Half Year 2012 Results

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Half Year 2012 Results

FINANCIAL HIGHLIGHTS

SOLID RESULTS IN CHALLENGING ENVIRONMENT

6 MONTHS, $M (unless stated otherwise)	**1H FY12**	**1H FY11**	**YoY change %**
Underlying NPAT[1]	**9.1**	10.3	-12%
per fully diluted share (cents)	***2.15***	*2.41*	*-11%*
Reported NPAT	**12.2**	2.9	316%
per fully diluted share (cents)	***2.88***	*0.69*	*318%*
Funds under management and advice/FUMA ($B)	**2.8**	3.1	-10%
Net Assets per share[3] (cents)	**61.5**	59.0	4%
Embedded value	**250**	248	1%

- **Underlying NPAT**[1] of $9.1m (down 12%). Sound result in current environment. Reflects favourable net claims experience offset by a 10% decline in FUMA due to challenging investment markets and higher product development costs
- **Reported profit** of $12.2m (up 316%) impacted in addition by a $6.5m policy liability effect from the decline in long-term discount rates (1H FY11: -$1.8m). No restructure and transition related costs (1H FY11: -$1.7m)
- **Results do not reflect** any uplift in sales growth by ClearView's new life advice and wealth management product suites which were delivered according to schedule in December 2011
- **Strong Balance Sheet** with no debt, $59m surplus capital[2] and net assets of 61.5 cents per share (up 4%)
- **Embedded value** increased 1% to $250m but impacted by FY11 final dividend ($7.7m) and lower FUMA levels

1 Underlying profit (not reviewed or audited) is the Board's key measure of profitability and the basis on which dividend payments are determined. It consists of profit after tax adjusted for amortisation, the effect of changing discount rates on insurance policy liabilities (as required by accounting standards), and in the prior year restructure, transition and system upgrade costs considered unusual to the Group's ordinary activities.

2 Surplus capital reporting basis changed in 2H FY11 to reflect surplus capital above internal benchmarks. Internal benchmarks exceed regulatory requirements.

3 Adjusted for Employee Share Plan (ESP) loan of $13.4m (1H FY11:$12.0m) and 23.85m (1H FY11: 20.7m) ESP shares.

UNDERLYING PROFIT IN LINE WITH 2H FY11

6 MONTHS, $M (unless stated otherwise)	**1H FY12**	**2H FY11**	**Sequential change %**
Underlying NPAT[1]	**9.1**	9.0	1%
per fully diluted share (cents)	***2.15***	*2.18*	*-2%*
Reported NPAT	**12.2**	5.8	114%
per fully diluted share (cents)	***2.88***	*1.41*	*103%*
Funds under management and advice/FUMA ($B)	**2.8**	3.0	-7%
Net Assets per share[3] (cents)	**61.5**	60.5	2%
Embedded value	**250**	259	-4%

- **Underlying NPAT**[1] of $9.1m, in line with 2H FY11 (underlying NPBT increased by 7%) despite a 7% decline in FUMA due to challenging investment markets and higher product development costs. Higher tax benefit in 2H FY11. Reflective of favourable net claims experience in 1H FY12
- **Reported profit** of $12.2m (up 114%) impacted in addition by $6.5m policy liability effect from the decline in long-term discount rates (2H FY11: $1.4m). No restructure related costs (2H FY11: -$1.1m)
- **Strong Balance Sheet** with no debt, $59m surplus capital[2] (up 11%) and net assets of 61.5 cents per share (up 2%)
- **Embedded value** decreased 4% to $250m predominantly due to FY11 final dividend ($7.7m) and lower FUMA levels *(note: discount rate unchanged despite significant reduction in long-term rates)*

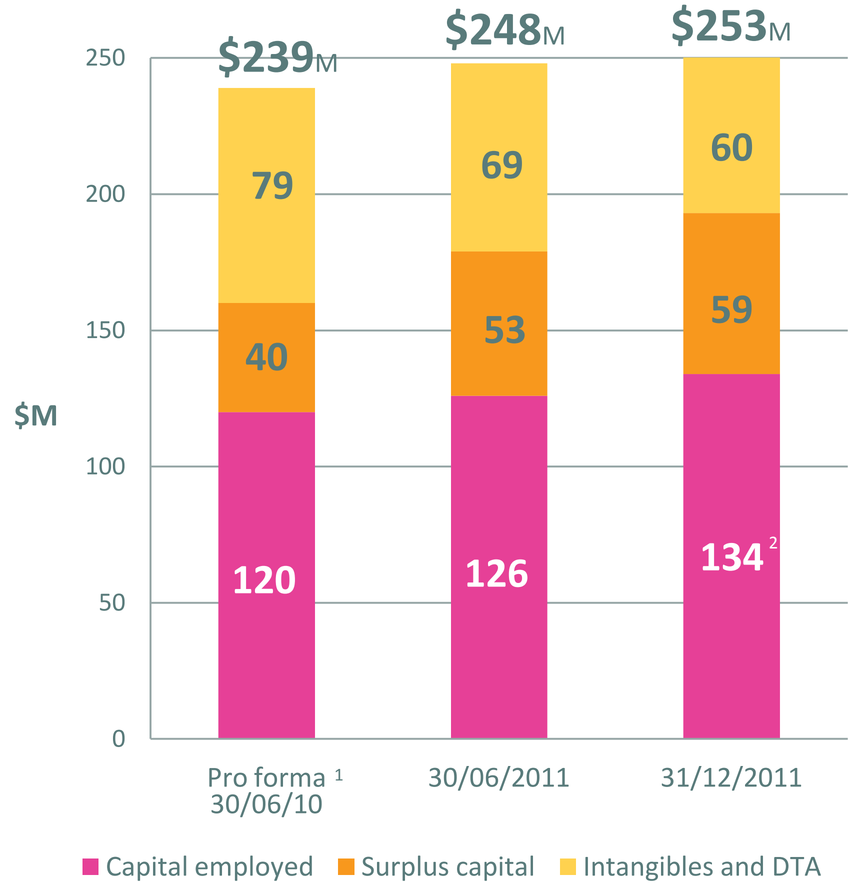
1 Underlying profit (not reviewed or audited) is the Board's key measure of profitability and the basis on which dividend payments are determined. It consists of profit after tax adjusted for amortisation, the effect of changing discount rates on insurance policy liabilities (as required by accounting standards), and in the prior year restructure, transition and system upgrade costs considered unusual to the Group's ordinary activities.

