



Interim results

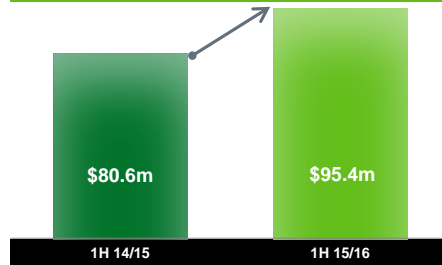
31 December 2015

Presented by
Christopher Kelahe, Managing Director
David Coulter, Chief Financial Officer

24 February 2016

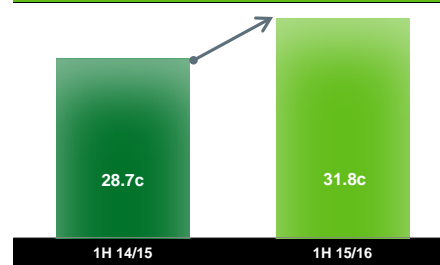
UNPAT

+ 18%



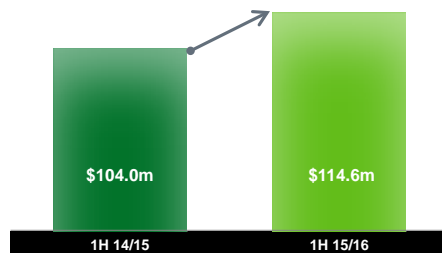
Underlying EPS

+ 11%



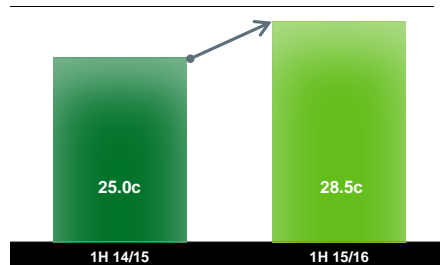
Operating Cashflow*

+ 10%

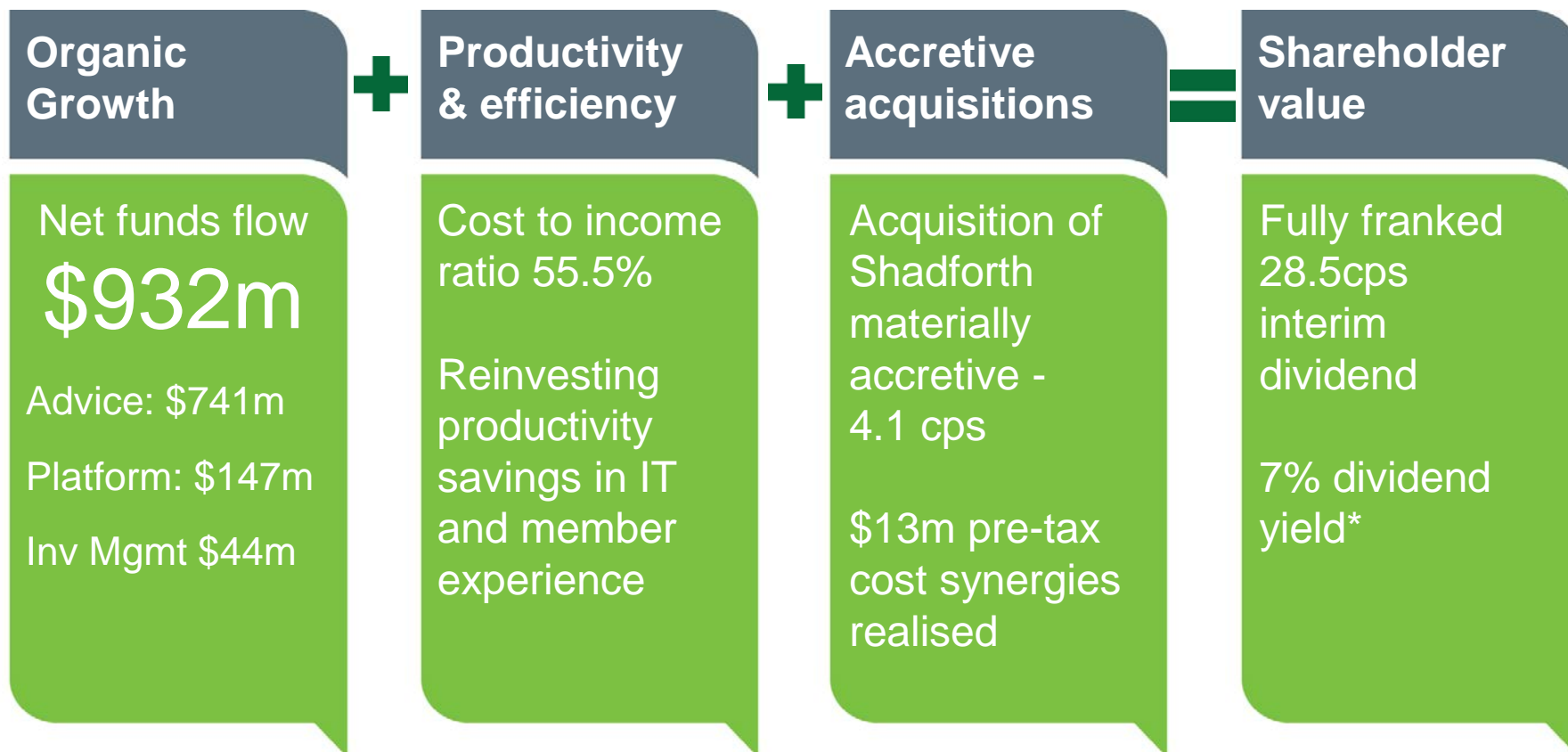


Dividend per share

+ 14%



- Record 1H UNPAT of \$95.4m
- Broadened earnings base has offset volatile market conditions
- Shadforth fully integrated
- Investment Management business reshaped
- Low net debt
- Well positioned to pursue future opportunities



Funds and flows performance



	1H 15/16	2H 14/15	1H 14/15
Opening FUMA	\$104,707m	\$100,353m	\$77,110m
Flagship Platform net flows	\$291m	\$856m	\$860m
Platform (Transition) net flows	(\$144m)	\$0m	(\$42m)
Total Platform net flows	\$147m	\$856m	\$818m
Investment Management net flows*	\$44m	\$371m	\$403m
Funds Under Advice net flows^	\$741m	\$1,270m	\$884m
Acquired FUMA	-	-	\$19,542m
Investment returns / Other	(\$2,200m)	\$1,858m	\$1,596m
Closing FUMA	\$103,439m	\$104,707m	\$100,353m
Average FUMA	\$104,887m	\$104,786m	\$95,586m

- Twelfth consecutive quarter positive net flows
- Financial Advice now has similar scale to Platform business
- Flows to flagship platforms impacted by outflows from large, low margin corporate super account
- Platform consolidation on track

*Shadforth Investment Management 1H 15/16 net flows \$166m

^Shadforth Advice 1H 15/16 net flows \$241m



Shadforth is a leading client focused advice and wealth management firm

Exceeded targeted annual \$15m pre-tax recurring cost synergies

Financial

4.1cps accretive in 1H 15/16
UNPAT up 57% on PCP
\$13m pre-tax cost synergies realised in the half

Operating

Strong net advice flow of \$241m
New CEO and stable management team

Strategic

Enhanced scale
Diversified earnings base
Best Advice adopted across group

Financial advice and distribution

UNPAT **\$40.6m** ↑ 52%

Benefiting from completed integration and full realisation of synergies
Resilient and sustainable business model in the face of market volatility

Platform management and administration

UNPAT **\$42.7m** ↓ 1%

Gross margin stable, net operating margin up on 2H15
Reinvesting in the customer experience, including enhanced IT

Investment management

UNPAT **\$16.4m** ↓ 3%

Focusing on a strong multi-manager offering, including Shadforth
Reduced exposure to volatile institutional funds flow

Trustee services

UNPAT **\$3.4m** ↑ 8%

Investment in organic strategy paying dividends
Strong long term sector growth prospects













Financials

David Coulter
Chief Financial Officer

Financial overview



	1H 15/16	1H 14/15^	Change on pcg
Statutory NPAT	\$134.0m	\$61.5m	 118%
Statutory Basic EPS (cents)	44.7cps	21.9cps	 104%
Underlying EBITA	\$132.9m	\$113.2m	 17%
Underlying NPAT	\$95.4m	\$80.6m	 18%
Underlying EPS (cents)	31.8cps	28.7cps	 11%
FUMA*	\$103.4b	\$100.4b	 3%
Gross Margin %*	0.52%	0.54%	 -2bps
Net Operating Margin %*	0.25%	0.23%	 2bps
Cost to Income %*	55.5%	59.5%	 -4.0%
Dividend per share (cents)	28.5cps	25.0cps	 14%

^Shadforth July 2014 Underlying EBITA **\$4.9m**, Underlying NPAT **\$3.2m** (Shadforth acquired 1 August 2014).

*FUMA and margin calculations exclude Perennial FUM and associated revenue & expenditure (see ASX announcement on 27/01/2016).

P&L Breakdown



	1H 15/16^	1H 14/15*	Change on pcp	
	\$'m	\$'m	\$'m	%
Gross Margin	275.1	257.4	17.7	7%
Other Revenue	22.1	21.4	0.7	3%
Operating Expenditure	(165.2)	(166.5)	1.2	1%
Equity Accounted Profits	2.8	3.3	(0.5)	-15%
Net Non Cash	(6.1)	(5.5)	(0.6)	-11%
Underlying EBITA	128.7	110.2	18.6	17%
Net Interest	(1.3)	(2.2)	0.9	40%
Income Tax & NCI	(34.1)	(28.4)	(5.7)	-20%
UNPAT excl. Divested Perennial Business	93.3	79.5	13.7	17%
Divested Perennial Business	2.1	1.0	1.1	104%
Underlying NPAT	95.4	80.6	14.8	18%
Significant Items/Amortisation	38.6	(19.1)	57.7	302%
Statutory NPAT	134.0	61.5	72.5	118%

- Gross margin growth of \$17.7m driven by an additional month of Shadforth revenue in the current period plus accretive growth in the existing business.
- Prudent and disciplined cost management remains a key feature

^Exclusive of divested Perennial business

*Shadforth July 2014 Underlying EBITA **\$4.9m**, Underlying NPAT **\$3.2m** (Shadforth acquired 1 August 2014).

