

2006 Full Year Results

Investor Presentation

5 September 2006



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Whole numbers have been rounded for presentation purposes. However, percentages have been calculated on numbers prior to rounding.

FY2005 figures have been restated for the purposes of comparability, given the adoption of the Australian equivalents of the International Financial Reporting Standards (AIFRS) during FY2006.

The information in this presentation excludes the impact of the consolidation requirements of AIFRS; thereby removing the interests of the Benefit Fund members from those of shareholders in IOOF Holdings Ltd and its corporate subsidiaries. This unaudited, supplementary information on the operations and financial position of the consolidated IOOF corporate entities does not comply with the consolidation requirements of AIFRS.

Agenda



→ Overview

→ Business achievements

→ Financial performance

→ Strategic outlook

Overview



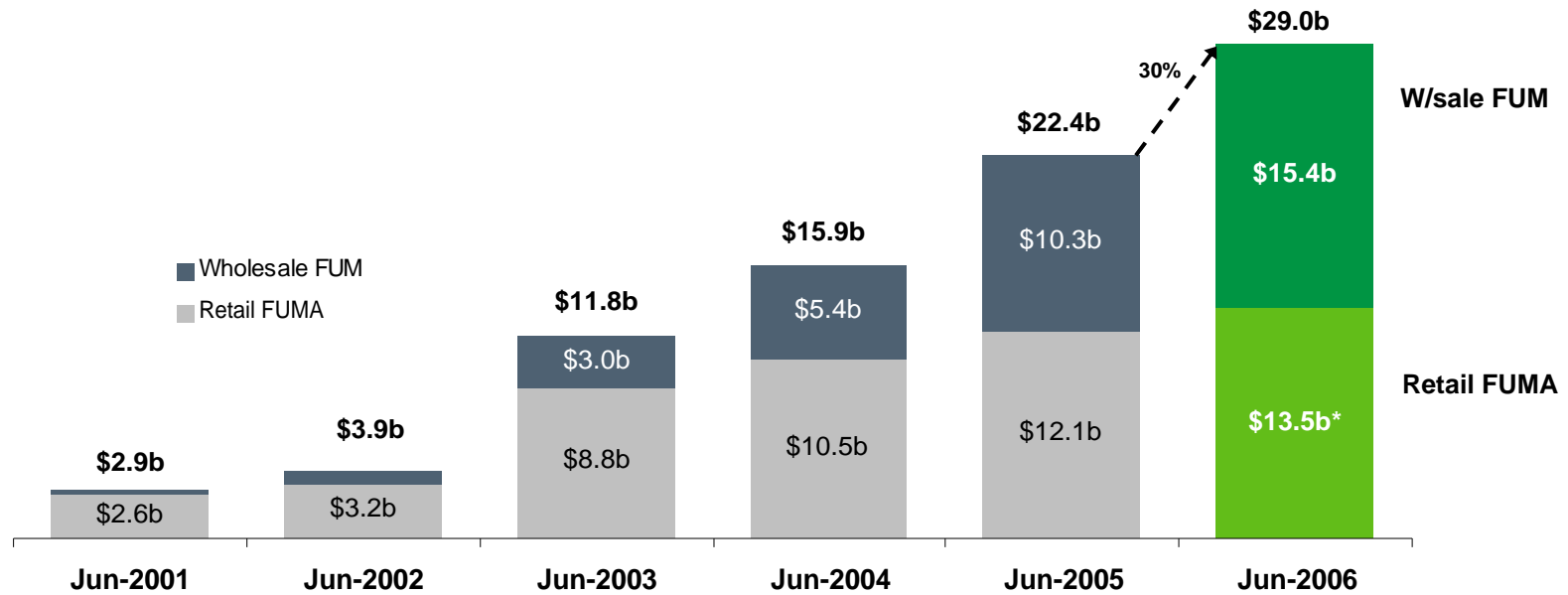
- \$29.0bn in FUM representing 30% growth during 2005/06
- Net Profit after Tax of \$23.3m – up 54%
- Cash earnings of \$44.4m – 40% improvement
- 64% operating efficiency ratio
- Full year dividend of 27 cents per share – increase of 23%

Executing on IOOF's strategic blueprint

Overview



FUMA (\$bn)



82% growth in FUMA since 2004

Overview



	FY2006	FY2005	Change (%)
Cash earnings*	\$44.4m	\$31.7m	40%
NPAT (post minorities)	\$23.3m	\$15.1m	54%
EPS (cents)	36.7	23.9	54%
DPS (cents)	27.0	22.0	23%
Operating efficiency*	64%	71%	7%

Capitalising on operating leverage

Note: Cash earnings is equivalent to earnings before tax, net market value excess, depreciation and amortisation

* Excludes consolidation of benefit funds



Business achievements

Mr Ron Dewhurst, CEO

Business achievements



Objectives for 2006

Best of breed alpha generator

Best practice services and solutions

Commitment to depth as well as breadth of relationships

Achievements

Perennial Real Estate Investments

Launch of *'Pursuit'* (Oct 2006)

'Service First' Initiative

Consultum Financial Advisers

Business Achievements



	Jun-2006	Jun-2005	Change (%)
Retail FUAdmin*	\$6.4bn	\$5.9bn	9.0%
Retail FUM	\$7.1bn	\$6.2bn	14.5%
Wholesale FUM	\$15.4bn	\$10.3bn	50.2%
Total	\$29.0bn	\$22.4bn	29.5%

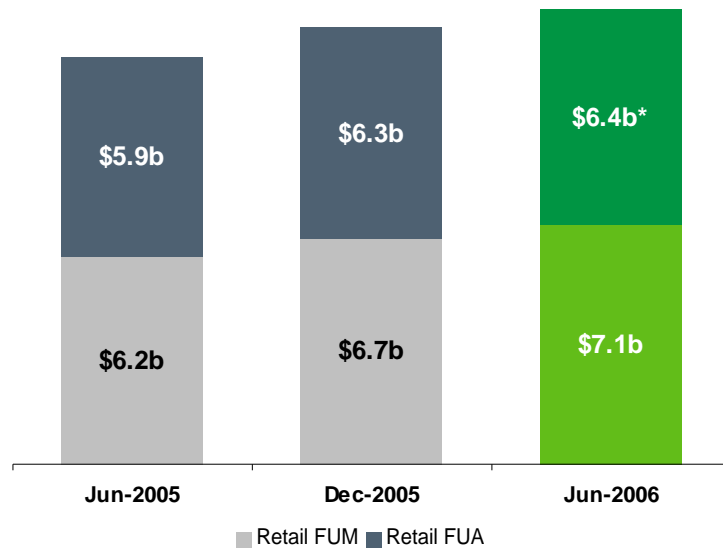
Focus on profitable growth

* Retail FUAdmin was reduced by \$142m during the period as a result of product rationalisation. Excluding this would result in a growth rate of 11.4% p.a.

