

Full Year Results

20 August 2014

Barry Lambert - Executive Chairman

Michael Spurr - Managing Director & CEO



Full Year Result Highlights

Financials

Operating Result (EBITA): **\$19.12 million (up 0.5%)**

Net Profit before Tax: **\$15.25 million (up 1.8%)**

Net Profit after Tax: **\$10.90 million (down 1.7%)**

Net Profit after Tax attributable to shareholders: **\$11.13 million**

CUP Dividends

12 cents declared and paid for 2013/14

First quarterly dividend for 2014/15 of **2 cents** per share fully franked declared (payment date 17/11/14; ex-date 27/10/14)

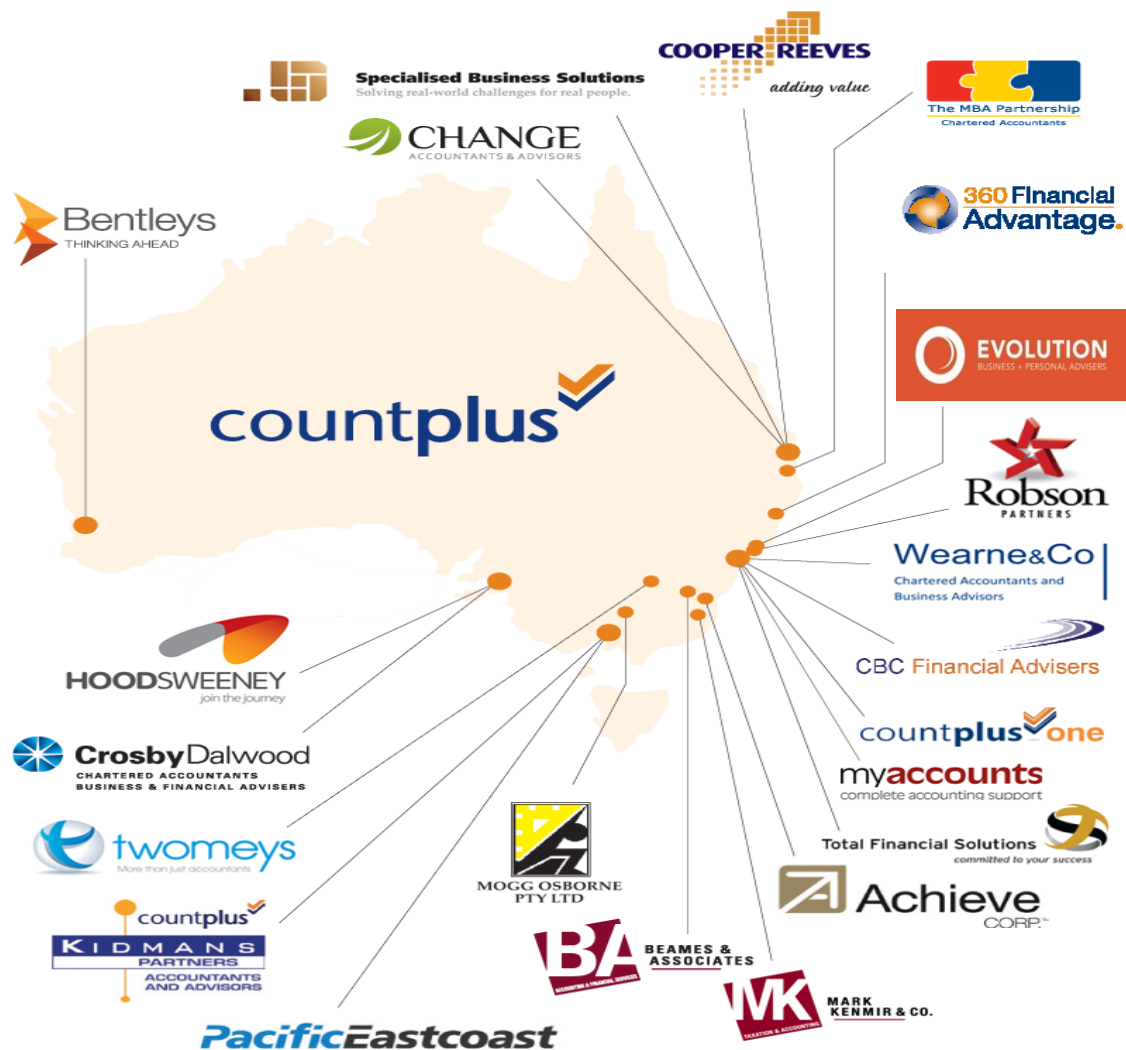
Fully Franked Dividend Declared

Dividend Declared	Cents Per Share	Ex-Dividend Date	Record Date	Payment Date
2015 1 st Interim Dividend	2 cents	27/10/2014	29/10/14	17/11/14

