

Slide 1 – header slide (holding slide prior to meeting start)

Slide 2 – Chairman's speech

Chairman's speech – Annual General Meeting 2006

Introduction

Good afternoon ladies and gentlemen. My name is Ian Blair and I am privileged to be Chairman of the IOOF Holdings Board. On behalf of the Board, I am very pleased to welcome you, and thank you for being here today.

Open Meeting

In the presence of a quorum, I declare this Annual General Meeting of Shareholders of IOOF Holdings Ltd open. Please be aware that the meeting is being taped so that the proceedings are recorded accurately.

I would now like to introduce my fellow Board members. From the beginning of the table to my left, first is Kate Spargo. Kate is a non-executive director and chairs the Group's Remuneration and Nomination Committee.

Next is Jim Pfeiffer who is a non-executive director and chairs the Governance Committee. Jim Pfeiffer is a solicitor and consultant to Freehills. He was a partner of that firm for twenty-five years practising in the areas of corporate and commercial law. Jim joined the Board last year.

Next is Susan Foley, who is our General Manager of Corporate Operations and part of her responsibility is our company secretariat functions.

To the left of my empty chair is our Chief Executive, Ron Dewhurst.

Ron has been with us for two and a half years and as you will see today, has already made a significant contribution to the development of the company.

Ron has more than 30 years experience in the securities and financial services industry, both in Australia and internationally.

Amongst other things, Ron will speak to you shortly about the company's progress over the last 12 months.

Next to Ron is Mike Crivelli. Mike has been an executive director since 1999 and is Chairman of Perennial Investment Partners.

Next we have Jane Harvey. Jane also joined the Board last year and has extensive business, finance and general management skills. From 1996 to June 2002 Jane was a Partner with PricewaterhouseCoopers. Jane currently Chairs our Audit and Risk Committee.

Finally we have Tony Hodges. Tony is an executive director and Head of Group Strategy and Retail Funds Management. Tony has been an IOOF executive for over 20 years.

One person is missing from the line-up today. That is, our Deputy Chairman, Roger Sexton. Roger is a non-executive director and amongst his duties in the Group, is the Chairman of OutScope Limited and Consultum Financial Advisors Pty Ltd.

Unfortunately, Roger has had a long standing commitment, having accepted an invitation to present at a major financial conference in the USA prior to the date of our AGM being confirmed. Roger apologises for his non-attendance.

Three Board members are standing for re-election today and I will go into more detail about this as the meeting progresses.

Slide 3 – Agenda

I would like to outline how this meeting will be conducted.

Our Agenda begins with my Chairman's Report. I will be speaking briefly about some highlights from the past year, and some of our future plans.

Our CEO, Ron Dewhurst will then give his Report, dealing with our strong performance for the last financial year, the proposed acquisition of the Perennial minority shareholdings and about matters relating to our strategic direction.

Following Ron's presentation, I will then deal with the formal resolutions set out in the Notice of Meeting that was sent to each of you. Kate Spargo, the Chair of IOOF's Remuneration and Nomination Committee will speak to resolution 3, which seeks adoption of the annual Remuneration Report.

After these formal items of business, we will discuss any items of general business and provide time for shareholders to ask questions, including any questions that you may have for the auditors.

I will then close the meeting and afternoon tea will be served in the foyer.

Slide 4 - Chairman's address

Once again, I extend a warm welcome to you all and thank you for your attendance today.

As set out in the Notice of Meeting, the purpose of this meeting is to conduct the Annual General Meeting of IOOF Holdings Limited for the year ended 30 June 2006.

This is my first year as Group Chairman for IOOF, although I have been on the Board since 2002. I am very pleased to be able to speak to you about the last financial year, which has been another period of strong growth and performance. I will provide the highlights for the year and Ron Dewhurst will explain our progress in more detail.

I will discuss our approach to client service and our community focus, both of which are important to IOOF. I would then like to share some views on the industry and our company going forward, including our approach to governance and how we intend to strengthen our Board.

Slide 5 – 2005/06 Excellent financial year

So let's start with some highlights of our financial results.

2005/06 was another excellent financial year for the IOOF Group. You will see some highlights on the screen:

- The net profit after tax increased by 54 percent to \$23.3 million dollars
- Our cash earnings increased by 40 percent to \$44.4 million dollars

- Shareholders received fully franked dividends for the year of 27 cents per share, up from 22 cents last year. The 27 cents comprised an interim dividend of 12 cents per share and a final dividend of 15 cents per share which was paid in October. We increased our dividend payout by 23%
- Our total assets under management grew from \$22.4 billion to \$29 billion dollars, being an increase of over 29 percent
- It is also worth noting that our operating efficiency ratio improved from 71 percent last year to 64 percent this year. This is a very important ratio which measures our cost efficiency and which we like to see decreasing rather than increasing
- As a result of all of this, the total shareholder return was 32.4 percent for the last financial year. This figure represents the change in share price during the financial year together with the dividends received by investors

Slide 6 – Our commitment to shareholders

In summary, we delivered on our commitment to shareholders, producing a strong profit, higher dividends and a very solid capital position that provides a strong foundation for the next financial period.

