

Announcement to the Market 24 February 2015

APPENDIX 4D & HALF YEARLY RESULT TO 31 DECEMBER 2014

- HY14 statutory NPAT of \$2.9m, up 126% on the prior corresponding period
- HY14 underlying profit before tax of \$4.3m, up 8% on the prior corresponding period
- Fully franked interim dividend of 1 cent per share

Centrepoint Alliance Limited (ASX Code:CAF) ('Centrepoint') is pleased to announce a profit of \$2.9m up 126% from the prior corresponding period ('pcp'). Underlying profit before tax increased 8% to \$4.3m from the pcp.

The Chairman, Rick Nelson commented, "The Group has delivered an increased profit along with significant investment in a number of new innovative services and solutions. Both the Centrepoint Funding and Wealth businesses hold strong positions in their respective markets and are performing in line with the group's strategy to support independent brokers and advisers deliver quality advice and solutions to their clients."

Centrepoint also announces the declaration of an interim dividend of 1 cps fully franked to be paid on 29 April 2015 and the activation of a new dividend reinvestment plan ('DRP'). The last election date for participation in the DRP for the interim dividend is 26 March 2015 and the new DRP rules are appended to this announcement.

Centrepoint Wealth delivered a solid underlying pre-tax profit of \$4.0m, up 29% on the pcp. The Group has continued executing its strategy to support advisers build their businesses and improve the quality of advice and financial outcomes for Australians. Revenue from external customers decreased by 5% compared to pcp and up 6% on the prior period reinforcing the Group's success in its turnaround strategy after substantial revenue losses in earlier years. The Group grew the number of quality practices during the period. Expenses were 13% lower at \$12.3m compared to the pcp. A range of new services were launched during the period including a new separately managed account service, Ventura Managed Account Portfolio Service ('vMAPs'). vMAPs uses latest technology and internationally leading service providers to deliver professionally managed investments at a lower cost and significant advantages over traditional investment solutions.

Centrepoint Funding delivered an underlying pre-tax profit of \$1.6m, down 40% on the pcp. The premium funding business has invested heavily in its growth strategy with additional headcount and marketing costs. Whilst premiums funded across the market are down due to softer commercial general insurance premiums, the strategy of continuing to grow the east coast business continues with the number of originated loans on the east coast increasing by 24%. The distribution agreement with Insurance Brokers Network Australia ('IBNA') was renewed and a new distribution agreement was signed with the Steadfast Group, the largest insurance broking group in Australia. Active brokers increased by 23% compared to the pcp. A new syndicated finance facility agreement was signed in December 2014 on a two year term with an increased limit of \$189m and provides benefits of lower interest rate margin and fees. The rebranded Centrepoint Lending Solutions (Mortgage Aggregation) is pursuing growth geographically and through new relationships under the direction of recent key leadership and business development appointments.

Cash Position

The business generated a significant increase in operating cash to \$2.9m leaving the Group with cash of \$13.4m at 31 December 2014 and a continuing strong financial position to further execute on the Group strategy.

Outlook

The business continues to invest in its strategy to support non-aligned advisers and brokers with market leading service and solutions through investment in its people and technology. The Group is well positioned for long term growth as professional advisers and brokers increasingly seek sustainable quality independent solutions for their clients.

Investor Briefing

Mr John de Zwart, Managing Director, will hold an investor briefing at 9am (AEDT) on Wednesday, 25 February 2015.

If you wish to participate in the briefing please register by visiting our ASX Announcements section of the Investor Centre on the Centrepoint website - <http://www.centrepointalliance.com.au/asx-announcements/>

Centrepoint's Appendix 4D, Half Year Report, Investor Presentation and Dividend Reinvestment Plan are appended.

For further information please contact:**John de Zwart**

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**CENTREPOINT ALLIANCE LIMITED
AND ITS CONTROLLED ENTITIES**

ABN 72 052 507 507

Appendix 4D

Half year ended 31 December 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

In thousands of Australian dollars				
Revenues from ordinary activities	Down	5 %	to	\$26,067
Profit before tax and non-controlling interests	Up	64%	to	\$3,600
Profit after tax attributable to members	Up	121%	to	\$2,911

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	1.0 cents	1.0 cents
Previous corresponding period	0.0 cents	0.0 cents
Record date for determining entitlements to dividend	25 March 2015	
Payment date of dividend	29 April 2015	
Dividend Reinvestment Plan		
Plan active	Yes	
Discount	2%	
Pricing period	27 March 2015 to 13 April 2015	
Last DRP election date	26 March 2015	
Net tangible assets per share	31 Dec 2014 15.94 cents	30 June 2014 15.50 cents

- Results are extracted from the attached Half Year Financial Report for the six months ended 31 December 2014 which was subject to an independent review.
- For explanation and commentary on the results refer to the Directors' Report in the attached Half Year Financial Report.

Centrepont Alliance

CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 052 507 507

HALF YEAR FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Half Year Financial Report
31 December 2014

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CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

31 December 2014

Your directors present their report for the half year ended 31 December 2014.

Directors

The names and details of the Company's directors in office during the half year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Richard (Rick) Nelson (Chairman)

John de Zwart (Managing Director & Chief Executive Officer)

Noel Griffin (Non-Executive Director) – resigned 30 January 2015

Stephen Maitland (Non-Executive Director)

Matthew Kidman (Non-Executive Director)

Martin Pretty (Non-Executive Director)

Company Secretaries

Debra Anderson

Glenn Toohey – resigned 2 February 2015

Operating & Financial Review

Group Business Operations

Centrepont Alliance Limited and its controlled entities (the 'Group') operates predominantly in the financial services industry within Australia and has two core business segments:

- Centrepont Funding ('Funding'), which provides insurance premium funding and services to mortgage brokers; and,
- Centrepont Wealth ('Wealth'), which provides a range of financial advice support services (including licensing, systems, compliance, training and technical advice) and wealth solutions to financial advisers, accountants and their clients, across Australia.

Financial Performance

Profit before tax from continuing operations for the half year to 31 December 2014 increased by 64% to \$3.600m (2013: \$2.193m) as a result of lower expenses in the period partially offset by revenue falls.

a) Centrepont Funding

Description: Provides a cash flow solution primarily to Small and Medium Sized Enterprises ('SME') and corporate clients to enable funding of their general insurance premiums and also provides aggregation and licencing services to mortgage brokers.

Business Model: Insurance premium funding is distributed to customers through a national network of third party general insurance brokers. A large volume of relatively small short term loans are funded using a receivables finance facility provided by two of Australia's major banks. Mortgage broking provides full service aggregation, specialising in residential property mortgages, and access to personal and business finance.

Key Drivers: The number of supporting brokers, dollar volume of loans written, insurance premium levels and property purchases, lending margins, credit management and operating expenses.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

31 December 2014

Overview: The insurance premium funding market is estimated to be around \$5bn per annum and is dominated by two institutions. Centrepont Alliance Premium Funding is the largest independent funding provider with an estimated 9% market share.

During the half year Centrepont Alliance Premium Funding progressed with its strategy of continuing to grow the east coast business, with the number of originated loans on the east coast increasing by 24%. The distribution agreement with Insurance Brokers Network Australia ('IBNA') was renewed for a further two years (with an option for an additional one year extension) and a new distribution agreement was signed with the Steadfast Group, the largest insurance broking group in Australia. Average active brokers increased by 15% compared to the prior corresponding period.

A new syndicated finance facility agreement was signed with National Australia Bank and Bendigo and Adelaide Bank in December 2014. The new facility has a two year term with an increased limit of up to \$189m and provides benefits of lower interest rate margin and fees.

Competition in the Western Australian market from a new entrant and other incumbent lenders has resulted in a reduction in new loan volumes and interest margin on larger loans. The softening of commercial insurance premiums in the reporting period has also impacted on the result.

The rebranded Centrepont Lending Solutions (Mortgage Aggregation) is pursuing growth geographically and through new relationships under the direction of recent key leadership and business development appointments.

Financial Performance: Profit before tax for the half year to 31 December 2014 decreased by 41% to \$1.542m compared to the prior corresponding period.

Revenue declined by 1% to \$9.503m primarily as a result of the fall in Western Australian premium funding volumes and margin pressure. Overall the number of new premium funding loans increased by 9% with a lower average loan size which has the benefit of reducing concentration risk. A combination of the competitive challenges, fewer corporate transactions from mining related entities in the Western Australian market and lower insurance premiums has resulted in volume being down 15% to \$216m (2013: \$255m).

Credit quality remained strong with low levels of losses.

Expenses increased by 15% primarily due to higher borrowing expenses and the costs of investing in the new relationship with Steadfast, retaining and replacing key staff in sales and operations and the rebranding of the mortgage business to Centrepont Lending Solutions.

b) Centrepont Wealth

Description: Provider of a range of financial advice support services (including licensing, systems, compliance, training and technical advice) and wealth solutions (platforms and managed funds) to financial advisers, accountants and their clients across Australia.

Business Model: Wealth provides services to authorised representatives under its Australian Financial Services Licences ('AFSL'). The licenced entities are Professional Investment Services Pty Ltd ('PIS') and Alliance Wealth Pty Ltd. Services are also provided to authorised representatives of other AFSL holders through Associated Advisory Practices Pty Ltd. Wealth packages investment platforms and managed funds for distribution via Investment Diversity Ltd and Ventura Investment Management Ltd. Revenue is generated from retention of a portion of advice revenue earned by Wealth's authorised representatives, distribution or reseller margin fees paid by investment and insurance product providers, margins on packaged investment platforms and managed funds and other fees for services.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

31 December 2014

Key Drivers: Funds under distribution agreements ('FUDA'), funds under administration ('FUAdm'), funds under management ('FUM'), margin and revenue retention rates and operating costs.

Overview: Wealth operates in a market dominated by large institutions and Wealth is the largest non-institutional full advice business in Australia. The wealth market is attractive with superannuation assets expected to continue to grow by 8% p.a. over the next twenty years and the need for quality advice continuing to grow. The market has experienced significant regulatory change with the commencement of the first phase of the Future of Financial Advice legislation in July 2013 and the second in July 2014.

During the half year the Group has continued executing a strategy to improve the quality of advice and wealth solutions provided to Australians.

Wealth has continued to invest in staff and capabilities to develop a range of wealth related products and services consistent with its strategy. This suite of products and services together with systems and methodologies are being developed to deliver high quality advice and outcomes to financial advisers and their clients.

In October 2014 Wealth launched a new separately managed account service, Ventura Managed Account Portfolio Service, ('vMAPs'). vMAPs uses latest technology and leading companies to deliver professionally managed investments at lower cost without the disadvantages of managed funds.

The Australian Securities and Investments Commission ('ASIC') concluded its Ongoing Monitoring Program of PIS on 28 July 2014. The independent expert (PricewaterhouseCoopers) recognised the significant improvement in PIS's compliance and audit functions and the commitment to enhancing its financial advice risk management framework. ASIC also acknowledged PIS's commitment, level of work undertaken and senior executives' constructive engagement throughout the process.

Financial Performance: Profit before tax for the half year to 31 December 2014 increased by 133% to \$3.386m compared to the prior corresponding period.

Revenue from external customers decreased by 5% to \$16.259m due primarily to the lower average number of Wealth's active practices compared to the prior corresponding period. The number of active practices during the period has been stable.

Expenses were 16% lower at \$13.448m compared to the prior corresponding period. The average number of employees was lower during the period following the restructure that occurred in the prior corresponding period (which included redundancy costs associated with that restructure). Property costs were lower as a result of new leases negotiated and smaller floor space for the Queensland offices.

c) Corporate

Description: The costs of the Centrepoint board of directors, company secretarial functions and the administration of the listed public entity are reflected in Corporate. For segment reporting purposes this is combined with the trading results of minor non-core businesses controlled by the Group.

