



24 February 2016

IOOF 2016 Interim Financial Result

Strong financial performance, successful Shadforth integration, high dividend yield and targeted synergies realised

IOOF Holdings Limited (ASX: IFL, OTC: IOOFY) has reported an underlying net profit after tax of \$95.4m, up 18% on the prior corresponding period (pcp) with statutory net profit after tax of \$134.0m, up 118% on pcp.

Performance Highlights

- Underlying net profit after tax of \$95.4m, up 18% on pcp
- Underlying earnings per share of 31.8 cps (annualised 63.6 cps), up 11% on pcp
- Interim dividend increased to 28.5 cents per share, fully franked, up 14% on pcp
- Successful Shadforth integration delivered \$11.3m in pre-tax cost synergies (pcp: \$1.7m). When combined with previously realised revenue synergies, IOOF is on track to deliver in excess of \$30m in total synergies by the end of FY16
- Investment Management simplified by the divestment of Perennial businesses, lowering the exposure to volatile institutional funds flow
- Organic growth through advice with a diversified, robust operating model

Overview

IOOF Managing Director, Christopher Kelaher said, "This is another strong result with all of our businesses highly profitable and performing well.

"The integration of Shadforth has been a resounding success in terms of diversifying our revenue base combined with our consistent delivery on expense management.

"The most pleasing aspect of the Shadforth integration has been the way we've combined its unique, and valued, client-centric professionalism with IOOF's efficiency and discipline. It demonstrates that the best aspects of our businesses are quickly adopted elsewhere for the benefit of clients, advisers and shareholders alike.

"That this result has been achieved against a backdrop of continued significant deployment of resources to mandatory legislative initiatives, such as ATO Reporting, MySuper and Superstream, is testament to the dynamism and flexibility of our staff. They have performed incredibly well and I am confident that will continue to be a feature of our success".

Dividend

The Directors of IOOF have declared a fully franked 28.5 cents per share interim dividend to be paid on 7 April 2016. The record date will be 17 March 2016.

Outlook

Mr. Kelaher said, "The current volatility in domestic and international equities markets creates challenges for our industry and the economy more broadly, but the longer term industry fundamentals remain positive. In fact, our strong balance sheet, the pace of change, challenging conditions and subdued valuations for a range of industry participants actually create new opportunities for us to grow our business".

Systems and Governance

In June 2015, IOOF announced an independent review by PwC of our regulatory breach reporting policy and procedures and the control environment within our Research department. We have kept ASIC and APRA informed of the progress and outcomes of that review, with IOOF committing to implementing all the recommendations. PwC has completed testing of the design and implementation of the recommendations and our Board is pleased to report that all recommendations have been fully designed and implemented, save for a very small number which will soon be completed.

IOOF is fully committed to proactively achieving the highest standards of compliance throughout the whole of the organisation and we continue to work with all regulators to demonstrate that commitment.

-ENDS-

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About IOOF Holdings Limited

IOOF has been helping Australians secure their financial future since 1846. During that time, we have grown substantially to become one of the largest independent groups in the financial services industry.

IOOF provides advisers and their clients with the following services:

- **Financial Advice and Distribution** services via our extensive network of financial advisers and stockbrokers;
- **Platform Management and Administration** for advisers, their clients and hundreds of employers in Australia;
- **Investment Management** products that are designed to suit any investor's needs; and
- **Trustee Services** including Estate Planning and Corporate Trust services.

Further information about IOOF can be found at www.ioof.com.au