Ron Dewhurst will discuss the specifics of our performance for the year, but you will see improvement across all of the Group's key financial metrics, including strong growth in our funds under management and administration.

In common with all good companies IOOF works to a carefully crafted Strategic Plan. Over the last financial year, we have progressed significantly and we believe that our progress will continue to add value to the business.

One of our strategic objectives was to increase our asset management capabilities and in January this year, we added a property offering with the establishment of Perennial Real Estate Investments and the launch of new property offerings to the market. Tremendous progress has been made, with endorsements from a number of asset consultants and consequentially with significant funds inflows. IOOF's strength in the wholesale market via Perennial has made a substantial contribution towards our growth in funds under management and administration.

The proposed acquisition of the minority shareholdings in Perennial Investment Partners is another key plank in our long term strategy. Shareholders will have received details of this transaction with the Notice of Meeting and you will have the opportunity to ask questions about this as we move through the business section of the meeting and before we ask you to vote on this proposal.

I would just like to reiterate that the Independent Directors unanimously recommends that shareholders vote in favour of resolutions 4 and 5 when we come to that point in the meeting. We believe that 100% ownership makes a good deal of sense. I will leave it to Ron Dewhurst to discuss the rationale for this transaction as part of his presentation and as part of his update on our strategic initiatives.

All in all, I am happy to say that it has been a solid year where we have delivered excellent shareholder returns. This has been in a time of transition, a time when we have continued to spend much effort improving internal dynamics and processes, and a time when we have undergone even more regulatory change.

One of these changes has been additional licensing requirements by our regulators for the superannuation entities

that we manage, with more stringent supervision and reporting adding further cost to businesses like ours.

Another has been the increase in our reporting obligations under new International Financial Reporting Standards. In the Chairman's report at the front of the Annual report, I made comment about the increase in size of that document this year, and about the difficulty in presenting financial information that is easily understandable. We believe that the industry and the regulators need to address this issue as a real priority, and so as to allow us to present more user friendly information to our shareholders. We can only service our shareholders and our investors within prescribed regulatory boundaries.

On this note, I would like to say that I believe that in some situations, regulatory boundaries are not enough, as is the case with unsolicited offers that are sometimes made to unwary investors. I would like to remind you of our warning to shareholders in September to be wary of such offers to purchase your IOOF shares from a company associated with David Tweed. There has been much in the media about such matters.

Slide 7 – Service First

I would like to move on now to tell you about some of our service initiatives that have been developed over the last year.

As you may know, IOOF has been in business for 160 years. We look after more than 230,000 Australian investors, so the provision of service is absolutely key to our business.

We have recently launched a service improvement program named 'Service First' with the objective of positioning IOOF in the top quartile of service providers, as ranked by our target

market, over the next 3 years. This program was developed as a result of the service and process improvement initiative that we commenced last year.

This year we established a Customer Care Team to provide a central focus on any complaints and suggestions that we receive. This helps us to improve and fine tune our service offering. Our aim is for constant improvement, as we all know that remaining static is not an option if we are to thrive in a highly competitive market.

In line with IOOF's values, we aim to be efficient, responsive and easy to deal with. I can assure you that both management and the board take this objective very seriously.

As I said at the beginning of this address, client service and our community focus are both important to IOOF.

Slide 8 – Community Focus

I would like to spend a few minutes now reflecting on our history. With 160 years of that history, it can be easily seen that IOOF is a unique organisation. We have a long and proud history of helping people.

As you are no doubt aware, the IOOF Foundation was established in 2002 as part of the demutualisation of the company. It was important to us and to the community to perpetuate that history and to continue to help those in need whilst progressing the business.

The IOOF Foundation has continued to support disadvantaged families, aged care and disadvantaged children and youth. Historically, these have been our main areas of focus.

We have now granted more than \$1.4 million dollars to organisations committed to helping those in need and have built a capital base of around \$20 million to generate the ability to make continuing contributions to the community.

We see this as vital charitable work and we are actively seeking additional donations to the Foundation. The Foundation will also be working to integrate its activities with the existing charitable activities of the IOOF Group.

Slide 9 – Going Forward

As I have indicated, the financial services industry continues to become more complex, with all the additional regulation that is handed down year by year.

The sharemarket has persisted in recording all time highs, and economists debate how much longer this can carry on.

Continued low unemployment may offer opportunities for growth, but the flipside is potential problems with the supply side – the best people cost money and every business wants the best people. There is a saying in companies such as ours, that the major assets of our business go home every night.

As this financial year progresses, we continue to see many changes in our industry, including developments in the area of superannuation. Like some of our competitors, the early signs suggest that the changes to the superannuation regime have had a positive impact on superannuation fund inflows.

The Government's Plan to Simplify and Streamline Superannuation is designed to have a positive effect on the retirement savings of many Australians.

Meanwhile, we rise to the challenges that are put before us, we adjust to the additional compliance burdens that result, and we adapt the business to take the opportunities that are presented for growth.

