



Impax Asset Management Group plc – Interim results to 31 March 2017

London, 11 May 2017 - Impax Asset Management Group plc ("Impax" or the "Company"), the AIM quoted investment manager focused on environmental markets and related resource efficiency sectors, today announces its interim results for the six months to 31 March 2017 (the "Period").

H1 highlights

- AUM¹ increased 27% to £5.7 billion at Period end, and further to £6.0 billion on 30 April 2017
- Total net inflows of £870 million during the Period
- Robust investment performance in Listed Equities and significant growth across all strategies
- Strong progress on Real Assets fundraising
- Revenue in first half of 2017 was £13.9 million (H1, 2016: £9.4 million)
- Operating earnings² were £3.2 million (H1, 2016: £1.6 million)
- Profit before tax was £2.4 million (H1, 2016: £2.1 million)
- Diluted earnings per share were 2.11 pence (H1, 2016: 1.35 pence)
- Interim dividend increased by 40% to 0.7 pence per share

Ian Simm, Chief Executive, commented:

"Impax has had a strong first half year. Our AUM has now reached a new peak of £6 billion and we can report record net inflows and significant progress with fundraising for our new private equity renewable infrastructure fund."

"We are seeing sustained interest from investors in many countries who are looking to access superior expected returns. With the Company's assets under management recently passing the £6 billion milestone, we continue to scale existing products across both Listed Equities and Real Assets, while also considering the development of our product range in response to client interest."

The presentation for shareholders and analysts will be available to view on our website later today:

<https://www.impaxam.com/investor-relations/reports-and-presentations>

Impax will host a webinar for investors to present the Interim Results and provide a business update, followed by a Q&A with Ian Simm, Chief Executive and Charlie Ridge, Chief Financial Officer, on Thursday 11 May at 12.30pm. Please register for this event here:

<https://www.equitydevelopment.co.uk/2017/05/03/impax-asset-management-group-interim-results-webinar-thursday-11th-may-12-30pm/>

¹ Assets under management and advice. ² Revenue less operating costs

Enquiries:

Ian Simm
Chief Executive
Impax Asset Management Group plc
www.impaxam.com

Tel: + 44 (0) 20 7434 1122 (switchboard)

Anne Gilding
Head of Brand & Communications
Impax Asset Management Group plc
www.impaxam.com

Tel: +44 (0) 20 7434 1122 (switchboard)
Tel: +44 (0) 20 7432 2602 (direct)
Tel: +44 (0) 7881 249612 (mobile)
Email: a.gilding@impaxam.com

Guy Wiehahn or Rishi Shah
Nominated Adviser
Peel Hunt LLP

Tel: +44 (0) 20 7418 8900

Chief Executive's Statement

"We are seeing sustained interest from investors in many countries who are looking to access superior expected returns over the long term. With assets under management at a new peak of £6.0 billion¹, we continue to scale our existing products, while developing our product range in response to client demand."

Over the period from 1 October 2016 to 31 March 2017 (the "Period"), Impax Asset Management Group plc ("Impax" or the "Company"), grew its assets under management and advisory ("AUM") by 27 per cent to a new peak of £5,711 million, comprising positive investment performance and record net inflows of ca. £870 million across Listed Equities and our Private Equity Renewable Infrastructure Funds. On 30 April 2017, AUM were £6.0 billion.

This growth has been achieved despite rising political tension around the world. Investors are concerned about a lengthening list of issues, including the outcome of a series of elections across Europe, the stability of the Euro, continuing unrest across the Middle East, signs of tension in East Asia and the future of US-Chinese trade relations. These unknowns make it increasingly difficult to navigate uncertain and often conflicting economic forecasts.

Against this more volatile backdrop, our listed equity funds have proved their resilience and delivered robust returns for investors. We have continued to receive strong inflows, particularly from asset owners in North America and Continental Europe. We have also achieved further exits from our existing private equity funds and received further commitments to our third fund. Our mandate pipeline across both listed equities and real assets is most encouraging.

