

Interim Results – 31 December 2009

Managing Director, Chris Kelaher

Chief Financial Officer, David Coulter

25 February 2010



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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 IFRS.



Chris Kelaher

Managing Director

Results overview



- Record \$47.1m UNPAT pre amortisation interim result
 - assisted by synergies, organic and market growth
- 17c per share dividend fully franked – circa 6% yield
- Strong net operating cash flows of \$43.5m
- Cost to Income ratio of 56% down from 68% pcp
- FUMA of \$72.3b (up 14% from 30 June 2009)
- Increased earnings transparency – detailed financials
 - four segments reflect wealth management value chain
 - corporate head office expenses stand alone

Record interim result

Dividend yield based on IFL 30 day (to 17/2/2010) volume weighted average price of \$5.7268

Cost to Income Ratio is exclusive of Ord Minnett Ltd and Benefit Funds and is calculated on a merged basis both periods (refer also slide 13)

Operational highlights



- Business simplification proceeding to plan
 - Global One transition targeting early March completion
- FTE 1,070
- Reduction of property footprint
- IT rationalisation and continued targeted development
- Management team finalised
 - direct reports to MD reduced
 - recent external appointments highly regarded
- Remain on track to deliver IFL merger synergies of minimum \$20m annualised after tax within next six months

Business simplification gaining momentum

Synergies update



IFL merger synergies

- \$17m annualised after tax achieved since 1 May 2009
- Firmly on track to achieve minimum \$20m annualised after tax synergies by 30 June 2010

Global One merger synergies

- \$18m annualised after tax achieved since acquisition
- Majority of savings now realised (excl property)
- Rationalisation of Global One platform underway
- Among industry's largest platform rationalisations in recent times

Investment Management integration



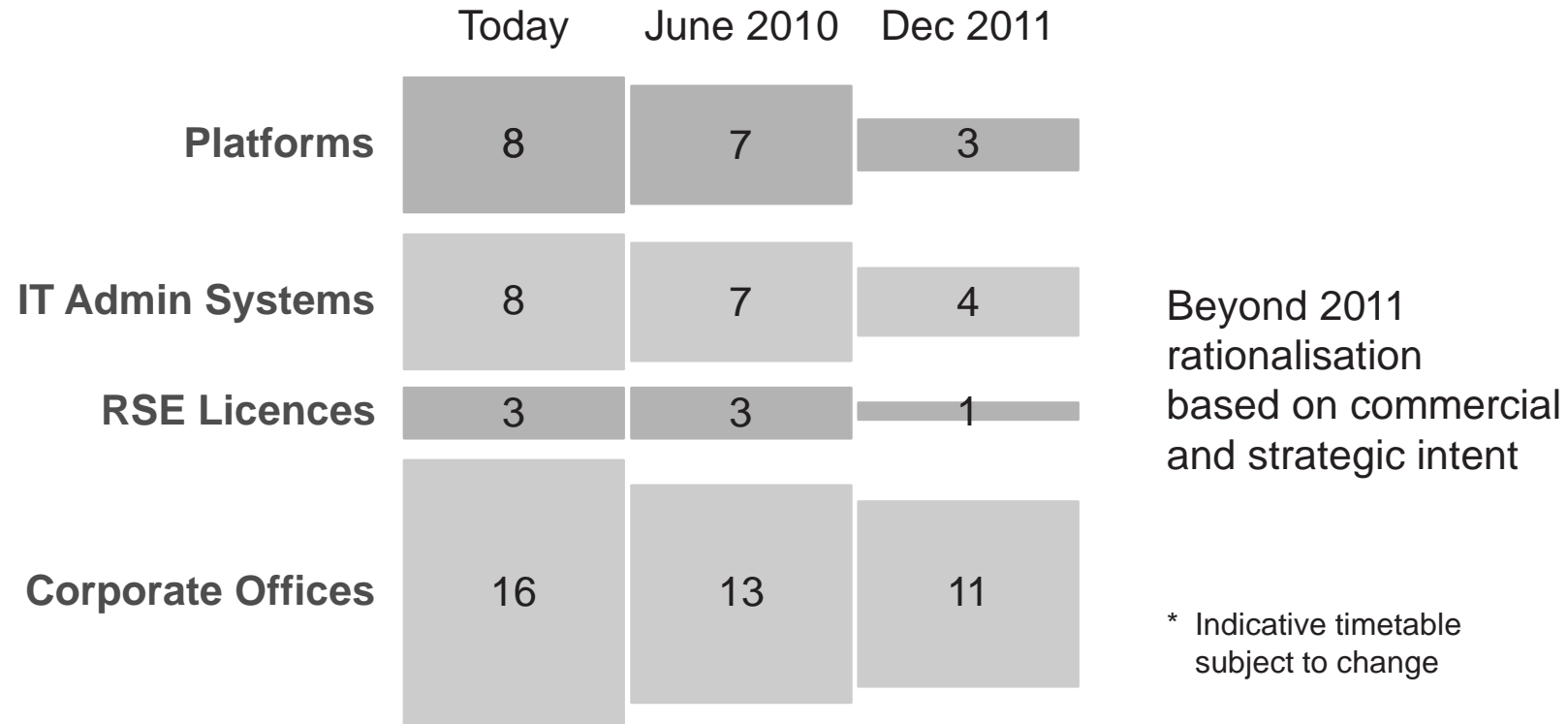
- Appointment of Steve Merlicek as Chief Investment Officer
- New multi-manager team created in Melbourne
 - rationalisation of existing teams in Sydney and Melbourne
 - merger of two investment committees
 - appointment of Dan Farmer as Australian Equities portfolio manager
- Sector/asset sector specialist approach adopted
 - individual portfolio managers
 - greater accountability
- Review of managers underway
 - fewer, larger mandates, leads to keener pricing
 - less monitoring/administration