2 Surplus capital reported is surplus capital above internal benchmarks. Internal benchmarks exceed regulatory requirements.

3 Adjusted for Employee Share Plan (ESP) loan of $13.4m (1H & 2H FY11:$12.0m) and 23.85m (1H & 2H FY11: 20.7m) ESP shares.

RETURN ON CAPITAL EMPLOYED

REPORTED NET ASSETS | RETURN



$9.1M
UNDERLYING NPAT

$1.0M
INVESTMENT RETURN ON SURPLUS CAPITAL [3]

$8.1M
BUSINESS LINE PROFIT

1H FY12 ANNUALISED

ROCE

12.4% POST TAX

UNDERLYING BUSINESS LINE PROFIT ON CAPITAL EMPLOYED

= (8.1 X 2)/(126+134)/2

1 Pro forma as if current Capital Management Plan had been implemented as at 30/06/10.

2 Increase in capital employed since 30/6/2011 is mainly due to the non-cash effects of the change in the life insurance contract policy liability as a result of the reduction in long term discount rates (net of tax).

3 Surplus capital reported is surplus capital above internal benchmarks. Internal benchmarks exceed regulatory requirements.

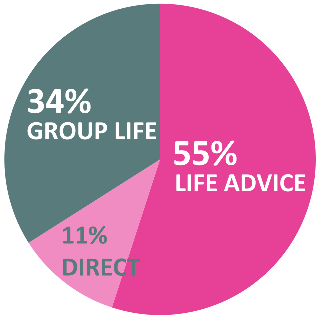
Half Year 2012 Results

STRATEGIC AND OPERATIONAL OVERVIEW

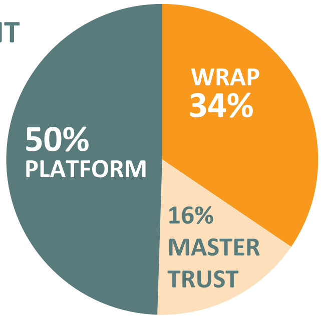
STRATEGIC OVERVIEW

- Acquired ClearView in June 2010 at an attractive price to participate in high growth industries *(i.e. life insurance and wealth management)* with strong underlying market fundamentals
- Leveraging the acquisition as a platform for future value creation
  - Start with a mature, profitable in force book
  - Expand product offering and distribution channels to expand scope to grow new business
  - Introduce innovation into products, processes and partnerships to deliver a superior value proposition to clients and partners
- Transformed the group into a fully diversified life insurance and wealth management business
- Expanded market opportunity significantly with the December 2011 launch of LifeSolutions and WealthSolutions resulting in new products lines to drive growth

RISK MARKET
BASED ON **$10B**
TOTAL INFLOWS[1]



WEALTH MANGEMENT
MARKET BASED ON
$406B FUM[2]



1 Source: Plan For Life 'Life Insurance Risk Premium Inflows & Sales for Year ended September 2011' and ClearView estimates
2 Source: Plan For Life 'Analysis of Wrap, Platform and Master Trust Managed Funds at September 2011'

NEW PRODUCT SUITE

LIFESOLUTIONS

LAUNCHED IN DECEMBER 2011

- Full suite of competitively priced life insurance products sold by financial advisers (ClearView and IFAs)
- "Best of" features plus innovation
- Access to the advice market which is substantially larger than the direct market
- Independent advisers to become a significant sales channel post launch of LifeSolutions

WEALTHSOLUTIONS

LAUNCHED IN DECEMBER 2011

- High end offering to financial planners with a full wrap capability
- Super, Retirement income and IDPS
- Includes 250 managed funds, ASX listed securities, term deposits, 7 new ClearView managed funds and 4 ClearView run model portfolios
- ClearView has full ownership of product (private label)
- Potential to capture revenue on existing, externally managed FUA

DISTRIBUTION STRATEGY

STRATEGIC PARTNERS

DIRECT PRODUCTS AND REFERRALS INTO ADVICE

- Penetrate exclusive strategic partners' member bases (Bupa, Credit Unions, affinity groups)
- Expand existing credit union distribution agreements to include life insurance products
- Develop new alliances to sell ClearView's life insurance and wealth management products

CVW DEALER GROUP

LIFE & WEALTH SOLUTIONS

- Recruit experienced and successful advisers into CVW dealer group
- Align interests by participation in Employee Share Plan *(up to 4% made available)*
- Support existing planners with modern and market competitive products

IFAs

LIFE & WEALTH SOLUTIONS

- Establish distribution agreements with independent advisers (own independent license or third party dealer group)
- Obtain access to Approved Product Lists (APLs)
- Differentiator is access to a relationship driven "independent" partner

DISTRIBUTION UPDATE

STRATEGIC PARTNERS

DIRECT PRODUCTS AND REFERRALS INTO ADVICE

- Exclusive access to circa 3 million member base
- Delays in broader rollout to Bupa client base due to rebranding in 1H FY11; HBA/Mutual Community rollout planned for 2H FY12
- Queensland Country Credit Union's distribution agreement expanded to include life insurance products
- New strategic partner, Nova Credit Union, to start selling ClearView's direct insurance products

