Interim results

31 December 2014

Presented by

Christopher Kelaher, Managing Director
David Coulter, Chief Financial Officer

26 February 2015

A strategy that creates value

Organic growth	Productivity	Accretive acquisitions	Shareholder value
Net fund flow to flagship platforms of **$860m** ($622m 1H 13/14)	Adviser led productivity enhancements Cost management remains a feature	Acquisition of SFG Australia immediately accretive $3.5m pre-tax synergies realised	TSR of 12.4% 12 months to 23 February 2015 Fully franked 25cps interim dividend represents a 5% dividend yield*

$80.6m UNPAT up 39%

* Based on 20 day VWAP to 23 Feb 2015

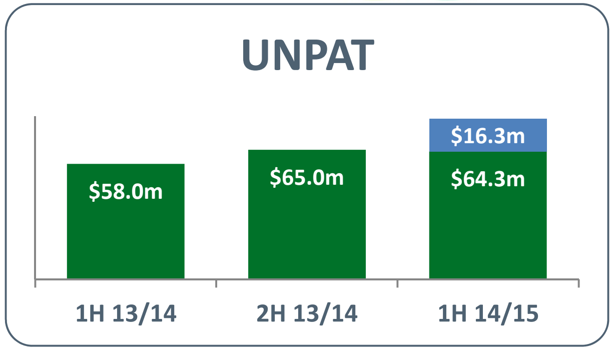
1H 14/15 interim highlights

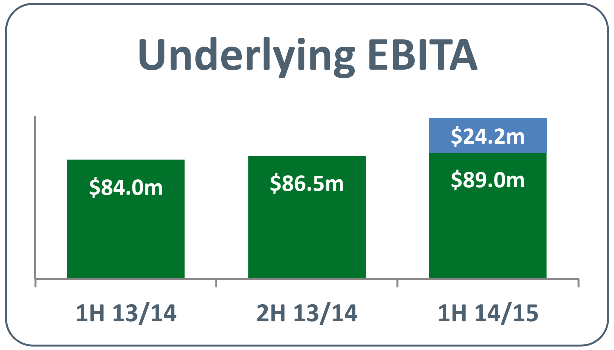
Financial	**Increase in revenue and net flows is driving growth** • Underlying EBITA up 35% • Underlying EPS ~29cps up 15% **Interim dividend 25 cps^, ⇧ 11% on 1H13/14 (~5% yield)**
Operating	**$860 million net fund flows into flagship platforms ⇧ 38%** **FUMA now $118.7 billion ⇧ 26%** • Total platform net flows $818m ⇧ 99% on 1H 13/14 • Platform Net Operating Margin of 39 bps maintained on a rising FUA base **Adviser numbers stable since SFG acquisition**
Strategic	**SFG immediately accretive** **Expect approx. $11m FY15 pre-tax synergies (synergy guidance on track)** **Driving enhanced advisor productivity through Best Advice program**

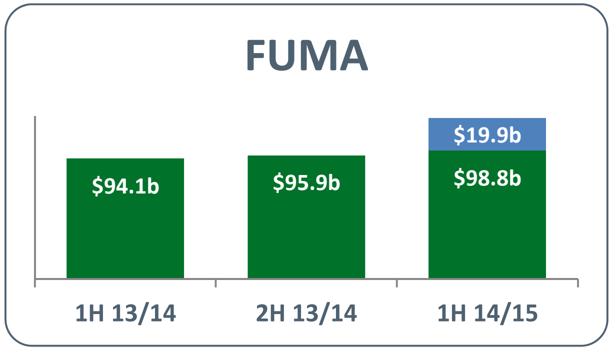
^Fully franked, record date 18 March 2015, payment date 10 April 2015

Financial highlights

	1H 14/15	1H 13/14	Change (%)
Underlying EBITA	$113.2m	$84.0m	+35%
Underlying NPAT	$80.6m	$58.0m	+39%
Statutory NPAT	$66.0m	$48.2m	+37%
Gross Margin	$267.9m	$193.8m	+38%
Operating Expenditure	$171.9m	$126.4m	+36%
Cost to Income Ratio*	58.5%	57.9%	+0.6%
Underlying EPS	28.7c	25.0c	+15%
Interim Dividend	25.0c	22.5c	+11%
Return on Equity	12.8%	13.8%	-1.0%
FUMAS	$144.5b	$124.0b	+17%
FUMA	$118.7b	$94.1b	+26%
Average FUMA	$111.5b	$91.6b	+22%







- IOOF ex SFG
- SFG

* Cost to Income ratio excluding the impact of acquiring SFG 56.9%

Advice-driven, scale business

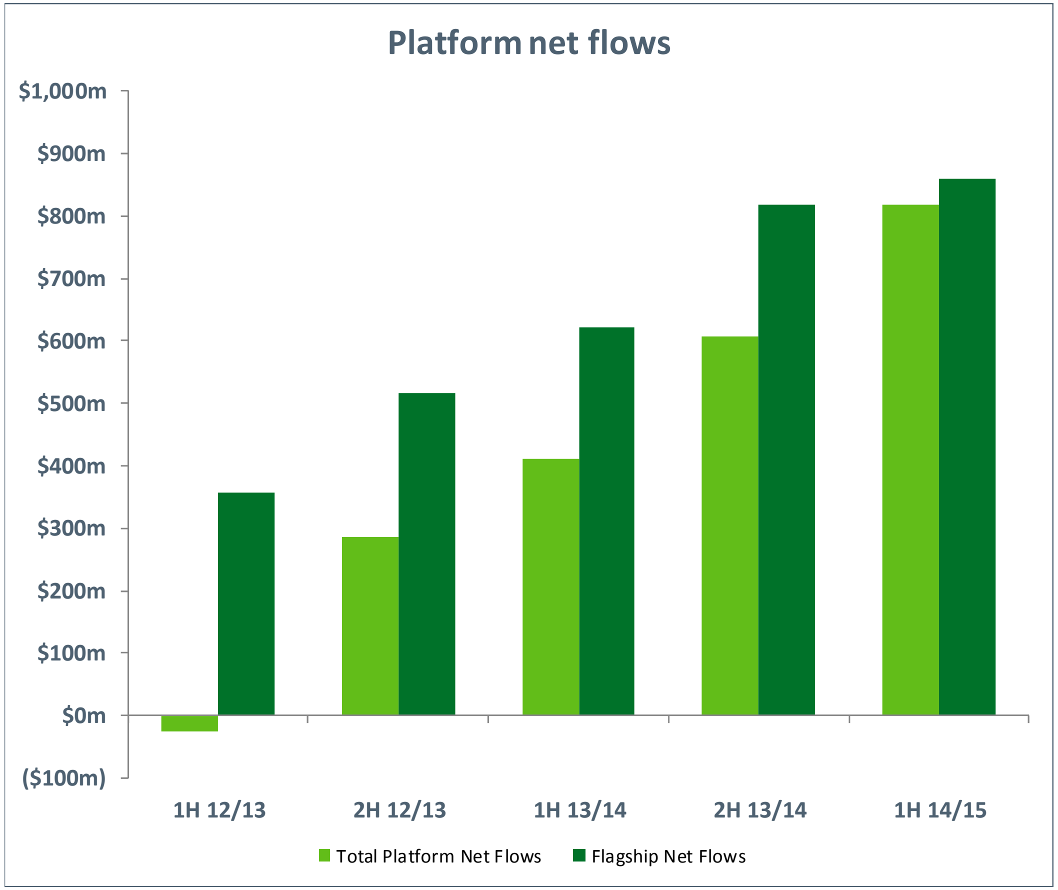
Financial advice and distribution	UNPAT **$11.1m** ⇧ 22% Average FUA **up $2.1b** to **$33.2b** ⇧ 7% Benefiting from additional scale
SFG	UNPAT **$17.2m** ⇧ 8% 5 months post acquisition Average FUMA up **$0.8b** to **$19.6b** ⇧ 5% on PCP Another successful acquisition - SFG is immediately accretive
Platform management and administration	UNPAT **$43.0m** ⇧ 9% Average FUA **up $2.9b** to **$32.8b** ⇧ 10% Continued strong performance within IOOF's core segment
Investment management	UNPAT **$17.3m** ⇩ 8% Average FUM up **$0.9b** to **$31.5b** ⇧ 3% Restructuring to Perennial's core strengths – benefits will show in 2H15
Trustee services	UNPAT **$3.2m** ⇩ 12% Average FUS down **$5.6b** to **$25.7b** ⇩ 18% Result normalised following strong PCP

The Corporate segment recorded an UNPAT of (**$11.1m**) 1H 14/15 , (**$13.0m**) 1H13/14