Leading technology development



- Re-organisation of Infrastructure Services
- Delivery of projects prioritised around business value and strategic alignment
- Fewer but better business applications and administration systems
- \$13.5m investment in IT (development based – not expected to increase markedly)
- Out of 130 IT FTE, 85 are involved in systems development
- Majority of IOOF platforms have market leading flexibility, offering managed funds and direct share trading
 - eg individual member HINs for direct share trading

Business simplification strategy



- Balancing customer and shareholder expectations
- Prudent and considered simplification

Genuine vertical integration strategy



- 640 advisers
- Channel to platform
- Leading technology and capability
- Scale and efficiency
- Sector specialist approach
- Better performance, less monitoring
- Profitable, counter cyclical businesses
- Industry consolidation opportunities



David Coulter

Chief Financial Officer

Financial overview



	1H 09/10	2H 08/09	Change on half (%)	1H 08/09	Change on pcp (%)
Reported					
Reported NPAT	\$36.9m	\$4.0m	large	\$9.1m	large
Merged Group (All 6 Months)					
Underlying NPAT	\$38.1m	\$20.0m	90%	\$29.4m	30%
Underlying NPAT (Pre Amortisation)	\$47.1m	\$25.7m	83%	\$34.2m	38%
Underlying EPS (cents)	16.6c	8.7c	90%	12.8c	30%
DPS* (cents)	17.0c	17.0c	-	0.0c	100%

- Reported = 1H 09/10 – 6 months all entities; 2H 08/09 – 6 Months IFL, 4 Months Global One, 2 Months AWM; 1H 08/09 – 6 Months IFL only
- Dividend of 17 cps to be paid 24 March 2010 (record date 10 March)
- Dividend payment reflects return to ‘normal’ payment cycle over the three half years shown

* H2 08/09 dividend represents special dividend of 13 cps paid 31 July 2009 and final dividend of 4 cps paid 16 October 2009

Segment snapshot



Average Funds	FUA \$16.0b	FUA \$24.2b	FUM \$29.3b	FUS \$31.4b
Gross Revenue	\$91.6m	\$175.6m	\$73.9m	\$10.6m
UNPAT Pre-Amort	\$5.2m	\$30.1m	\$19.3m	\$3.0m

* Corporate / Unallocated UNPAT pre amortisation contribution not shown (1H 09/10: \$(10.5m); 2H 08/09: \$(10.9m); 1H 08/09: \$(10.7m))

Contribution by line item

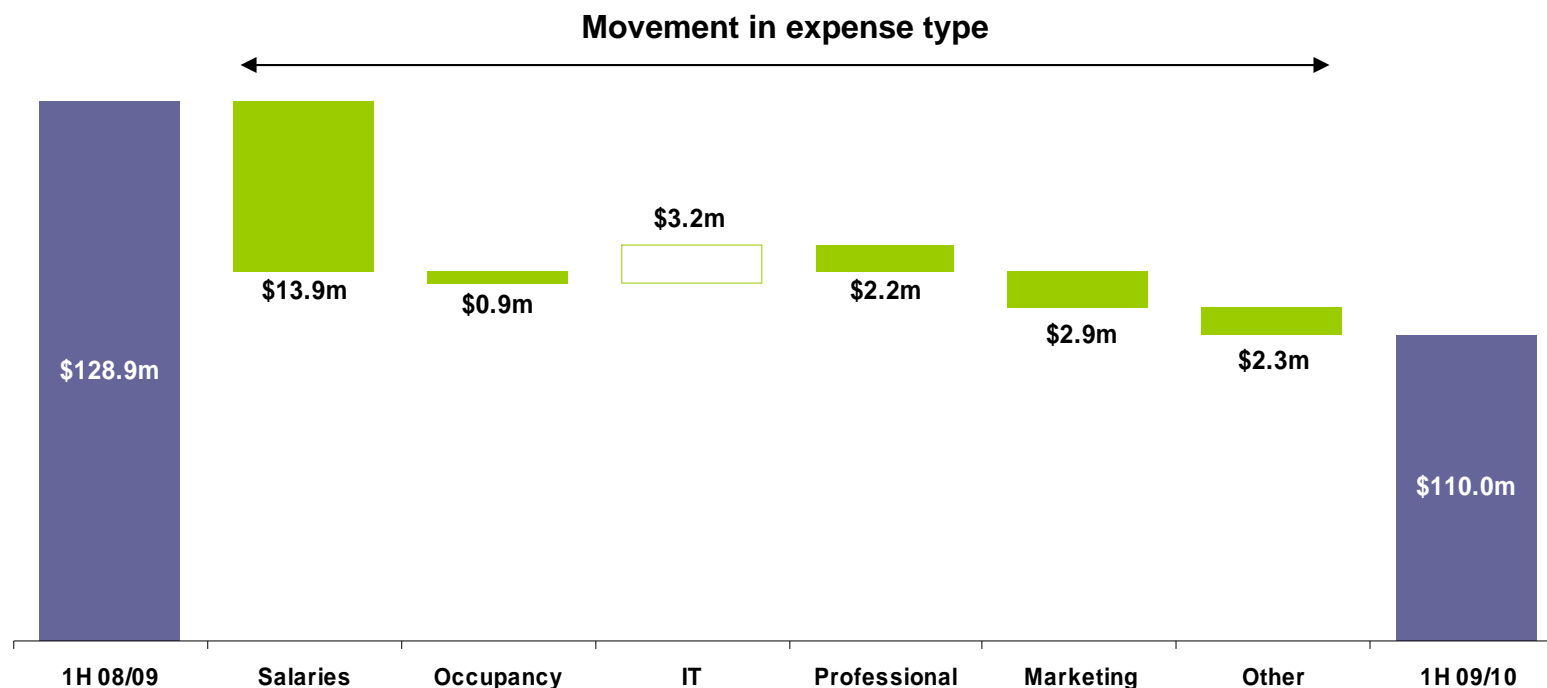


	1H 09/10	2H 08/09	Change on half (%)	1H 08/09	Change on pcp (%)
Gross Margin	\$142.0m	\$127.0m	12%	\$142.3m	0%
Other Revenue	\$35.5m	\$27.7m	28%	\$38.3m	-7%
Equity Accounted Profits	\$3.7m	\$2.4m	54%	\$2.7m	37%
Operating Expenditure	\$(110.0m)	\$(116.9m)	-6%	\$(128.9m)	-15%
Net non cash (Ex. Amortisation)	\$(4.0m)	\$(4.0m)	1%	\$(5.6m)	-28%
Income Tax & OEI	\$(20.0m)	\$(10.5m)	91%	\$(14.6m)	37%
Underlying NPAT (Pre Amortisation)	\$47.1m	\$25.7m	83%	\$34.2m	38%