Despite President Trump's negative proclamations on climate change and the environment, the markets in which we invest have remained robust - there is considerable support across Congress for the further development of renewable energy, and more investment is being targeted to increase the resilience of water supplies. Any efforts to roll back existing pollution regulations are likely to face stiff legal challenges.

Furthermore, the response from the international community to President Trump's pre-election threat to "cancel" the 2015 Paris Climate Agreement has been to strengthen support for the treaty, with China, crucially, reiterating its commitment to leading the development of policy to reduce carbon dioxide emissions.

Developments in Environmental and Resource Efficiency Markets

Environmental markets continue to evolve and the number of companies active in these sectors has again risen. For example, companies that are improving resource productivity are increasingly deploying business models based on advanced software and the manipulation of large datasets. We are encouraged by the growth and high returns on capital that these businesses offer to investors, particularly in the rail, water, electricity, agriculture and real estate sectors. Similarly, the transition to ultra-low emission vehicles and the potential adoption of autonomous vehicles are yielding many new investment prospects while unsettling incumbents in traditional industries, such as vehicle assembly.

The food, agriculture and forestry sector is also giving rise to an increasing number of investable businesses. Here, the value chain is being disrupted by a range of environmental and resource challenges, including climate change and soil degradation, as well as tightening regulation and changing consumer preferences. Companies that are swift to identify and exploit the opportunities that these changes bring are set to reap significant benefits and undergo rapid growth. We are finding value in companies that are investing in innovation in these markets.

Financial results for the Period

Revenue for the six months to 31 March 2017 was £13.9 million (H1 2016: £9.4 million; H2 2016: £11.7 million) and the annualised run rate at the end of the Period was £30.6 million. Operating earnings² for the Period were £3.2 million (H1 2016: £1.6 million; H2 2016: £2.6 million) and the associated operating margin was 23 per cent (H1 2016: 17 per cent; H2 2016: 22 per cent). Operating costs include a £0.4 million increase in employer's National Insurance Contribution ("NIC") due to the sharp rise in the price of Impax shares over the Period, which is offset by a similar corporation tax credit. Profit-related remuneration increased in line with operating earnings.

The result for the Period was a profit before tax ("PBT") of £2.4 million (H1 2016: £2.1 million; H2 2016: £3.1 million) and the earnings per share for the Period were 2.11 pence (H1 2016: 1.35 pence; H2 2016: 2.27 pence). PBT was impacted by the increased NIC charge referred to above, and also by net hedging losses on seed investments of £0.5 million (H1 2016: £0.3 million gain; H2 2016: £0.6 million gain).

Dividends

At the Annual General Meeting on 8 March 2017, shareholders approved payment of a dividend of 1.6 pence per share, taking the total dividend for the year ended 30 September 2016 to 2.1 pence per share (2015: 1.6 pence (plus special dividend of 0.5 pence)). The Board is declaring an interim dividend for the Period of 0.7 pence per share (2016: 0.5 pence). This will be paid on 23 June 2017 to ordinary shareholders on the shareholder register at the close of business on 26 May 2017. The Company operates a dividend reinvestment plan ('DRIP'). The final date for receipt of elections under the DRIP will be 29 May 2017. For further information and to register and elect for this facility, simply visit www.signalshares.com

Listed Equities

During 2016, our listed equity strategies extended their strong track record relative to global markets, in spite of the strong positive performance of financials and energy stocks (where our strategies have little or no exposure) during the final three months of the year. In the first quarter of 2017 we have seen some consolidation, but overall the strategies have delivered a solid performance during the Period, with our Water and Asia funds significantly ahead of their environmental comparators. We are currently finding value in Europe and many developing markets.

Real Assets

In November 2016, we announced the first close of our third private equity fund ("NEF3"), which targets renewable energy investments across Europe. Subsequently, two existing clients increased their initial investments, and we have also secured two new clients. Commitments to this fund are now €185 million, which includes a €44 million subscription from the EIB (which has agreed to commit up to a further €31 million dependent on the final fund size). We continue to engage with existing clients and new prospects on further fundraising and the pipeline is encouraging. We hope to see additional significant inflows before final close, the deadline for which is the end of February 2018. Plans for the new fund's first investments are at an advanced stage.

