

Annual Results – June 2008

Investor Presentation
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27 August 2008



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Basis of preparation



- Whole numbers have been rounded for presentation purposes. However, percentages have been calculated on numbers prior to rounding.
- Unless otherwise stated, the information in this presentation removes the interests of the Benefit Fund members from those of shareholders in IOOF Holdings Ltd. This unaudited, supplementary information on the operations and financial position of the consolidated IOOF Group does not comply with the consolidation requirements of AIFRS.

Operational Overview



- Update on our business dynamics

- Four business units

- Brand

- Perennial

- IOOF Portfolio Solutions

- IOOF Investor Solutions

- Consultum

- Service

- Asset Management

- Superannuation Administration

- Investment Products

- Dealer Group

IOOF participates across the superannuation value chain

Operational Overview



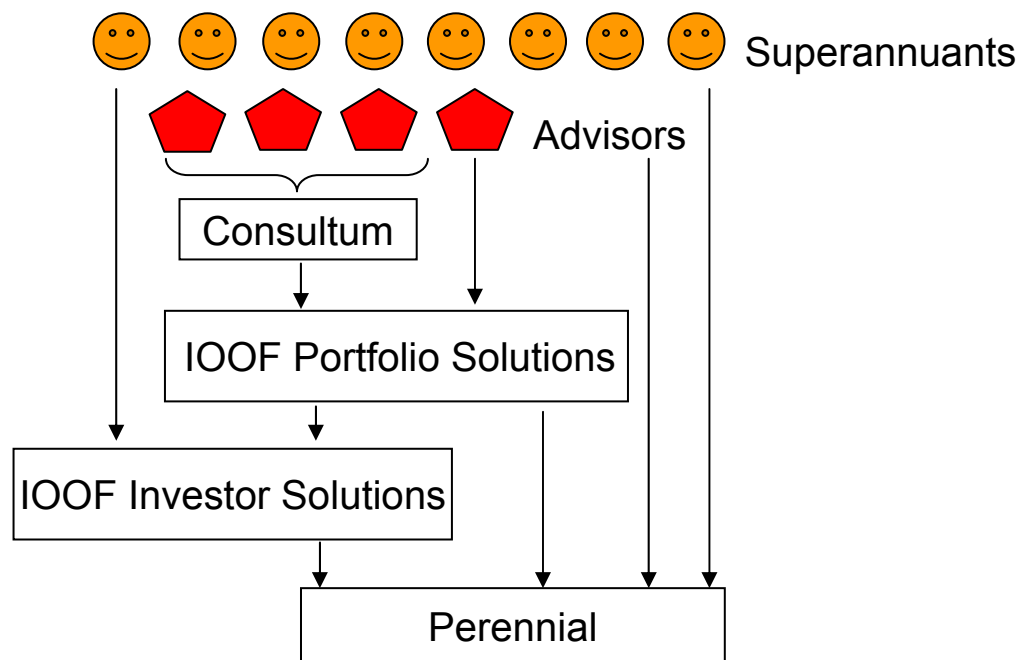
- Each business services pools of investors' money on which IOOF earns revenue as a percentage of the fund balance
- Fund balances rise and fall from
 - Net funds flows
 - Investment returns
- Costs do not vary directly with funds balance
 - A product of customer numbers
 - A product of labour cost increases (labour approx. 60% of total costs)

Δ \$1b in fund balance = Δ revenue of \$5m annualised

Operational Overview



- The business units are individually and collectively successful



On some funds IOOF provides all four services

Operational Overview



- Keys to success
 - New products development
 - Build funds flows capabilities
 - Control costs
 - Create investment performance

Operational Overview



- Operationally 2007/08 was a successful year
 - Significant improvement in sales capabilities
 - Strong cost control
 - Sound investment performance
 - Improved new product development

2007/08 revenue and result affected by fall in markets

Financial Overview



Sound result given market impact

- \$29.4b in closing FUMA
- Underlying* EBITA of \$38.1m
- Underlying* Net Profit after Tax of \$25.9m
- Reported Net Profit after Tax of \$23.4m
- Final dividend of 15 cents per share fully franked

Strong balance sheet and cash flow

EBITA equates to profits before interest, tax, amortisation and asset sales/revaluations

* Underlying results exclude the impact of investment value write downs, PIPL acquisition and share agreement liability revaluations – see Appendix E