Overview: Consistent with the simplification of the corporate structure some expenses that were previously recorded at the Corporate level are now allocated to the operating segments resulting in a reduction in reported expenses.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

31 December 2014

Financial Performance: Profit before tax was \$0.772m including a \$2.1m dividend received from a subsidiary. Total expenses of \$1.716m were down 33% on the prior corresponding period, primarily reflecting the change in allocation of some expenses to operating segments, lower property costs and reduced use of professional advisers.

Dividends

On 23 February 2015, the directors of Centrepont Alliance Limited declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2014. The dividend will be paid out of the dividend reserve. The total amount of the dividend is \$1,473,040 which represents a fully franked dividend of 1 cent per share and will be paid on 29 April 2015.

The Directors have approved a new Dividend Reinvestment Plan option that shareholders may exercise for the interim dividend, including a 2% discount.

Significant Events Subsequent to Balance Date

There are no matters or events which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Auditor Independence Declaration

The auditor, Deloitte Touche Tohmatsu, has provided a written independence declaration to the directors in relation to its review of the financial report for the half year ended 31 December 2014. The independence declaration which forms part of this report is on page 5.

Signed in accordance with a resolution of the directors.



R. J. Nelson
Chairman

24 February 2015

The Board of Directors
Centrepont Alliance Limited
Level 6, 2 Elizabeth Plaza
NORTH SYDNEY NSW 2060

24 February 2015

Dear Board Members

Centrepont Alliance Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Centrepont Alliance Limited.

As lead audit partner for the review of the financial report of Centrepont Alliance Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



David Rodgers
Partner
Chartered Accountants

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2014

		Half Year to 31 Dec 2014 \$'000	Half Year to 31 Dec 2013 \$'000
	Note		
CONTINUING OPERATIONS			
Revenue			
Advice and financial product revenue (gross)		60,357	62,540
Advice and financial product fees		(43,518)	(45,080)
Advice and financial product revenue (net)		16,839	17,460
Interest income	5	8,824	9,059
Other revenue	6	404	838
		26,067	27,357
Expenses			
Borrowing expenses	7	(3,056)	(2,730)
Employee benefit expenses	8	(11,216)	(12,599)
Professional consulting fees		(1,186)	(1,333)
Client claims	19	(393)	(312)
Insurances		(514)	(916)
Property costs		(1,070)	(1,639)
Impairment of assets	8	(184)	(335)
Other general and administration expenses	8	(4,848)	(5,300)
Profit before tax from continuing operations		3,600	2,193
Income tax expense		(697)	(906)
Net profit from continuing operations after tax		2,903	1,287
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,903	1,287
Net profit attributable to:			
Owners of the parent		2,911	1,320
Non-controlling interests		(8)	(33)
Net profit for the period		2,903	1,287
Total comprehensive profit attributable to:			
Owners of the parent		2,911	1,320
Non-controlling interests		(8)	(33)
Total comprehensive profit for the period		2,903	1,287
Earnings per share for profit attributable to the ordinary equity holders of the parent		Cents	Cents
Basic profit per share	10	2.05	1.39
Diluted profit per share	10	2.00	1.38

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes included in pages 10 to 26.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Statement of Financial Position
As at 31 December 2014

	Note	31 Dec 2014 \$'000	30 Jun 2014 \$'000
ASSETS			
Current			
Cash and cash equivalents		13,438	16,373
Trade and other receivables	12	12,664	13,038
Interest bearing receivables	13	137,863	130,609
Other assets	14	5,104	9,205
Total current assets		169,069	169,225
Non-current			
Trade and other receivables	12	69	117
Interest bearing receivables	13	428	453
Other assets	14	894	667
Property, plant & equipment		2,106	1,963
Intangible assets	16	5,415	6,029
Deferred tax assets		5,668	6,362
Total non-current assets		14,580	15,591
TOTAL ASSETS		183,649	184,816
LIABILITIES			
Current			
Trade and other payables	17	34,038	36,172
Interest bearing liabilities	18	104,793	95,749
Provisions	19	6,384	10,108
Current tax liability		140	140
Total current liabilities		145,355	142,169
Non-current			
Trade and other payables	17	90	90
Interest bearing liabilities	18	160	249
Provisions	19	3,483	7,787
Total non-current liabilities		3,733	8,126
TOTAL LIABILITIES		149,088	150,295
NET ASSETS		34,561	34,521
EQUITY			
Contributed equity	20	32,173	40,015
Reserves	21	3,126	4,318
Accumulated losses		(856)	(9,938)
Equity attributable to shareholders		34,443	34,395
Non-controlling interests		118	126
TOTAL EQUITY		34,561	34,521

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 10 to 26.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2014

	Note	Half Year to 31 Dec 2014 \$'000	Half Year to 31 Dec 2013 \$'000
Cash Flows from Operating Activities			
Cash receipts from customers		67,172	70,479
Cash paid to suppliers and employees		(64,254)	(69,855)
Cash provided by operations		2,918	624
Claims and litigation settlements	19	(6,742)	(3,003)
Income tax refunded		-	48
Net cash flows used in operating activities		(3,824)	(2,331)
Cash Flows from Investing Activities			
Interest received		321	264
Proceeds from matured term deposit		5,000	-
Proceeds from sale of investments		-	400
Acquisition of intangible assets		(98)	-
Acquisition of property, plant & equipment		(417)	(89)
Proceeds from sale of property, plant & equipment		1	10
Net cash flows provided by investing activities		4,807	585
Cash Flows from Financing Activities			
Interest and borrowing expenses paid		(38)	(127)
Net increase in borrowings		6,630	44,605
Net increase in loan funds advanced		(7,412)	(44,566)
Proceeds from issue of share capital		28	-
Dividends paid	9	(3,126)	-
Net cash flows used in financing activities		(3,918)	(88)
Net decrease in cash & cash equivalents		(2,935)	(1,834)
Cash & cash equivalents at the beginning of the period		16,373	9,352
Cash & cash equivalents at the end of the period		13,438	7,518

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the attached notes included in pages 10 to 26.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2014

		Ordinary Shares	Dividend Reserve	Other Reserves	Accumulated Losses	Total	Non- Controlling Interests	Total Equity
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2014		40,015	3,820	498	(9,938)	34,395	126	34,521
Profit/(Loss) for the period		-	-	-	2,911	2,911	(8)	2,903
Total comprehensive income for the year		-	-	-	2,911	2,911	(8)	2,903
Transfer to Dividend Reserve		-	1,700	-	(1,700)	-	-	-
Share Capital Reduction - refer Note 1. below		(7,871)			7,871			
Share-based payment	22	29	-	234	-	263	-	263
Dividends paid		-	(3,126)	-	-	(3,126)	-	(3,126)
Balance at 31 December 2014		32,173	2,394	732	(856)	34,443	118	34,561
Balance at 1 July 2013		24,809	-	69	(7,913)	16,965	273	17,238
Profit/(Loss) for the period		-	-	-	1,320	1,320	(33)	1,287
Total comprehensive income for the year		-	-	-	1,320	1,320	(33)	1,287
Issue of share capital on acquisition of minority interest		1,576	-	-	(1,434)	142	(142)	(0)
Share-based payment	22	-	-	237		237	-	237
Dilution gains/(losses)		-	-	-	(67)	(67)	71	4
Balance at 31 December 2013		26,385	-	306	(8,094)	18,597	169	18,766

1. During the period, the parent entity (Centrepont Alliance Limited) offset accumulated losses as at 30 June 2014 of \$7,871,000 against share capital as provided for by section 258F of the Corporations Act.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Condensed Consolidated Financial Statements

31 December 2014

1. Corporate information

The interim consolidated financial statements of Centrepoint Alliance Limited and its subsidiaries (collectively, the 'Group') for the half year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 24 February 2015.

Centrepoint Alliance Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Summary of significant accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the half year ended 31 December 2014 have been prepared in accordance with AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2014.

It is recommended that the half year financial report be considered together with any public announcements made by the Group during the half year ended 31 December 2014 and up to the date of this report in accordance with the continuous disclosure obligations of the ASX listing rules.

The half year financial report has been prepared on a historical cost basis, except for certain financial assets and derivative financial instruments that have been measured at fair value.

The half year financial report is presented in Australian dollars and all values are rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

New accounting standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the financial year ended 30 June 2014, except for the adoption of new standards and interpretations noted below:

Title	Application date of standard	Application date for Group
AASB 2012-3: Amendments to Australian Accounting Standards – offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132) Addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 'Financial Instruments: presentation'.	1 January 2014	1 July 2014
AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets Addresses disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.	1 January 2014	1 July 2014

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

Title	Application date of standard	Application date for Group
AASB 1031: Materiality Revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality.	1 January 2014	1 July 2014
AASB 2014-1: Part A Annual Improvements 2010-2012 Cycle Amends a number of pronouncements as a result of the IASB's 2010-2012 annual improvements cycle. Key amendments include: <ul style="list-style-type: none"> • AASB 2 – definition of a vesting condition; • AASB 3 – accounting for contingent consideration in a business combination; • AASB 8 – aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets; • AASB 116 & 138 – revaluation method: proportionate restatement of accumulated depreciation and accumulated amortisation • AASB 124 – key management personnel; and 	1 July 2014	1 July 2014
AASB 2014-1: Part A Annual Improvements 2011-2013 Cycle Annual improvements to IFRS's 2011-2013 Cycle and addresses the following items: <ul style="list-style-type: none"> • AASB 13 – scope of paragraph 52 (portfolio exception); and • AASB 40 – clarifying that judgement is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3. That judgement is based on guidance in AASB 3. 	1 July 2014	1 July 2014
AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.	1 January 2014	1 July 2014

The adoption of the above Standards does not have any material impact on the disclosures or amounts recognised in the Group's condensed consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Comparatives

Certain adjustments have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result certain line items have been amended in the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

3. Business combinations

There were no business combinations during the period.

4. Segment information

The Group has organised its businesses and identified its operating segments based on the nature of the products and services provided and the markets in which it operates. Operating segments with similar economic characteristics have been aggregated into single reportable segments, and internal reports are regularly reviewed by the Managing Director and Chief Executive Officer on this basis.

The Group's reportable segments are:

- Centrepont Wealth – provides Australian Financial Services Licence related services, investor directed portfolio services and investment management services to financial advisers and their clients;
- Centrepont Funding – provides insurance premium funding and mortgage broking services; and
- Corporate – Board, corporate finance, company secretarial and other administration functions of the Company.

The Group operated only in Australia during the reporting period. A detailed review of these segments is included in the Directors' Report.

The accounting policies of the reportable segments are the same as the Group's accounting policies. The Group does not currently manage its assets and liabilities on an individual segment basis. Accordingly, assets and liabilities have not been allocated to individual segments.

Restatement of prior half year comparatives

During the financial year ended 30 June 2014, the Group changed the structure of its internal organisation. Previously reported segments Financial Advice Services – own AFSL, Financial Advice Services – licensees and Investment Products now form the Centrepont Wealth segment. The previously reported Insurance Premium Funding segment is included in the Centrepont Funding segment, which also includes mortgage broking previously included in Corporate and Other.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

Note 4. Segment information (cont.)

