



Annual results

30 June 2014

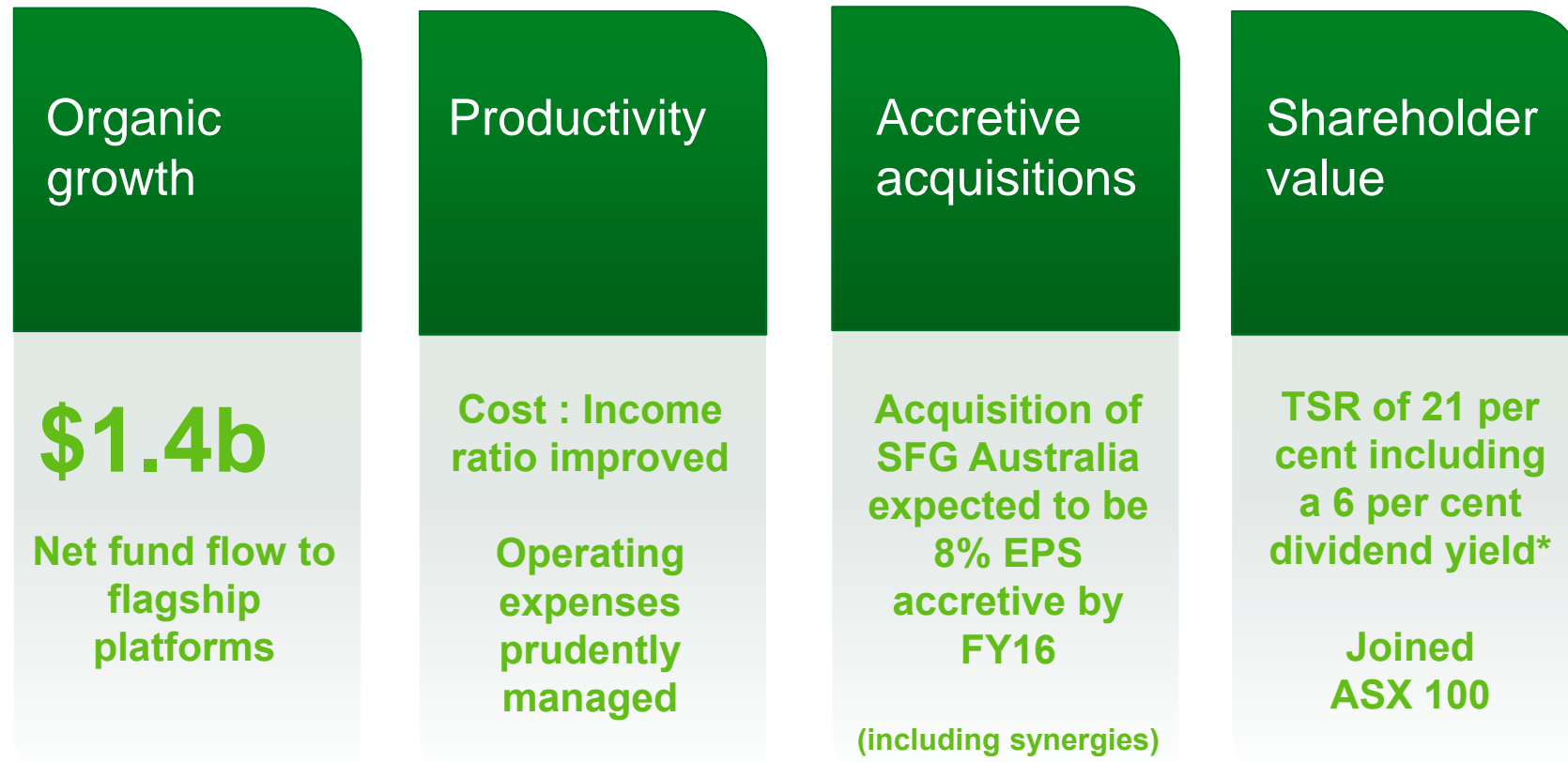
Presented by

Christopher Kelaher, Managing Director

David Coulter, Chief Financial Officer

22 August 2014

All strategic elements contributing



Record UNPAT Pre amortisation profit of \$123.0m

2014 highlights



Financial

Increase in revenue and net flows is driving growth

- UNPAT pre-amortisation \$123.0m, ↑ 13 per cent on FY13
- Underlying EBITA ↑ 15 per cent

Final dividend 25.0 cps[^], ↑ 11 per cent on FY13 (approx. 6 per cent yield)

Operating

Record \$1.4 billion net fund flows into flagship platforms

FUMA now \$95.9 billion ↑ 10 per cent

- Flagship platform net flows ↑ 65 per cent
- Total platform net flows \$1.0b
- Average gross margin steady at 0.43 per cent (FY13: 0.43 per cent)

Strategic

SFGA transaction will provide material accretive earnings

Plan B fully integrated and platform rationalised

Increased scale presents opportunities for further integration, efficiencies and growth

Regulation

Margin maintained under MySuper

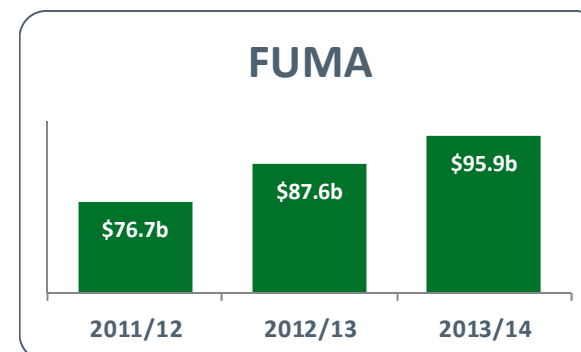
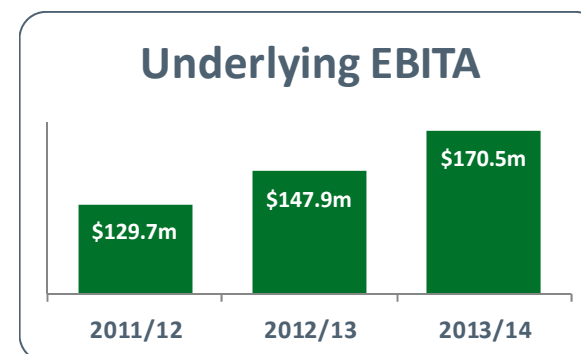
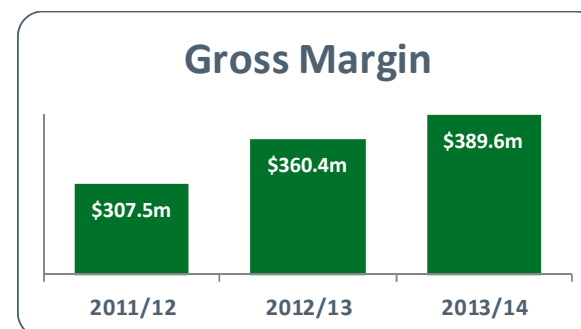
FoFA amendments are workable

Stable regulatory environment expected for next two years

Financial highlights



	2013/14	2012/13	Change (%)
Underlying EBITA	\$170.5m	\$147.9m	+15
Underlying NPAT (pre-amortisation)	\$123.0m	\$108.8m	+13
Statutory NPAT	\$101.3m	\$79.8m	+27
Gross Margin	\$389.6m	\$360.4m	+8
Operating Expenditure	\$252.6m	\$242.2m	+4
Cost to Income Ratio*	57.5%	58.7%	-1.2
Net Operating Margin	0.19%	0.19%	Steady
Underlying EPS	53.1c	46.9c	+13
Total Dividend	47.5c	42.0c	+13
Return on Equity	15.0%	13.2%	+1.8
FUMAS	\$121.9b	\$120.2b	+1
FUMA	\$95.9b	\$87.6b	+10
Average FUMA	\$93.2b	\$84.8b	+10



* Cost to Income ratio is exclusive of Ord Minnett Ltd and the benefit funds and is calculated on an underlying basis