Detailed list and explanation of reconciling items provided in Appendix B and Appendix O

Debt position and ratios



	1H 15/16	1H 14/15
Gross Borrowings (\$'M)	207.4	208.3
Net Debt (\$'M)	29.0	73.9
Return on Equity (%)	13.6%	12.8%
Debt to Equity (%)	12.8%	13.3%
Net Debt to Underlying EBITDA (times)	0.1	0.3
Net Interest Cover (times)	97	38

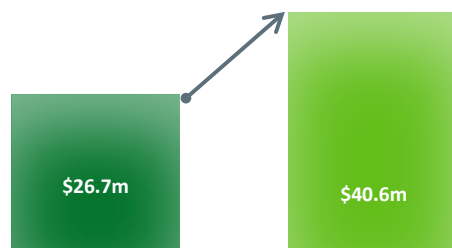
- Borrowings primarily used to fund acquisitions (DKN, Plan B and Shadforth)
- Surplus borrowing facility and substantial headroom in covenants
- Strength provides security and ability to capitalise on opportunities
- RoE improving with growth and synergy realisation

Segment performance



Financial Advice

+ 52%

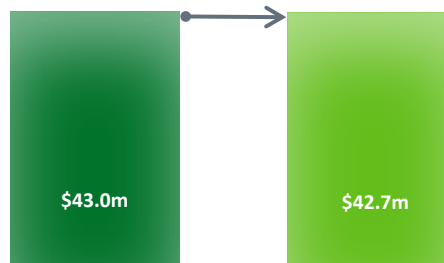


Avg. FUA \$50.5b + 13%

Net Operating Margin 0.24% + 6bps

Platform

- 1%

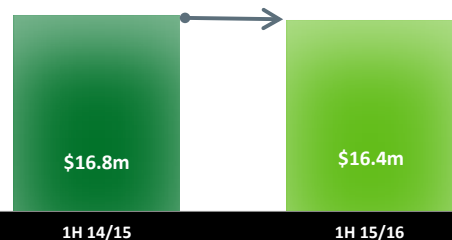


Avg. FUA \$34.6b + 6%

Net Operating Margin 0.37% - 2bps

Inv. Management*

- 3%

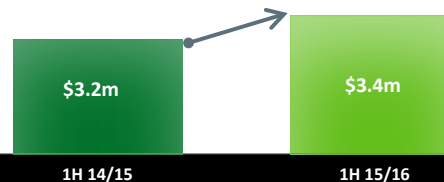


Avg. FUM \$19.8b + 10%

Net Operating Margin 0.21% - 2bps

Trustee

+ 8%



Avg. FUS \$29.3b + 14%

Net Operating Margin 0.03% - 1bps

- Enhanced performance in advice attributable to synergies extracted from the Shadforth acquisition combined with strong net inflows
- Timely acquisitions have broadened and diversified our earnings, building resilience for periods of market volatility
- Reinvesting in core businesses

Growing and diversifying earnings

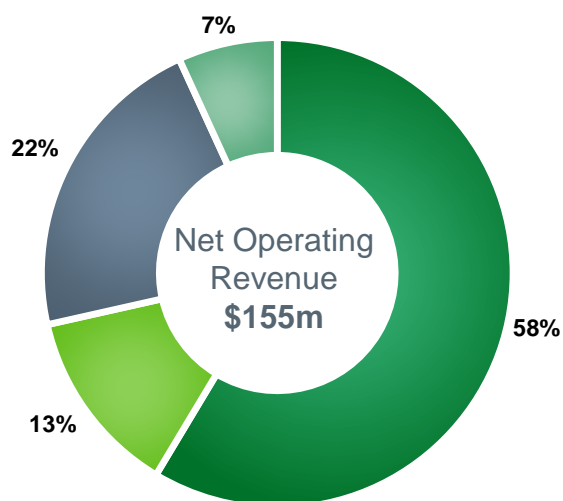


Key benefits of this shift

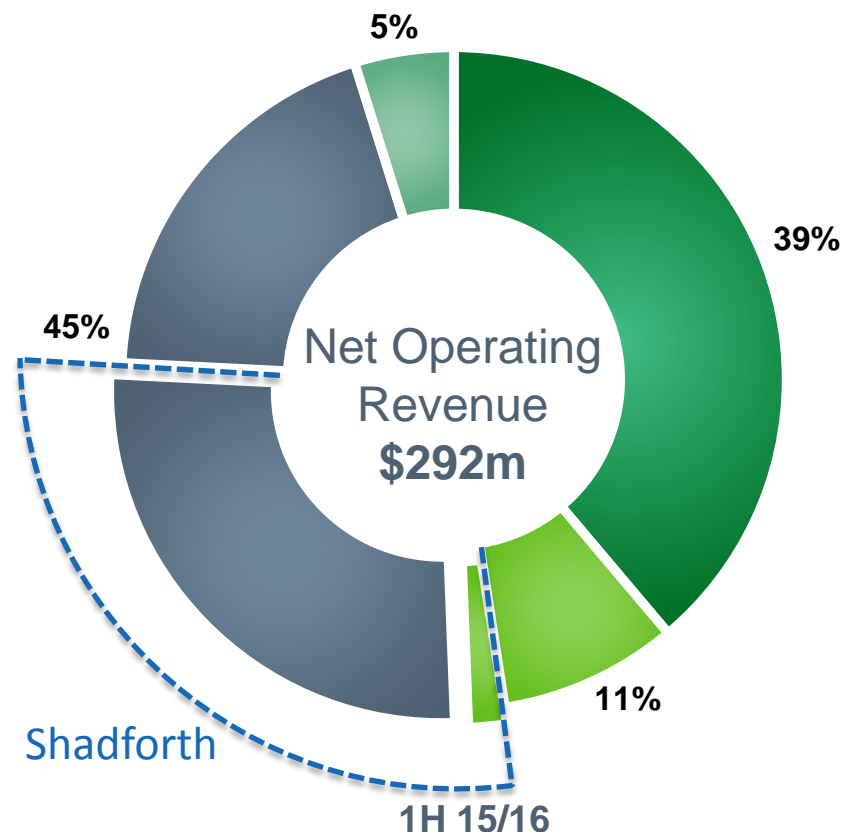
Higher quality earnings
Improved operating model
Strengthened balance sheet