Business Achievements

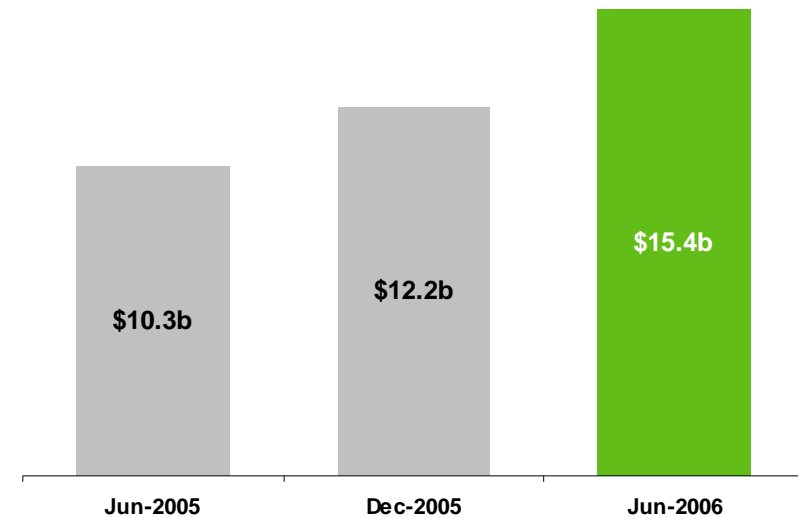


Retail FUMA



Growth in the second half impacted by product rationalisation

Wholesale FUM



Diversification is reducing volatility in growth profile

* Retail FUAdmin was reduced by \$142m during the period as a result of product rationalisation.

Retail Funds Management



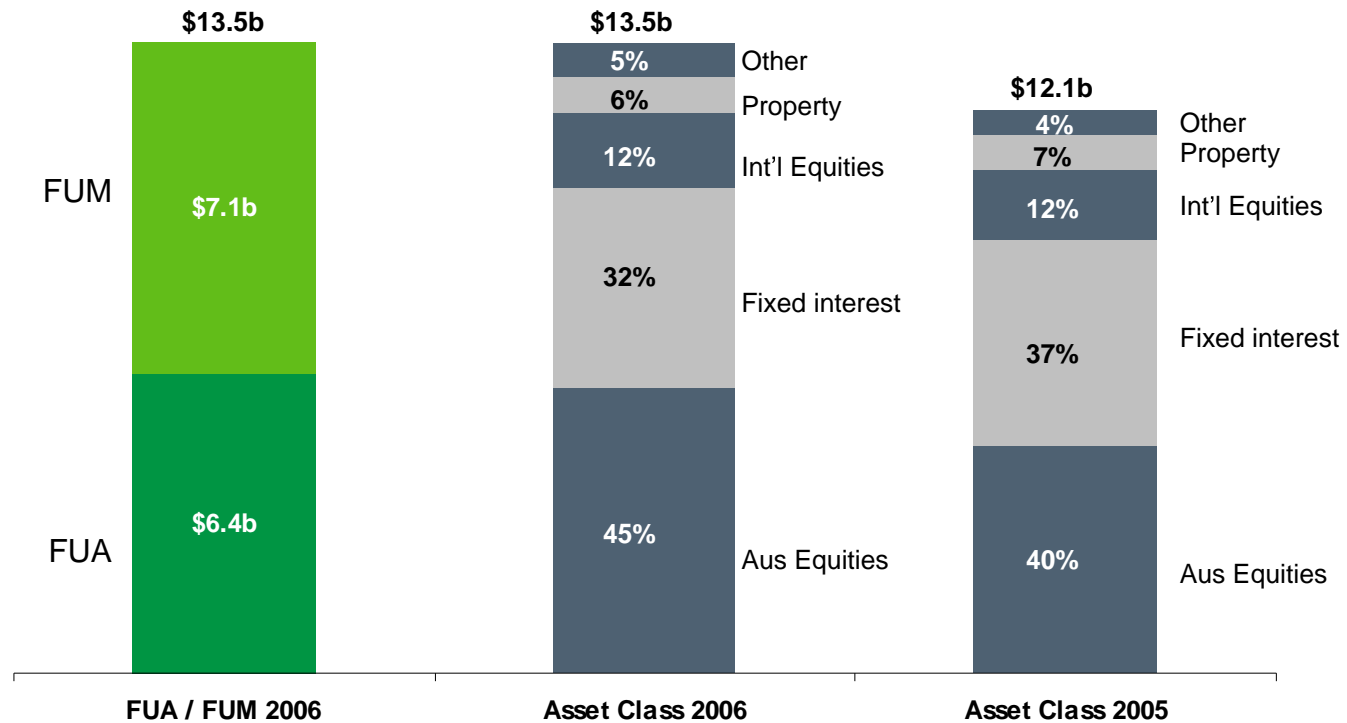
Highlights

- Launch of IOOF/Perennial Global Property Trust
- ‘Investment Grade’ rating by Morningstar
 - IOOF / Perennial International shares
- Rainmaker Marketing Excellence award nomination
 - Best Website of the Year - Superannuation
- Creation of Consultum Financial Advisers
 - Merger between Winchcombe Carson and Financial Partnership