	Centrepont Wealth \$'000	Centrepont Funding \$'000	Corporate \$'000	Consolidated \$'000
2014				
Revenue				
External customers	16,259	981	4	17,244
Inter-segment revenue	532	20	2,206	2,758
Interest income	43	8,502	278	8,823
Segment revenue	16,834	9,503	2,488	28,825
Inter-segment elimination				(2,758)
Total revenue				26,067
Segment results				
Borrowing expenses	(148)	(3,012)	104	(3,056)
Client claims	(393)	-	-	(393)
Depreciation & amortisation	(818)	(151)	(20)	(989)
Impairment of assets	-	(187)	3	(184)
Segment profit/(loss) before tax	3,386	1,542	772	5,700
Inter-segment elimination			(2,100)	(2,100)
Segment profit/(loss) before tax	3,386	1,542	(1,328)	3,600
2013 (Restated)				
Revenue				
External customers	17,108	737	384	18,229
Inter-segment revenue	231	25	61	317
Interest income	94	8,806	228	9,128
Segment revenue	17,433	9,568	673	27,674
Inter-segment elimination				(317)
Total revenue				27,357
Segment results				
Borrowing expenses	(91)	(2,628)	(11)	(2,730)
Client claims	(312)	-	-	(312)
Depreciation & amortisation	(756)	(148)	(15)	(919)
Impairment of assets	(69)	(266)	-	(335)
Segment profit/(loss) before tax	1,455	2,630	(1,892)	2,193
Inter-segment elimination	-	-	-	-
Segment profit/(loss) before tax	1,455	2,630	(1,892)	2,193

The Inter-segment sales are carried out on an arm's length basis and are eliminated on consolidation.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

5. Interest income

	Half Year to 31 Dec 2014 \$'000	Half Year to 31 Dec 2013 \$'000
Interest income - Insurance premium funding	8,503	8,735
Interest income - Other	321	324
Total interest income	8,824	9,059

6. Other revenue

	Half Year to 31 Dec 2014 \$'000	Half Year to 31 Dec 2013 \$'000
Cost recoveries from advisors	259	221
Gain on sale of investments	-	243
Retail and wholesale asset and service fees	84	343
Other	61	31
Total other revenue	404	838

7. Borrowing expenses

	Half Year to 31 Dec 2014 \$'000	Half Year to 31 Dec 2013 \$'000
Interest expense	2,141	2,004
Bank fees & other	915	726
Total borrowing expenses	3,056	2,730

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

8. Other expenses

	Half Year to 31 Dec 2014 \$'000	Half Year to 31 Dec 2013 \$'000
a) Employee benefit expenses		
Wages and salaries	10,982	12,362
Share based compensation expense	234	237
Total employee benefit expenses	11,216	12,599
b) Impairment of assets		
Impairment of receivables	187	266
(Writeback) / Impairment of intangibles	(3)	69
Total impairment of assets	184	335
c) Other general and administrative expenses		
Audit fees	194	256
Communication expenses	265	293
Computer expenses	235	379
Adviser conference & training expenses	554	561
Depreciation and amortisation	989	919
Directors fees and expenses	192	171
Entertainment	147	121
Foreign exchange (loss)/gain	1	(1)
Licensing, subscriptions and registrations	559	572
Marketing and promotion	182	389
Management fees	321	332
Printing, stationary and postage	88	137
Travel and accommodation	300	488
Other expenses	821	683
Total other general and administrative expenses	4,848	5,300

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

9. Dividends

	Half Year to 31 Dec 2014 \$'000	Half Year to 31 Dec 2013 \$'000
a) Dividends paid or payable		
The following fully franked dividends were provided for or paid during the half year:		
Dividends paid on ordinary shares	3,126	-

Dividends payable are recognised when declared by the company.

10. Earnings per share ('EPS')

The following reflects the income used in the basic and diluted EPS computations:

	Half Year to 31 Dec 2014 \$'000	Half Year to 31 Dec 2013 \$'000
a) Profit used in calculating profit per share		
Net profit attributable to ordinary equity holders of the Company	2,911	1,320
Net profit attributable to ordinary equity holders of the Company from continuing operations	2,911	1,320
b) Weighted average number of shares	No. of shares	No. of shares
Weighted average number of ordinary shares (excluding reserved shares)	141,959,811	94,994,225
<i>Effect of dilution:</i>		
Performance rights	3,930,435	444,564
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	145,890,246	95,438,789

There have been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

11. Fair value of financial instruments

The Group uses various methods in estimating the fair value of a financial instrument. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The methods comprise:

Level 1 – the fair value is calculated using quoted (unadjusted) market prices in active markets for identical assets or liabilities.

11. Fair value of financial instruments (cont.)

Level 2 – the fair value is estimated using inputs other than quoted (unadjusted) market prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Quoted (unadjusted) market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of listed equity investments are based on quoted market prices.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in their hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between categories during the year.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Cash and Cash equivalents: Fair value approximates the carrying amount as these assets are receivable on demand or short term in nature.

Interest Bearing Receivables: For fixed rate loans, excluding impaired loans, fair value is determined by discounting expected future cash flows by the RBA Indicator Lending Rate for 3 year fixed small business loans adjusted using quoted BBSW interest rates to reflect the average remaining term of the loans as at 31 December 2014.

The calculated fair value using this Level 3 methodology approximates carrying value. Increasing the interest rate used to discount future cash flows by 1% would reduce fair value by less than \$400,000.

For variable rate loans, excluding impaired loans, fair value approximates the carrying amount as they are repriced frequently.

Interest Bearing Liabilities: The carrying values of variable rate interest bearing liabilities approximate their fair value as they are short term in nature and reprice frequently.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

12. Trade and other receivables

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Current		
Fees and commissions receivable	11,614	11,635
Other receivables	1,050	1,403
Total	12,664	13,038
Non-current		
Other	69	117
Total	69	117

Due to the short term nature of the majority of the current trade and other payables, their carrying value is assumed to approximate their fair value.

13. Interest bearing receivables

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Current		
Loan receivables - Insurance premium funding	138,519	131,378
Provision for impairment - collective	(189)	(354)
Provision for impairment - specific	(579)	(508)
	137,751	130,516
Loan receivables - Investment advisers	265	438
Provision for impairment - specific	(153)	(345)
	112	93
Total current interest bearing receivables	137,863	130,609
Non-current		
Loan receivables - Investment advisers	889	725
Provision for impairment - specific	(461)	(272)
Total non-current interest bearing receivables	428	453

The carrying value of interest bearing receivables approximates their fair value.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
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14. Other assets

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Current		
Security deposits	473	136
Interest bearing term deposits	-	5,000
Prepayments	4,631	4,069
Total	5,104	9,205
Non-current		
Deposits	858	667
Other	36	-
Total	894	667

15. Discontinued operations

In the prior financial year the sale of the Singapore business was completed (de-registration occurred in July 2014). The Group has a number of dormant entities in New Zealand which are in the process of being wound up or sold.

There are Nil results for the International operations for the reporting period (2013: Nil) and there were no major classes of assets and liabilities as at 31 December 2014 or 31 December 2013.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

16. Intangible assets

a) Reconciliation of carrying amounts at the beginning and end of the year

	Goodwill \$'000	Software \$'000	Network & Client Lists \$'000	Total \$'000
Half year ending 31 December 2014				
At 1 July 2014 net of accumulated amortisation and impairment	2,132	1,010	2,887	6,029
Additions	-	98	-	98
Impairment	-	-	-	-
Amortisation	-	(270)	(442)	(712)
At 31 December 2014 net of accumulated amortisation and impairment	2,132	838	2,445	5,415
At 31 December 2014				
Cost	2,385	2,001	7,290	11,676
Accumulated amortisation and impairment	(253)	(1,163)	(4,845)	(6,261)
Net carrying value	2,132	838	2,445	5,415
Half year ending 31 December 2013				
At 1 July 2013 net of accumulated amortisation and impairment	2,132	403	3,986	6,521
Additions	-	-	69	69
Impairment	-	-	(69)	(69)
Amortisation	-	(65)	(658)	(723)
At 31 December 2013 net of accumulated amortisation and impairment	2,132	338	3,328	5,798
At 30 June 2014				
Cost	2,385	3,509	10,025	15,919
Accumulated amortisation and impairment	(253)	(2,499)	(7,138)	(9,890)
Net carrying value	2,132	1,010	2,887	6,029

16. Intangibles (cont.)

b) Description of the Group's intangible assets

i) Goodwill

Goodwill of \$1,176,000 was created as a result of the reverse acquisition of Centrepoint Alliance Limited by Centrepoint Wealth Pty Ltd in December 2010. It represents goodwill on the insurance premium funding business.

Goodwill was also created during 2012 on the acquisitions of the externally owned interests in Ventura Investment Management Ltd of \$93,000 and in Centrepoint Lending Solutions Pty Ltd of \$863,000, (net of an impairment of \$253,000).

Goodwill is tested on an annual basis and when there is an indication of potential impairment.

ii) Networks and client lists

Intangible assets in the form of adviser network businesses and adviser client lists acquired to expand the adviser network. These had a total book value at 31 December 2014 of \$2,445,000 (June 2014: \$2,887,000).

iii) Software

The Group has developed or acquired software, which are being amortised over their expected useful lives.

c) Impairment tests for goodwill and intangibles

i) Goodwill

Goodwill is tested for impairment by calculation of value in use at the cash generating unit ('CGU') level which is the same as the business unit described above.

Value in use is calculated using discounted cash flow projections for five years and terminal values prepared from current forecasts using the following assumptions:

- Growth rate 0% (June 2014: 0%)
- Pre-tax risk-adjusted discount rate for cash flows: 17.64% (June 2014: 17.64%)
- Cost of equity: 12.35% (June 2014: 12.35%)

Growth rates – represent the change in forecast earnings used to derive future cash flows used in the impairment test calculation. The Board approved budget for financial year ended 30 June 2015 has been used as the basis for future cash flows. Key assumptions incorporated into the 2015 budget are on volume of new loans for both the insurance premium funding business and the Centrepoint Lending Solutions business; effective interest rate attained for the insurance premium funding business; and the commission retention rate for the Centrepoint Lending Solutions business. The growth rate applied to future periods after 2015 is nil.

Cost of Equity – this is the weighted average cost of capital used to calculate the pre-tax risk adjusted discount rate and is equal to 12.35%. This rate was determined by the Board with reference to risk free interest rates and cost of equity of ASX listed peers.

Pre-tax risk-adjusted discount rate for cash flows – the discount rate used to discount future cash flows and equals the Cost of Equity rate grossed up by the Company's tax rate i.e. $12.35\% / (1 - .30) = 17.64\%$

The testing resulted in no impairment being required.

The value in use model is not materially sensitive to any of the above assumptions.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

16. Intangibles (cont.)

ii) Networks and client lists

Adviser networks and client lists are regularly tested for impairment by calculation of value in use or when indicators of potential impairment arise.

Value in use is calculated using discounted cash flow projections associated with the applicable asset using the following assumptions:

- The number of revenue generating advisers and clients declines to nil over the remaining useful life
- Revenue growth from advisers and clients: -5% to 0% depending on the asset (2013: 0%)
- Inflation rate for expenses: 2.5%
- Pre-tax risk-adjusted discount rate for cash flows: 17.64% (2013: 17.64%)
- Cost of equity: 12.35% (2013: 12.35%)

The testing resulted in impairment losses of \$Nil (31 December 2013: \$69,000).

The value in use calculations are most sensitive to the remaining useful life assumption. Sensitivity analysis indicates that a decrease in the assumed useful life of 1 year would have resulted in an impairment expense of \$225,000 (31 December 2013: \$Nil).

iii) Software

The value of the developed or acquired software of the Group is amortised on a straight line basis over a 2.5 year period, which the directors assess as the intangible assets' useful lives. No software is considered to be impaired.