Advice-driven scale business model

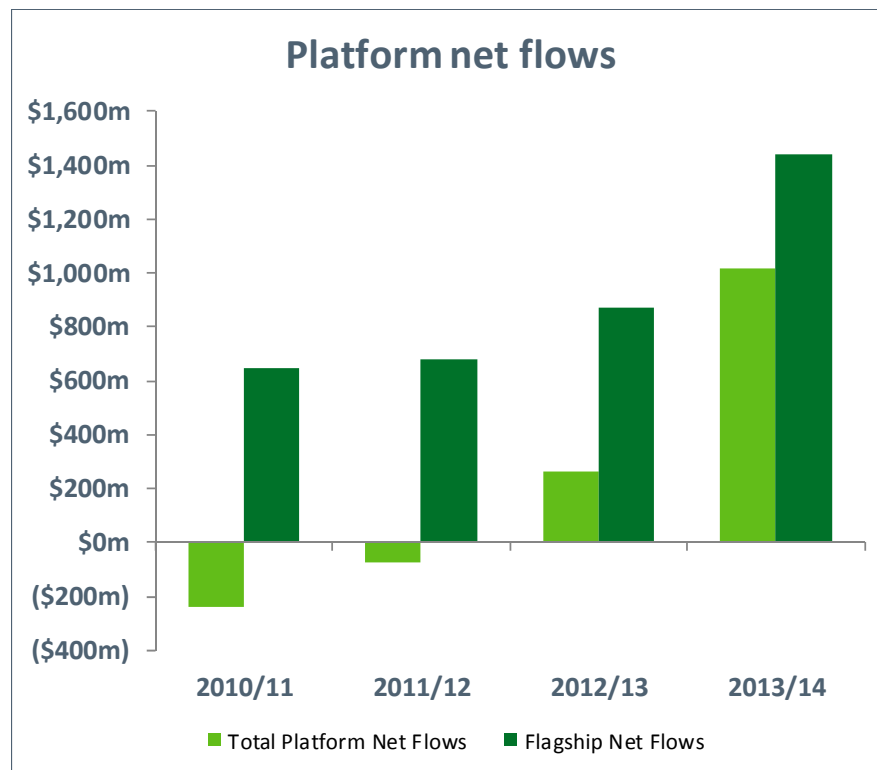


IOOF's four operating segments are underpinned by superannuation

Wealth Management	Financial Advice and Distribution	UNPAT (pre-amortisation) \$18.0m ↑ 7 per cent Average FUA up \$2.6b to \$31.6b ↑ 9 per cent IOOF/SFGA creates Australia's third largest provider by FUA
	Platform Management and Administration	UNPAT (pre-amortisation) \$80.5m ↑ 13 per cent Average FUA up \$3.9b to \$30.6b ↑ 15 per cent Strong momentum underpins organic growth
	Investment Management Perennial Investment Partners IOOF Investments	UNPAT (pre-amortisation) \$37.4m ↑ 11 per cent Average FUM up \$1.9b to \$31.0b ↑ 7 per cent Reduced costs and sustained investment performance
Trustee	Trustee Services	UNPAT (pre-amortisation) \$6.6m ↑ 18 per cent Average FUS down \$1.8b to \$29.9b ↓ 6 per cent Profitability improvement with rebalance to higher margin funds

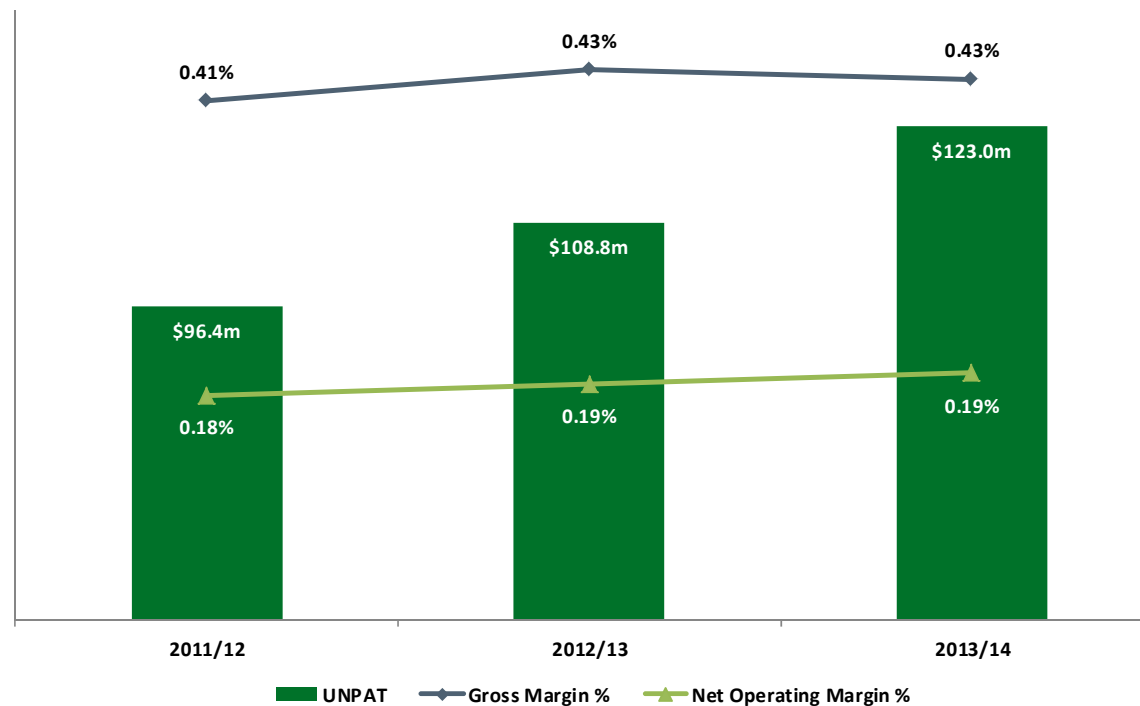
The Corporate segment recorded an UNPAT pre-amortisation of (**\$19.5m**) FY13/14, (**\$18.8m**) FY12/13

Record \$1.4b net flows into flagship platforms



- Platform FUA \$31.9b, up \$3.4b since June 2013
- Total Platform net flows of \$1.0b
- Third consecutive half of total platform positive net flows

Group margin capture stable



- Business model and strategic execution combine to deliver a stable headline gross margin
- Services and products are more cost efficient – stable net operating margin with increasing FUMA drives increased profitability

SFGA - a transformative acquisition



- Confirms IOOF as Australia's leading independent wealth manager
- Complementary business allows IOOF to capture revenue across the value chain
- Total adviser numbers increased by ~200 to 1,120
- SFGA adds \$13.8b in Funds Under Advice
- Pre tax synergies of more than \$20m per annum by FY2016 are expected
- Payment of scheme consideration and new shares in IOOF issued 20 August 2014*

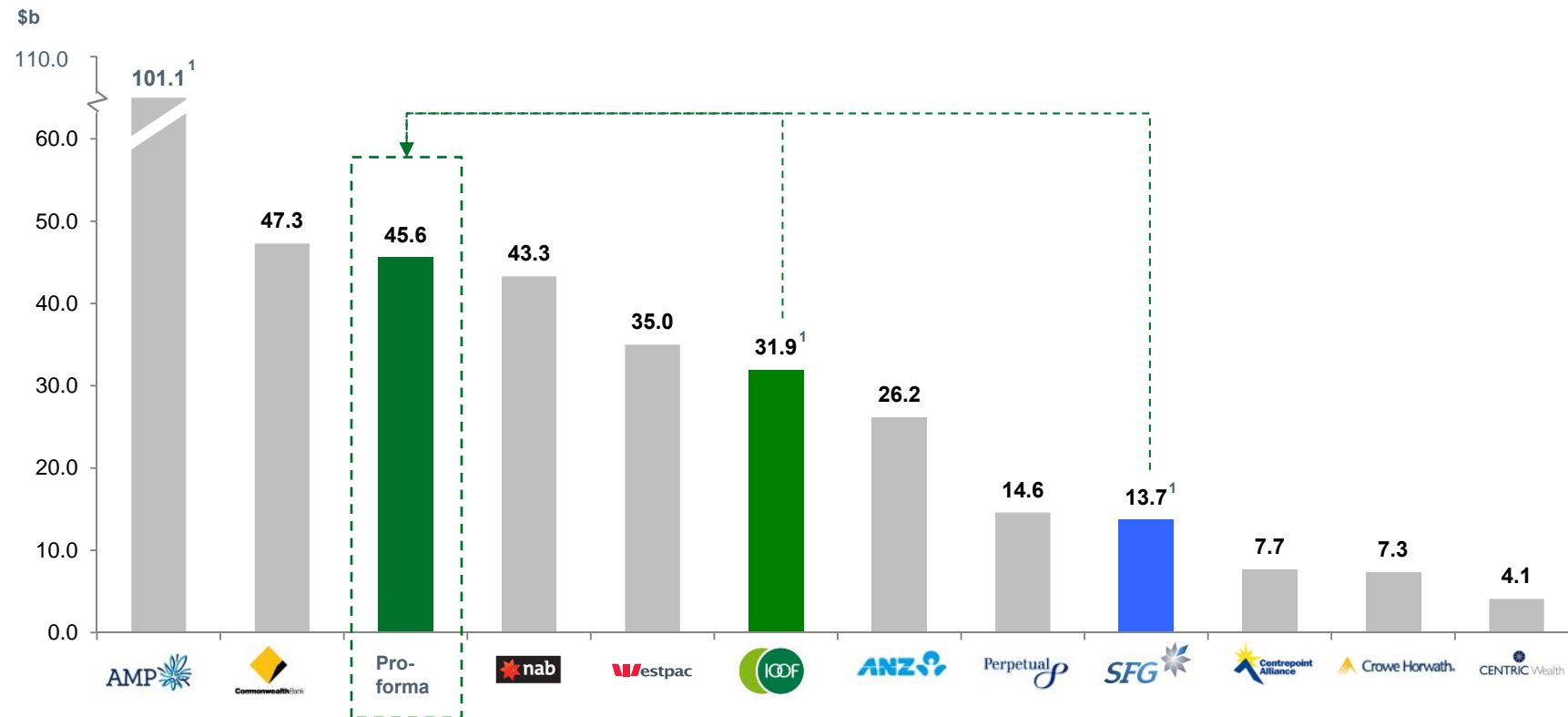
* 68,015,718 shares issued given \$76.7m cash component take up