Over the last two years, IOOF has gone through distinct stages of development which may sound a little strange for a company that is 160 years old, but imperative from a strategic and competitive point of view.

We are confident that 2007 and beyond will see the Group capitalise on the foundations put in place over the last two years.

As we restructure for further growth, we intend to put in place the most effective and efficient business model that will work for our Group.

Slide 10 – Board matters

The last year has been one of significant change and renewal within the IOOF Board.

Ray Schoer and Michael Parkinson retired from the board after serving the company for a combined 19 years. Jane Harvey and Jim Pfeiffer joined the board and have added a new level of enthusiasm to our work.

We have strengthened our governance arrangements by implementing a process of peer review and performance evaluation for all directors, and by requiring a board vote of support for retiring directors who wish to seek re-election. The board is working well together, and with CEO Ron Dewhurst and his management team.

As you may remember from last year's Meeting, we committed to looking for an additional director with experience in financial services. Our view is that we need to further strengthen our industry knowledge and have a complementary knowledge and skill base for the IOOF Board.

We have undertaken a thorough search through a specialist executive search firm and are pleased to advise you that we are in the process of appointing a new director. This appointment will be formally considered by the Board at its next meeting.

Under IOOF's Constitution, the new director will fill what is termed a "casual vacancy" until the next Annual General Meeting, at which time shareholders will be asked to vote to confirm this appointment.

We will release details to the market as soon as this has been formally approved.

Slide 11 – (Holding slide)

I would like to conclude by thanking my fellow Board members for all their support and hard work during what has been yet another demanding and successful year together with the management team who continue to rise to the challenge.

I also thank you, our shareholders, for your continued support for the company and your presence at this meeting.

Ladies and gentlemen, I would now like to hand over to IOOF's Chief Executive Officer, Ron Dewhurst.

Slide 12
CEO's speech – Annual General Meeting 2006

Introduction

Thankyou Mr Chairman, I'd also like to welcome all IOOF shareholders who have joined us for our annual meeting this year. I am pleased to say, that in addition to another year of strong performance from the business, we have also made significant progress from a strategic perspective, in positioning the business for future growth.

Slide 13 - Outline

The Chairman has already touched on some of the high level results. However, I will review the business's performance in greater detail, before discussing the proposed acquisition of the Perennial Investment Partners minority shareholdings.

I will finish by discussing the Group's strategic direction, reflecting on the progress made over the past 2 years, as well as providing some guidance on the direction of the business over the next few years.

Slide 14 – Overview

Looking at the 12 months to June 2006, the Group continued to experience strong growth in its Funds under Management and Administration, which reached \$29bn and represents a 30% growth rate on the previous period.

This strong growth in funds, helped IOOF deliver a net profit result for the year of \$23m; up 54% on 2005. This strong growth is also reflected in the Group's cash earnings which rose 40% to \$44m.

In October of this year, IOOF announced the acquisition of the minority interests in its asset management subsidiary, Perennial Investment Partners. We see this acquisition as the cornerstone in allowing the Group to maximise the growth and value creation in one of its existing core businesses.

Shareholders will today be asked to vote upon components of this proposed transaction, in the knowledge that the Independent Directors have unanimously recommended that shareholders vote in favour of the resolutions.

The proposed acquisition is reflective of the Board and management's desire to create greater alignment between our core businesses and shareholders interests. It is this rationale that also underpins the organisational restructure that was recently announced, and is currently being implemented.

We believe the restructure will create greater business accountability and efficiency, as well as providing the market with a clearer understanding of our respective value propositions in the market.

Slide 15 – 2005/06 in review (Title Page)

First of all, I would like to cover the 2005/06 financial year.

Slide 16 – 2005/06 in review (FUMA)

While the halcyon equity markets over the past 2 years have provided strong business impetus for our industry, IOOF has been able to outstrip market growth, and deliver 82% growth in funds since June 2004.

Our wholesale funds under management through Perennial, experienced strong growth throughout the year, in particular from the Fixed Interest and Growth style equities teams.

The growth in the Retail business was a little more subdued, and impacted by our legacy product rationalisation. This rationalisation continues to eliminate products which lack ongoing economic justification, minimising our operational risk profile in the process.

Slide 17 – 2005/06 in review (Earnings)

Off the back of an increase in cash earnings of 40%, we were able to deliver in excess of 50% growth in net profit after tax, which also translated through to earnings per share.

This result is the product of both an increase in gross margin as well as continued improvements in operating efficiency.

The Group's ability to generate growth in earnings, in excess of the rate of growth in its underlying funds, is indicative of the operational leverage which has been created in the business, and holds the Group in good stead for continued growth in earnings.

Slide 18 – 2005/06 review (Objectives)

While this year's financial result is extremely pleasing, delivering on the objectives we set out twelve months earlier, was the key focus for 2006. I am pleased to tell you, that the management team made significant progress across all fronts during the financial year.