Retail Funds Management



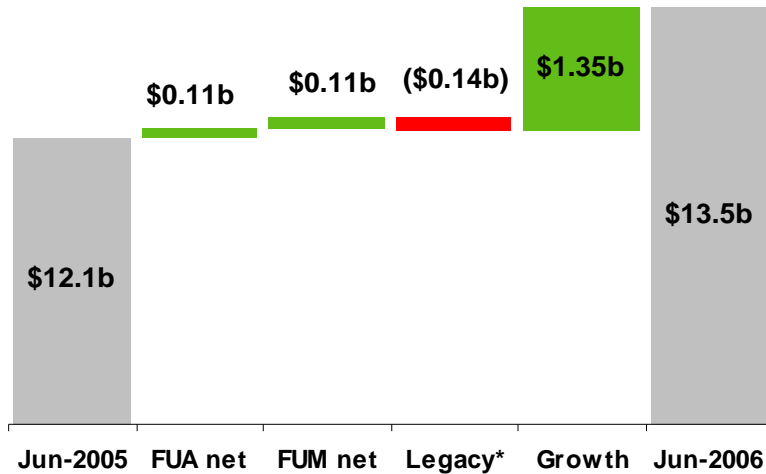
FUMA



Retail Funds Management



FUMA Growth



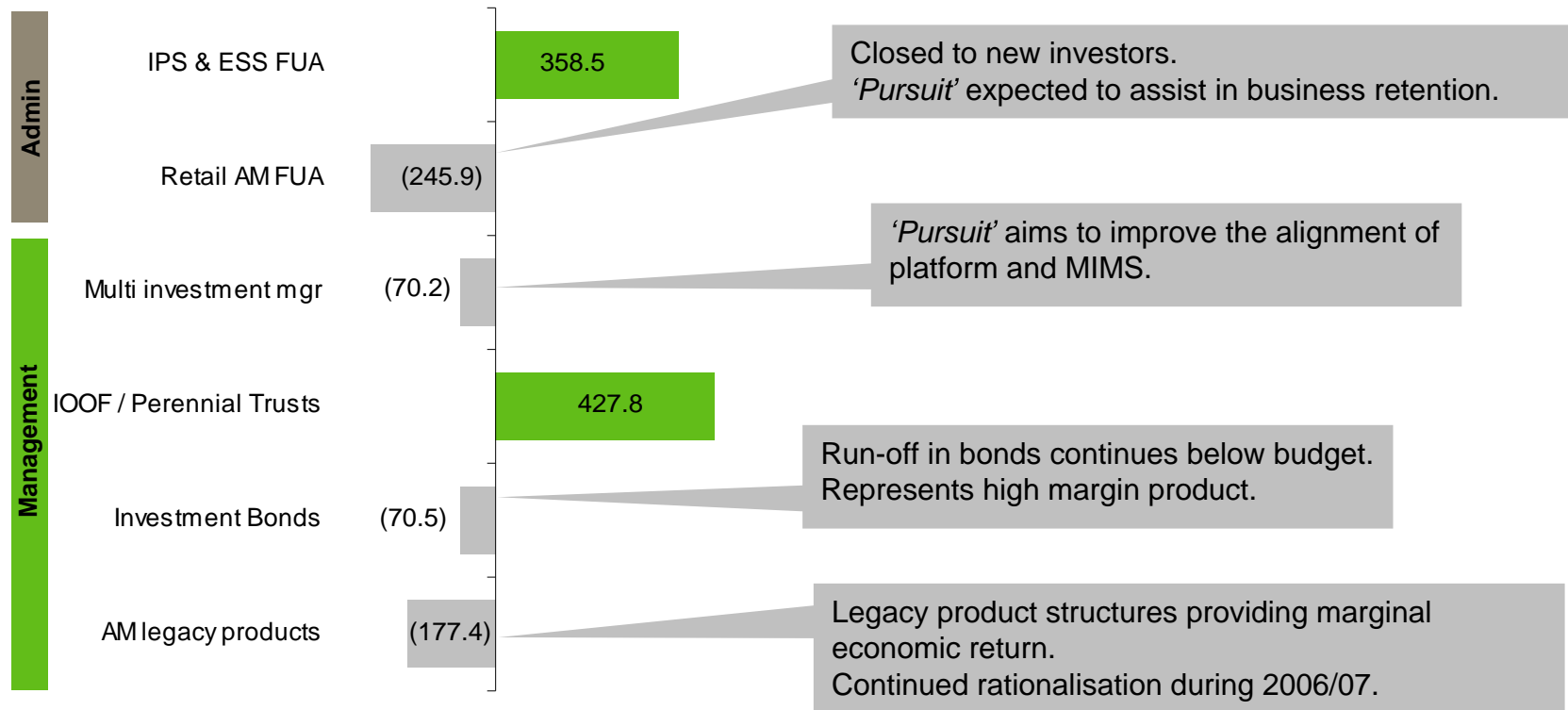
- Strong sales from IOOF/Perennial funds
 - IOOF/Perennial Real Estate gaining momentum
- Product rationalisation
 - Reduce risk
 - Improve business transparency

* Retail FUAdmin was reduced by \$142m during the period as a result of product rationalisation