Strengthened
recurring
revenue base

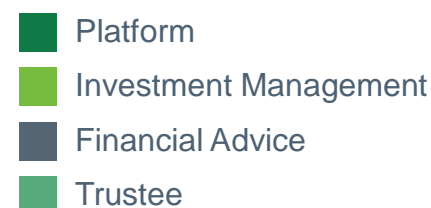


1H 09/10



Shadforth

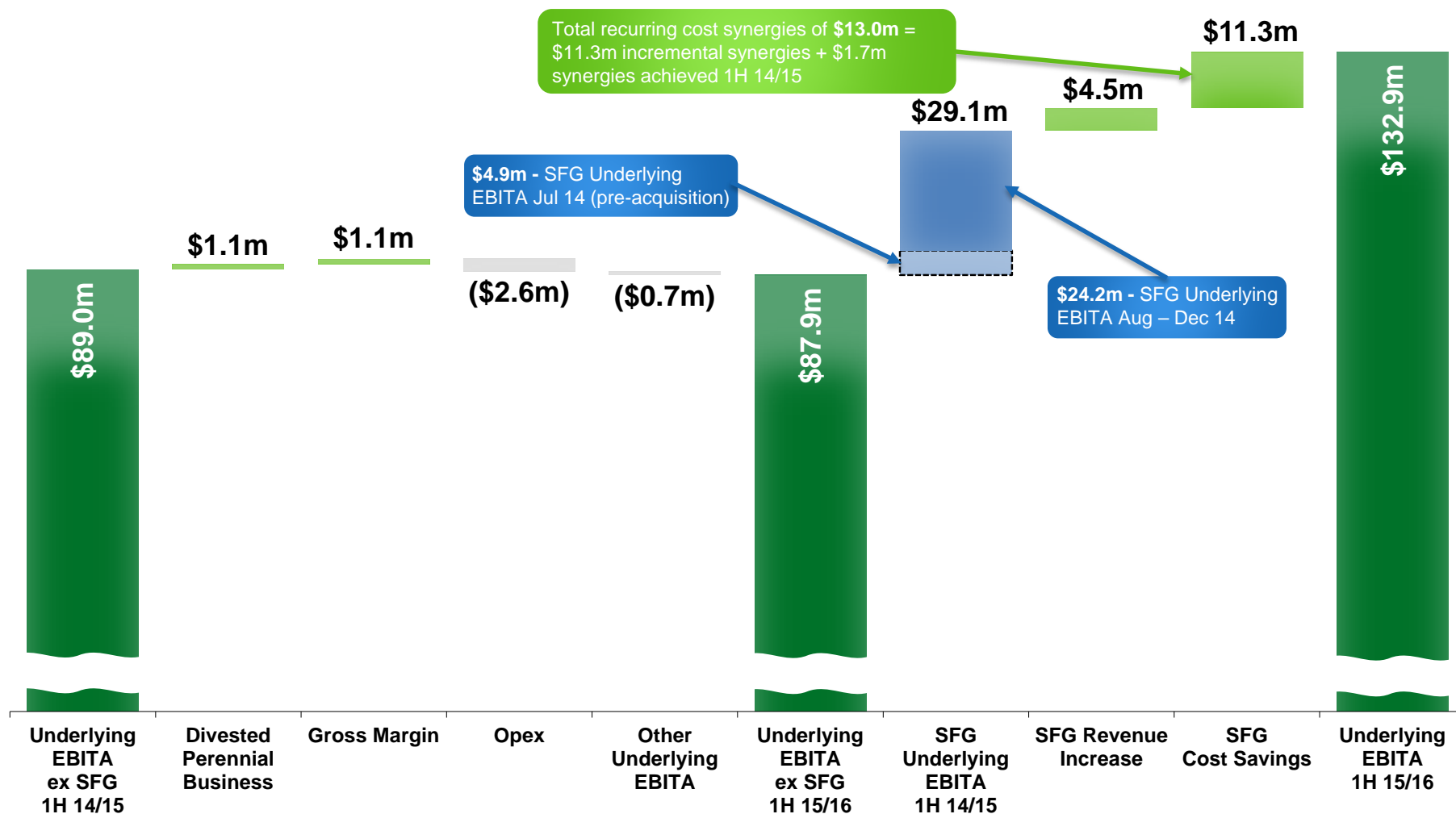
1H 15/16



M&A complements organic growth



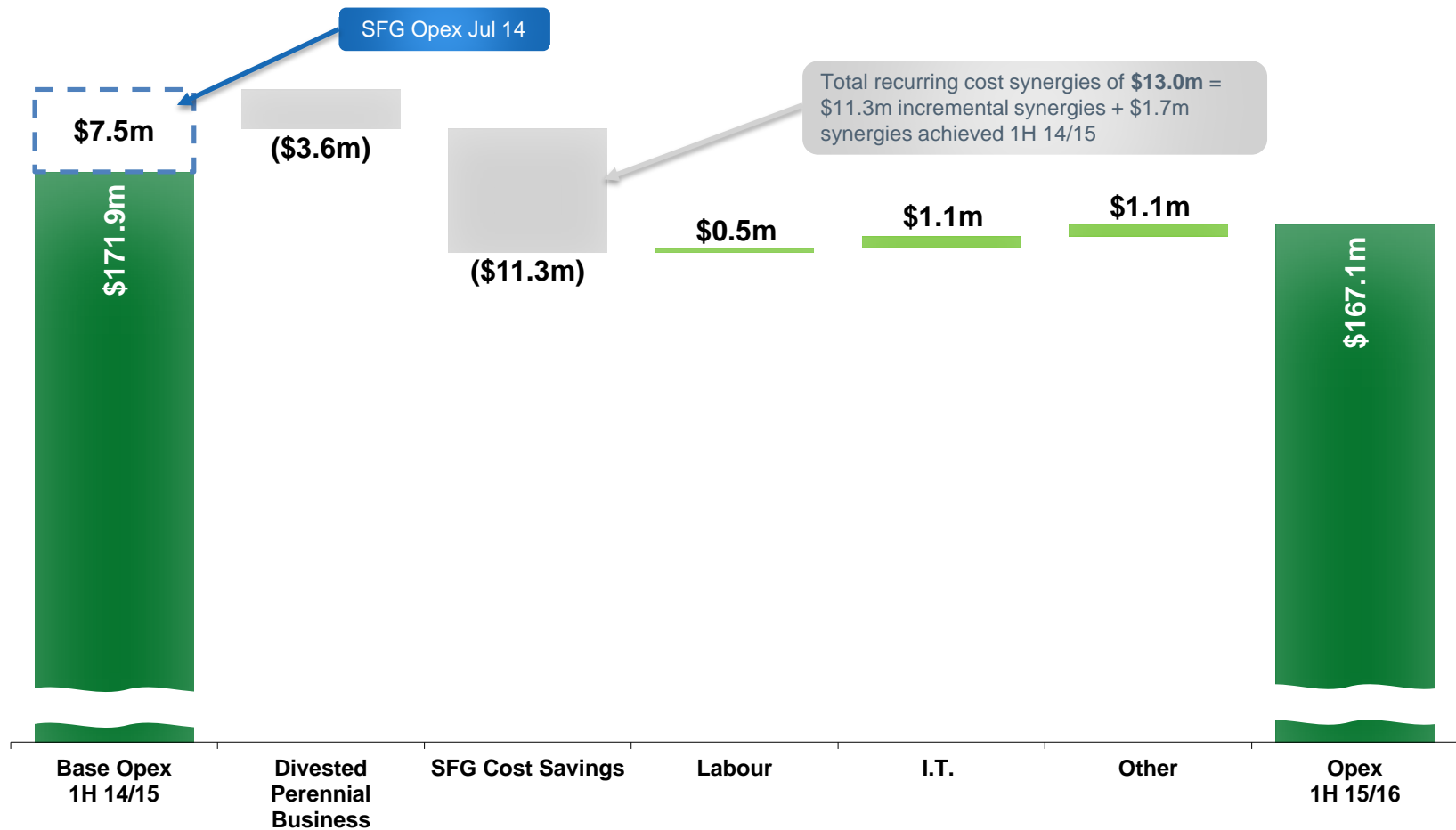
- Synergies realised through increased scale and removal of duplicated functions



Operating costs



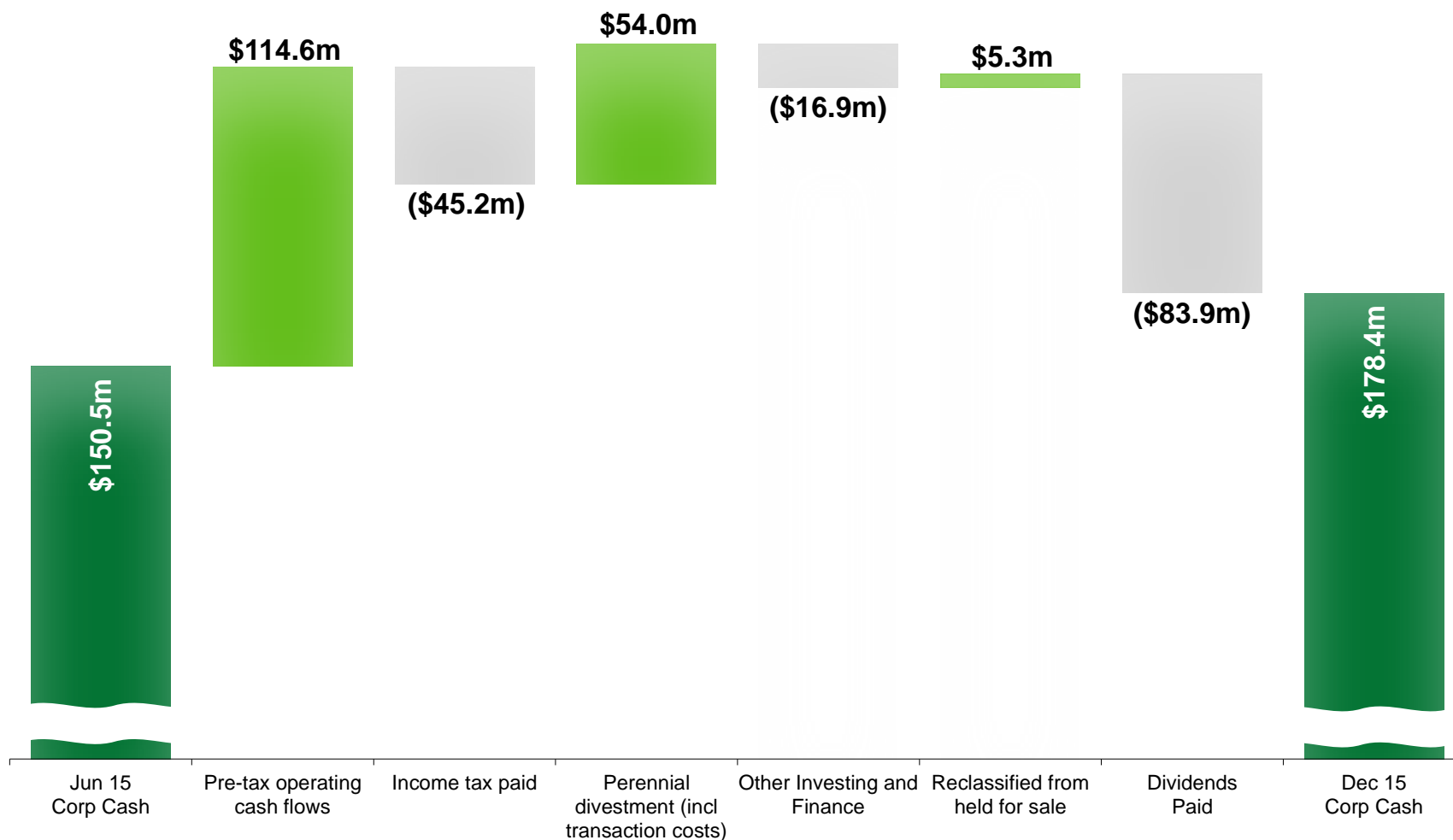
- Targeting organic growth through IT investment
- Labour cost increase below inflation