Organic growth momentum

	1H 14/15	1H 13/14	% Change
Opening FUMA	**$95,937m**	**87,557m**	
Flagship Platform net flows	$860m	$622m	+38%
Platform (Transition) net flows	($42m)	($210m)	+80%
Total Platform net flows	**$818m**	**$412m**	**+99%**
Investment Management net flows	($314m)	$406m	-177%
Funds Under Advice net flows	$666m	$249m	+167%
Acquired FUMA	$19,852m	-	-
Divested FUM	($407m)	-	-
Investment returns / Other	$2,160m	$5,462m	-60%
Closing FUMA	**$118,712m**	**$94,087m**	**+26%**
Average FUMA	$111,518m	$91,644m	+22%

Record platform growth achieved organically



- Total Platform net flows of $818m, 99% up on 1H 13/14 all organic
- Platform FUAdmin $33.6b, up $1.7b since June 2014
- Eight consecutive quarters of total platform positive net flows

SFG integration update

What has happened

Strong operating result, adviser numbers stable, all concurrent with integration

Head office rationalisation

Unify and re-negotiate major supplier agreements

$3.5m pre-tax synergies realised 1H 14/15

On the agenda

Leverage Best Advice program

Maximise opportunities from being Australia's fifth largest distributor

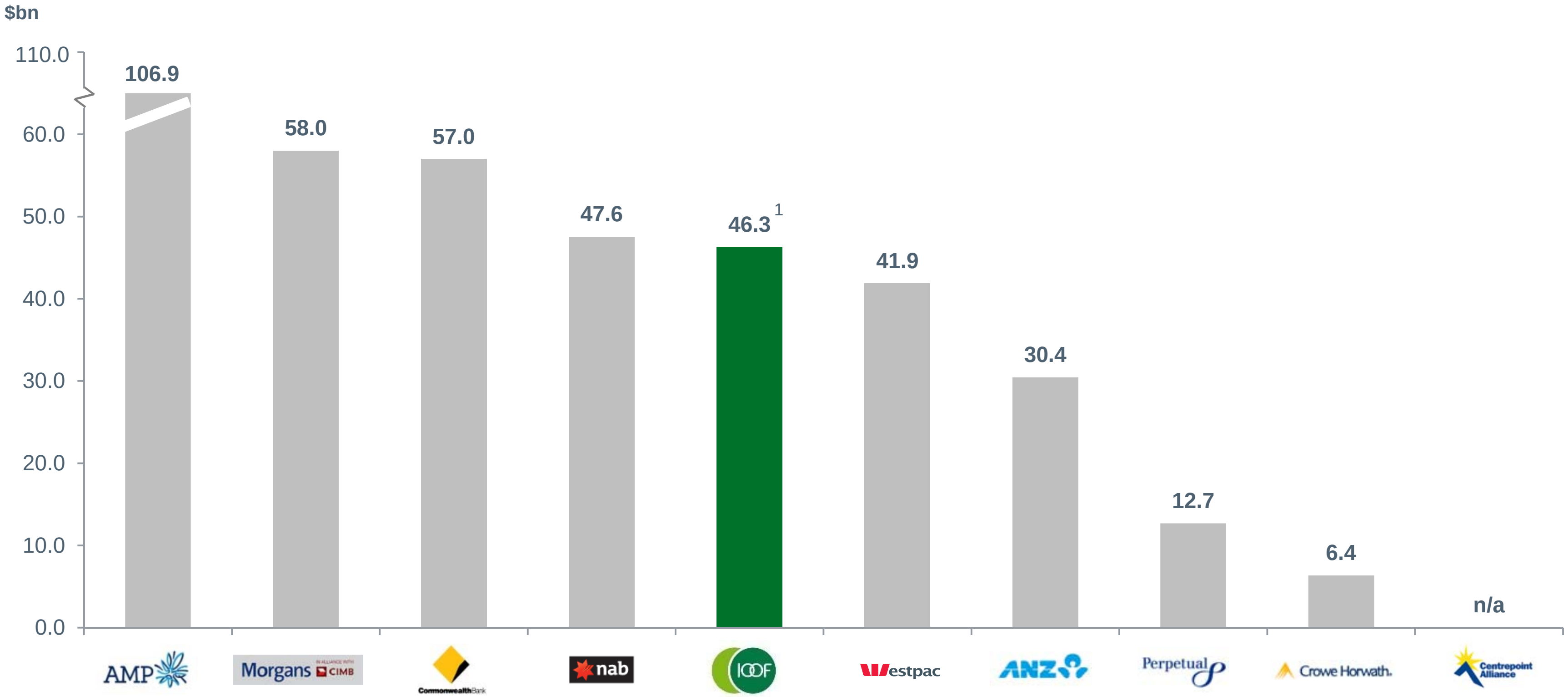
Consolidate property footprint

Remain confident of achieving $20m recurring pre-tax synergies by FY16

Market position by FUA

IOOF is the fifth largest Funds Under Advice (FUA) provider in Australia

2014 Funds Under Advice



Please note that Money Management's methodology experienced minor changes during 2014. All the figures have been sourced from Money Management Top 100 Dealer Group Survey (July 31, 2014) except for IOOF where the data is sourced from company presentation.

1. IOOF Funds Under Advice balance as at 30 September 2014.

Financials

David Coulter
Chief Financial Officer

Financial overview

	IFL (ex-SFG)	Financing Costs	SFG	1H 14/15	1H 13/14	Change on pcp
Statutory NPAT				$66.0m	$48.2m	37%
Statutory Basic EPS (cents)				23.5cps	20.8cps	13%
Underlying EBITA	$89.0m	-	$24.2m	**$113.2m**	$84.0m	35%
Underlying NPAT	$64.3m	$(0.9m)	$17.2m	**$80.6m**	$58.0m	39%
Underlying EPS (cents)	27.7cps	(0.3cps)	1.4cps	28.7cps	25.0cps	15%
FUMA	$98.8b	-	$19.9b	**$118.7b**	$94.1b	26%
Gross Margin %	0.42%	-	0.81%	0.48%	0.43%	5bps
Net Operating Margin %	0.19%	-	0.30%	0.21%	0.19%	2bps
Debt to equity %				13.3%	12.1%	1%
Net debt to underlying EBITDA				0.3 times	0.2 times	0.1 times
Dividend per share (cents)				25.0cps	22.5cps	11%

- IOOF (ex-SFG) UNPAT up 11% on PCP

P&L breakdown

	IFL (ex-SFG)	Financing Costs	SFG	1H 14/15 $'m	1H 13/14 $'m	Change on pcp $'m	Change on pcp %
Gross Margin	201.6	-	66.3	267.9	193.8	74.1	38%
Other Revenue	18.8	-	0.7	19.5	18.5	1.0	6%
Operating Expenditure	(129.5)	-	(42.4)	(171.9)	(126.4)	(45.5)	-36%
Equity Accounted Profits	3.2	-	0.1	3.3	3.7	(0.4)	-12%
Net Non Cash (Ex. acquisition related Amortisation)	(5.1)	-	(0.5)	(5.5)	(5.6)	0.0	0%
Underlying EBITA	**89.0**	**-**	**24.2**	**113.2**	**84.0**	**29.2**	**35%**
Net Interest	(0.4)	(1.3)	(0.5)	(2.2)	(0.1)	(2.1)	Large
Income Tax & NCI	(24.2)	0.4	(6.6)	(30.5)	(26.0)	(4.5)	-17%
Underlying NPAT	**64.3**	**(0.9)**	**17.2**	**80.6**	**58.0**	**22.6**	**39%**
Significant Items/Amortisation				(14.6)	(9.8)	(4.8)	-49%
Statutory NPAT				**66.0**	**48.2**	**17.8**	**37%**

- Gross margin growth of $7.8m (ex SFG) driven by organic strategy
- Prudent and disciplined cost management remains a key feature

Detailed list and explanation of reconciling items provided in Appendix B and Appendix J