Retail Funds Management



Retail Netflows

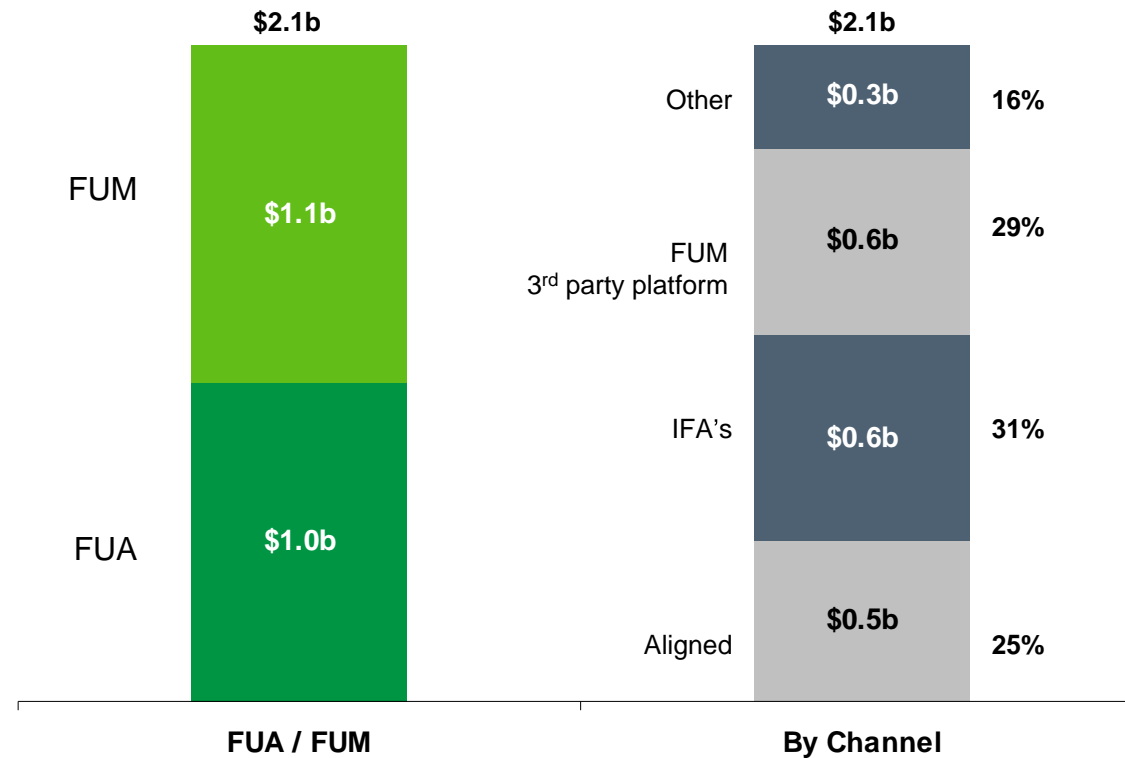


Flagship products delivering strong growth

Retail Funds Management



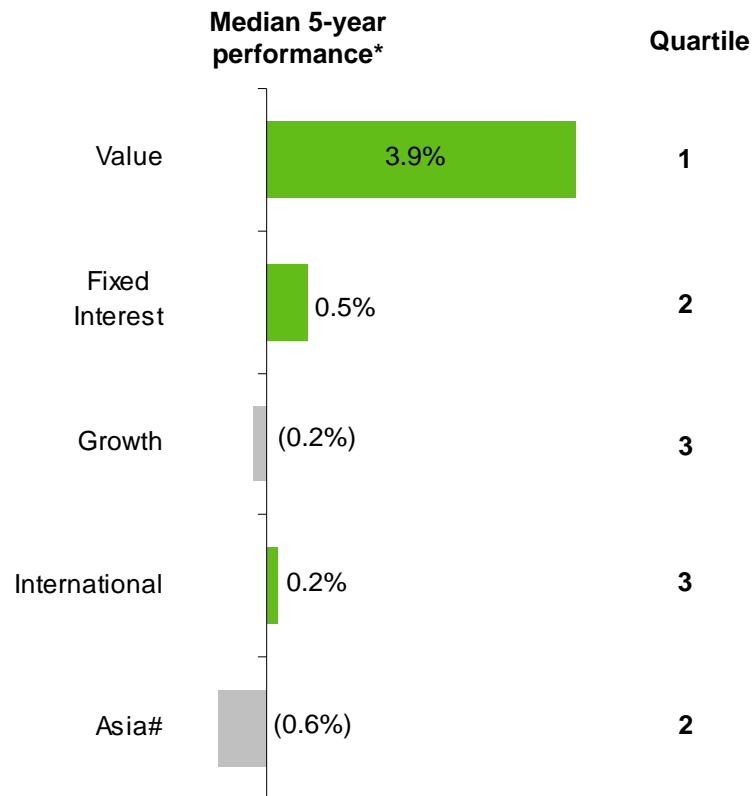
Sales



Perennial Investment Partners



Highlights



- Establishment of Perennial Real Estate Investments
 - Over \$1bn in FUM as at Aug 2006
- Perennial Growth in first quartile
 - Over 1 and 3 years
- Rainmaker Marketing Excellence award nomination
 - Business Development Manager of the Year – Consultants Choice

Note:

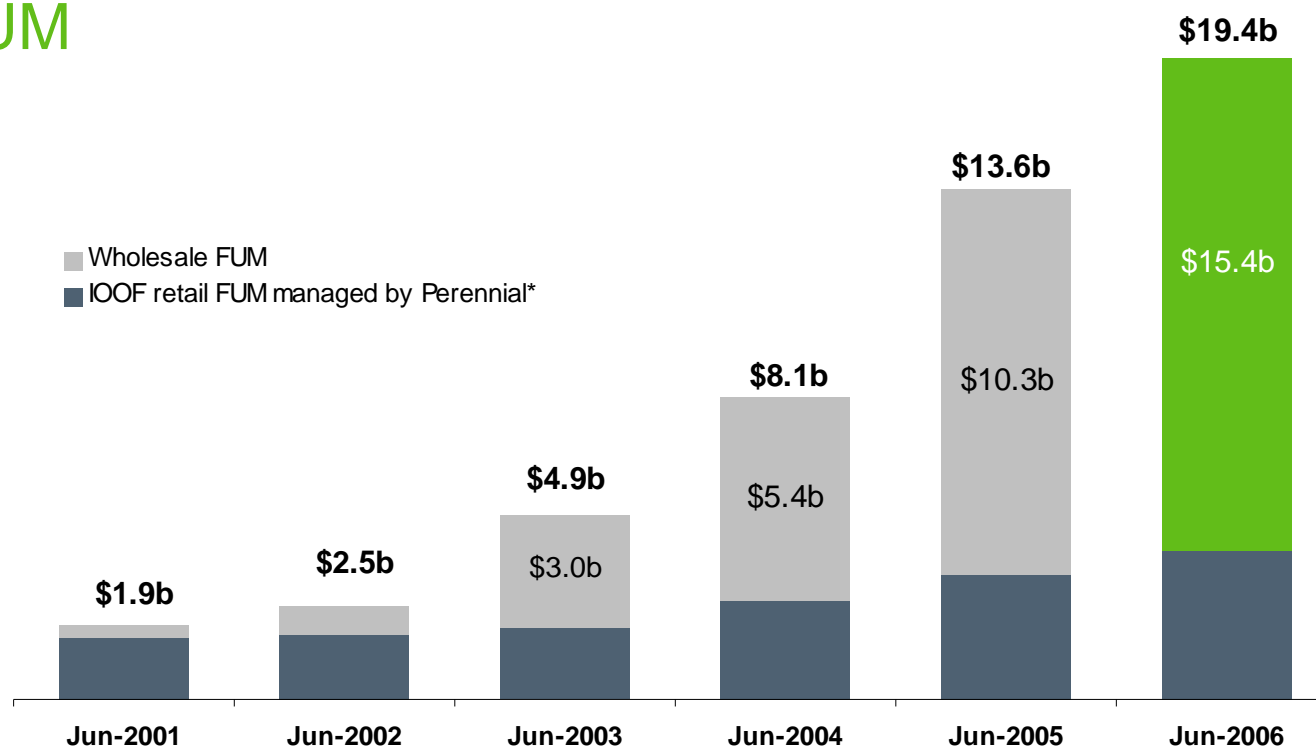
Source: Mercer Survey. Excess fund return over median to 30 June 2006; ranking in survey as at 31 May 2006. *Performance figures represent per annum investment returns