We are also making progress to sell the remaining assets in NEF II, particularly 102MW of generating capacity in Ireland, France and Italy, and expect to achieve a full exit and complete the delivery of attractive net cash returns to investors during 2018.

Fund flows and distribution

Impax has now reported six consecutive quarters of strong inflows. During the Period we saw further significant commitments from Continental European investors, particularly across the BNP Paribas fund range. These white label products are based on our Leaders, Specialists, Water, and Food &

Agriculture strategies. For example, over the past two years, BNP Paribas has raised ca. €450 million for funds based on our Food & Agriculture strategy, while the net assets of the BNP Paribas Aqua fund, which we have sub-managed since inception in 2009, have recently exceeded €2 billion.

We also continue to see strong growth from our North American distribution partners; for example, on 1 May 2017, we commenced the mandate of a new US\$100 million segregated account based on our Leaders strategy.

The table below sets out the AUM movements during the Period.

AUM movement for six months to 31 March 2017

AUM movement to 31 March 2017	Listed equity funds £m	Private equity funds £m	Property funds £m	Total £m
Total AUM at 30 September 2016	4,195	285	22	4,502
Net flows	778	92	-	870
Market movement and performance	341	(2)	-	339
Total AUM at 31 March 2017	5,314	375	22	5,711

Infrastructure and staff

The building we have occupied in London since 2011 is scheduled for redevelopment. We are anticipating a move before the end of 2017 and are currently evaluating nearby cost-effective options with increased floor space and improved IT infrastructure.

In November, we relocated our New York City office to larger premises in Greenwich, Connecticut, to accommodate the expanding team.

Over the Period, our permanent staff was stable at 71 (2016: 70). Our core team is well established and over the medium-term we expect to continue to scale up our business significantly with only a limited number of additional hires.

Remuneration and share management

In line with previous announcements, the Board intends to recommend that the Group's Employee Benefit Trust ("EBT") continues to buy back the Company's shares from time to time after giving due consideration to alternative uses of the Company's cash resources. Shares purchased may be used to satisfy obligations to employees for share-based awards, thus reducing the requirement to issue new shares. During the Period the Group's Employee Benefit Trust ("EBT") bought 1.5 million shares in the market, at an average price of 65 pence, bringing total shares purchased to date to 18.7 million. In comparison, 20.8 million options and restricted shares have been issued to date.

Shareholder communications

We are committed to open communication with all our stakeholders; we also recognise the importance of expanding our shareholder register and improving liquidity in the Company's shares. Last October we appointed a specialist investor outreach company to help us extend our investor relations programme, with particular focus on retail investors who may be looking to invest in smaller, fast-growing companies. We now have several new shareholders on the register and have seen a greater number of smaller trades over the Period, compared to historical averages.

Outlook

In recent years, Impax's strategies have proved to be remarkably resilient and we believe that companies across environmental markets will maintain the trend of delivering above-average earnings growth. The rapid acceleration of innovation in the markets in which Impax invests presents a multitude of investment opportunities, underpinned by powerful long-term drivers.

We continue to analyse the potential impact of Brexit on our ability to market and manage funds in Europe, and the possible need to establish additional presence in the EU. We believe that our culture, structure, and the diversity of our business model should enable us to make good progress in an increasingly complex regulatory and political environment.

In our conversations with asset owners around the world, we see growing interest from investors searching for superior long-term returns, while shorter-term catalysts are also increasingly driving positive investor sentiment. The Board views Impax's prospects with optimism and is confident in the Company's ability to deliver long-term shareholder value.

