

31 August 2015

***By Electronic Lodgement***

The Manager  
Company Announcements Office  
ASX Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**Wilson Group Limited (ASX: WIG) 2015 Financial Results**

- > Adjusted Group NPAT (before significant items) of \$4.8 million versus \$4.8 million in prior year<sup>1</sup>.
- > Adjusted earnings per share from continuing operations 4.5 cents versus 4.7 cents per share<sup>1</sup>.
- > Statutory Group NLAT of \$9.0 million (including significant items) versus NPAT of \$4.8 million.
- > Pinnacle segment NPAT of \$7.4 million up 25% from \$5.9 million.
- > No final dividend for 30 June 2015. Special fully franked dividend of 2.25 cents payable in September 2015.
- > NTA of \$44.5 million or \$0.40 per share versus \$0.46 per share following sale of Securities business and de-recognition of deferred tax assets (DTA).
- > De-recognition of DTA of \$9.4 million.
- > One off costs and adjustments associated with the sale of Securities business of \$4.4 million.
- > Cash and Principal Investments of \$12.9 million as at 30 June 2015<sup>2</sup>. After year end, \$6 million was received on the sale of the Securities business and Pinnacle loan repayment.
- > Pinnacle loan from Wilson Group of \$14 million (now \$12 million following receipt of \$2 million repayment).
- > Pinnacle Group FUM of \$16.1 billion up 31% from \$12.3 billion.

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<sup>1</sup> Non-IFRS measure

<sup>2</sup> Excludes Securities business and Pinnacle

Wilson Group Limited (**WIG**) Chairman, Mr Steven Skala (AO) commented “*Wilson Group Limited has had a landmark year following the sale of its Securities business. This sale represents a most significant step in our strategic repositioning within the financial services industry, through our focus on funds management.*”

## Composition of Group Results

The adjusted profit after tax for the 2015 financial year is \$4.8 million, reflecting adjusted earnings per share of 4.5 cents versus 4.7 cents per share in the previous corresponding period. This result is before one-off significant items associated with the sale of the Securities business which completed on 1 July 2015 and before de-recognition of the DTA.

Composition of Group Results (\$million)	1H2015	2H2015	FY2015	FY2014
<b>Pinnacle<sup>1</sup></b>	<b>4.2</b>	<b>3.2</b>	<b>7.4</b>	<b>5.9</b>
Principal Investments	(0.3)	0.4	0.1	1.2
Priority Funds	(0.1)	(0.2)	(0.3)	(0.4)
Next Financial	(0.4)	(0.3)	(0.7)	(0.4)
<b>Wilson HTM (pre consolidation of Wilson Group Priority Core Fund)</b>	<b>(0.8)</b>	<b>(0.1)</b>	<b>(0.9)</b>	<b>0.4</b>
Consolidation of Wilson HTM Priority Core Fund <sup>2</sup>	0.0	0.0	0.0	2.3
<b>Wilson HTM</b>	<b>(0.8)</b>	<b>(0.1)</b>	<b>(0.9)</b>	<b>2.7</b>
Group Overhead (unallocated)	(1.0)	(1.2)	(2.2)	(2.3)
Tax benefit from continuing operations before significant items <sup>3</sup>	0.6	0.6	1.2	0.9
<b>Adjusted profit from continuing operations</b>	<b>3.0</b>	<b>2.5</b>	<b>5.5</b>	<b>7.2</b>
Operating result of discontinued operation - Securities business <sup>4</sup>	0.5	0.4	0.9	1.2
Minority Interests	(0.9)	(0.7)	(1.6)	(3.6)
<b>Profit before significant items</b>	<b>2.6</b>	<b>2.3</b>	<b>4.8</b>	<b>4.8</b>
Loss on held-for-sale classification of discontinued operation <sup>4</sup>	0.0	(4.4)	(4.4)	0.0
Derecognition of deferred tax assets <sup>3</sup>	0.0	(9.4)	(9.4)	0.0
<b>Profit / (loss) attributable to shareholders</b>	<b>2.6</b>	<b>(11.6)</b>	<b>(9.0)</b>	<b>4.8</b>
1 Includes share of Pinnacle Boutiques profit after tax	5.2	6.7	11.9	8.4