Debt position and ratios

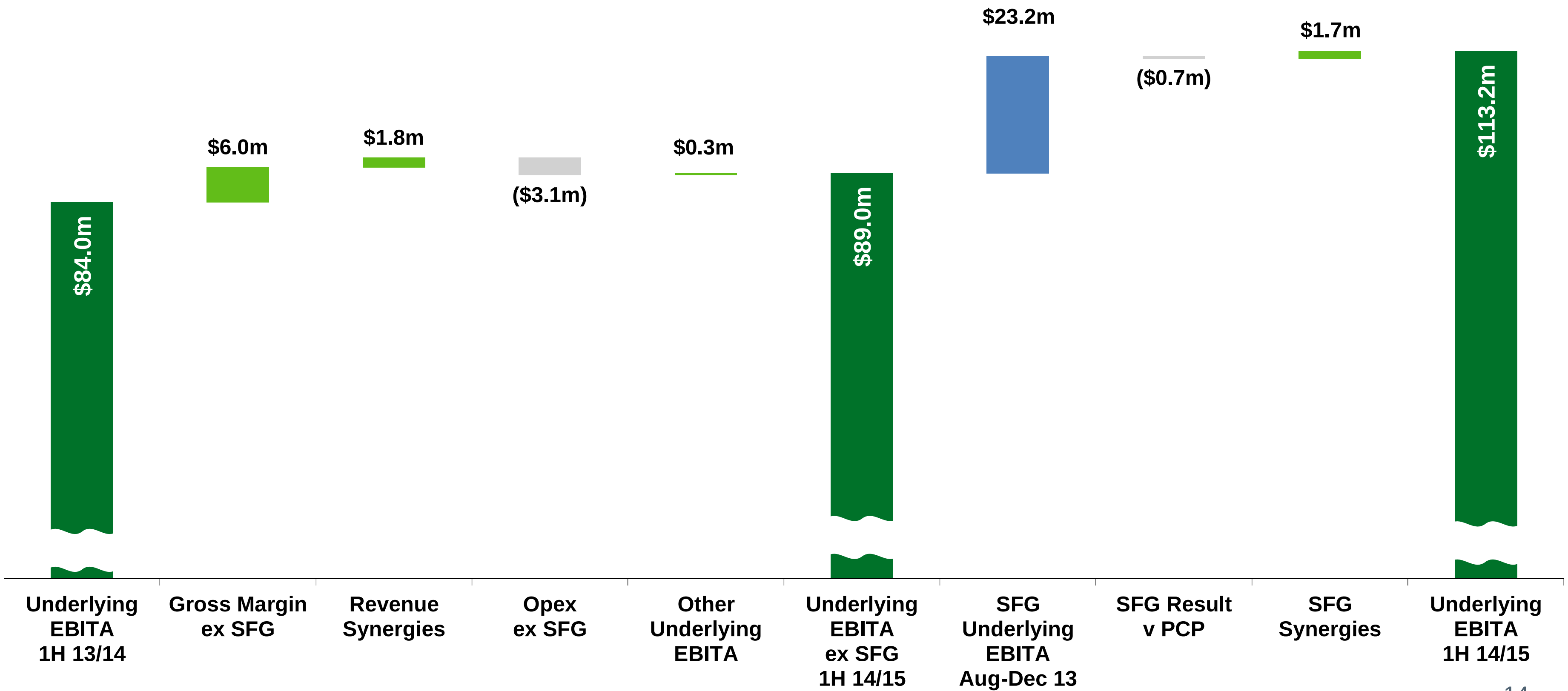
	1H 14/15	1H 13/14	Change
Gross Borrowings ($'M)	208.3	111.1	88%
Net Debt ($'M)	73.9	1.6	LARGE
Return on Equity (%)	12.8%	13.8%	(1.0%)
Debt to Equity (%)	13.3%	12.1%	1.2%
Net Debt to Underlying EBITDA (times)	0.3	0.2	0.1
Net Interest Cover (times)	38	N/A	-

- Modest increase in borrowings to fund SFG acquisition
- ROE impacted by SFG, will improve through growth and synergy realisation
- Surplus borrowing facility and substantial headroom in covenants
- Strength provides security and ability to capitalise on opportunities

Net Interest Cover N/A in 1H 13/14 due to positive net interest cashflow in the period

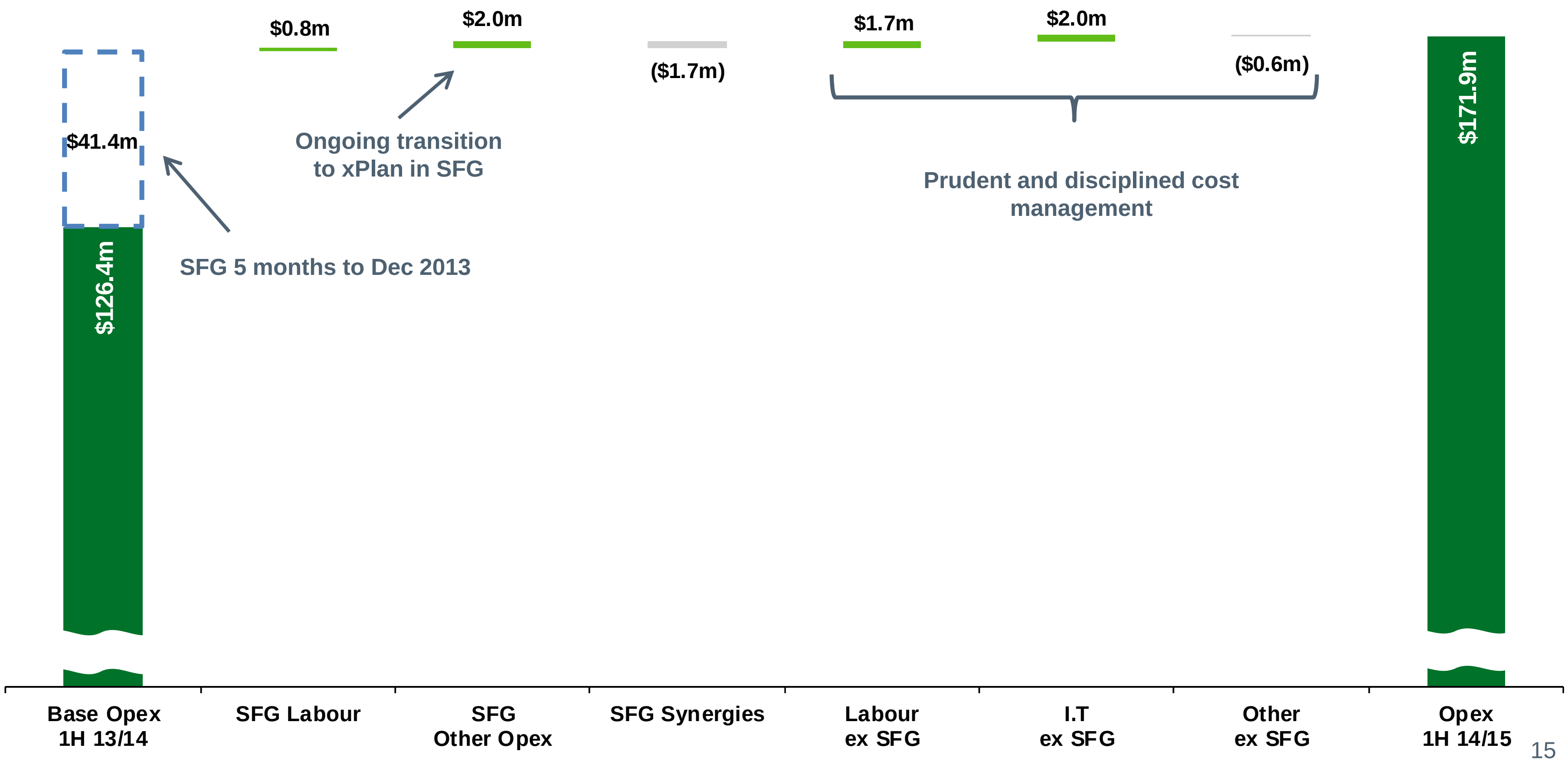
Scale achieved through M&A benefiting organic growth