CVW DEALER GROUP

LIFE & WEALTH SOLUTIONS

- 57 advisers as at 31 Dec 2011 including ClearView financial planners (~50%), franchised planners and dealer services
- Actively recruiting experienced and successful advisers since launch of new product range
- Traction encouraging with Lambert Investments and InvestInsure joining pre 31 Dec 11; strong pipeline

IFAs

LIFE & WEALTH SOLUTIONS

- Actively establishing distribution agreements with independent advisers
- LifeSolutions on 6 APLs – now access to over 1,000 independent advisers

REGULATORY OVERVIEW

- FOFA *(proposed implementation 1 July 2012)*
  - Draft legislation released; significant uncertainty and further clarification required
  - ClearView well positioned due to vertically integrated business model
- New APRA Capital Standards *(1 January 2013)*
  - On 9 Dec 11 APRA released draft new capital standards (LAGIC)
  - Based on proposed changes, ClearView's capital requirements not expected to be materially impacted relative to the position at 31 December 2011
- Stronger Super *(1 July 2013)*
  - Simple, transparent superannuation products with easy to access timely information
  - Potential opportunity for ClearView
- APRA Standards for Super *(circa 1 July 2013) – also relates to Stronger Super*
  - APRA proposals to introduce governance, risk management and capital requirements for RSE's
  - Comparable standards to existing APRA regulatory framework
  - ClearView well placed with existing whole group APRA satisfying risk and capital management framework and financial resources
- IFRS Phase 2: Insurance Accounting
  - IASB and FASB continue to have divergent positions; limited progress to date
  - Significant uncertainty; IASB retains the option to re-expose or issue a review draft
  - Target publication date of final standard has been pushed beyond 2012

MARKET OUTLOOK

LIFE INSURANCE

- The $10 billion life insurance market will grow at the rate of 8.4% p.a. over the 15 years to 30 June 2026[1]
- Adviser sold retail life insurance outside superannuation is expected to grow at 9.0% p.a., following the current regulatory reforms, Stronger Super and the introduction of concessional contribution caps[1]
- Lapse rates continue to be adverse across the industry albeit at a lower rate

WEALTH MANAGEMENT

- Global developments creating weaker investment markets and taking their toll on investor sentiment
- Investment fund outflows continue to offset superannuation inflows
- New money allocated to lower risk, lower margin fixed income and cash products
- Deferral of retirement continues in light of the above

1 Source: Rice Warner Risk Insurance Market Projections Report 2011, Dec 11

Half Year 2012 Results

FINANCIAL RESULTS

PROFIT & LOSS – 1H FY12

6 MONTHS, $M	FY12	FY11[1]		COMMENTS
	1H	1H	2H	
Life Insurance profit	**5.5**	5.0	4.0	Favourable net claims experience partially offset by lapse losses (reflective of recent trends) and increased expenses (investment in LifeSolutions with lag in sales).
Wealth Management profit	**3.4**	5.3	5.7	Fee income adversely affected by weak investment market performance and negative FUM flows. Expenses increased due to product development (WealthSolutions) and unusual compensation accruals. Higher tax benefit in 2H FY11.
Financial Planning profit	**(0.6)**	(0.4)	(0.8)	Benefits from restructuring masked by weak investment markets and lower FUMA levels. FUA reflects small organic net flow positive.
Listed entity and other	**0.8**	0.4	0.1	Mainly investment earnings less listed entity costs. Greater return from transfer of excess capital from Life insurance entity.
Underlying NPAT[2]	**9.1**	10.3	9.0	Underlying NPAT reflective of favourable net claims experience offset by lower FUMA fee revenue, lapse losses in life insurance and development costs associated with investment in LifeSolutions and WealthSolutions ($1m of costs expensed and $1.5m capitalised in 1H FY12).
Amortisation	**(3.4)**	(3.9)	(3.5)	Non cash item that relates to acquired intangibles predominantly from the Bupa acquisition.
Other adjustments	**6.5**	(3.5)	0.3	Reduction in long-term discount rates resulted in a significant positive policy liability effect. Refer to next slide for breakdown.
Reported NPAT	**12.2**	2.9	5.8	Benefited from other adjustments.

Solid results in light of challenging investment markets and a focus on product development.

1 FY11 Wealth Management (WM) and Financial Planning profits restated to show profit from Retail Unit Trusts in WM due to structural reorganisation of reportable segments.
2 Not reviewed or audited.

OTHER ADJUSTMENTS – 1H FY12

6 MONTHS, $M	FY12	FY11	
	1H	1H	2H
Policy liability effect from change in discount rates[1]	**9.3**	(2.6)	2.0
Life administration system upgrade[2]	-	(0.7)	0.0
Transition and restructure costs[3]	-	(2.1)	(1.4)
Other	-	0.1	(0.2)
Income tax effect	**(2.8)**	1.8	(0.1)
Total other adjustments (after tax)	**6.5**	(3.5)	0.3

Long-term discount rate fell by 130bps during 1H FY12 causing a positive $6.5m (after tax) policy liability effect.

No DTA recognised for rights to future income until further certainty on the proposed legislation.

1 The life insurance contract policy liability (based on Australian IFRS) is discounted using market based rates that typically vary at each reporting date and create volatility in the policy liabilities and consequently earnings. ClearView separately reports this volatility which represents a timing difference in the release of profit and has no impact on cash earnings.

2 System upgrade "catch up" to latest version post the Bupa acquisition. All subsequent system spend reported as part of underlying profit or capitalised in accordance with capitalisation policy.