2 Relates to profit before tax attributable to non-controlling interests in the Wilson Group Priority Core Fund required to be

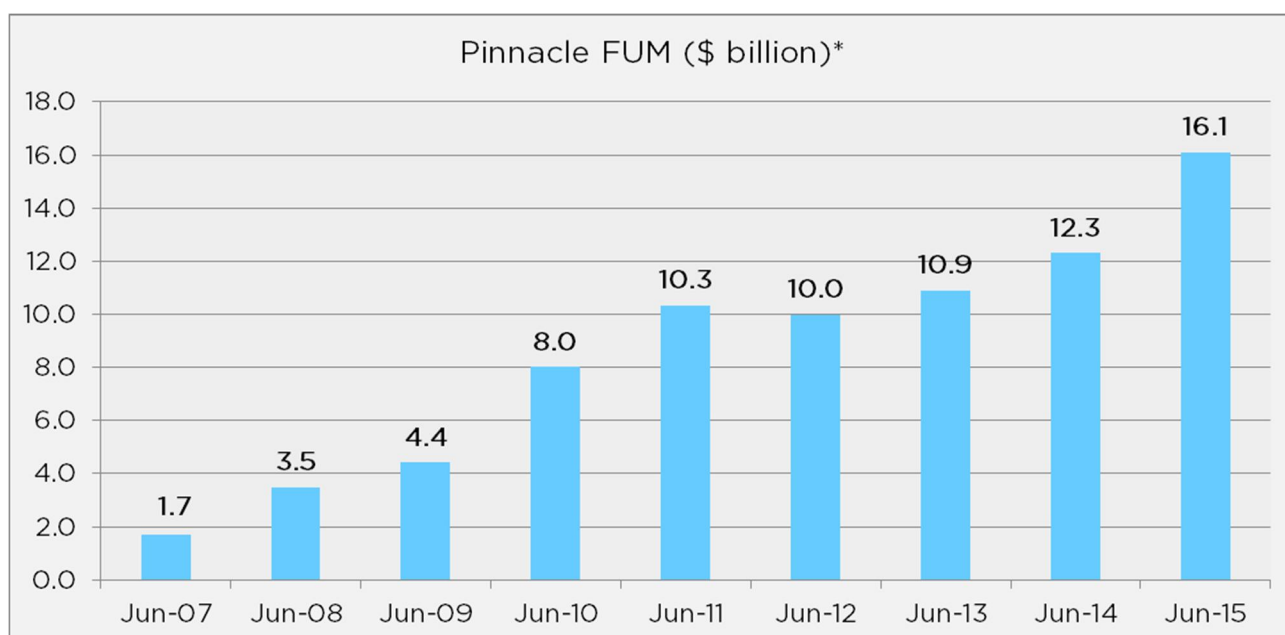
3 Included in income tax (expense) / benefit from continuing operations

4 Included in Profit/(loss) from discontinued operations in statement of comprehensive income

## Pinnacle's results

The 2015 financial year saw strong performance in the Pinnacle Boutiques which led to profit growth in the Pinnacle segment to \$7.4 million NPAT, up 25% from 2014. Pinnacle's share of net profit after tax from its equity interests in the Pinnacle Boutiques was \$11.9 million, a 42% increase from the previous year.

Extract from Pinnacle Financials		FY2015	FY2014
<b>Pinnacle Boutiques (100% aggregate basis)</b>			
FUM (\$billion)		16.1	12.3
Revenue (\$million)		72.9	55.7
Net profit before tax		38.9	26.2
Tax expense		(11.4)	(8.2)
Net profit after tax		27.5	18.0
<b>Pinnacle</b>			
Revenue		5.9	4.3
Expenses		(10.3)	(6.2)
Share of Pinnacle Boutiques net profit after tax		11.9	8.4
<b>Pinnacle Group statutory result #</b>		<b>7.5</b>	<b>6.5</b>
# 100% of Pinnacle (The Group had a 75.01% interest as at 30 June 2015).			