17. Trade and other payables

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Current		
Insurance premium funding - commissions payable	575	551
Insurance premium funding - premiums payable	18,555	20,880
Amounts payable to financial advisers	8,992	8,898
Trade payables	2,425	2,312
Other creditors and accrued expenses	3,491	3,531
Total	34,038	36,172
Non-current		
Other creditors and accrued expenses	90	90
Total	90	90

Due to the short term nature of the majority of the current trade and other payables, their carrying value is assumed to approximate their fair value.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

18. Interest bearing liabilities

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Current		
Receivables finance facility - insurance premium funding	104,606	95,484
Equipment hire and software finance liabilities	187	265
Total	104,793	95,749
Non-current		
Equipment hire and software finance liabilities	160	249
Total	160	249

Interest bearing liabilities are carried at amortised cost. The carrying value of borrowings approximates their fair value.

19. Provisions

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Current		
Provision for adviser client claims	4,321	6,705
Provision for employee entitlements	2,063	3,403
Total	6,384	10,108
Non-current		
Provision for adviser client claims	2,904	7,070
Provision for employee entitlements	579	717
Total	3,483	7,787

The provision for adviser client claims is the estimated cost of resolving claims from clients arising from financial advice provided prior to 1 July 2010 by Authorised Representatives of the Group. The provision is the estimated cost of resolving reported and 'incurred but not reported' ('IBNR') claims. The estimate was determined using an independent actuarial valuation assessment in August 2014 that used internal historical data on claims up to 30 June 2014. It is measured based on the present value of future costs that the Group expects to incur to resolve such claims. Claims are expected to be reported and resolved over a period between zero and five years. Resolution is dependent on the circumstances of each claim and the level of complexity involved. Any costs are offset against the provision as incurred.

The number of new claims received during the period was in excess of the projection by the independent actuary in August 2014. This is considered to be an exception in this period due to claims clusters arising from two planning practices in the period, the impact of the statute of limitations, and the long term nature of the claims experience. We consider the variations to the actuarial projections over the six month period are not indicative of the future claims activity. Accordingly the independent actuarial assessment has not been updated during the period. A further independent actuarial assessment will be undertaken for the full year financial statements.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

20. Contributed equity

	Reference	31 Dec 2014 \$'000	30 Jun 2014 \$'000
a) Paid up capital			
Ordinary shares	(i)	35,673	41,188
Reserved shares	(ii)	(3,500)	(1,173)
		32,173	40,015

	Number of shares	31 Dec 2014 \$'000	Number of shares	30 Jun 2014 \$'000
i) Ordinary shares (issued & fully paid)				
Balance at start of reporting period	142,789,724	41,188	93,465,646	25,982
Movements during the year:-				
- Share issue - net of transaction costs	-	-	8,000,000	2,487
- Rights issue - net of transaction costs	-	-	35,697,906	11,144
- Share Issue under long-term incentive plan	4,514,284	2,356	-	-
- Acquisition of minority interest	-	-	5,626,172	1,575
Share capital S258F reduction	-	(7,871)	-	-
On issue at end of year	147,304,008	35,673	142,789,724	41,188
ii) Reserved shares				
Balance at start of reporting period	(856,431)	(1,173)	(856,431)	(1,173)
Issue of shares to executive	70,715	29	-	-
Share Issue - long term incentive plan	(4,514,284)	(2,356)	-	-
On issue at end of year	(5,300,000)	(3,500)	(856,431)	(1,173)
Total contributed equity	142,004,008	32,173	141,933,293	40,015

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Condensed Consolidated Financial Statements
31 December 2014

21. Reserves

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Employee equity benefits reserve	732	498
Dividend reserve	2,394	3,820
Total	3,126	4,318

a) Employee equity benefits reserve	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Balance at start of reporting period	498	69
Value of share based payments provided or which vested during the period	234	429
Balance at end of reporting period	732	498

The employee equity benefits reserve is used to record the value of share based payments provided to employees, including KMP, as part of their remuneration.

During the current period, the following shares were issued to the Managing Director and Chief Executive Officer and other senior executives of the Group under the Centrepont Alliance Employee Share Plan ("CAESP"). Participants were provided with an interest free non-recourse loan to fund their acquisition of the shares. This arrangement is equivalent to a call option over the shares and accordingly it has been valued using the Black Scholes model:

Performance rights	No. of shares	Vesting period	Issue price	Fair Value at issue date
Managing Director	1,400,000	3 years	\$0.522	\$0.160
Managing Director	1,400,000	4 years	\$0.522	\$0.167
Senior Executives	2,500,000	3 years	\$0.522	\$0.160

b) Dividend reserve	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Balance at start of reporting period	3,820	-
Dividends Paid	(3,126)	-
Transfer from current year profits	1,700	3,820
Balance at end of reporting period	2,394	3,820

The dividend reserve represents current year profits transferred for payment of potential future dividends.

22. Share based payment plans

All current option awards are fully vested at reporting date. There are 5,300,000 shares which are held within the CAESP which are not yet vested. Performance rights over 3,700,000 shares issued in the prior financial year have not yet vested.

a) Option pricing model

The fair value of the shares issued under the CAESP, the options issued under the CAESOP and the performance rights are estimated as at the date of allocation using the Black Scholes Model taking into account the terms and conditions upon which they were granted and market based inputs as at the grant date.

23. Commitments

In December 2014, the Group entered into an agreement with a software provider for the customisation and implementation of new business software for the benefit of both the Funding and Wealth businesses. The agreement is for a minimum period of 5 years with an annual expense of approximately \$300,000.

24. Contingent liabilities

The nature of the financial advice business is such that from time to time advice given by the Group or its Authorised Representatives results in claims by clients for compensation.

The Group has provided for claims arising from advice provided prior to 1 July 2010 based on an actuarial model of past claims as described in Note 19. The actuarial model does not project claims from class actions. Class action lawyers have been active within the financial advice industry in relation to failed investment products and there is an unquantifiable risk that such action may be taken against a Group subsidiary in the future.

At the date of this report the directors are not aware of any material contingent claims in relation to advice provided after 1 July 2010.

There were no other contingent liabilities at reporting date.

25. Events after the reporting period

There are no matters or events which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

26. Seasonality of operations

Provision of financial advice and investment products

There is no significant seasonal variation in the income from the provision of financial advice and investment products and services.

Insurance Premium Funding

The insurance premium funding business follows the seasonal peak of insurance policy renewals. The majority of the receivables have historically peaked, along with income in the second quarter of the financial year and fall to the lowest levels in the final quarter.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Directors' Declaration
31 December 2014

In accordance with a resolution of the directors of Centrepont Alliance Limited, I state that:

1. In the opinion of the directors:

- (a) the financial statements and notes of Centrepont Alliance Limited for the half year ended 31 December 2014 are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the directors:



R. J. Nelson
Chairman
24 February 2015

Independent Auditor's Review Report to the members of Centrepont Alliance Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Centrepont Alliance Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, and condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising Centrepont Alliance Limited and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 27.

Directors' Responsibility for the Half-Year Financial Report

The directors of Centrepont Alliance Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Centrepont Alliance Limited's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Centrepont Alliance Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Centrepoint Alliance Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Centrepoint Alliance Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Centrepoint Alliance Limited's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



David Rodgers
Partner
Chartered Accountants
Brisbane, 24 February 2015

**Half Year Results
Centrepont Alliance Limited
31 December 2014
ASX:CAF**

1H15 Highlights

- Statutory pre-tax profit of \$3.6m up 64% on pcp and underlying profit of \$4.3m up 8%
- Wealth underlying pretax profit of \$4.0m up 29% on pcp. Revenue down on pcp and up on prior period demonstrating business in growth phase having successfully completed turnaround
- Funding delivered an underlying pretax profit of \$1.6m down 40% on pcp. Investment in growth dampened results. Revenues were maintained with strong east coast growth offsetting lower volumes from softening insurance premiums and regional impacts in WA
- New Wealth operating model implemented. Focus is now on adviser rollout
- Funding's growth strategy winning market share in competitive market
- Business simplification and expense management funding strategic investments in new services and growth initiatives
- Interim fully franked dividend of 1 cent per share

To be the leading and most highly respected non institutional financial services business in Australia

By:

- Delivering consistent, reliable and valued outcomes for clients and customers
- Having experienced, aligned people who want to deliver the best and who have the resources to deliver
- Having a strong brand and financial performance
- Looking to innovate and find better, simpler solutions for our clients

Non-Bank Funding Market

Premium Funding

- \$5bn premium funding market
- Distributed via General Insurance brokers to SME and corporate customers
- 2 large institutional incumbents, otherwise fragmented market thereafter
- Relatively attractive margins increasing with scale

Mortgage broking and other non-bank funding

- Mortgage broking is a fast growing sector
- A range of product extension opportunities exist



Centrepont Funding

- c9% market share in premiums funded
- Strong east coast growth
- Well supported by funders with competitive borrowing facilities
- Experienced and capable management team

Wealth Market

- Australian superannuation market of \$1.8 trillion expected to grow at an average of 8% pa over the next 20 years
- The nature of the Australian regulatory, superannuation, welfare and tax environment ensures most Australians would benefit from quality financial advice
- Market controlled by large institutions primarily through acquisition – not service or proposition
- Significant regulatory, customer and technology changes are making customer centric full advice models more achievable
- Attractive margins and scale advantages



Centrepont Wealth

- Largest network of non institutional advisers with c8% market share supporting around one in every two non-institutional advisers
- Client centric wealth model covering advice and investment solutions
- Experienced and capable management team

Financial summary

	1H15	1H14	Change
Total Revenue	\$26.1m	\$27.4m	(5%)
Total Expenses (ex claims)	\$22.1m	\$24.9m	(11%)
Cost to Income Ratio	85%	91%	(7%)
Underlying PBT	\$4.3m	\$4.0m	8%
Statutory PBT	\$3.6m	\$2.2m	64%
Statutory NPAT	\$2.9m	\$1.3m	126%
Underlying PBT EPS (cents)	3.0	4.2	(29%)
Statutory EPS (cents) (Continuing Operations, Diluted)	2.0	1.4	44%
Operating Cash Flow	\$2.9m	\$0.6m	367%
Net Tangible Assets (cents per share)	15.94	6.52	144%

Financial Highlights

- Profit growth driven by business simplification
- Business simplification continuing to deliver savings and service improvements. Offset by significant investment in growth initiatives
- Revenue down due to loss of advisers in 2013. Revenue up 7% on 2H14
- Premium Funding volumes impacted by soft general insurance market and reduction in large premiums in WA. Offset by strong higher margin east coast growth

Group balance sheet

	1H15	2H14	Change
Cash and Term Deposits	\$13.4m	\$21.4m	(37%)
Interest Bearing Receivables	\$137.9m	\$130.6m	6%
Other Current Assets	\$17.8m	\$17.2m	3%
Intangible Assets and Goodwill	\$5.4m	\$6.0m	(10%)
Other Non-current Assets	\$9.2m	\$9.6m	(4%)
Total Assets	\$183.6m	\$184.8m	(1%)
Interest Bearing Liabilities	\$104.8m	\$95.7m	9%
Other Current Liabilities	\$40.6m	\$46.4m	(13%)
Non-current Liabilities	\$3.7m	\$8.1m	(54%)
Total Liabilities	\$149.1m	\$150.3m	(1%)
Net Assets	\$34.6m	\$34.5m	0%