3 Transition costs in 1H FY11 largely relate to costs payable to Bupa prior to migration off Bupa's infrastructure and post acquisition employee termination related costs.

The restructure costs in 2H FY11 relate to a provision to restructure the Financial Planning business completed 31 Aug 2011.

BALANCE SHEET SHAREHOLDER[1]

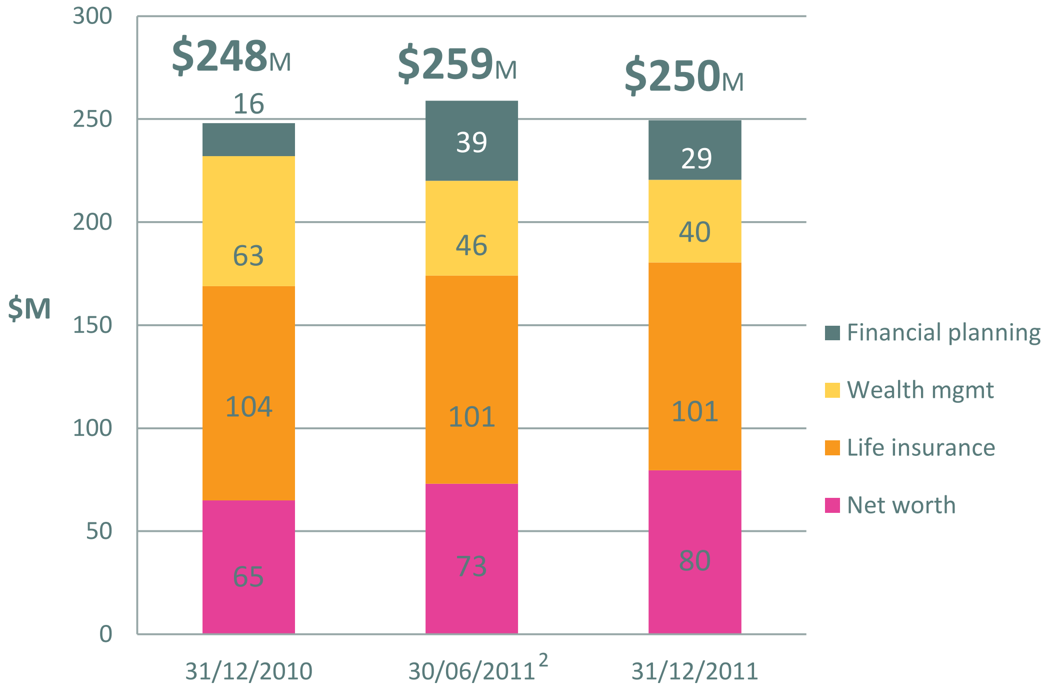
$M	31/12/11	30/06/11	31/12/10
ASSETS			
Cash equivalents	**117**	122	115
Financial assets	-	-	7
Receivables	**10**	6	11
Deferred tax asset	**6**	12	14
PP&E	**3**	1	1
Goodwill	**5**	5	5
Intangible	**49**	52	55
Total Assets	**190**	198	208
LIABILITIES			
Payables	**8**	9	22
Current tax	-	-	-
Provisions	**4**	4	3
Life Insurance[2]	**(75)**	(63)	(59)
Total Liabilities	**(63)**	(50)	(34)
Net Assets	**253**	248	242
Net Assets per share[3]	**61.5 cents**	60.5 cents	59.0 cents
Net Tangible Assets[4]	**199**	191	182
NTA per share[3,4]	**49.2 cents**	47.3 cents	45.0 cents

STRONG CAPITAL POSITION

- No debt
- $59m surplus capital above internal target benchmarks ($53m[5] as at 30/06/11)
- Shareholder capital conservatively invested in cash and interest bearing securities
- Changes in proposed APRA capital standards *(to take effect on 01/01/13)* not expected to have a material impact on the capital position
- Increase in PP&E consists of $1.5m in fit out for new offices and $1.5m in systems development, offset by depreciation and write down of fixed assets due to the move
- No DTA recognised for rights to future income

1 Shareholder balance sheet excludes the life investments contracts (i.e. unit linked business) and deconsolidates retail unit trusts.
2 Life insurance asset reflects insurance liabilities net of the future recoverability of the deferred acquisition costs in accordance with the accounting standards.
3 Adjusted for Employee Share Plan (ESP) loan of $13.4m (1H & 2H FY11:$12.0m) and 23.85m (1H & 2H FY11: 20.7m) ESP shares.
4 Includes deferred tax asset (DTA).
5 Prior to FY11 dividend payment and capital benefit of utilisation of tax losses.

EMBEDDED VALUE (EV)[1]



DISCOUNT RATE SENSITIVITY	RDR -1%	RDR +1%
Net worth	79	79
Life insurance	108	95
Wealth management	41	39
Financial planning	31	28
Total excl. franking credits	**259**	**241**

MOVEMENTS FROM 30/06/11 DUE TO:

Emerging profit and tax benefit from utilisation of losses offset by:

- Lower FUMA levels (decrease of 6.7%)
- Payment of final FY11 dividend of $7.7m

EXCLUDES THE VALUE OF:

- Future growth potential
- Future franking credits (potential value $39m)
- Recognised DTA of $6m (including carried forward revenue tax losses of $2m), unrecognised capital losses ($9m) and unrecognised potential tax benefit from deductibility of rights to future income
- No change in discount rates (for consistency) notwithstanding drop in long-term discount rates by 130bps

1 EV increase based on consistently applied risk discount rates of 11% for life insurance and 12.75% for wealth management and planning.
2 EV as at 30 June 2011 is prior to FY11 dividend payment and value of utilisation of tax losses.

