



Austock
Group

Interim Results Presentation
For the half year ended 31 December 2010

22 February 2011

Financial Overview: Operating Result

Operating Results (\$m unless stated)

Half year ended 31 December	2010	2009	Change
Revenue			
Corporate & Securities	10.1	14.7	(31.3%)
Investment Management	4.6	3.5	31.4%
Other	6.6	0.2	nm
	21.3	18.4	
Personnel costs	(12.0)	(13.9)	(13.7%)
Operating costs	(6.1)	(6.1)	–
Net profit/(loss) before tax	3.2	(1.6)	–
Income tax benefit	0.7	0.7	–
Net profit / (loss) after tax	3.9	(0.9)	nm

- Corporate revenue only \$3.2m compared with \$5.4m. Improved outlook for 2H
- Brokerage revenue down to \$6.5m (from \$8.6m). Institutional-related due to continued “tough” trading conditions. Some improvement evident in 2Q and early 3Q
- Investment Management income up \$1.1m due to debt refinancing fees of \$900,000 from AEU and continued improvement from Life as FUM continues to grow
- Other revenue includes profit on sale of Registries (including performance fees and dividends) and interest

Financial Overview: Expense Analysis

Expenses (\$m unless stated)

Half year ended 31 December	2010	2009	Change
Personnel	12.0	13.9	(13.7%)
Occupancy	0.8	0.7	14.3%
Communication	0.4	0.4	–
Finance	0.2	0.3	(33.3%)
Dealing & settlement	2.1	2.1	–
Marketing & promotion	0.7	0.6	16.7%
Depreciation	0.3	0.4	(25.0%)
General administration	1.6	1.6	–
Total Expenses	18.1	20.0	(9.5%)

- Personnel costs down 13.7% from 2009, which is a combination of a reduction in headcount and commissions as a result of reduced brokerage income
- Occupancy includes effectively seven months rent with the Melbourne premises move. General administration includes \$141,000 of plant & equipment/furniture and fittings write off at the old Melbourne premises
- Dealing & settlement expenses relate to ASX Chess / SEATS, Bloomberg, IRESS, Reuters, GBST, Life upfront payments and trails
- Marketing & promotion predominantly relate to travel & entertainment expenses
- General administration expenses include insurance, consulting, audit & tax, legal, IT, ASX & registry, office & photocopying, etc.

Financial Overview: Cashflow Statement

Cashflow (\$m unless stated)

Half year ended 31 December	2010	2009
CASHFLOWS FROM OPERATIONS		
Customer receipts	15.1	17.7
Supplier payments	(18.9)	(18.6)
Interest paid	(0.1)	(0.2)
Tax refund (payment)	0.7	1.0
Operating Cashflow	(3.2)	(0.1)
Proceeds from Registries & AFP sale	7.4	–
Interest received	0.3	0.2
Dividend received	0.5	–
Capital expenditure	(0.4)	–
Net borrowing	(2.3)	(0.4)
Guarantee payment	–	(1.8)
Other	(0.2)	(0.7)
Total Cashflow	2.1	(2.8)
Opening cash*	14.5	20.6
Closing cash*	16.6	17.8

- Operating cash outflow of \$3.2m is disappointing. Timing of corporate income an important factor – expected to improve 2H
- Dividend of \$0.5m received from Registries
- All bank debt relating Ceramic acquisition now repaid.
- Guarantee payment of \$1.8m in 2009 relates to one-off payment in relation to AEDTs (schools)