Ian Simm

10 May 2017

¹ As at 30 April 2017

² Revenue less operating costs

Impax Asset Management Group plc
Condensed consolidated statement of income
For the six months ended 31 March 2017

		Six months ended	Six months ended	Year ended
		31 March 2017	31 March 2016	30 September 2016
	Note	£000	£000	£000
Revenue		13,948	9,434	21,067
Operating costs		(10,774)	(7,871)	(16,915)
(Charges)/credits related to legacy long-term incentive schemes	3	(242)	86	27
Fair value (losses)/gains and other financial income/(expense)	4	(538)	357	989
Investment income		213	101	319
Change in third party interests in consolidated funds	5	(163)	(48)	(288)
Profit before taxation		2,444	2,059	5,199
Taxation	6	77	(508)	(1,022)
Profit after taxation		2,521	1,551	4,177
Basic earnings per share	7	2.15 p	1.35 p	3.62 p
Diluted earnings per share	7	2.11 p	1.35 p	3.62 p

Condensed consolidated statement of comprehensive income
For the six months ended 31 March 2017

		Six months ended	Six months ended	Year ended
		31 March 2017	31 March 2016	30 September 2016
		£000	£000	£000
Profit for the period		2,521	1,551	4,177
Change in value of cash flow hedges		115	(132)	(193)
Tax on change in value of cash flow hedges		(22)	26	38
Tax credit on long-term incentive schemes		348	-	-
Exchange differences on translation of foreign operations		58	13	87
Total other comprehensive income		499	(93)	(68)
Total comprehensive income for the period attributable to equity holders of the parent		3,020	1,458	4,109

Impax Asset Management Group plc
Condensed Consolidated Statement of Financial Position
As at 31 March 2017

	Note	As at 31 March 2017 £000	As at 31 March 2016 £000	As at 30 September 2016 £000
ASSETS				
Non-current assets				
Goodwill	9	1,681	1,681	1,681
Intangible assets		31	55	61
Property, plant and equipment		115	145	108
Investments		13	16	14
		1,840	1,897	1,864
Current assets				
Trade and other receivables		7,148	5,314	6,931
Derivative asset		98	-	-
Investments	10	15,550	10,837	12,811
Margin account		395	254	378
Cash invested in money market funds and long term deposit accounts	11	10,623	10,424	12,891
Cash and cash equivalents	11	2,664	2,820	2,804
		36,478	29,649	35,815
TOTAL ASSETS		38,318	31,546	37,679
EQUITY AND LIABILITIES				
Equity				
Ordinary shares		1,277	1,277	1,277
Share premium		4,093	4,093	4,093
Exchange translation reserve		(96)	(228)	(154)
Hedging reserve		(23)	(67)	(116)
Retained earnings		23,114	19,463	21,645
TOTAL EQUITY		28,365	24,538	26,745
Current liabilities				
Trade and other payables		4,202	3,079	5,473
Third party interests in consolidated funds		4,321	697	2,125
Derivative liability		28	105	265
Current tax liability		977	482	2,135
		9,528	4,363	9,998
Non-current liabilities				
Accruals		264	155	180
Deferred tax liability		161	2,490	756
Total non-current liabilities		425	2,645	936
TOTAL LIABILITIES		9,953	7,008	10,934
TOTAL EQUITY AND LIABILITIES		38,318	31,546	37,679

Impax Asset Management Group plc

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 March 2017

	Share capital	Share premium	Exchange translation reserve	Hedging reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000
As at 1 October 2015	1,277	4,093	(241)	39	20,759	25,927
<i>Transactions with owners</i>						
Dividends paid	-	-	-	-	(1,905)	(1,905)
Acquisition of own shares	-	-	-	-	(1,188)	(1,188)
Award of shares on option exercises	-	-	-	-	3	3
Long-term incentive scheme charge	-	-	-	-	243	243
	-	-	-	-	(2,847)	(2,847)
Profit for the period	-	-	-	-	1,551	1,551
<i>Other comprehensive income</i>						
Cash flow hedge	-	-	-	(132)	-	(132)
Tax on cash flow hedge	-	-	-	26	-	26
Exchange differences on translation of foreign operations	-	-	13	-	-	13
	-	-	13	(106)	-	(93)
As at 31 March 2016	1,277	4,093	(228)	(67)	19,463	24,538
<i>Transactions with owners</i>						
Dividends paid	-	-	-	-	(557)	(557)
Acquisition of own shares	-	-	-	-	(359)	(359)
Award of shares on option exercises	-	-	-	-	163	163
Long-term incentive scheme charge	-	-	-	-	309	309
	-	-	-	-	(444)	(444)
Profit for the period	-	-	-	-	2,626	2,626
<i>Other comprehensive income</i>						
Cash flow hedge	-	-	-	(61)	-	(61)
Tax on cash flow hedge	-	-	-	12	-	12
Exchange differences on translation of foreign operations	-	-	74	-	-	74
	-	-	74	(49)	-	25
As at 30 September 2016	1,277	4,093	(154)	(116)	21,645	26,745
<i>Transactions with owners</i>						
Dividends paid	-	-	-	-	(1,856)	(1,856)
Acquisition of own shares	-	-	-	-	(948)	(948)
Award of shares on option exercises	-	-	-	-	1,041	1,041
Long-term incentive scheme charge	-	-	-	-	363	363
	-	-	-	-	(1,400)	(1,400)
Profit for the period	-	-	-	-	2,521	2,521
<i>Other comprehensive income</i>						
Cash flow hedge	-	-	-	115	-	115
Tax on cash flow hedge	-	-	-	(22)	-	(22)
Tax credit on long-term incentive schemes	-	-	-	-	348	348
Exchange differences on translation of foreign operations	-	-	58	-	-	58
	-	-	58	93	348	499

