Interim results

31 December 2016

Christopher Kelaher, Managing Director

David Coulter, Chief Financial Officer

15 February 2017

Creating shareholder value

ORGANIC GROWTH	+	PRODUCTIVITY & EFFICIENCY	+	ACCRETIVE ACQUISITIONS	=	SHAREHOLDER VALUE
Continuing positive net flows $1.4b up 46% 16th consecutive quarter of positive platform net flows Momentum building on ClientFirst		Focussing on core businesses via divestments Signature cost management - Cost to income ratio 58.9% Experienced & proficient Management team		Strong free cash flow & low net debt provides opportunity for growth Active & disciplined approach to M&A		UNPAT $79.4m^ Fully franked 26cps interim dividend declared Reliable, recurring earnings delivering consistent returns

STRATEGIC FOCUS	ClientFirst	Advice Academy	Open architecture	Corporate culture

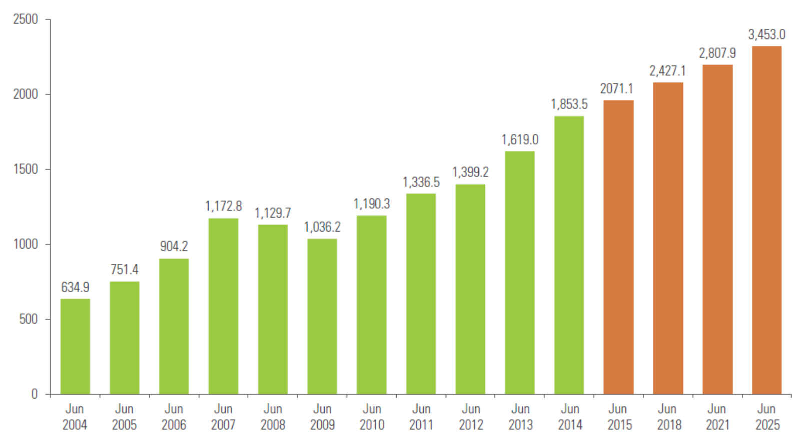
STRONG INDUSTRY FUNDAMENTALS

WELL POSITIONED TO PURSUE FUTURE GROWTH OPPORTUNITIES

^ *UNPAT foregone due to divestments $3.3m vs pcp*

Significant industry growth continues

Figure 1: Total superannuation assets



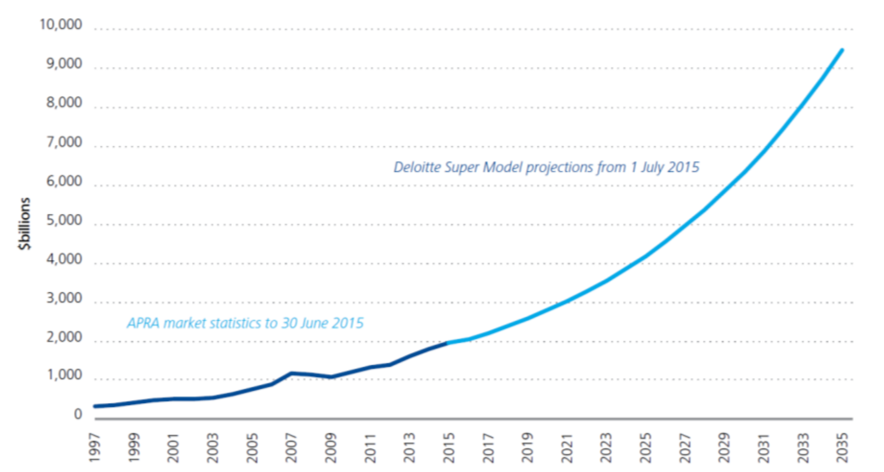
Source: APRA Statistics – Annual Superannuation bulletin June 2013. APRA Statistics – Quarterly Superannuation performance June 2014. Asset projections for 2015 to 2018 predicted by KPMG.

Source: KPMG Supertrends – The trends shaping Australia's superannuation industry May 2015

Australia has the 4th largest~ superannuation system in the world... and is growing…

> *"Over the past 10 years, Australian superannuation assets have grown faster than all other large superannuation systems globally and all other financial sector assets in Australia"*
>
> *Source: KPMG*

Figure 1: Projected superannuation assets *(All amounts are in future nominal dollars).*



Source: APRA and Deloitte Actuaries & Consultants, 2015

Actual - APRA   Projections

Source: Deloitte Dynamics of the Australian Superannuation System: The next 20 years: 2015 – 2035 November 2015

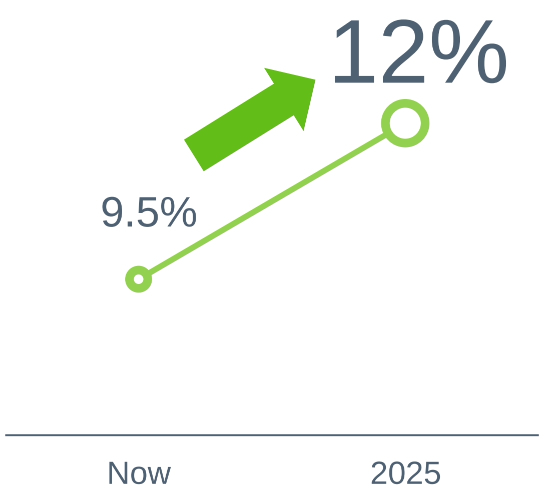
~ *Willis Towers Watson's Global Pension Assets Study 2017*

Positive industry fundamentals and demographic trends

INDUSTRY FUNDAMENTALS

- Strong bi-partisan political support and increasing economic imperative for financial independence
- Compulsory superannuation regime has underpinned CAGR of 8.84%^ in Australian superannuation assets over past decade
- Lowering of non-concessional contributions cap from 1 July 2017 to $100k per year with 3 year “bring forward” period
- Positive reforms pending on retirement incomes and modern awards

SG CONTRIBUTION#



Increased complexity and constant change drives need for financial advice

DEMOGRAPHIC TRENDS

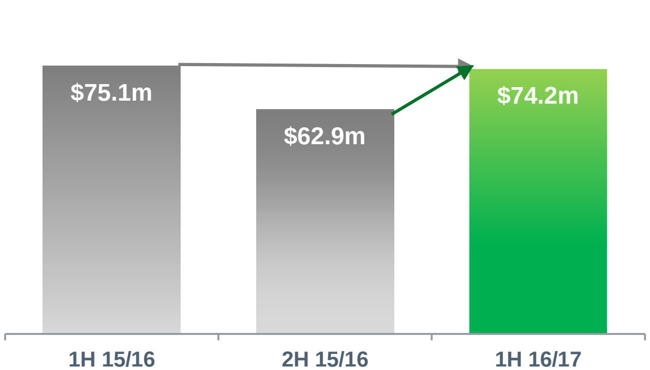
- Ageing population
- High per capita wealth
- Significant intergenerational wealth transfers occurring

^ To 30 June 2016
 # Legislated to increase to 10% from July 2021 and to 12% from July 2025

Consistent returns to shareholders

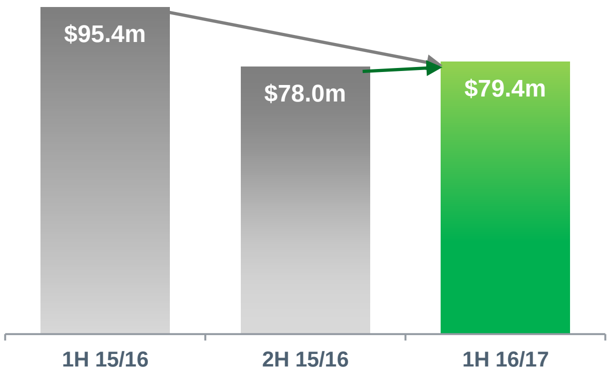
STATUTORY PROFIT^

vs pcp - 1%   **vs ipp + 18%**



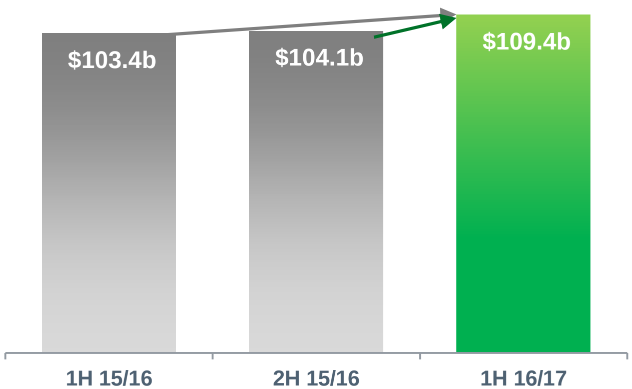
UNPAT*

vs pcp - 17%   **vs ipp + 2%**



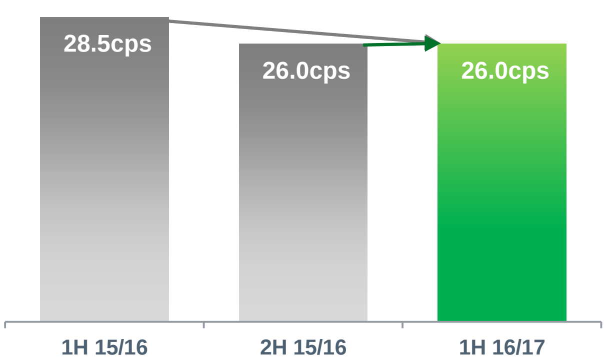
FUMA

vs pcp + 6%   **vs ipp + 5%**



DIVIDEND PER SHARE

vs pcp - 9%   **vs ipp FLAT**



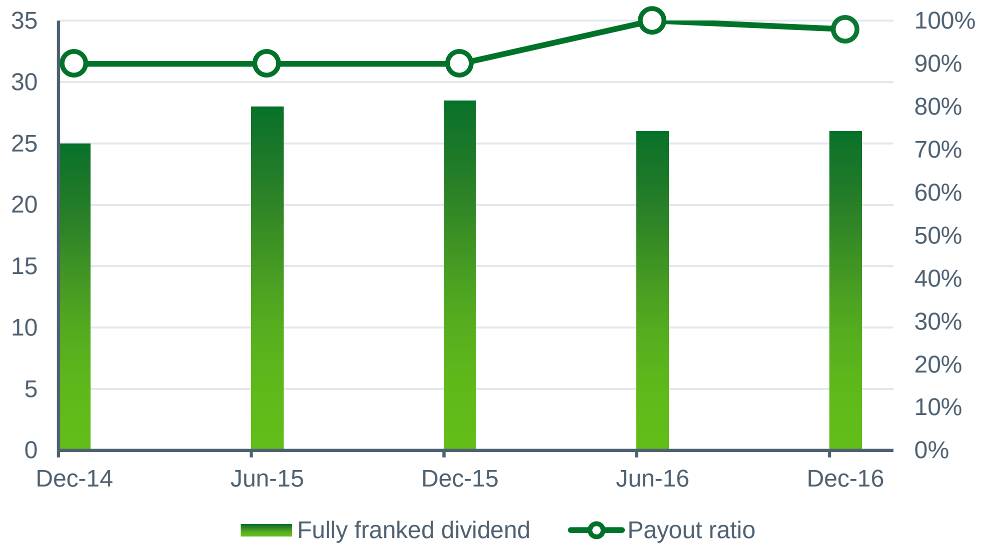
- UNPAT of $79.4m
- Strong flows demonstrate solid organic growth
- Focus on core businesses continues
- Reliable, recurrent earnings
- Strong cash conversion with post-tax operating cash flows of $79.9m

