shows such parameters to be unattractive for equity investment, except where earnings are depressed by recession. Add in an arguably sluggish US central bank and the risk of an equity correction in the order of 5 – 10%[8] - which would still not unravel the "post Trump rally" continues to be dialed up.

Both Australian and European (ex-UK) markets would likely retrace under this scenario; Continental European equities have significantly outstripped their US counterparts with the positive influences of a low €/US$ exchange rate and gradual banking repair as additional factors.

Berkshire Hathaway (BRK): a US proxy in more ways than one

BRK is a wonderful academic exercise on many levels, given its amazing past history, diversity of earnings base, and continued existence of a core equity investment portfolio, creating a "sum-of-the-parts" logic to valuing the enterprise. Whilst BRK is highly complex in many respects, the Chair's commitment to disclosure is such that the company can be simplified down to give a reasonable idea of operating and investment performance, and thus can be dissected into values for each component.

Even better: despite Messrs. Buffett and Munger's desire that BRK stock broadly reflects their notion of "intrinsic value", there are occasions when BRK potentially veers well away from this parameter. The problem for investors is that such deviations tend to be <u>visibly</u> biased towards only one side – undervaluation - through BRK's willingness to repurchase stock at a modest premium (~20%) to book value. The Board's desire not to issue equity securities except in the most advantageous circumstances, together with the "partnership" ethos, mitigates against issuing securities to the broader marketplace even if BRK securities were significantly over priced.

In keeping with BRK management's perspective, we have performed a <u>highly theoretical and unrealistic</u> exercise to <u>deeply</u> dissect the company into its investment and operational components and ascertain the equity market's pricing of the operational earnings component. Remember, this component includes insurance, reinsurance, rail haulage, energy, multiple manufacturing businesses, as well as specialty retail and home financing.

Even given the disclaimer above, and the lack of realism – so there is little merit in criticising its practicality - we find the exercise <u>**does**</u> have <u>**some**</u> instructive benefit. That's partly because BRK shareholders tend to be long term and arguably more (ahem) "sophisticated" than the average company owner. Hence, it would be concerning if a wider investment base purchased BRK securities with little regard to price in pursuit of the prevailing "MAGA" rhetoric.

---

[7] Factset "Earnings Insight" 24 March 2017

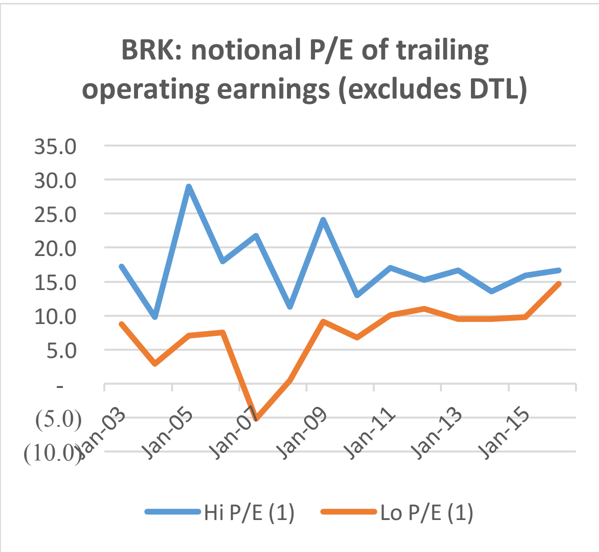
[8] If a 10%+ correction seems extreme, 16x forward P/E's on <u>current</u> forecasts would leave the S&P500 at ~2060