As you heard in the Chairman's presentation, the addition of the Perennial Real Estate business in January this year, has been highly successful.

In the area of funds administration, 2006 represented an important year in the development of our most recent platform offering. We believe that our new service will position us in a

more competitive and distinctive manner, and we are confident of building momentum in this space.

In parallel with the development of the new offering, we have launched the 'Service First' initiative, which you have already heard about.

And finally, in August of this year, we launched our new Dealer Group brand and value proposition. The new Group which is known as 'Consultum Financial Advisers' represents the merger between Winchcombe Carson and Financial Partnership.

Slide 19 – 2005/06 in review (RFM Highlights)

Turning specifically to our Retail business, I am pleased to say that a tremendous amount was achieved during the last twelve months, which now holds us in good stead to deliver strong growth in this space over the next 2 -3 years.

The effort our retail business has committed to positioning the business for future growth, may have cost us some business momentum over the past twelve months, but we are now breaking through the other side of the development work, and are confident of stronger netflows over the next 12–18 months

The launch of the IOOF/Perennial Global Property Trust, together with the re-launch of the Domestic Property Trust have provided some early impetus for our retail Funds Under Management business, and the netflows for the first quarter of this year have been extremely pleasing compared to this time last year.

The rating of our IOOF/Perennial International trust by Morningstar to investment grade, is the product of the collaboration between IOOF's sales and marketing capabilities and the Perennial International Equities team.

We were also nominated for an award relating to our revamped website, which is a credit to our marketing and IT departments. They have worked closely to develop a site that is consistent with our ambitions of providing our clients with best practice functionality and service.

As already mentioned, the acquisition of Financial Partnership culminated in the development of 'Consultum Financial Advisers'. With the merger of the two Dealer Groups, management was committed to creating a business model that capitalised on the positive characteristics of both Groups, while also creating a consistent and reliable value proposition from which advisers can build their businesses.

The creation of a distinctive brand presence was also key and represents an additional way in which we can support our advisers' businesses.

Slide 20 – 2005/06 in review (Perennial Wholesale)

Turning now to Perennial, you will see from the slide that there has been substantial growth over the last 12 months.

In fact, the growth in the Perennial business over the past 3 years has been extremely impressive, and our stated strategy of creating greater diversification, in the source and nature of funds under management, is bearing fruit. Continued diversification of Perennial's best-of-breed asset management capabilities, will ensure the ongoing success of this business and reduce the volatility associated with the growth profile of this business.

The strong contribution from Perennial Real Estate since its inception in January has been impressive and has continued into the first quarter of this financial year.

We are confident that the global property capability, provides us with longer term growth opportunities, as Perennial looks to tap into offshore markets as a source of funds.

Perennial now has 5 offices offshore from which they not only manage international and property assets, but can effectively broaden our reach by marketing to global wholesale clients.

The success of the Real Estate venture is an example of our strategic intent, and we look to replicate this success across other asset classes.

Slide 21 – 2005/06 in review (Cash Earnings)

The next matter that I would like to review is our cash earnings.

As you can see, gross margin for the Group increased by 11% for the year; however, this excludes the impact of Perennial Value whose contribution increased by 40% to \$7m.

The enhanced economic relevance of Perennial Value is indicative of the Perennial Group as a whole, which over the past 12 months has significantly increased its contribution to Group earnings. We expect the economic contribution from Perennial to continue to grow, especially given the scalability of its business model.

Cost control during the period was pleasing, and while the run-rate in the second half was up on the first, this is in line with our expectations.

Over the last 3 years, the Group's earnings have maintained an exceptional growth profile, largely through increased scale as well as improved efficiency.

Looking forward, further growth in earnings are more likely to be derived from increases in Gross Margin, as we look to capitalise on the scale benefits of our business model.

Slide 22 – 2005/06 (Operational efficiency)

Let's now look at IOOF's operating efficiency.

I am pleased to report that for the 2005/06 financial year, we were able to deliver a cost to income result of 64%. This is down from 71% in 2004/05 and down from 80% two years ago. The significance of this achievement in a short period of time cannot be underestimated, and places IOOF amongst its peers in terms of operational efficiency.

While our degree of comfort in relation to the Group's operational efficiency is much better now than it was 2 years ago, the job is by no means finished. That said, our focus will shift more towards better efficiency through increased revenue growth and the benefits of operating leverage rather than a singular focus on costs.

That was a summary of our last financial year.

Slide 23 – Acquisition of PIPL minorities (Title page)

Now I would like to discuss what we are proposing for Perennial Investment Partners Limited (we tend to refer to this entity as PIPL).

Slide 24 – Acquisition of PIPL minorities

As we announced on the 5th of October this year, our board has agreed that we should acquire the minority shareholdings in Perennial Investment Partners that is not already owned by IOOF. This would make Perennial a wholly owned subsidiary

of IOOF Holdings and as already mentioned, increase the Group's exposure to what we consider to be one of our core businesses.

In addition to increased exposure, 100% ownership brings with it a number of other benefits that, unless the proposed acquisition proceeds, are increasingly difficult to achieve.