Financial Overview



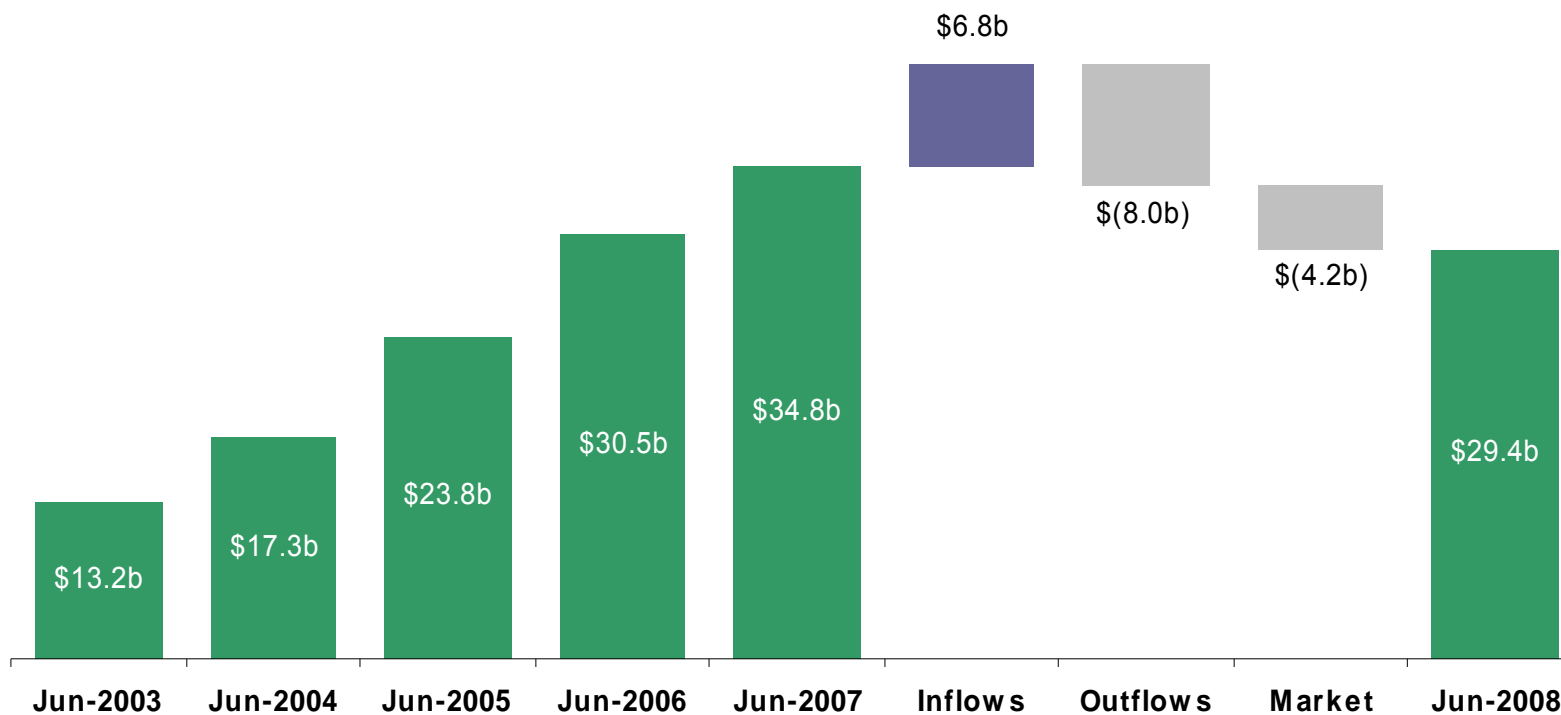
| | FY2008 | FY2007 | Change on pcp (%) | FY2006 | Change on 2006 (%) |
|-------------------------|---------|---------|-------------------|---------|--------------------|
| Underlying* EBITA | \$38.1m | \$42.1m | -9% | \$34.4m | 11% |
| Underlying* NPAT | \$25.9m | \$29.3m | -12% | \$23.1m | 12% |
| Reported NPAT | \$23.4m | \$22.3m | 5% | \$23.1m | 1% |
| Underlying* EPS (cents) | 37.9 | 46.8 | -19% | 36.5 | 4% |
| Reported EPS (cents) | 34.2 | 35.0 | -2% | 36.5 | -6% |
| DPS (cents) | 30.0 | 33.0 | -9% | 27.0 | 11% |

Underlying profits impacted by markets

EBITA equates to profits before interest, tax, amortisation and asset sales/revaluations

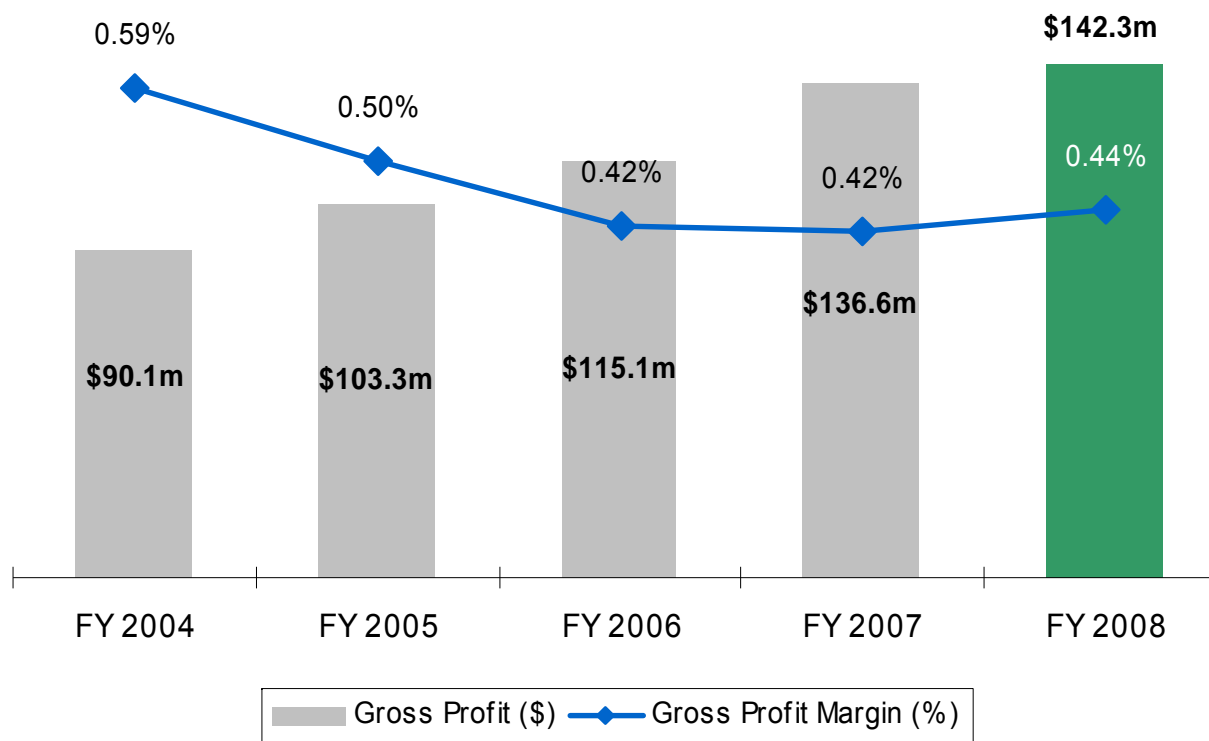
* Underlying results exclude the impact of investment value write downs, PIPL acquisition, share agreement liability revaluations and PIPL restructuring costs – see Appendix E