Highlights

- Stable Balance Sheet
- Cyclical increase in interest bearing receivable and liabilities
- Current and Non-current Liabilities down in line with legacy claims provision
- Corporate debt remained negligible

Business Line Profit summary

Segment	1H15	1H14	Change
Wealth	\$4.0m	\$3.1m	29%
Funding	\$1.6m	\$2.7m	(40%)
Corporate	(\$1.3m)	(\$1.8m)	28%
Group Underlying PBT	\$4.3m	\$4.0m	8%
Legacy claims expense	(\$0.2m)	(\$0.3m)	-38%
Amortisation	(\$0.4m)	(\$0.6m)	-31%
Restructure & other	(\$0.1m)	(\$0.8m)	-90%
Statutory PBT	\$3.6m	\$2.2m	64%

Summary

- Wealth performing well with new business model implemented and adviser rollout beginning
- Funding investing in growing east coast distribution and developing the Steadfast partnership
- Corporate expenses were contained as a result of lower consulting and staff costs
- Legacy claims costs relate to discount unwind
- Restructure and other non-underlying costs significantly reduced as the business exits turnaround phase

Financial

- Underlying profit up 29% to \$4.0m and statutory PBT up 133% to \$3.4m
- Revenue down 5% on 1H14 and up 6% on 2H14 consistent with business turnaround
- Business simplification benefits being reinvested in strategic initiatives and improved services

Operating

- Completed EU and OMP. Well positioned and ahead of many in the industry
- Modern fee model being implemented
- Legacy claims continues to be well managed
- Range of market leading services launched for independent advisers significantly strengthening quality of proposition and service eg. IT solutions, paraplanning, adviser training and business coaching, managed accounts, succession planning, book purchases, professional indemnity cover

Strategy and people

- Leading Managed Account solution launched
- Strong growth in recruitment of quality practices
- Salaried Adviser channel established
- Business transitioning well into post FOFA world and fee for service model

Regulation

- Strong relationship with regulators and industry bodies
- Post FOFA Business model changes implemented

Wealth results

	1H15	1H14	Change
Revenue	\$16.3m	\$17.2m	(5%)
Expenses	(\$12.3m)	(\$14.1m)	(13%)
Underlying PBT	\$4.0m	\$3.1m	29%
Legacy claims expense	(\$0.2m)	(\$0.3m)	-38%
Amortisation	(\$0.4m)	(\$0.6m)	-35%
Restructure & other	(\$0.1m)	(\$0.8m)	-90%
Statutory PBT	\$3.4m	\$1.5m	133%

Key Metrics \$m

Funds Under Distribution Agt	8,420	7,948	6%
Funds Under Administration	1,977	1,734	14%
Funds Under Management	711	667	7%

Summary

- Revenue down 5% on 1H14 and up 6% on 2H14. Return to net growth in advisers after significant reductions in recent years
- Reinvestment in business with one off projects and start up costs of: Salaried Advisers (AWP), paraplanning, succession planning, book purchases, new licensee and vMAPs (managed accounts solution)
- Growth in funds due to increased support for in-house solutions by advisers partially offset by outflows in 2H14 driven by advisers lost in 2013

Funding highlights

Financial

- Underlying PBT down 40% to \$1.6m
 - Premiums funded down 15% to \$216m due to falling commercial premiums (down an estimated 8-13% per GI industry sources) and lost volume from several WA key accounts due to competitor activity in mid 2014
 - East coast investment in distribution paying dividends with sales up 24% in declining market
 - Mortgage broking EBITDA up 47% to \$0.25m
-

Operating

- Broker engagement progressing well with 23% increase in active brokers
 - Rebranding and relaunch of mortgage broking business successfully completed
 - One Centrepont cross sell campaign being rolled out
 - Secured \$189m of syndicated finance on improved terms
-

Strategy and people

- Growing east coast distribution and operational support
- Signed new distribution agreement with Steadfast, Australia's largest broker network
- Renewed IBNA and CQIB premium funding agreements
- Business continuing to reweight towards higher margin small loan size business
- Low risk profile maintained

Funding results

	1H15	1H14	Change
Revenue	\$9.5m	\$9.5m	(1%)
Expenses	(\$7.9m)	(\$6.8m)	15%
Underlying PBT	\$1.6m	\$2.7m	(40%)
Amortisation	(\$0.1m)	(\$0.1m)	1%
Statutory PBT	\$1.5m	\$2.6m	(41%)

Key metrics

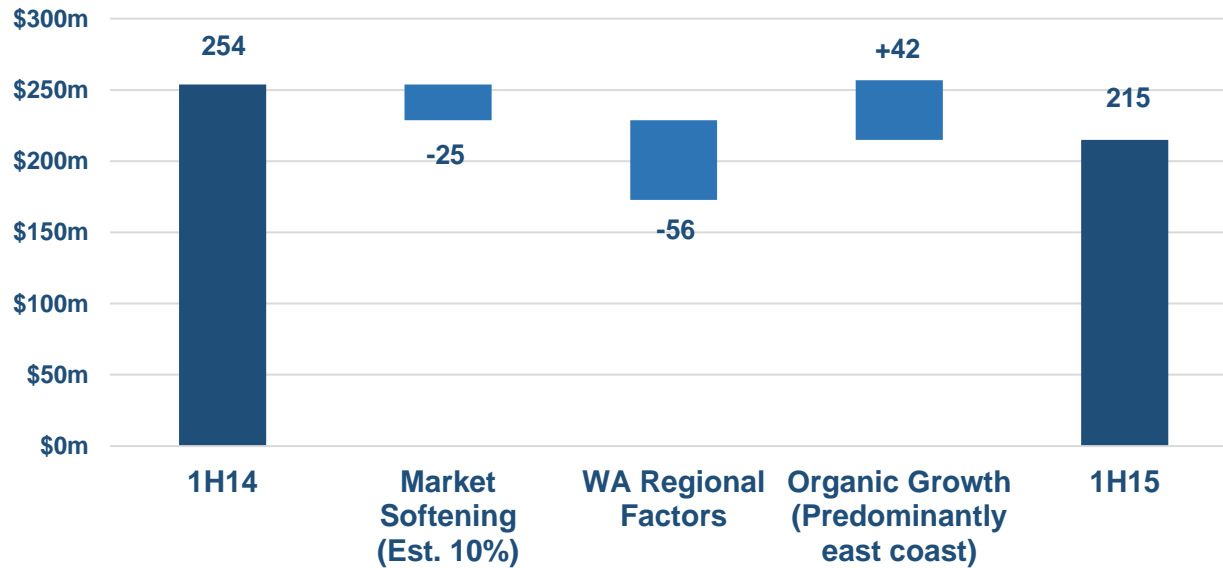
PF Loan volume (\$m)	215	254	(15%)
Active brokers	372	303	23%
Loans	14,707	13,453	9%
Average size (\$)	13,679	18,866	(27%)
Bad debts written off	0.38%	0.22%	(43%)
New mortgages (\$m)	373	345	8%
Mortgage book (\$bn)	4.4	4.5	(1%)

Summary

- An estimated 8-13% reduction in premiums being funded during soft GI market
- Revenue flat with volume reductions offset by increased volumes of high margin business
- Expenses up due to: investment in additional staff to drive east coast sales and service new Steadfast brokers, increased commission and staff retention incentives
- Active general insurance brokers up 23%
- Loans funded up 9% and average premium decreasing in line with focus on higher margin business
- Mortgage business has returned to growth with increases in new mortgages written

Premium Funding loan volumes

Change in Premiums Funded



Summary

- Market impact of softening in premiums is impacting lending volumes. General insurance industry sources estimate 8-13% market decline
- Geographic split of business occurring with WA re-weighting from 58% in 1H14 to 40% in 1H15

	1H15	1H14	Change
Revenue	\$0.3m	\$0.4m	(23%)
Expenses	(\$1.6m)	(\$2.2m)	(27%)
Underlying PBT	(\$1.3m)	(\$1.8m)	(28%)
Restructure & other	\$0.0m	(\$0.1m)	(100%)
Statutory PBT	(\$1.3m)	(\$1.9m)	30%

Summary

- Revenue is primarily interest income
- Expenses include CEO, CFO, Company Secretary, Board and shareholder costs
- Lower external consultant costs and reduced internal allocations

Legacy claims

The provision for Legacy Claims (i.e. Claims related to advice provided pre July 2010) has reduced 48% during the period.

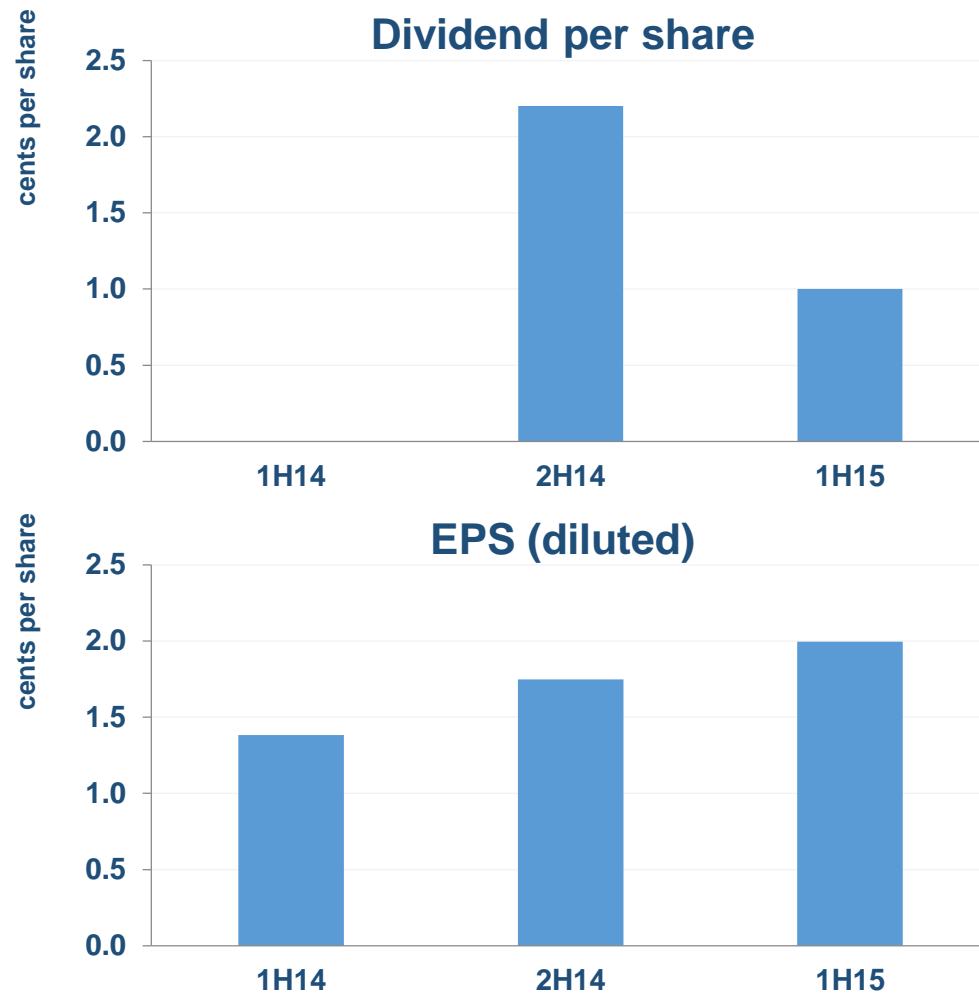
Claims payments were higher in the period due to:

- Payment of open claims from prior period. Open claims are down 36% compared to prior period
- Increased new claims believed to be due to: increased media attention on industry for poor advice and advertising by legal firms