- Synergies realised through increased scale and removal of duplicated functions



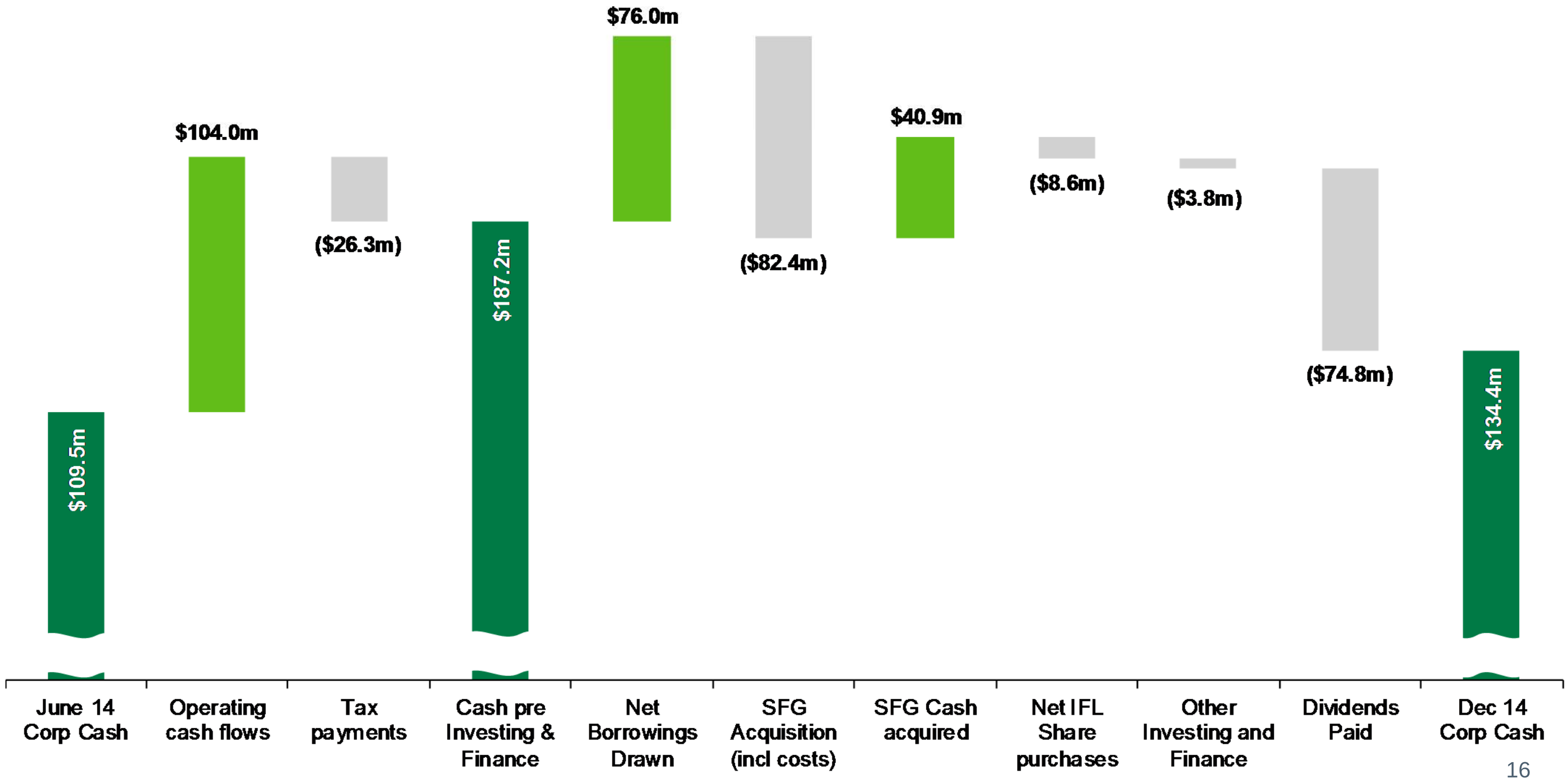
Operating costs

- Investment in IT targeted at adviser experience and productivity
- Labour cost increase below inflation
- All other costs (excl SFG) in aggregate below PCP



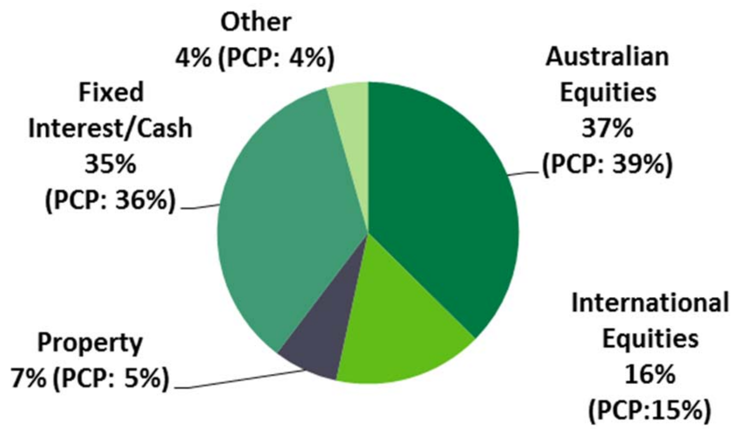
Strong cash flows to shareholders

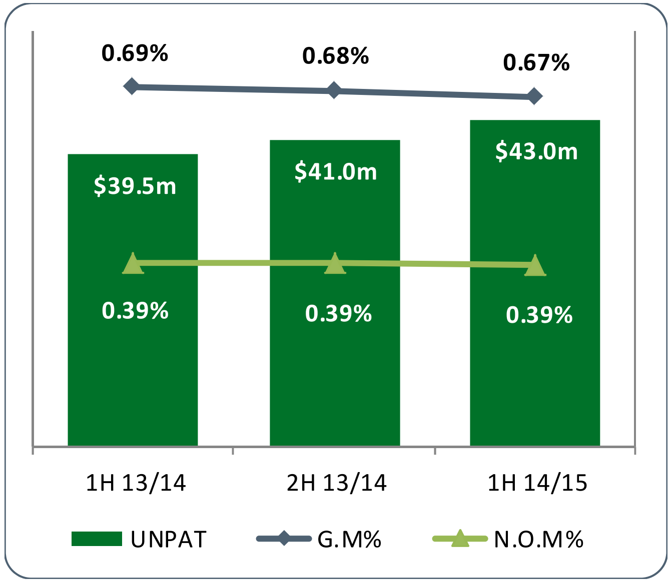
- Operating cash flows up 38% on 1H 13/14



Segment performance - Platform

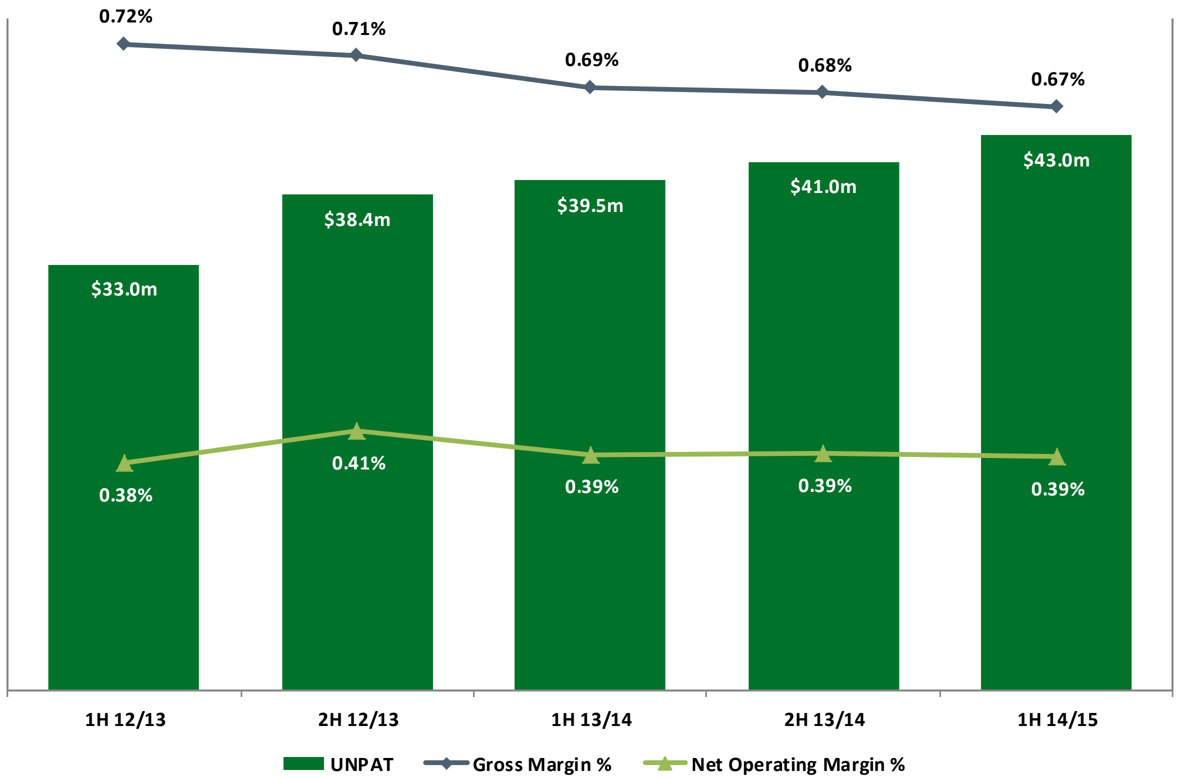
	1H 14/15	1H 13/14	CHANGE
Gross Margin ($'M)	110.6	103.3	7%
Gross Margin %	0.67%	0.69%	(2bps)
UNPAT ($'M)	43.0	39.5	9%
Net Operating Margin %	0.39%	0.39%	-
AVG FUA ($'B)	32.8	29.9	10%





- 53% contribution to Group UNPAT
- Net operating margin maintained
- IFAs actively choosing IOOF platforms and products

