IOOF Holdings Ltd
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26 August 2009

IOOF's Merger Activity is Reaping Early Results

IOOF Holdings Limited (IOOF) today released its financial result for the period ended 30 June 2009*. Underlying Net Profit After Tax for the period was $23.1m, which excludes the impact of significant items. On a statutory basis, the company reported a Net Profit After Tax of $15.8 million.

This is the first financial report since the merger between IOOF and Australian Wealth Management Limited (AWM) and the acquisition of Skandia, now known as IOOF GlobalOne. Consequently, these results comprise 12 months of IOOF, 4 months of IOOF GlobalOne and two months of Australian Wealth Management Limited (AWM).

Had these businesses been merged for the full 12 months, the company would have reported an Underlying Net Profit After Tax of $52.1m, a result which has been adversely affected by market impacts on Funds Under Management, Administration and Advice (FUMA) and margins.

Commenting on the result, Chris Kelaher, Managing Director of IOOF said "This result, in a time of unprecedented market uncertainty and significant change for the company, reflects the strength of the underlying businesses."

Solid progress on synergies

The company has made solid progress on its stated target of $20m after tax synergies relating to the IFL and AUW merger. Since integration began on 1 May 2009, $10m in synergies (annualised post tax) have been identified.

"We have moved quickly to identify the obvious cost savings within the merged entity. As a result, IOOF remains firmly on track to achieve its stated synergy targets. said Mr Kelaher.

Further, since acquiring GlobalOne, IFL has achieved cost savings of $13m (post tax and annualised) restructuring this business.

Corporate activity

In the interests of streamlining the merged business, the company has successfully completed the divestment of a number of non-core assets. These include the sale of the Intech business to Morningstar Australasia and the sale of the Macarthur Cook stake IOOF has held in recent years.

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Plans are also afoot to complete a disposal of the company's life insurance business. Any sale would be subject to regulatory approval.

"The sale of these assets simplifies our business and allows IOOF to focus on its core skill set of superannuation administration, distribution and investment management. said Mr Kelaher.

FUMAS steady at $94.6 billion

The Group's Funds Under Management, Administration, Advice and Supervision (FUMAS) was $94.6 billion at 30 June 2009. This represents little change when 30 June 2008 fund balances from the acquired entities are added to the Group's balance for comparative purposes.

Commenting on the Group's FUMAS, Mr Kelaher said "Positive net inflows into the group's products were offset by the adverse market conditions experienced during the year.

He continued "While the total at 30 June hasn't changed dramatically in 12 months, the underlying investment allocation was conservative. This is only to be expected given the uncertain and volatile conditions we have faced this year."

Final dividend declared

Directors have declared a final fully franked dividend of 4 cents per share to be paid on 16 October 2009. The dividend has a record date of 21 September 2009.

The company paid a 13 cents per share special dividend on 31 July 2009.

-ENDS-

For further information, please contact

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* The information contained within this document is based on unaudited consolidated financial statements of IOOF Holdings Limited and its subsidiaries for the year ended 30 June 2009. The financial statements are in the process of being audited.

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About IOOF Holdings Limited

The IOOF Group is one of Australia's largest independent and pure providers of wealth creation product and services. In April 2009, IOOF merged with Australian Wealth Management creating a fully integrated financial services company with offices in every state.

The Group offers the following services:

- Wealth Management
- Superannuation
- Investment Management
- Asset Management
- Estate Planning
- Corporate Trust

The Group's products and services are designed to accompany the lives of over 700,000 Australians from wealth accumulation into retirement and across to the next generation.

At 30 June 2009, IOOF had over $94.6 billion in Funds Under Management, Administration Advice, and Supervision.

IOOF operates under a variety of brands including Bridges Financial Services, Perennial Investment Partners Limited, Australian Executor Trustees (AET), Spectrum Super, Pursuit and Ord Minnett.