Funds movement



Funds affected by external shocks to markets and flows

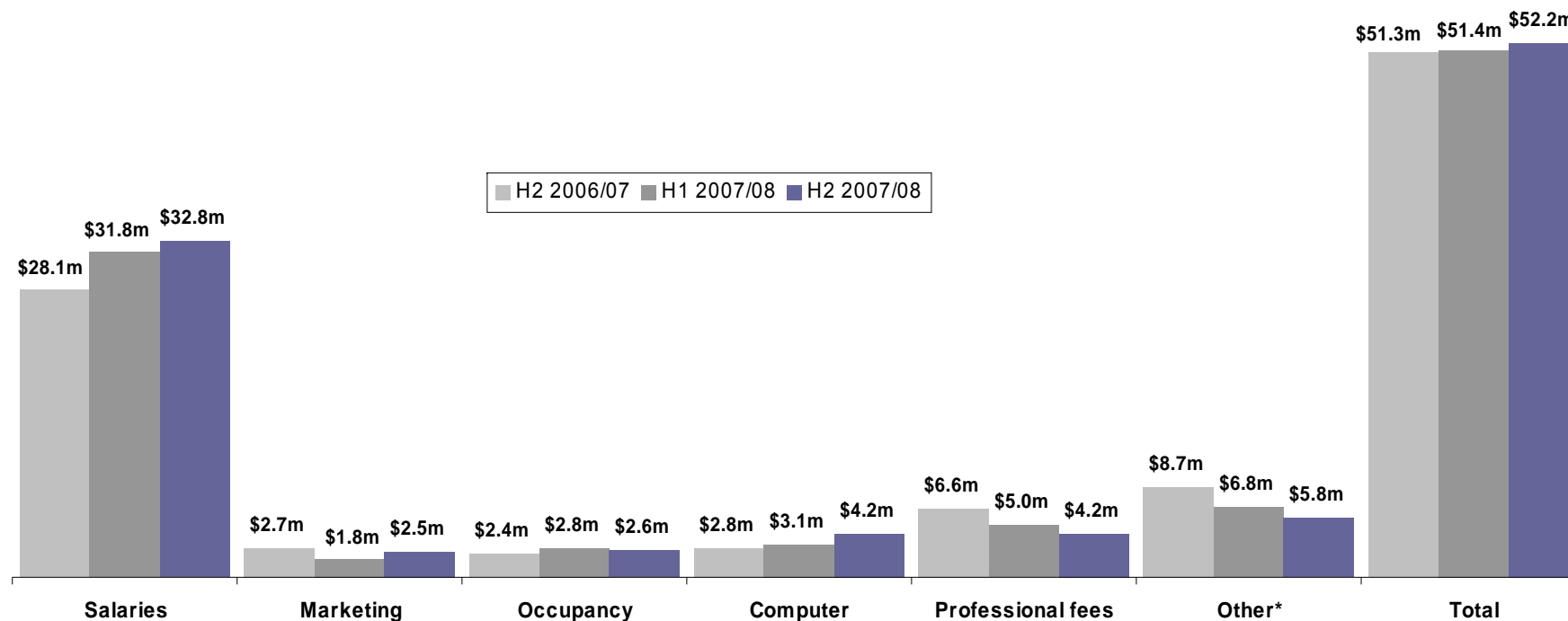
Gross Margin – year on year



Margin improvement reflects changing mix

Gross margin includes equity accounted contribution from PVM. Acquisition of an additional 2.3% PVM equity in March 2007 has no material impact