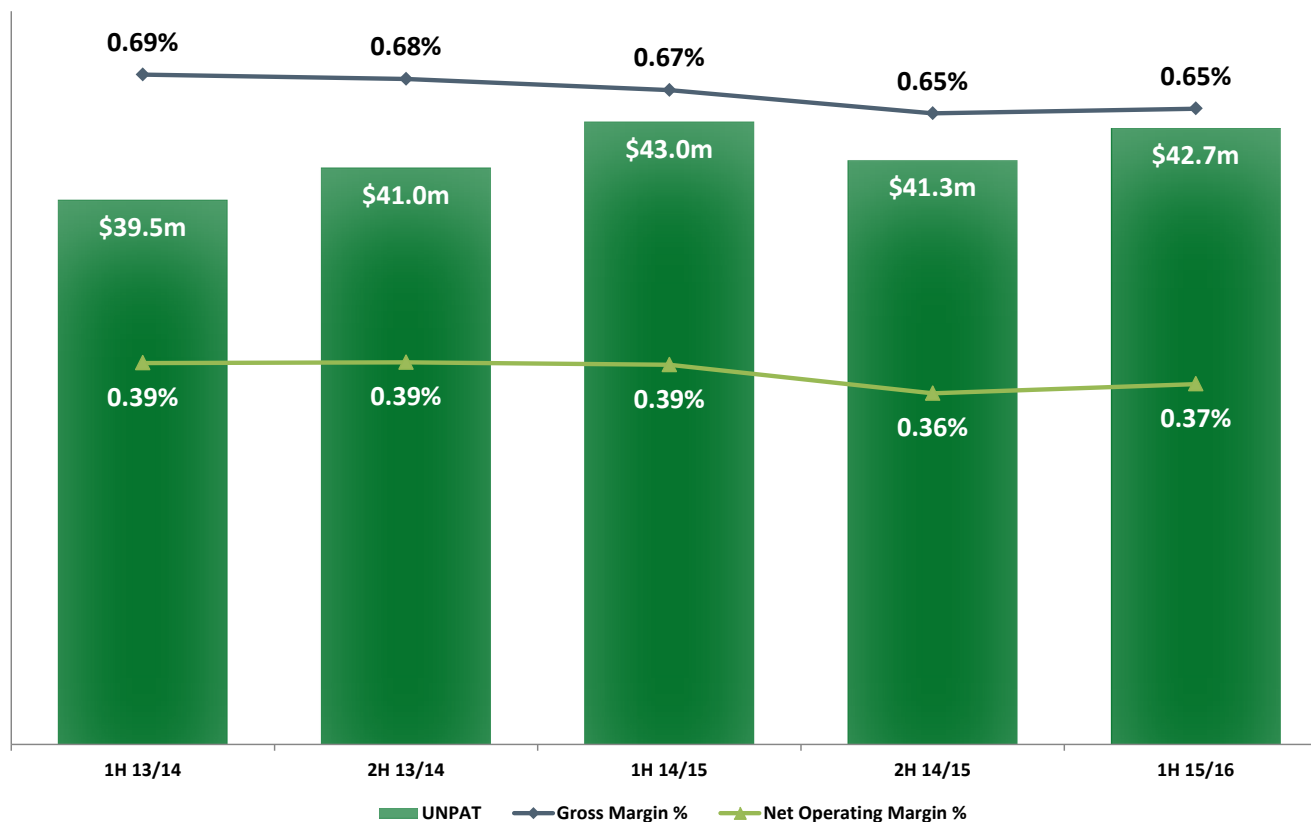
Generating strong free cash flow



- Pre-tax operating cash flows up 10% on 1H 14/15

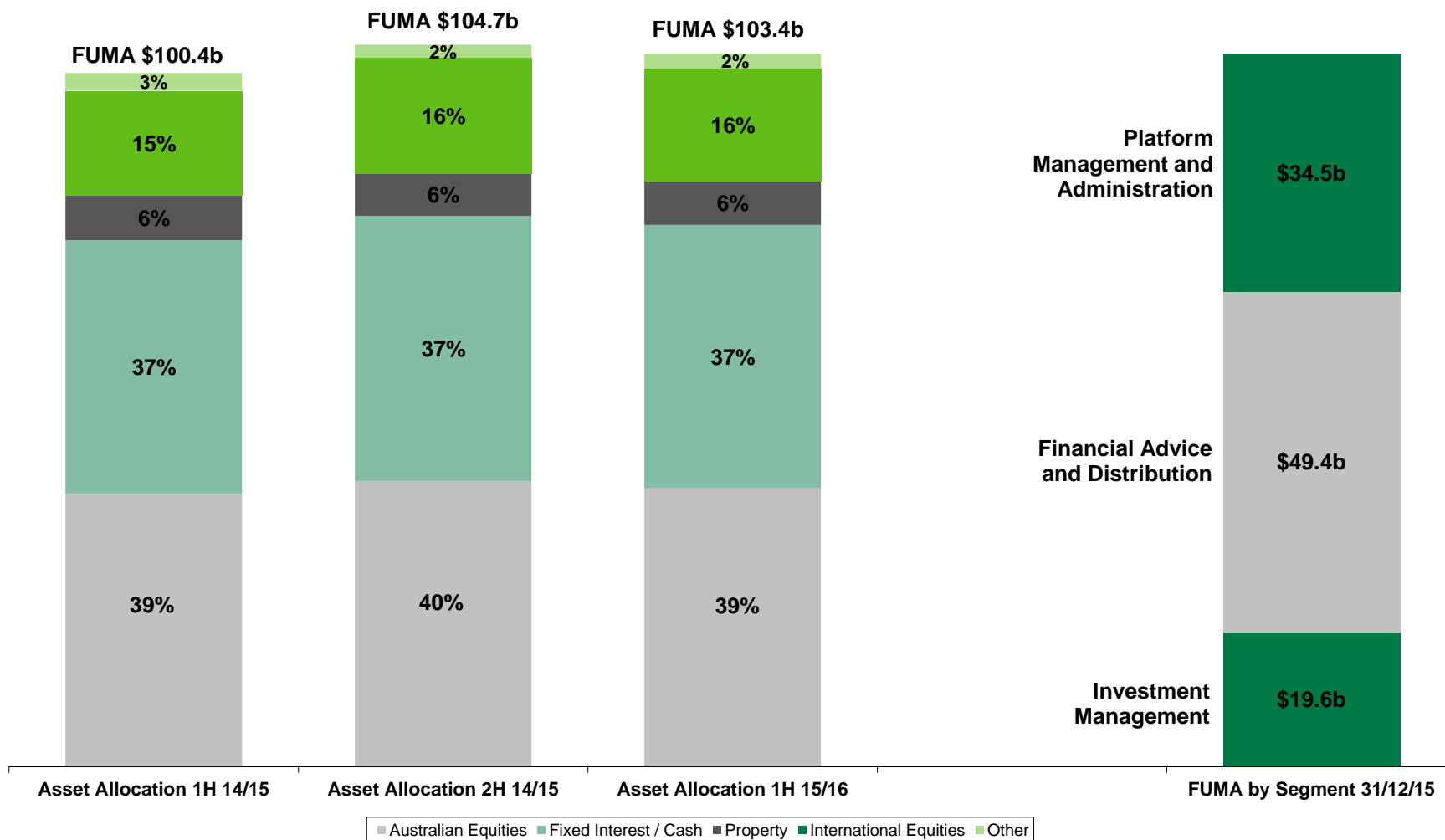


Platform profitability growth continues



- Profitability reinvested in IT to build a platform for future organic growth
- Margin is not simply about competition – newer products are more cost efficient

Group asset allocation





Strategy and outlook

Christopher Kelaher
Managing Director

Diversified earnings base

Increased contribution from Financial Advice and Distribution balances exposure to Platform Management and Administration
Reduced exposure to volatile institutional funds flow

Reliable cost control

Cost to income ratio has reduced to 55.5%, down 4%
Net operating margin improvement

Predictable cash flows

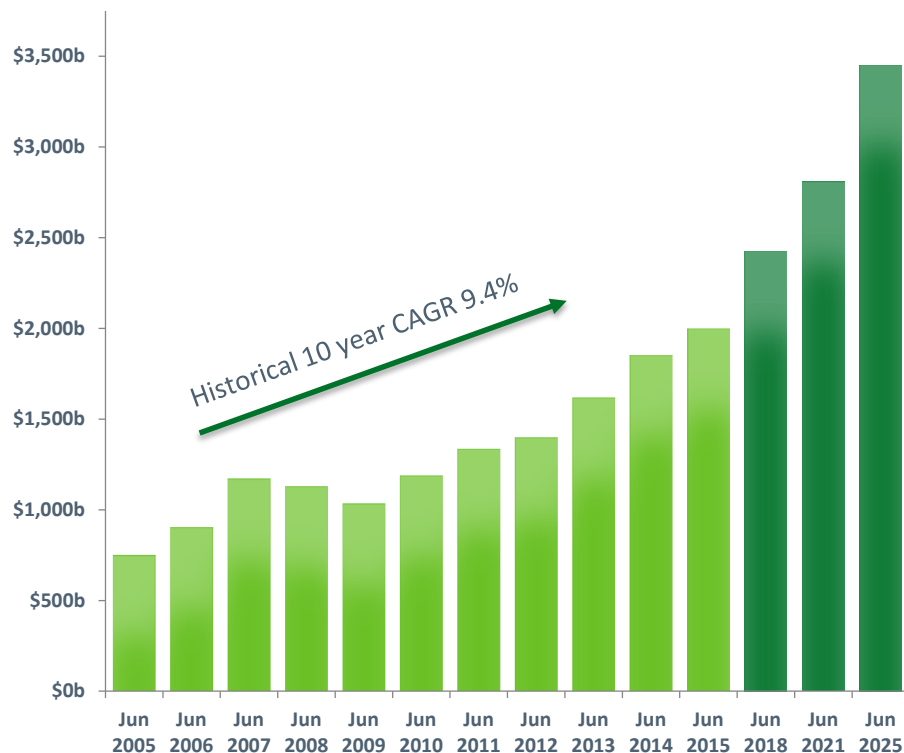
Strong cash flow conversion
Consistently high dividend payout ratio

