



IOOF reports sound result in adverse market

- Reports Underlying Net Profit After Tax (UNPAT)* of \$7.9 million
- Funds under management and administration (FUMA) of \$23.7 billion at 31 December 08
- Underlying Earnings Before Interest, Tax and Amortisation (UEBITA)* of \$12.1 million
- Reported Net Profit After Tax of \$9.1 million
- Strong balance sheet - potential for further acquisition opportunities
- The Directors have not declared an interim dividend pending finalisation of the AWM merger. Directors are considering a special dividend of 9 to 14 cents per share in July. The final dividend will be considered consistent with the approach adopted in prior years.

IOOF Holdings Ltd (ASX:IFL) one of Australia's leading funds management groups, today delivered its interim results, reporting an Underlying Net Profit After Tax (UNPAT) of \$7.9 million for the half-year ended 31 December 2008 (1H2008: \$15.7m).

Chief Executive Officer, Tony Robinson, said the underlying result demonstrated that the group was responding well in a very difficult economic environment.

"The business units are performing well and have delivered a solid operating result, despite current adverse market drivers," said Mr Robinson. "IOOF remains well positioned to cope with current market conditions due to our financial strength, the diversity of our earnings, low cost ratios and a sensible approach to capital management."

Mr Robinson stated that the Group's priorities remain unchanged, with focus on operational performance, customer service and a competitive position. "We are determined to continue building our profile by maintaining our market presence in these uncertain times.

"Our goal for all IOOF Group businesses is to use the current market to build differentiation by continuing to focus on growing the strength of our relationships with customers, building the quality of our products and services, and developing new products and services which are appropriate to the times," said Mr Robinson. "This will be achieved along with our objective of lowering expenditure."

Mr Robinson confirmed that while costs had been contained, the IOOF Group would continue to make investments for long-term growth with a particular focus on maintaining resources in sales related areas.

"The fundamentals of the business are sound with solid foundations now established to pursue growth opportunities to build its market position. We have a strong balance sheet, which enables us to pursue acquisition opportunities to enhance group performance in the future and have improving capability to foster organic growth.

"A key strategic task for 2009 will be the completion of the proposed merger between IOOF and Australian Wealth Management (AWM). We are extremely confident about the successful outcome of this merger, which is expected, with the continued support from key shareholders, to be completed by the end of April 2009.

"While we will also continue to pursue other initiatives, including further possible acquisitions for the business, IOOF, is obviously impacted by continued market volatility, and in this climate we remain focused on building our internal capacity across the group to maintain our performance."

Mr Robinson said Portfolio Solutions had performed well with its flagship platform product, Pursuit, continuing to gain momentum with net inflows of \$200 million for the half year.

"The Perennial business has had a strong focus on costs to mitigate market driven revenue contraction for the

period, while also launching two new fixed income products during the period to meet investor demand.

“We have also grown the Consultum business with the appointment of 11 new advisers and launched an adviser cadetship program to reduce pressure from the skills shortage in the financial planning industry.

“With market conditions likely to remain volatile for the rest of this year, delivering growth in the short term will continue to be challenging but we remain confident in the medium to long-term outlook for the wealth management industry and that IOOF will continue to have a significant industry presence,” Mr Robinson concluded.

Mr Antony Robinson
Chief Executive Officer
IOOF Holdings Ltd

For all media enquiries please contact:

Bridget Marcou
Wrights
T: (03) 9690 9911
E: bmarcou@wrights.com.au
M: 0407 846 672