Half Year 2012 Results

SUMMARY

SUMMARY

- 1H FY12 Results
  - ➢ 1H FY12 underlying profit held up in a difficult environment
  - ➢ Strong capital position with no debt and $59m surplus capital over internal benchmarks
- Strategic and Operational Highlights
  - ➢ Substantial time and effort focused on the development of LifeSolutions and WealthSolutions in 1H FY12 positioning ClearView for growth
  - ➢ Market opportunity expanded significantly for life insurance and wealth management with the Dec 11 launch
  - ➢ Focus on recruitment of experienced and successful advisers
- Outlook
  - ➢ Uncertain and volatile investment markets coupled with a tough economic environment make it difficult to provide specific earnings guidance
    - Performance and volatility of investment markets negatively impacting FUMA balances and hence fee margin; ClearView well positioned for recovery when market conditions improve
    - Platform now enabled for growth in life insurance in force premium (anticipated to commence in 2H FY12[1]) due to Dec 11 launch of LifeSolutions and related penetration into the independent adviser market
    - Investments in growth initiatives expected to continue in 2H FY12
  - ➢ Well positioned for growth and recent regulatory reforms
    - Uniquely positioned due to 'independent' nature, lack of legacy products and launch of full suite of life advice products and state-of-the-art private label wrap platform
    - Vertically integrated to leverage the life and wealth value chains and to adapt to recent regulatory reforms
    - Market fundamentals underpinning wealth management remain highly attractive, bolstered by proposed increase in mandated superannuation to 12%

1 Note that life insurance sales will take time to be reflected in the P&L, first signs will be in new business sales and increases in EV.

Half Year 2012 Results

APPENDIX

LIFE INSURANCE – 1H FY12

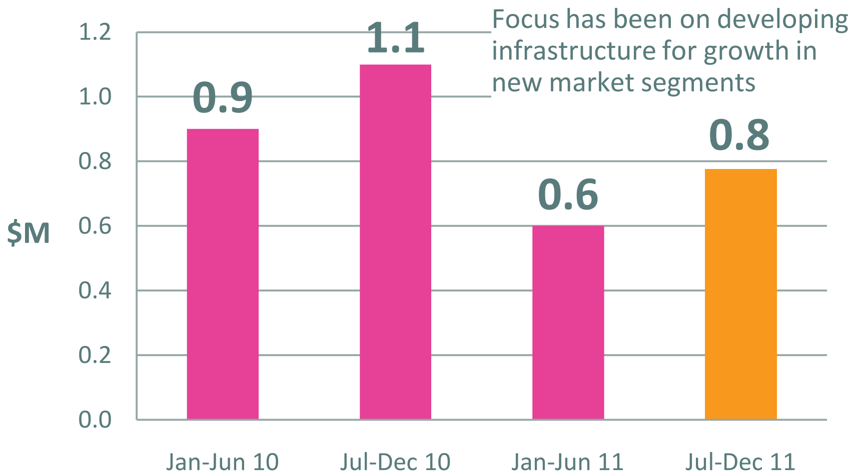
6 MONTHS, $M	FY12	FY11	
	1H	1H	2H
Net premiums	**18.1**	18.7	17.9
Interest income	**0.7**	0.6	0.7
Net claims incurred	**(4.1)**	(7.1)	(7.5)
Commissions expense	**(0.4)**	(0.2)	(0.2)
Operating expenses	**(6.8)**	(5.3)	(6.1)
Movement in risk policy liabilities	**0.4**	0.5	0.4
Underlying profit before tax	**7.9**	7.2	5.2
Income tax expense	**(2.4)**	(2.2)	(1.2)
Underlying profit after tax	**5.5**	5.0	4.0

COMMENTS

- Net premiums not yet reflective of growth initiatives (i.e. broader rollout to Bupa client base; penetration of the adviser market through December 2011 launch of LifeSolutions)
- Favourable net claims experience, offsetting lapse losses and increase in operating expenses
- Increase in expenses reflective of investment in LifeSolutions in 1H FY12 (ahead of new business volumes); investment in business expected to continue in 2H FY12