- Gross margin trend from second half reflects leverage to market
- Reduced operating costs following decisive restructuring

•Net non cash includes depreciation, doubtful debts provisions and share based payments with no material variance in these items from half to half
Refer to appendices for detailed reconciliation to statutory financial statements

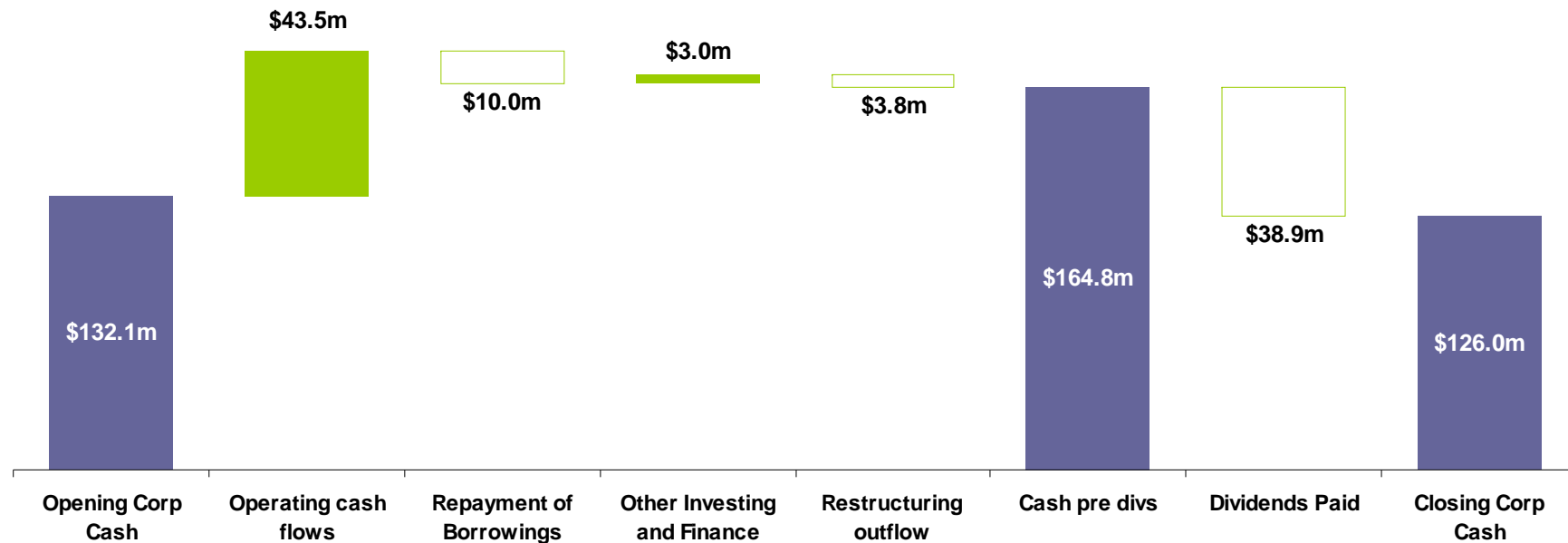
Operating costs – 15% reduction



- Focus on cost reduction and efficiencies continues
- Clear impact from FTE reduction

Other includes reinstatement of minority interest in lieu of the shareholder liability revaluation classed as a significant item: 1H 09/10 \$1.0m; 1H 08/09 \$0.7m

Financial overview - cash flows



- Regulatory cash requirement and internal reserving at 31 December 2009 approx \$60m
- Review of regulatory cash is driving efficiencies in cash management