Combined market position



IOOF now the third largest Funds Under Advice (FUA) provider in Australia

FY 2013 Funds Under Advice










Financials

David Coulter
Chief Financial Officer

Financial overview



	2013/14	2012/13	Change on pcp
Statutory NPAT	\$101.3m	\$79.8m	 27%
Statutory Basic EPS (cents)	43.7cps	34.4cps	 27%
Underlying EBITA	\$170.5m	\$147.9m	 15%
Underlying NPAT (pre-amort)	\$123.0m	\$108.8m	 13%
Underlying EPS (cents)	53.1cps	46.9cps	 13%
FUMA	\$95.9b	\$87.6b	 10%
Gross Margin % *	0.43%	0.43%	Steady
Total Dividend per share (cents)	47.5cps	42.0cps	 13%

* Gross margin has been restated due to separately identifying Stockbroking Service Fees , see Appendix A for further details

P&L breakdown



	2013/14	2012/13	Change on pcg	
	\$'m	\$'m	\$'m	%
Gross Margin*	389.6	360.4	29.2	8%
Other Revenue	36.8	32.1	4.7	15%
Operating Expenditure	(252.6)	(242.2)	(10.4)	-4%
Equity Accounted Profits	7.5	7.7	(0.2)	-3%
Net Non Cash (Ex. acquisition related Amortisation)	(10.7)	(10.1)	(0.6)	-6%
Underlying EBITA	170.5	147.9	22.6	15%
Net Interest	(0.0)	0.8	(0.8)	-103%
Income Tax & NCI	(47.5)	(40.0)	(7.5)	-19%
Underlying NPAT (pre-amortisation)	123.0	108.8	14.3	13%
Significant Items/Amortisation	(21.8)	(29.0)	7.2	25%
Statutory NPAT	101.3	79.8	21.5	27%

- Gross margin growth \Rightarrow \uparrow \$35m on flow and markets; \downarrow \$6m on product mix
- Other revenue \Rightarrow includes \uparrow \$5m stockbroking
- Prudent and disciplined cost management remains a key feature

* Gross Margin restated due to separately identifying Stockbroking Service Fees, see Appendix A

Statutory NPAT reconciliation



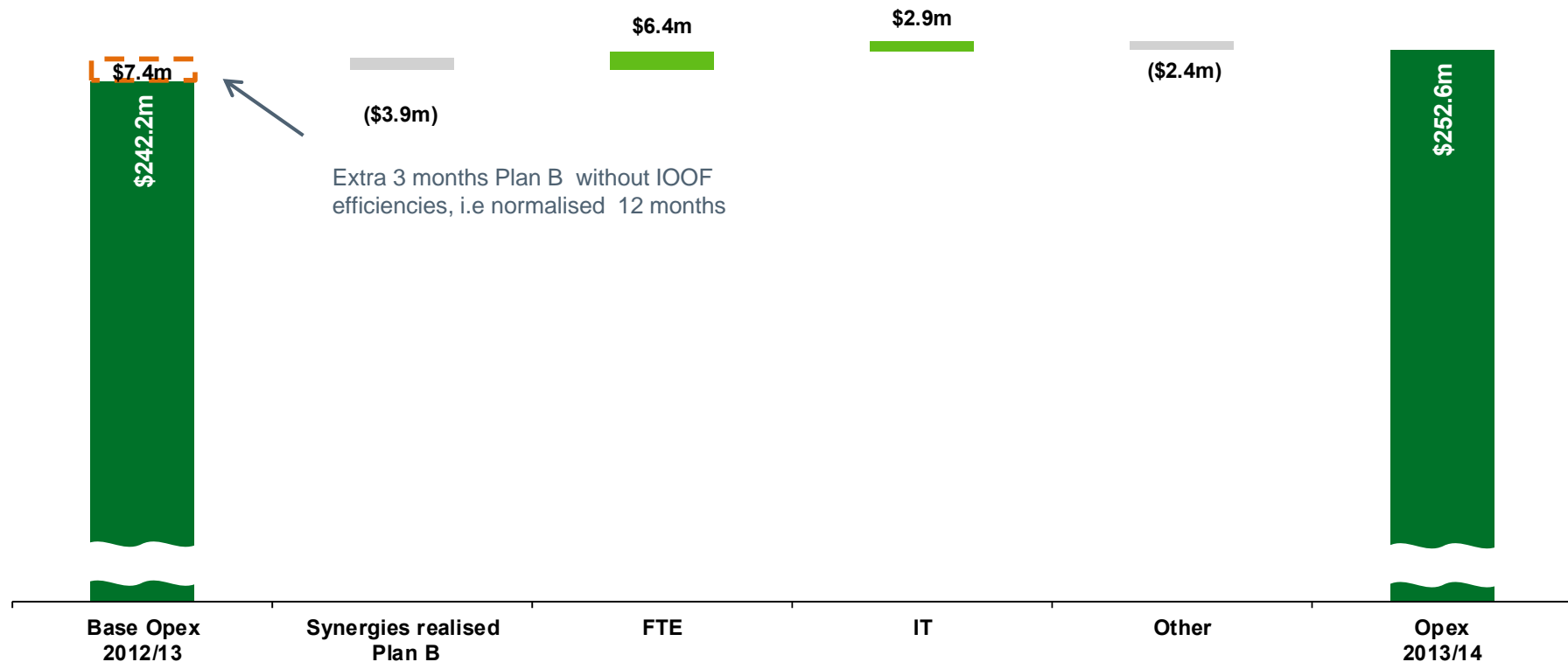
\$'M	2013/14	2012/13
Statutory NPAT	101.3	79.8
Amortisation of intangible assets	24.3	23.6
Impairment	-	4.6
Acquisition transition costs	1.8	0.8
Termination and retention incentive payments	4.9	6.5
Recognition of Plan B onerous lease contracts	-	3.0
Equity Trustees Ltd acquisition and divestment	(1.0)	-
Unwind of deferred tax liability on intangible assets	(5.5)	(5.4)
Reinstatement of Perennial non-controlling interests	(1.0)	(1.0)
Income tax attributable	(1.6)	(3.1)
Underlying NPAT (pre-amortisation)	123.0	108.8

- Amortisation and continuing Plan B integration have had a material impact on statutory NPAT
- Statutory v Underlying EPS calculations use the respective profit amounts above with the same average number of shares

