

9 February 2016

CLASS LIMITED (CL1) ASX ANNOUNCEMENT

CLASS – STRONG FIRST HALF RESULT, DIVIDEND INCREASED

Class Limited (Class) announces results for the half year ended 31 December 2015, including 111%¹ increase in half year net profit (excluding IPO Costs)², to \$2.81 million

Class directors are pleased to report a strong half year to 31 December 2015. For the six month period, the Company recorded a 111% increase in net profit after tax, and a 90% increase in earnings before interest, tax, depreciation and amortisation ('EBITDA'). These increases are before one-off costs in relation to the company's Initial Public Offering (IPO). After IPO transaction costs are taken into account, net profit after tax was \$2.19 million, up 64.6%.

Total revenue for the half year grew by 48% compared to the same period last financial year. This was primarily driven by an increase in billable portfolios. Class' billable portfolios increased by a record 14,814 in the last six months.

A summary of results for the half year ended 31 December 2015 follows¹.

Sales revenue	\$10.72m	up 49%
EBITDA ²	\$4.79m	up 90%
Net profit before tax ²	\$4.15m	up 89%
Net profit after tax ²	\$2.81m	up 111%
Diluted EPS ²	2.59 cents	up 109%

Expenses² excluding amortisation and depreciation increased by \$1.23 million. Employee benefits expense accounted for \$1.08 million of this increase, which included share based payments on long term incentives for key personnel and a restructuring of the board in preparation for the IPO. Also, as a result of the increase in number of portfolios, there was a corresponding increase in client acquisition costs, such as client implementation and sales commission.

Billable portfolios and market share

At 31 December 2015, Class had a total of 96,637 billable portfolios (31 December 2014: 67,168) including 95,289 billable Self Managed Super Funds (SMSFs) on the Class Super product. Class Super's share of the SMSF market at 31 December 2015 was 16.7% (estimated total market 570,030 SMSFs).

In addition to strong growth in sales of Class Super, there has also been increasing interest in Class' non-SMSF solution, Class Portfolio, which at 31 December 2015 had experienced strong growth in billable portfolios since its official release in October 2015.

1. All comparisons are to the half year ended 31 December 2014 unless otherwise stated.
2. All references are before one-off expenses relating to the initial public offering. They are non-IFRS measures and are used internally by management to assess the performance of the business and have been extracted or derived from half year financial report.

Kevin Bungard, CEO of Class said: “The IPO in December 2015 capped off an exciting and extremely encouraging six months for the Class team. We were thrilled to experience record growth in billable portfolios on Class Super, and high levels of interest in the Class Portfolio product.

“Class’ improved financial performance demonstrates a strong, profitable and scalable business. Following the IPO, Class is now in a solid position to implement the business strategies previously highlighted and pursue other opportunities that may arise.”

Announcement of dividend

Class today declared an increased unfranked dividend for the second quarter of 2015/16, of one cent payable on 7 March 2016.

Further information

More detailed information is available in the Appendix 4D, Interim Report to 31 December 2015, and Investor Presentation lodged with the ASX.

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