Recent CUP Dividends

Dividends Paid	Cents Per Share	Paid
2013 Final Dividend	3 cents	15/08/2013
2014 1 st Interim Dividend	3 cents	15/11/2013
2014 2 nd Interim Dividend	3 cents	14/02/2014
2014 3 rd Interim Dividend	3 cents	15/05/2014
2014 Final Dividend	3 cents	15/08/2014

The Countplus Network



Group Performance – Member Firms

	2014 \$ '000	2014 % of Total Revenue	% Change
Income:			
Accounting Related Revenue	62,737	65%	(4.0%)
Financial Planning Revenue (net)	23,859	25%	13.9%
Property Commission Revenue (net)	3,723	4%	21.0%
Other Operating Revenue	5,511	6%	0.8%
Total Net Revenue	95,830	100%	1.1%

Excluding sale of business, accounting revenues increased by 4%

Financial planning normalised income up 12%

Property & related services revenue up 21%



*Principals - Mogg Osborne
(Regional VIC)*

Group Performance – Member Firms

	2014 \$ '000	2014 % of Total Revenue	% Change
Expenses:			
Salaries and Employment	58,238	61%	(0.7%)
Premises	5,730	6%	4.5%
Depreciation	1,125	1%	10.2%
Other Operating Expenses	11,961	12%	(7.0%)
Total Expenses	77,054	80%	1.0%
Share of Profits from Associates	346		(28.8%)
Operating Profit (EBITA)	19,122	20%	0.5%

Other Operating expenses impacted by increased provisioning under conservative policy

Share of associates relate primarily to investment in Hood Sweeney (SA)



Cooper Reeves (South Bris, QLD)

Group Performance – Member Firms

	2014 \$ '000	% Change
Other Items:		
Non-Operating Income	937	
Share based Payments	(214)	39.0%
Interest Expense	(1,224)	(17.7%)
Amortisation Expenses	(3,157)	5.6%
Non-cash Fair Value Adjustments	(217)	
Profit before Tax	15,247	1.8%
Tax	(4,353)	(12.0%)
Consolidated Net Profit after Tax	10,894	(1.7%)
Other Comprehensive Income (net)	420	
Total Comprehensive Income net of Tax	11,314	2.1%

Interest expense primarily relates to debt facility with CBA

Amortisation expenses relate to intangible assets acquired on consolidation of Member Firms

Other comprehensive income relates to marking other investments to fair value – Class Super

Balance Sheet

	2014 \$ '000	% Change
Current Assets	34,334	(2.4%)
Non-Current Assets	65,427	(1.5%)
Total Assets	99,761	(1.8%)
Current Liabilities	21,321	(3.6%)
Non-Current Liabilities	27,695	0.7%
Total Liabilities	49,016	(1.3%)
Net Assets	50,745	(2.4%)
Current Ratio	1.61	
Total Loans and Borrowings	20,865	
Net Debt	12,691	



SBS (Brisbane, QLD)

Net debt has increased due to new acquisitions and deferred payments on prior period investments



Twomeys (Regional NSW)

Recent Acquisitions / Investments

Date	Acquirer	Acquisition / “Tuck-In”
Jul 2013	360 Financial Advantage Pty Ltd (Coffs Harbour, NSW)	Acquired a Port Macquarie, NSW accounting firm for \$1.0 million.
Jul 2013	360 Financial Advantage Pty Ltd (Coffs Harbour, NSW)	A small Port Macquarie, NSW accounting sole practitioner business for \$0.3 million.
Jul 2013	360 Financial Advantage Pty Ltd (Coffs Harbour, NSW)	Business assets of a Coffs Harbour, NSW accounting sole practitioner business for a \$0.3 million.
Jul 2013	Countplus One Pty Ltd (Sydney, NSW)	Business assets of Sydney accounting and financial services firm for \$0.7 million.
Jul 2013	Kidmans Partners Pty Ltd (Balwyn, VIC)	Melbourne based accounting business for \$0.7 million.
Feb 2014	Crosby Dalwood Pty Ltd (Modbury, SA)	An Adelaide accounting sole practitioner business for \$0.1 million.