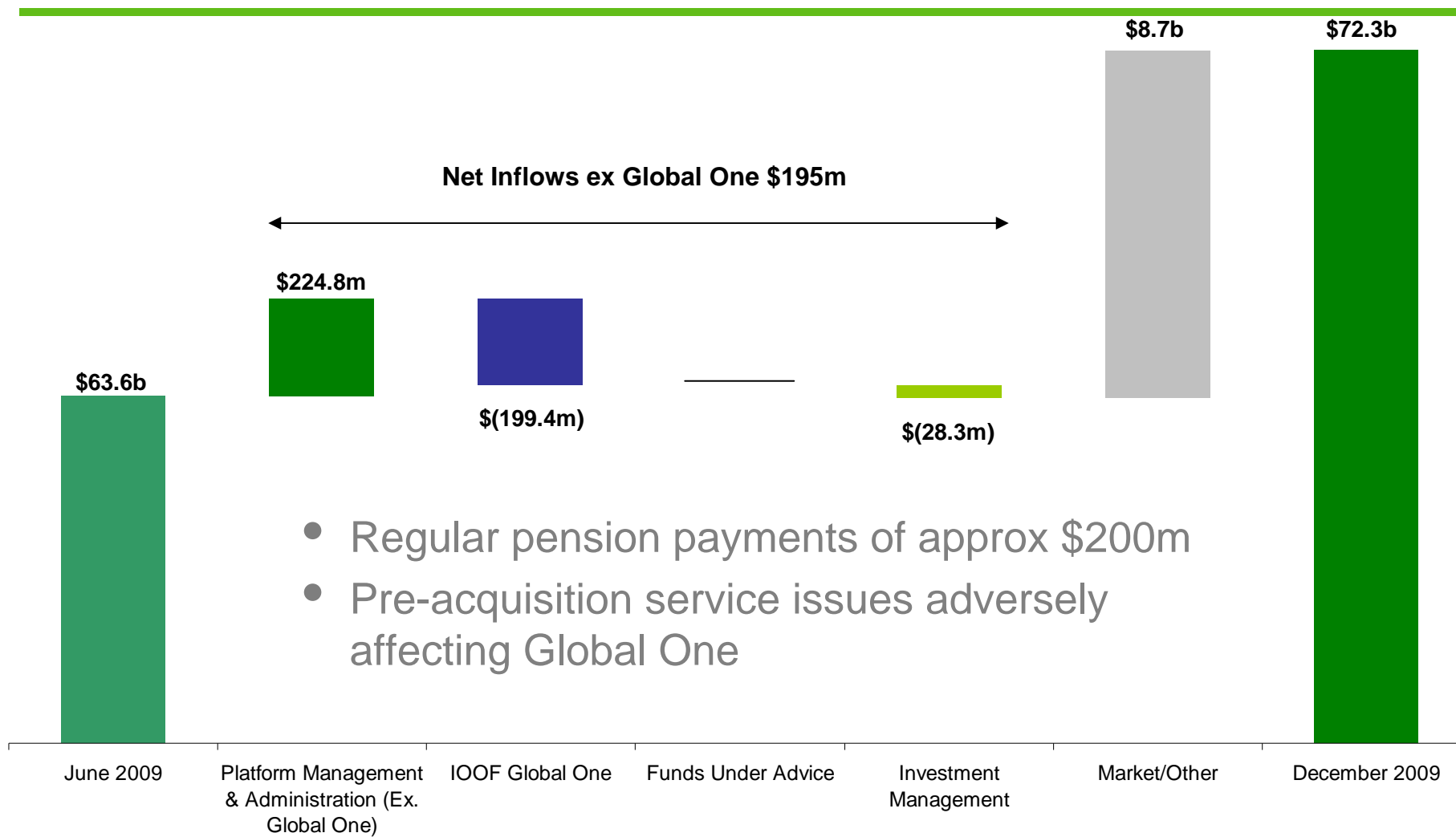
Funds overview



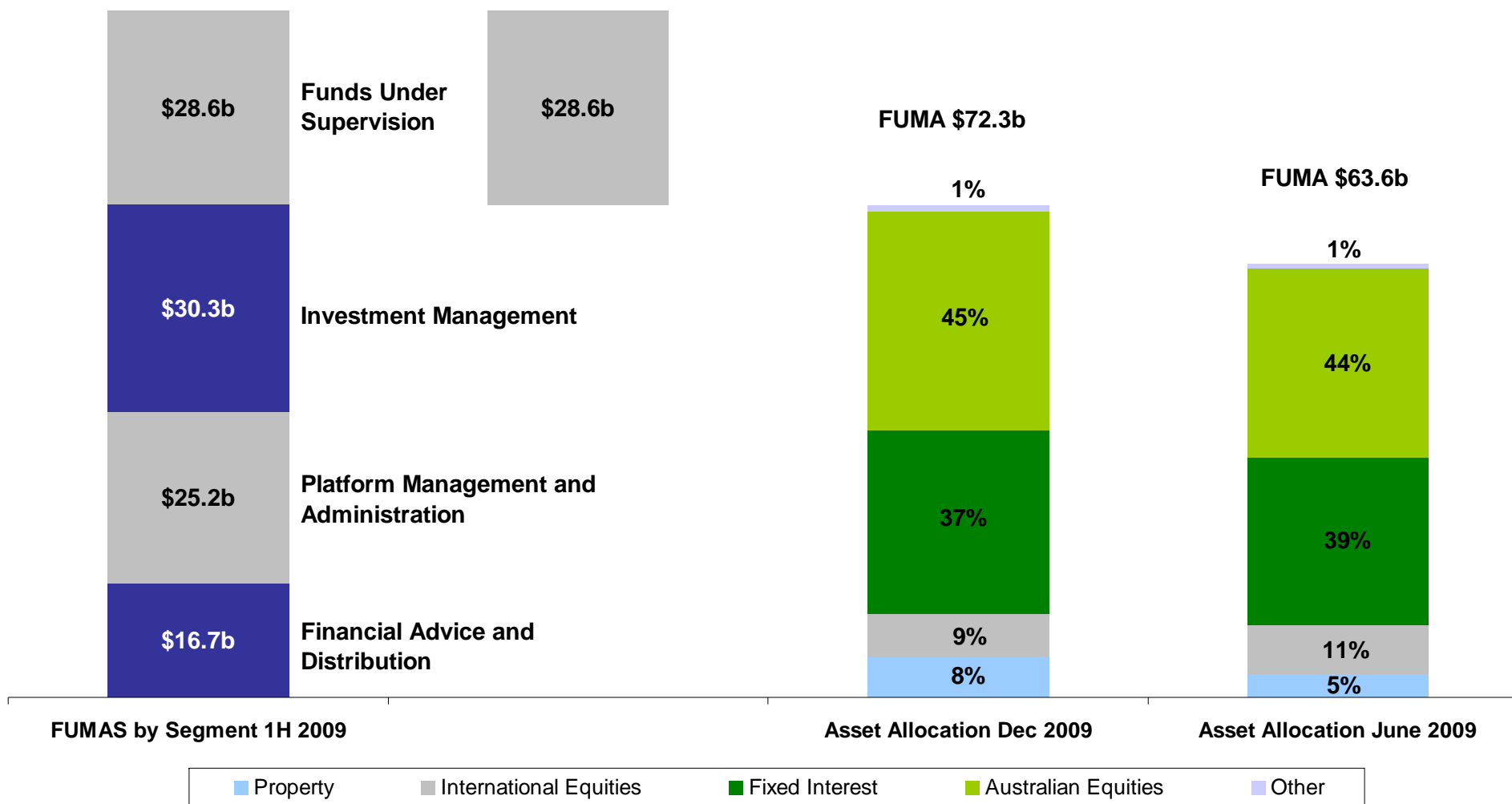
- Funds Under Management, Administration, Advice and Supervision (FUMAS) up \$4.2b to \$100.8 billion
- Funds Under Management, Administration, Advice (FUMA) (excl supervision) up \$8.7b to \$72.3b
- Flagship products showing strong market (11%) and organic (4%) growth
- Average gross margin relatively stable at 0.42%* (1H 08/09 0.43%, 2H 08/09 0.42%)

* Certain items of expenditure have been reclassified from operating to fund related since June 2009. All prior period comparatives have been amended for consistency.