Performance of Perennial Asia is relative to benchmark rather than survey median

Perennial Investment Partners



Total FUM



13th largest asset manager in Australia[#]

Note:

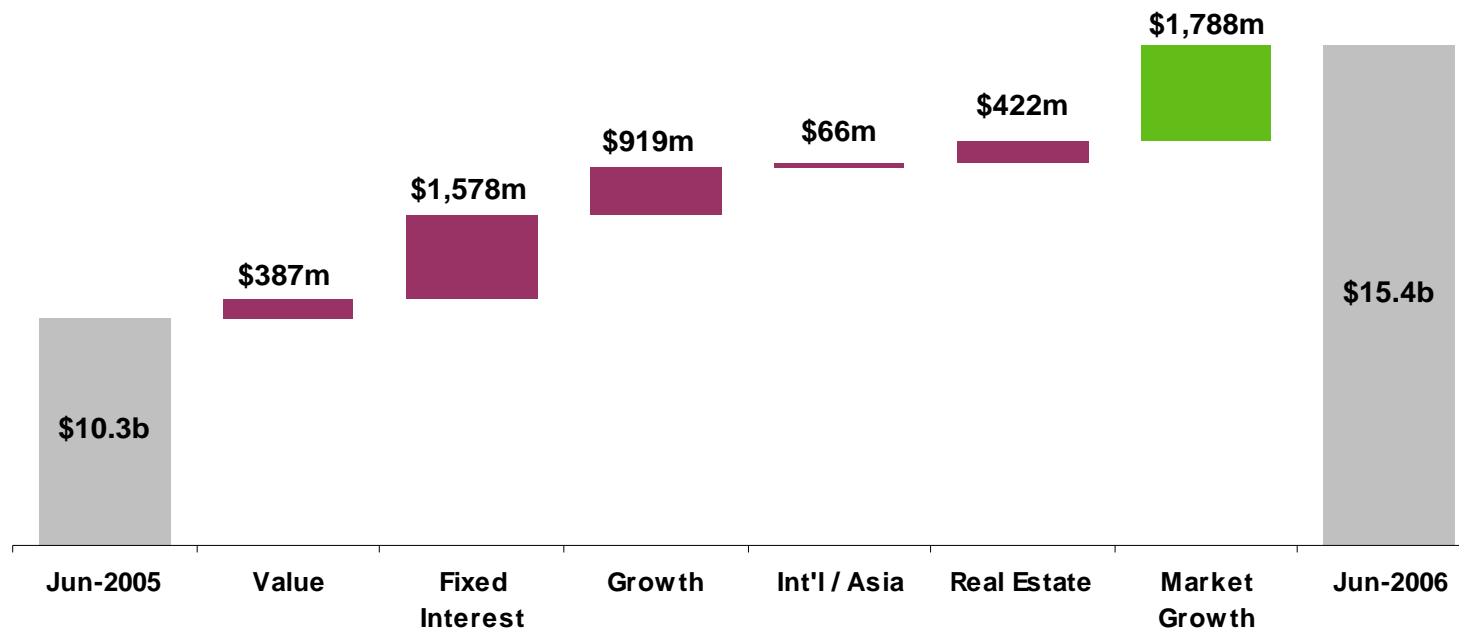
* IOOF's retail FUM, managed by Perennial, is excluded from IOOF's FUMA consolidation.

Source: S&P March 2006 Market Share Data report, based on total investment management

Perennial Investment Partners



Wholesale FUM Growth

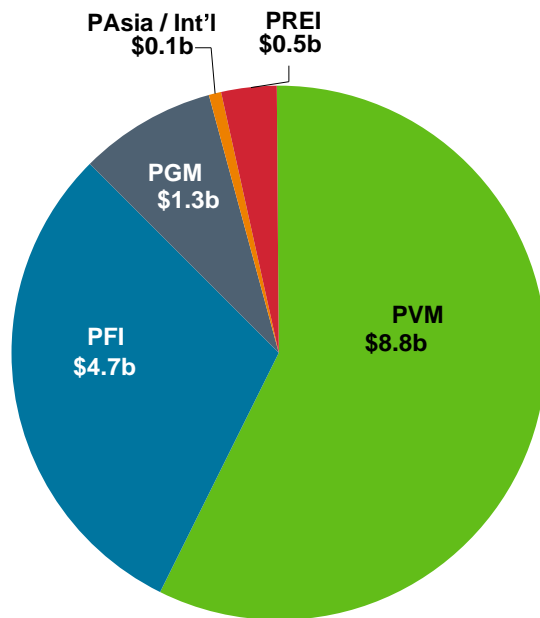


Diversification is successfully reducing volatility in growth

Perennial Investment Partners



Wholesale FUM by investment capability



- Approx. 66% of funds invested in Australian equities
- Over 30% in fixed interest (incl. cash)
- Strong growth in Perennial Real Estate expected



Financial Performance

Mr Mark Blackburn, CFO

Financial Performance



Overview

A\$m	FY2006	FY2005	Change (%)	H2 2006	Change (%)
Gross margin*	\$109.0	\$98.3	11%	\$57.2	13%
Cash earnings*	\$44.4	\$31.7	40%	\$24.0	29%
NPAT (post minorities)	\$23.3	\$15.1	54%	\$13.1	48%
EPS (cents)	36.7	23.9	54%		
DPS (cents)	27.0	22.0	23%		