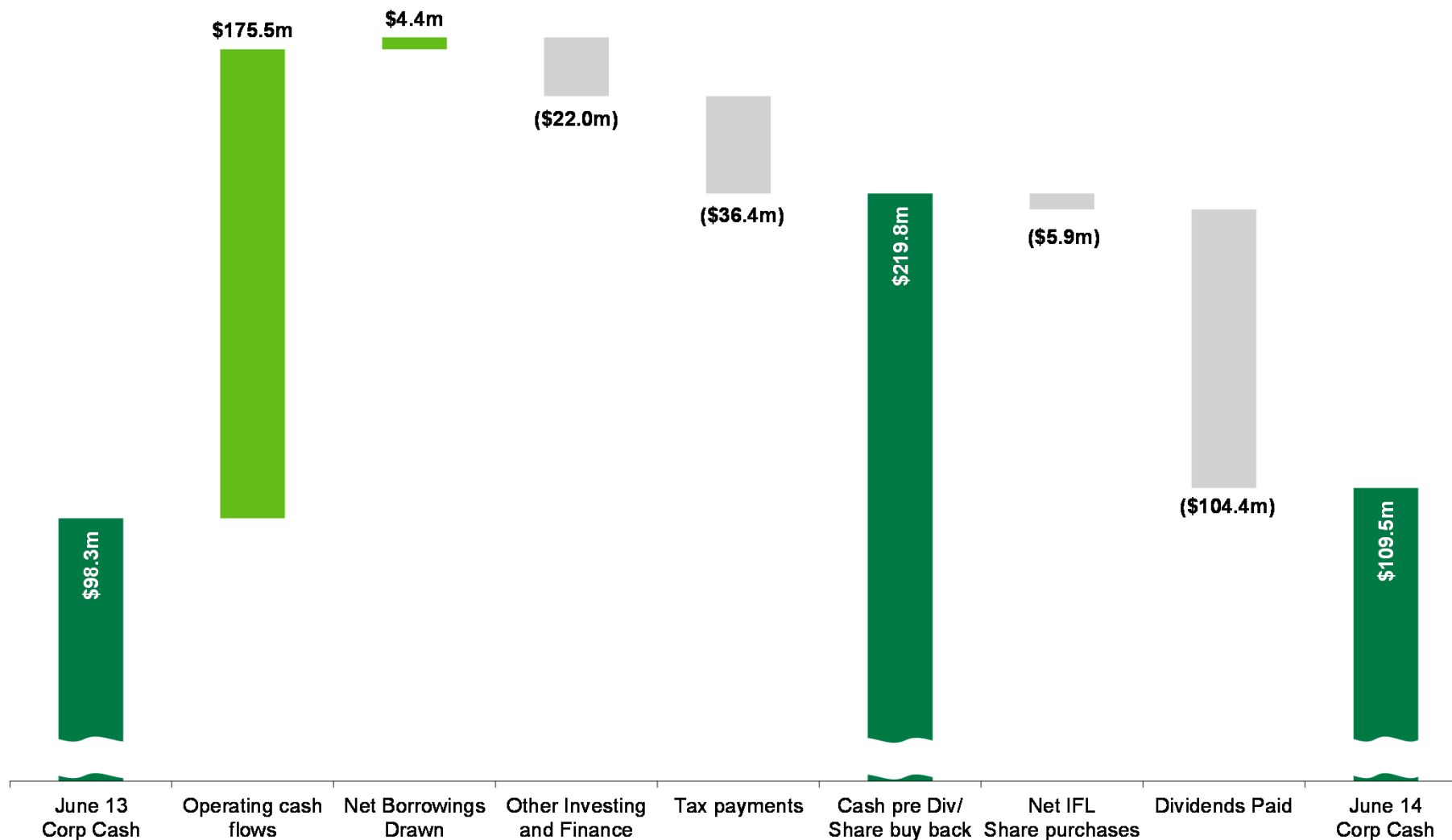
Operating costs



- Second half costs flat
- Plan B synergies provide recurring value
- Labour cost increase managed broadly in line with wage inflation



Strong cash flows to shareholders



Strong growth in funds



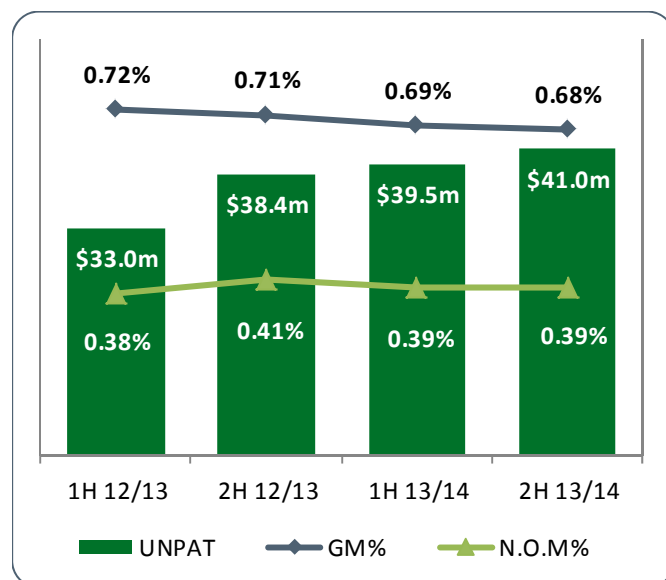
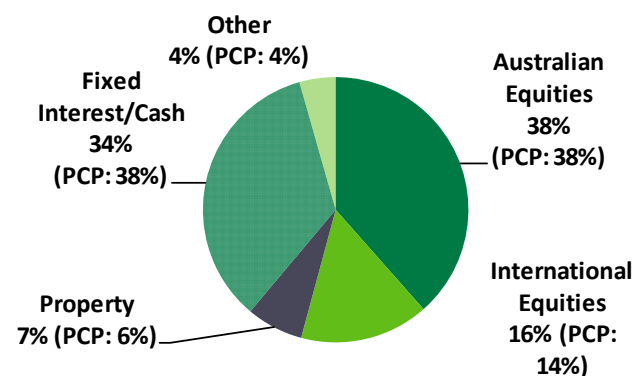
	2013/14	2012/13	% Change
Opening FUMA	\$87,557m	\$76,691m	
Flagship Platform net flows	\$1,439m	\$872m	+65%
Platform (Transition) net flows	(\$157m)	(\$258m)	+39%
IOOF Global One net flows	(\$262m)	(\$352m)	+26%
Total Platform net flows	\$1,020m	\$262m	+289%
Investment Management net flows	(\$680m)	(\$2,987m)	+77%
Funds Under Advice net flows	\$834m	\$464m	+80%
Acquired FUMA	-	\$3,225m*	-
Investment returns / Other	\$7,206m	\$9,902m	-27%
Closing FUMA	\$95,937m	\$87,557m	+10%
Average FUMA	\$93,210m	\$84,834m	+10%

* FY12/13 acquired FUMA: Plan B \$3,244m, Avenue \$477m, disposal of SFM (\$496m)

Segment performance - Platform

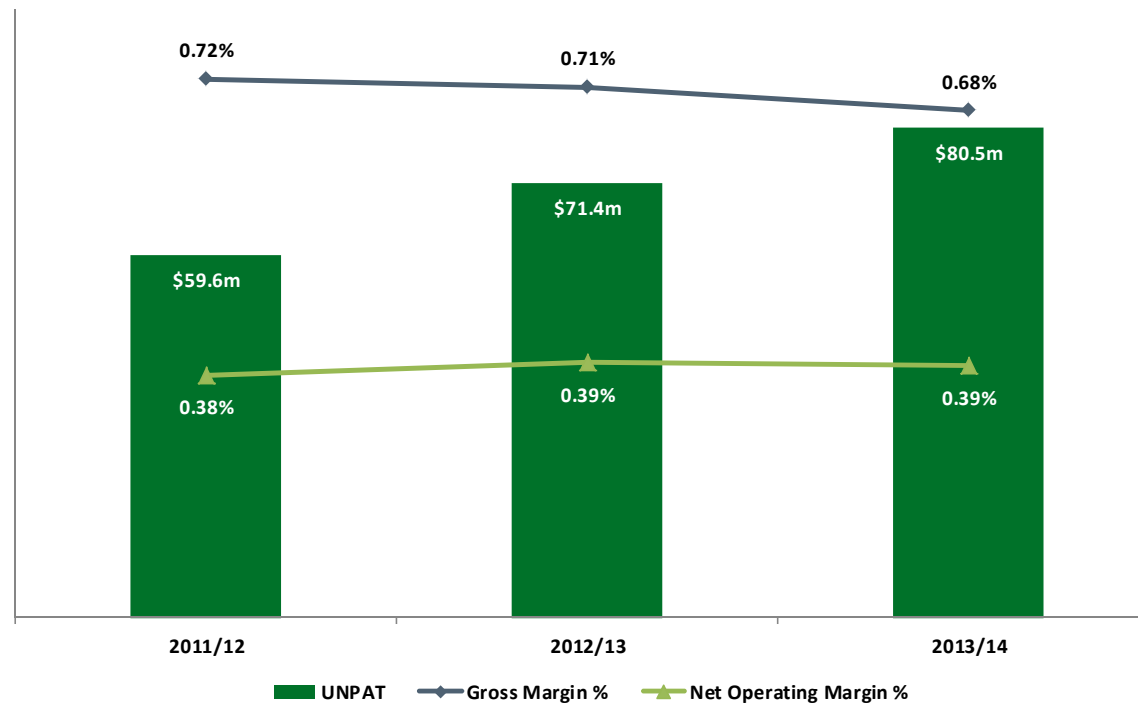


	2013/14	2012/13	CHANGE
Gross Margin (\$'M)	209.2	190.1	10%
Gross Margin %	0.68%	0.71%	(3bps)
UNPAT (\$'M)	80.5	71.4	13%
Net Operating Margin %	0.39%	0.39%	-
Reported NPBT (\$'M)	102.8	88.9	16%
AVG FUA (\$'B)	30.6	26.7	15%



- 65 per cent contribution to Group UNPAT
- Over 2,500 IFAs actively choosing IOOF platforms and products
- Net operating margin maintained

Platform profitability on the rise

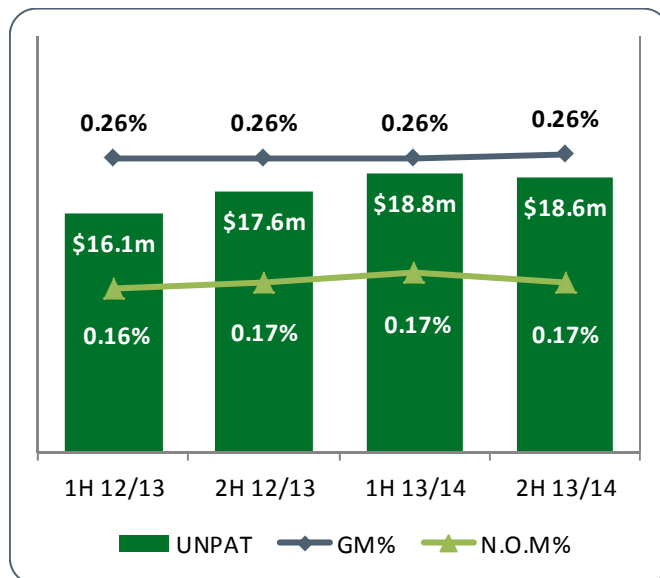
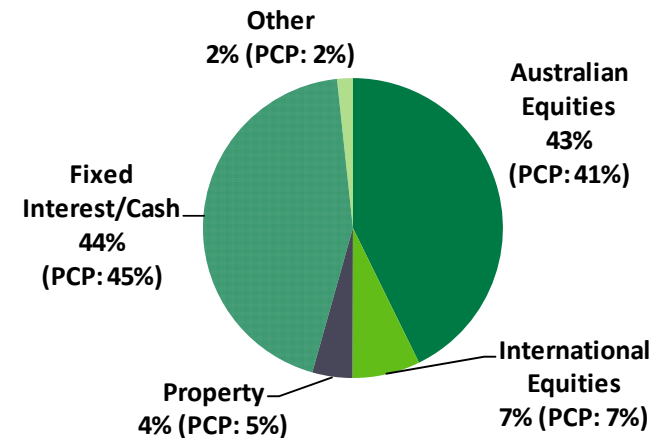