Recent Acquisitions / Investments

Date	Acquirer	Acquisition / “Tuck-In”
May 2014	Total Financial Solutions group (national)	Book of financial planning fees from Sydney based adviser firm, Active & Ethical Solutions Pty Ltd for \$0.5 million.
Jul 2014	Total Financial Solutions group (national)	40% investment in Victorian financial planning business, Financial Momentum.
Aug 2014	Beames & Associates (ACT)	Merged with Canberra based professional services firm, JDAA Accounting.

Benefits of Joining Countplus

What are the benefits to accountants and other financial services businesses for being a part of the Countplus network?

- Learning from Member Firms & gaining cross referrals; cash buyer &/or diversification and growing business value at a listed multiple
- Funding for business growth
- Long-term succession
- Enhanced client services
- A regular income stream (quarterly franked dividends)
- Aligned ownership and incentive models to attract and retain quality employees

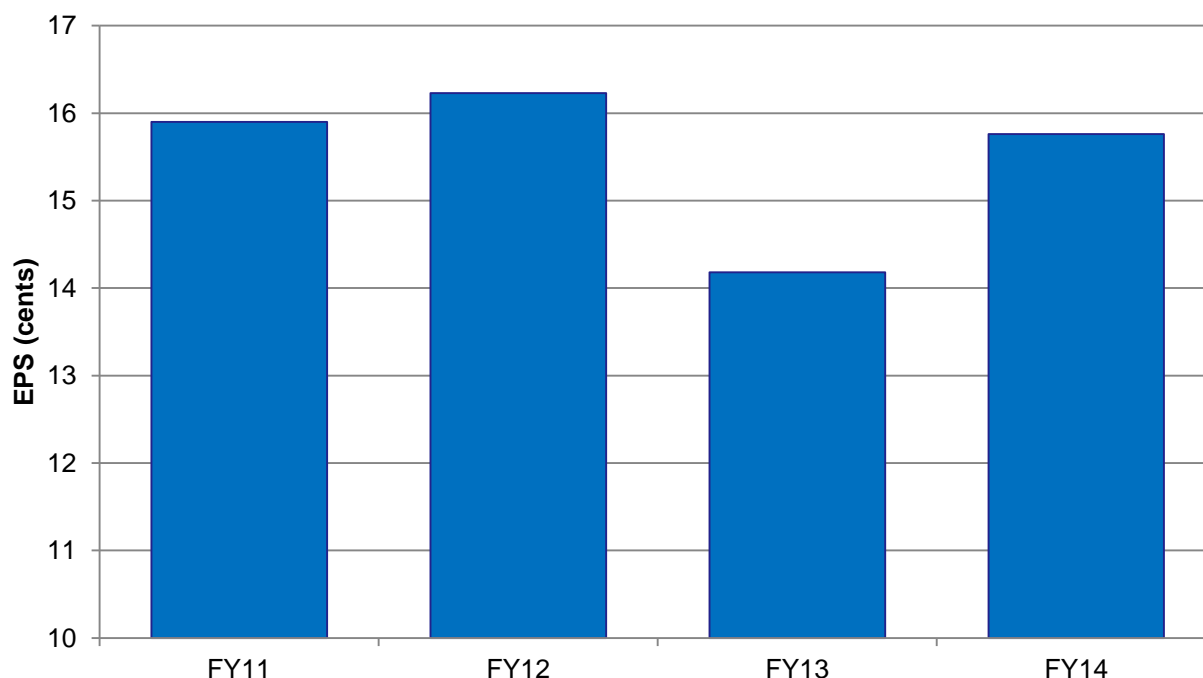


Bentleys (Perth, WA)