^ Statutory profit from continuing operations attributable to owners of the company

** Contribution from discontinued operations; 1H16/17, $nil; 2H15/16, $nil; 1H 15/16, $2.1m*

Reliable, recurring earnings delivering value

DIVIDEND ANALYSIS



- 1H16/17 dividend of 26cps fully franked
- Consistent returns to shareholders at the top end, or exceeding, 60-90% payout ratio
- Dividend payout ratio of 98% for 1H16/17 backed by strong cash flows
- Dividend yield of >5% in last 5 halves
- Payment date 30 March 2017

Organic growth accelerates

	1H 16/17	2H 15/16	1H 15/16
Opening FUMA	**$104,128m**	**$103,439m**	**$104,707m**
Flagship Platform net flows	$356m	$315m	$291m
Platform (Transition) net flows	$45m	$67m	($144m)
Total Platform net flows	**$401m**	**$383m**	**$147m**
Platform pension payments	($353m)	($375m)	($340m)
Investment Management net flows	$94m	($71m)	$44m
Funds Under Advice net flows	$865m	$542m	$741m
Investment returns / Other	$4,259m	$212m	($1,860m)
Closing FUMA	**$109,395m**	**$104,128m**	**$103,439m**
Average FUMA	$106,786m	$102,658m	$104,887m

- Advice flows augmented by high adviser retention and attraction – record levels of interest in IOOF advice groups
- Significant advice flows show the benefits of offering differentiated and complementary value propositions
- Net flagship platform inflows demonstrate IOOF platforms performing strongly alongside open architecture offerings
- IOOF enhanced growth despite platform flows down ~40%# across sector
- Changes in member account numbers driven largely by closure of duplicate accounts post MySuper

 # Source: Morningstar Asset Flows, funds under administration for platforms, September 2015 – September 2016

Differentiated and complementary value propositions

% contribution to UNPAT*

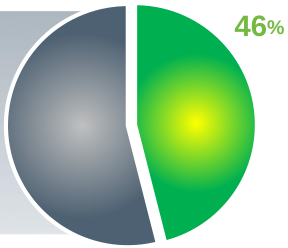
FINANCIAL ADVICE AND DISTRIBUTION

UNPAT **$36.6m** Funds Under Advice **$53.4b**

Record levels of interest in our advice groups and have received in excess of 30 applications from new advisers from other institutional licensees

Adviser attraction and retention indicating strong market reputation

Multi-brand strategy delivering strong half year advice flows



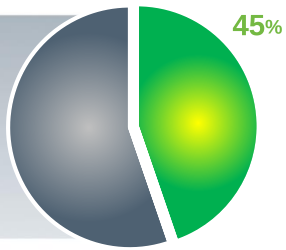
PLATFORM MANAGEMENT AND ADMINISTRATION

UNPAT **$35.5m** Funds Under Administration **$36.1b**

Strong IOOF flagship platform flows within our unique open architecture

Consolidation of flagship platforms completed June 2016

Cost savings expected to accelerate 2H16/17 ~40 FTE exited late 1H16/17



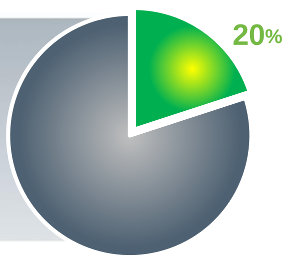
INVESTMENT MANAGEMENT

UNPAT **$15.9m** Funds Under Management **$19.9b**

Top quartile performance in award winning Multi-manager funds

Strongly differentiated multi-manager, including Shadforth and MDA

Highly efficient cost to income ratio

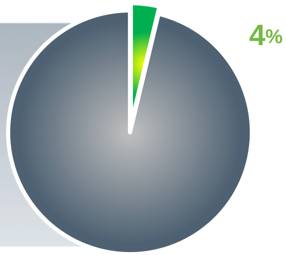


TRUSTEE SERVICES

UNPAT **$3.0m** Funds Under Supervision **$29.9b**

Trustee capability directs administration funds (e.g. IDPS, Native Title, Compensation Trusts) to IOOF platforms

Strong long term sector growth prospect



** Corporate segment; 1H16/17 UNPAT ($11.5m); 2H 15/16, ($13.6m); 1H 15/16, ($9.8m). Discontinued operations contribution to 1H 16/17 UNPAT, $nil; 2H 15/16, $nil; 1H 15/16, $2.1m*

Note: FUMAS figures as at 31 December 2016

Financials

David Coulter
Chief Financial Officer

Financial overview

	1H16/17	2H15/16	1H15/16	CHANGE ON IPP		CHANGE ON PCP	
Statutory NPAT^	**$74.2m**	$62.9m	$134.0m	**$11.4m**	**18%**	$(59.8m)	-45%
Underlying EBITA	**$111.7m**	$110.8m	$128.7m	**$0.9m**	**1%**	$(17.0m)	-13%
Underlying NPAT*	**$79.4m**	$78.0m	$95.4m	**$1.4m**	**2%**	$(16.0m)	-17%
Underlying EPS (cents)~	**26.5cps**	26.0cps	31.8cps	**0.5cps**	**2%**	(5.3cps)	-17%
FUMA	**$109.4b**	$104.1b	$103.4b	**$5.3b**	**5%**	$6.0b	6%
Average FUMA	**$106.8b**	$102.7b	$104.9b	**$4.1b**	**4%**	$1.9b	2%
Gross Margin %	**0.48%**	0.51%	0.52%	**-0.03%**	**-6%**	-0.04%	-8%
Net Operating Margin %	**0.21%**	0.22%	0.25%	**-0.01%**	**-4%**	-0.04%	-15%
Cost to Income %	**58.9%**	58.5%	55.5%	**0.4%**	**1%**	3.4%	6%
Dividend per share (cents)	**26.0cps**	26.0cps	28.5cps	-	**0%**	(2.5cps)	-9%

^ Discontinued operations Statutory NPAT impact – 1H16/17, $nil; 2H15/16, $nil; 1H15/16, $58.9m
** Discontinued operations UNPAT impact – 1H 16/17, $nil; 2H 15/16, $nil; 1H 15/16, $2.1m*
~Discontinued operations Underlying EPS impact – 1H 16/17, $nil; 2H 15/16, $nil; 1H 15/16, $0.7cps

P&L breakdown

$'M	1H16/17	2H15/16	1H15/16	CHANGE ON IPP		CHANGE ON PCP	
Gross Margin	**257.6**	258.8	275.1	**(1.2)**	**0%**	(17.5)	-6%
Other Revenue	**22.8**	17.2	22.1	**5.6**	**33%**	0.6	3%
Operating Expenditure	**(165.3)**	(161.7)	(165.2)	**(3.6)**	**-2%**	(0.1)	0%
Equity Accounted Profits	**2.1**	2.0	2.8	**0.1**	**6%**	(0.7)	-24%
Net Non Cash	**(5.6)**	(5.5)	(6.1)	**(0.1)**	**2%**	0.6	-9%
Underlying EBITA	**111.7**	110.8	128.7	**0.9**	**1%**	(17.0)	-13%
Net Interest	**(1.0)**	(1.1)	(1.3)	**0.0**	**4%**	0.3	21%
Income Tax & NCI	**(31.2)**	(31.7)	(34.1)	**0.5**	**2%**	2.9	9%
UNPAT excl. Discontinued Operations	**79.4**	78.0	93.3	**1.4**	**2%**	(13.9)	-15%
Discontinued Operations	**-**	-	2.1	**-**	**-**	(2.1)	-100%
Underlying NPAT	**79.4**	78.0	95.4	**1.4**	**2%**	(16.0)	-17%
Significant Items/Amortisation	**(5.2)**	(15.1)	38.6	**9.9**	**66%**	(43.8)	-113%
Statutory NPAT	**74.2**	62.9	134.0	**11.4**	**18%**	(59.8)	-45%

Strong net debt position

$'M	31 Dec 16	30 June 16	31 Dec 15
Gross Borrowings	206.9	207.0	207.4
Net Debt	14.8	20.0	29.0
Debt to Equity	13.0%	13.0%	12.8%
Net debt to Underlying EBITDA (times)	0.1	0.1	0.1

- Strength provides security and ability to capitalise on opportunities
- Borrowings primarily used to fund acquisitions (DKN, Plan B and Shadforth)
- Surplus borrowing capacity and substantial headroom in covenants
- Continued active and disciplined approach to significant wealth management M&A

Focussing on core capabilities

$17.4m

profit from divestments
($3.0m pcp, $5.1m ipp)

$11.5m

Revenue foregone vs pcp
($8.3m vs ipp)

$4.0m

recurring HY UNPAT impact
($3.3m impact vs pcp; and
$1.8m impact vs ipp)

ADVICE DIVESTMENTS

- Shadforth GI Brokerage WA
- Select Shadforth Business Advisory Services (formerly Lachlan Partners)
- Bridges and Lonsdale practices sold back to advisers
- Western Pacific transferred to Consultum – revenue share "normalised" via up-front sale to advisers