- Margin is not simply about competition
- Newer products are more cost efficient – no material net operating margin effect
- Clients move into higher balance / lower fee tiers in a growing market
- Flat administration fees in MySuper will nullify future margin impact

Segment performance – Investment Management



	2013/14	2012/13	CHANGE
Gross Margin (\$'M)	81.5	76.7	6%
Gross Margin %	0.26%	0.26%	-
UNPAT (\$'M)	37.4	33.7	11%
Net Operating Margin %	0.17%	0.17%	-
Reported NPBT (\$'M)	48.6	39.2	24%
AVG FUM (\$'B)	31.0	29.1	7%

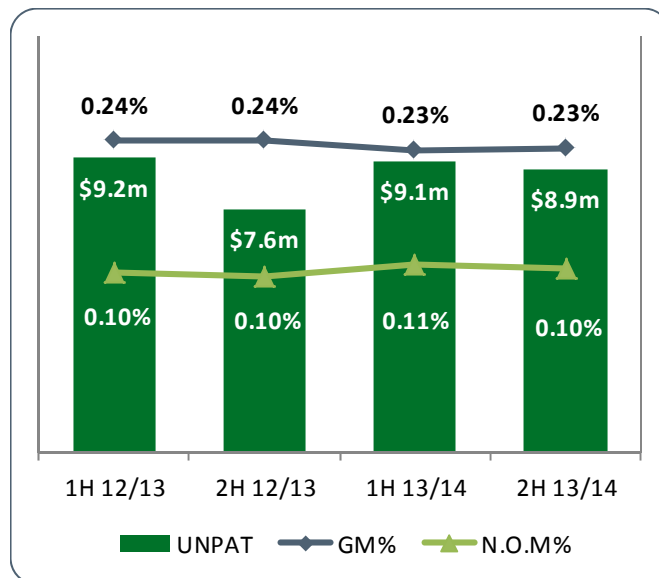
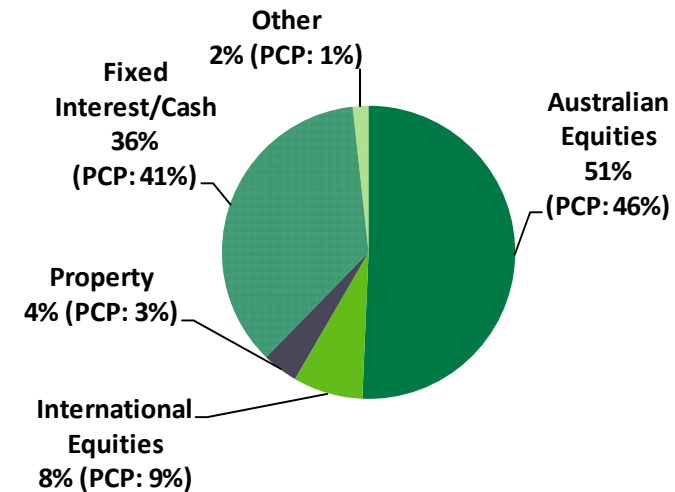


- Profitability and investment performance improvement
- Multimanager business performing strongly
- Perennial efficiency enhancements and restructuring implemented

Segment performance – Financial Advice & Distribution



	2013/14	2012/13	CHANGE
Gross Margin (\$'M)	72.3	69.7	4%
Gross Margin %	0.23%	0.24%	(1bps)
UNPAT (\$'M)	18.0	16.8	7%
Net Operating Margin %	0.11%	0.10%	1bps
Reported NPBT (\$'M)	20.9	15.5	35%
AVG FUA (\$'B)	31.6	29.0	9%

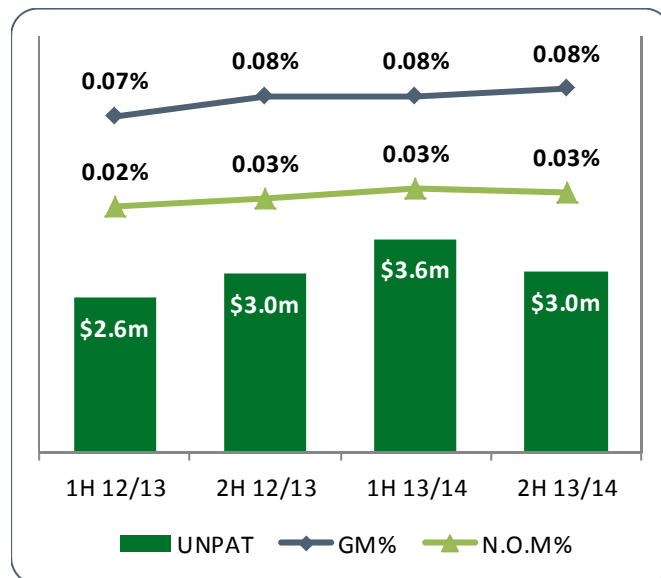


- Well defined client value proposition supports each aligned group
- Integrated shared service offering implemented

Segment performance – Trustee Services

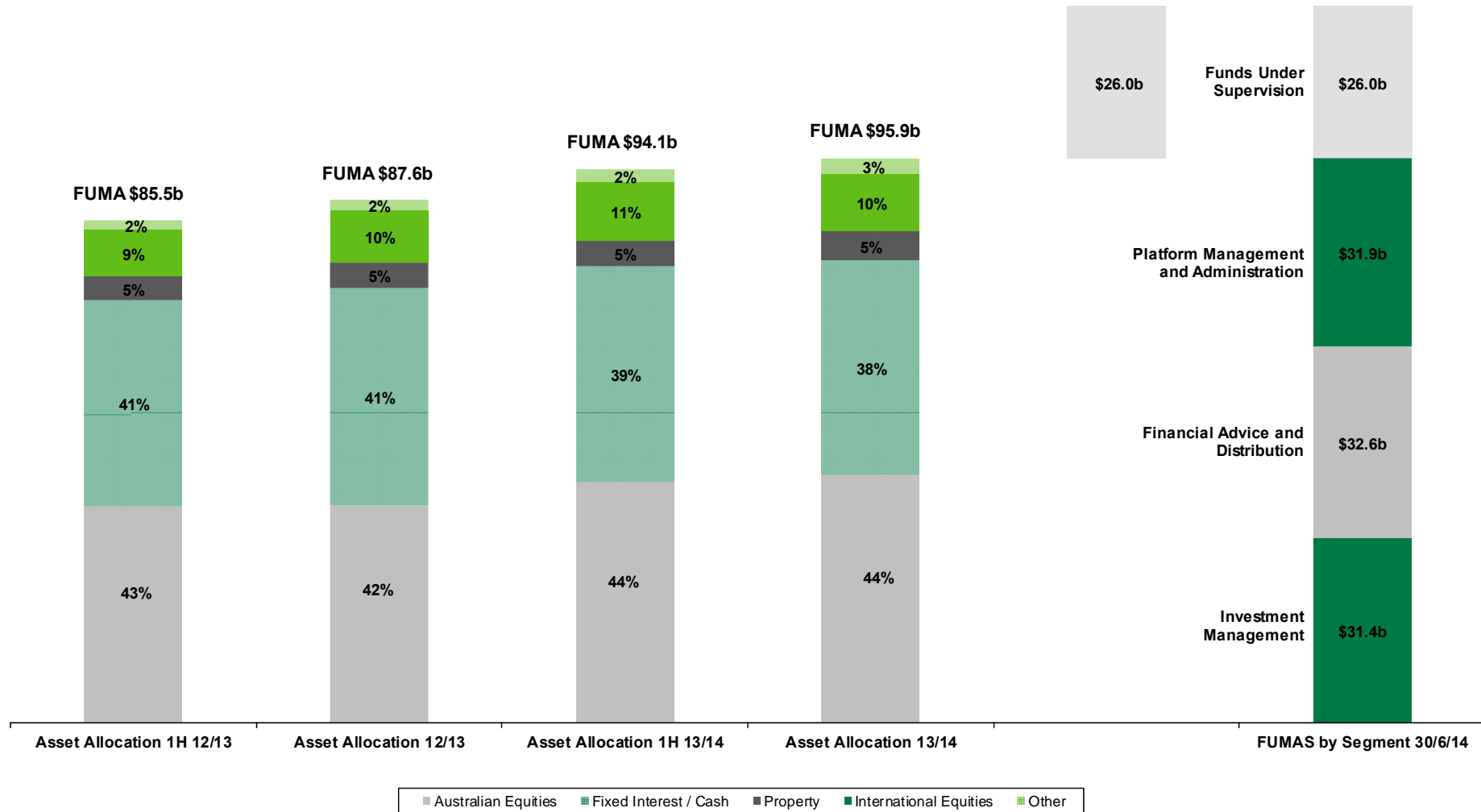


	2013/14	2012/13	CHANGE
Gross Margin (\$'M)	25.9	23.4	11%
Gross Margin %	0.09%	0.07%	2bps
UNPAT (\$'M)	6.6	5.6	19%
Net Operating Margin %	0.03%	0.03%	-
Reported NPBT (\$'M)	8.9	7.8	14%
AVG FUS (\$'B)	29.9	31.7	(6%)