Claims management continues to be well managed

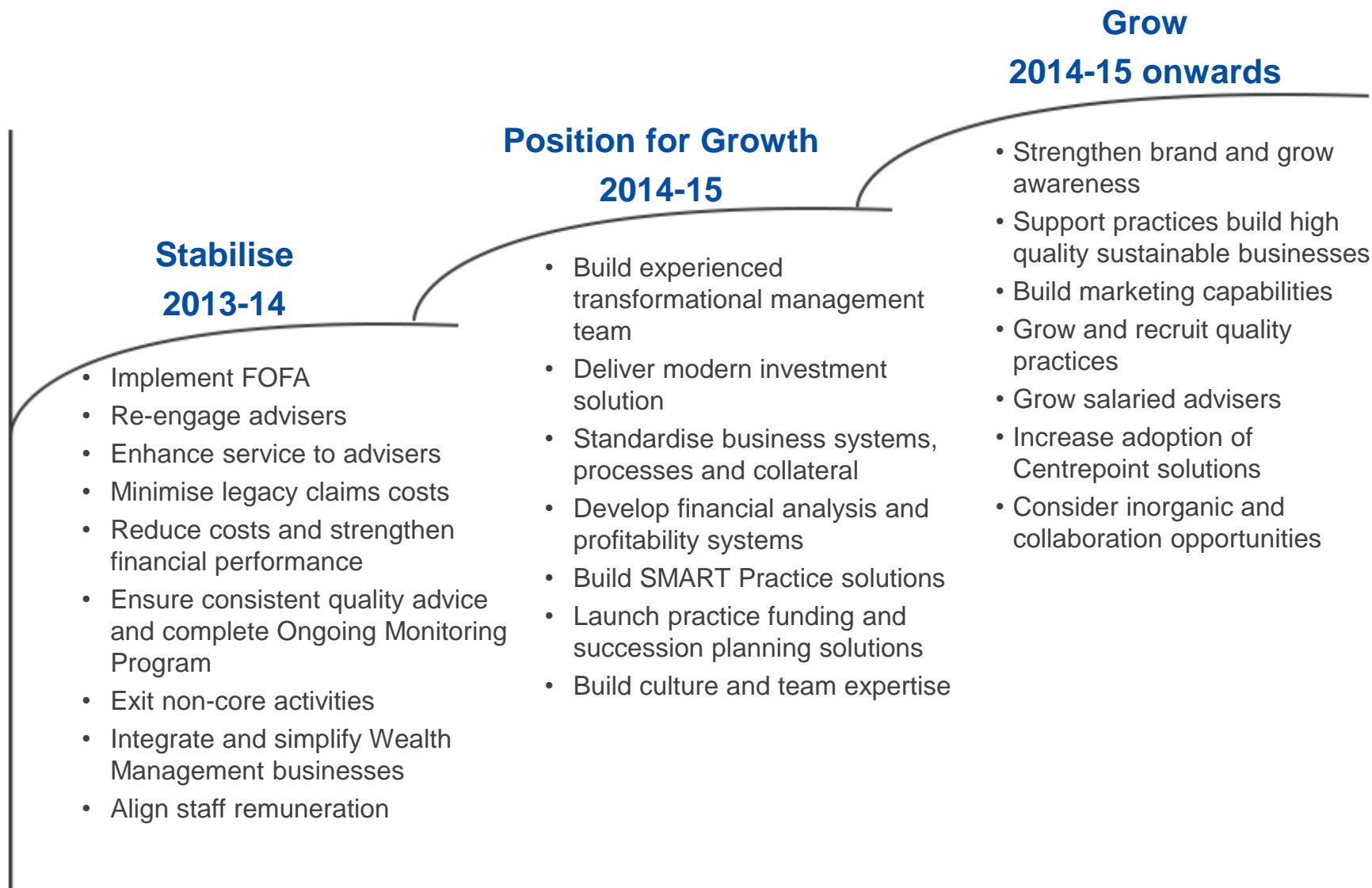
The claims liability is externally assessed and reviewed annually in June.

	1H15	2H14	Change
Opening Balance	\$13.8m	\$17.7m	(22%)
Claims provisioning expense during the period	\$0.2m	\$1.6m	(88%)
Claims settlements & fees paid (net of recoveries)	(\$6.8m)	(\$5.5m)	24%
Closing Balance	\$7.2m	\$13.8m	(48%)



- The Board has declared an interim dividend of 1c per share fully franked
- Record date is 25th March 2015 with payment on 29th April 2015
- A Dividend Reinvestment Plan has been implemented with a discount of 2%
- The aim of the dividend policy is to provide shareholders with sustainable and increasing fully franked dividends.

Original Wealth plan complete



Strategic initiatives - update

Client and Adviser Centric Professional Advice Model

- Supporting advisers transitioning to professional advice model. Will occur gradually over the long term
- Goal is to reduce advisers cost to serve clients by 50% over 3 years and improve client outcomes
- Increasing adoption of in-house services and solutions including IT systems, compliance and administration outsourcing, and investment solutions
- New adviser fee model being implemented, expected to be revenue neutral over 12 months
- Growth in quality practices joining due to new quality reputation, adviser and client centric strategy, and superb execution track record

Salaried Advice (Alliance Wealth & Protection)

- Salaried advice capability established
- Rapid growth and recruitment phase. Currently servicing orphan clients and book acquisitions (adviser succession planning)

M&A

- Core business performing well with capable and experienced management
- Opportunity to leverage existing infrastructure and capability
- Opportunities exist at all levels, from book buys to transformational M&A activity

- Wealth performing well with strong competitive offering. Focus on supporting advisers develop their business and adoption of in-house services, and continued recruitment of quality advisers
- Funding continues to deliver strong east coast growth in soft general insurance market
- Expansion of salaried advice model through book purchases and re-engagement of orphan clients
- Consider inorganic growth and partnering opportunities
- Work closely with our advisers, brokers, business partners, industry associations, ASIC and the Government to continue to improve the quality of advice and solutions Australians receive
- The Centrepont brand continues to build. Increasingly being recognized for quality, professionalism, innovation and client centricity
- Continued development of culture, team and in-house capabilities to support long term sustainable growth

Appendices

	1H15	2H14
Franking account balance as at year end	\$27.6m	\$28.9m
Ability to pay fully franked dividends	\$64.4m	\$67.4m
Unrecognised Revenue Tax Losses	\$47.7m	\$48.2m
Unrecognised Capital Tax Losses	\$29.1m	\$29.1m

Summary

- The company can offset historical tax losses of \$47.7m against future taxable profit to the extent of its available fraction.
- Currently the tax losses are yet to be recognised on the balance sheet.
- The company has sufficient franking credits to pay \$64.4m of fully franked dividends.

Definitions

Term	Definition
Pcp	Previous corresponding period
Funds under Distribution Agreements ('FuDA')	Funds upon which the Group derives a share of the fees charged by Advisers to their clients
Funds under Advice ('FuA')	Funds upon which the Group charges and advice fee for services provided
Funds under Administration ('FuAd')	Funds upon which the Group derives a share of the administration margin
Funds under Management ('FuM')	Funds upon which the Group derives a share of the investment product management margin
Funds	The collective term for Funds under Distribution Agreements, Advice, Administration, Management and Managed Portfolios
KMP	Key Management Personnel as defined in the Corporations Act
vMAPS	Ventura Separately Managed Account Solution
Net Operating Revenue	Net Operating Revenue comprises Operating Revenue less cost of goods sold
Net Operating Expenses	Net Operating Expenses comprises Operating Expenses less cost of goods sold expenses items
PBT	Profit Before Tax
Underlying PBT	Underlying PBT excludes tax, amortisation and one-off, non-operational items

This presentation is for general information purposes only and should be read in conjunction with the Appendix 4D lodged with the Australian Securities Exchange by Centrepont Alliance Limited (ASX: CAF) on 24 February 2015. This presentation does not provide recommendations or opinions in relation to specific investments or securities.

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All numbers are as at 31 December 2014 unless otherwise stated. Numbers may not add up due to rounding.

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Dividend reinvestment plan

Centrepont Alliance Limited ACN 052 507 507

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Frequently asked questions

*** Capitalised terms are defined in the Plan.*

What is the 'dividend reinvestment plan' (Plan)

The Plan allows you to reinvest all or part of any dividend paid on your Shares in additional Shares, instead of receiving the dividend in cash. New Shares are issued to you immediately after the dividend is paid and are issued at a discount to Market Price determined by the directors (up to a maximum of 5%).

Participation in the Plan is optional.

Am I eligible to participate in the Plan

All Shareholders with a registered address in Australia or New Zealand are eligible to participate.

How do I participate in the Plan

You must complete and sign an Election Form which must be posted to the Company's Share Registry (the details are contained in the corporate directory at the back of this booklet).

Do all my Shares participate in the Plan

You have two options.

Full Participation

If you elect 'full participation' on your Election Form, dividends on all your Shares are reinvested in new Shares. Dividends on any Shares you acquire in the future, including under the Plan, are also reinvested in this way.

Partial Participation

If you elect 'partial participation' on your Election Form, you nominate the number of your Shares which participate in the Plan. Only the dividends paid on those Shares that you nominate are reinvested in new Shares.

The balance of your Shares (**Non-Participating Shares**) continue to receive a cash dividend (by way of cheque or direct deposit into your nominated bank account).

If you buy more Shares, those Shares do not participate in the Plan.

If you hold less than the number of Shares you have specified in the Election Form, then the dividends on the Shares that you actually hold are reinvested.

Can I change my participation level at any time

Yes. Except if the Plan is suspended, you can either vary or terminate your participation in the Plan at any time by submitting another Election Form to the Company's Share Registry.

In order to be valid and effective for a dividend payable on Shares in the Plan, you must submit your Election Form to the Company's Share Registry by the nominated Record Date.

Is it expensive to participate in the Plan

No. In fact, there are no fees or associated costs of participating in the Plan.

The Company will continue to pay any administrative costs for acquisitions made under the Plan for so long as it is permitted by law to do so. Any subsequent disposal of Shares allotted or transferred under the Plan is at the expense of the Shareholder.

Will further issues of Shares automatically participate in the Plan

Only if you elect 'full participation' on your Election Form.

When does my participation in the Plan begin

Your participation in the Plan begins on the first Record Date after the Share Registry receives your properly completed Election Form.

How many Shares do I receive

The number of Shares that you receive is calculated by dividing the Eligible Dividend (net the withholding of or payment of any tax or other payment or levy) by 100% less the percentage discount determined by directors to the Market Price (e.g. dividing the Eligible Dividend by 95% if the directors use a 5% discount to the Market Price). The Company then issues you as many new Shares as possible at the Market Price. Any fractional amounts are rounded up to the nearest whole number of Shares. However, the Directors have discretion to round a fraction down to the nearest whole number where there are grounds for believing that a Participant is not acting in good faith or that a Participant's holding has been split into smaller parcels for the purpose of making multiple elections to participate under the Plan.

How is the Market Price calculated

The Market Price is the arithmetic average of the daily volume weighted average price of Shares sold on ASX during the ten trading days commencing on the second trading day after the Record Date (or other period as the directors decide), excluding any transactions that the directors consider to be otherwise than in the ordinary course of trading.

How will I know how many Shares I have received under the Plan

After each issue or transfer of Shares to you under the Plan, the Share Registry sends you a statement detailing the change in your shareholding.

Can I sell the Shares I receive under the Plan

Yes. You can sell any of your Participating Shares at any time. If you transfer your Participating Shares, the Shares are treated as Non-Participating Shares immediately upon transfer.