INVESTMENT MANAGEMENT DIVESTMENTS

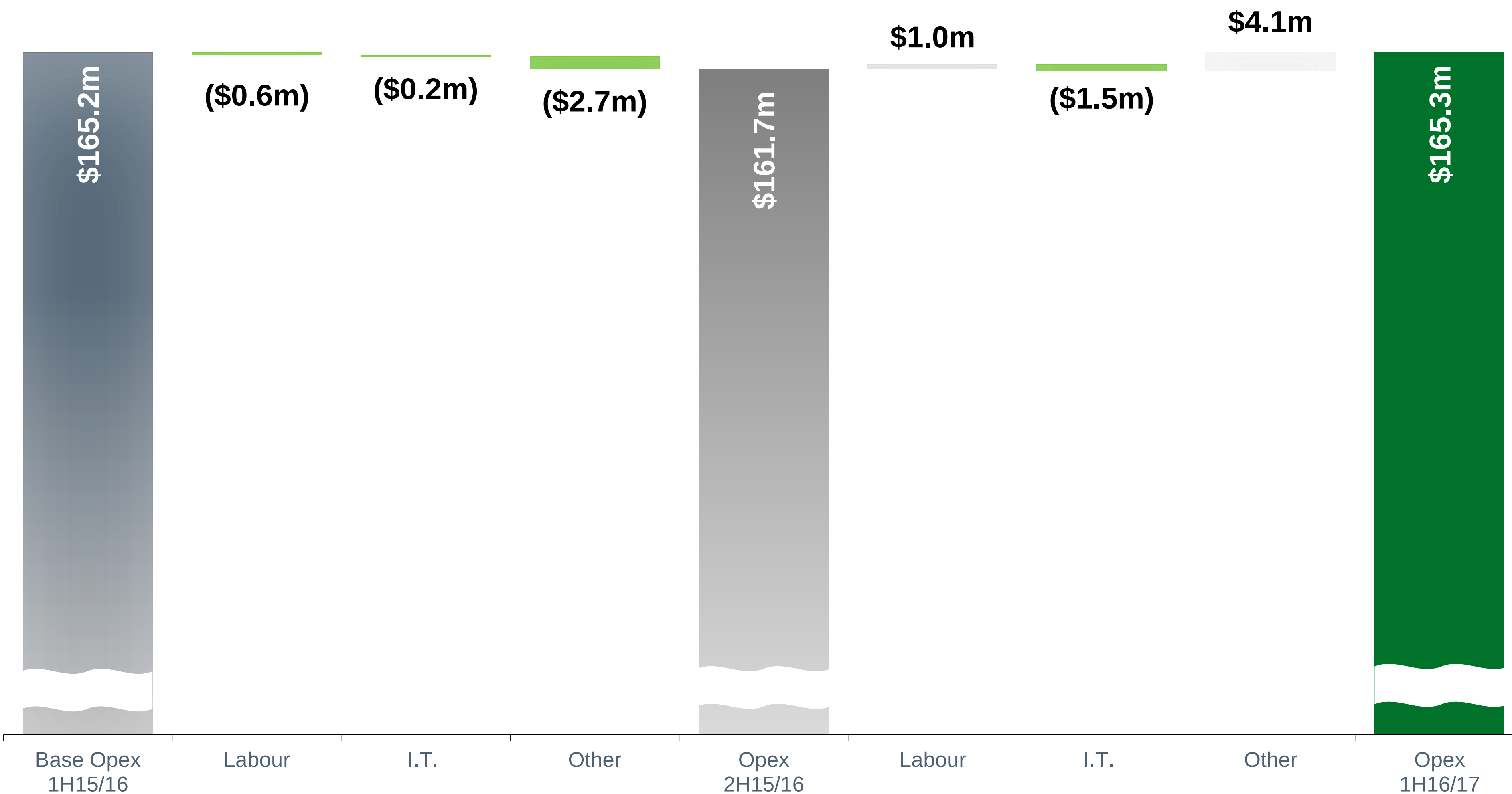
- Perennial Investment Management Limited

COMMERCIAL AND ORDERLY REALISATION OF VALUE FOR NON-CORE ASSETS

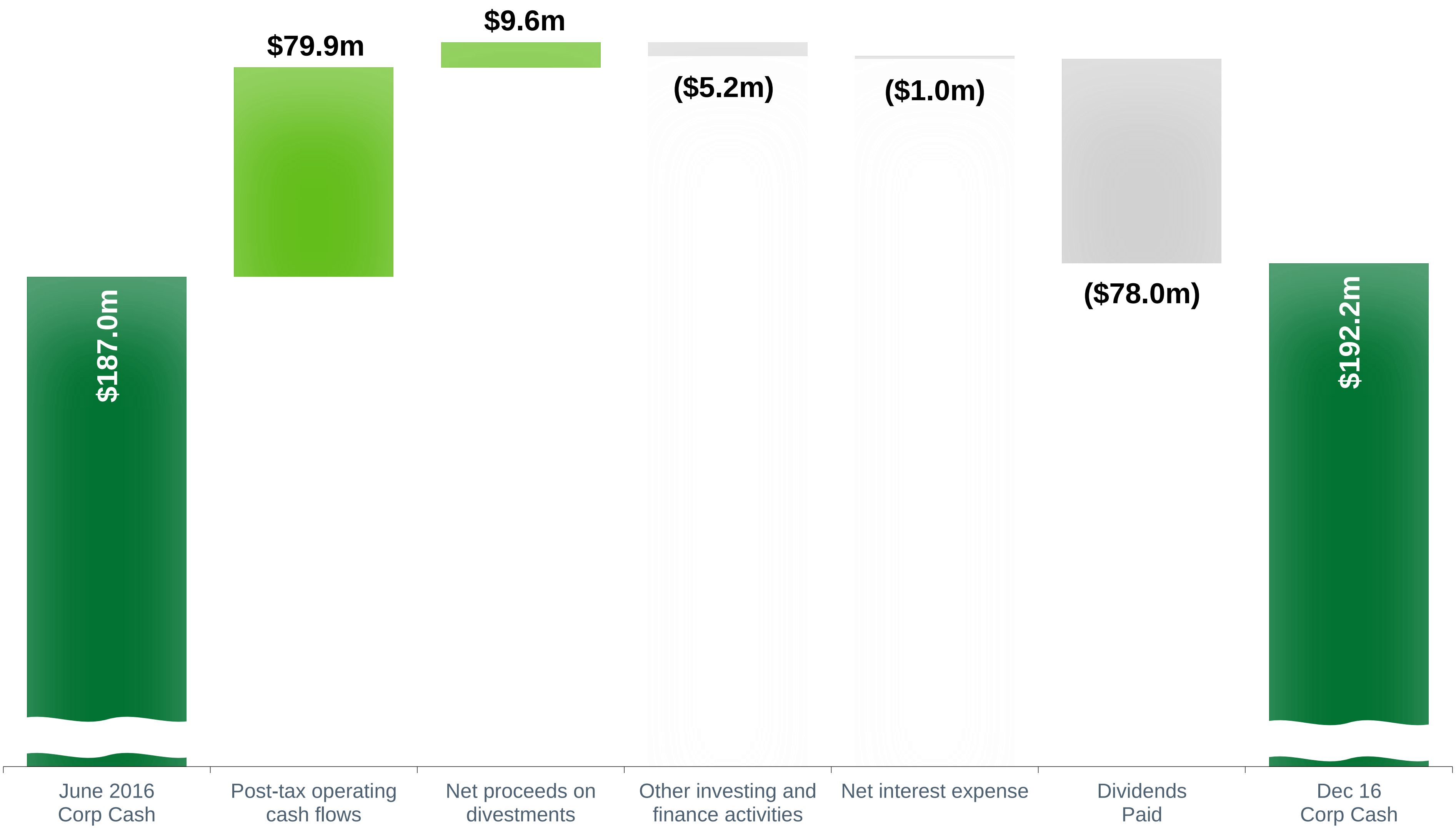
Note: Divestment financials for 1H15/16, 2H15/16 & 1H16/17 included in Appendix C

Disciplined management of costs

- IT investment spend significantly reduced in 1H16/17
- Other – targeted M&A support and consolidation of property footprint



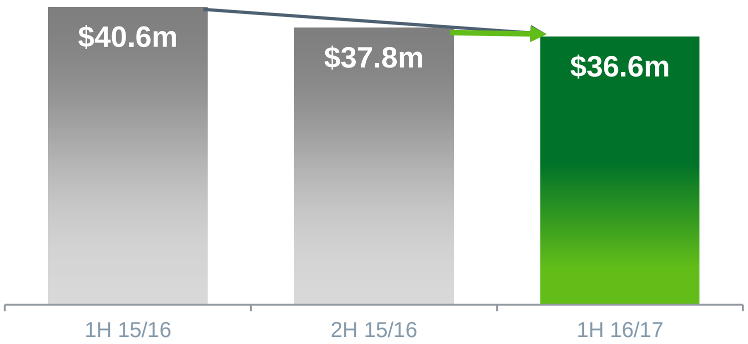
Strong free cash flow generates high dividend yield



Segment performance

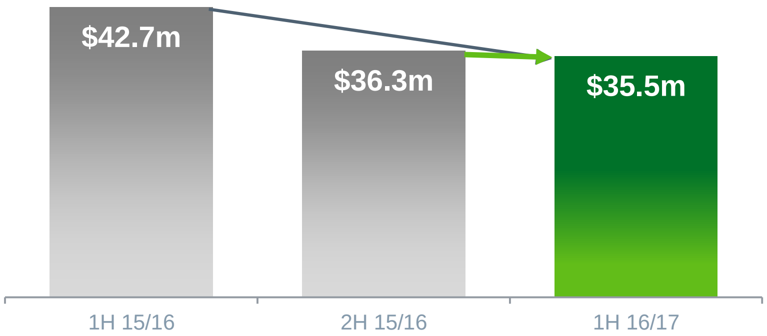
FINANCIAL ADVICE

vs pcp - 10% vs ipp - 3%



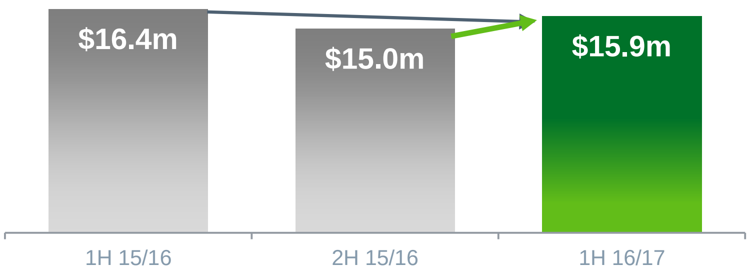
PLATFORM

vs pcp - 17% vs ipp - 2%



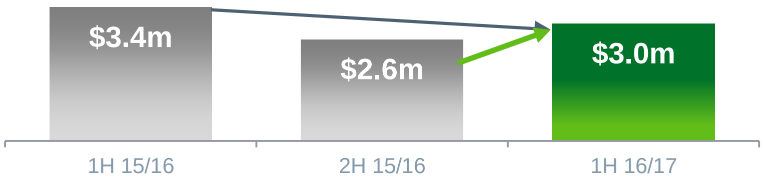
INVESTMENT MGMT*

vs pcp – 3% vs ipp + 6%



TRUSTEE

vs pcp – 12% vs ipp + 15%



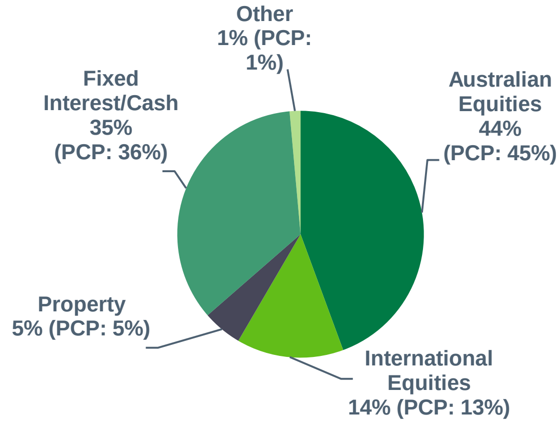
*Investment Management segment results are shown exclusive of the divested Perennial business
Corporate segment; 1H16/17 UNPAT ($11.5m); 2H 15/16, ($13.6m); 1H 15/16, ($9.8m). Discontinued operations contribution to 1H 16/17 UNPAT, $nil; 2H 15/16, $nil; 1H 15/16, $2.1m