Under the existing arrangement, we have funded 100% of any growth initiatives in Perennial but, in turn, only receive 78% of the economic benefit. This structure effectively places Perennial at a disadvantage relative to investment opportunities in other parts of the Group, limiting the growth potential of the business.

In addition, feedback from market analysts and commentators suggest that the existing ownership structure is not well understood, resulting in an increased level of market uncertainty as it relates to IOOF shares. This has been highlighted by the fact that on announcement of the transaction, equity market analysts were overwhelmingly supportive of the strategic rationale behind the transaction.

100% ownership of Perennial will also facilitate the marketing of the Group's asset management capabilities in the retail space where, to date, Perennial's positioning has been unclear. I will touch again on this topic a little later.

While I have outlined some of the headline benefits of 100% ownership, it is also important to reinforce that the proposed transaction will not have any material impact on Perennial's relationship with the underlying investment boutiques. We see the current arrangements between Perennial and the investment management boutiques as key to its value proposition and do not envisage these changing.

Slide 25 – Acquisition of PIPL minorities (Success factors)

I'd like to take a moment to explore some of the key drivers that underpin the Perennial model and represent the key success factors over the past few years.

Perennial has been able to capture the benefits of both boutique and institutional business models, while side-stepping the typical pitfalls, by establishing a framework that allows Perennial and its boutiques 'operational independence'.

This means that IOOF has allowed the investment managers the day-to-day independence to run their businesses, while providing the operational and governance frameworks which ensure they can do so efficiently and in compliance with the regulatory environment.

Another of the key success factors is the alignment of interests between IOOF and the individual investment managers through the sharing of equity in the underlying boutiques. We see this as a core component of Perennial's value proposition and do not envisage any changes to the principles underpinning this model.

Much of Perennial's success is attributable to its ability to identify and attract the best talent, which importantly, also represents a cultural fit within the organisation. It is important to recognise that we have always, and will continue to, support these fundamental principles, which underpin Perennial's success.

Slide 26 – Acquisition of PIPL minorities

As outlined on announcement of the proposed transaction, and assuming certain conditions are met including shareholder approval, the minority shareholders will receive \$67.9m in

exchange for their 21.85% stake in the business. Additionally, a payment of \$9.4m is proposed to certain other key executives in exchange for them relinquishing their claims to equity in Perennial Investment Partners.

Both payments are based on an implied valuation of the Perennial business of \$320m.

In addition to these upfront payments, both the shareholders and key executives are eligible for a potential deferred payment based on Perennial's 2008/09 financial performance.

Following the expected deferred payments in 2008/09, the total consideration for the outstanding shares in Perennial is expected to represent an earnings multiple of approximately 25 times, for what is a high quality, high growth business in an industry that is underwritten by legislation, to continue to grow into the foreseeable future.

Slide 27 – Acquisition of PIPL minorities (Resolutions)

As we highlighted on announcing the transaction, under the Corporations Act, as well as ASX Listing rules, shareholder approval on two particular components of the transaction is required.

As a result, shareholders should have received an Explanatory Memorandum together with an Independent Expert Report in mid October. The Independent Expert Report assesses whether the proposed transaction is 'fair and reasonable' to our shareholders. The Independent Expert concluded that the proposed transaction is fair and reasonable.

In addition, the Independent Directors of IOOF unanimously recommend that shareholders vote in favour of resolutions 4 and 5 at today's meeting.

Following the announcement of the transaction on the 5th of October, we renegotiated a term of the agreement, such that, if Michael Crivelli or Anthony Patterson resign prior to the completion of the 2008/09 financial year, they will remain eligible for the deferred payment at the completion of 2008/09 based on Perennial's actual financial performance.

We sought this amendment as, under Financial Reporting Standards, the Deferred Payment would otherwise be treated as an expense of IOOF and amortised over the period ended 30 June 2009.

This would have had adverse implications for our long term capital management opportunities, and had this amendment not been made, our ability to distribute dividends would have been materially impacted.

While the amendment to the agreement provides Mr Crivelli and Mr Patterson with an ability to retain their rights to a deferred payment, we believe that the agreement retains significant incentives for these individuals, to continue to be actively engaged in the business over the next 3 years and maximise the value of their final deferred payments.

The Independent Expert was asked to review their opinion in light of the amendment to the agreement. Their updated opinion formed part of the additional information sent to shareholders in late October, and stated that in the Expert's opinion, the amended transaction continues to be fair and reasonable to IOOF shareholders.

You will be asked to vote on this matter shortly.

Slide 28 – Strategic direction (Title page)

I would now like to continue my presentation, by looking at other components of our strategic direction.

Slide 29 – Strategic direction (Strategic cornerstones)

Today's meeting represents a timely opportunity to reflect on the strategic direction I, and the board, set for our business in December of 2004, and update you with progress on our objectives.