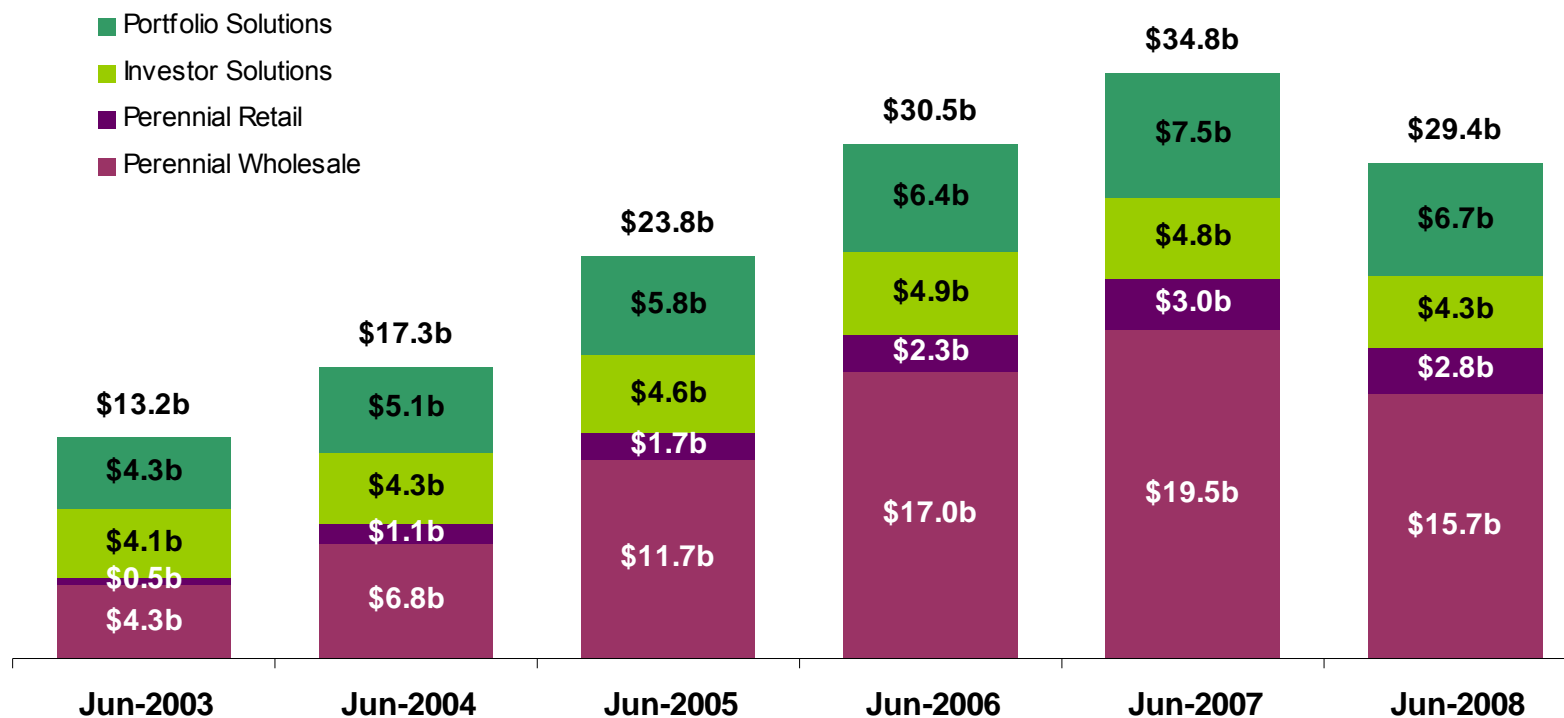
Operating Costs – by category



Costs constrained and re-allocated to servicing customers

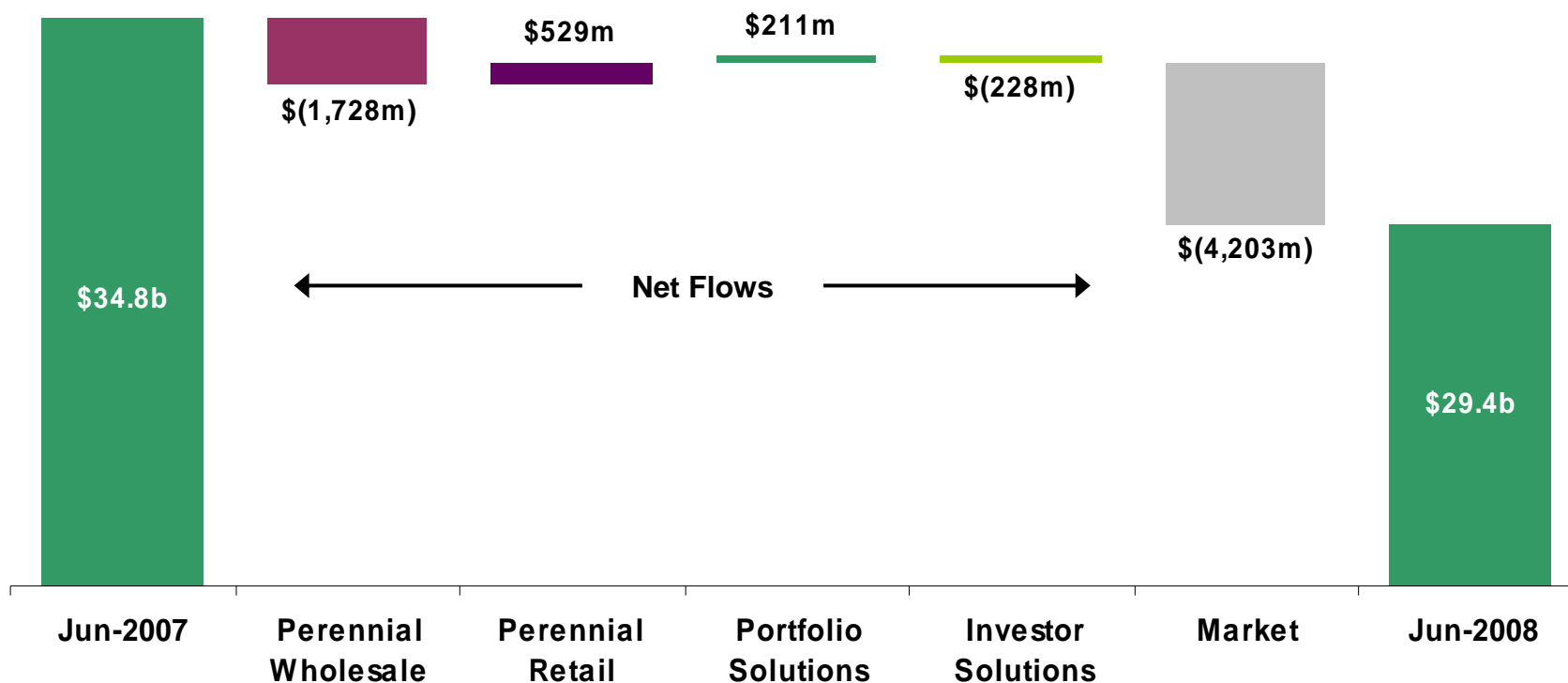
* Other includes a component of shareholder liability revaluation which is not considered a significant item: 2H 2007/08 \$1.0m; 1H 2007/08 \$1.3m; 2H 2006/07 \$2.2m