- Profitability improvement with rebalance to higher margin funds
- Sector has strong growth prospects with limited competition
- Indigenous estates and philanthropy represent growth areas

Asset allocation on group basis



SFGA 30 June result



Result Highlights	FY14	Δ FY13 (%)
Net Operating Revenue ¹	\$157.9m	↑ 18
Operating EBITDA	\$57.1m	↑ 19
Underlying NPAT	\$38.7m	↑ 19
Reported NPAT	\$35.8m	↑ 48
Underlying EPS	5.27c	↑ 19
Reported EPS	4.87c	↑ 47
FUA	\$13.8b	↑ 9
FUAdmin	\$10.0b	↑ 5
Managed Portfolios (MP)	\$1.1b	↑ 68
FUM	\$6.1b	↑ 21
FUAdmin + MP	\$11.1b	↑ 9

DRAFT & UNAUDITED

- Strong 18% increase in FUMA based revenue driven by markets
- Combined Advice and Platform margins maintained
- Product margins improved
- Full year impact of all FY13 acquisitions as well as McLean's business acquired in FY14
- One-off items
 - write-back of deferred consideration Lachlan Partners and Symetry; and
 - deal costs relating predominantly to IOOF
- Net operating expenses increased by 17% driven largely by the full year impact of prior period acquisitions and revenue driven adviser remuneration
- Continued growth in Managed Portfolios, reaching \$1.1bn

¹ Net Operating Revenue includes share of associates' profit, and differs from statutory reporting because the Group reviews its operating revenue net of portfolio administration charges incurred in the administration of the Group's platforms, investment management fees and fund expense recoveries in relation to the Mosaic managed investment schemes, and trade execution expenses directly attributed to stockbroking revenue

IOOF/SFGA pro forma



Pro-forma Profit & Loss	IFL	SFGA	Pro-forma Adj	2013/14
	\$'m	\$'m	\$'m	\$'m
Total Revenue	426.5	157.5	-	584.0
Operating Expenditure	(252.6)	(100.7)	-	(353.4)
Equity Accounted Profits	7.5	0.3	-	7.8
Net Non Cash (Ex. acquisition related Amortisation)	(10.7)	(1.2)	-	(11.9)
Underlying EBITA	170.5	56.0	-	226.5
Net Interest	(0.0)	(0.3)	-	(0.3)
Income Tax & NCI	(47.5)	(16.9)	-	(64.4)
Underlying NPAT (pre-amortisation)	123.0	38.7	-	161.8

Pro-forma Balance Sheet	IFL	SFGA	Pro-forma Adj	2013/14
	\$'m	\$'m	\$'m	\$'m
Cash	109.5	44.1	(11.9)	141.7
Receivables	80.4	22.6	-	103.0
Intangible Assets	866.7	183.1	485.1	1,535.0
Other Assets	962.4	15.0	-	977.3
TOTAL ASSETS	2,019.0	264.9	473.2	2,757.0
Payables	60.1	25.2	-	85.3
Borrowings	111.1	21.3	76.7	209.0
Other liabilities	1,034.5	39.0	-	1,073.5
TOTAL LIABILITIES	1,205.6	85.6	76.7	1,367.9
NET ASSETS	813.3	179.3	396.5	1,389.1
Share Capital	860.0		575.8	1,435.8
Other Equity	(46.6)		-	(46.6)
TOTAL EQUITY	813.3		575.8	1,389.1

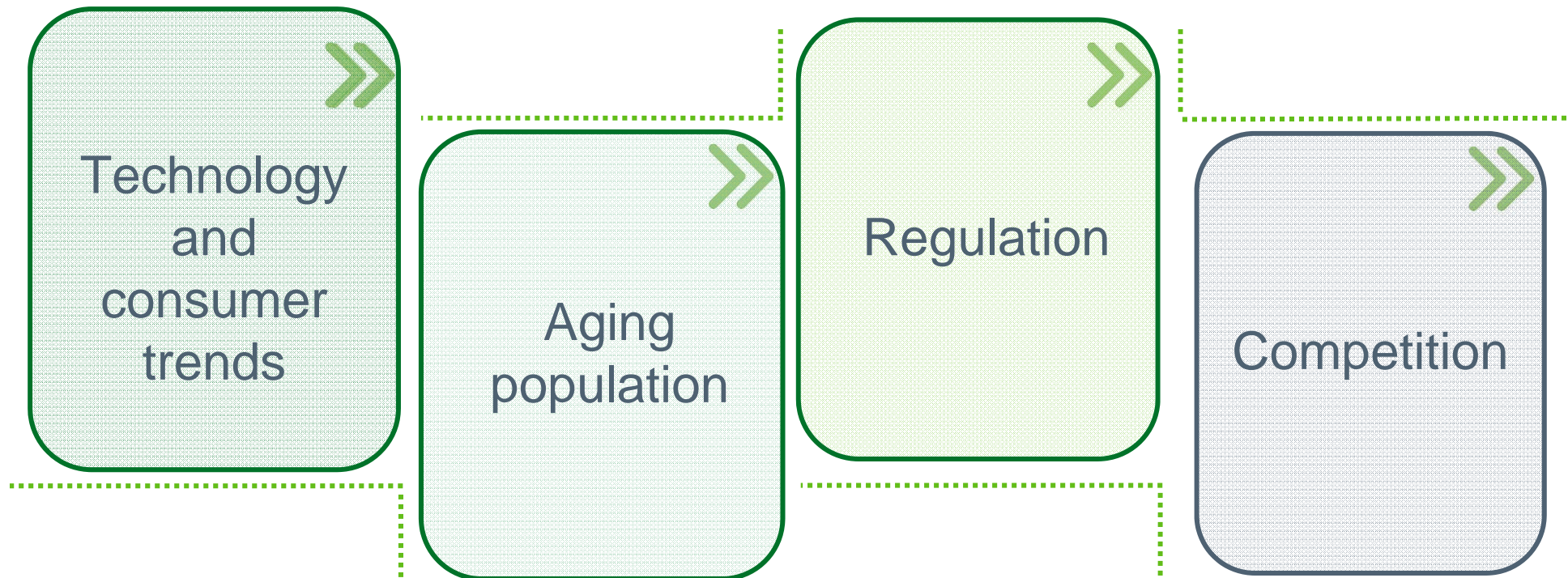
- Total purchase price \$663.9m (incl ~ \$5.7m transaction costs)
- \$76.7m cash consideration and 68.0m new shares issued
- Pro-forma net debt of ~ \$67m as at 30 June (adjusted for acquisition impact)
- Conservative debt to equity ratio of 13%

SFGA results are draft and unaudited. Classification of SFGA results is subject to change on integration. Pro-forma results are indicative only, no adjustment has been made for expected synergies or financing costs.

Strategy and outlook

Christopher Kelahe
Managing Director

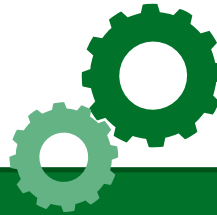
Factors driving industry change



On the horizon for the industry



Improving online
engagement



More client-level
functionality



Planning software
integration



Solutions for an
aging population



Enhanced model
portfolio
functionality



Expansion of direct
equities

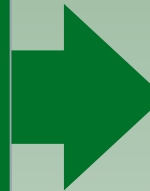
Strategy execution



Areas for growth

Organic growth

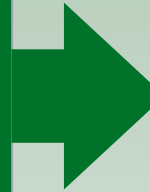
- Investment in IOOF brand
- Focus on client service as a differentiator
- Partnering with quality advisers



- Record organic funds flow growth
- Improving adviser sentiment
- Total Platform net flows increased significantly to \$1b

Productivity

- Disciplined cost control
- Efficiencies through scale, synergies and continuing technology developments & enhancements



- Stable net operating margin and increasing FUMA drives increased profitability
- Regulatory requirements met

Accretive acquisition

- Look for growth and valued based acquisitions across the value chain
- Consistent delivery of timely value accretion



- SFGA acquisition is transformative, increases FUA and aligned adviser numbers
- Strong balance sheet provides security and opportunity

Total shareholder return



TSR = 161% April 2009 - June 2014 (20% annualised)