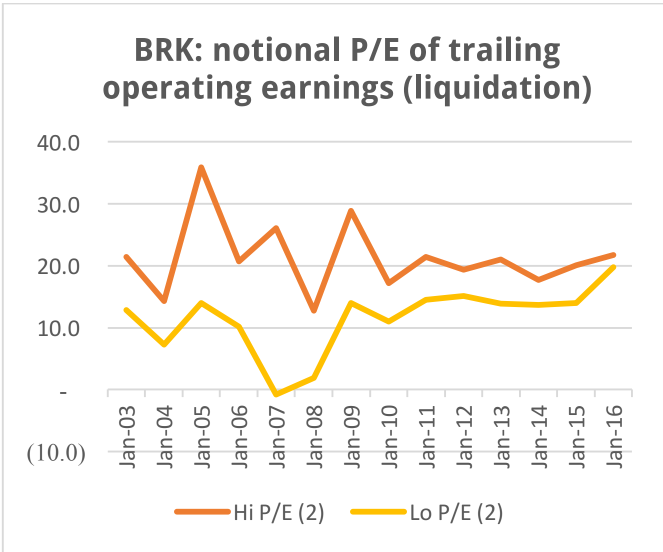
Our theoretical exercise takes BRK's market value and:

- deducts the balance date values of investments and cash;
- adds debt; and
- on the harsher basis, the deferred tax liability generated from an effective liquidation.

This "enterprise value" can be compared against pure operating earnings on a trailing basis, such earnings only including underwriting results (i.e excludes investment earnings such as interest) from the insurance business. Of course it is an unrealistic exercise since insurance companies must keep a "float" to pay future claims, which we are effectively liquidating[9]. The exercise produces an effective earnings before interest and tax (EBIT) and thus P/E multiple (using a 30% total tax rate) for the BRK businesses themselves. It does not adjust for changes in the value of investments between balance dates, a shortcoming that shouldn't be glossed over.

The exercise has significantly greater utility over recent years; going back much beyond 2003 starts running into the days pre-GEICO, General Re and Mid American where operating earnings were lumpy and far lower. If you are dissuaded from thinking that BRK is not a powerhouse, it's worth noting that operating earnings – including relevant interest, but excluding investment gains – have compounded at just shy of 11%pa since 2004. And you've had investment gains too.





9 BRK's float is over $91billion which it has continually generated at low/negative cost through strong underwriting standards (excluding the acquisition of General Re). The continual conservatism of BRK's insurance accounting – exhibited in year after year of reserve redundancy in claims development is a little discussed factor of the company, hidden away deep in the accounting notes of the annual report, well away from the Chairman's well publicised letter.

Three observations about the previous charts, which show the notional P/E of trailing earnings in the subsequent 12month period of March – February, should be made:

- Over the past thirteen years, there has been an average correction of 25% from BRK's high price to its low price for a twelve month period, instructive to remember in the prevailing ebullient atmosphere;

- Any intern performing this exercise in 2008 and 2009 would have left my employ and bought BRK with all available funds at ~$70,000 per "A" share – only some major catastrophe will make the company ever this cheap again[10]; and

- Some broad rules of thumb as to valuation seem to emerge.

The RHS chart – which assumes a liquidation and payment of deferred tax – whilst least realistic shows BRK shares trade in a high-low band of roughly a P/E of 12-21x trailing earnings in the subsequent twelve months; the band has more recently tightened to ~14x – 21x as you would expect from a more "consistent" earning corporation[11].

At the present time, BRK stock on this measure is trading at around a 20x post tax multiple, very much towards the top end of its valuation range, and historically a pre-cursor to a correction in its stock price. We don't own BRK shares but wouldn't dream of shorting them.

Widow-making in Australia

A cynic might suggest that chaotic Government is clearly the means to reflate equity markets, since that would be virtually the only thing Australia and the US appear to have in common at present. Our interest rate cycles are most likely out of synch, our real asset markets certainly are, and our economies appear at different stages with gloomy consumers "down under" versus ebullient ones in the US. Yet with little likelihood of structural change influences in Australia, Australian equities have nearly matched the performance of their US counterparts since 4 November 2016: S&P/ASX 200 up 13.2% versus US S&P500 up 13.3%.

Around 55% of that return has come from five stocks – the four major banks plus Macquarie Group. As in the US, this appears at least partly driven by a central bank being well behind the eight-ball. Moreover, the RBA is moving to rewrite its playbook under new Governorship -in full public gaze[12] - to cope with extravagant property prices, and patently inadequate Government policy in the area.

---

[10] In 2009, BRK traded at below stated book value at 31/12/2008 of $70,530 per share (the US stock market low had already been passed) and many months low trades in BRK shares in 2009 were below $85,000 being 1.2x book value and roughly the book value at 31/12/2009 of $84,487/share. Imagine paying nothing whatever for BRK management....