As at 31 March 2017	1,277	4,093	(96)	(23)	23,114	28,365
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Impax Asset Management Group plc
Condensed Consolidated Statement of Cash Flows
For the six months ended 31 March 2017

	Note	Six months ended 31 March 2017 £000	Six months ended 31 March 2016 £000	Year ended 30 September 2016 £000
Cashflows from operating activities				
Profit before taxation		2,444	2,059	5,199
Adjustments for:				
Investment income		(213)	(101)	(319)
Depreciation and amortisation		80	110	198
Fair value losses/(gains)		317	(357)	(1,180)
Share-based payment charges		363	243	512
Charges/(credits) related to legacy long-term incentive schemes		242	(86)	(27)
Change in third party interests in consolidated funds		163	48	288
Operating cash flows before movement in working capital		3,396	1,916	4,671
(Increase) in receivables		(217)	(357)	(2,139)
(Increase)/decrease in margin account		(17)	(78)	(203)
(Decrease)/Increase in payables		(1,372)	(1,863)	802
Cash generated from operations		1,790	(382)	3,131
Corporation tax paid		(1,351)	(243)	(815)
Net cash (used by)/generated from operating activities		439	(625)	2,316
Investing activities:				
Investment income received		213	101	329
Settlement of investment related hedges		(1,274)	(714)	(1,990)
Net redemptions made to Impax by unconsolidated investment funds		-	1,089	2,329
Net investments made by consolidated funds		(2,002)	(3,487)	(4,549)
Decrease/(increase) in cash held by money market funds and long-term deposit accounts		2,268	6,729	4,262
Acquisition of property plant and equipment and intangible assets		(57)	(52)	(109)
Net cash used by investment activities		(852)	3,666	272
Financing activities:				
Dividends paid	8	(1,856)	(1,905)	(2,462)
Acquisition of own shares		(948)	(1,188)	(1,547)
Cash received on exercise of Impax share options		1,041	3	166
Investments by third parties into consolidated funds		2,034	505	1,693
Net cash (generated from)/(used by) financing activities		271	(2,585)	(2,150)
Net (decrease)/increase in cash and cash equivalents		(142)	456	438

Cash and cash equivalents at the beginning of the period		2,804	2,364	2,364
Effect of foreign exchange rate changes		2	-	2
Cash and cash equivalents at the end of the period	11	2,664	2,820	2,804

Impax Asset Management Group plc
Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended 31 March 2017

1 Basis of preparation

This interim report is unaudited and does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and the AIM rules. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2016.

The comparative figures for the financial year ended 30 September 2016 are not the Company's statutory accounts for that financial year. Those accounts, prepared in accordance with IFRSs as adopted by the EU, have been reported on by the Company's auditors and delivered to Companies House. The report of the auditors was (i) unqualified, (ii) did not include a reference to matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. Copies of these accounts are available upon request from the Company's registered office at Norfolk House, 31 St James's Square, London, SW1Y 4JR or at the Company's website: www.impaxam.com.