LIFE INSURANCE – 1H FY12

NEW BUSINESS



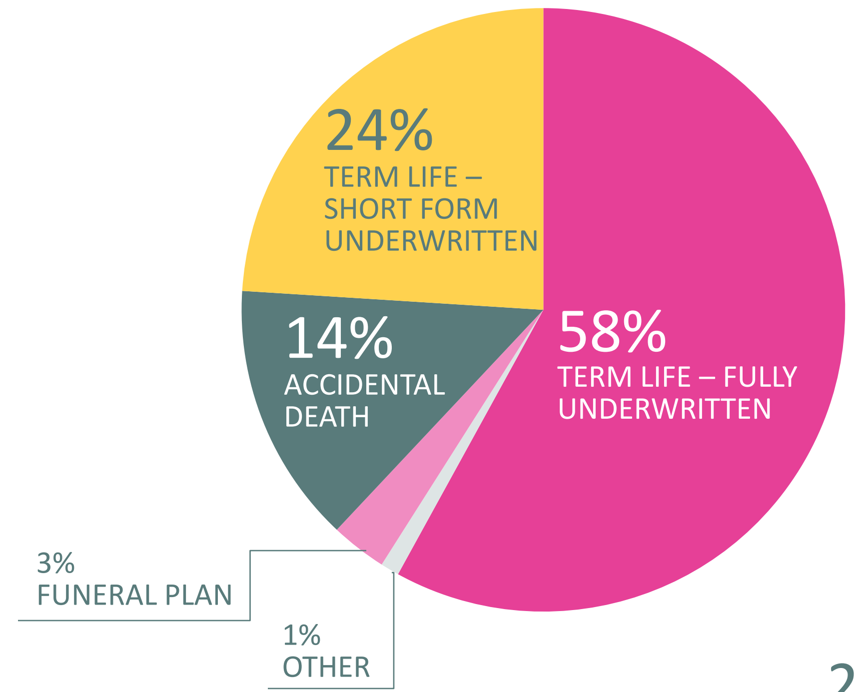
SOURCES OF PROFIT

6 MONTHS ENDED DEC, $M	1H FY12	1H FY11
Planned profit margin released[1]	5.0	6.0
Profit arising from difference between actual and expected experience	0.5	(1.0)
Underlying life insurance profit after tax	**5.5**	**5.0**
Other adjustments (after tax)	6.5	(2.3)
Amortisation	(0.7)	(0.8)
Reported life insurance profit after tax	**11.3**	**1.9**

PREMIUMS IN FORCE[2]

$40 MILLION

IN FORCE PREMIUM MIX



1 Includes investment earnings on surplus capital.
2 In force premium reduced by termination of MBF Broken Bones policy with effect from 1 July 2011.

WEALTH MANAGEMENT – 1H FY12

6 MONTHS, $M	1H FY12	FY11	
		1H	2H
Fee revenue	**15.5**	17.4	16.7
Interest income	**1.2**	1.2	1.1
Commissions expense	**(3.6)**	(4.0)	(4.2)
Operating expenses	**(9.2)**	(7.1)	(7.3)
Underlying profit before tax	**3.9**	7.5	6.3
Income tax expense	**(0.5)**	(2.2)	(0.6)
Underlying profit after tax[2]	**3.4**	5.3	5.7
Funds under management[1]	**1,382**	1,564	1,515
Net flows[1]	**(90)**	(87)	(60)
Market movement[1]	**(28)**	107	31

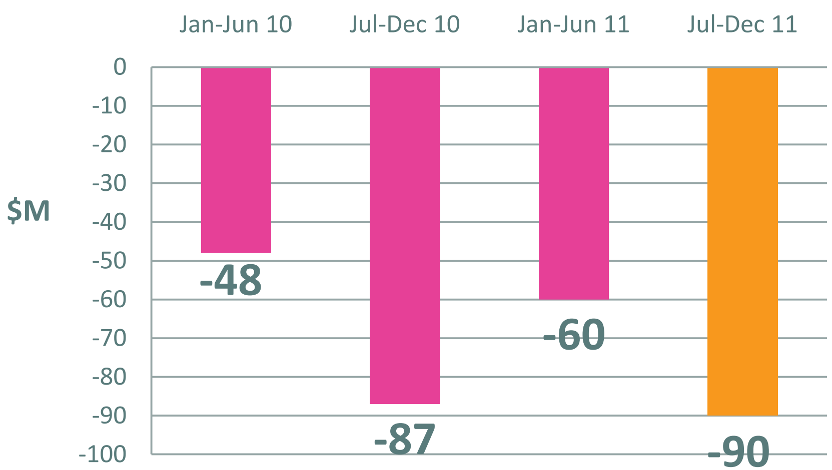
COMMENTS

- Fee revenue significantly impacted between reporting periods by reduction in FUM[1] levels
- Lower inflows reflect negative consumer sentiment towards markets and delayed retirement; weak performance of markets further impacting FUM balances
- Increase in expenses reflective of investment in WealthSolutions in 1H FY12 (ahead of new business volumes) and compensation accruals; investment in business expected to continue but compensation considered unusual
- Significantly higher tax benefit in 2H FY11 results

1 Includes retail unit trust funds: FUM of $129m (Dec 11)/$147m (Jun 11)/$155m (Dec 10); net outflows of $11m (Dec 11)/$8m (Jun11)/$10m (Dec 10) and market movement of -$6m (Dec 11)/$1m (Jun 11)/$14m (Dec 10).
2 Includes underlying profit from retail unit trusts ($0.3m 1H FY12, $0.3m 1H FY11, $0.5m 2H FY11).

WEALTH MANAGEMENT– 1H FY12

FUM NET FLOWS[1]



Reflective of tough market conditions and historical focus on pension products which has been affected by trend to defer retirement

PROFIT RECONCILIATION

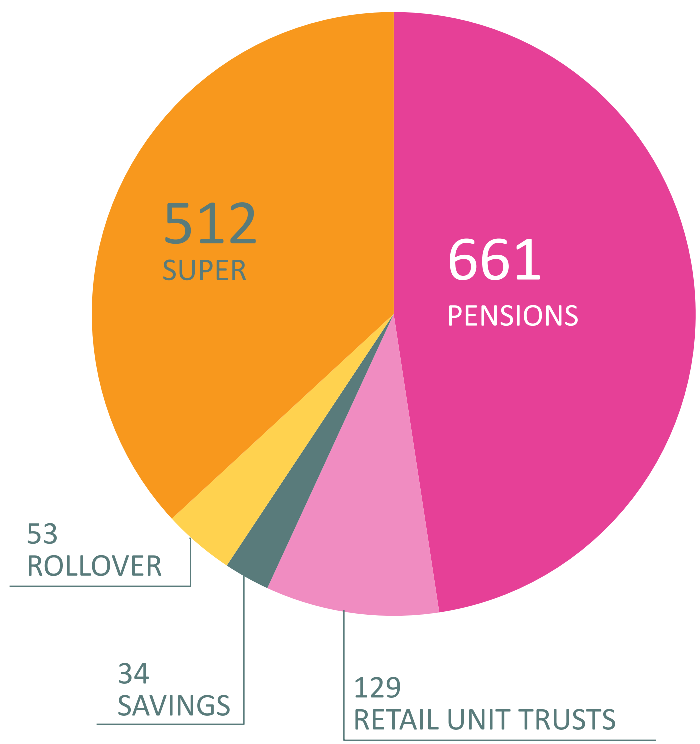
6 MONTHS ENDED DEC, $M	1H FY12	1H FY11[1]
Wealth mgmt underlying profit after tax	**3.4**	**5.3**
Other adjustments (after tax)	0.0	(0.8)
Amortisation	(2.2)	(2.7)
Reported wealth management profit after tax	**1.2**	**1.8**