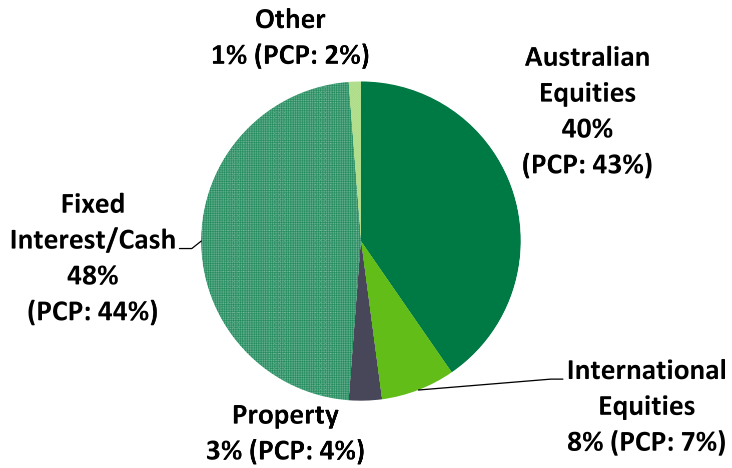
Platform profitability maintained

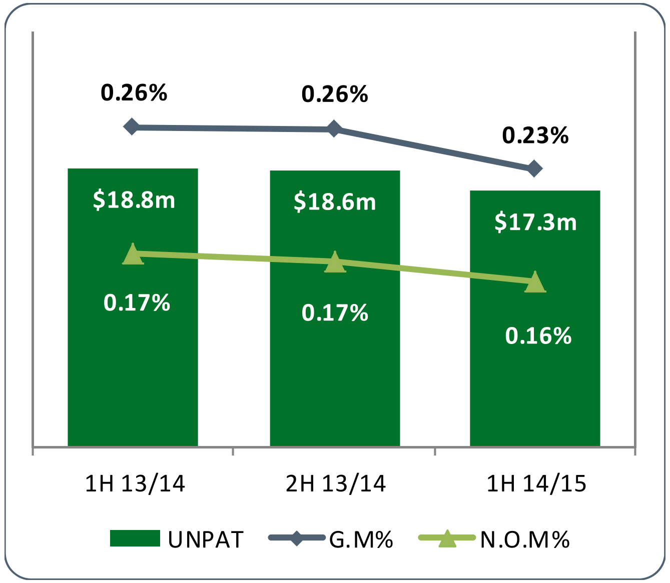


- Margin is not simply about competition
- Newer products are more cost efficient – no material net operating margin effect
- Clients move into higher balance / lower fee tiers in a growing market
- MySuper - no negative impact on margins given flat fees

Segment performance – Investment Management

	1H 14/15	1H 13/14	CHANGE
Gross Margin ($'M)	37.1	40.6	(9%)
Gross Margin %	0.23%	0.26%	(3bps)
UNPAT ($'M)	17.3	18.8	(8%)
Net Operating Margin %	0.16%	0.17%	(1bps)
AVG FUM ($'B)	31.5	30.6	3%

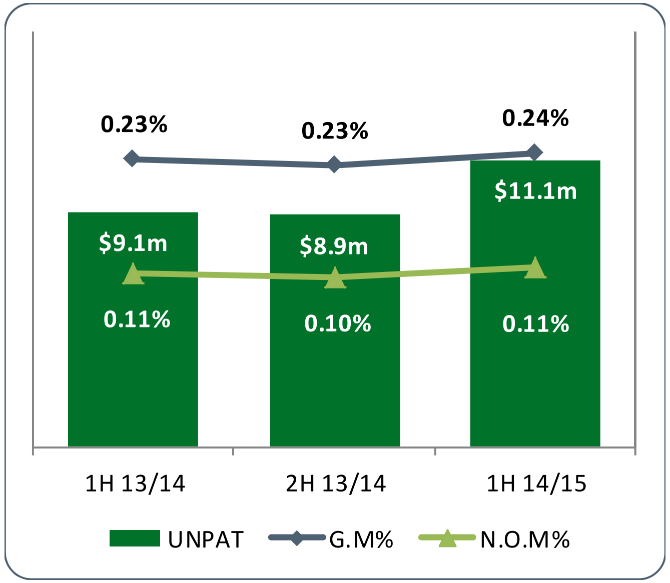


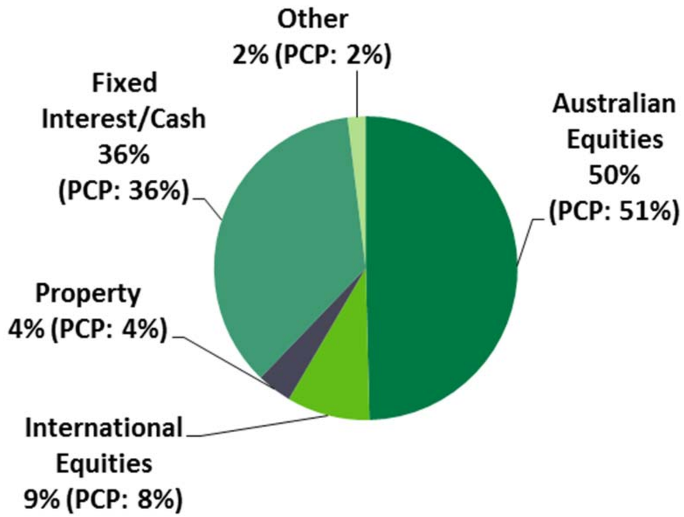


- Multimanager business performing strongly, gaining traction
- Perennial restructured to focus on core strengths of domestic equities and fixed interest
- Margin movement reflects asset allocation shift

Segment performance – Financial Advice & Distribution

	1H 14/15	1H 13/14	CHANGE
Gross Margin ($'M)	40.0	36.5	10%
Gross Margin %	0.24%	0.23%	1bps
UNPAT ($'M)	11.1	9.1	22%
Net Operating Margin %	0.11%	0.11%	-
AVG FUA ($'B)	33.2	31.1	7%

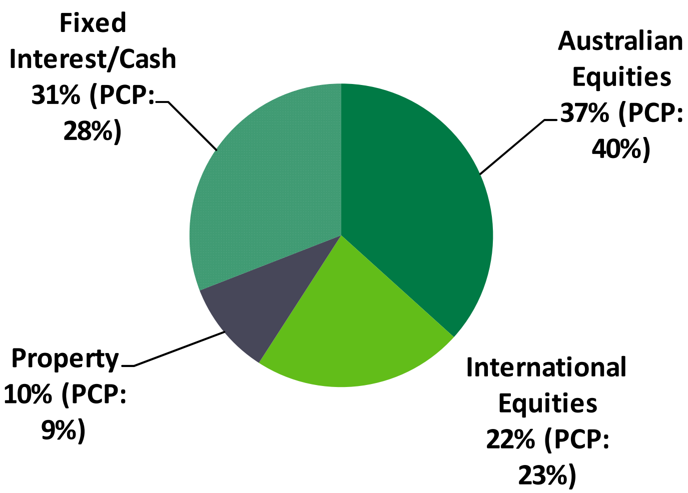




- 5th largest by FUA
- High quality stable base of advisers and deep client relationships
- Leveraging Best Advice program

Segment performance – SFG

	1H 14/15	1H 13/14	CHANGE
Gross Margin ($'M)	66.3	63.5	4%
Gross Margin %	0.81%	0.81%	-
UNPAT ($'M)	17.2	15.9	8%
Net Operating Margin %	0.30%	0.30%	-
AVG FUMA ($'B)	19.6	18.8	5%

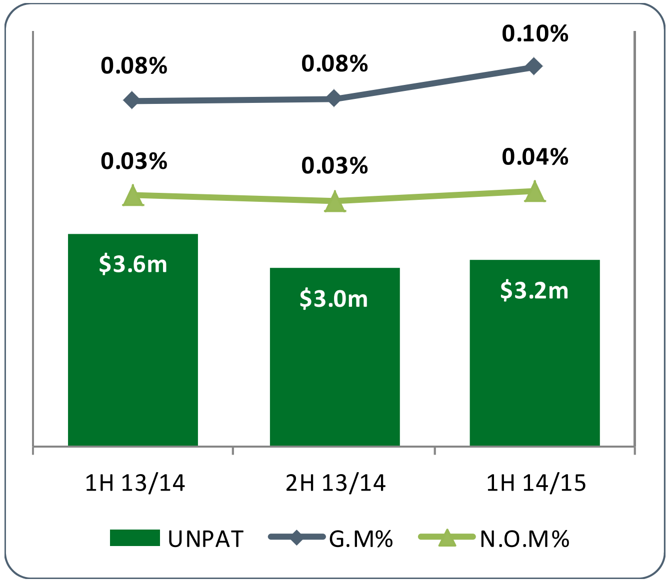


- Complementary salaried adviser channel to HNWI
- Recent investment in adviser infrastructure to boost productivity
- Earnings per share accretion to increase through synergy realisation

1H 14/15 results are 5 months post acquisition. 1H 13/14 reflects a pro rata of the 1H13/14 which did not form part of the IOOF group result