Appendix 4E
Rule 4.3A

Appendix 4E
Full year report

IOOF HOLDINGS LIMITED

ABN: 49 100 103 722

1. Reporting Period	**30 JUNE 2009**
Previous corresponding period	30 JUNE 2008

2. Results for announcement to the market

	$'000	**% change from previous corresponding period**
Revenue from Shareholder activities #	290,848	Up 2.6%
Revenue from ordinary activities	369,249	Down 10.3%
Net profit after tax attributable to members (NPAT)	15,847	Down 32.1%
Underlying net profit after tax attributable to members (UNPAT)*	23,120	Down 10.7%

	Amount per share (cents)	**Franked amount per share (cents)**
Final dividend for the year ended 30 June 2008 Paid: 9 October 2008	15	15
Special dividend Paid: 31 July 2009	13	13
Final dividend Record date for determining entitlements: 21 September 2009 Payable: 16 October 2009	4	4

Revenue from Shareholder activities excludes those revenues attributable to the activities of the consolidated benefit funds of IOOF Ltd.

* *Underlying Net Profit After Tax (UNPAT) results exclude the impact of investment value write downs, share agreement liability revaluations and business acquisition restructuring costs.*

Explanation of results for the full year:

The consolidated net profit for the period attributable to members of IOOF Holdings Ltd, comprising the Company as the parent entity and controlled entities, ('IOOF Group') was $15,847,000 (30 June 2008 : $23,340,000). Underlying net profit after tax (UNPAT) was $23,120,000 at 30 June 2009 (30 June 2008: $25,901,000.)

The controlled entities include the benefit funds of IOOF Ltd, a subsidiary of IOOF Holdings Ltd. The inclusion of the benefit funds has no impact on the net profit for the period attributable to members of IOOF Holdings Ltd. The change in revenue from ordinary activities was attributable to lower distributions from underlying benefit fund investments which were precipitated by a decrease in benefit fund gains. Revenue from shareholder activities, excludes benefit fund revenues, increased by 2.6% on the previous corresponding period. This was largely due to additional revenues from acquired entities. This is discussed in further detail below.

During the year to 30 June 2009 the Group was party to two material acquisitions. The Australian operations of the Old Mutual Group, operating under the brands Skandia and Intech and renamed IOOF Global One (“Global One”), were acquired on 6 March 2009. In addition, the acquisition of Australian Wealth Management Limited ('AWM') was executed by a scheme of arrangement approved by AWM shareholders at a meeting held 22 April 2009. The Supreme Court of Victoria approved the scheme on 29 April 2009 giving it legal effect on 30 April 2009.

The consolidated net profit after tax for the year has been impacted by the acquisition of additional operating entities, inclusion of several revaluation adjustments, the recognition of available-for-sale impairment loss, the recognition of unrealised losses on other financial assets held at fair value through profit or loss, a reduction in the share of associates profits and corporate restructuring costs implemented during the year. Many of these items are detailed below.

The Group's Funds Under Management, Administration and Supervision ("FUMAS") closed at $94.6 billion at 30 June 2009 up from $29.4 billion at 30 June 2008. This significant movement was largely driven by the inclusion of funds acquired from the Old Mutual Group and the Australian Wealth Management Limited Group. A FUMAS of $94.6 billion represents no change when 30 June 2008 funds from these acquired entities are added to the Group’s balance for comparative purposes. On this more directly comparable basis, positive net inflows were offset by adverse market movements.

The share of equity profits recognised by the IOOF Group decreased by 31.1% compared to last year largely due to a decline in profitability experienced by Perennial Value Management Limited, the results of which are equity accounted.