The Group has considerable financial resources and a broad range of products. As a consequence the Directors believe the Group is well placed to manage its business risks in the context of the current economic outlook. The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing these interim financial statements.

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 September 2016.

2 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were: i) judgements and estimates made in the valuation of unlisted current asset investments (see note 10); ii) determining whether managed funds should be consolidated; iii) determining the size of the charge for National Insurance Contributions payable on long-term incentive schemes and iv) determining the value of deferred tax assets.

3 Charges/(credits) related to legacy long-term incentive schemes

	Six months ended 31 March 2017	Six months ended 31 March 2016	Year ended 30 September 2016
	£000	£000	£000
LTIP NIC charge/(credit)	159	(44)	3
LTIP Additional payments charge/(credit)	83	(42)	(55)
Advisory fees for EBT settlement	-	-	25

(NIC = Employer's National Insurance Charge)

Long term incentive plan ("LTIP") NIC Charge

The Group made awards of options over the Group's shares under the LTIP plan in 2011. These awards vested in 2012 but 2,969,500 remain outstanding at 31 March 2017. The Group pays Employers NIC when individuals exercise their options and accordingly accrues for the estimated amount that would be payable on exercise using the year end share price. The amount accrued therefore varies from period to period in line with the Group's share price with any adjustment recorded through the income statement.

LTIP Additional payments

Individuals receiving LTIP options are eligible for a retention payment payable after the end of the financial year in which each employee exercises his or her LTIP Options. The payment will be equal to the corporation tax benefit realised by the Group on the exercise of the LTIP options minus the amount of the NIC suffered by the Group on the exercise of the LTIP options. The amount payable will fluctuate in line with the Impax share price, such fluctuations are recorded in the current period income statement.

4 Fair value gains/(losses)

Fair value gains/(losses) include those arising on revaluation of listed and unlisted investments held by the Group including those held by the Group's consolidated funds (see note 10) and any gains or losses arising on related hedge instruments held by the Group.

5 Change in third party interest in consolidated funds

This charge removes the fair value gains or losses, other operating costs and investment income recorded in the Group's consolidated funds (see note 10) which are attributable to third party investors in the funds.

6 Taxation

The tax rate for the period is lower than the standard rate of corporation tax in the UK for the period (19.5 per cent). The differences are explained below:

	Six months ended 31 March 2017 £000	Six months ended 31 March 2016 £000	Year ended 30 September 2016 £000
Profit before tax	2,444	2,059	5,199
Tax charge at 19.5 per cent, 20 per cent, 20 per cent	477	412	1,040
Effects of:			
Non-deductible expenses and charges	2	9	24
Decrease/(increases) in value of deductions re share awards from share price decreases/increases	(663)	133	-
Adjustment in respect of prior years	41	-	(59)
Change in UK tax rates	-	(66)	(42)
Effect of higher tax rates in foreign jurisdictions	66	20	59
Total income tax expense	(77)	508	1,022

7 Earnings per share

Earnings for the period £'000	Shares '000	Earnings per share
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Six months ended 31 March 2017			
Basic	2,380	110,904	2.15p
Diluted	2,380	113,048	2.11p
Six months ended 31 March 2016			
Basic	1,517	112,603	1.35p
Diluted	1,551	114,266	1.35p
Year ended 30 September 2016			
Basic	4,043	111,794	3.62p
Diluted	4,177	114,399	3.62p

Earnings are reduced by £141,000 for the six months ending 31 March 2017 (31 March 2016, £34,000) for basic earnings per shares to reflect the profit attributable to holders of restricted shares, which are treated as contingently returnable shares. This adjustment is not normally made for diluted earnings per shares but instead the dilutive restricted shares are included in the number of shares used for the dilutive calculation. However, where the resulting calculation for diluted earnings per share is lower than the basic earnings per share the basic number is used.

The weighted average number of shares is calculated as shown in the table below.