[11] The high P/Es in 2005-2006 reflected depressed earnings from a "recalibration" of General Re's technical reserves; Mr. Buffett's self deprecation in this respect is instructive

[12] Opening Statement to House of Representatives Standing Committee on Economics (24 February 2017)

The idea of short selling Australian banks due to pending mortgage market distress in a replication of the "Big Short" has continued to evolve into a so-called "widow-maker trade"[13]. Such trades have unravelled badly in the past five months (post 4 November 2016) with NAB and CBA outperforming even some US banks (notably Citigroup) and most high grade European institutions.

The simplistic analogy of Australian residential property excess endangering financial institutions akin to that of the mid 2000's in the USA appears potentially misplaced. The transmission mechanisms in Australia require several iterations through such factors as withdrawal of foreign investors, a level of distress selling morphing into a wealth effect (easy to see, hard to measure) which subsequently impacts further on consumption, creating a downward spiral. In this situation, monetary policy would have little use, since it is already excessively loose, and credit would not be available other than from vulture lenders.

The problem in the evaluation of this potential outcome is not the theory – there are enough experiences of how property markets unravel – but the sheer lack of data in the unique Australian landscape. Past meaningful residential price downturns have always been accompanied by precipitous declines in prices and activity in commercial property, directly impacting on lender solvency (eg 1992, 1974). The 200th Anniversary of Westpac Banking Corp's antecedents is providing several opportunities to re-assess these periods, and bring them closer to front of mind.

The share price performance of Australia's banks and their meaningful impact on the market index in the past three months could be partly attributed to "solidified" earnings expectations for FY2018 with shifts in mortgage rates away from any RBA rate changes, and a continued diminution of deposit rates suggesting an optimistic view of interest rate spread widening. This doesn't appear yet to be fully manifested in forecast earnings; from a valuation standpoint, it would arguably be offset by a lift in the ten year bond yield from 2.2% to 2.7% since the US election.

A more reasoned argument for taking a negative view on Australian banks is the lack of relative attraction, given their credit cycle positioning, versus a number of global counterparts. Most Australian banks are more expensive than their oft-compared peers in Canada, a number of whom share similar concerns regarding white-hot property market conditions. Globally, the US banks still have work to do to lift returns – which should be assisted by any changes to Dodd-Frank legislation – whilst the UK banks have remained mired in ongoing regulatory oversight and provisions for redress to customers for historic behavior. Both Barclays and RBS still have significant US litigation to surmount.

However, the table below shows – if simplistically – that Australia's banks high returns on equity – in some cases due to higher gearing – comes at the expense of higher equity prices. Additionally, many of the global banks have non-bank financial services exposures where profitability is increasing, as well as a bigger benefit from regulators peeling away. Lloyds Banking Group – where we have a long exposure - appears a standout on most metrics.

[13] The real widow-maker trade is trading the spread between March and April natural gas futures as winter moves into spring. Leveraged wrong-way bets on the spread brought down the hedge fund Amaranth Advisors in 2006 brilliantly documented in the book "Hedge Hogs" by Barbara T. Dreyfuss.

Selected global banking comparisons

	Fiscal year 2016			Data as at 31 March 2017			
	ROE	**RORWA**	**ROA**	**P/E 16**	**P/E 17**	**P/E 18**	**P/NTA**
Bank of America	9.5%	1.14%	0.75%	15.7x	13.5x	11.2x	1.39x
Citigroup	9.0%	1.41%	0.95%	12.7x	11.5x	10.1x	0.93x
JP Morgan	13.0%	1.68%	1.01%	14.2x	13.4x	11.6x	1.71x
Wells Fargo	13.2%	1.50%	1.08%	13.9x	13.3x	12.1x	1.88x
Lloyds Banking∅	14.1%	2.04%	0.55%	10.7x	9.5x	9.8x	1.21x
Barclays PLC∅	9.4%	1.04%	0.39%	11.0x	11.1x	9.5x	0.78x
ING Groep	10.1%	1.48%	0.55%	11.8x	11.5x	11.0x	1.12x
ANZ	12.0%	1.47%	0.65%	16.4x	13.4x	12.7x	1.86x
Commonwealth	20.1%	2.45%	1.03%	15.5x	15.1x	13.9x	2.96x
NAB	14.2%	1.77%	0.76%	14.2x	13.6x	13.2x	2.08x
Westpac	17.0%	2.07%	0.95%	14.9x	14.4x	13.7x	2.51x
Goldman Sachs	9.1%	1.39%	0.82%	14.1x	12.0x	10.6x	1.33x
Morgan Stanley	8.0%	1.48%	0.68%	14.7x	12.6x	10.9x	1.21x