Financial Advice & Distribution

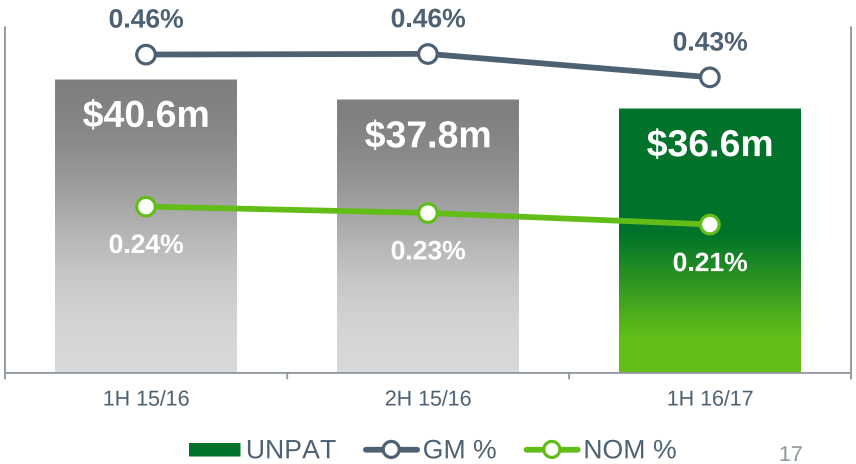
- Growth in average funds offset by
  - divestments of owned advice business into dealer groups
  - Shadforth fee mix impacts
- Net operating margin impacted -2 bps by divestments
- Opex impacted by redistribution of corporate charges post Perennial divestments in prior year

$'M	1H 16/17	2H 15/16	1H 15/16
Revenue	**174.2**	173.5	181.0
Direct Costs	**(62.7)**	(60.9)	(64.4)
Gross Margin (GM)	**111.5**	112.6	116.6
GM %	**0.43%**	0.46%	0.46%
Other Revenue	**21.4**	17.2	18.8
Share of Equity profit/loss	**0.4**	0.5	0.6
Operating Expenditure	**(77.0)**	(73.3)	(74.4)
Net Non Cash	**(1.6)**	(1.8)	(2.2)
Net Interest	**0.3**	0.4	0.4
Income Tax Expense/N.C.I	**(18.5)**	(17.8)	(19.2)
UNPAT	**36.6**	37.8	40.6
Average FUA ($'b)	**51.9**	49.2	50.5
NOM %	**0.21%**	0.23%	0.24%

ASSET ALLOCATION



MARGIN ANALYSIS

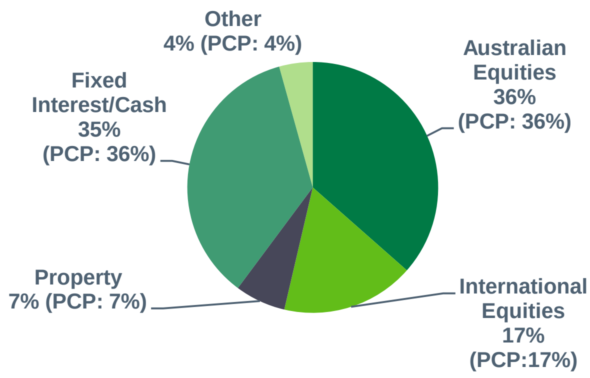


Platform

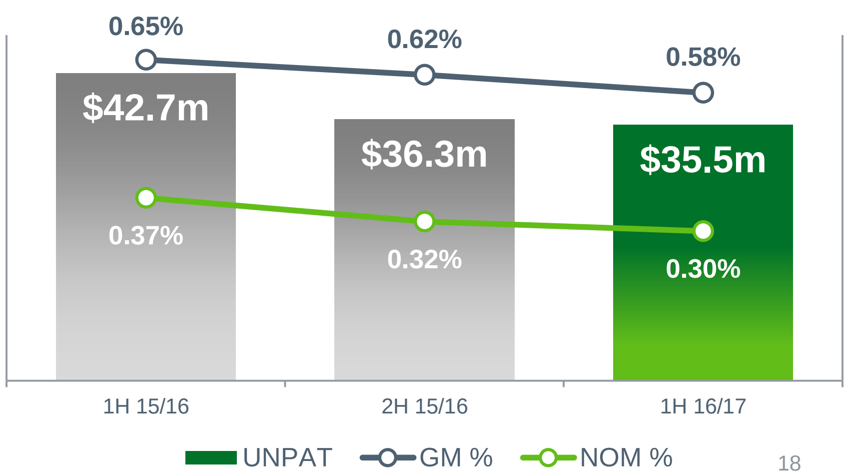
- Average FUA benefited from significantly improved organic growth complemented by positive investment returns
- Transfer of Bridges clients to Pursuit
  - Access to lower pricing tiers
- Full six months of MySuper pricing on higher account balances
- Initial rationalisation savings set to accelerate in future periods

$'M	1H 16/17	2H 15/16	1H 15/16
Revenue	**193.2**	193.1	206.8
Direct Costs	**(89.5)**	(88.0)	(93.7)
Gross Margin (GM)	**103.7**	105.1	113.1
GM %	**0.58%**	0.62%	0.65%
Other Revenue	**-**	-	0.4
Share of Equity profit/loss	**-**	-	-
Operating Expenditure	**(49.8)**	(50.4)	(49.0)
Net Non Cash	**(2.7)**	(2.6)	(2.7)
Net Interest	**0.0**	0.0	0.0
Income Tax Expense/N.C.I	**(15.7)**	(15.8)	(19.1)
UNPAT	**35.5**	36.3	42.7
Average FUA ($'b)	**35.2**	34.1	34.6
NOM %	**0.30%**	0.32%	0.37%

ASSET ALLOCATION

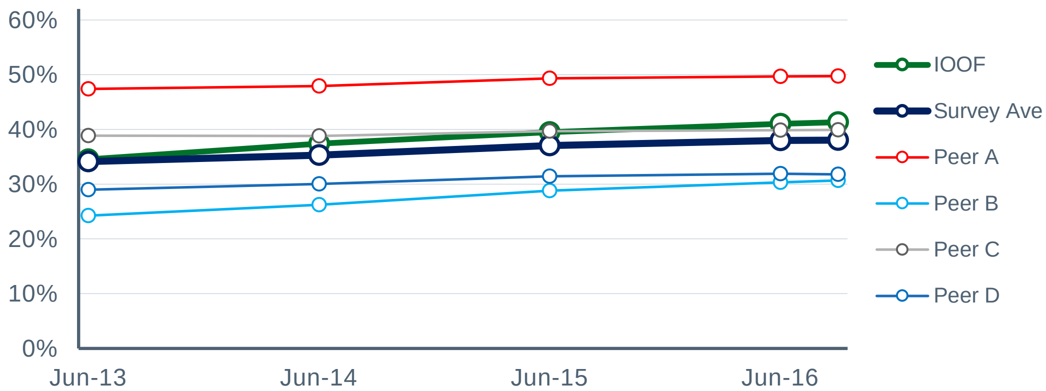


MARGIN ANALYSIS



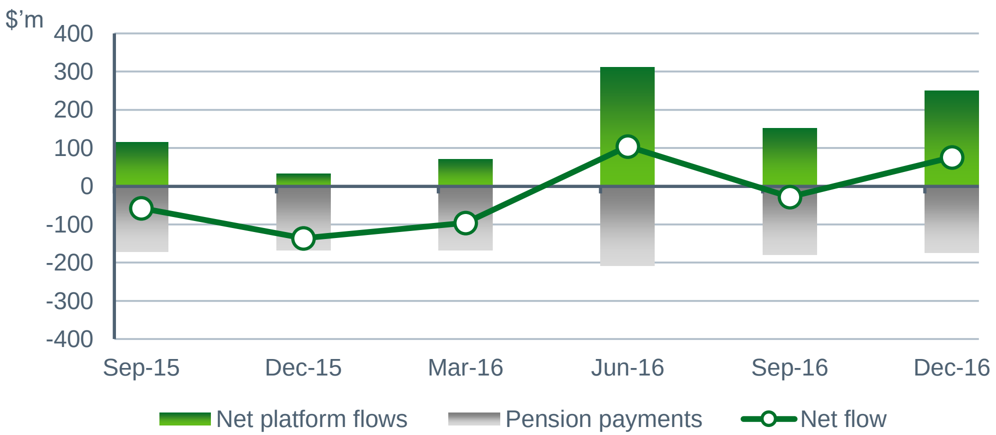
Allocation to Pensions broadly in line with sector

PENSION/SUPER (PLATFORMS) FUM RATIO



Source: Morningstar, IOOF

NET FLOW INCLUDING PENSIONS



Source: IOOF ASX releases

- IOOF pension customers higher average balance and higher average fees vs accumulation stage
- Analysis excludes non-super businesses such as IDPS, Native Title, Compensation Trusts
    - Native Title & Compensation Trusts grew to > $1bn in December 16