Funds by business



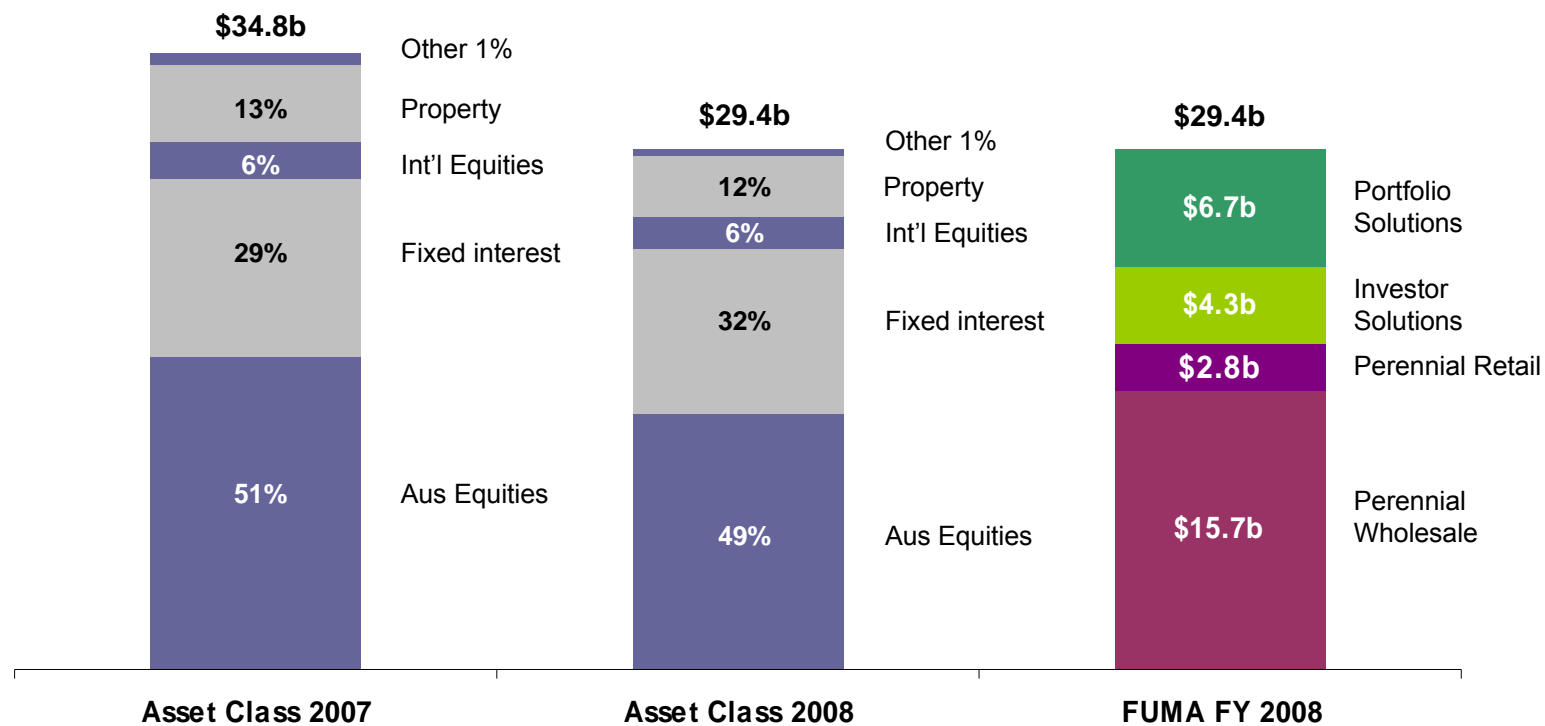
Decline in funds from market spread across all businesses

Funds growth by business



Negative wholesale flows reflect financial market movements

Funds by Asset Class



Marginal change in mix from market movements

Business Contribution



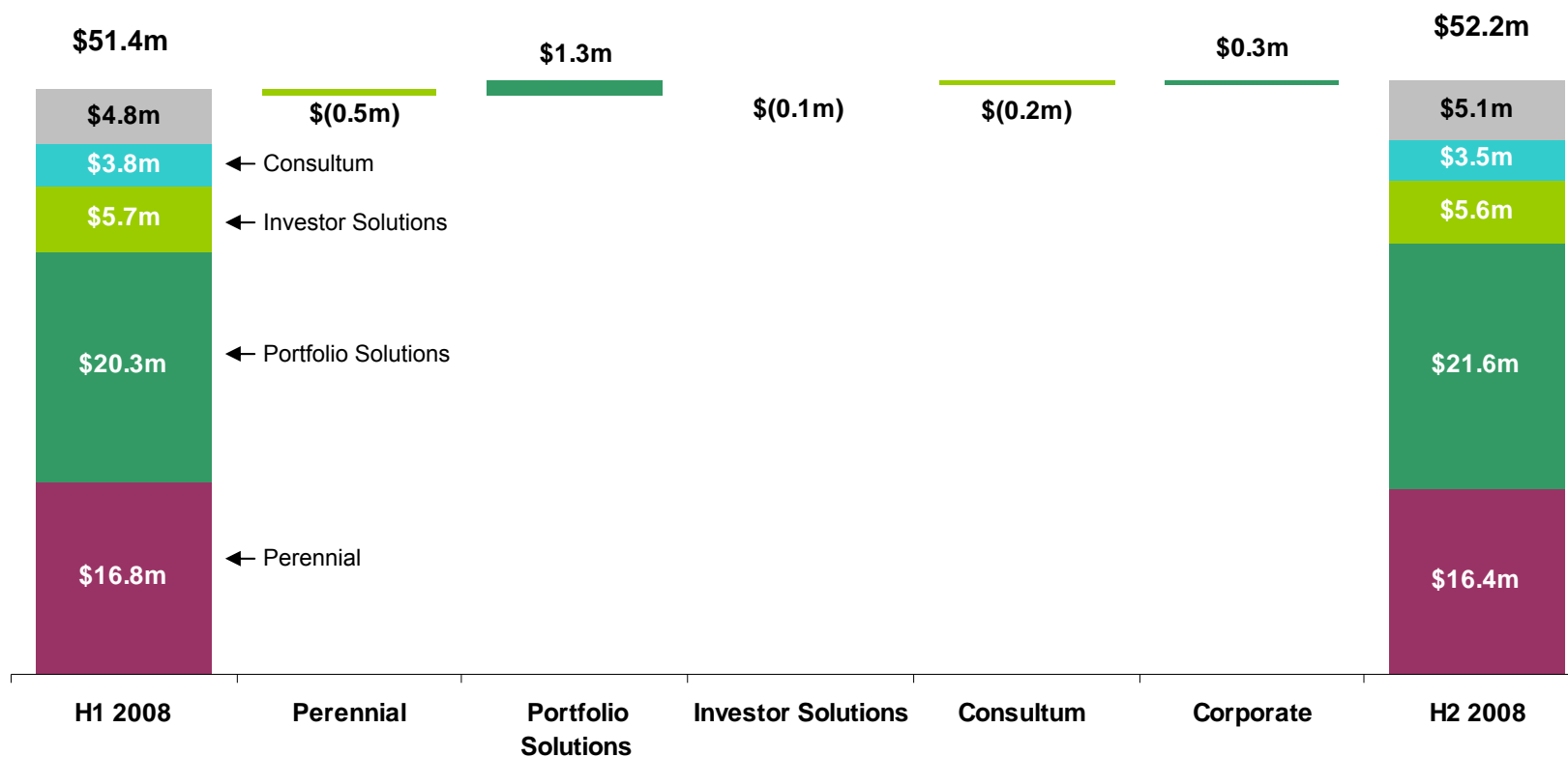
| \$m | FY 2008 | FY 2007 | Relative contrib (%) |
|-------------------------|-------------|-------------|----------------------|
| Perennial | 17.9 | 14.5 | 47% |
| Portfolio Solutions | 21.4 | 28.8 | 56% |
| Investor Solutions | 14.1 | 15.9 | 37% |
| Consultum | (2.7) | (3.6) | -7% |
| Corporate | (12.6) | (13.5) | -33% |
| Underlying EBITA | 38.1 | 42.1 | 100% |