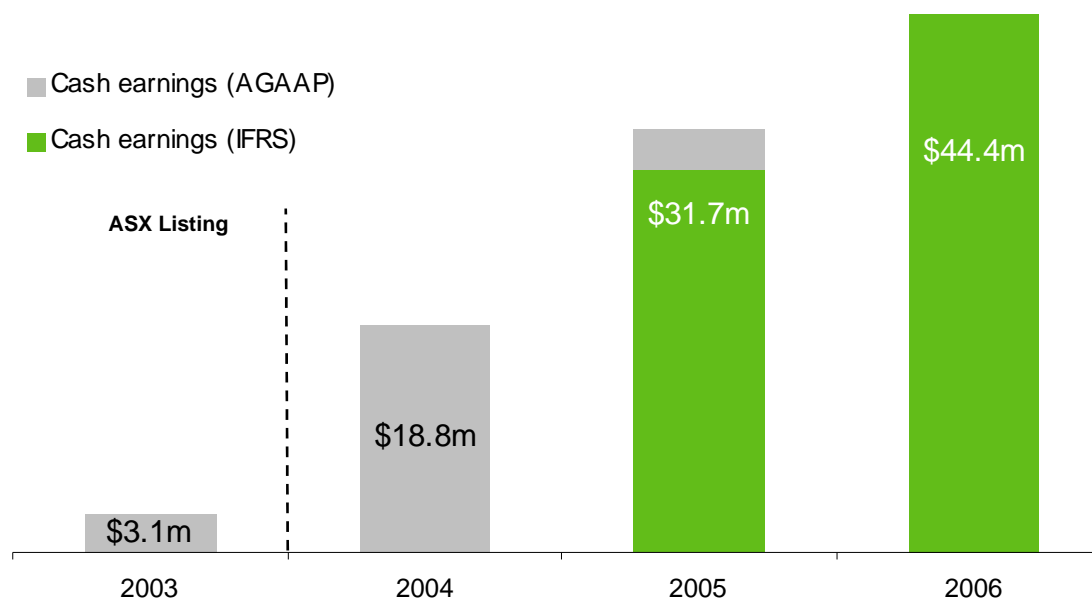
Note:

* Excludes the impact of benefit fund consolidation. Change in H2 2006 is calculated on prior corresponding period

Financial Performance



Cash Earnings



Delivering on earnings expectations

Financial Performance



Cash Earnings

Year ending June	FY2006	FY2005	Change (%)
Gross margin	109.0	98.3	11%
Non operating income	8.6	5.7	50%
Share of net profits from PVM	7.1	5.1	40%
Operating expenses	(80.3)	(77.4)	4%
Cash earnings	44.4	31.7	40%

- Continued growth in gross margin
- Increasing economic relevance from Perennial (including PVM)
- Continued cost control

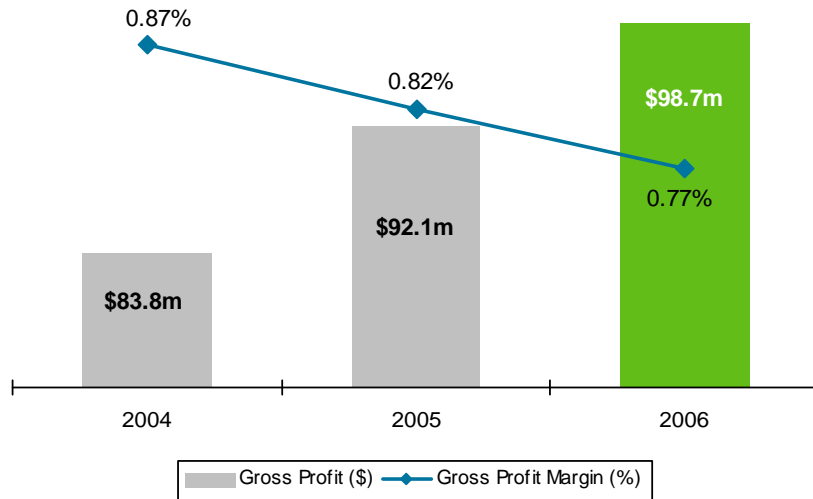
Management of both revenue and costs are contributing to growth