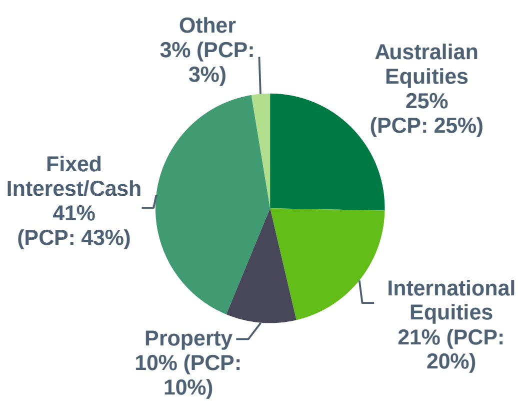
- Positive flows inclusive of pensions demonstrating solid organic growth
- Net platform flows impacted by loss of low margin corp super account in Q2 2016
- Flagship platforms continuing to perform strongly alongside unique open architecture

Investment Management

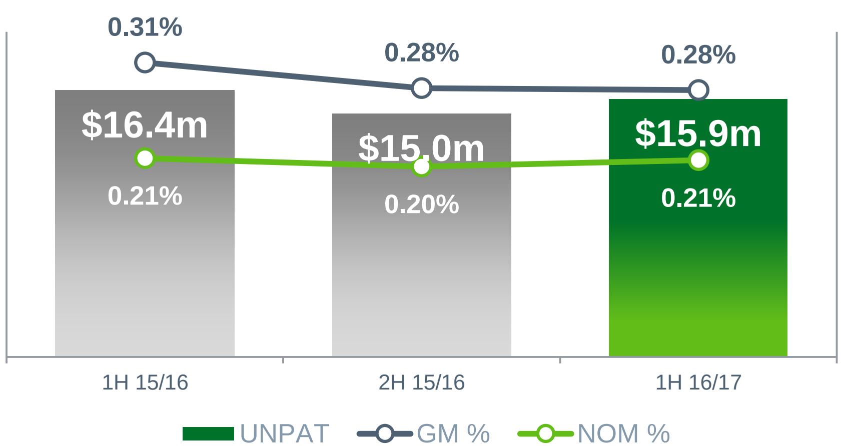
- Revenue and direct costs impacted by divestment activity
- Decreased opex from lower allocation of group services costs following the divestment of Perennial

$'M	1H 16/17	2H 15/16	1H 15/16
Revenue	**42.7**	47.6	53.6
Direct Costs	**(15.0)**	(20.5)	(23.0)
Gross Margin (GM)	**27.7**	27.1	30.7
GM %	**0.28%**	0.28%	0.31%
Other Revenue	**0.0**	(0.0)	1.9
Share of Equity profit/loss	**1.7**	1.5	2.2
Operating Expenditure	**(7.3)**	(7.9)	(11.8)
Net Non Cash	**(0.4)**	(0.7)	(0.7)
Net Interest	**0.3**	0.8	0.4
Income Tax Expense/N.C.I	**(6.1)**	(5.9)	(6.2)
UNPAT	**15.9**	15.0	16.4
Average FUM ($'b)	**19.7**	19.4	19.8
NOM %	**0.21%**	0.20%	0.21%

ASSET ALLOCATION



MARGIN ANALYSIS

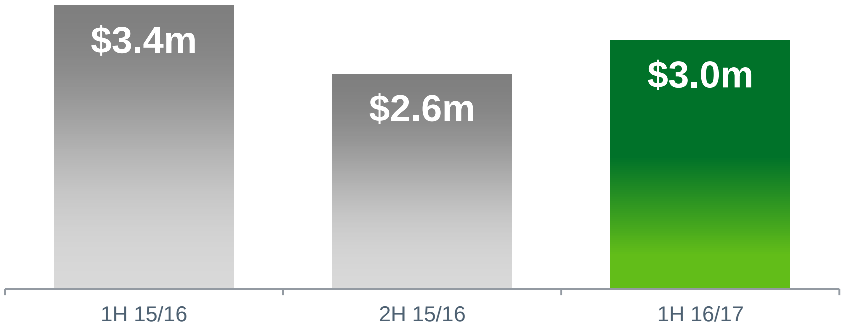


Trustee

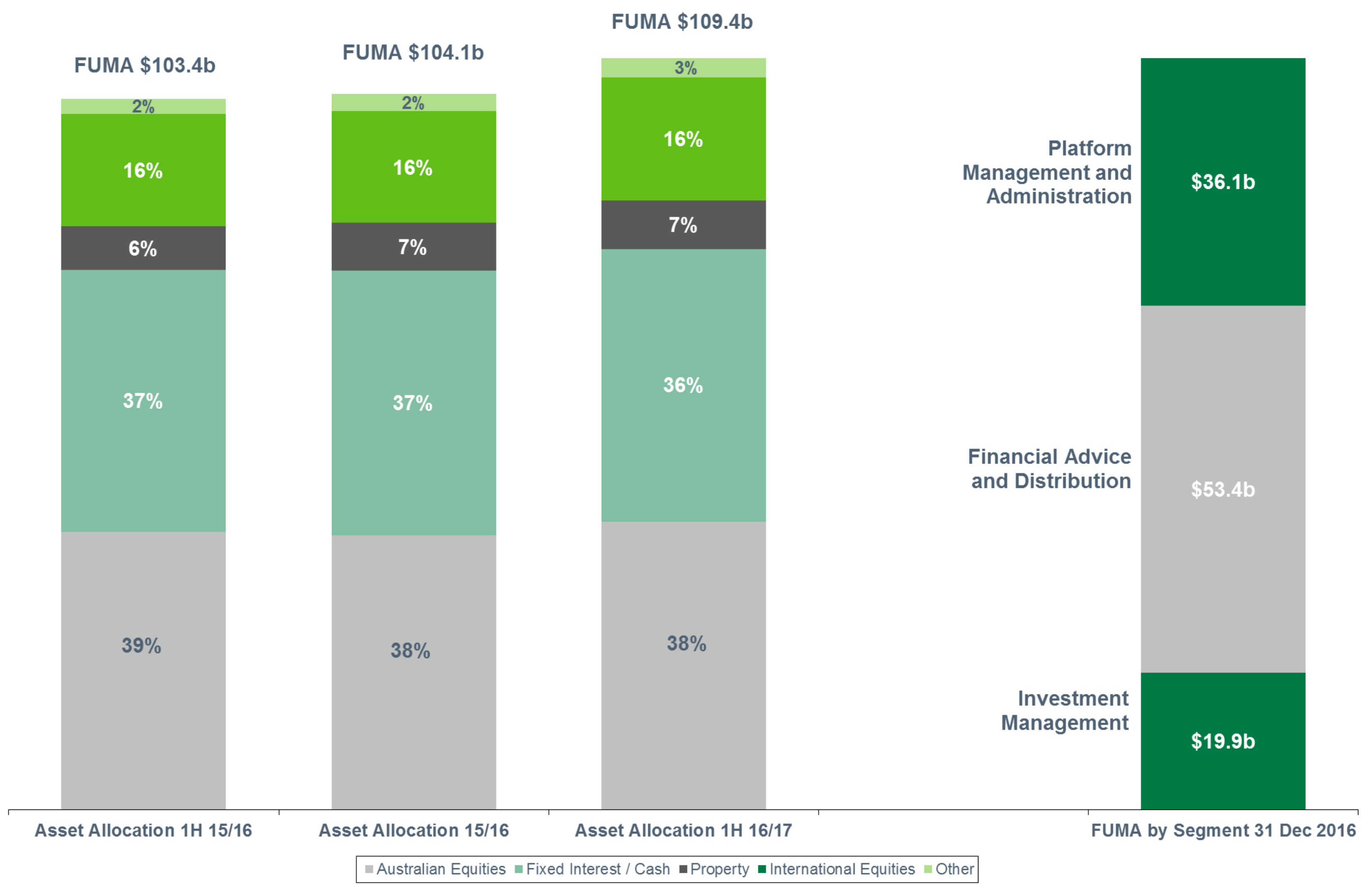
- Revenue increase in line with higher client numbers
- Direct costs impacted by legal expenses
- Trustee capability directs administration funds (e.g. IDPS, Native Title, Compensation Trusts) to IOOF platforms

$'M	1H 16/17	2H 15/16	1H 15/16
Revenue	**15.4**	14.7	14.9
Direct Costs	**(1.3)**	(1.4)	(0.8)
Gross Margin (GM)	**14.1**	13.3	14.1
Other Revenue	**-**	-	-
Share of Equity profit/loss	**-**	-	-
Operating Expenditure	**(9.5)**	(9.5)	(9.1)
Net Non Cash	**(0.3)**	(0.1)	(0.1)
Net Interest	**(0.0)**	-	0.0
Income Tax Expense/N.C.I	**(1.3)**	(1.1)	(1.5)
UNPAT	**3.0**	2.6	3.4
Average FUS ($'b)	**29.7**	27.6	29.3

UNPAT ANALYSIS



Group asset allocation



Strategy and outlook

Christopher Kelaher
Managing Director

“Understand me, look after me, secure my future”

UNDERSTAND ME

LOOK AFTER ME

SECURE MY FUTURE

A strong sense of shared purpose brings:

- A strong sense of community
- Effective teams
- High levels of employee engagement

A strong sense of shared purpose contributes to building:

- Effective leadership
- A compelling vision and strategy
- A meaningful employee voice in decision-making
- Effective performance management
- Common practices – the way we go about doing things, as an organisation