SFGA integration update



What has happened

2014 results establish a solid platform for growth

Employee and stakeholder communications

Advisory forum* up and running



On the agenda

Merit based review of staffing requirements

Review of material contracts

Unify and re-price major suppliers

Consolidate property footprint

* Ref IOOF ASX Announcement 16 May 2014

Outlook



- Further increase in scale creates opportunities and accelerates investment in future growth
- Efficiency remains a key part of our strategy due to the expectation of a stable regulatory environment for next two years
- Strong balance sheet available for further acquisitions
- Enhanced consumer and adviser confidence points to increasing fund inflows
- Higher FUMA starting base provides a solid platform for continued growth in performance

Appendices

Appendix A: Stockbroking Service Fees reclassification



IOOF Group							Financial Advice & Distribution					
\$'M	1H 12/13 pre-adj	Adj	1H 12/13 restated	2H 12/13 pre-adj	Adj	2H 12/13 restated	1H 12/13 pre-adj	Adj	1H 12/13 restated	2H 12/13 pre-adj	Adj	2H 12/13 restated
Revenue	295.0	-	295.0	315.5	-	315.5	83.9	-	83.9	92.8	-	92.8
Direct Costs	(140.6)	18.7	(121.9)	(147.8)	19.5	(128.2)	(69.4)	18.7	(50.7)	(75.9)	19.5	(56.3)
Gross Margin (GM)	154.4	18.7	173.1	167.8	19.5	187.3	14.5	18.7	33.2	16.9	19.5	36.5
GM %	0.39%	0.04%	0.43%	0.38%	0.05%	0.43%	0.10%	0.14%	0.24%	0.11%	0.13%	0.24%
Other Revenue	35.3	(18.7)	16.5	35.1	(19.5)	15.6	33.6	(18.7)	14.9	33.8	(19.5)	14.2
Share of Equity profit/loss	4.1	-	4.1	3.6	-	3.6	0.6	-	0.6	0.4	-	0.4
Operating Expenditure	(119.8)	-	(119.8)	(122.4)	-	(122.4)	(34.7)	-	(34.7)	(36.6)	-	(36.6)
Net Non Cash (Ex. acquisition related Amortisation)	(4.1)	-	(4.1)	(6.0)	-	(6.0)	(1.5)	-	(1.5)	(2.9)	-	(2.9)
Net Interest	0.8	-	0.8	0.0	-	0.0	0.7	-	0.7	0.5	-	0.5
Income Tax Expense/N.C.I	(19.6)	-	(19.6)	(20.3)	-	(20.3)	(3.5)	(0.6)	(4.1)	(4.6)	-	(4.6)
UNPAT pre-amortisation	50.9	-	50.9	57.9	-	57.9	9.8	(0.6)	9.2	7.5	-	7.5
Significant Items/Amortisation	(17.7)	-	(17.7)	(11.3)	-	(11.3)	(5.1)	-	(5.1)	(2.7)	-	(2.7)
Reported NPAT	33.2	-	33.2	46.6	-	46.6	4.7	(0.6)	4.1	4.8	-	4.8

- Due to further reclassifications of expenses the isolation of stockbroking service fees expense shown above is not consistent with that published for the year ended 30 June 2013 (\$24.2m). The comparable stockbroking service fees expense for the year ended 30 June 2013 is \$38.3m.

Appendix B: Platform Management and Administration



\$'M	2013/14	2012/13	Change on pcg (%)
Revenue	388.8	355.2	9%
Direct Costs	(179.6)	(165.1)	-9%
Gross Margin (GM)	209.2	190.1	10%
GM %	0.68%	0.71%	
Other Revenue	0.0	0.0	-
Share of Equity profit/loss	0.0	(0.0)	-
Operating Expenditure	(89.6)	(84.8)	-6%
Net Non Cash (Ex. acquisition related Amortisation)	(3.5)	(2.7)	-29%
Net Interest	-	-	-
Income Tax Expense/N.C.I	(35.6)	(31.2)	-14%
UNPAT pre-amortisation	80.5	71.4	13%
Significant Items	(0.7)	(0.6)	
Amortisation	(12.6)	(13.1)	
Income Tax Expense/N.C.I	35.6	31.2	
Reported NPBT	102.8	88.9	
Average FUA (\$'b)	30.6	26.7	
Net Operating Margin %	0.39%	0.39%	

Appendix C: Investment Management



\$'M	2013/14	2012/13	Change on pcg (%)
Revenue	133.4	129.3	3%
Direct Costs	(51.9)	(52.6)	1%
Gross Margin (GM)	81.5	76.7	6%
GM %	0.26%	0.26%	
Other Revenue	1.7	2.1	-16%
Share of Equity profit/loss	6.1	6.7	-8%
Operating Expenditure	(36.0)	(37.3)	3%
Net Non Cash (Ex. acquisition related Amortisation)	(1.0)	(1.6)	33%
Net Interest	0.2	0.4	-37%
Income Tax Expense/N.C.I	(15.1)	(13.4)	-12%
UNPAT pre-amortisation	37.4	33.7	11%
Significant Items	(1.8)	(5.7)	
Amortisation	(2.1)	(2.1)	
Income Tax Expense/N.C.I	15.1	13.4	
Reported NPBT	48.6	39.2	
Average FUM (\$'b)	31.0	29.1	
Net Operating Margin %	0.17%	0.17%	

Appendix D: Financial Advice and Distribution



\$'M	2013/14	2012/13	Change on pcp (%)
Revenue	176.5	176.7	0%
Direct Costs *	(104.2)	(107.0)	3%
Gross Margin (GM) *	72.3	69.7	4%
GM % *	0.23%	0.24%	
Other Revenue *	34.4	29.2	18%
Share of Equity profit/loss	1.3	1.0	27%
Operating Expenditure	(74.6)	(71.3)	-5%
Net Non Cash (Ex. acquisition related Amortisation)	(5.1)	(4.3)	-18%
Net Interest	1.0	1.2	-13%
Income Tax Expense/N.C.I	(11.4)	(8.6)	-32%
UNPAT pre-amortisation	18.0	16.8	7%
Significant Items	(0.6)	(2.0)	
Amortisation	(7.8)	(7.9)	
Income Tax Expense/N.C.I	11.4	8.6	
Reported NPBT	20.9	15.5	
Average FUA (\$'b)	31.6	29.0	
Net Operating Margin	0.11%	0.10%	

*Gross margin has been restated due to separately identifying Stockbroking Service Fees , see Appendix A for more details.

Appendix E: Trustee Services



\$'M	2013/14	2012/13	Change on pcip
Revenue	26.0	23.4	11%
Direct Costs	(0.1)	(0.0)	-46%
Gross Margin (GM)	25.9	23.4	11%
GM %	0.09%	0.07%	
Other Revenue	0.0	-	-
Share of Equity profit/loss	-	-	-
Operating Expenditure	(16.3)	(15.2)	-7%
Net Non Cash (Ex. acquisition related Amortisation)	(0.2)	(0.1)	-72%
Net Interest	-	-	-
Income Tax Expense/N.C.I	(2.9)	(2.5)	-13%
UNPAT pre-amortisation	6.6	5.6	19%
Significant Items	(0.6)	(0.3)	
Amortisation	(0.0)	-	
Income Tax Expense/N.C.I	2.9	2.5	
Reported NPBT	8.9	7.8	
Average FUS (\$'b)	29.9	31.7	
Net Operating Margin %	0.03%	0.03%	

Appendix F: Corporate and other



\$'M	2013/14	2012/13	Change on pcp
Revenue	0.7	0.5	32%
Direct Costs	0.0	(0.0)	0%
Gross Margin (GM)	0.7	0.5	-
Other Revenue	1.2	0.6	91%
Share of Equity profit/loss	-	-	-
Operating Expenditure	(36.7)	(33.7)	-9%
Net Non Cash (Ex. acquisition related Amortisation)	(0.9)	(1.4)	34%
Net Interest	(1.2)	(0.5)	LARGE
Income Tax Expense/N.C.I	17.4	15.6	11%
UNPAT pre-amortisation	(19.5)	(18.8)	4%
Significant Items	(1.9)	(6.3)	
Amortisation	(1.7)	(0.4)	
Income Tax Expense/N.C.I	(17.4)	(15.6)	
Reported NPBT	(40.6)	(41.2)	