Earnings from across the value chain

EBITA equates to profits before interest, tax, amortisation and asset sales/revaluations

* Underlying results exclude the impact of investment value write downs, PIPL acquisition, share agreement liability revaluations and PIPL restructuring costs – see Appendix E

Operating Costs by business



Costs constrained across all businesses

Perennial



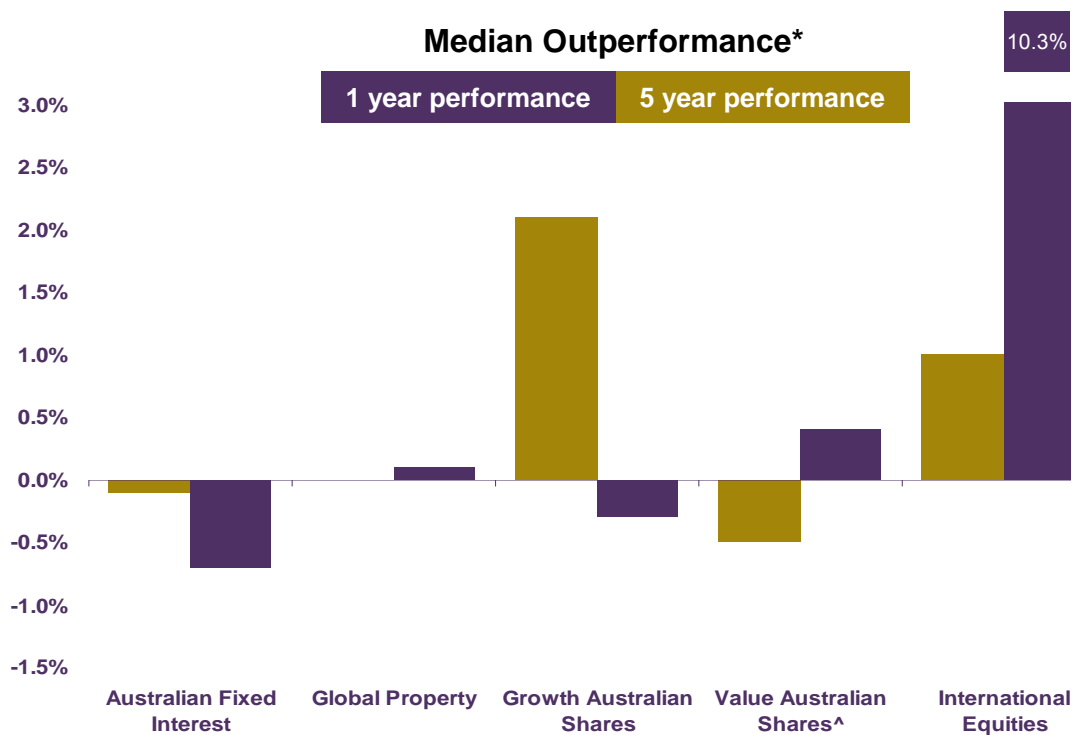
| | FY 2008 | FY 2007 | Change on pcp (%) |
|-----------------------------------|---------|---------|-------------------|
| Enterprise Gross Margin (\$m) | 71.8 | 67.2 | 7% |
| Enterprise Cost to Income Ratio | 46% | 41% | 5% |
| Enterprise Underlying EBITA (\$m) | 38.8 | 39.4 | -2% |
| Funds Under Management (\$b) | 18.5 | 22.5 | -18% |
| EBITA contribution to IOOF (\$m) | 17.9 | 14.5 | 23% |

Highlights

- Strong retail flows during the year
- Operating efficiency as measured by cost to income ratio compares favourably to that of competitors
- Increase in \$ gross margin on prior year notwithstanding challenging market conditions
- Perennial Partners Trust and other new products launched during the year to meet investor needs