Funds movement by segment



Funds by asset class





Chris Kelaher

Managing Director

Regulatory environment



The Johnson Report – Australia as a financial services hub

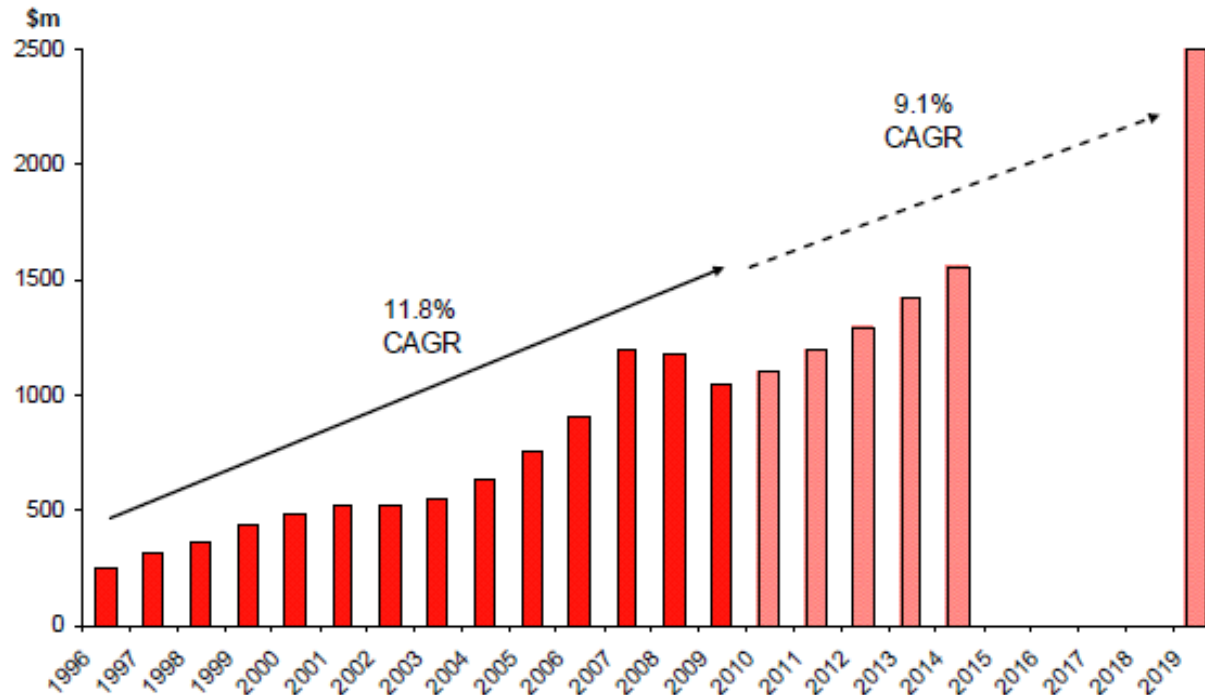
	Delivered / expected	Focus and likely impact	IOOF response
Ripoll Inquiry	23 November 2009	11 Recommendations - Explicit fiduciary duty for all planners - Tax deduction for advice - Increased powers to ban individuals	Supportive of all recommendations 50% of IOOF's business is fee for service
Henry Review	Awaiting imminent release	Review of Australia's tax system Certain tax benefits on super may be at risk	Maintaining a watching brief
Cooper Review	June 2010	Review of super system Possible fee changes particularly around corporate super	Well positioned to adapt to any changes announced because of vertically integrated business model

Exposure to superannuation



Projections for the Australian superannuation market*

Our revenue is sourced from legislated growth



- 75% of FUMA from superannuation (85% excluding wholesale mandates)
- Rainmaker analysis suggests Funds Under Management in Australia will reach \$5 trillion by 2020**
- Superannuation guarantee increase a possibility (ie 9% to 12%)

Sources: *Macquarie Research; ** Financial Standard (1 February 2010, volume 8, number 1)

Summary 31 December 2009



- Record interim result during time of rationalisation and market recovery
- Completion of Global One transition strengthens the Group's product offering
- Timing of IOOF's recent M&A activity demonstrates our experience in this field
- Assets acquired are highly accretive

Growth industry

Efficiency gains

Record result

Outlook 2009/10



- Forecasting a future result is difficult given prevailing conditions
- Subject to no adverse market conditions, 2H09/10 should at least mirror 1H09/10
- Cost control through efficiency and business simplification to continue
- Risk and uncertainty surrounding various reviews dissipating, particularly in an election year



Questions?



Appendices

Appendix A
Reconciliation to Statutory Financials (unaudited)
For the period ending 31 December 2009