Positive long term fundamentals

Underlying growth in superannuation assets
Aging population, high per capita growth
Complexity drives need for advice

Industry fundamentals underpinned by growing superannuation system

Total superannuation assets*



- Strong bi-partisan political support and increasing economic imperative for financial independence
- Compulsory superannuation regime has underpinned CAGR of 9.4% in Australian superannuation assets over past decade
- Ageing population
- High per capita wealth
- Increasing complexity drives need for advice
- Significant intergenerational wealth transfers occurring

* Source: KPMG Supertrends, May 2015 and APRA statistics

Industry

Member Benefits

- Cost transparency
- Quality of advice increasing
- Improved client engagement
- Enhanced regulatory oversight

Participant Benefits

- Higher standards lift consumer confidence
- Scale enables reinvestment in members and governance

IOOF

Reinvestment in member service

- Best Advice
- Functionality and choice

IT capability and delivery

- Improved functionality, flexibility

Scale to attract best advisors

- Education standards, compliance support, practice development

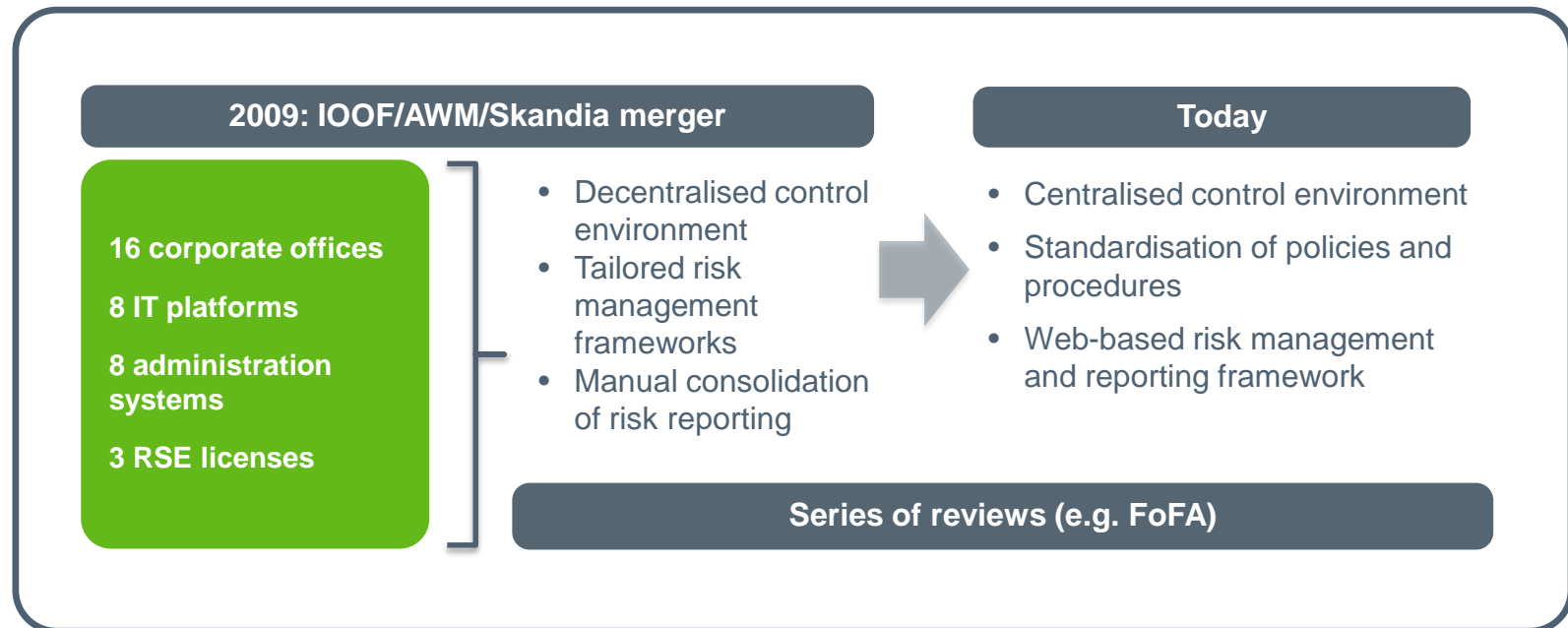
Governance

- Centralised control environment, risk management and reporting framework

Increased returns to shareholders

- Consolidation delivers benefits to all industry participants
- IOOF has consistently adopted best of breed in its acquisition integrations which is pivotal to benefits realisation across the sector
- Consolidation has been transformational for IOOF and fundamental to our success

- Not a static environment – has evolved significantly and will continue to evolve
- Ongoing commitment to proactively achieving the highest standards of compliance
- PwC's recommendations adopted
- PwC's testing confirms recommendations fully designed and implemented, save for a very small number which will soon be completed



Meeting client needs through an open architecture model

- Creating a modular value chain
- Differentiated capabilities - Managed Accounts, SMSF / SAF

Developing integrated client insights to improve the value of advice

- Driven by client centric design

Supported through market-leading service delivery

- Transformation of service delivery strategy and functions

Consumer shift toward value over price



Experience is the differentiator

- Top quartile service
- Relevance and immediacy
- Easy to deal with

- 146 FTE staff & contractors augmented by consultant developers
 - Building leading-edge technology that enables us to effectively participate in a digitally-focused environment
 - Development initiatives focus on simplifying the experience for our members
 - Increasing activity and enhancement of our cyber-security capability
 - Exploring potential opportunities in the disruptive fintech space e.g. robo-advice



IOOF continues to deliver

- Recurring EPS growth
- Strong cash flows
- Consistently strong dividend yield
- Low gearing

Well positioned for short term volatility

Long term fundamentals remain strong

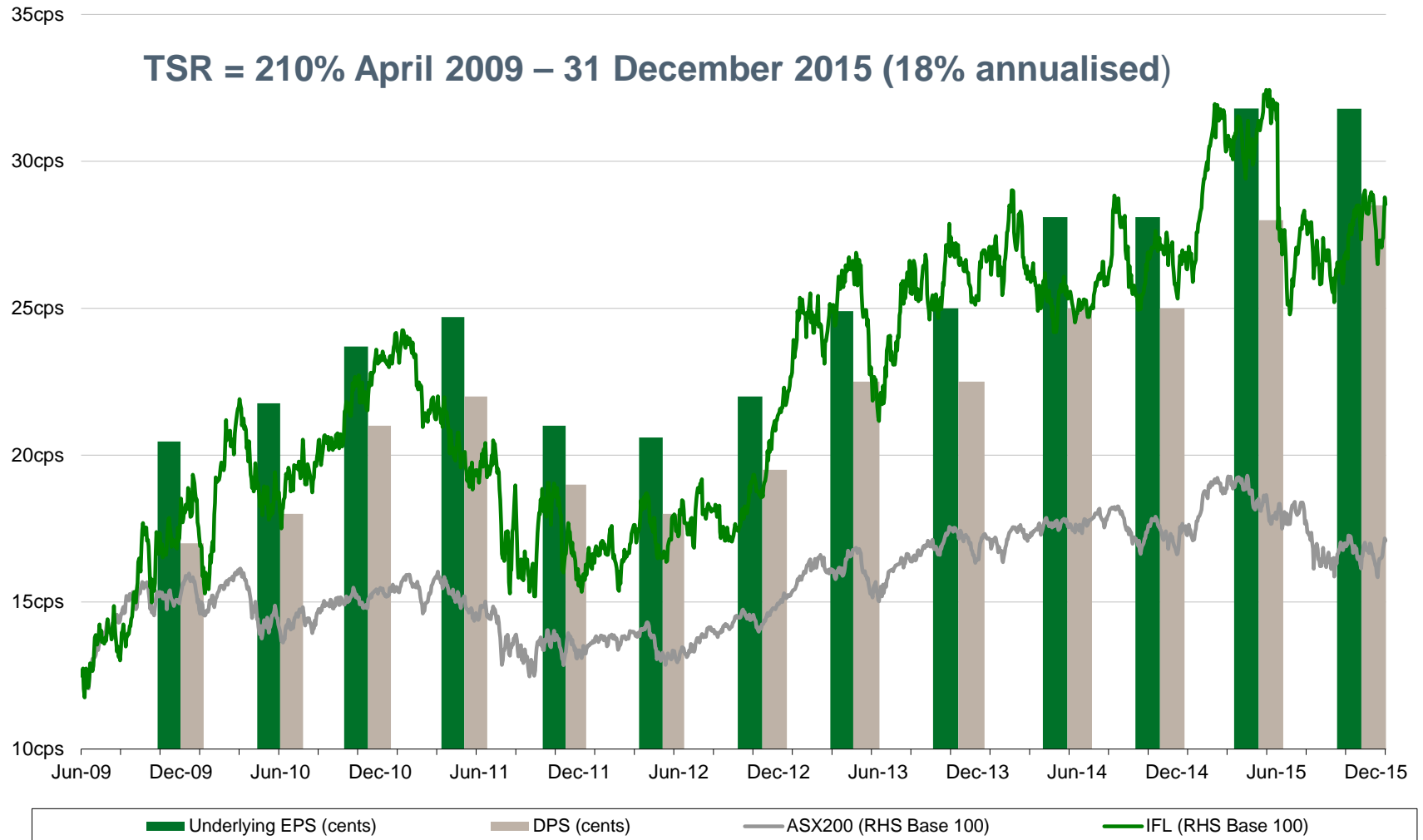
Attractive M&A environment





Appendices

Appendix A: TSR



Appendix B: Statutory NPAT reconciliation



\$'M	1H 15/16	1H 14/15
Statutory NPAT	134.0	61.5
Amortisation of intangible assets	20.0	18.7
Acquisition and divestment transaction costs	0.5	5.7
Termination and retention incentive payments	4.1	2.7
Gain on disposal of subsidiaries	(72.0)	(0.5)
Profit on sale of assets	(3.0)	-
Non-recurring professional fees	3.1	-
Unwind of deferred tax liability recorded on intangible assets	(5.0)	(4.6)
Reinstatement of Perennial non-controlling interests	(0.8)	(0.6)
Income tax attributable	14.5	(2.2)
UNPAT	95.4	80.6