As I stated in 2004, and continue to believe, the success of our business is reliant upon three strategic cornerstones:

1. Developing a diversified portfolio of best-of-breed asset management capabilities in sustainable asset classes.
2. Being an innovator of investment and administration solutions that meet both investors' and advisers' needs.
3. Being committed to our relationships over the long term, and in particular developing deeper, more meaningful relationships, which are based on a segmented approach to meeting our clients' needs.

I believe that these strategic cornerstones, together with a strong sense of fiscal discipline, will ensure that we are in a position to deliver sustainable, value-add to shareholders rather than simply gathering assets.

Slide 30 – Strategic direction (Progress since 2004)

Since 2004, the business has gone through discrete phases of development. However, I believe that having put the critical foundations in place, the business is now well placed to move towards being a competitor and in some cases, industry leader in its chosen markets.

While an enormous amount of effort was spent during 2004/05 in setting the foundations and refining our core business practices, this effort began to pay off in the following year, during which we were able to focus a greater amount of our attention on the external market and put in place the building blocks to move the business to a heightened level of competitiveness.

This included the establishment of the Perennial Real Estate team as well as the acquisition of Financial Partnership, which culminated in the development of Consultum Financial Advisers. In addition, a significant amount of research and development went into our new administration platform, known as 'Pursuit', that was launched in late October.

We are now over a quarter of the way into the 2006/07 financial year and I am pleased to say that we continue to make significant progress in the execution of our strategy. I am confident that this progress will underpin the Group's momentum over the coming years.

As already mentioned, this year has seen the launch of IOOF's new platform as well as the proposed acquisition of the Perennial minorities. We have recently undergone a business restructure, which is aimed at creating greater alignment between our offerings and their respective target markets, as well as improved internal transparency and accountability.

Slide 31 – Strategic direction (Transforming IOOF)

The key outcome of this restructure is that the Group is becoming clearly segmented into 2 key businesses:

- Asset Management – which is currently represented by the Perennial brand

- Adviser Services – which will operate the Group’s platform and related products, together with IOOF’s distribution function which includes Consultum.

These two businesses have distinct value drivers and this reorganisation allows the group to deliver the appropriate value-add to each market, with accountability for the respective target markets being managed entirely within the individual businesses.

Earlier this month, we announced the transfer of all sales and marketing functions as they relate to the retail distribution of investment trusts to Perennial.

This product range was previously marketed by us under the IOOF/Perennial banner. We strongly believe that, by creating a closer alignment between the asset management and retail distribution functions, we will create a more transparent and cohesive value proposition to the retail market.

This reorganisation will also involve rebranding the existing IOOF/Perennial products to simply Perennial, allowing us to leverage more fully the Perennial brand across the entire asset management space.

The Adviser Services side of our business is in the process of being restructured with end-to-end accountability for our offerings, being quarantined within single reporting lines. This primarily involves the development of two key business streams:

- Platform or Funds Administration; and
- Dealer Group Services

Both these business streams leverage off a similar core value proposition - the understanding and development of business and administration solutions for advisers.

Slide 32 – Guidance on 2006/07

Looking at the new business segments for the Group, the key focus for Adviser Services in the current year will be re-energising IOOF's offerings to financial advisers, primarily through the new Pursuit platform as well as the Consultum Dealer Group model.

Pursuit now segments our offerings to better meet advisers' specific needs, with a flexible pricing structure that we believe will assist advisers in reinforcing their individual value-add with their clients.

Consultum has created what we believe represents a unique Dealer Group model, which is consistent with the regulatory framework of the advice market, and assists advisers in maximising the value of their practices through a range of support functions ranging from desktop software to succession planning strategies.

With respect to asset management, the Group remains committed to a strategy of capability expansion, where we identify the best available talent which we feel would fit our culture. Our focus remains on asset classes which currently represent a gap in our capabilities and which we consider to be an area where excess returns can sustainably be generated.

Slide 33 – Guidance on 2006/07 (Financial Outlook)

And finally, I would like to speak about our financial outlook.

Since the end of June this year, at which point the Group reported Funds under management and administration of \$29bn, our funds have grown to \$30bn as at the end of the

September quarter, during a period where investment markets have reported moderate growth.

At the time of the announcement of our full year results, we indicated management's confidence in delivering 15% growth in earnings in the current financial year.

At this point in time, we are on track to achieve this target on a normalised basis; however, as a result of some non-operating charges relating to the Perennial acquisition, as well as the organisational changes, this year's bottom line is likely to come in under initial indications.

As we outlined in the additional information that went to shareholders, this year's financial charge relating to the Perennial acquisition is expected to be in the order of \$3.5m. The reorganisation of our business is also likely to result in a charge, largely relating to redundancies, of up to \$3 million.

We view these items as non-operating in nature and remain confident in our ability to deliver a normalised result in line with expectations, although the composition of our earnings will change significantly. The acquisition funding costs will reduce the Group's cash earnings; however, this will be offset by a similar reduction in the minorities' share of net profit.

Slide 34 – Holding Slide

Before I hand back to the Chairman, I would like to thank all of IOOF's staff for their continued commitment and enthusiasm during a particularly challenging, but on the whole, very successful year and I look forward to continuing our good work during 2006/07.