\$'m	Statutory Note Ref.	Total
Gross Margin		
Fee and commission revenue	6	278.8
Commission expense	7	(130.5)
Fund related expenditure	7	(5.5)
Write-off of deferred acquisition costs	7	(0.8)
		142.0
Other Revenue		
Life insurance revenue	6	-
Other fee revenue	6	0.2
Interest revenue	6	2.5
Dividends received	6	0.9
Distributions received	6	0.1
Elimination of distributions received from consolidated statutory funds	6	-
Fair value gains on other financial assets at fair value through profit or loss	6	0.7
Deposits received - investment contracts with DPF	6	-
Stockbroking revenue	6	27.0
Other revenue	6	5.1
Total		36.4
Profit on sale of MCK	N/A	(1.0)
Net Benefit Funds contribution	Stat Col.	0.1
Total Other Revenue		35.5
Equity Accounted Profits		
Share of profits of associates and jointly controlled entities accounted for using the equity method	P&L	3.7
Total Equity Accounted Profits		3.7
Operating Expenditure		
Salaries and related employee expenses	7	(71.6)
Computer maintenance and support	7	(13.5)
Professional fees	7	(2.9)
Marketing	7	(2.7)
Office support	7	(8.6)
Occupancy related expenses	7	(7.1)
Travel and entertainment	7	(2.6)
Total		(109.0)
Adjustment for Perennial Fixed and Growth OEI	N/A	(1.0)
Total Operating Expenditure		(110.0)
Net non cash (Ex. Amortisation)		
Depreciation of property, plant and equipment	7	(2.7)
Share based payments expense	7	(1.3)
Loss on disposal of non-current assets	7	-
Net non cash (Ex. Amortisation)		(4.0)
Income Tax & OEI		
Income tax expense	8	(14.6)
Non-controlling Interest	P&L	(1.6)
Income Tax Expense adjustment for Significant Items		(3.8)
Total Income Tax & OEI		(20.0)
Underlying NPAT (Pre Amortisation)		47.1
Significant Items		
Redundancy costs	7	(3.7)
Revaluation of shareholder liabilities	7	(3.3)
Profit on sale of MCK	N/A	1.0
OEI Perennial Fixed Interest and Growth	N/A	1.0
		(5.0)
Tax effect of Significant Items		3.8
Total Significant Items - Net of Tax		(1.2)
Amortisation of intangible assets	7	(9.0)
Reported Profit/(Loss) per financial statements		36.9

Appendix B
Reconciliation to Statutory Financials (unaudited)
For the period ending 31 December 2008

\$'m	Statutory Note Ref.	IFL	AWM	Global One	Total
Gross Margin					
Fee and commission revenue	6	109.9	135.0	30.8	275.7
Commission expense	7	(50.4)	(65.2)	(11.9)	(127.5)
Fund related expenditure	7	(1.5)	(3.3)	-	(4.8)
Write-off of deferred acquisition costs	7	(1.1)	-	-	(1.1)
		56.9	66.5	18.9	142.3
Other Revenue					
Life insurance revenue	6	-	-	-	-
Other fee revenue	6	-	0.3	-	0.3
Interest revenue	6	1.7	2.0	-	3.7
Elimination of interest revenue received from consolidated statutory funds	6	(0.1)	-	-	(0.1)
Dividends received	6	-	1.8	-	1.8
Distributions received	6	0.2	-	-	0.2
Elimination of distributions received from consolidated statutory funds	6	(0.2)	-	-	(0.2)
Fair value losses on other financial assets at fair value through profit or loss	7	(1.1)	-	-	(1.1)
Deposits received - investment contracts with DPF	6	-	-	-	-
Stockbroking revenue	6	-	29.8	-	29.8
Other revenue	6	0.4	3.4	-	3.8
Total		0.9	37.3	-	38.2
Net Benefit Funds contribution	Stat Col.	0.2	-	-	0.2
Total Other Revenue		1.1	37.2	-	38.3
Equity Accounted Profits					
Share of profits of associates and jointly controlled entities accounted for using the equity method	P&L	2.7	-	-	2.7
Total Equity Accounted Profits		2.7	-	-	2.7
Operating Expenditure					
Salaries and related employee expenses	7	(33.1)	(40.9)	(11.7)	(85.7)
Computer maintenance and support	7	(2.7)	(6.0)	(1.2)	(10.0)
Professional fees	7	(2.0)	(2.0)	(1.1)	(5.0)
Marketing	7	(1.5)	(1.6)	(1.6)	(4.7)
Office support	7	(3.2)	(6.0)	(1.3)	(10.5)
Occupancy related expenses	7	(2.2)	(4.4)	(1.5)	(8.0)
Travel and entertainment	7	(2.2)	(1.6)	(0.5)	(4.2)
Total		(46.9)	(62.4)	(18.8)	(128.2)
Adjustment for Perennial Fixed and Growth OEI	N/A	(0.7)	-	-	(0.7)
Total Operating Expenditure		(47.6)	(62.4)	(18.8)	(128.9)
Net non cash (Ex. Amortisation)					
Depreciation of property, plant and equipment	7	(0.8)	(2.0)	(0.4)	(3.2)
Share based payments expense	7	(1.8)	(0.7)	-	(2.5)
Net non cash (Ex. Amortisation)		(2.6)	(2.6)	(0.4)	(5.6)
Income Tax & OEI					
Income tax expense	8	(1.8)	(11.2)	-	(13.0)
Non-controlling Interest	P&L	(0.4)	(0.5)	-	(0.9)
Income Tax Expense adjustment for Significant Items		(0.1)	(0.3)	(0.2)	(0.6)
Total Income Tax & OEI		(2.3)	(12.0)	(0.2)	(14.6)
Underlying NPAT (Pre Amortisation)		8.2	26.6	(0.6)	34.2
Significant Items					
Redundancy costs	7	(0.3)	(1.0)	(0.8)	(2.1)
Revaluation of shareholder liabilities	7	4.7	-	-	4.7
Impairment	N/A	(3.5)	(154.3)	-	(157.8)
OEI Perennial Fixed Interest and Growth	N/A	0.7	-	-	0.7
		1.6	(155.3)	(0.8)	(154.5)
Tax effect of Significant Items		0.1	0.3	0.2	0.6
Total Significant Items - Net of Tax		1.7	(155.0)	(0.6)	(153.9)
Amortisation of intangible assets	7	(0.8)	(3.1)	(7.3)	(11.2)
Reported Profit/(Loss) per financial statements		9.1	(131.5)	(8.4)	(130.9)