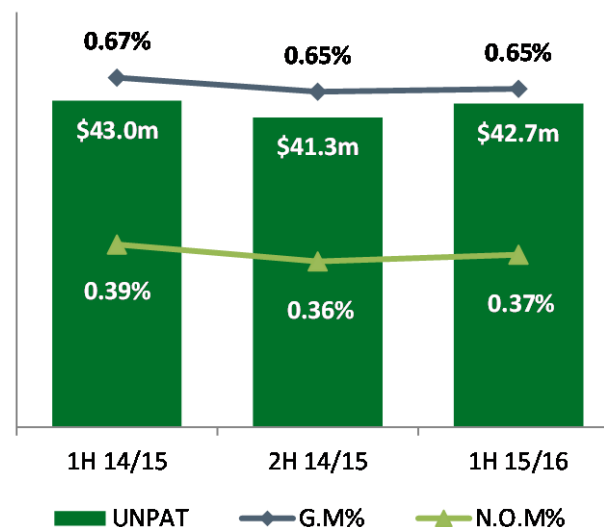
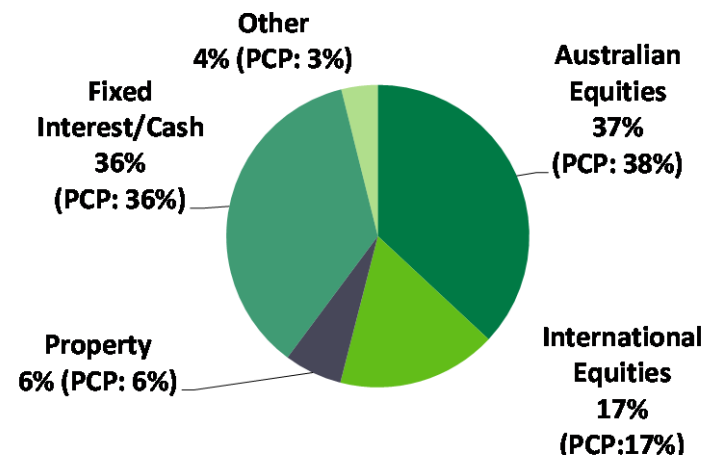
- Amortisation, Perennial divestment and Shadforth integration have had a material impact on statutory NPAT

Appendix C: Segment performance

- Platform



\$'M	1H 15/16	1H 14/15	Change on pcp (%)
Revenue	206.8	203.9	1%
Direct Costs	(93.7)	(93.3)	0%
Gross Margin (GM)	113.1	110.6	2%
GM %	0.65%	0.67%	
Other Revenue	0.4	-	-
Share of Equity profit/loss	-	(0.0)	-
Operating Expenditure	(49.0)	(46.4)	-6%
Net Non Cash	(2.7)	(1.9)	-38%
Net Interest	0.0	-	-
Income Tax Expense/N.C.I	(19.1)	(19.2)	0%
UNPAT	42.7	43.0	-1%
Average FUA (\$'b)	34.6	32.8	
Net Operating Margin %	0.37%	0.39%	

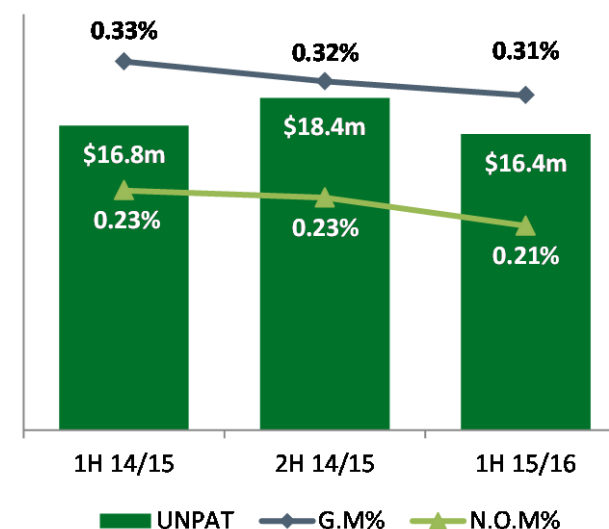
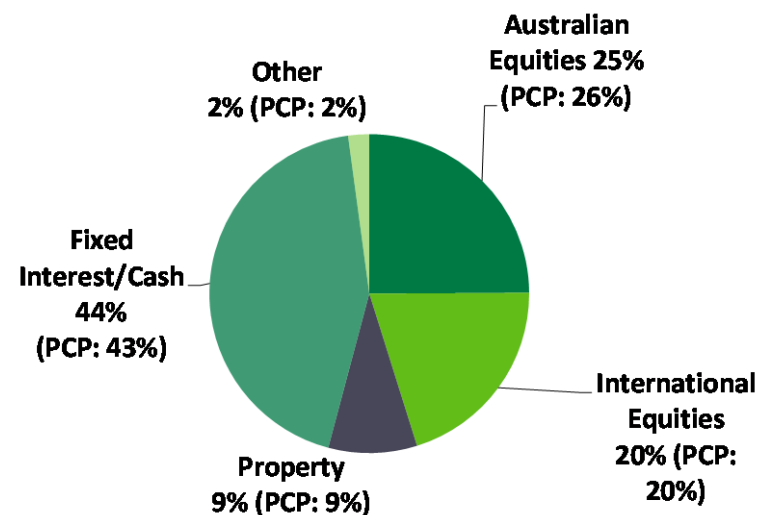


Appendix D: Segment performance

- Investment Management



\$'M	1H 15/16	1H 14/15	Change on pcp (%)
Revenue	53.6	53.2	1%
Direct Costs	(23.0)	(22.9)	0%
Gross Margin (GM)	30.7	30.3	1%
GM %	0.31%	0.33%	
Other Revenue	1.9	3.0	-38%
Share of Equity profit/loss	2.2	2.6	-18%
Operating Expenditure	(11.8)	(12.0)	2%
Net Non Cash	(0.7)	(0.5)	-54%
Net Interest	0.4	0.1	180%
Income Tax Expense/N.C.I	(6.2)	(6.7)	9%
UNPAT	16.4	16.8	-3%
Average FUM (\$'b)	19.8	18.0	
Net Operating Margin %	0.21%	0.23%	



Appendix E: Shadforth contribution to segments - Investment Management

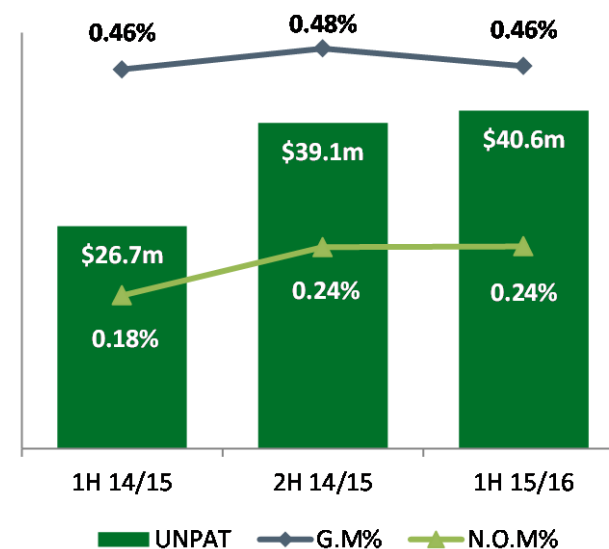
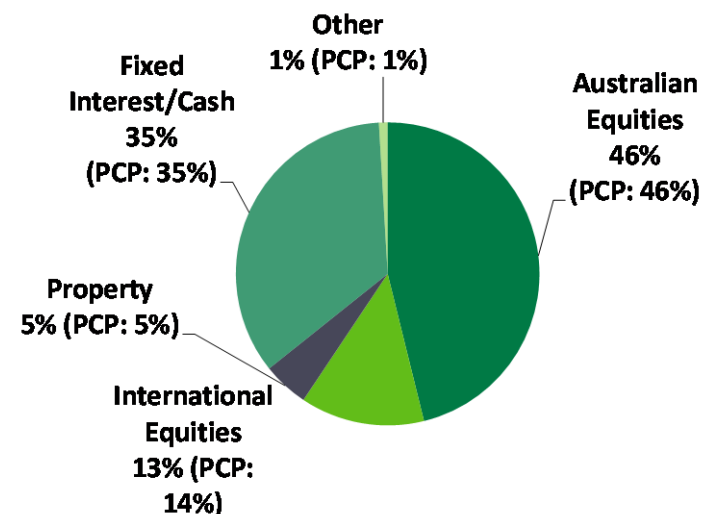