Financial Performance

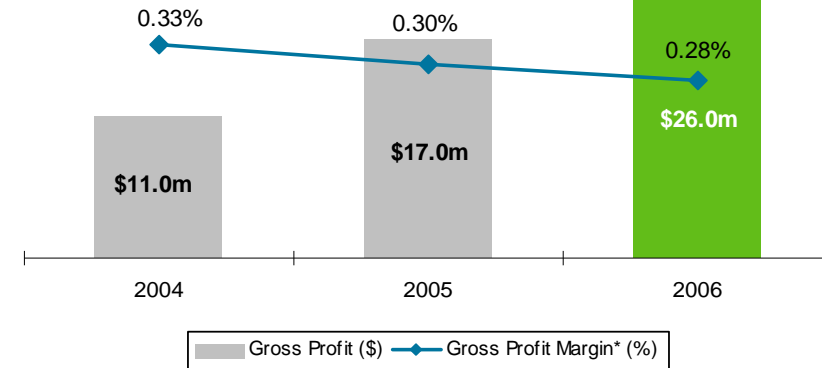


Gross Profit Analysis

Retail Funds Mgt



Perennial Investment Partners



FUA market continues to experience margin contraction

Larger mandates resulted in some margin contraction

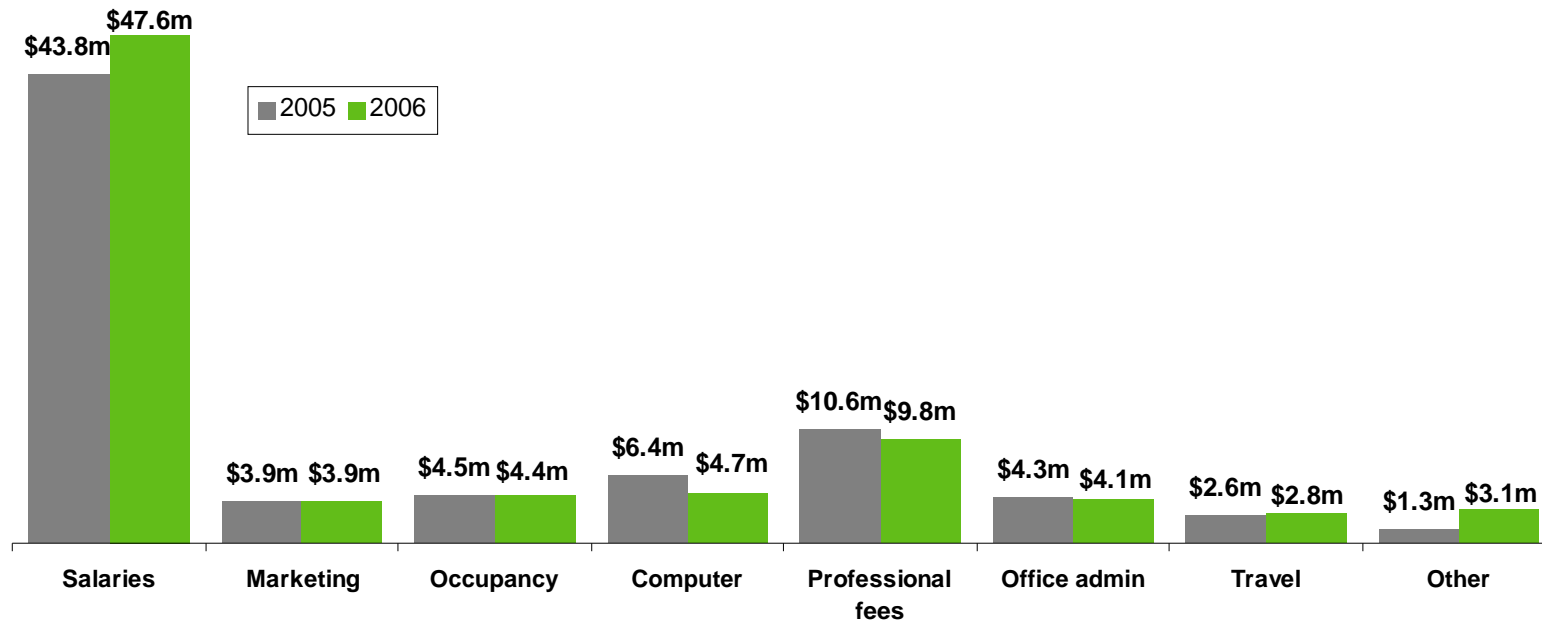
Note: Before inter-company eliminations.

* Based on Perennial Enterprise (inclusive of 100% of PVM) and before IOOF intercompany eliminations.

Financial Performance



Operating Expenditure



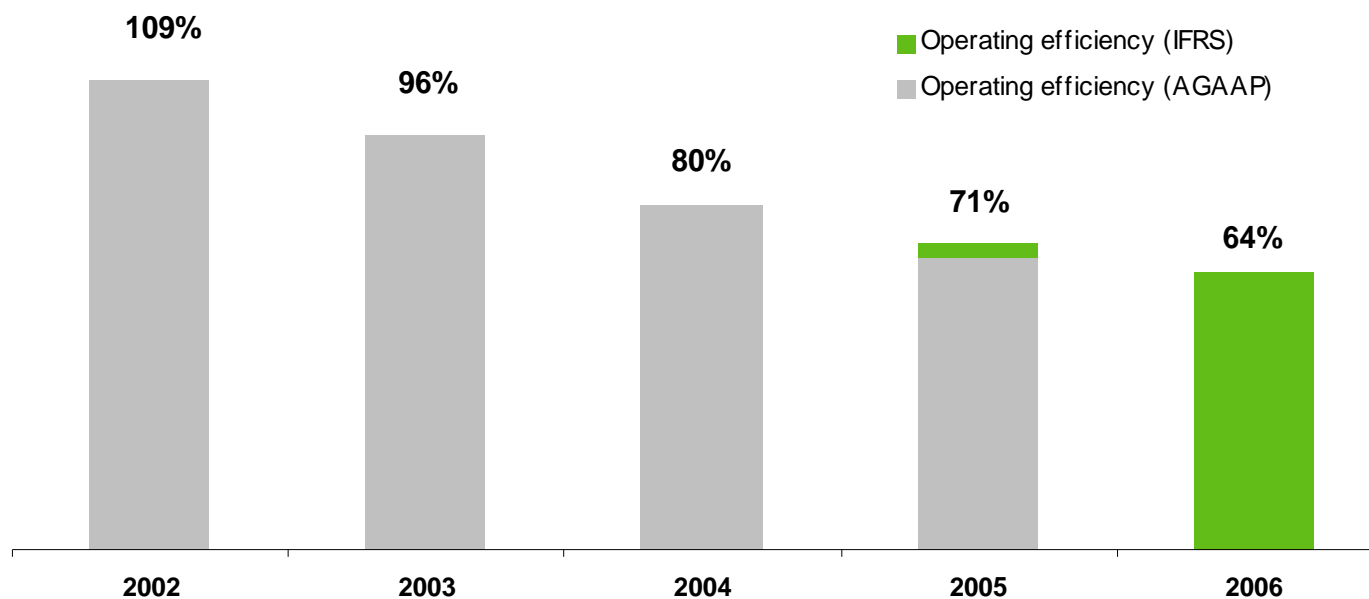
Investing in growth and operational efficiencies

Financial Performance



Operating Efficiency

Cash operating expenses to Gross Profit*



Note:

Gross Profit is inclusive of other operating income and the Group's share of PVM.

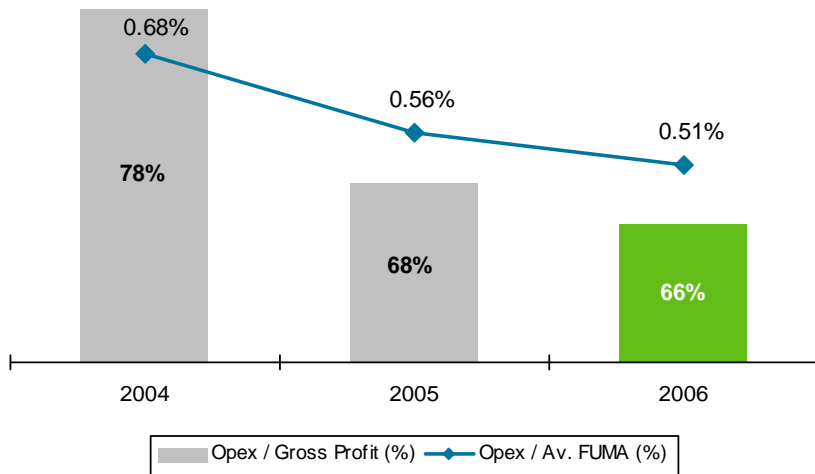
* Excludes the impact of benefit fund consolidation