During the period, revaluation adjustments were made in respect of commitments contained in shareholder agreements with executives of Perennial subsidiaries. A liability exists under AASB 132 in relation to the IOOF Group's commitment to provide liquidity, under certain circumstances, in the vested shares held by the minority interests in two Perennial subsidiaries (Perennial Fixed Interest Partners Pty Ltd and Perennial Growth Management Pty Ltd). Accordingly, IOOF has derecognised the minority interest in these companies. At balance date, and as additional shares vest, IOOF is required to recognise movements in this liability. This liability has reduced based on a 30 June 2009 valuation of the underlying subsidiaries, resulting in a net revaluation increase of $6,803,000 (2008: $5,455,000 revaluation decrease and associated goodwill impairment).

The acquisition of Global One and merger with AWM has resulted in a number of redundancies, accelerated vesting of share based payments for departing executives, rationalisation of business systems and processes, surplus leased office space and superfluous office equipment. The incurring of these restructuring costs results in a charge of $14,061,000 to the Income Statement.

The acquisition of Global One carried with it an investment in the Intech group. Intech was disposed of on 30 June 2009 with no material impact on the Group's Income Statement.

The Group revised the carrying value of its investment in MacarthurCook Limited to comply with the impairment provisions of AASB 139. This resulted in an impairment charge to the Income Statement of $3,485,000.

In order to disclose the tax expense separately, the profit before tax of $25,862,000 includes an amount equal to the tax benefit of the benefit funds of $5,297,000. This treatment results in disclosure of an effective tax benefit rate of 34.5% (30 June 2008: tax expense 45.1%) The actual tax rate, if the benefit funds are excluded is 18.3% (30 June 2008: 20.5%). The fall in tax rate is a result of various non-assessable items including expenses associated with debt forgiveness costs which eliminate within the Group.

In November 2008, the Company cancelled the on-market share buy-back program announced in February 2008. No shares had been purchased under this program.

3. Net tangible assets

	30 June 2009 (cents)	30 June 2008 (cents)
Net tangible assets/(liabilities) per share	54.9	94.3

4. Entities over which control has been gained or lost

Control over the following entities has been gained during the year:

- IOOF Global One Limited (formerly Old Mutual Australia Limited),
- IOOF Transition 2 Pty Ltd (formerly Old Mutual Australia Holdings Pty Ltd) and its subsidiaries,
- Australian Wealth Management Limited and its subsidiaries,
- Perennial Tactical Income Trust, and
- Perennial Cash Trust.

Control over Perennial Partners Trust was lost during the year. The IOOF Group continues to hold a non-controlling interest of 29.3% in this Trust.

5. Dividends

During the year the Company paid the following dividends:

- a final dividend of 15 cents per ordinary share fully franked at 30% company tax rate in respect of the financial year 30 June 2008, amounting to $10,350,000.

Subsequent to the end of the financial year the following dividends were paid or recommended:

- the Directors declared a special dividend of 13 cents per ordinary share fully franked at 30% company tax rate amounting to $29,877,000. This special dividend was paid 31 July 2009.

- the Directors have recommended a final dividend of 4 cents per ordinary share fully franked at 30% company tax rate in respect of the financial year 30 June 2009.

6. Dividend reinvestment plans

The Company does not operate a dividend reinvestment plan.

7. Details of associates and joint venture entities

	Ownership interest held at the end of period		Contribution to net profit	
Equity accounted associates:	Current year %	Previous corresponding year %	Current year $'000	Previous corresponding year $'000
Associates				
Perennial Value Management Ltd *	52.4	52.4	5,072	7,359
Police & Nurses Financial Planning Pty Limited	35.0	-	1	-
JC Private Clients Pty Limited	20.0	-	3	-
Jointly Controlled Entities				
Northern Inland Investment Services Pty Limited	45.0	-	(5)	-
* Due to the voting rights associated with different classes of shares, greater than 50% ownership interest does not result in control.				

8. Other

The information contained in this Appendix 4E is based on the unaudited consolidated financial statements of IOOF Holdings Limited and its subsidiaries for the year ended 30 June 2009. These financial statements are in the process of being audited.

Further information regarding IOOF and its business activities can be obtained at www.ioof.com.au