	Six months ended 31 March 2017 '000	Six months ended 31 March 2016 '000	Year ended 30 September 2016 '000
Issued share capital	127,749	127,749	127,749
Less own shares held	(16,845)	(15,146)	(15,955)
Weighted average number of ordinary shares used in the calculation of basic EPS	110,904	112,603	111,794
Additional dilutive shares re share options	10,630	7,690	10,690
Adjustment to reflect option exercise proceeds and future service from employees receiving awards	(8,486)	(6,027)	(8,085)
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	113,048	114,266	114,399

The basic earnings per share for all periods shown includes vested LTIP options on the basis that these have an inconsequential exercise price (1 pence or 0 pence). There were 7,440,000 restricted shares in issue at 31 March 2017 which would have increased dilutive shares by 3,662,000.

8 Dividends

On 8 March 2017, at the Company's Annual General Meeting, payment of a 1.6 pence per share final dividend 30 September 2016 (2015: 1.2p per share) was approved. Combined with an interim payment of 0.5 pence this gave total dividends for the year ended 30 September 2016 of 2.1 pence. The Trustee of the Impax Employee Benefit Trusts waived the Trusts' rights to part of this dividend, leading to a total dividend payment of £1,855,916. This was paid on 17 March 2017.

The Board has declared an interim dividend for the period of 0.7 pence per ordinary share (2016: 0.5 pence). This dividend will be paid on 23 June to ordinary shareholders on the register at close of business on 26 May 2017.

9 Goodwill

Cost £'000

Goodwill arose on the acquisition of Impax Capital Limited on 18 June 2001 and on the acquisition of a property fund business from Climate Change Capital in July 2014. Adjustments were made to the goodwill in respect of the acquisition of the property fund business in 2015.

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill may be impaired.

10 Current asset investments

	Unlisted investments	Listed investments	Total
	£000	£000	£000
At 1 October 2015	3,329	4,090	7,419
Additions	91	5,164	5,255
Fair value movements	174	845	1,019
Repayments/disposals	(1,180)	(1,676)	(2,856)
At 31 March 2016	2,414	8,423	10,837
Additions	25	2,052	2,077
Fair value movements	392	1,759	2,151
Repayments/disposals	(1,263)	(991)	(2,254)
At 30 September 2016	1,568	11,243	12,811
Additions	-	3,457	3,457
Fair value movements	6	731	737
Repayments/disposals	-	(1,455)	(1,455)
At 31 March 2017	1,574	13,976	15,550

Listed investments

Impax Food and Agriculture Fund ("IFAF")

On 1 December 2012 the Group launched the IFAF and invested, from its own resources £2 million into the fund. The IFAF invests in listed equities using the Group's Food and Agriculture Strategy. The Group's investment represented more than 50 per cent of the IFAF's NAV from the date of launch to 31 March 2017 and has been consolidated throughout this period with its underlying investments included in listed investments in the table above.

Impax Global Equity Opportunities Fund ("IGEO")

On 23 January 2015 the Group launched the IGEO Fund and invested, from its own resources £2 million into the fund. IGEO invests in listed equities using the Group's Global Equities Strategy. The Group's investment represented more than 50 per cent of IGEO's NAV from the date of launch to 31 March 2017 and has been consolidated throughout this period with its underlying investments included in listed investments in the table above.

Impax Environmental Leaders Fund ("IEL")

On 12 January 2016 the Group launched the IEL Fund and invested, from its own resources £3 million into the fund. IEL invests in listed equities using the Group's Leaders Strategy. The Group's investment represented more than 50 per cent of IEL's NAV from the date of launch to 31 March 2017 and has been consolidated throughout this period with its underlying investments included in listed investments in the table above.

The investments held by the funds described above are revalued to market value using quoted market prices that are available at the date of these financial statements. The quoted market price is the current bid price.

Unlisted investments

The Group has a 3.76 per cent partnership share of Impax New Energy Investors LP, a private equity partnership managed by the Group. At the period end the carrying value of the investment was £562,000. The carrying value represents the Board's assessment of the investment's fair value which was determined using a discounted cashflow approach. 100% of the partnership's valuation is represented by investments in Spanish solar parks. These investments have been adversely impacted by the significant retroactive reforms of the Spanish energy markets and covenants for loans held by the investment have been breached. The assets are currently the subject of a sales process. At the same time negotiations with the relevant banks to restructure the loans are ongoing and a claim for compensation from the Spanish government is currently being considered by the European Court of Arbitration. In the event that the sales process is unsuccessful and the banks take possession of the assets and the claims for compensation are unsuccessful the investment would be written down in full.