\*Funds under management shown as the aggregation of 100% of Pinnacle Boutiques

## Wilson Group

The Wilson HTM segment includes Wilson Group Priority Funds, Next Financial Limited and Principal Investments. Previously it included the Securities business which is classified as a discontinued operation and reported a net profit before tax of \$1.6 million for the 2015 financial year.

### Wilson Group Priority Funds

The Wilson Group Priority Growth Fund is an actively managed portfolio of primarily small and mid-capitalised Australian companies with strong long-term capital growth and outperformance potential. With a return of 14.3% per annum and out-performance of 12.2 % per annum since its inception in July 2005, it has provided long-term returns to investors. Returns in the 2015 financial year were 6.3% compared with its benchmark S&P/ASX Small Ordinaries Accumulation returns of 0.4%.

The Wilson Group Priority Core Fund combines a selection of quality ASX 100 stocks with an allocation of small capitalised company stocks to drive outperformance. The Priority Core Fund became eligible for an independent investment rating in 2013 and was subsequently awarded the highest 5 star rating available from Morningstar. Since its inception on 22 June 2010, the Priority Core Fund has outperformed its benchmark, the All Ordinaries Accumulation Index, by 4.5% per annum, with performance of 12.6% per annum. Returns in the 2015 financial year were 7% compared with benchmark returns of 5.7 %.

### Principal Investments

Principal Investments comprises Wilson Group's investments in equity securities and unit trusts.

As at 30 June 2015, Principal Investments included \$4.8 million invested in the Wilson Group Priority Core Fund, hedged by a \$2.7 million XJO Put Option short position.

### Next Financial

In late 2010, Next Financial ceased offering new products and focused on servicing existing products to their contractual maturity or earlier if clients chose to redeem. The instalment book declined from \$3.9 million at 30 June 2014 to a \$nil balance at 30 June 2015.

Next Financial made a net loss of \$0.7 million before tax for the 2015 financial year. Next Financial's operations will be finalised in the 2016 financial year.

### Capital Management

Net Tangible Assets decreased to \$44.5 million, being \$0.40 cents per share versus \$0.46 cents per share. This was due to the sale of the Securities business and the de-recognition of the DTA.

Pinnacle debt to WIG has reduced by a further \$2 million to \$12 million following the end of the financial year.

Cash and Principal Investments (excluding Pinnacle and the Securities business) was \$12.9 million with a further \$6 million being received post-balance date.

The Group continues to have no corporate borrowings.

### **Dividend**

An interim dividend of 1.6 cents per share was declared and paid in respect of the first half of the 2015 financial year. As a result of the loss associated with the disposal of the Securities business, the Board has resolved not to declare a final ordinary dividend.

The Board has however resolved to declare a fully franked special dividend of 2.25 cents per share payable in September 2015.

### **Board Renewal**

Mr Chum Darvall AM resigned as a director with effect from 31 August 2015 and the Board would like to pay tribute to his long and valuable service as a director, as Chair of the Audit, Compliance and Risk committee and as a Pinnacle director. Mr Darvall will remain a director of Pinnacle. The Board thanks Mr Darvall for his dedication to the Wilson Group over many years and his commitment in delaying his resignation to allow the sale of the Securities business to complete and the 2015 annual report to be published. Ms Erica Lane resigned as a director with effect from 26 November 2014 and the Board would like to acknowledge and thank her for her contribution. During the 2016 financial year, the Board will continue its refresh and will add directors with appropriate skills and qualifications.

### **Priorities for the 2016 financial year**

- > Supporting Pinnacle's growth
- > Growing FUM in Wilson Group Priority Funds
- > Finalising Next Financial's operations
- > Further focus on cost efficiencies and the reduction of corporate overhead
- > Capital management and payment of dividends

Please do not hesitate to contact me if you require any further information.

Yours faithfully



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