Building IOOF's client centric culture

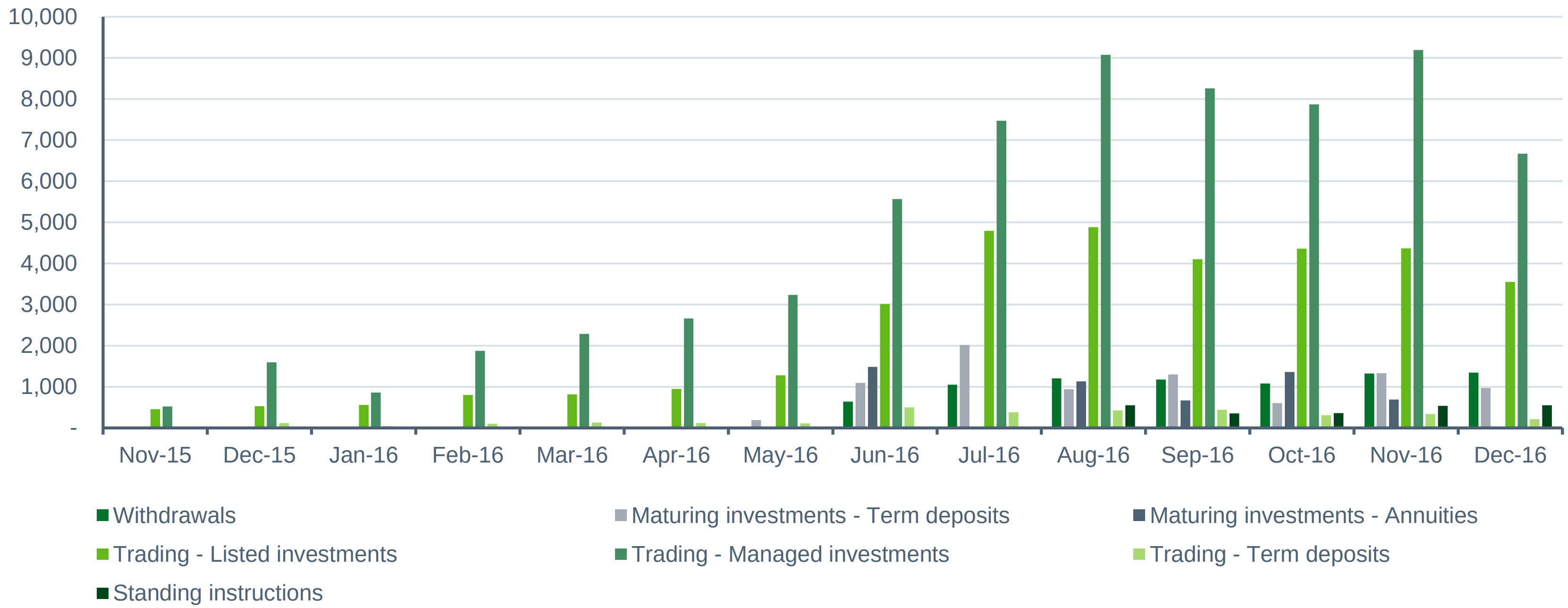
CLIENTFIRST	Making a difference by delivering "what really matters"
INNOVATION	Second StartUp IOOF event – December 2016
IOOF ADVICE ACADEMY	Momentum continuing - Rollout commencing with Consultum and continuing with Lonsdale, Bridges and IOOF Alliances during 2017
GOVERNANCE	Group-wide governance balancing obligations, risk and business priorities

BUILDING PEOPLE AND LEADERSHIP CAPABILITIES TO SUCCEED

ClientFirst

- Continuing trend towards online transacting
- Platform rationalisation related cost savings expected to accelerate 2H16/17; ~40 FTE exited late 1H16/17

ONLINE TRANSACTING



Platform - foundation operating model

CLIENTS

These channels complement each other

	ADVISERS	EMPLOYERS	NEW CHANNELS
CHANNEL-CENTRIC	IOOF Pursuit Platform Connect	IOOF Employer Super	Fintech Robo

OMNI-CHANNEL: IOOF MultiMix | IOOF WealthBuilder | Managed Accounts | AET SAF

Differentiated by	Independence	Making complex easy	Open architecture	Anticipating customer needs
	• Acting in clients best interest • Non-bank aligned offering choice of products though open architecture model	• Platform consolidation reduces complexity and duplication • Business simplification allows for focus on core capabilities	• Choice across independent advisers, platforms, insurance and investment services • Ease of access to third party products and services	• Analytics driven, client centric focus • ClientFirst initiative ensuring clients interests are first • Agile and modular IT allows for flexibility in responding to client needs

Supported by a culture of: Agility | Empowerment | Collaboration | Client First | Advocacy of advice

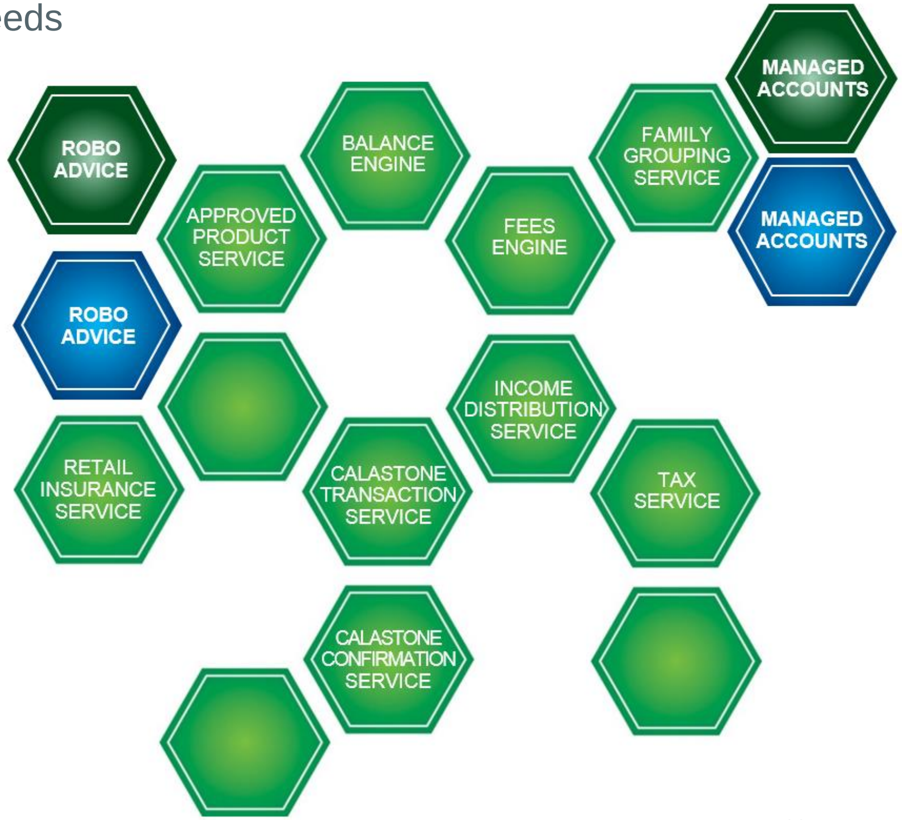
Enabling open architecture through agile IT delivery

Requirements for a quality platform

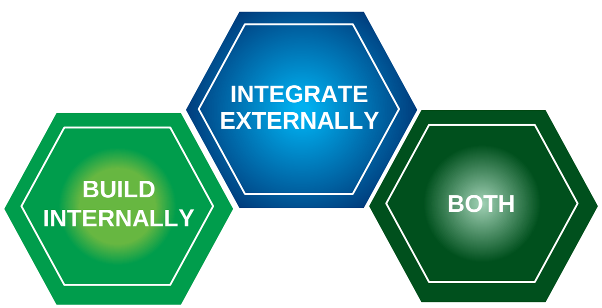
Able to:

- service various client needs
- handle volume and scale
- operate multiple products
- change quickly to meet regulatory and client needs
- integrate with other solutions and services

Must be very stable to operate and highly secure



With our platform we also have choice…



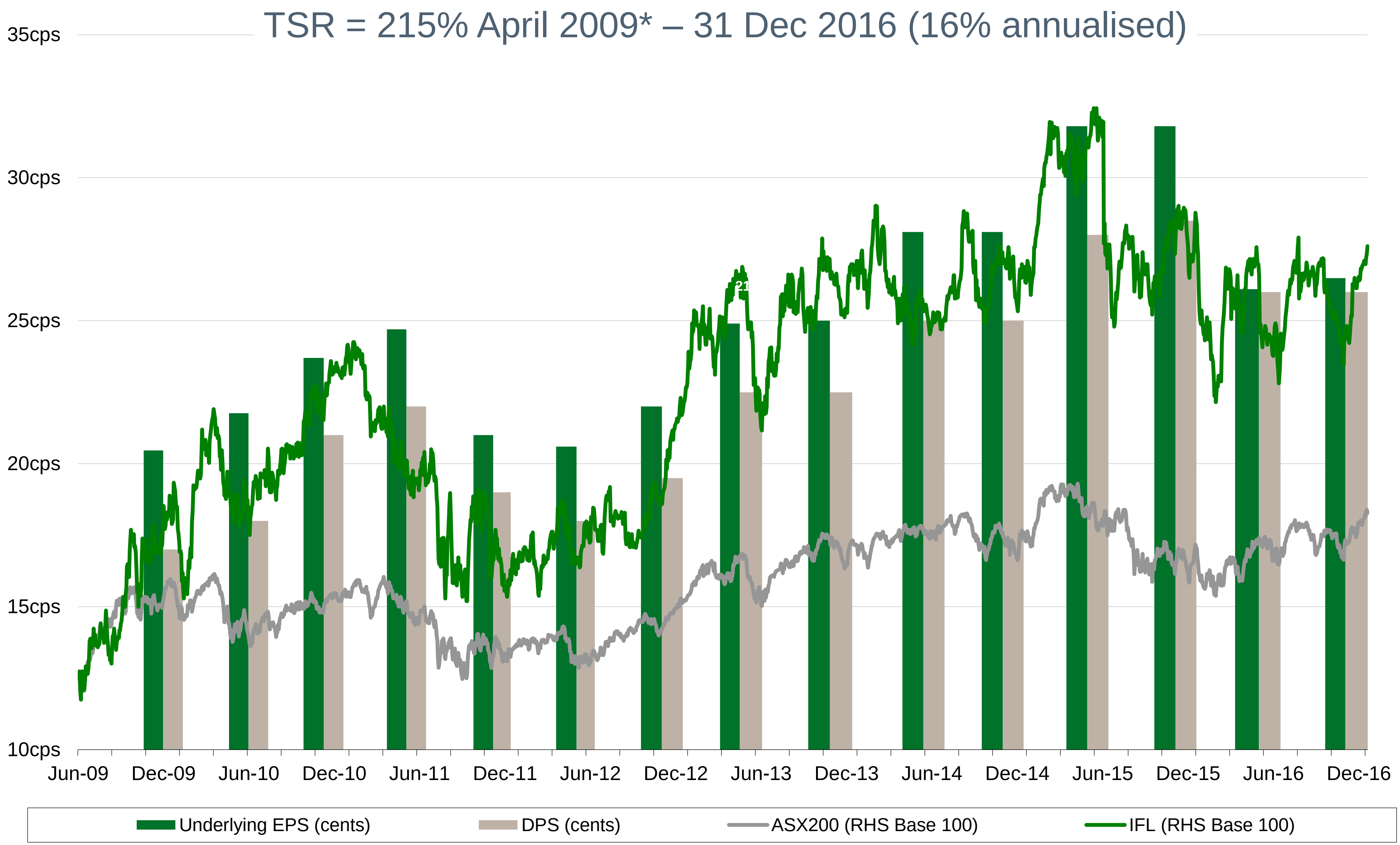
Summary – key highlights

- IOOF continues to deliver
  - Strong cash flow conversion enables consistently high dividend payout
  - Reliable, recurring earnings - diversified earnings base
  - Disciplined cost control
  - Low gearing
- Client centric culture, customer focus
- Well positioned for volatility
- Positive long term fundamentals
- Attractive M&A environment