Appendix C
IOOF Holdings Ltd
Balance Sheet as at 31 December 2009

\$'m	CORPORATES	BENEFIT FUNDS	ELIMINATIONS	TOTAL
ASSETS				
Cash & Cash Equivalents	126.0	499.9	(0.2)	625.7
Trade & Other Receivables	59.8	13.7	(0.0)	73.5
Investments Accounted For Using the Equity Method	12.1	-	-	12.1
Other Financial Assets	48.2	520.1	(7.2)	561.2
Deferred Tax Assets	25.0	8.9	-	33.9
Property, Plant & Equipment	10.9	-	-	10.9
Goodwill	479.5	-	-	479.5
Other Intangible Assets	283.4	-	-	283.4
Other Assets	33.3	-	-	33.3
Total Assets	1,078.3	1,042.7	(7.3)	2,113.6
LIABILITIES				
Trade & Other Payables	54.3	2.6	(0.0)	56.9
Borrowings	20.7	-	-	20.7
Current Tax Liabilities	7.1	-	-	7.1
Deferred Tax Liabilities	19.2	2.9	-	22.1
Provisions	42.7	-	-	42.7
Other Financial Liabilities	20.0	-	-	20.0
Other Liabilities	23.4	1,035.6	(7.3)	1,051.8
Total Liabilities	187.4	1,041.2	(7.3)	1,221.3
NET ASSETS				
	890.8	1.5	-	892.3
EQUITY				
Issued Capital	849.4	0.4	-	849.8
Reserves	12.2	0.0	-	12.2
Retained Earnings	12.2	1.1	-	13.3
Other Equity	(0.3)	(0.0)	0.0	(0.3)
Non-Controlling Interest	17.3	(0.0)	-	17.3
Total Equity	890.8	1.5	0.0	892.3

Appendix D
IOOF Holdings Ltd
Cash Flow Statement for the period ending 31 December 2009

\$'m	Shareholder	Benefit Funds	Total
Cash Flows from Operating Activities			
Receipts from customers	316.6	0.3	316.9
Payments to suppliers and employees	(271.8)	(3.7)	(275.5)
Interest and other costs of finance paid	(0.6)	-	(0.6)
Income taxes paid	(4.4)	3.7	(0.7)
Net cash provided by operating activities	39.8	0.4	40.2
Cash Flows from Investing Activities			
Interest received (includes loans made to directors and executives of controlled entities)	2.5	7.3	9.8
Dividends and distributions received	3.5	15.4	18.9
Net proceeds/(payments) from sales or purchases of financial assets	1.7	50.0	51.7
Amounts advanced to other entities	(0.1)	-	(0.1)
Withdrawal payments	-	(83.5)	(83.5)
Contributions received	-	55.6	55.6
Payments for property, plant and equipment	(1.1)	-	(1.1)
Payment for purchase of shares in controlled entities	(2.1)	-	(2.1)
Payments for intangible assets	(1.3)	-	(1.3)
Net stockbroking purchases	2.4	-	2.4
Additional interest acquired in associates & jointly controlled entities	(0.7)	-	(0.7)
Net cash used in investing activities	4.9	44.8	49.6
Cash Flows from Financing Activities			
Repayment of borrowings	(10.0)	-	(10.0)
Proceeds on disposal of subsidiaries	0.2	-	0.2
Dividends paid - members of the parent entity	(38.9)	-	(38.9)
Dividends paid - non controlling members of subsidiary entities	(2.1)	-	(2.1)
Net cash provided by financing activities	(50.8)	-	(50.8)
Net increase in cash and cash equivalents	(6.1)	45.1	39.0
Cash and cash equivalents at the beginning of the financial year	132.1	454.6	586.7
Cash and cash equivalents at the end of the financial year	126.0	499.7	625.7

Appendix E: Financial Advice & Distribution



\$'m	1H 09/10	2H 08/09	1H 08/09
Revenue	58.9	53.7	55.3
Direct Costs	(57.0)	(51.3)	(53.7)
Gross Margin (GM)	1.8	2.4	1.7
GM %	0.02%	0.03%	0.02%
Other Revenue	32.7	25.2	32.4
Share of Equity profit/loss	-	-	-
Operating Expenditure	(25.7)	(27.3)	(30.1)
Net Non Cash	(1.5)	(2.0)	(1.8)
Income Tax Expense/Outside Equity Interests	(2.2)	0.5	(0.6)
UNPAT pre amortisation	5.2	(1.2)	1.5
Average FUA (\$'b)	16.0	14.4	15.1



Appendix F: Platform Management & Administration



\$'m	1H 09/10	2H 08/09	1H 08/09
Revenue	175.5	160.0	175.6
Direct Costs	(84.7)	(76.6)	(83.9)
Gross Margin (GM)	90.9	83.4	91.7
GM %	0.75%	0.77%	0.75%
Other Revenue	0.1	0.3	0.4
Share of Equity profit/loss	-	-	-
Operating Expenditure	(46.8)	(49.7)	(54.9)
Net Non Cash	(1.2)	(1.3)	(1.5)
Income Tax Expense/Outside Equity Interests	(12.9)	(9.8)	(10.7)
UNPAT pre amortisation	30.1	22.9	25.0
Average FUA (\$'b)	24.2	21.9	24.4



The Portfolio Service

Pursuit



Appendix G: Investment Management



\$'m	1H 09/10	2H 08/09	1H 08/09
Revenue	69.2	60.5	71.4
Direct Costs	(30.3)	(27.9)	(32.3)
Gross Margin (GM)	38.9	32.6	39.1
GM %	0.26%	0.26%	0.28%
Other Revenue	0.9	0.7	1.1
Share of Equity profit/loss	3.7	2.4	2.7
Operating Expenditure	(16.8)	(16.3)	(20.3)
Net Non Cash	(0.8)	(0.9)	(0.9)
Income Tax Expense/Outside Equity Interests	(6.7)	(4.8)	(5.7)
UNPAT pre amortisation	19.3	13.6	16.1
Average FUM (\$'b)	29.3	25.0	27.8