\$'M	Shadforth			Other Investment Management		
	1H 15/16	2H 14/15	1H 14/15	1H 15/16	2H 14/15	1H 14/15
Revenue	10.5	10.1	7.8	43.1	46.5	45.4
Direct Costs	(5.1)	(5.8)	(4.1)	(17.8)	(19.2)	(18.8)
Gross Margin (GM)	5.4	4.3	3.7	25.3	27.2	26.6
GM %	0.16%	0.13%	0.15%	0.38%	0.41%	0.41%
Other Revenue	-	0.0	-	1.9	3.2	3.0
Share of Equity profit/loss	-	-	-	2.2	2.4	2.6
Operating Expenditure	(1.0)	(1.3)	(1.4)	(10.8)	(10.7)	(10.6)
Net Non Cash	(0.0)	(0.0)	(0.0)	(0.7)	(0.6)	(0.5)
Net Interest	-	-	-	0.4	0.2	0.1
Income Tax Expense/N.C.I	(1.3)	(0.9)	(0.7)	(4.9)	(5.5)	(6.1)
UNPAT	3.1	2.1	1.6	13.4	16.3	15.2
Average FUM (\$'b)	6.7	6.5	5.9	13.2	13.5	13.0
Net Operating Margin %	0.13%	0.09%	0.09%	0.25%	0.30%	0.29%

Appendix F: Segment performance - Financial Advice & Distribution



\$'M	1H 15/16	1H 14/15	Change on pcp (%)
Revenue	181.0	164.7	10%
Direct Costs	(64.4)	(62.1)	-4%
Gross Margin (GM)	116.6	102.6	14%
GM %	0.46%	0.46%	
Other Revenue	18.8	18.1	4%
Share of Equity profit/loss	0.6	0.7	-11%
Operating Expenditure	(74.4)	(80.0)	7%
Net Non Cash	(2.2)	(2.7)	18%
Net Interest	0.4	0.4	-4%
Income Tax Expense/N.C.I	(19.2)	(12.4)	-54%
UNPAT	40.6	26.7	52%
Average FUA (\$'b)	50.5	44.7	
Net Operating Margin	0.24%	0.18%	



Appendix G: Shadforth contribution to segments - Financial Advice & Distribution



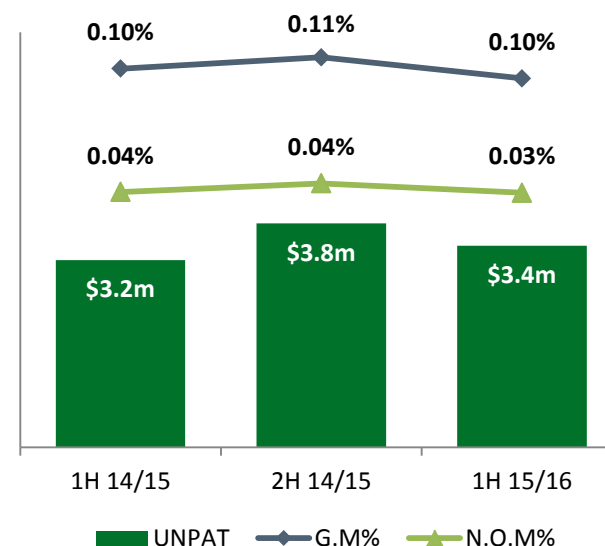
\$'M	Shadforth			Other Financial Advice and Distribution		
	1H 15/16	2H 14/15	1H 14/15	1H 15/16	2H 14/15	1H 14/15
Revenue	82.7	82.1	67.6	98.2	98.7	97.1
Direct Costs	(5.9)	(5.6)	(4.9)	(58.5)	(56.5)	(57.1)
Gross Margin (GM)	76.8	76.4	62.7	39.8	42.2	40.0
GM %	1.04%	1.05%	1.09%	0.22%	0.24%	0.24%
Other Revenue	0.7	1.9	0.6	18.0	16.4	17.5
Share of Equity profit/loss	0.1	0.1	0.1	0.5	0.6	0.6
Operating Expenditure	(37.6)	(41.5)	(41.0)	(36.8)	(36.5)	(39.0)
Net Non Cash	(0.5)	(0.6)	(0.5)	(1.6)	(1.6)	(2.2)
Net Interest	0.0	0.0	(0.1)	0.3	0.4	0.5
Income Tax Expense/N.C.I	(11.9)	(11.2)	(6.1)	(7.3)	(7.5)	(6.3)
UNPAT	27.7	25.2	15.6	12.9	13.9	11.1
Average FUA (\$'b)	14.6	14.6	13.7	35.8	35.1	33.2
Net Operating Margin %	0.54%	0.51%	0.39%	0.12%	0.13%	0.11%

Appendix H: Segment performance

- Trustee Services



\$'M	1H 15/16	1H 14/15	Change on pcp (%)
Revenue	14.9	13.1	13%
Direct Costs	(0.8)	(0.0)	LARGE
Gross Margin (GM)	14.1	13.1	8%
GM %	0.10%	0.10%	
Other Revenue	-	-	-
Share of Equity profit/loss	-	-	-
Operating Expenditure	(9.1)	(8.5)	-7%
Net Non Cash	(0.1)	(0.1)	-62%
Net Interest	0.0	-	-
Income Tax Expense/N.C.I	(1.5)	(1.3)	-9%
UNPAT	3.4	3.2	8%
Average FUS (\$'b)	29.3	25.7	
Net Operating Margin %	0.03%	0.04%	



Appendix I: Corporate and other



\$'M	1H 15/16	1H 14/15	Change on pcp (%)
Revenue	0.4	0.4	-2%
Direct Costs	0.2	0.2	-16%
Gross Margin (GM)	0.6	0.6	-7%
Other Revenue	1.3	0.7	97%
Share of Equity profit/loss	-	-	-
Operating Expenditure	(20.9)	(19.7)	-6%
Net Non Cash	(0.5)	(0.4)	-19%
Net Interest	(2.0)	(2.7)	25%
Income Tax Expense/N.C.I	11.7	11.3	4%
UNPAT	(9.8)	(10.2)	4%

Appendix J: Shadforth contribution to segments - Corporate and other



\$'M	Shadforth			Other Corporate		
	1H 15/16	2H 14/15	1H 14/15	1H 15/16	2H 14/15	1H 14/15
Revenue	0.0	-	(0.0)	0.4	0.4	0.4
Direct Costs	-	0.4	(0.0)	0.2	(0.2)	0.2
Gross Margin (GM)	0.0	0.4	(0.0)	0.6	0.2	0.6
Other Revenue	1.1	0.1	0.1	0.2	(0.3)	0.6
Share of Equity profit/loss	-	-	-	-	-	-
Operating Expenditure	0.0	0.1	(0.0)	(20.9)	(19.7)	(19.7)
Net Non Cash	(0.1)	0.1	(0.1)	(0.3)	(0.5)	(0.3)
Net Interest	0.0	(0.4)	(0.3)	(2.0)	(2.2)	(2.4)
Income Tax Expense/N.C.I	0.3	0.2	0.2	11.4	10.1	11.0
UNPAT	1.4	0.4	(0.1)	(11.2)	(12.4)	(10.1)

Appendix K: Shadforth



Please note that the Shadforth results detailed below are now shown as part of our Financial Advice & Distribution, Investment Management and Corporate and Other segments

\$'M	1H 15/16	1H 14/15*	Change on pcp (%)
Revenue	93.2	89.8	4%
Direct Costs	(11.0)	(11.1)	1%
Gross Margin (GM)	82.2	78.7	5%
GM %	0.77%	0.79%	
Other Revenue	1.8	0.8	117%
Share of Equity profit/loss	0.1	0.1	18%
Operating Expenditure	(38.6)	(49.9)	23%
Net Non Cash	(0.7)	(0.6)	-20%
Net Interest	0.1	(0.5)	111%
Income Tax Expense/N.C.I	(12.8)	(8.2)	-56%
UNPAT	32.1	20.4	57%
Average FUMA (\$'b)	21.3	19.6	
Net Operating Margin %	0.43%	0.30%	

*Comparative amounts include the July 2014 Shadforth result to provide a 6 month comparison. IOOF acquired Shadforth in August 2014.