Creating financial independence since 1846

Appendices

APPENDIX A: TOTAL SHAREHOLDER RETURN



** From date of transformative acquisition of Australian Wealth Management*

APPENDIX B: Statutory NPAT reconciliation

	1H16/17	2H15/16	1H15/16
Statutory NPAT	**74.2**	**62.9**	**134.0**
Amortisation of intangible assets	19.3	19.7	20.0
Acquisition and divestment transaction costs	-	1.0	0.5
Termination and retention incentive payments	3.2	1.8	4.1
Onerous contracts	-	1.0	-
Gain on divestment of subsidiaries	(6.3)	-	(72.0)
Profit on sale of assets	(11.1)	(5.1)	(3.0)
Non-recurring professional fees	2.0	2.0	3.1
Unwind of deferred tax liability recorded on intangible assets	(5.0)	(5.0)	(5.0)
Reinstatement of Perennial non-controlling interests	-	-	(0.8)
Income tax attributable	3.2	(0.2)	14.5
UNPAT	**79.4**	**78.0**	**95.4**

- Profit on the sale of assets divested in 1H16/17, the Perennial divestment and amortisation have had a material impact on statutory NPAT

Detailed explanation of each reconciling line item provided in Appendix H

APPENDIX C: Divestment financials

DETAILED FINANCIALS

$'M	General Insurance			PIML			Advice			Western Pacific to Consultum			Associates & other			Total	Total	Total	Impact 1H16/17	Impact 2H15/16
	1H16/17	2H15/16	1H15/16	1H16/17	2H15/16	1H15/16	1H16/17	2H15/16	1H15/16	1H16/17	2H15/16	1H15/16	1H16/17	2H15/16	1H15/16	1H16/17	2H15/16	1H15/16		
Revenue	**0.3**	0.9	1.0	**5.7**	11.5	12.9	**3.8**	4.9	5.9	**0.5**	1.4	2.0	-	-	-	**10.3**	**18.6**	**21.8**	**11.5**	**3.2**
Direct Costs	**(0.0)**	(0.0)	(0.0)	**(5.0)**	(10.7)	(11.1)	**(1.8)**	(1.3)	(0.2)	**-**	-	-	-	-	-	**(6.8)**	**(12.0)**	**(11.3)**	**(4.5)**	**0.6**
Gross Margin (GM)	**0.3**	0.9	1.0	**0.7**	0.8	1.8	**2.0**	3.6	5.7	**0.5**	1.4	2.0	**-**	**-**	**-**	**3.5**	**6.7**	**10.5**	**7.0**	**3.8**
Operating Expenditure	**(0.0)**	(0.6)	(0.7)	**(0.5)**	(0.0)	(0.0)	**(1.8)**	(2.4)	(4.1)	**(0.2)**	(0.2)	(0.2)	-	-	-	**(2.5)**	**(3.1)**	**(5.0)**	**(2.4)**	**(1.8)**
Net Interest	**0.0**	0.0	0.0	**0.0**	0.0	0.1	**-**	0.0	0.0	**-**	-	-	-	-	-	**0.0**	**0.1**	**0.1**	**0.1**	**0.0**
Share of profit from associates	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	-	-	-	0.03	**-**	**-**	**0.0**	**0.0**	**0.0**
Income Tax Expense/N.C.I	**(0.1)**	(0.1)	(0.1)	**(0.1)**	(0.3)	(0.6)	**(0.1)**	(0.4)	(0.5)	**(0.1)**	(0.4)	(0.5)	-	-	-	**(0.3)**	**(1.1)**	**(1.7)**	**(1.4)**	**(0.6)**
UNPAT	**0.2**	0.2	0.2	**0.2**	0.6	1.3	**0.1**	0.8	1.1	**0.2**	0.8	1.3	-	-	**0.03**	**0.7**	**2.5**	**4.0**	**3.3**	**1.5**
Gross proceeds from sale	**5.1**			**6.9**			**4.5**	2.6	1.9	**3.3**	4.3			0.3	1.0	**19.9**	**7.2**	**2.9**		
Profit on sale of assets	**5.1**			**6.1**			**2.8**	0.8	2.6	**3.3**	4.3			-	0.4	**17.4**	**5.1**	**3.0**		

IMPACT ANALYSIS

$'M	1H16/17	2H15/16	1H15/16
UNPAT - non divestment of assets	82.7	79.5	95.4
UNPAT foregone	(3.3)	(1.5)	-
UNPAT as disclosed	**79.4**	**78.0**	**95.4**
Deduct contribution from divested assets (per above)	(0.7)	(2.5)	(4.0)
UNPAT - full divestment of assets	78.7	75.5	91.4

Note: No individual transaction was material to warrant classification as a discontinued operation

APPENDIX D: Segment performance – Corporate & Other

$‘m	1H 16/17	2H 15/16	1H 15/16
Revenue	0.3	0.3	0.4
Direct Costs	0.2	0.3	0.2
Gross Margin (GM)	**0.5**	**0.6**	**0.6**
Other Revenue	1.4	0.1	1.3
Share of Equity profit/loss	-	-	-
Operating Expenditure	(21.7)	(20.6)	(20.9)
Net Non Cash	(0.5)	(0.3)	(0.5)
Net Interest	(1.6)	(2.3)	(2.0)
Income Tax Expense/N.C.I	10.4	8.8	11.7
UNPAT	**(11.5)**	**(13.6)**	**(9.8)**

APPENDIX E
RECONCILIATION OF SEGMENTS TO STATUTORY FINANCIALS

STATEMENT OF COMPREHENSIVE INCOME

	1H 16/17	1H 16/17	1H 16/17	1H 16/17	1H 16/17	1H 16/17	2H15/16	1H 15/16
	Platform $'m	Investment Management $'m	Financial Advice & Distribution $'m	Trustee Services $'m	Corporate and other $'m	Group TOTAL $'m	Group TOTAL $'m	Group TOTAL $'m
Gross Margin								
Management and Service fees revenue	189.8	41.3	165.5	13.4	-	374.1	377.6	401.0
Other Fee Revenue	3.5	1.4	8.7	2.0	0.3	15.7	16.3	18.8
Service and Marketing fees expense	(85.6)	(12.3)	(58.0)	(0.0)	0.2	(119.7)	(123.6)	(131.0)
Other Direct Costs	(3.6)	(2.7)	(4.5)	(1.3)	(0.0)	(12.2)	(11.1)	(13.1)
Amortisation of deferred acquisition costs	(0.3)	-	(0.2)	-	-	(0.3)	(0.5)	(0.6)
Total Gross Margin	**103.7**	**27.7**	**111.5**	**14.1**	**0.5**	**257.6**	**258.8**	**275.1**
Other Revenue								
Stockbroking revenue	-	-	44.4	-	-	44.3	35.8	38.0
Stockbroking service fees expense	-	-	(25.1)	-	-	(25.1)	(20.2)	(21.5)
Dividends and distributions received	-	-	0.0	-	0.5	0.5	0.4	0.4
Net fair value gains/(losses) on other financial assets at fair value through profit or loss	-	-	-	-	0.1	0.1	(0.0)	0.0
Profit on sale of financial assets	-	6.1	11.3	-	-	17.4	5.2	75.0
Other revenue	-	0.0	2.1	-	0.8	2.9	1.1	5.2
Other Revenue adjustments	-	(6.1)	(11.3)	-	-	(17.4)	(5.2)	(75.0)
Total Other Revenue	**-**	**0.0**	**21.4**	**-**	**1.4**	**22.8**	**17.2**	**22.1**
Equity Accounted Profits								
Share of profits of associates and jointly controlled entities accounted for using the equity method	-	1.7	0.4	-	-	2.1	2.0	2.8
Total Equity Accounted Profits	**-**	**1.7**	**0.4**	**-**	**-**	**2.1**	**2.0**	**2.8**
Operating Expenditure								
Salaries and related employee expenses	(7.7)	(3.1)	(42.5)	(6.0)	(41.6)	(101.0)	(100.0)	(100.0)
Employee defined contribution plan expense	(0.5)	(0.1)	(2.9)	(0.5)	(3.0)	(7.1)	(7.1)	(7.7)
Information technology costs	(0.7)	(0.6)	(7.5)	(0.3)	(14.4)	(23.5)	(25.0)	(25.3)
Professional fees	(0.1)	(0.5)	(2.0)	(0.0)	(3.5)	(6.1)	(4.4)	(3.1)
Marketing	(0.6)	(0.0)	(3.1)	(0.1)	(1.0)	(4.9)	(3.9)	(5.3)
Office support and administration	(0.2)	(0.2)	(3.6)	(0.2)	(4.5)	(8.8)	(9.0)	(9.5)
Occupancy related expenses	(0.0)	(0.1)	(4.5)	(0.1)	(5.8)	(10.4)	(9.4)	(11.0)
Travel and entertainment	(0.5)	(0.1)	(1.1)	(0.2)	(1.4)	(3.4)	(2.8)	(3.2)
Corporate recharge	(39.3)	(2.7)	(9.7)	(2.1)	53.7	-	0.0	0.0
Other	-	(0.0)	(0.0)	-	(0.0)	(0.0)	0.0	(0.0)
Total Operating Expenditure	**(49.8)**	**(7.3)**	**(77.0)**	**(9.5)**	**(21.7)**	**(165.3)**	**(161.7)**	**(165.1)**
Loss on disposal of non-current assets	-	-	-	-	-	-	(0.0)	(0.2)
Total Operating Expenditure	**(49.8)**	**(7.3)**	**(77.0)**	**(9.5)**	**(21.7)**	**(165.3)**	**(161.7)**	**(165.2)**
Net non cash (Ex. Amortisation from acquisitions)								
Share based payments expense	(0.1)	(0.1)	(0.1)	(0.0)	(0.5)	(0.9)	(0.6)	(1.3)
Depreciation of property, plant and equipment	(1.7)	(0.3)	(1.6)	(0.3)	-	(3.8)	(3.9)	(4.0)
Amortisation of intangible assets - IT development	(0.9)	-	-	-	-	(0.9)	(0.9)	(0.9)
Total Net non cash (Ex. Amortisation from acquisitions)	**(2.7)**	**(0.4)**	**(1.6)**	**(0.3)**	**(0.5)**	**(5.6)**	**(5.5)**	**(6.1)**
Net Interest								
Interest income on loans to directors of controlled and associated entities	-	0.1	-	-	0.0	0.1	0.1	0.2
Interest income from non-related entities	0.0	0.2	0.3	-	1.7	2.2	2.4	2.2
Finance Costs	-	-	(0.0)	(0.0)	(3.4)	(3.4)	(3.6)	(3.7)
Total Net Interest	**0.0**	**0.3**	**0.3**	**(0.0)**	**(1.6)**	**(1.0)**	**(1.1)**	**(1.3)**
Income Tax & NCI								
Non-controlling Interest	-	-	(2.1)	-	-	(2.1)	(1.3)	(1.3)
Income tax expense	(15.5)	(6.1)	(15.5)	(1.2)	11.1	(27.3)	(25.2)	(42.3)
Income tax expense adjustments	(0.2)	-	(0.9)	(0.1)	(0.7)	(1.9)	(5.2)	9.5
Total Income Tax & NCI	**(15.7)**	**(6.1)**	**(18.5)**	**(1.3)**	**10.4**	**(31.2)**	**(31.7)**	**(34.1)**
UNPAT (pre-amortisation of intangible assets) excl discontinued ops	**35.5**	**15.9**	**36.6**	**3.0**	**(11.5)**	**79.4**	**78.0**	**93.3**
Discontinued operations						-	-	**2.1**
Underlying NPAT						**79.4**	**78.0**	**95.4**
Significant Items								
Acquisition and divestment transaction costs						-	(1.0)	(0.5)
Termination and retention incentive payments						(3.2)	(1.8)	(4.1)
Recognition of Shadforth onerous lease contracts						-	(1.0)	-
Gain on divestment of subsidiaries and associates						6.3	0.0	72.0
Profit on sale of assets						11.1	5.1	3.0
Non-recurring professional fees						(2.0)	(2.0)	(3.1)
Income tax expense/NCI adjustments								
Unwind of deferred taxes on intangible assets						5.0	5.0	5.0
Reinstatement of Perennial non-controlling interests						-	-	0.8
Income tax attributable						(3.2)	0.2	(14.5)
Total Significant Items - Net of Tax						**14.0**	**4.6**	**58.6**
Amortisation of intangible assets						(19.3)	(19.7)	(20.0)
Reported Profit/(Loss) per financial statements						**74.2**	**62.9**	**134.0**