Financial Performance



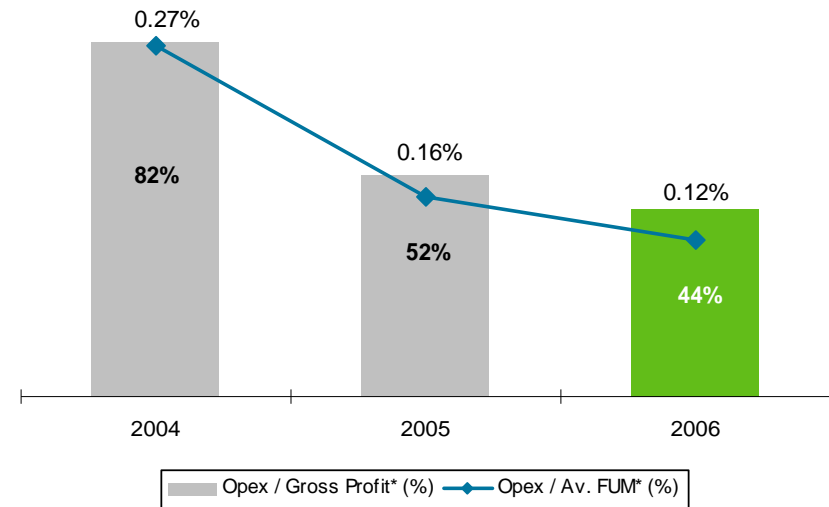
Operating Efficiency

Retail Funds Mgt



Stable Net Margin
While Gross Profit decreased by 0.05%, Opex also reduced by 0.05%

Perennial Investment Partners



0.02% improvement in Net Margin
While Gross Profit decreased by 0.02%, Opex reduced by 0.04%

Note:

* Based on Perennial Enterprise (inclusive of 100% of PVM) and before IOOF inter-company eliminations.

Financial Position



Balance Sheet

\$000's	Corporate June 2006	IFRS June 2006	IFRS June 2005
Tangible Assets	180,899	1,508,751	1,226,067
Intangible Assets	76,658	76,658	71,656
Total Assets	257,557	1,585,409	1,297,723
Member liabilities	0	(1,302,746)	(1,042,907)
Total Liabilities	(68,535)	(1,396,387)	(1,122,280)
Equity	189,022	189,022	175,443

IFRS impact

- Reduced shareholder transparency

Net cash position \$92m

- Includes regulatory capital

Capital Management



Final dividend of 15 cents per share payable in October 2006

- Full year dividend of 27 cents per share
- Represents payout ratio of approx. 73%

Excess cash on balance sheet

- The Board is continually reviewing options for the use of this capital including:
 - Acquisitions
 - Return of capital to shareholders
 - Building of new business arms



Strategic Positioning

Mr Ron Dewhurst, CEO

IOOF...building momentum



2004/05

IOOF's brand 'DNA'

- Mission
- Values
- Visual identity

Communicating and decision-making framework

Developing and engaging talent

- Talent review
- Training processes
- Work flexibility

Setting the foundations

2005/06

Establish Perennial Real Estate Investments

Develop unique dealer group value proposition

Reinvigorate product range

Understand IOOF's service proposition

Transitional year

2006/07

Continued expansion of asset management capabilities

- Best of breed

Develop Consultum market presence

Increase market penetration of IOOF's products

- 'Pursuit'
- New FUM initiatives

'Service First'

Building momentum

Strategic imperatives



Best of breed
asset management

Expanding depth and breadth of asset management capabilities remains a priority.

Product innovation

Increase market penetration in the retail space.
Continue legacy rationalisation.

Commitment to relationships

Develop 'Consultum' market presence.
IOOF is putting 'Service First'.

Creator of value...not simply gatherer of assets

Financial Outlook – 2006/07



Funds Under Management and Administration

- Retail – uplift in net sales
- Wholesale – continued strong inflows

FY07 earnings

- Full earnings impact of '*Pursuit*' to materialise in 2007/08
- Operating efficiency within acceptable range
- Double digit earnings growth
 - Subject to investment market performance
 - Further clarity provided at Annual General Meeting (November)



Questions?

Appendix A

Detailed Financial Statement*



12 months ending June 2006	FY2006	FY2005	%
Gross margin	109.0	98.3	
Non operating income	8.6	5.7	
Share of Net profits from PVM	7.1	5.1	
Operating Expenses	(80.3)	(77.4)	
Cash earnings	44.4	31.7	40%
Depreciation and amortisation of assets	(2.0)	(2.3)	
Amortisation of DAC	(4.7)	(6.0)	
Market revaluation	(0.9)	(2.7)	
Executive shareplan	(1.8)	(1.4)	
Profit before tax and non-recurring	34.9	19.3	81%
Profit / (Loss) on assets	(0.4)	2.9	
Non-recurring costs	0.0	(2.4)	
Profit before tax	34.6	19.8	74%
Income tax	(8.3)	(3.2)	
NPAT	26.3	16.6	58%
OEI	(3.0)	(1.6)	
NPAT attributable to shareholders	23.3	15.1	54%

Note:

Excludes impact of benefit fund consolidation

*FY2005 figures have been restated for the purposes of comparability, given the adoption of International Accounting standards during FY2006

Appendix B

Statutory Accounts Reconciliation



12 months ending June 2006	Statutory financials	Benefit funds	Adjustment*	Corporate financials
Gross margin	24.5	84.2	0.3	109.0
Non operating income	155.5	(147.0)	0.0	8.6
Share of Net profits from PVM	7.1	0.0	0.0	7.1
Operating Expenses	(80.9)	0.5	0.0	(80.3)
Cash earnings	106.3	(62.3)	0.3	44.4
Depreciation and amortisation of assets	(2.0)	0.0	0.0	(2.0)
Amortisation of DAC	(4.7)	0.0	0.0	(4.7)
Market revaluation	(0.9)	0.0	0.0	(0.9)
Executive shareplan	(1.8)	0.0	0.0	(1.8)
Profit before tax and non-recurring	96.9	(62.3)	0.3	34.9
Profit on sale of assets	(36.3)	35.9	0.0	(0.4)
Non-recurring costs	0.0	0.0	0.0	0.0
Profit before tax	60.6	(26.4)	0.3	34.6
Income tax	(34.3)	26.1	0.0	(8.3)
NPAT	26.3	(0.3)	0.3	26.3
OEI	(3.0)	0.0	0.0	(3.0)
NPAT attributable to shareholders	23.3	(0.3)	0.3	23.3

* Adjustments consists of de-consolidating entries