If you hold both Participating and Non-Participating Shares (that is you elected Partial Participation in the Plan), and you wish to transfer only some of your Shares, your Non-Participating Shares are reduced first, before your Participating Shares, if that is necessary. You can change this outcome by completing and lodging a new Election Form.

Can the Plan be changed or terminated

The directors may vary, suspend, recommence or terminate the Plan at any time at their discretion.

What is the taxation treatment of dividends paid under the Plan

Generally, dividends that are reinvested under the Plan are assessable to Australian resident Shareholders for income tax purposes and carry franking credits to the same extent as any cash dividend. Shares allocated under the Plan may be subject to either income tax or capital gains tax when you sell them, depending on your circumstances.

The Company takes no responsibility for the taxation liabilities of Participants. Specific taxation advice should be obtained by the Participant from an independent adviser.

WARNING

This summary does not constitute financial product advice provided by the Company. You should obtain independent advice before deciding whether or not to participate in the Plan, particularly in relation to taxation, investment and other implications of you deciding to invest.

Dividend reinvestment plan rules

1 Definitions and interpretation

1.1 Definitions

In these rules, unless the context otherwise requires:

Term	Definition
Applicable Law	means any relevant provision of Australian law and, for any Shareholder whose address is in a place other than Australia, any relevant provision of a law in that place.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Company	means Centrepont Alliance Limited ACN 052 507 507.
Constitution	means the constitution of the Company.
Date of Suspension	has the meaning set out in rule 12.2.
Distribution Amount	means the amount of the Eligible Dividend payable to a Participant, less any deductions or withholdings the Company is entitled or required by law to deduct, as set out in rule 7.2.
Election Form	means an application to participate in the Plan, or to vary that application, signed or authorised by a Shareholder in the form prescribed or approved by the directors from time to time.
Electronic Notices	has the meaning set out in rule 11.8.
Eligible Dividend	means a dividend declared by the directors to be payable wholly in cash for Shares (whether or not for Shares in every class) which the directors declare to be an Eligible Dividend for the purposes of the Plan.
Full Participation	has the meaning set out in rule 4.2(a).
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Market Price	for an Eligible Dividend means the price calculated by the directors to be the arithmetic average of the daily volume weighted average price of Shares sold on ASX during each of the ten trading days commencing on the second trading day after the Record Date (or other period as the directors decide), excluding any transactions that the directors consider to be otherwise than in the ordinary course of trading, which may include Special Crossings, Crossings before the commencement of Normal Trading, Crossings during the Closing Phase or the After Hours Adjustment Phase, overseas trades and overnight

Term	Definition
	Crossings (as those terms are defined in the ASX Market Rules) or trades pursuant to the exercise of options over Shares.
Non-Participating Share	means a Share that is not a Participating Share.
Non-Qualifying Share	has the meaning set out in rule 4.10.
Partial Participation	has the meaning set out in rule 4.2(b).
Participant	means a Shareholder some or all of whose Shares are Participating Shares.
Participating Share	means a Share which a Participant has validly elected to participate in the Plan.
Plan	means the Company's dividend reinvestment plan governed by these rules as amended from time to time.
Record Date	means the date and time, as decided by the directors, at which time a person holds or is taken to hold Shares for the purpose of deciding entitlement to Eligible Dividends.
Register	means the Company's share register.
Share	means a fully paid ordinary share in the Company and any other class of share in the Company that the directors may from time to time decide is capable of participating in the Plan.
Shareholder	means, subject to rule 1.2, the person whose name is entered in the Register as the holder of the Share on any given date.
Share Registry	means the share registry of the Company from time to time.

1.2 Interpretation

In these rules, unless the context otherwise requires:

- (a) headings are for convenience of reference only and do not affect interpretation;
- (a) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (b) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;
- (b) references to rules are to rules of the Plan contained in this document;
- (c) an expression defined in these rules has the same meaning throughout;
- (c) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;
- (d) a reference to '**dollars**' or '\$' is to Australian currency;
- (d) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns; and

- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning.

2 Terms

These rules are subject to Applicable Law, the Listing Rules and the Constitution.

3 Participation in the Plan

3.1 Optional participation

Participation in the Plan by a Shareholder is optional (at the sole election of the Shareholder in accordance with these rules), and may be varied or terminated at any time.

3.2 Non transferable

Participation in the Plan is not transferable.

3.3 Eligible Shareholders

Except as provided in rule 3.4, each Shareholder is eligible to participate in the Plan subject to:

- (a) these rules;
- (b) the Constitution;
- (c) the Shareholder shown in the Register as having an address in Australia, New Zealand or other place approved by the directors; and
- (d) any limitation on shareholding in the Company or participation in the Plan imposed by any law or the directors from time to time.

3.4 Non resident Shareholders

A Shareholder is not eligible to participate in the Plan if the registered address of that Shareholder is in a country or place where, in the absence of a disclosure document or other formality, the offer of a right to so participate would or might be unlawful.

3.5 Separate shareholder numbers

Where a Shareholder is, for a distinct number of Shares held by that Shareholder, shown in the Register with separate shareholder numbers, the Shareholder is taken to be a separate and distinct Shareholder for each shareholder number and Share that may be from time to time entered in the Register for that Shareholder number.

4 Extent of participation

4.1 Election to participate

An election to participate in the Plan may, subject to these rules, only be made by a Shareholder giving an Election Form to the Company.

4.2 Extent of participation

A Shareholder may participate in the Plan for either:

- (a) all Shares entered in the Register in the Shareholder's name which are nominated as being Participating Shares under these rules (**Full Participation**); or
- (b) a specific number of the Shares, which is less than a Shareholder's full holding, which are nominated as being Participating Shares under these rules (**Partial Participation**).

4.3 Election to participate

A Shareholder must specify in an Election Form the extent to which the Shareholder wishes to participate in the Plan by specifying either:

- (a) Full Participation; or
- (b) Partial Participation and specify the number of Shares to become Participating Shares.

4.4 Full Participation

In the case of Full Participation, when the nomination in the Election Form has taken effect, all Shares entered in the Register in the Shareholder's name when the nomination takes effect and all Shares subsequently entered in the Register in the Shareholder's name (including, without limitation, by allotment or transfer under the Plan) are subject to the Plan.

4.5 Partial Participation

In the case of Partial Participation, when the nomination in the Election Form has taken effect:

- (a) the number of Shares entered in the Register in the Shareholder's name and specified by the Shareholder in the Election Form for participation in the Plan; and
- (b) any other Shares entered in the Register in the Shareholder's name which are subsequently nominated for Partial Participation in the Plan under rule 9.1,

are subject to the Plan. For the avoidance of doubt, any Shares issued or transferred to the Shareholder under this Plan are only subject to the Plan where the Participant gives an Election Form to the Company to include the new Shares in the Partial Participation or converting the Participant from Partial Participation to Full Participation.

4.6 Full Participation by default

If an Election Form does not clearly specify:

- (a) the level of participation; and
- (b) the number of Shares to become Participating Shares in the Plan,

the election is taken to be an election for Full Participation.

4.7 Nomination taking effect

For the purposes of this rule 4, a reference to a nomination or Election Form taking effect is a reference to a nomination or Election Form taking effect under rule 11.

4.8 Shares held by trustee, nominee or in broker's clearing account

For participation of Shares held by a trustee or nominee or in a broker's clearing account, the trustee, nominee or broker must disclose to the directors in the Election Form or as otherwise required by the directors that the relevant Shares are held on behalf of various persons and specify the number of Shares held by each of those persons as at a particular Record Date, in which case the directors may elect to treat each person as a separate Shareholder under this Plan.

4.9 Shares over which the Company has a security interest

Notwithstanding anything in these rules, no dividend is paid to a Shareholder for Shares under the Plan where, under the Constitution or otherwise by law:

- (a) the directors are, or would be, entitled to retain all or part of any dividend which is, or would be, payable for any of the Participating Shares; or
- (b) the Company has a security interest over any of the Participating Shares, or over any dividend payable for any Shares and the Shareholder has not satisfied the secured obligation.

4.10 Shares which may not participate in the Plan

Shares registered in the name of a Shareholder to which rule 4.9 applies and Shares which are not fully paid or are not otherwise eligible to receive a full dividend (**Non-Qualifying Shares**), may not participate in the Plan. Where Shares have been nominated for either Full Participation or Partial Participation, and Non-Qualifying Shares are either:

- (a) included in that nomination at the time when the nomination has taken effect under rule 11; or
- (b) subsequently entered in the Register in the Shareholder's name because of an allotment, or by reason of a transfer or transmission of Shares or otherwise,

then the Non-Qualifying Shares are not Participating Shares unless and until:

- (c) in the case of Full Participation, the Shares cease to be Non-Qualifying Shares; and
- (d) in the case of Partial Participation, the Shares cease to be Non-Qualifying Shares and after that time an Election Form takes effect under these rules.

4.11 Failure to identify Shareholder number

Where a Participant becomes a registered holder of additional Shares because of:

- (a) a transfer or transmission of Shares from another person; or
- (b) an allotment of Shares arising from an acceptance of renounceable rights or an exercise of options, being rights or options which are transferred to the Shareholder from another person,

the instrument of transfer for the transferred Shares or transferred rights or options, as the case may be, must correctly identify an existing shareholder number of the Participant and the Shares to be transferred, transmitted or allotted, as the case may be, in order to be entered into the Register for that shareholder number.

4.12 Allocation to new account

Notwithstanding the foregoing rules, where a Participant fails to identify or correctly identify a shareholder number for additional Shares referred to in rule 4.11, those Shares:

- (a) are allocated to a new shareholder number created in the Register for the transfer or allotment; and
- (b) are not Participating Shares for the purpose of the Plan, in the absence of the Participant making an election for those Shares under rule 3.

4.13 Identification of shareholding account

To correctly identify a shareholder number, the name, address, account number and account designation specified by the transferee in the instrument of transfer must be identical to the name, address, account number, account designation for that shareholder number in the Register.

5 Operation of the Plan

5.1 Commencement

The Plan commences on the date decided by the directors.

5.2 Application

- (a) The Plan applies only to an Eligible Dividend payable to a Participant for a Participating Share on the date on which the Eligible Dividend is validly declared.
- (b) Eligible Dividends are applied by the Company to subscribe for and arrange for the transfer or issue of Shares on behalf of a Participant under rule 5.3.

5.3 Reinvestment of Eligible Dividends

- (a) The directors will establish and maintain a Plan account for each Participant for each separate shareholding, into which Eligible Dividends are paid.
- (b) Upon an Eligible Dividend being declared, the directors will for each Participant:
 - (i) calculate the Eligible Dividend amount payable for a Participant's Participating Shares less any costs calculated under rule 7;
 - (ii) deposit in the Participant's Plan account the amount calculated in 5.3(b)(i) above;
 - (iii) calculate the maximum whole number of Shares which can be acquired by the Participant under the Plan under rule 5.4; and
 - (iv) either subscribe for or arrange for the purchase and transfer of Shares on behalf of the Participant with the cleared funds in the Participant's Plan account.

5.4 Application of Eligible Dividend

The Distribution Amount must be applied by the Company on the Participant's behalf in subscribing for or acquiring, and the Company must allot or transfer to the Participant, the number of Shares of the same class (**S**) calculated under the following formula:

$$S = N / M$$

Where:

N = the amount in dollars of the Distribution Amount; and

M = the Market Price in dollars per Share or other price or percentage of the Market Price as decided by the directors from time to time less any discount decided by the directors (which must in any event not be greater than 5%).