Thank you very much.

Slide 35 – Resolutions Holding Slide

Instructions are highlighted in yellow

[Comments that may or may not be necessary are in square brackets]

Chairman remains seated

Thank you for that presentation Ron. I would now like to move on to the formal items of business.

Under the Company's constitution, shareholders have the option to vote either in person or by proxy. When I call for shareholders to vote, please hold up your yellow voting card. Where there are joint shareholders, only one is entitled to vote and the other is treated as a non-voting shareholder. Non-voting shareholders are still entitled to ask questions and were given a blue card. Non-shareholder guests at the meeting were given a green or red visitor's card and are not entitled to ask questions or participate in the vote.

If any shareholder has a question in relation to the resolutions being discussed, they should move to the nearest microphone when I announce that we are taking questions on the particular resolution.

Chairman to point out microphones

Please make sure you show your yellow or blue shareholder's card to the attendant at the microphone and also provide them with your name. Please hold any general questions until later in the meeting when we will provide an opportunity for you to ask them.

Susan Foley, has been appointed as Minute Secretary of this meeting. Staff of our share registry, Link Market Services, have been appointed as the Committee of Scrutiny.

The first item of business is to consider the reports of the Directors and the Auditor and the financial statements for the year ended 30 June 2006 for the Company and its controlled entities.

Hold up the annual report

Copies of the reports have been sent to all shareholders except those who requested not to receive them. Copies have also been available for inspection by the shareholders at the Company's registered office and at the registration desk today.

Are there any questions on the reports?

Chairman to wait for questions

[Thank you for your questions and comments].

Ladies and gentlemen, I now ask the Chairman of the Remuneration and Nomination Committee, Kate Spargo, to present Item 2a of business.

Kate Spargo to stay seated and take the microphone

Thank you Ian and good afternoon ladies and gentlemen.

Item 2a of business is to re-elect Ian Blair to the Board.

Ian has been a Non-Executive Director of IOOF Holdings Ltd since 2002. He was a Non-Executive Director of IOOF Ltd from 2000 to 2002 and he was previously a Director of IOOF Australia Trustees Ltd.

He is currently Chairman of IOOF Investment Management Ltd, IOOF Ltd and IOOF Life Ltd.

Ian is a Chartered Accountant and a Company Director, having had a long career with accounting firm Deloitte Touche Tohmatsu, including five years as CEO of the firm.

Ian has been active in local government and community organisations and received an Order of Australia Medal in 1987 for his services to the community.

Ian is retiring by rotation in accordance with the requirements of the Company's constitution. Being eligible, he offers himself for re-election. The Board recommends voting in favour of this resolution and the Chairman of the meeting will be voting any open proxies in favour of it.

I call for a shareholder to move that Ian Blair be re-elected to the Board. Please show your yellow voting card.

Thank you.

Do I have a seconder?

Thank you.

Are there any questions on this motion to re-elect Ian Blair to the Board?

Kate Spargo to wait for questions

[Thank you for your questions and comments.]

Would you please indicate your vote in favour or against by raising your yellow voting card.

Those in favour?

Those against?

Slide 36 – Resolution 2a

I am advised by the Committee of Scrutiny that valid proxies have been lodged in relation to this item of business as detailed on the slide now showing.

The motion is carried.

Slide 37 – Resolution Holding Slide

Ladies and gentlemen, I will now hand back to the Chairman, Ian Blair.

Chairman to remain seated and take the microphone

Thank you Kate.

Item 2b of business is to re-elect Michael Crivelli to the Board.

Mike has been an Executive Director of IOOF Holdings Ltd since 2002. He was a Non-Executive Director of IOOF Ltd from 1997 to 1999 and an Executive Director from 1999 to 2002.

He is currently Chairman of Perennial Investment Partners Ltd, Perennial Investment Partners Asia Ltd and Perennial Value Management Ltd.

Mike has over 40 years experience in the investment banking and funds management industries.

Mike is retiring by rotation in accordance with the requirements of the Company's constitution. Being eligible, he offers himself for re-election. The Board recommends voting in favour of this

resolution and the Chairman of the meeting will be voting any open proxies in favour of it.

I call for a shareholder to move that Michael Crivelli be re-elected to the Board. Please show your yellow voting card.

Thank you.

Do I have a seconder?

Thank you.

Are there any questions on this motion to re-elect Michael Crivelli to the Board?

Chairman to wait for questions

[Thank you for your questions and comments.]

Would you please indicate your vote in favour or against by raising your yellow voting card.

Those in favour?

Those against?

Slide 38 – Resolution 2b

I am advised by the Committee of Scrutiny that valid proxies have been lodged in relation to this item of business as detailed on the slide now showing.

The motion is carried.

Slide 39 – Resolution Holding Slide

Item 2c of business is to re-elect Roger Sexton to the Board.

Roger has been a Non-Executive Director of IOOF Holdings Ltd since 2002. He was a Non-Executive Director of IOOF Ltd from 1996 to 2002 and was previously Chairman of IOOF Australia Trustees Limited.