IOOF MULTIMIX TRUSTS

IOOF wealth|builder

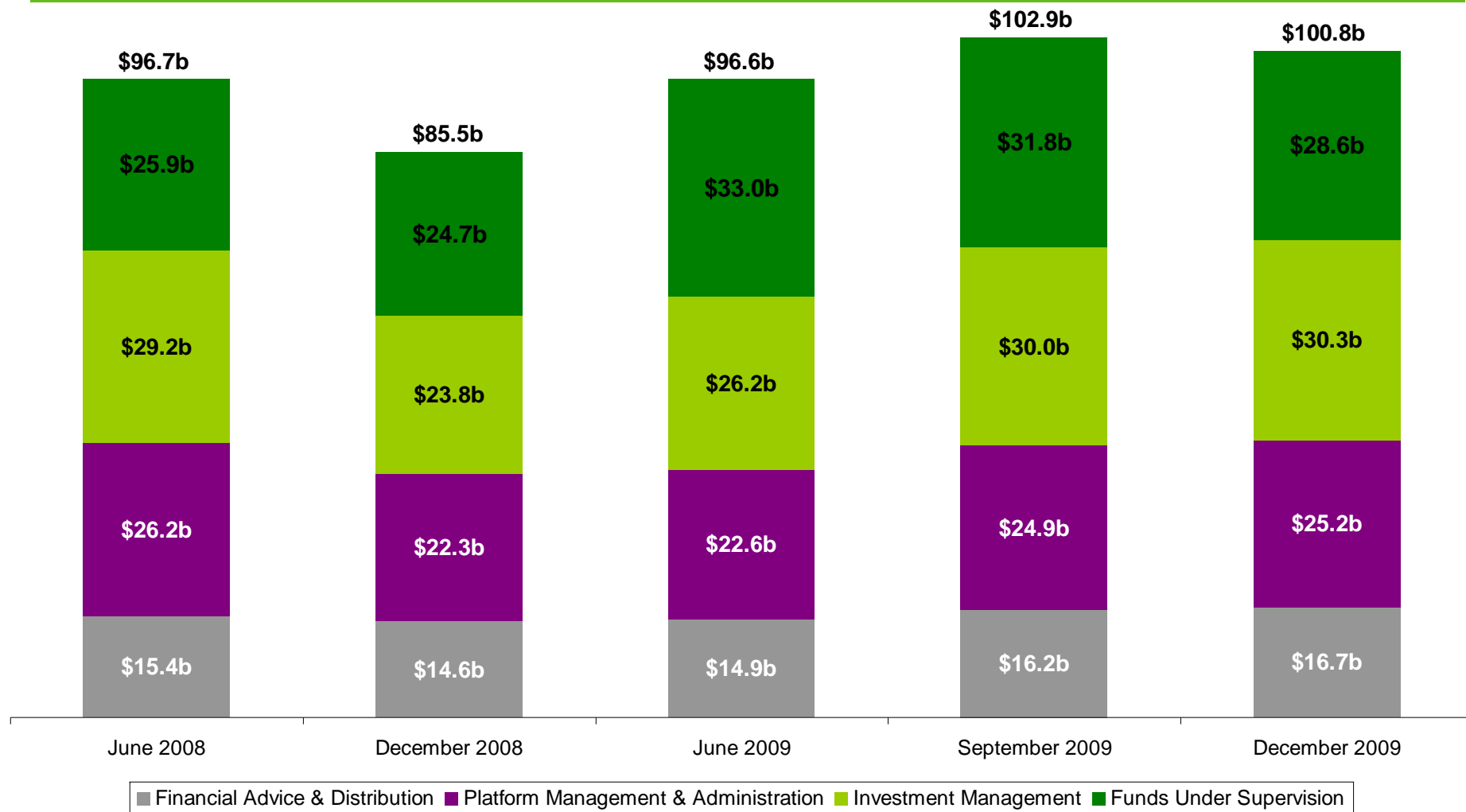


Appendix H: Trustee & Private Client businesses

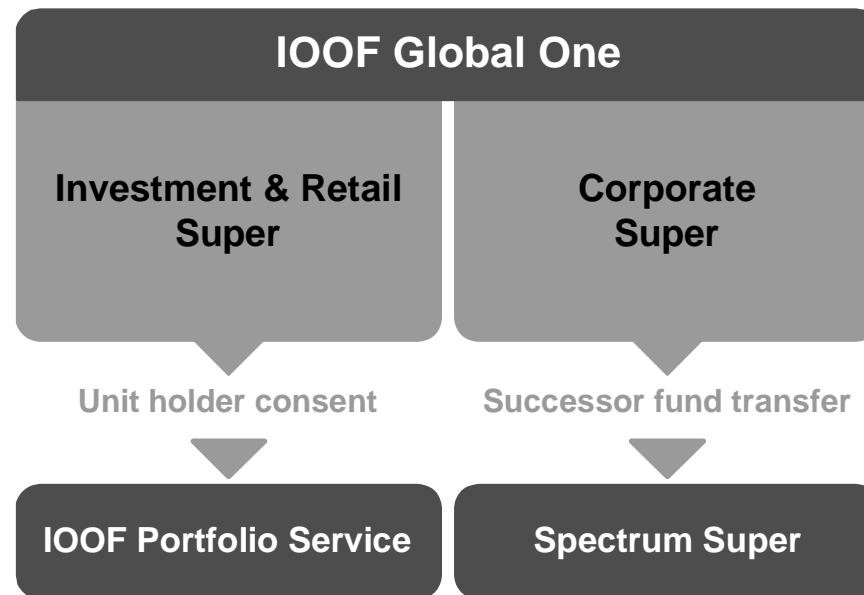


\$'m	1H 09/10	2H 08/09	1H 08/09
Revenue	10.6	8.7	10.7
Direct Costs	-	-	-
Gross Margin (GM)	10.6	8.7	10.7
GM %	0.07%	0.07%	0.08%
Other Revenue	0.1	-	0.1
Share of Equity profit/loss	-	-	-
Operating Expenditure	(6.3)	(6.6)	(7.3)
Net Non Cash	(0.1)	(0.2)	(0.2)
Income Tax Expense/Outside Equity Interests	(1.3)	(0.5)	(1.0)
UNPAT pre amortisation	3.0	1.3	2.3
Average FUS (\$'b)	31.4	26.0	25.7

Appendix I: Period end funds by segment



Appendix J: Global One transition



Transfer to occur early March 2010