Perennial – Award Winning Investment Performance



- Perennial International has delivered exceptional investment returns to its investors
- Perennial Value and Perennial Growth performing very well in volatile markets
- Perennial Global Real Estate also performing well against other global listed property competitors



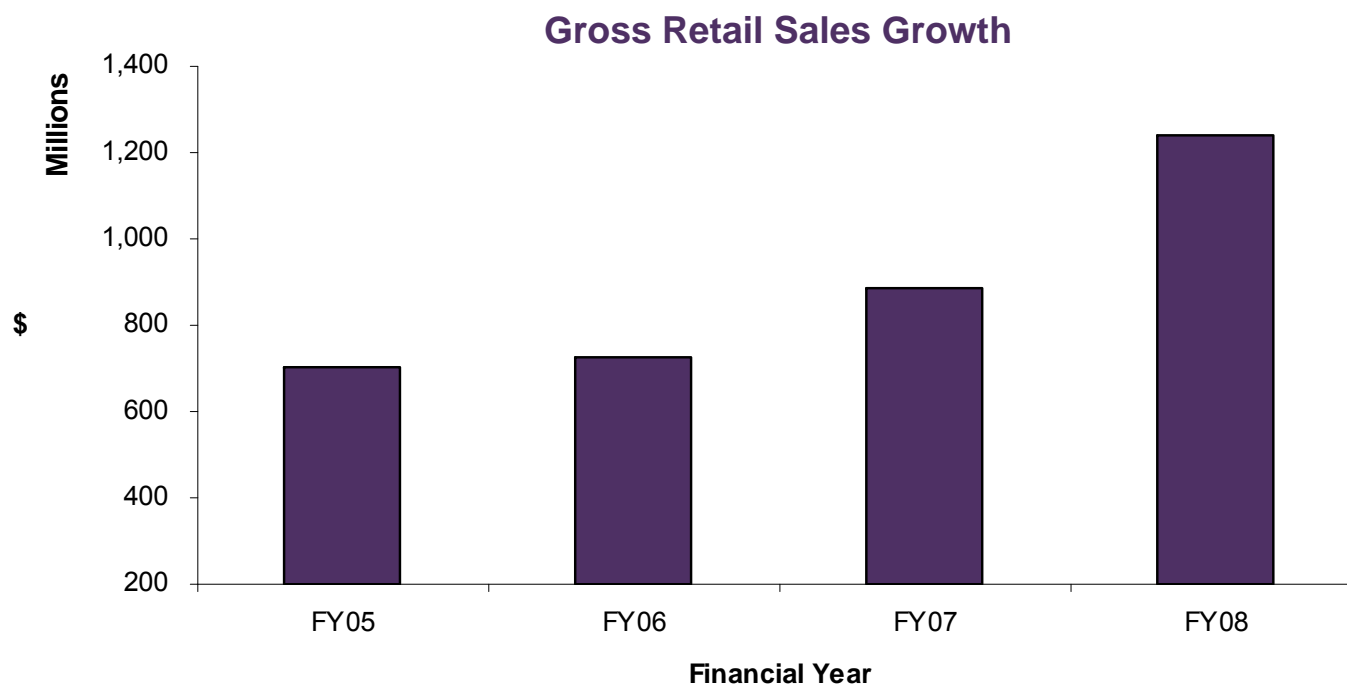
* Source: Mercer MPA Surveys (returns are excess over median Survey manager to 30 June 2008)

^ Perennial Value is above median over both periods against its main competitors

Perennial



Retail sales continue to improve



Gross sales up 40% over the same time last year



Portfolio Solutions



| | FY 2008 | FY 2007 | Relative contrib (%) |
|----------------------------------|---------|---------|----------------------|
| Revenue (\$m) | 117.2 | 121.4 | 47% |
| Gross Margin (\$m) | 63.2 | 63.2 | 45% |
| Cost to Income Ratio | 66% | 54% | n/a |
| Underlying EBITA (\$m) | 21.4 | 28.8 | 56% |
| Funds Under Administration (\$b) | 6.7 | 7.5 | 23% |

Highlights

- Pursuit attracted net flows of \$414m over 2007/08
- Launched the Individuum pre-advice business catering to Generation Y
- Initiatives focused on improvements in administration have been rewarded with top five rankings for 'Administrative Support' by the 2008 Wealth Insights/ASSIRT Service Level Survey.



Investor Solutions



| | FY 2008 | FY 2007 | Relative contrib (%) |
|------------------------------|---------|---------|----------------------|
| Revenue (\$m) | 38.2 | 34.1 | 14% |
| Gross Margin (\$m) | 24.1 | 24.5 | 17% |
| Cost to Income Ratio | 45% | 38% | n/a |
| Underlying EBITA (\$m) | 14.1 | 15.9 | 37% |
| Funds Under Management (\$b) | 4.3 | 4.8 | 14% |

Highlights

- Strategic review of all existing product sets
- Reinvigorating investment bond capabilities
- Improved marketing and distribution of Multi Manager capabilities



| | FY 2008 | FY 2007 | Relative contrib (%) |
|---------------------------|---------|---------|----------------------|
| Revenue (\$m) | 31.4 | 31.5 | 13% |
| Gross Margin (\$m) | 2.4 | 2.0 | 2% |
| Cost to Income Ratio | 150% | 175% | n/a |
| Underlying EBITA (\$m) | (2.7) | (3.6) | -7% |
| Funds Under Advice* (\$b) | 2.0 | 1.9 | 5% |

Highlights

- Adviser numbers of 110 have been maintained in a difficult environment whilst we selectively recruit quality over quantity
- Over 50% of new sales via Master Trusts/Platforms were generated towards IOOF
- Established a strong value proposition aimed at building deep long term relationships with advisers

Summary 2007/08



- Sound result given markets
- Strong cost control
- Well placed to ensure the benefits of market growth flow to shareholders

2008/09 profit will reflect funds flow and uncertain investment returns

Strategic Outlook – 2008/09



- Businesses will continue to develop capability and products
- Businesses will continue to manage cost
- IOOF will use its operating capability and strong balance sheet to pursue acquisition opportunities

Business is performing well in a difficult environment



Questions?