5.5 Whole number

- (a) Subject to 5.5(b) below, if any number calculated under the formula in rule 5.4 is a fraction, that fraction is rounded up to the nearest whole number.
- (b) The directors have discretion to round a fraction down to the nearest whole number where there are grounds for believing that a Participant is not acting in good faith or if a Participant's holding has been split into smaller parcels for the purpose of making multiple elections to participate under the Plan.

5.6 Full payment of Eligible Dividend

Where the Eligible Dividend for the Participating Shares is dealt with by the Company under rule 5.2(b), it constitutes full and final payment by the Company of the Eligible Dividend for the Participating Shares to the relevant Shareholder.

5.7 Directors' discretion

- (a) The directors have discretion to, for rule 5.3, issue new Shares, purchase existing Shares and arrange for the transfer of those Shares or a combination of both.
- (b) If the directors decide to cause the transfer of Shares to Participants, the Shares may be acquired on-market in the manner the directors consider appropriate.
- (c) The subscription price for Shares to be allotted or transferred under the Plan may be adjusted in the manner the directors consider appropriate:
 - (i) to preserve equity between Participants and other Shareholders; or
 - (ii) to disregard any effect on the subscription price which appears in the reasonable opinion of the directors to have resulted from a breach of a provision of part 7.10 *Corporations Act 2001* (Cth).

6 Shares allotted under the Plan

6.1 Allotment of Shares

Shares allotted under the Plan to a Participant:

- (a) must be allotted in accordance with the Constitution;
- (b) rank equally in all respects with existing Participating Shares of the same class; and
- (c) must be entered in the same part of the Register as the part in which the Participant's Participating Shares are entered at the time of the allotment.

6.2 Quotation of Shares

The Company will apply for official quotation of Shares allotted under the Plan.

7 Costs to Participants

7.1 Transaction costs

Except to the extent required by law, no brokerage, commission, stamp duty or other transaction costs are payable by a Participant for any allotment of Shares under the Plan.

7.2 Deduction of costs

Where any law requires the payment of any amount (including, the withholding of or payment of any tax or other payment or levy) for an allotment of Shares under the Plan, that amount is to be deducted from the sum which would, but for the participation of the Participant, be available for payment to the Participant and paid by the Company as required by that law.

8 Statements to Participants

After each allotment or transfer made under rule 5.2(b), the Company must forward to each Participant a statement detailing, as at the date of that allotment:

- (a) the number of the Participant's Participating Shares at the relevant Record Date;
- (b) the Distribution Amount;
- (c) the amount of any deductions made under rule 7.2 for that allotment;
- (d) the number of Shares allotted under the Plan by that allotment;
- (e) the issue price of each Share allotted to the Participant under the Plan;
- (f) the franked amount (if any) of the dividend and the imputation tax credit (if any) attaching to the dividend; and
- (g) subject to any Share transactions in the intervening period, the total number of Participating Shares of the Participant after the dividend.

9 Variation or termination of participation

9.1 Variation of participation

Subject to rule 10, a Participant may by giving an Election Form to the Company:

- (a) convert from Full Participation to Partial Participation;
- (b) convert from Partial Participation to Full Participation;
- (c) increase or decrease the number of the Participant's Participating Shares; or
- (d) terminate the Participant's participation in the Plan.

9.2 Death or bankruptcy of Participant

If a Participant dies, participation in the Plan is terminated upon notice to the Company of the death. If a Participant becomes bankrupt or is wound up, participation by the Participant terminates with effect from the time the Company receives notice of the bankruptcy or winding up (as the case may be) from the Participant or the Participant's trustee in bankruptcy or liquidator. The death, bankruptcy or winding up of one or more joint holders does not automatically terminate participation in the Plan for the remaining joint holders.

10 Transfer of Participating Shares

10.1 Transfer of all Shares

Where a Participant transfers all of the Participant's Shares, the Participant is treated as having given notice to terminate participation in the Plan on the date when the Company registered the relevant transfer or instrument of disposal of the Participant's Shares.

10.2 Transfer of some Shares

Subject to the Listing Rules and Applicable Laws, where a Participant transfers some of the Participant's Shares, the Shares so transferred are taken to comprise:

- (a) first, Shares which are Non-Participating Shares of that Participant (if any); and
- (b) secondly, to the extent that the number of Shares referred to in rule 10.2(a) is insufficient to make up the full parcel of Shares transferred, Participating Shares of that Participant.

10.3 Different priority

Where a Participant transfers some of the Participant's Shares, and wishes those Shares to be comprised other than as specified in rule 10.2, the Participant may deliver an Election Form to the Company which specifies that particular Shares are the subject of a particular transfer. That Election Form is not of any effect unless:

- (a) it is received by the Company before the registration of the transfer to which the Election Form relates;
- (b) it provides details sufficient to identify the transfer to which the Election Form relates;

- (c) it identifies the number of Shares (if any) participating in the Plan which are to be the subject of the transfer; and
- (d) it is signed by or on behalf of the Shareholder in any manner the directors may require.

10.4 Cessation of participation

A Participating Share does not cease to be a Participating Share following a transfer unless or until the transfer has been registered in accordance with the Constitution.

11 Election and notices

11.1 Form

Election Forms must be in writing and signed by the Shareholder or registered broker, trustee or agent of a Shareholder or may be completed electronically at the website of the Share Registry, and must be in the form approved by the directors and otherwise in accordance with these rules.

11.2 Effectiveness of notices

Notices under these rules (including, without limitation, Election Forms) are effective on receipt by the Company at the Share Registry subject to:

- (a) these rules;
- (b) in the case of Election Forms:
 - (i) approval by the directors, which may be withheld in their absolute discretion;
 - (ii) the appropriate entry having been made in the Register for the Participating Shares to which the Election Form relates; and
 - (iii) any other restrictions which the directors may from time to time impose.

11.3 Time takes effect

Where an Election Form has been approved and the appropriate entry has been made in the Register, the Election Form takes effect as from the time at which the entry was made. Subject to a decision by the directors under rule 14.1(b), Election Forms received after 5pm (local time) on the trading day following the Record Date for the relevant Eligible Dividend are not effective for that dividend but are effective for any subsequent Record Date.

11.4 Approval

Approval of an Election Form may be withheld in any case at the absolute discretion of the directors, including, without limitation, if the directors have decided that approval would prejudice the effective operation of the Plan or otherwise be contrary to law or equity.

11.5 Notice by transferee or transmittee

An Election Form given by a transferee or transmittee of Shares may be treated by the Company as an effective notice for the purpose of these rules notwithstanding that the Shares were not registered in the name of the transferee or transmittee at the time the Election Form was given.

11.6 Invalid notices

The Company is under no obligation to correct invalid Election Forms on behalf of Shareholders or to correct an error or omission in those forms before acceptance under these rules.

11.7 Notice by Company

A notice required by these rules to be given to Shareholders may be served on Shareholders at the time the directors think fit by:

- (a) despatch of the notice in accordance with the Constitution; or
- (b) announcement on the Company's website or on ASX; or
- (c) both of the methods specified in rules 11.7(a) and 11.7(b).

11.8 Notice by Shareholder

The directors may decide that Shareholders may lodge notices, including but not limited to Election Forms, electronically either through the Company or the Share Registry (**Electronic Notices**), provided that the notice complies with any conditions imposed by the directors on electronic notices, in addition to the requirements under these rules.

11.9 Omission to give notice

The accidental omission by the Company to give notice or the non-receipt of any notice by any Shareholder under rule 11.7 does not invalidate the act for which notice was required.

12 Suspension of Plan

12.1 Suspension

The directors may suspend the Plan at any time at their absolute discretion.

12.2 Period of suspension

A suspension of the Plan under rule 12.1 takes effect from a date decided by the directors (**Date of Suspension**) and continues until the directors resolve either to recommence or to terminate the Plan.

12.3 Effect of suspension

- (a) At the Date of Suspension, any Shares which may have been Participating Shares immediately before that date are suspended from participation in the Plan for the period from the suspension and until the date the Plan recommences.
- (b) During the period of the suspension of the Plan, all Shares are taken to be Non-Participating Shares for the purpose of these rules notwithstanding the entries which may appear in the Register from time to time.
- (c) Any Election Form received by the Share Registry under these rules during a suspension of the Plan may be held pending the recommencement of the Plan under rule 12.4, in which case it is processed at that time.

12.4 Recommencement of Plan

The directors may resolve to recommence the suspended Plan at any time on the conditions they consider appropriate.

12.5 Effect of prior nomination

- (a) Without limiting their power under rule 12.4, the directors may also direct that Shares which had been nominated for Full Participation or Partial Participation in the Plan before the date of suspension will, with effect from the date of recommencement, participate in the Plan in accordance with the previous nominations of the Shareholders concerned.
- (b) The date and conditions of the recommencement (including any directions as to Shares recommencing to participate in the Plan) must be notified to Shareholders.

12.6 Notice of suspension or recommencement

The date of any suspension and the date of any recommencement of the Plan must be notified to Shareholders by the Company in accordance with these rules.

13 Variation and termination of the Plan

13.1 Variation or termination

The Plan may be varied or terminated by the directors (subject to the Constitution) at any time by notice to all Shareholders in accordance with these rules.

13.2 Effect of variation

A Participant is taken to continue to participate in the Plan as varied unless the Participant amends or terminates its participation under these rules.

14 General

14.1 Administration of the Plan

- (a) Subject to rule 14.1(e), the directors administer the Plan.
- (b) The directors may make decisions about the Plan generally or about specific Participants in regard to interpretation of the rules, errors or ambiguities in the rules, restrictions on participation in the Plan (including, for example, minimum and maximum participating holdings) or disputes arising under the Plan or its rules.
- (c) Any decision of the directors about the Plan is final and binding on all Participants and other persons to whom the decision relates.
- (d) The directors are under no obligation to allot or transfer any Shares to a Shareholder under the Plan if to do so would or might (in the opinion of the directors):
 - (i) prejudice the effective operation of the Plan;
 - (ii) give rise to breaches of Applicable Law or the Listing Rules by the Company or its officers or by the Participant;

- (iii) result in a breach of the Constitution; or
- (iv) cause possible inconvenience or expense by allowing that participation.
- (e) The directors may delegate any of their duties, powers or discretions under the Plan.
- (f) The directors may waive strict compliance with any part of the Plan.

14.2 Dispute resolution

The directors may settle, in the manner they consider appropriate, any difficulties, anomalies or disputes which may arise in connection with the Plan (or its operation) whether generally or about any Participant or any Shares and the decision of the directors is conclusive and binding on all Participants and other persons to whom the decision relates.

14.3 Entries conclusive

The Register is conclusive evidence of the matters which it records, including information to determine whether or not a Share is a Participating Share and whether the holder of the Share at that time has the corresponding rights which attach under these rules to a Participating Share.

14.4 Liability

Neither the Company nor any director or officer of the Company is liable to any Shareholder for any loss suffered by the Shareholder, directly or indirectly, in connection with the Plan, including for any variation or termination of the Plan, any tax liability incurred by a Shareholder and any errors or omissions in the Register.

14.5 Governing law

The Plan is governed by and construed in accordance with the law of Queensland.

Corporate directory

Corporate office

The Company Secretary
Centrepont Alliance Limited
Level 6, 2 Elizabeth Plaza, North Sydney, NSW 2060

T: 02 8987 3033

F: 02 9921 6999

Share registry

Computershare Investor Services Pty Limited
Reserve Bank Building, Level 2, 45 St George's Terrace, Perth, WA 6000

T: 08 9323 2000

F: 08 9323 2033