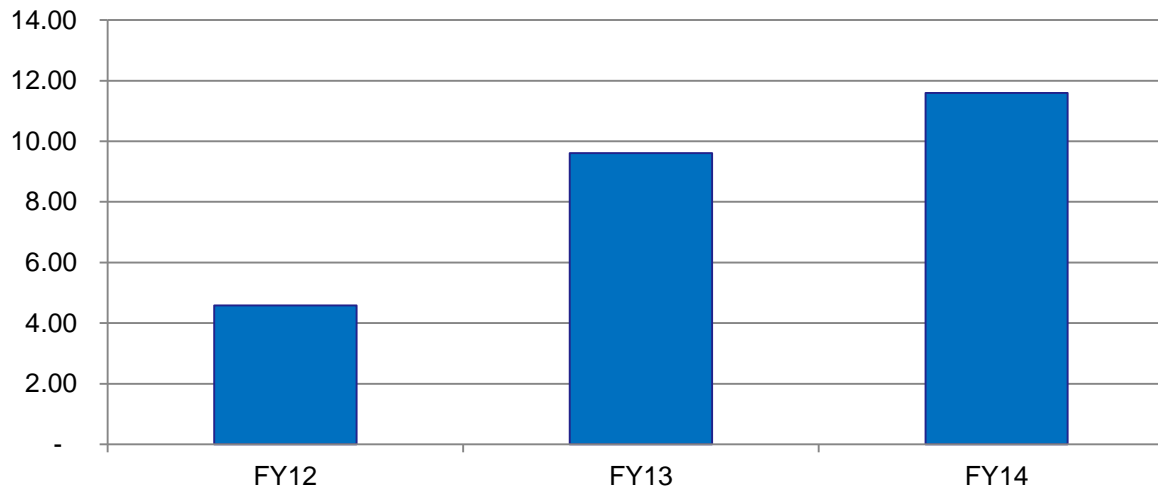
- TFS, a national financial planning dealer group was fully acquired on 30 September 2010
- TFS are expecting strong growth in EPS in 2015 as a result of recent adviser signings and improved market conditions

TFS Earnings Per Share

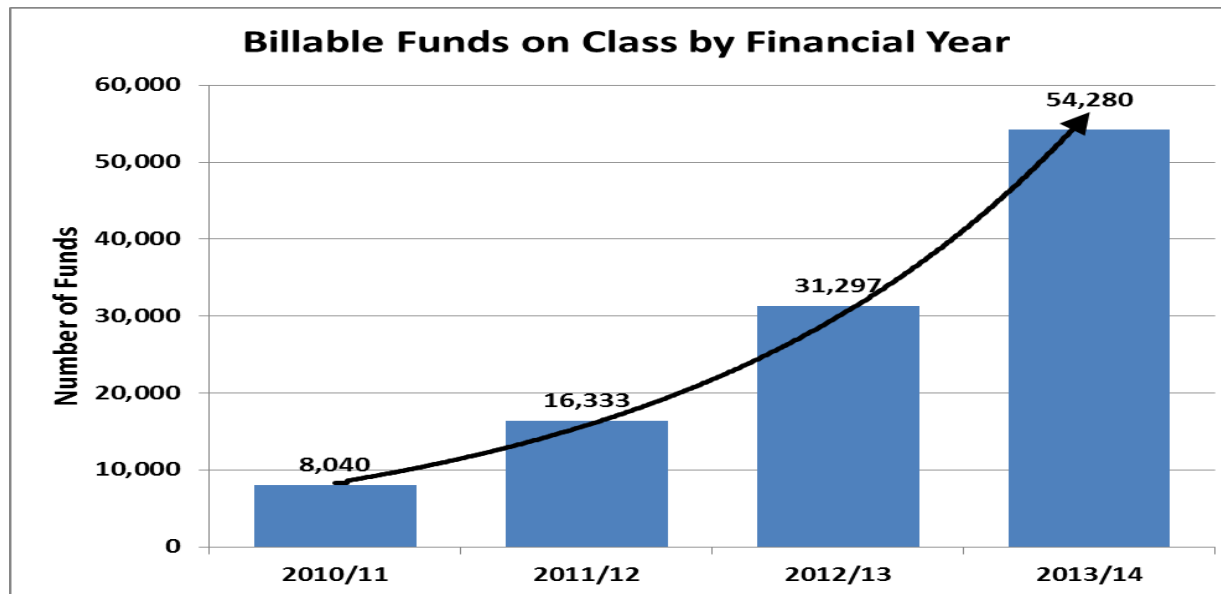


- Acquired on 11 February 2012
- Core business unit is property research and broking services on new residential property developments
- Has grown strongly since acquisition