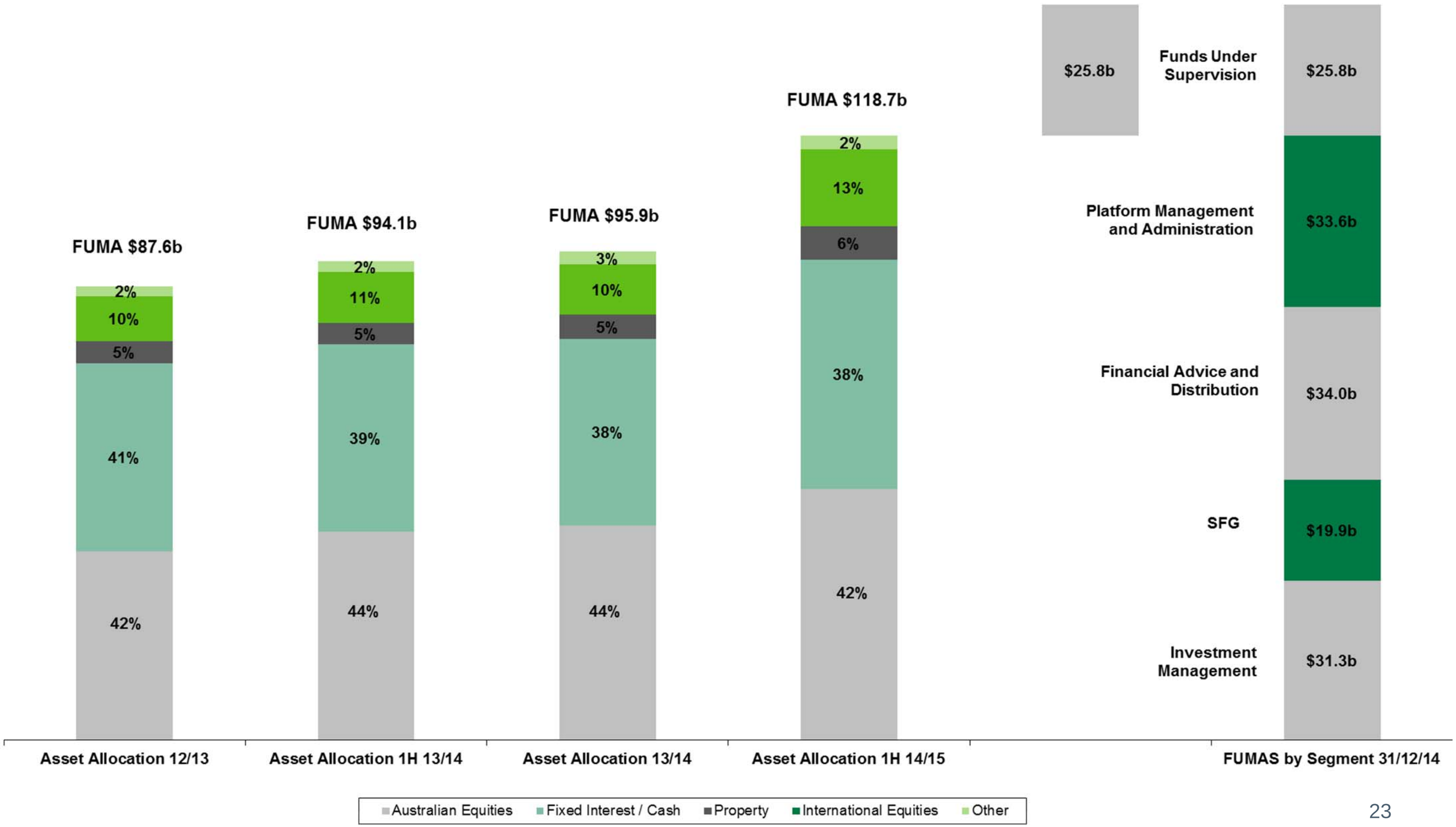
Segment performance – Trustee Services

	1H 14/15	1H 13/14	CHANGE
Gross Margin ($'M)	13.1	13.2	(1%)
Gross Margin %	0.10%	0.08%	2bps
UNPAT ($'M)	3.2	3.6	(12%)
Net Operating Margin %	0.04%	0.03%	1bps
AVG FUS ($'B)	25.7	31.3	(18%)



- After an abnormal prior period, result has normalised to longer term trends
- Investing in future organic growth through key appointments
- Positive demographic outlook

Asset allocation on group basis



Strategy and outlook

Christopher Kelaher
Managing Director

Strategy execution

Areas for growth	Results
Organic growth • Focus on client service as a differentiator • Partnering with quality advisers • Attractive growth opportunities in trustee services	→ Total Platform net flows doubled → Platform growth achieved organically → Key appointments in trustee services
Productivity • Disciplined cost control • Efficiencies through scale, synergies and continuing technology developments & enhancements	→ Stable net operating margin and increasing FUMA drives increased profitability → Investing in improved advisor productivity
Accretive acquisition • Look for growth and valued based acquisitions across the value chain • Consistent delivery of timely value accretion	→ SFG acquisition is immediately accretive and gaining momentum → Strong balance sheet provides security and opportunity

IOOF's response to a changing industry

Financial Services Inquiry

- Predominantly focused on regulatory capital changes affecting the banks
- Presents no immediate challenge for IOOF

MySuper progress

- Margin capture retained in 1H14/15
- Top quartile performance in IOOF MySuper investment option

Emerging technologies

- Increased IT investment to maintain our competitive position
- Proven track record as a "fast follower" for lower spend

What is "Best Advice" and what does it look like?

Program aims:

- Support quality advice outcomes for clients
- Champion efficiency throughout advice businesses
- Standardise business processes and deliverables
- Enhance adviser productivity and profitability

Service remains IOOF's differentiator

Prediction from the US Customers 2020 Report – Walker Information

"Experience" is our differentiator

- **Top quartile service**
- **Relevant functionality**
- **Easy to deal with**
- **Price becoming less relevant**

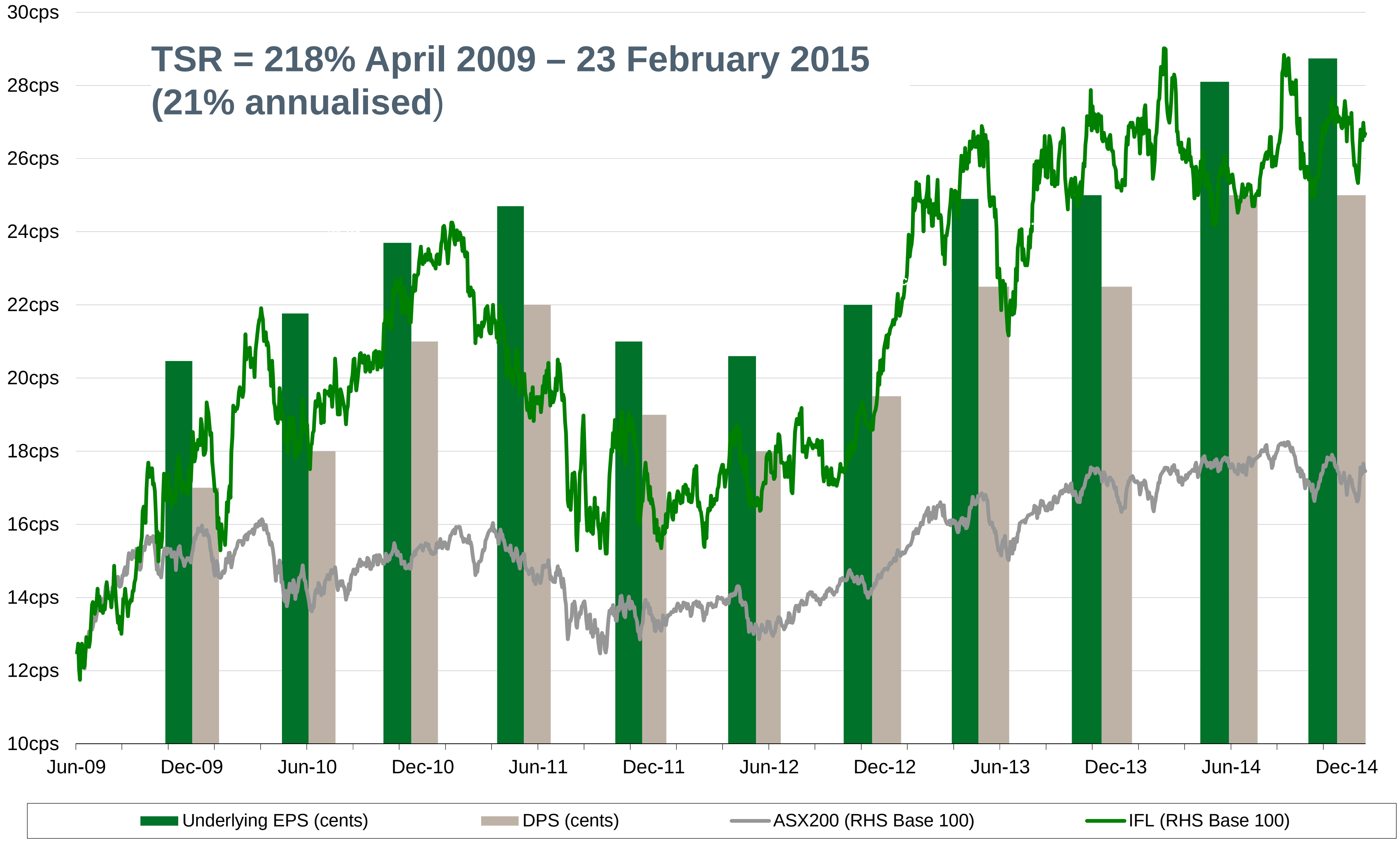
- "Client experience" is only going to become more important in the future
- Importance of price and product differentiation reducing for the customer
- Our defined focus allows us to respond to the needs of our clients faster