ROE: return on equity
RORWA: return on risk weighted assets
ROA: return on assets
Australian bank year ends September (ex. Commonweath = June). All others calendar years.
∅ excludes significant abnormal items, notably >£1bn "consumer redress" provisions
Source: Factset, FT, company reports, Barrons compiled by E72

Rather than directly shorting Australian banks[14] a less risky way to participate in any residential property downturn would appear to be to invest in companies who would benefit from increasing turnover in residential property, by means of a higher number of listings. Recent anecdotal evidence points to a pick-up from multi year low turnover rates well below 5% (implying a 20year holding period) which would be expected to increase further if distress selling were to eventuate. In the economic downturn (but not recession) in 2000-2002, turnover increased to over 8% of housing stock[15]. E72 holds long positions in Fairfax (owner of "Domain"), McGrath Holdings and News Corp, where the largest fungible asset is the 62% holding in REA Group.

Portfolio activity

We sold two largish positions during the quarter – Fortress Investment Group, which received a takeover offer from Softbank – and the not entirely unrelated HRG Group, which now appears fully valued given the rise in the shares relative to the component investments (Spectrum Brands, Fidelity & Guaranty Life).

We successfully closed a short position in Lululemon Athletica where the allure of US$90 spandex training pants appears to be waning, at least relative to analyst projections[16], precipitating a 24% one day decline in the shares on lowered 2017 guidance.

[14] We have an <u>indirect</u> short position of ~7.5% of equity given the weighting of banks in the Australian index which we have short sold to partly hedge our portfolio

[15] An excellent article on this subject is contained in the RBA Bulletin (March 2017) "Housing Market Turnover" (Leal, Parsons, White & Zurawski)

[16] In a seemingly costly aspect of sexual inequality, only 12 of 37 lead sell side analysts of LULU are female....

We have increased holdings in two smaller Australian companies – Prime Financial Group and Dreamscape Networks. The latter, through its, “Crazy Domains” business, is the largest domain name seller in the country, and trades at a ~35% OCF valuation discount to its larger peer, Melbourne IT.

We have increased exposure to the Italian investor EXOR, and to our short positions in Caterpillar whilst initiating a new meaningful short in IStoxx High Yield ETF.

We have a significant quantum of cash which can be put to use in the event of an equity market pullback, which from the foregoing commentary, we would be encouraged to see eventuate.

For further information:

Andrew Brown
Executive Director
(02) 9380 9001 / 0418 215 255

EAST 72

STATISTICAL APPENDIX: QUARTER & FYTD TO 31 MARCH 2017

1. Monthly performance, exposure and NAV

	Investment return[17]	Cost imposition[18]	Net Return[19]	FY17 Return	NAV/share pre tax (cents)	Gross Exposure[20]	Net Exposure[21]
31 July 16	17.1%	-1.2%	15.8%	15.8%	25.5	316%	90%
31 Aug 16	4.3%	-0.7%	3.6%	20.0%	27.6	327%	88%
30 Sep 16	-1.5%	-0.6%	-2.1%	17.5%	27.0	359%	142%
31 Oct 16	4.9%	-0.7%	4.2%	22.4%	28.1	427%	137%
30 Nov 16	4.9%	-1.1%	3.8%	27.0%	29.2	541%	76%
31 Dec 16	9.0%	-0.8%	8.2%	37.4%	33.0	439%	74%
31 Jan 17	5.2%	-0.7%	4.5%	43.6%	34.4	473%	54%
28 Feb 17	0.2%	-0.4%	-0.2%	43.4%	34.4	503%	24%
31 Mar 17	1.6%	-0.2%	1.4%	45.3%	35.2	171%	1%

