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## **ASX/MEDIA RELEASE**

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### **IOOF reports strong profit and funds growth**

- **Reports Underlying Net Profit after Tax of \$29.2 million; up 26 per cent**
- **Strong growth in FUMA to \$34.8 billion; up 14 per cent**
- **Underlying EBITA improves by 22 per cent to \$42.1 million**
- **Increases full-year dividend by 22 per cent to 33 cents per share**
- **Final Dividend of 18 cents per share payable on 11 October**

IOOF Holdings Ltd (ASX:IFL) one of Australia's leading funds management groups, today reported its full-year earnings result, with underlying net profit after tax increasing by 26 per cent to \$29.2 million for the year ended 30 June 2007 (2006: \$23.1m).

Underlying earnings before interest, tax and amortisation (EBITA) increased by 22 per cent to \$42.1 million (2006: \$34.4 million).

Reflecting the strong result, IOOF has declared an increased full-year dividend of 33 cents per share, up 22 per cent from last year. The final dividend of 18 cents per share will be paid on 11 October.

IOOF's reported net profit was \$22.3 million (2006: \$23.1m). The lower reported profit reflects a \$4.9m non-cash impact of the acquisition of Perennial Investment Partners Limited (Perennial) and a \$2.0m net liability revaluation due to accounting standards treatment.

Chief Executive Officer, Tony Robinson, said the underlying result consolidates IOOF's successful repositioning and established a firm basis for future growth.

Funds under management and administration increased by 14 per cent to nearly \$35 billion.

Retail funds under management and administration increased to \$15.3 billion (2006: \$13.5 billion), with a strong improvement in retail net flows in the second half.

Mr Robinson said the group's flagship administration platform, Pursuit, which was successfully launched in October, had started to achieve extensive traction in the market with net inflows of approximately \$200 million to 30 June.

"We are particularly pleased with the performance of Pursuit which continues to attract significant inflows and widespread recognition for its innovative product and pricing features.

"Meanwhile our financial advice business, Consultum Financial Advisers Pty Ltd, has also grown in terms of adviser numbers and practices and continues to meet our ambitious targets."

During the year, IOOF segmented its retail business into *Portfolio Solutions* for funds administration for its platform products and *Investor Solutions* for management of funds, and also passed responsibility for retail sales of asset management to Perennial.

“We are already seeing the benefits of greater accountability in both product and channel development from this new structure which will continue to add increased value to our retail business,” Mr Robinson said.

IOOF’s asset management business, Perennial, increased its wholesale funds under management by 15 per cent to \$19.5 billion.

Mr Robinson said solid investment performance across a range of asset classes had driven Perennial’s success in attracting mandates and growing funds.

“Perennial remains well poised to benefit not only from the strong industry growth, but from its continuing strong investment performance and differentiated service offering.”

## **Outlook**

Mr Robinson said IOOF was well placed to capitalise on its market position.

“We have strengthened the individual business units by shifting the corporate focus to more of a holding company which provides support and capital to enable the business units to grow more effectively.

“The Pursuit platform is continuing to successfully attract funds and we are actively developing other product and service solutions to be delivered this year.

“We remain on track to deliver on our previous guidance of underlying earnings per share growth of 15% for the 2007/08 year.”

## **Enquiries:**

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