Outlook

- Successful integration of SFG remains a priority; and is well on track
- Scale achieved through disciplined strategy execution sets the foundation for future growth
- Focus on productivity and infrastructure to ensure advice, capabilities and services facilitate future organic growth
- Outlook for regulatory intervention remains stable
- Strong balance sheet available for further acquisitions
- Higher FUMA starting base provides a solid platform for continued growth in performance

Appendices

Appendix A: TSR



Appendix B:Statutory NPAT reconciliation

$'M	1H 14/15	1H 13/14
Statutory NPAT	**66.0**	**48.2**
Amortisation of intangible assets	12.3	12.2
Acquisition and divestment transaction costs	5.7	-
Termination and retention incentive payments	2.7	1.5
Gain on disposal of intangible assets	(0.5)	-
Unwind of deferred tax liability on intangible assets	(2.8)	(2.8)
Reinstatement of Perennial non-controlling interests	(0.6)	(0.6)
Income tax attributable	(2.2)	(0.5)
UNPAT	**80.6**	**58.0**

- Amortisation and SFG integration have had a material impact on statutory NPAT
- Statutory v Underlying EPS calculations use the respective profit amounts above with the same average number of shares

Detailed explanation of each reconciling line item provided in Appendix J

Appendix C: Platform Management and Administration

$'M	1H 14/15	1H 13/14	Change on pcp (%)
Revenue	203.9	193.1	6%
Direct Costs	(93.3)	(89.7)	-4%
Gross Margin (GM)	**110.6**	**103.3**	**7%**
GM %	0.67%	0.69%	
Other Revenue	-	0.0	-
Share of Equity profit/loss	(0.0)	0.1	LARGE
Operating Expenditure	(46.4)	(44.5)	-4%
Net Non Cash (Ex. acquisition related Amortisation)	(1.9)	(1.9)	-3%
Net Interest	-	-	-
Income Tax Expense/N.C.I	(19.2)	(17.5)	-9%
UNPAT	**43.0**	**39.5**	**9%**
Average FUA ($'b)	32.8	29.9	
Net Operating Margin %	**0.39%**	**0.39%**	

Appendix D: Investment Management

$'M	1H 14/15	1H 13/14	Change on pcp (%)
Revenue	62.1	66.6	-7%
Direct Costs	(25.0)	(26.1)	4%
Gross Margin (GM)	**37.1**	**40.6**	**-9%**
GM %	0.23%	0.26%	
Other Revenue	1.0	1.0	2%
Share of Equity profit/loss	2.6	3.1	-14%
Operating Expenditure	(16.1)	(17.7)	9%
Net Non Cash (Ex. acquisition related Amortisation)	(0.5)	(0.5)	-4%
Net Interest	0.2	0.1	88%
Income Tax Expense/N.C.I	(7.1)	(7.7)	7%
UNPAT	**17.3**	**18.8**	**-8%**
Average FUM ($'b)	31.5	30.6	
Net Operating Margin %	**0.16%**	**0.17%**	

Appendix E: Financial Advice and Distribution

$'M	1H 14/15	1H 13/14	Change on pcp (%)
Revenue	97.1	86.5	12%
Direct Costs	(57.1)	(50.0)	-14%
Gross Margin (GM)	**40.0**	**36.5**	**10%**
GM %	0.24%	0.23%	
Other Revenue	17.5	17.0	3%
Share of Equity profit/loss	0.6	0.6	4%
Operating Expenditure	(39.0)	(37.1)	-5%
Net Non Cash (Ex. acquisition related Amortisation)	(2.2)	(2.6)	16%
Net Interest	0.5	0.5	-5%
Income Tax Expense/N.C.I	(6.3)	(5.8)	-9%
UNPAT	**11.1**	**9.1**	**22%**
Average FUA ($'b)	33.2	31.1	
Net Operating Margin	**0.11%**	**0.11%**	

Appendix F: SFG

$'M	1H 14/15	1H 13/14	Change on pcp (%)
Revenue	75.4	72.2	4%
Direct Costs	(9.1)	(8.7)	-4%
Gross Margin (GM)	**66.3**	**63.5**	**4%**
GM %	0.81%	0.81%	
Other Revenue	0.7	1.7	-60%
Share of Equity profit/loss	0.1	0.2	-50%
Operating Expenditure	(42.4)	(41.4)	-2%
Net Non Cash (Ex. acquisition related Amortisation)	(0.5)	(0.9)	49%
Net Interest	(0.5)	(0.2)	LARGE
Income Tax Expense/N.C.I	(6.6)	(7.0)	6%
UNPAT	**17.2**	**15.9**	**8%**
Average FUMA ($'b)	19.6	18.8	
Net Operating Margin %	**0.30%**	**0.30%**	

1H 14/15 results are 5 months post acquisition. 1H 13/14 reflects a pro rata of the 1H13/14 which does not form part of the IOOF group result

Appendix G: Trustee Services

$'M	1H 14/15	1H 13/14	Change on pcp (%)
Revenue	13.1	13.2	-1%
Direct Costs	(0.0)	(0.0)	-60%
Gross Margin (GM)	**13.1**	**13.2**	**-1%**
GM %	0.10%	0.08%	
Other Revenue	-	0.0	-
Share of Equity profit/loss	-	-	-
Operating Expenditure	(8.5)	(8.0)	-6%
Net Non Cash (Ex. acquisition related Amortisation)	(0.1)	(0.1)	11%
Net Interest	-	-	-
Income Tax Expense/N.C.I	(1.3)	(1.5)	12%
UNPAT	**3.2**	**3.6**	**-12%**
Average FUS ($'b)	25.7	31.3	
Net Operating Margin %	**0.04%**	**0.03%**	

Appendix H: Corporate and other

$'M	1H 14/15	1H 13/14	Change on pcp (%)
Revenue	0.4	0.2	107%
Direct Costs	0.2	(0.0)	0%
Gross Margin (GM)	**0.6**	**0.2**	**LARGE**
Other Revenue	0.6	0.6	-14%
Share of Equity profit/loss	-	-	-
Operating Expenditure	(19.7)	(19.2)	-2%
Net Non Cash (Ex. acquisition related Amortisation)	(0.4)	(0.5)	25%
Net Interest	(2.4)	(0.7)	LARGE
Income Tax Expense/N.C.I	10.1	6.6	52%
UNPAT	**(11.1)**	**(13.0)**	**-14%**