1 FY11 Wealth management profit restated to include profit from retail unit trusts.

FUNDS UNDER MANAGEMENT

$1.4 BILLION

FUNDS UNDER MANGEMENT ($M)



INVESTMENT PERFORMANCE – 1H FY12

6 MONTH RETURN TO 31/12/11

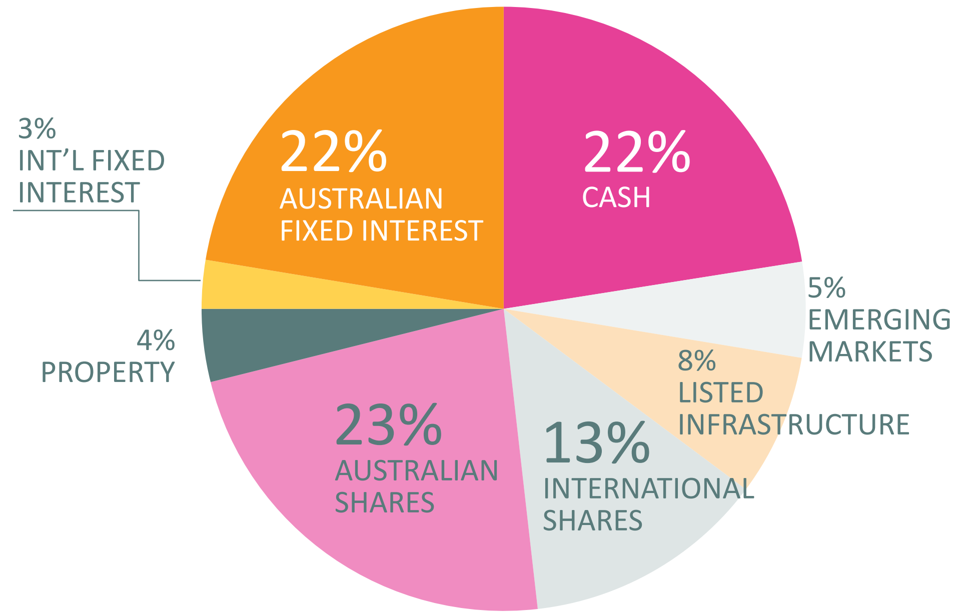
CLEARVIEW WHOLESALE FUNDS	W/S FUNDS %	INDEX %	INDEX
Money Market	2.51	2.46	UBS Bank Bill
Bond	6.56	6.65	UBS Composite Bond All Mkts
International Fixed Interest	3.46	7.16	Citigroup World Gov't Bond
Property	-4.65	-4.60	S&P ASX 200 Property
Australian Equity	-9.14	-9.71	S&P ASX 200
International Equity	-7.65	-6.90	MSCI World Ex Australia
Listed infrastructure	0.24	0.06	UBS Global Infrastructure & Utilities
Emerging markets	-8.80	-15.55	MSCI Emerging Markets

ClearView wholesale funds performance reflect challenging investment markets in 1H FY12 and broadly in line with benchmarks.

FUNDS UNDER MANAGEMENT

$1.4 BILLION

ASSET MIX



FINANCIAL PLANNING – 1H FY12

6 MONTHS, $M	1H FY12	FY11	
		1H	2H
Fee revenue[1]	**7.7**	8.7	8.4
Interest income	**0.1**	0.3	0.3
Commissions expense[1]	**(1.2)**	(1.4)	(1.1)
Operating expenses	**(7.5)**	(8.1)	(8.9)
Underlying profit before tax	**(0.9)**	(0.5)	(1.3)
Income tax expense	**0.3**	0.1	0.5
Underlying profit after tax	**(0.6)**	(0.4)	(0.8)
Funds under advice	**1,432**	1,476	1,446
In force premium	**11**	N/A	N/A
Net flows[2]	**2**	26	5

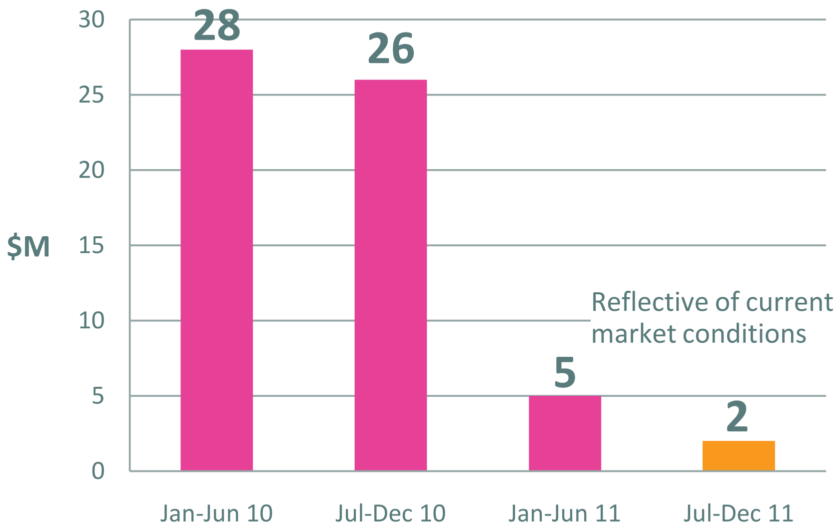
COMMENTS

- Fee revenue has been restated to exclude fees from retail unit trusts (reclassified to Wealth in FY12)
- Small positive organic net flows despite a challenging investment environment; FUA remains relatively flat despite recruitment of Lambert Investments (FUA of circa $100m and in force premium of circa $8m)
- Fee margin impacted by lower employed planner FUA levels and change in mix of business
- Benefits from cost restructure of business unit reflected in lower operating expenses partially offset by lower fee and interest income

1 Fee revenue and commission expenses exclude amounts from dealer services that net off each other.
2 Net flows only include net flows from CFS and Navigator which represent 61% of total FUA.