Appendix G: Segment UNPAT reconciliation to statutory note 2-1



\$'M	Platform Management and Administration	Investment Management	Financial Advice and Distribution	Trustee Services	Corporate and other
Revenue	388.8	133.4	176.5	26.0	0.7
Direct Costs	(179.6)	(51.9)	(104.2)	(0.1)	0.0
Gross Margin (GM)	209.2	81.5	72.3	25.9	0.7
Other Revenue	-	1.7	34.4	0.0	1.2
Share of equity profit/loss	0.0	6.1	1.3	-	-
Operating Expenditure	(89.6)	(36.0)	(74.6)	(16.3)	(36.7)
Net Non Cash (Ex. acquisition related Amortisation)	(3.5)	(1.0)	(5.1)	(0.2)	(0.9)
Net Interest	-	0.2	1.0	-	(1.2)
Income Tax Expense/N.C.I	(35.6)	(15.1)	(11.4)	(2.9)	17.4
UNPAT pre-amortisation	80.5	37.4	18.0	6.6	(19.5)
<i>Significant Items</i>					
Acquisition transaction costs	-	-	-	(0.6)	(1.2)
Termination payments	(0.7)	(1.8)	(0.6)	-	(1.7)
Equity Trustees Ltd acquisition and divestment	-	-	-	-	1.0
Amortisation of intangible assets	(12.6)	(2.1)	(7.8)	(0.0)	(1.7)
Revaluation of shareholder liabilities	-	-	-	-	-
Net statutory contribution	-	-	-	-	-
<i>Reverse out:</i>					
Income Tax Expense/Non Controlling Interests	35.6	15.1	11.4	2.9	(17.4)
Reported segment profit before income tax	102.8	48.6	20.9	8.9	(40.6)

APPENDIX H
RECONCILIATION OF SEGMENTS TO STATUTORY FINANCIALS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Statutory Note Ref.	Platform \$'m	Investment Management \$'m	Financial Advice & Distribution \$'m	Trustee Services \$'m	Corporate and other \$'m	2013/14 \$'m	2012/13 \$'m
Gross Margin								
Management and Service fees revenue	2-2	379.4	131.5	163.6	22.6	-	628.1	582.9
Other Fee Revenue	2-2	9.4	1.9	12.9	3.4	0.7	27.6	27.6
Service and Marketing fees expense	2-3	(172.0)	(45.0)	(102.9)	(0.0)	0.0	(251.1)	(231.9)
Other Direct Costs	2-3	(4.9)	(6.9)	(0.7)	(0.0)	0.0	(12.5)	(12.4)
Amortisation of deferred acquisition costs	2-3	(2.7)	-	(0.6)	-	-	(2.6)	(5.8)
Total Gross Margin		209.2	81.5	72.3	25.9	0.7	389.6	360.4
Other Revenue								
Stockbroking revenue	2-2	-	-	74.7	-	-	74.3	64.4
Stockbroking service fees expense	2-3	-	-	(42.9)	-	-	(42.9)	(38.3)
Dividends and distributions received	2-2	-	0.0	-	-	1.1	1.1	0.6
Net fair value gains/(losses) on other financial assets at fair value through profit or loss	2-2	-	(0.3)	-	-	0.0	(0.3)	0.2
Profit on sale of financial assets	2-2	-	-	0.9	-	0.8	1.7	0.3
Other revenue	2-2	0.0	2.0	1.8	0.0	0.6	4.2	4.8
Other Revenue adjustments	Below	-	-	-	-	(1.3)	(1.3)	-
Total Other Revenue		0.0	1.7	34.4	0.0	1.2	36.8	32.1
Equity Accounted Profits								
Share of profits of associates and jointly controlled entities accounted for using the equity method	SOCI*	0.0	6.1	1.3	-	-	7.5	7.7
Total Equity Accounted Profits		0.0	6.1	1.3	-	-	7.5	7.7
Operating Expenditure								
Salaries and related employee expenses	2-3	(13.4)	(17.7)	(38.1)	(10.2)	(72.7)	(152.2)	(144.7)
Employee defined contribution plan expense	2-3	(1.0)	(1.1)	(2.6)	(0.8)	(5.3)	(10.7)	(9.8)
Information technology costs	2-3	(0.4)	(1.6)	(12.4)	(0.3)	(24.4)	(39.0)	(35.9)
Professional fees	2-3	(0.2)	(0.6)	(1.8)	(0.1)	(2.7)	(5.3)	(5.3)
Marketing	2-3	(1.2)	(0.9)	(3.5)	(0.1)	(3.5)	(9.1)	(9.8)
Office support and administration	2-3	(0.2)	(0.4)	(5.1)	(0.4)	(8.7)	(14.8)	(15.1)
Occupancy related expenses	2-3	-	(1.2)	(6.1)	(0.1)	(8.8)	(16.2)	(15.6)
Travel and entertainment	2-3	(0.8)	(1.0)	(1.3)	(0.3)	(1.7)	(5.2)	(5.6)
Corporate recharge	N/A	(72.4)	(11.3)	(3.6)	(3.9)	91.2	-	-
Other	2-3	-	(0.1)	(0.1)	-	0.0	(0.1)	(0.1)
Total Operating Expenditure		(89.6)	(36.0)	(74.5)	(16.3)	(36.7)	(252.6)	(241.7)
Loss on disposal of non-current assets	2-3	-	-	(0.1)	-	-	(0.1)	(0.5)
Total Operating Expenditure		(89.6)	(36.0)	(74.6)	(16.3)	(36.7)	(252.6)	(242.2)
Net non cash (Ex. Amortisation from acquisitions)								
Share based payments expense	2-3	(0.9)	(0.4)	(3.1)	(0.0)	(0.9)	(5.5)	(5.7)
Depreciation of property, plant and equipment	2-3	(1.3)	(0.6)	(2.0)	(0.1)	-	(4.1)	(4.5)
Amortisation of intangible assets - IT development	2-3	(1.2)	-	-	-	-	(1.2)	-
Total Net non cash (Ex. Amortisation from acquisitions)		(3.5)	(1.0)	(5.1)	(0.2)	(0.9)	(10.7)	(10.1)
Net Interest								
Interest income on loans to directors of controlled and associated entities	2-2	-	0.4	0.1	-	0.3	0.4	0.4
Interest income from non-related entities	2-2	-	0.2	1.0	-	1.9	3.0	4.4
Finance Costs	SOCI*	-	(0.3)	(0.1)	-	(3.5)	(3.5)	(4.0)
Total Net Interest		-	0.2	1.0	-	(1.2)	(0.0)	0.8
Income Tax & NCI								
Non-controlling Interest	SOCI*	-	-	(2.1)	-	0.0	(2.1)	(0.7)
Income tax expense	SOCI*	(35.4)	(13.7)	(7.8)	(2.7)	22.5	(37.2)	(29.8)
Income tax expense/NCI adjustments	Below	(0.2)	(1.3)	(1.4)	(0.2)	(5.0)	(8.2)	(9.5)
Total Income Tax & NCI		(35.6)	(15.1)	(11.4)	(2.9)	17.4	(47.5)	(40.0)
Underlying NPAT (pre-amortisation of intangible assets)		80.5	37.4	18.0	6.6	(19.5)	123.0	108.8
Significant Items								
Impairment	2-3	-	-	-	-	-	-	(4.6)
Acquisition transition costs	2-3	-	-	-	(0.6)	(1.2)	(1.8)	(0.8)
Termination and retention incentive payments	2-3	(0.7)	(1.8)	(0.6)	-	(1.7)	(4.9)	(6.5)
Recognition of Plan B onerous lease contracts	2-3	-	-	-	-	-	-	(3.0)
Equity Trustees Ltd acquisition and divestment (inc dividends)	N/A	-	-	-	-	1.0	1.0	-
Income tax expense/NCI adjustments								
Unwind of deferred taxes on intangible assets	N/A	-	-	1.2	-	4.3	5.5	5.4
Reinstatement of Perennial non-controlling interests	N/A	-	1.0	-	-	-	1.0	1.0
Income tax attributable	N/A	0.2	0.3	0.2	0.2	0.7	1.6	3.1
Total Significant Items - Net of Tax		(0.5)	(0.5)	0.8	(0.4)	3.1	2.5	(5.4)
Amortisation of intangible assets	2-3	(12.6)	(2.1)	(7.8)	(0.0)	(1.7)	(24.3)	(23.6)
Reported Profit/(Loss) per financial statements		67.4	34.8	11.0	6.2	(18.1)	101.3	79.8

* SOCI = Statement of Comprehensive Income

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

Appendix I: Explanation of items removed from UNPAT



In calculating its Underlying Net Profit After Tax (UNPAT) pre-amortisation, 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 such 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. The amortisation of software development costs is not reversed in this manner however.

Impairment: Non-cash entry which reflects a point in time valuation of assets which is unable to be reversed to profit in future periods should the original value prove to be restored. The entry is not related to the conventional recurring operations of the IOOF Group.

Acquisition transition costs: One off payments to external advisers in pursuit of acquisitions such as SFGA, and Plan B in the prior comparative period, 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. The prior comparative period was largely due to the Plan B acquisition.

Recognition of Plan B onerous lease contracts: Non-cash entry in the prior comparative period to record the estimated present value of expected costs of meeting the obligations under contracts where the costs exceed the economic benefits expected to be received pursuant to the contracts.

Equity Trustees Ltd acquisition and divestment (inc dividends): During the year, the IOOF Group acquired a 12% stake in EQT funded by \$20m borrowings. The EQT stake was disposed of during the year for a small profit. The profit, dividends received and associated transaction and borrowing costs have been excluded from UNPAT as the transaction is not related to conventional recurring operations of the IOOF Group.

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 disposed 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: 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. IFRS 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 of the adjustment items outlined above.

Important note



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