PEC Earnings per Share



- First investment in Class made in October 2013
- Class is expected to list on the ASX in 2015/16
- The number of billable funds will pass 60,000 this week – up more than 10% in 8 weeks



Growth Acquisition Strategy

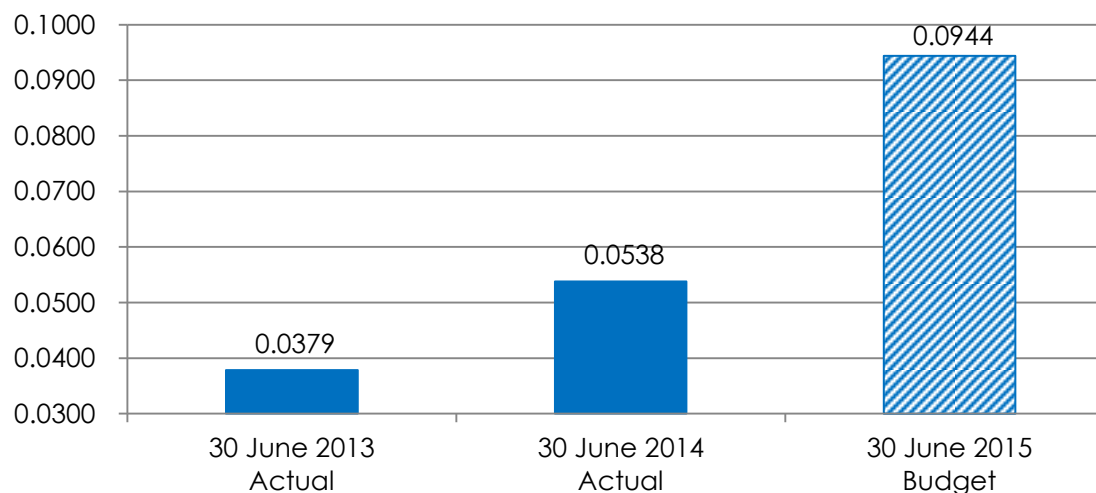
- Organic growth is our priority – steady demand from Vendors
- Funding of acquisitions will predominately be funded from profits & borrowings
- Acquisitions & investments will continue at 2 levels:
 - Initial minority stake (30%) in stand-alone businesses
 - 100% “Tuck-ins” by Member Firms
- “C+2” to target larger stand-alone businesses, predominately non-Count Financial accounting firms



ChangeGPS (Brisbane, QLD)

- Hood Sweeney is a South Australian professional services firm with more than 110 employees
- CUP's first investment in Hood Sweeney made in October 2012 and currently have a 23% interest

Hood Sweeney Earnings Per Share



“C+2” – Benefit for Vendor Accounting Firms

- Funding to: pay out retiring Principals; make acquisitions; or diversify Principal's investment
- Learning from like minded professionals in the Countplus network
- Model of the future – Principals retain direct financial interest and management, with a strong minority shareholder (CUP / “C+2”) and an ASX listing for ongoing funding, as suitable opportunities arise

“C+2” – Benefit to CUP

- Risk Mitigation – part ownership reduces risk on large investments
- Increased growth via “C+2” three stake structure:
 - Direct ownership & management via Accounting Principals (40%)
 - Share of listed company ownership via proposed ASX listing (30%)
 - Countplus (30%)
- “C+2” is the sustainable accountants’ ownership model of the future



Direct Equity Plan

- CUP to offer principals and key employees opportunity to purchase equity in underlying businesses
- Vendor principals may effectively “buy back” part interest
- Also targeting future leaders/principals
- CUP will maintain control
- Unique offering

Dividend Policy

- Quarterly dividends reduced to 2 cents per quarter – 8 cents per annum for the foreseeable future
- To assist funding of growth and investment opportunities without excessive debt or issue of new capital

Outlook

- First guidance to be reported at Annual General Meeting in November



The MBA Partnership (Southport, QLD)



Evolution Advisers (Warners Bay, NSW)

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