FINANCIAL PLANNING – 1H FY12

FUA NET FLOWS[1]



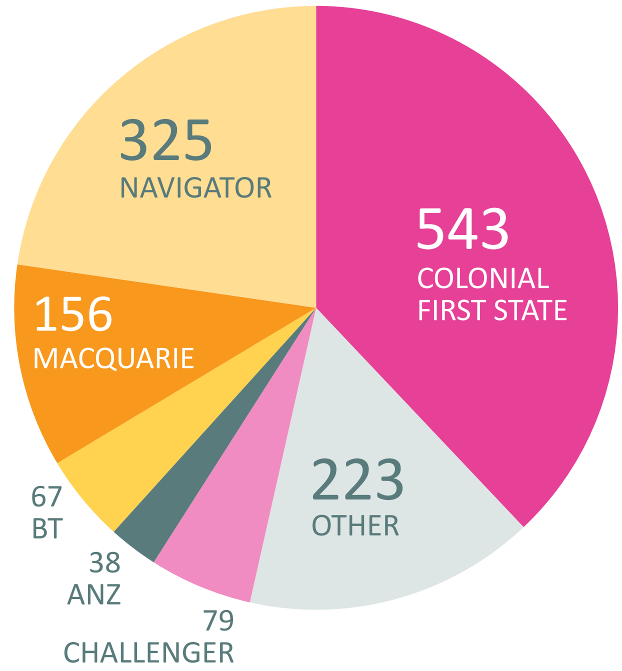
PROFIT RECONCILIATION

6 MONTHS TO DEC, $M	1H FY12	1H FY11[2]
Financial planning (FP) underlying profit after tax	**(0.6)**	**(0.4)**
Other adjustments after tax	0.0	(0.7)
Amortisation	(0.4)	(0.4)
Reported FP profit after tax	**(1.0)**	**(1.6)**

FUNDS UNDER ADVICE

$1.4 BILLION

FUNDS UNDER ADVICE ($M) BY PLATFORM



1 Net flows only include net flows from CFS and Navigator which represent 61% of total FUA.
2 FY11 Financial planning profit restated to exclude profit from Retail Unit Trusts.

LISTED ENTITY – 1H FY12

6 MONTHS, $M	1H FY12	FY11 1H	FY11 2H
Interest income	**1.2**	0.6	1.0
Operating expenses	**(0.2)**	(0.8)	(0.2)
Underlying profit before tax	**1.0**	(0.2)	0.8
Income tax expense	**(0.2)**	0.6	(0.7)
Underlying profit after tax	**0.8**	0.4	0.1
Other adjustments	**0.0**	0.3	(1.1)
Reported profit after tax	**0.7**	0.7	(1.0)

COMMENTS

- Listed entity capital increased due to dividend received from Life insurance entity partially offset by dividend paid to shareholders in September
- Operating expenses include reversal of over accruals in 1H FY12
- Positive tax expense in 1H FY11 due to finalisation of acquisition

BALANCE SHEET REPORTED

$M	31/12/11	30/06/11	31/12/10
ASSETS			
Cash equivalents	**205**	208	128
Financial assets	**1,285**	1,418	1,545
Receivables	**13**	10	11
Deferred tax	**17**	24	29
PP&E	**4**	1	1
Goodwill	**5**	5	5
Intangible	**49**	52	55
Total Assets	**1,578**	1,718	1,774
LIABILITIES			
Payables	**12**	12	22
Current tax	**-**	-	2
Provisions	**5**	6	3
Life Insurance[1]	**(75)**	(63)	(59)
Life Investment	**1,254**	1,368	1,408
Unit trusts	**129**	147	155
Total Liabilities	**1,325**	1,470	1,532
Net Assets	**253**	248	242

1 Life insurance asset reflects the future recoverability of the deferred acquisition costs in accordance with the accounting standards.

IMPACT OF ESP SHARES

PER SHARE CALCULATIONS

6 MONTHS TO 31/12/11, M	1H FY12
Number of shares on issue	409.3
ESP shares on issue	23.9
Shares on issue to calculate NAV per share (A)	**433.2**
Net assets	$253
ESP loans	$13
Proforma net assets (B)	**$266**
Fully diluted NAV per share = B/A	**61.5 cents**
Underlying NPAT	$9.1
Interest on ESP loans after tax	$0.2
Proforma underlying NPAT (C)	**$9.3**
Fully diluted underlying NPAT per share[1]	**2.15 cents**

BALANCE SHEET

- Accounted for as an option in accordance with AASB 2
- Limited recourse loan not reported as a receivable on Balance Sheet
- Loan repaid with cash if shares are "in the money"
- 23.85 million Employee Share Plan (ESP) shares on issue and $13.4 million loans receivable at 31 December 2011

INCOME STATEMENT

- Underlying NPAT adjusted for after tax interest on ESP loans

1 Weighted average number of shares used for the purpose of calculating fully diluted underlying NPAT per share to take account of ESP shares issued during the half year.