APPENDIX I
RECONCILIATION OF SEGMENTS TO STATUTORY FINANCIALS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Statutory Note Ref.	Platform $'m	Investment Management $'m	Financial Advice & Distribution $'m	SFG $'m	Trustee Services $'m	Corporate and other $'m	1H 14/15 $'m	1H 13/14 $'m
Gross Margin									
Management and Service fees revenue	2-2	199.8	61.0	90.8	70.0	11.4	-	396.0	311.3
Other Fee Revenue	2-2	4.1	1.0	6.3	5.4	1.7	0.4	18.8	14.4
Service and Marketing fees expense	2-3	(89.8)	(21.7)	(55.7)	(0.1)	(0.0)	0.2	(130.2)	(124.3)
Other Direct Costs	2-3	(2.3)	(3.3)	(1.0)	(9.0)	(0.0)	0.0	(15.5)	(6.4)
Amortisation of deferred acquisition costs	2-3	(1.2)	-	(0.5)	-	-	-	(1.1)	(1.2)
Total Gross Margin		**110.6**	**37.1**	**40.0**	**66.3**	**13.1**	**0.6**	**267.9**	**193.8**
Other Revenue									
Stockbroking revenue	2-2	-	-	36.9	0.2	-	-	36.9	37.7
Stockbroking service fees expense	2-3	-	-	(21.5)	-	-	-	(21.5)	(22.5)
Dividends and distributions received	2-2	-	-	-	0.0	-	0.4	0.4	0.3
Net fair value gains/(losses) on other financial assets at fair value through profit or loss	2-2	-	-	-	0.1	-	0.0	0.1	(0.1)
Profit on sale of financial assets	2-2	-	0.1	0.0	-	-	0.1	0.2	0.7
Other revenue	2-2	-	1.0	2.1	0.4	-	0.0	3.3	2.4
Total Other Revenue		**-**	**1.0**	**17.5**	**0.7**	**-**	**0.6**	**19.5**	**18.5**
Equity Accounted Profits									
Share of profits of associates and jointly controlled entities accounted for using the equity method	SOCI*	(0.0)	2.6	0.6	0.1	-	-	3.3	3.7
Total Equity Accounted Profits		**(0.0)**	**2.6**	**0.6**	**0.1**	**-**	**-**	**3.3**	**3.7**
Operating Expenditure									
Salaries and related employee expenses	2-3	(6.0)	(7.8)	(20.3)	(29.4)	(5.1)	(38.0)	(106.6)	(75.6)
Employee defined contribution plan expense	2-3	(0.4)	(0.5)	(1.4)	(1.9)	(0.4)	(2.9)	(7.5)	(5.4)
Information technology costs	2-3	(0.1)	(1.0)	(6.4)	(3.4)	(0.3)	(13.7)	(24.9)	(19.5)
Professional fees	2-3	(0.1)	(0.3)	(0.8)	(1.3)	(0.1)	(1.4)	(4.0)	(3.1)
Marketing	2-3	(0.5)	(0.2)	(2.7)	(0.5)	(0.0)	(1.2)	(5.1)	(4.3)
Office support and administration	2-3	(0.1)	(0.2)	(2.6)	(2.3)	(0.2)	(4.0)	(9.5)	(7.2)
Occupancy related expenses	2-3	(0.0)	(0.6)	(3.2)	(3.0)	(0.1)	(4.2)	(11.0)	(8.1)
Travel and entertainment	2-3	(0.6)	(0.3)	(0.7)	(0.6)	(0.1)	(1.2)	(3.5)	(3.0)
Corporate recharge	N/A	(38.7)	(5.4)	(0.9)	(0.0)	(2.1)	47.0	(0.0)	-
Other	2-3	-	0.2	(0.0)	-	-	(0.2)	(0.0)	(0.0)
Total Operating Expenditure		**(46.4)**	**(16.1)**	**(39.0)**	**(42.4)**	**(8.5)**	**(19.7)**	**(171.9)**	**(126.3)**
Loss on disposal of non-current assets	2-3	-	-	-	-	-	-	-	(0.1)
Total Operating Expenditure		**(46.4)**	**(16.1)**	**(39.0)**	**(42.4)**	**(8.5)**	**(19.7)**	**(171.9)**	**(126.4)**
Net non cash (Ex. Amortisation from acquisitions)									
Share based payments expense	2-3	(0.4)	(0.2)	(1.2)	0.0	(0.0)	(0.4)	(2.2)	(2.8)
Depreciation of property, plant and equipment	2-3	(0.7)	(0.3)	(1.0)	(0.5)	(0.1)	0.0	(2.6)	(2.1)
Amortisation of intangible assets - IT development	2-3	(0.8)	-	-	-	-	-	(0.8)	(0.7)
Total Net non cash (Ex. Amortisation from acquisitions)		**(1.9)**	**(0.5)**	**(2.2)**	**(0.5)**	**(0.1)**	**(0.4)**	**(5.5)**	**(5.6)**
Net Interest									
Interest income on loans to directors of controlled and associated entities	2-2	-	0.2	0.0	-	-	0.2	0.2	0.2
Interest income from non-related entities	2-2	-	0.1	0.5	0.4	-	1.0	2.1	1.5
Finance Costs	SOCI*	-	(0.1)	(0.1)	(0.9)	-	(3.5)	(4.4)	(1.7)
Total Net Interest		**-**	**0.2**	**0.5**	**(0.5)**	**-**	**(2.4)**	**(2.2)**	**(0.1)**
Income Tax & NCI									
Non-controlling Interest	SOCI*	-	-	(1.0)	-	-	-	(1.0)	(0.9)
Income tax expense	SOCI*	(19.1)	(5.9)	(4.6)	(6.4)	(1.3)	13.5	(23.9)	(21.2)
Income tax expense/NCI adjustments	Below	(0.0)	(1.3)	(0.7)	(0.2)	(0.0)	(3.4)	(5.6)	(3.9)
Total Income Tax & NCI		**(19.2)**	**(7.1)**	**(6.3)**	**(6.6)**	**(1.3)**	**10.1**	**(30.5)**	**(26.0)**
Underlying NPAT (pre-amortisation of intangible assets)		**43.0**	**17.3**	**11.1**	**17.2**	**3.2**	**(11.1)**	**80.6**	**58.0**
Significant Items									
Acquisition and divestment transaction costs	2-3							(5.7)	-
Termination and retention incentive payments	2-3							(2.7)	(1.5)
Gain on disposal of intangible assets	2-2							0.5	-
Income tax expense/NCI adjustments									
Unwind of deferred taxes on intangible assets	N/A							2.8	2.8
Reinstatement of Perennial non-controlling interests	N/A							0.6	0.6
Income tax attributable	N/A							2.2	0.5
Total Significant Items - Net of Tax								**(2.3)**	**2.3**
Amortisation of intangible assets	2-3							(12.3)	(12.2)
Reported Profit/(Loss) per financial statements								**66.0**	**48.2**

* SOCI = Statement of Comprehensive Income

Note: Segment results include inter-segment revenues and expenses eliminated on consolidation

Appendix J: Explanation of items removed from UNPAT

In calculating its Underlying Net Profit After Tax pre-amortisation (UNPAT), the Group reverses the impact on profit of certain, predominantly non cash, items to enable a better understanding of its operational result. A detailed explanation for all such items is provided below.

Amortisation of intangible assets: Non-cash entry reflective of declining intangible asset values over their useful lives. Intangible assets are continuously generated within the IOOF Group, but are only able to be recognised when acquired. The absence of a corresponding entry for intangible asset creation results in a conservative one sided decrement to profit only. It is reversed to ensure the operational result is not impacted. The reversal of amortisation of intangibles is routinely employed when performing company valuations. The amortisation of software development costs is not reversed in this manner however.

Acquisition and divestment transaction costs: One off payments to external advisers in pursuit of acquisitions such as SFG, which were not reflective of conventional recurring operations.

Termination and retention incentive payments: Facilitation of restructuring to ensure long term efficiency gains which are not reflective of conventional recurring operations.

Gain on disposal of intangible assets: During the year, the IOOF Group divested a number of minor loss making businesses and rationalised legacy, non-core and sub-scale trusts.

Unwind of deferred tax liability recorded on intangible assets: Acquired intangible asset valuations for AASB 3 Business Combinations accounting are higher than the required cost base as set under newly legislated tax consolidation rules implemented during 2012. A deferred tax liability ("DTL") is required to be recognised as there is an embedded capital gain should the assets be disposed of at their accounting values. This DTL reduces in future periods at 30% of the amortisation applicable to those assets which have different accounting values and tax cost bases. The recognition of DTL and subsequent period reductions are not reflective of conventional recurring operations and are regarded as highly unlikely to be realised due to the IOOF Group's intention to hold these assets long term.

Reinstatement of Perennial non-controlling interests: Embedded derivatives exist given the IOOF Group's obligation to buy-back shareholdings in certain Perennial subsidiaries if put under the terms of their shareholders' agreements. IFRS deems the interests of these non-controlling holders to have been acquired. Those interests must therefore be held on balance sheet as a liability to be revalued to a reserve each reporting period. In calculating UNPAT, the non-controlling interest holders share of the profit of these subsidiaries is subtracted from the IOOF Group result as though there were no embedded derivatives to better reflect the current economic interests of Company shareholders in the activities of these subsidiaries.

Income tax attributable: This represents the income tax applicable to certain of the adjustment items outlined above.

Appendix K: Definitions

Term	Definition
Cost to Income Ratio	Ratio of underlying expenses relative to underlying operating revenues exclusive of Ord Minnett Ltd and the benefit funds
Flagship Platforms	IOOF Employer Super, The Portfolio Service, IOOF Pursuit
FUMA	Funds Under Management, Administration and Advice
FUMAS	FUMA plus Funds Under Supervision, primarily Corporate Trust clients
Net Interest Cover	Ratio of Net Cash Provided By Operating Activities relative to the sum of Interest Received and Interest and Other Costs of Finance Paid per the Consolidated Statement of Cash Flows
Net Operating Margin	Ratio of underlying revenues including share of associate profits, excluding net interest less underlying operating expenses relative to FUMA
PCP	Prior Comparative Period – Half-year to 31 December 2013
Return on Equity	Calculated by dividing annualised UNPAT by average equity during the period
TSR	Total Shareholder Return – change in share price plus dividends paid per share in a given period
UNPAT	Underlying Net Profit After Tax Pre Amortisation, see Appendix J for a detailed explanation of reconciling line items
Underlying EBITA	Underlying Earnings Before Interest, Tax and Amortisation
Underlying EPS	Calculated with the same average number of shares on issues as the statutory EPS calculation utilising UNPAT as the numerator
VWAP	Volume Weighted Average Price

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