The Group has a 1.14 per cent partnership share in Impax New Energy Investors II LP, a private equity partnership managed by the Group. To date the Group has invested a total of €2,195,000 into the partnership and received distributions of €2,868,000 following sales of investments by the partnership. The investment is included at the Board's assessment of its fair value, being £541,000 at 31 March 2017, which is determined by valuing the underlying investments. The principal valuation techniques used are discounted cashflow, price of recent investment and market bids. The Group has a commitment to invest up to a further €1,103,000 into this partnership.

The Group has a 3.03 per cent partnership share in Impax New Energy Investors III LP, a private equity partnership managed by the Group. The Group has made no investments in this partnership to date. The Group has a commitment to invest up to €4 million into this partnership.

11 Cash and cash equivalents

In order to mitigate bank default risk and to access favourable interest rates the Group invests part of its surplus cash in money market funds and long-term deposit accounts. Amounts held in money market funds and long-term deposit accounts are as shown below. The Group considers the total of its cash and cash equivalents held by operating entities of the Group and cash invested in money market funds and in long-term deposit accounts to be its cash reserves.

	31 March 2017 £000	31 March 2016 £000	30 September 2016 £000
Cash and cash equivalents	2,664	2,820	2,804
Cash held in money market funds and long-term deposit accounts	10,623	10,424	12,891
Less cash and cash equivalents held by consolidated funds	(307)	(204)	(292)
Total cash reserves	12,980	13,040	15,403

12 Share capital and Own shares

	31 March 2017	31 March 2016	30 September 2016
Issued and fully paid ordinary shares of 1 pence each			
Number	127,749,098	127,749,098	127,749,098
£000s	1,277	1,277	1,277
Own shares			
Number	19,144,332	21,023,120	21,387,839
£000s	6,631	7,387	7,131

Own shares represent a portion of those held in the EBT 2012 and EBT 2004. 1,466,493 shares were acquired in the six months ended 31 March 2017, (period ended 31 March 2016: 2,883,500). 3,710,000 shares were awarded to option holders on exercise of options (period ended 31 March 2016: 153,000). As at 31 March 2017 the Company had a total of 13,599,500 options outstanding of which 9,345,500 were exercisable. As at 31 March 2017 employees also held 7,440,000 Restricted shares over which the restrictions lapse starting from January 2018 through to December 2021. These shares are held in trust in the EBT 2012 and are included in own shares above.

13 Related party transactions

Impax New Energy Investors LP, Impax New Energy Investors II and II-B LP, Impax New Energy Investors III and III-B LP, INEI III Co-Investment LP and Impax New Energy Investors SCA, Impax Global Resource Optimization Fund LP, Impax Carried Interest Partners LP, Impax Carried Interest Partners II LP, Impax Climate Property Fund LP and entities controlled by them are related parties of the Group by virtue of subsidiaries being the General Partners to these funds. BNP Paribas Investment Partners is a related party of the Group by virtue of owning a 24.99 per cent equity holding in the Group. Other funds managed by subsidiaries of the Company are also related parties by virtue of their management contracts.

The aggregate related party transactions during the period, and holdings or balances as at the period end, are as shown below. All balances were unsecured. Unless stated otherwise balances outstanding were £nil.

	Six months ended 31 March 2017 £000	Six months ended 31 March 2016 £000	Year ended 30 September 2016 £000
Statement of comprehensive income			
Revenue	13,785	9,378	21,034
	31 March 2017 £000	31 March 2016 £000	30 September 2016 £000
Statement of financial position			
Non-current asset investments	13	16	14
Current asset investments	1,574	2,005	1,114
Trade and other receivables	6,545	4,595	6,893

14 Group risks

The Group's principal risks remain as detailed within the Directors' report of the Group's 2016 Annual Report and Accounts and are categorised as financial, investment and operational.