



ASX ANNOUNCEMENT: COU
Monday, 18 October 2010

Quarterly Business Report
30 September 2010

Summary

1. Key Performance Indicators
2. Countplus Update
3. Management Comment
4. Annual General Meeting
5. Past results

	Key Performance Indicators	30/9/2010 \$Billion	30/6/2010 \$Billion	% change FYTD	30/9/2009 \$Billion	12 month % change
1	Preferred Platforms ^(a)	\$ 6.41*	\$ 6.33	1.26%	\$ 6.52	-1.69%
2	Other Investments ^(b)	\$ 3.73	\$ 3.71	0.54%	\$ 3.99	-6.52%
3	Total Funds 1&2 (FUA)	\$10.14	\$10.04	1.00%	\$10.51	-3.52%
4	Loans Outstanding ^(c)	\$ 3.92	\$ 3.76	4.26%	\$ 3.60	8.89%
5	Total 3&4 (FLUA)	\$14.06	\$13.80	1.88%	\$14.11	-0.35%
		30/9/2010 \$Million	30/6/10 \$Million	% change FYTD	30/9/2009 \$Million	12 month % change
6	*Insurance Premiums (inforce) ^(d)	\$41.20	\$40.21	2.46%	\$35.58	15.80%

*Estimate only

(a) Six Preferred Platforms only.

(b) Funds subject to electronic updates and Count fees; excludes property and direct equities.

(c) Count introduced loans on which trailing commissions are being received (excludes residential loans where commissions are not currently being received) includes Margin Loans, but excludes equipment financing receivables.

(d) Inforce life insurance premiums (excluding those written within retail superannuation).

Note: Comparatives have been restated where necessary for accuracy.

1. Key Performance Indicators

Funds Under Advice (FUA) on approved platforms stands at \$6.41 billion, a decrease of 1.69% over the last 12 months. Of the \$4.51 billion invested in the BT/Westpac platform, 12.65% is invested in cash or term deposits; this is down from 12.85% in June 2010. Total FUA (excluding direct property) stands at \$10.14 billion, down 3.52% over the last 12 months.

These movements largely reflect very low industry investment returns for the 12 months ending 30 September 2010 and subdued fund flows, which is a current short-term characteristic of the wealth management industry.

Loans outstanding (loan balances subject to trail commission) is at \$3.92 billion up 8.88% for the last 12 months. Residential Lending has grown 6.70% over the last 12 months.

Combined Funds and Loans under Advice (FLUA) stands at \$14.06 billion.

Inforce insurance premiums of \$41.20 million are up 15.80% for the last 12 months and insurance new business has grown 16% on prior year. Life Insurance is one of the non-investment linked services Count Franchisees provide for their clients.

2. Countplus Limited

Since the end of 2009/10 financial year, Countplus has finalised three further acquisitions (including one financial planning dealership). Countplus now has equity interests in 18 accounting and financial services businesses. Work has now shifted to finalising the buy-out of the balance of each investee and the due diligence for the subsequent listing.

It remains the intention that COU shareholders will be given priority in the small raising that will accompany the Countplus listing.

3. Management Comment

Count continues to perform solidly, notwithstanding ongoing volatility in investment markets which tends to dampen investor sentiment. The long-term fundamentals of the wealth management industry generally, and Count specifically, remain very strong.

Count has a number of key organic growth initiatives in progress currently including a financial software review, external research review, product platform enhancements and enhancements to our finconnect business model. Announcements on these initiatives will be made over the next month. Any changes arising from these initiatives will be implemented progressively over the next 12 months and are obviously intended to strengthen our business operations and performance.

With the recent resumption of consultation on the proposed reforms to the financial advice sector, management anticipates greater clarity on the final form of these reforms to emerge during the year. Management is confident that, irrespective of the final form, Count can organise its arrangements as required to comply with the new regime, with minimal disruption to its operations and financial arrangements.

The imminent listing of Countplus, a business many years in the making, is expected to further strengthen Count's position in the financial services landscape, creating greater capacity and uncovering new opportunities for Count to pursue its strategic objectives.

4. Annual General Meeting

Details of Count's Annual General Meeting follows:

Time: 10 am
 Date: Tuesday, 16 November 2010
 Venue: Level 19, Goldfields House, 1 Alfred Street, Sydney, NSW

Historically the company gives its first profit guidance at the AGM.

5. Past Results

Operating Profit / EBIT Results

\$M	30/6/01	30/6/02	30/6/03	30/6/04	30/6/05	30/6/06	30/6/07	30/6/08	30/6/09	30/6/10
Operating Profit / EBIT	6.03	6.18	8.22	10.85	15.6	23.18	28.92	33.42	23.43	26.24
% Change	49%	3%#	33%	32%	44%	49%	25%	16%	(30%)*	12%

Average increase since listing – 10 years 23% pa
 (#2002 – 9/11 influenced; *2009/10 GFC influenced)

Expense / Income Ratio

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
67%	61%	64%	61%	57%	47%	37%	36%	36%	45%	42%

Dividend Growth

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Dividend - cents	1.45	2.0	2.2	2.42	3.5	4.5	6.0	8.0	10.0	7.0	8.0
% Change	27%	38%	10%	10%	45%	28%	33%	33%	25%	(30%)	14%

Cents per issued share
 Average increase last 10 years 21% pa

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Note: Quarterly market updates are issued around mid-April and mid-October. The December and June quarter updates are issued as part of the half year and annual profit results in February and August. Half yearly and annual profit results are reported around mid-February and mid-August. First profit guidance for each financial year given at November Annual General Meeting. Other announcements will be made when necessary to keep the market informed.