Appendix A - Underlying Cash Earnings & EBITA



| \$m | FY2008 | FY2007 | FY2006 | Change on pcp (%) |
|----------------------------------|-------------|-------------|-------------|-------------------|
| Gross margin | 134.9 | 128.8 | 108.0 | 5% |
| Non operating income | 7.3 | 8.6 | 9.6 | -15% |
| Share of net profits from PVM | 7.4 | 7.8 | 7.1 | -6% |
| Operating expenses | (103.6) | (94.5) | (82.0) | 10% |
| Underlying* Cash earnings | 46.0 | 50.7 | 42.7 | -9% |
| Dep'n and Amort'n of DAC | (5.4) | (5.3) | (5.5) | -2% |
| Share based payments | (3.1) | (2.4) | (1.8) | -25% |
| Provision for doubtful debts | 0.6 | (1.0) | (0.9) | large |
| Underlying* EBITA | 38.1 | 42.1 | 34.4 | -9% |

EBITA equates to profits before interest, tax, amortisation and asset sales/revaluations

* Underlying results exclude the impact of investment value write downs, PIPL acquisition, share agreement liability revaluations and PIPL restructuring costs – see Appendix E

Appendix B - Statutory Accounts reconciliation



| Year ending June 2008 | Statutory financials | Benefit funds | Adjust* | Corporate financials |
|--|----------------------|----------------|--------------|----------------------|
| Management fees & Commission revenue | 324.1 | (53.2) | - | 270.9 |
| Commissions and other direct expenses | (185.7) | 49.7 | - | (136.0) |
| Gross margin | 138.4 | (3.5) | - | 134.9 |
| Non operating income | 106.2 | (100.3) | 1.4 | 7.3 |
| Share of Net profits from PVM | 7.4 | - | - | 7.4 |
| Operating expenses | (101.4) | 0.1 | (2.3) | (103.6) |
| Depreciation of assets | (1.6) | - | - | (1.6) |
| Amortisation of DAC | (3.7) | - | - | (3.7) |
| Provision for doubtful debts | 0.6 | - | - | 0.6 |
| Employee share plans | (3.1) | - | - | (3.1) |
| Underlying EBITA | 142.7 | (103.6) | (0.9) | 38.1 |
| Amortisation of intangible assets | (1.5) | - | - | (1.5) |
| Profit / (Loss) on assets | (118.1) | 117.1 | - | (1.0) |
| Interest expense | (0.3) | - | - | (0.3) |
| Profit before tax and sig. items | 22.8 | 13.5 | (0.9) | 35.3 |
| Significant items | (4.8) | - | 2.3 | (2.5) |
| Profit before tax | 18.0 | 13.5 | 1.4 | 32.8 |
| Income tax | 8.1 | (14.8) | - | (6.7) |
| NPAT | 26.1 | (1.4) | 1.4 | 26.1 |
| OEI | (2.7) | - | - | (2.7) |
| NPAT attributable to shareholders | 23.3 | (1.4) | 1.4 | 23.4 |

*Adjustments consist of de-consolidating entries and the component of shareholder liability revaluation which is not considered a significant item. The latter reflects underlying outside equity interest in the impacted Perennial subsidiaries

Appendix C – Balance Sheet



| \$m | AIFRS FY 2008 | Corporate FY 2008 | Corporate FY 2007 |
|--------------------------|------------------|----------------------|----------------------|
| Tangible Assets | 1,254.2 | 147.2 | 151.9 |
| Intangible Assets | 167.7 | 167.7 | 197.2 |
| Total Assets | 1,421.9 | 314.9 | 349.1 |
| Member liabilities | (1,108.0) | - | - |
| Total Liabilities | (1,189.3) | (78.7) | (154.6) |
| Equity | 232.6 | 236.2 | 194.5 |

Appendix D – Cash Flow



| \$m | AIFRS FY 2008 | Corporate FY 2008 | Corporate FY 2007 |
|------------------------------|--------------------------|------------------------------|------------------------------|
| Opening cash | 509.3 | 47.1 | 91.5 |
| Net operating in/(out) flows | 111.6 | 42.2 | 27.1 |
| Net financing in/(out) flows | (21.7) | (21.7) | 10.5 |
| Net investing in/(out) flows | (15.8) | (13.9) | (82.0) |
| Closing cash | 583.4 | 53.7 | 47.1 |

Appendix E - Significant items excluded from calculation of underlying results



| Significant items (\$m) | FY2008 | FY2007 | Change on pcp (%) |
|---------------------------------------|--------------|--------------|-------------------|
| PIPL option holders | - | (0.8) | -100% |
| PIPL Acqn costs | 2.6 | (2.6) | large |
| PIPL share agreements liability reval | (3.2) | (2.0) | 61% |
| PIPL restructuring | - | (2.1) | -100% |
| Investment sale/revaluation losses | (2.0) | - | large |
| Significant items before tax | (2.5) | (7.5) | -66% |
| Income tax impact | - | 0.6 | -100% |
| Significant items after tax | (2.5) | (6.9) | -64% |

- PIPL option holders – value of options previously held by certain key PIPL executives
- PIPL acquisition costs – recognises the movement in present value of the probable future settlement liability upon finalisation of the acquisition of PIPL minorities in 2009
- PIPL share agreements liability - relates to IOOF's commitment to provide liquidity, under certain circumstances, in the vested shares held by parties previously classified as minority interests in two Perennial subsidiaries
- PIPL restructuring – costs incurred realigning retail activities within PIPL following full ownership
- Investment sale/revaluation losses – disposal or write down on alliance investments which are no longer strategically congruent