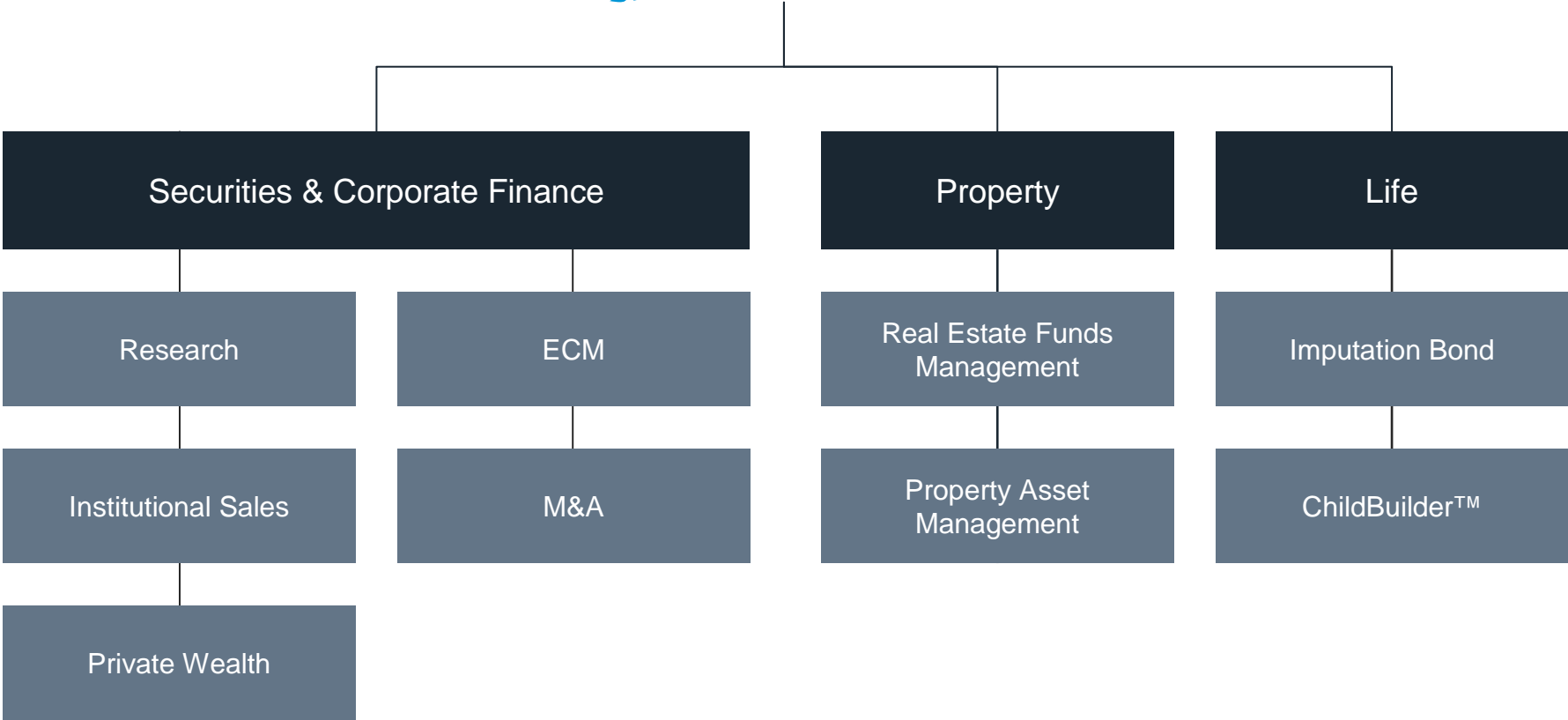
Financial Overview: Balance Sheet

Balance Sheet (\$m unless stated)

	31 Dec 2010	30 June 2010
ASSETS		
Cash	16.6	14.3
Trust cash	–	0.2
Receivables	1.9	2.1
Financial assets	1.9	9.6
Other assets	1.0	1.2
Plant & equipment	1.0	0.9
Intangible assets	5.3	5.4
Deferred tax assets	6.9	6.1
Income tax refund	–	0.8
Total assets	34.6	40.6
LIABILITIES		
Payables	0.9	2.0
Provisions	2.7	2.9
Other liabilities	4.1	5.8
Borrowings	0.3	2.6
Deferred tax liability	–	0.8
Total liabilities	8.0	14.1
Net assets	26.6	26.5

- Receivables includes brokerage receivable and property income receivable
- Financial assets at 30 June includes Registries (\$7.8m) and principal trading (\$1.8m)
- Other assets includes insurance prepayments and accrued property income
- PP&E includes furniture & fittings and IT equipment
- Intangibles includes software (\$0.4m), goodwill (\$3.0m) and property management rights associated with the Ceramic acquisition in 2007 (\$2.0m)
- Deferred tax assets increasing due to carried forward tax losses
- Provisions includes annual leave & long service leave entitlements
- Other liabilities includes GST, accrued commissions, audit fees, payaways, trails, bonuses and termination payments
- Borrowings at 30 June include BankWest loan (\$2.5m) and some HP

Segment Review: Organisational Chart



Key Factors

Institutional

- Improvement is evident – working hard to accelerate progress
- Cost base is very scalable
- Third quarter has started well in what is typically a slow period

Private Wealth

- Team has changed significantly over the last six months
- Re-positioned to become a specialty Private Wealth House
- Short term focus is on Managed Discretionary Account Service, Portfolio Management & Construction, Options and the creation of the Small Resources Dealing Team.

Corporate

- Revenue \$3.2 million for first half
- Growing confidence in pipeline and significant improvement expected in 2H
- Evidence of increased IPO activity

Research

- Ranked #10 in AFR /Starmine Awards in December, best performing of non globally aligned peers
- In same awards our Mining Services & Infrastructure research rated top 3
- Increased number of companies where we have market leadership, key to growing revenue medium term

Key Factors

Property

- Now stabilised post ABC
- AEU debt refinancing for \$180 million completed on 31 December 2010
- ASIF to list on ASX on 25 February 2011
- Focus is now on growth opportunities

Life

- Investment in distribution being reflected in increased FUM from \$175 million at 30 June to \$207 million at 31 December 2010
- December saw record inflow of \$8.3 million
- Long-term strategy to continue to build FUM and capital value
- Minimal impact on profitability this year – but should become profitable during 2012

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