Note: Segment results include inter-segment revenues and expenses eliminated on consolidation

APPENDIX F: Management Team

	NAME AND TITLE	EXPERIENCE	COMMENTS
	**Christopher Kelaher** *Managing Director*	25+ years	• Chris has had a 25 year career in financial services and has been Managing director of the IOOF Group since 2009 • He also has extensive capital markets experience from his time with Citicorp
	**David Coulter** *Chief Financial Officer*	25+ years	• David has over 25 years' experience having worked at JP Morgan, ANZ Bank, Colonial and PwC • He was appointed Chief Financial Officer in September 2009 and has played a pivotal role in subsequent restructuring and a series of acquisitions
	**Gary Riordan** *General Counsel* *Group General Manager, Trustee Services*	25+ years	• Gary has over 25 years' experience in financial services, trustee and governance • He joined IOOF upon the acquisition of Australian Wealth Management in 2009. • Prior to this, Gary worked as a Partner at Holding Redlich and Cornwall Stodart and Principal with GR Financial Services and IFS Fairley.
	**Renato Mota** *Group General Manager, Wealth Management*	18+ years	• Renato has over 18 years' experience in financial services with a particular focus on senior management and corporate strategy • He is responsible for the overall delivery of value to the group's various client segments across advice and services • He joined IOOF in 2003 and has previously worked for Rothschild, NAB and ANZ, and is a CFA charterholder
	**Julie Orr** *Group General Manager, Corporate Development*	20+ years	• Julie has over 20 years' experience in financial services gained in roles with Ernst & Young, Standard & Poor's, Morningstar and Intech • Previously, Julie was IOOF's General Manager Operations, and has played a key role in integrating several acquisitions, including AWM, Skandia and SFG
	**Sharam Hekmat** *Chief Information Officer*	25+ years	• Sharam has over 25 years' experience within Information Technology including senior management positions at Aviva Australia, Kodak Australasia, Nortel Australia and Pragsoft Corporation • Sharam most recently was Chief Technology Officer at Ezidebit and holds a PhD in Software engineering
	**Stephen Merlicek (succession plan in place)** *Chief Investment Officer*	30+ years	• Stephen has over 30 years' experience and was appointed to the role of Chief Investment Officer at IOOF in October 2009 • Prior to joining IOOF, he was the Chief Investment Officer at Telstra Super for 10 years, during which time it was a top performing fund winning numerous investment awards
	**Frank Lombardo** *Group General Manager, Client and Process*	20+ years	• Frank has over 20 years experience across the financial services sector • He previously held senior management roles at NAB and Aviva Australia
	**Ingrid Liepins** *Group General Manager, People & Culture*	25+ years	• Ingrid brings over 25 years of broad industry experience in Financial Services, Information and Communications Technology, Psychology and Education
	**Paul Vine** *Company Secretary* *Group General Manager, Legal, Risk and Compliance*	20+ years	• Paul joined the group in August 2014 • He previously held in-house legal and governance roles at AXA, Bell Potter and Telstra, following an early career in London and Melbourne

APPENDIX G: EPS

IFL - Average weighted number of shares on Issue					
EARNINGS PER SHARE CALCULATION					
Half year ended 31 December 2016					
Ordinary Shares Weighted Average - Opening Balance					**300,133,752**
From	**To**	**Days**	**Share Issue**	**Shares on Issue**	
01-Jul-16	31-Dec-16	184	-	300,133,752	300,133,752
Weighted average treasury shares on issue					255,851
Weighted average shares on issue					**299,877,901**
Ordinary Shares - Closing Balance					300,133,752
Total shares for Basic EPS calculation					299,877,901

	Underlying NPAT	Statutory NPAT
Net Profit Attributable to Members of the parent entity	$79.4	$74.2
Basic Earnings Per Share	**26.5**	**24.8**

APPENDIX H: Explanation of items removed from UNPAT

In calculating its Underlying Net Profit After Tax pre-amortisation (UNPAT), the Group reverses the impact on profit of certain, predominantly non cash, items to enable a better understanding of its operational result. A detailed explanation for all significant items is provided below.

Amortisation of intangible assets: Non-cash entry reflective of declining intangible asset values over their useful lives. Intangible assets are continuously generated within the IOOF Group, but are only able to be recognised when acquired. The absence of a corresponding entry for intangible asset creation results in a conservative one sided decrement to profit only. It is reversed to ensure the operational result is not impacted. The reversal of amortisation of intangibles is routinely employed when performing company valuations. However, the amortisation of software development costs is not reversed in this manner.

Acquisition and divestment transaction costs: (2015: One off payments to external advisers in pursuit of corporate transactions, such as the divestment of certain Perennial subsidiaries, which were not reflective of conventional recurring operations).

Termination and retention incentive payments: Facilitation of restructuring to ensure long term efficiency gains which are not reflective of conventional recurring operations.

Gain on divestment of subsidiaries: During the period, the IOOF Group divested Perennial Investment Management Ltd to Perennial Value Management Ltd. The IOOF Group also partially divested a subsidiary. (2015: Perennial Fixed Interest and Perennial Growth Management).

Profit on sale of assets: Divestments of non-core businesses, client lists and associates.

Non-recurring professional fees: Costs relating to specialist service and advice providers enlisted to assist the Group in better informing key stakeholders. These services were required following negative media allegations. In particular, but not limited to, process review, senate inquiry support, government relations, litigation defence and communications advice. It is not anticipated that this type and level of support will be required on a recurrent basis.

Unwind of deferred tax liability recorded on intangible assets: Acquired intangible asset valuations for AASB 3 Business Combinations accounting are higher than the required cost base as set under newly legislated tax consolidation rules implemented during 2012. A deferred tax liability (DTL) is required to be recognised as there is an embedded capital gain should the assets be divested of at their accounting values. This DTL reduces in future periods at 30% of the amortisation applicable to those assets which have different accounting values and tax cost bases. The recognition of DTL and subsequent period reductions are not reflective of conventional recurring operations and are regarded as highly unlikely to be realised due to the IOOF Group's intention to hold these assets long term.

Reinstatement of Perennial non-controlling interests: (2015: Embedded derivatives exist given the IOOF Group's obligation to buy-back shareholdings in certain Perennial subsidiaries if put under the terms of their shareholders' agreements. International Financial Reporting Standards deems the interests of these non-controlling holders to have been acquired. Those interests must therefore be held on balance sheet as a liability to be revalued to a reserve each reporting period. In calculating UNPAT, the non-controlling interest holders share of the profit of these subsidiaries is subtracted from the IOOF Group result as though there were no embedded derivatives to better reflect the current economic interests of Company shareholders in the activities of these subsidiaries).

Income tax attributable: This represents the income tax applicable to certain adjustment items outlined above.

APPENDIX I: Definitions

TERM	DEFINITION
Cost to Income Ratio	Ratio of underlying expenses relative to underlying operating revenues exclusive of the benefit funds and discontinued operations
Flagship Platforms	IOOF Employer Super, IOOF Pursuit. The Portfolio Service consolidation into IOOF Pursuit completed June 2016.
FUMA	Funds Under Management, Administration and Advice
FUMAS	FUMA plus Funds Under Supervision, primarily Corporate Trust clients
Net Interest Cover	Ratio of Earnings Before Interest, Tax, Depreciation and Amortisation relative to the sum of Interest Received and Interest and Other Costs of Finance Paid per the Consolidated Statement of Comprehensive Income
Net Operating Margin	Ratio of underlying revenues including share of associate profits, excluding net interest less underlying operating expenses relative to FUMA
PCP	Prior Comparative Period – Half year to 31 December 2015
IPP	Immediately preceding period – Half year to 30 June 2016
Return on Equity	Calculated by dividing annualised UNPAT by average equity during the period
TSR	Total Shareholder Return – change in share price plus dividends paid per share in a given period
UNPAT	Underlying Net Profit After Tax Pre Amortisation, see Appendix H for a detailed explanation of reconciling line items
Underlying EBITA	Underlying Earnings Before Interest, Tax and Amortisation
Underlying EPS	Calculated with the same average number of shares on issues as the statutory EPS calculation utilising UNPAT as the numerator, a detailed calculation is provided in Appendix M.
VWAP	Volume Weighted Average Price

Important disclaimer

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