APPENDIX L
RECONCILIATION OF SEGMENTS TO STATUTORY FINANCIALS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Statutory Note Ref.	Platform \$'m	Investment Management \$'m	Financial Advice & Distribution \$'m	Trustee Services \$'m	Corporate and other \$'m	1H 15/16 \$'m	2H 14/15 \$'m	1H 14/15 \$'m
Gross Margin									
Management and Service fees revenue	2-3	203.5	52.7	168.7	12.9	-	401.0	401.9	379.4
Other Fee Revenue	2-3	3.3	0.9	12.3	1.9	0.4	18.8	20.5	18.7
Service and Marketing fees expense	2-4	(90.7)	(19.4)	(57.7)	(0.0)	0.2	(131.0)	(136.3)	(124.6)
Other Direct Costs	2-4	(2.3)	(3.6)	(6.4)	(0.8)	(0.0)	(13.1)	(7.3)	(14.9)
Amortisation of deferred acquisition costs	2-4	(0.7)	-	(0.3)	-	-	(0.6)	(0.8)	(1.1)
Total Gross Margin		113.1	30.6	116.6	14.1	0.5	275.1	278.0	257.4
Other Revenue									
Stockbroking revenue	2-3	-	-	38.1	-	-	38.0	36.3	36.9
Stockbroking service fees expense	2-4	-	-	(21.5)	-	-	(21.5)	(20.2)	(21.5)
Dividends and distributions received	2-3	-	(0.0)	0.0	-	0.4	0.4	0.3	0.4
Net fair value gains/(losses) on other financial assets at fair value through profit or loss	2-3	-	-	-	-	0.0	0.0	(0.1)	0.1
Profit on sale of financial assets	2-3	-	72.4	2.4	-	0.3	75.0	1.9	0.2
Other revenue	2-3	0.4	1.9	2.1	-	0.9	5.2	4.1	5.3
Other Revenue adjustments	Below	-	(72.4)	(2.4)	-	(0.3)	(75.0)	(1.6)	-
Total Other Revenue		0.4	1.9	18.8	-	1.3	22.1	20.9	21.4
Equity Accounted Profits									
Share of profits of associates and jointly controlled entities accounted for using the equity method	SOCI*	-	2.2	0.6	-	-	2.8	3.2	3.3
Total Equity Accounted Profits		-	2.2	0.6	-	-	2.8	3.2	3.3
Operating Expenditure									
Salaries and related employee expenses	2-4	(5.7)	(4.5)	(40.8)	(5.5)	(43.4)	(100.0)	(104.3)	(102.4)
Employee defined contribution plan expense	2-4	(0.5)	(0.3)	(3.2)	(0.5)	(3.3)	(7.7)	(7.1)	(7.3)
Information technology costs	2-4	(0.9)	(0.5)	(7.2)	(0.3)	(16.5)	(25.3)	(26.2)	(24.4)
Professional fees	2-4	(0.2)	(0.3)	(1.3)	(0.1)	(1.4)	(3.1)	(3.2)	(3.9)
Marketing	2-4	(0.6)	(0.1)	(2.8)	(0.1)	(1.7)	(5.3)	(4.7)	(5.0)
Office support and administration	2-4	(0.1)	(0.3)	(3.9)	(0.2)	(5.1)	(9.5)	(8.4)	(9.4)
Occupancy related expenses	2-4	(0.0)	(0.5)	(5.4)	(0.1)	(5.1)	(11.0)	(11.7)	(10.6)
Travel and entertainment	2-4	(0.4)	(0.1)	(1.1)	(0.2)	(1.4)	(3.2)	(2.8)	(3.4)
Corporate recharge	N/A	(40.7)	(5.2)	(8.6)	(2.3)	56.9	(0.0)	(0.0)	-
Other	2-4	-	-	(0.0)	-	-	(0.0)	(0.1)	(0.0)
Total Operating Expenditure		(49.0)	(11.8)	(74.3)	(9.1)	(20.9)	(165.1)	(168.4)	(166.4)
Loss on disposal of non-current assets	2-4	-	(0.0)	(0.1)	-	(0.0)	(0.2)	(0.1)	(0.0)
Total Operating Expenditure		(49.0)	(11.8)	(74.4)	(9.1)	(20.9)	(165.2)	(168.5)	(166.5)
Net non cash (Ex. Amortisation from acquisitions)									
Share based payments expense	2-4	(0.3)	(0.1)	(0.4)	(0.0)	(0.5)	(1.3)	(1.4)	(2.1)
Depreciation of property, plant and equipment	2-4	(1.5)	(0.5)	(1.8)	(0.1)	0.0	(4.0)	(3.6)	(2.6)
Amortisation of intangible assets - IT development	2-4	(0.9)	-	-	-	-	(0.9)	(0.9)	(0.8)
Total Net non cash (Ex. Amortisation from acquisitions)		(2.7)	(0.7)	(2.2)	(0.1)	(0.5)	(6.1)	(5.8)	(5.5)
Net Interest									
Interest income on loans to directors of controlled and associated entities	2-3	-	0.2	-	-	0.1	0.2	0.2	0.2
Interest income from non-related entities	2-3	0.0	0.3	0.4	0.0	1.6	2.2	2.0	2.0
Finance Costs	SOCI*	-	-	(0.0)	-	(3.7)	(3.7)	(4.3)	(4.4)
Total Net Interest		0.0	0.4	0.4	0.0	(2.0)	(1.3)	(2.1)	(2.2)
Income Tax & NCI									
Non-controlling Interest	SOCI*	-	-	(1.3)	-	-	(1.3)	(1.1)	(1.0)
Income tax expense	SOCI*	(19.0)	(21.5)	(17.8)	(1.4)	17.5	(42.3)	(23.4)	(22.3)
Income tax expense/NCI adjustments	Below	(0.0)	15.3	0.0	(0.1)	(5.8)	9.5	(10.6)	(5.0)
Total Income Tax & NCI		(19.1)	(6.2)	(19.2)	(1.5)	11.7	(34.1)	(35.2)	(28.4)
Underlying NPAT excl. Discontinued Operations		42.7	16.4	40.6	3.4	(9.8)	93.3	90.5	79.5
Discontinued Operations	2-2						2.1	2.7	1.0
Underlying UNPAT (pre-amortisation of intangible assets)							95.4	93.2	80.6
Significant Items									
Acquisition and divestment transaction costs	2-2, 2-4						(0.5)	(0.6)	(5.7)
Termination and retention incentive payments	2-4						(4.1)	(3.3)	(2.7)
Recognition of Shadforth onerous lease contracts	N/A						-	(2.1)	-
Impairment of Plan B brand name	N/A						-	(1.4)	-
Gain on disposal of subsidiaries	2-2						72.0	1.0	0.5
Profit on sale of assets	2-3						3.0	-	-
Non-recurring professional fees	2-4						(3.1)	-	-
Income tax expense/NCI adjustments									
Unwind of deferred tax liability recorded on intangible assets	N/A						5.0	6.9	4.6
Reinstatement of Perennial non-controlling interests	N/A						0.8	1.2	0.6
Income tax attributable	N/A						(14.5)	3.8	2.2
Total Significant Items - Net of Tax							58.6	5.5	(0.4)
Amortisation of intangible assets	2-4						(20.0)	(19.9)	(18.7)
Reported Profit/(Loss) per financial statements							134.0	78.9	61.5

* SOCI = Statement of Comprehensive Income

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

APPENDIX M

DETAILED BREAKDOWN OF DISCONTINUED OPERATIONS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	1H 15/16	2H 14/15	1H 14/15
	\$'m	\$'m	\$'m
Gross Margin			
Management and Service fees revenue	10.4	15.0	16.6
Other Fee Revenue	0.2	0.0	0.1
Service and Marketing fees expense	(3.1)	(4.3)	(5.6)
Other Direct Costs	(0.3)	(0.2)	(0.5)
Amortisation of deferred acquisition costs	-	-	-
Total Gross Margin	7.2	10.5	10.5
Other Revenue			
Stockbroking revenue	-	-	-
Stockbroking service fees expense	-	-	-
Dividends and distributions received	-	-	-
Net fair value gains/(losses) on other financial assets at fair value through profit or loss	-	-	-
Profit on sale of financial assets	-	-	-
Other revenue	(1.1)	(2.0)	(2.0)
Other Revenue adjustments	-	-	-
Total Other Revenue	(1.1)	(2.0)	(2.0)
Equity Accounted Profits			
Share of profits of associates and jointly controlled entities accounted for using the equity method	-	-	-
Total Equity Accounted Profits	-	-	-
Operating Expenditure			
Salaries and related employee expenses	(1.4)	(2.3)	(4.2)
Employee defined contribution plan expense	(0.1)	(0.1)	(0.2)
Information technology costs	(0.2)	(0.3)	(0.5)
Professional fees	(0.1)	(0.1)	(0.1)
Marketing	(0.0)	(0.0)	(0.0)
Office support and administration	(0.0)	(0.0)	(0.0)
Occupancy related expenses	-	0.1	(0.4)
Travel and entertainment	(0.0)	(0.1)	(0.1)
Corporate recharge	-	-	-
Other	(0.0)	0.1	0.0
Total Operating Expenditure	(1.9)	(2.8)	(5.5)
Loss on disposal of non-current assets	-	-	-
Total Operating Expenditure	(1.9)	(2.8)	(5.5)
Net non cash (Ex. Amortisation from acquisitions)			
Share based payments expense	(0.0)	(0.0)	(0.0)
Depreciation of property, plant and equipment	-	0.0	(0.0)
Amortisation of intangible assets - IT development	-	-	-
Total Net non cash (Ex. Amortisation from acquisitions)	(0.0)	(0.0)	(0.0)
Net Interest			
Interest income on loans to directors of controlled and associated entities	-	-	-
Interest income from non-related entities	0.0	0.1	0.1
Finance Costs	-	-	-
Total Net Interest	0.0	0.1	0.1
Income Tax & NCI			
Non-controlling Interest	-	-	-
Income tax expense	(1.2)	(1.7)	(1.5)
Income tax expense/NCI adjustments	(0.8)	(1.2)	(0.6)
Total Income Tax & NCI	(2.0)	(3.0)	(2.1)
Underlying UNPAT (pre-amortisation of intangible assets)	2.1	2.7	1.0

Appendix N: Earnings per share



IFL - Averaged Weighted Number of Shares on Issue

EARNINGS PER SHARE CALCULATION

Half-Year ended 31 December 2015

Ordinary Shares - Opening Balance **300,133,752**

From	To	Days	Share Issue	Shares on Issue	Weighted average
01-Jul-15	31-Dec-15	184	-	300,133,752	300,133,752

Weighted Average Treasury shares (420,521)

Ordinary Shares - Closing Balance **300,133,752**

Weighted Average shares on issue **299,713,231**

	Statutory	Underlying
Net Profit Attributable to Members of the parent entity	\$ 133,986,000	\$ 95,376,000
Basic Earnings Per Share	44.7	31.8

Appendix O: 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 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.

Acquisition and divestment transaction costs: One off payments to external advisers in pursuit of corporate transactions, such as the acquisition of Shadforth and 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 disposal of subsidiaries: During the period, the IOOF Group divested its interests in Perennial Fixed Interest and Perennial Growth Management to Henderson.

Profit on sale of assets: Divestments of non-core businesses, client lists and associates. This was not recognised in 2015 due to low scale activity and immateriality.

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 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. 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 P: 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, The Portfolio Service, IOOF Pursuit
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 2014
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 O 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 N.
VWAP	Volume Weighted Average Price

Important disclaimer



Forward-looking statements in this presentation are based on IOOF's current views and assumptions and involve known and unknown risks and uncertainties, many of which are beyond IOOF's control and could cause actual results, performance or events to differ materially from those expressed or implied. These forward-looking statements are not guarantees or representations of future performance and should not be relied upon as such.

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