2. Equity exposure as at 31 March 2017 (as % month end pre tax shareholders funds):

	AUSTRALIA		OVERSEAS		TOTAL	
	percent	exposures	percent	exposures	percent	exposures
LONG	35.6%	21	50.2%	36	85.9%	57
SHORT	(8.6%)	7	(16.9%)	12	(25.4%)	19
INDEX	(22.5%)		(37.6%)		(60.0%)	
TOTAL	4.6%	28	(4.2%)	48	0.4%	76

3. Quarterly estimated unaudited contribution to gross performance (equity positions only)

Exposure	Contrib	LOC price Δ	Exposure	Contrib	LOC price Δ
Fortress Inv. Group	+3.05%	+64.4%	Fiat Chrysler	+0.68%	+22.6%
ASTM SpA	+1.25%	+35.8%	Lululemon[22]	+0.49%	-19.4%
Dreamscape Networks [a]	+1.20%	+18.8%	Flow Traders [a]	-0.34%	-8.5%
EXOR SpA	+0.80%	+18.3%	Apple Inc[23]	-1.02%	24.0%

4. FYTD estimated unaudited contribution to gross performance (equity positions only)

Exposure	Contrib	LOC price Δ	Exposure	Contrib	LOC price Δ
Fortress Inv. Group	+10.8%	+62.0%	American Express	+3.7%	+32.6%
Fiat Chrysler [a]	+5.5%	+71.6%	Barclays PLC	+3.6%	+63.1%
ASTM SpA [a]	+5.0%	+50.2%	AP Moller Maersk [a]	+3.1%	+28.0%
EXOR SpA	+4.1%	+49.6%	Apple Inc[24]	-5.7%	+52.3%

a: price change versus average entry price

[17] Change in market value of all investments – cash and derivatives – after interest charges, dividends receivable, dividends and fees paid away divided by opening period net asset value and time weighted for equity raisings

[18] All accrued expenses for company administration (eg. listing fees, audit, registry) divided by opening period net asset value and time weighted for equity raisings

[19] Calculated as 2 (above) minus 3 (above)

[20] Calculated as total gross exposures being nominal exposure of all long and short positions (cash and derivative) divided by end month pre tax net asset value – assumes index ∂ of 1

[21] Calculated as total net exposures being nominal exposure of all long minus short positions (cash and derivative) divided by end month pre tax net asset value – assumes index ∂ of 1

[22] short sale position

[23] short sale position

[24] short sale position

EAST 72

Disclaimer

While East 72 Holdings Limited (**E72**) believes the information contained in this communication is based on reliable information, no warranty is given as to its accuracy and persons relying on this information do so at their own risk. E72 and its related companies, their officers, employees, representatives and agents expressly advise that they shall not be liable in any way whatsoever for loss or damage, whether direct, indirect, consequential or otherwise arising out of or in connection with the contents of an/or any omissions from this report except where a liability is made non-excludable by legislation.

Any projections contained in this communication are estimates only. Such projections are subject to market influences and contingent upon matters outside the control of E72 and therefore may not be realised in the future.

This update is for general information purposes, it does not purport to provide recommendations or advice or opinions in relation to specific investments or securities. It has been prepared without taking account of any person's objectives, financial situation or needs and because of that, any person should take relevant advice before acting on the commentary. The update is being supplied for information purposes only and not for any other purpose. The update and information contained in it do not constitute a prospectus and do not form part of any offer of, or invitation to apply for securities in any jurisdiction.

The information contained in this update is current as at 31 March 2017 or such other dates which are stipulated herein. All statements are based on E72's best information as at 31 March 2017. This presentation may include forward-looking statements regarding future events. All forward-looking statements are based on the beliefs of E72 management, and reflect their current views with respect to future events. These views are subject to various risks, uncertainties and assumptions which may or may not eventuate. E72 makes no representation nor gives any assurance that these statements will prove to be accurate as future circumstances or events may differ from those which have been anticipated by the Company.