He is currently Chairman of OutScope Ltd, a director of Perennial Investment Partners Ltd and is a member of the Remuneration and Nomination Committee and the Audit and Risk Committee.

Roger has 20 years experience in senior management and is a specialist in the areas of corporate reconstruction, mergers and acquisitions and privatisations.

Roger is retiring by rotation in accordance with the requirements of the Company's constitution. Being eligible, he offers himself for re-election. The Board recommends voting in favour of this resolution and the Chairman of the meeting will be voting any open proxies in favour of it.

I call for a shareholder to move that Roger Sexton be re-elected to the Board. Please show your yellow voting card.

Thank you.

Do I have a seconder?

Thank you.

Are there any questions on this motion to re-elect Roger Sexton to the Board?

Chairman to wait for questions

[Thank you for your questions and comments.]

Would you please indicate your vote in favour or against by raising your yellow voting card.

Those in favour?

Those against?

Slide 40 – Resolution 2c

I am advised by the Committee of Scrutiny that valid proxies have been lodged in relation to this item of business as detailed on the slide now showing.

The motion is carried.

Slide 41 – Resolution Holding Slide

Ladies and gentlemen, I now ask the Chairman of the Remuneration and Nomination Committee, Kate Spargo, to present the third item of business.

Kate Spargo to stand and take the lectern

Thank you Ian and good afternoon ladies and gentlemen.

Ladies and gentlemen, it falls to me as chairman of the Remuneration and Nomination Committee to speak with you about the Remuneration Report.

Many of you will know that this is the second year that listed companies, including IOOF, have been required to include the Remuneration Report in the Annual Report, and you will find it from pages 45 – 59 if you have not yet had a chance to look at it.

Slide 42 – What is covered in the Remuneration Report?

The report sets out the board's philosophy and approach to remunerating or rewarding our employees, executives and directors.

It gives details of the total amounts paid to the most senior executives and how these sums are made up in terms of fixed pay, incentive payments, share allocations, superannuation and so on.

Similarly, it sets out the directors' fees and how these are made up. There are details about the executives' employment contracts, performance hurdles and results against these, and termination conditions. The nature of what is included in the report is largely set out by the Corporations law, accounting standards and the ASX Corporate Governance Guidelines.

Slide 43 - Why have a Remuneration Report?

The inclusion of the Remuneration Report into the Annual Reports of listed companies for the first time last year, was designed to make as clear as possible to shareholders, how senior members of the company are being paid what amounts, and on what basis.

It is intended to make it easier for shareholders to assess the rationale for the amounts and structuring of payments, to compare these across companies, and to assess their fairness and appropriateness.

Slide 44

- What is our approach to rewarding people at IOOF?

At a broad level, we as a board have tried to develop an approach which will ensure that we can attract, recruit, motivate and keep high quality people and fairly remunerate them in line with their peers and our competitors.

We have spent a lot of time over the last 2-3 years, particularly as a committee and board, in developing and refining an approach which we think achieves this, and in doing so, gives the desired performance outcomes for shareholders. The approach will never be static, as the financial services marketplace for people is such a dynamic and competitive place. So, we are regularly watching to see that what we do is current and effective.

As with most listed companies, our approach to the executive group, that is, Ron and his direct reports, is different from that to Non Executive Directors, who make up the majority of the board. This approach is in line with the ASX Corporate Governance principles.

Slide 45 – For Executives

For executives, the remuneration is made up of three major components, being a fixed amount, a short term incentive amount and a long term incentive amount. The STI and LTI parts of the remuneration generally make up about half of the executives overall payment.

The incentive parts are conditional on the executives meeting a series of performance hurdles, which include both direct financial measures and some which relate to other than financial measures.

The rationale for these hurdles is to ensure that:

- there is strong discipline in the financial management of the company;
- a focus on the KEY strategic initiatives which will facilitate growth;
- we retain and develop our key people; and
- that we safeguard our shareholders and clients' interests

Slide 46 – A sample scorecard

You will see in the Remuneration Report the extent to which executives met the hurdles in an overall sense. For those who may like to see more of the detail of how we construct the hurdles or 'scorecard' as we term it, here is an example of the expectations we have of one member of the executive team. To summarise what is included here, this scorecard, which is actually Tony Hodges', makes it clear that he is expected to meet team financial and personal financial hurdles as well as a number on strategy, business opportunities, developing relationships and alliances, managing people, investor relations and more. Various weightings are given to each of these performance objectives.

Slide 47 – For non-executive directors

For our Non Executive Directors on the other hand, we pay a single fee, which is the same for all Non Executive Directors, apart from the Chairman and the Deputy Chair, who each receive an additional amount for the extra work involved in these roles. The amount of the fee does not change in relation to the performance of the company, and again this is in keeping with the corporate governance guidelines.

Slide 48 – regular independent reviews

With respect to the remuneration of both the executives and the Non Executive Directors, we have independent reviews undertaken at least every year or so to make sure that we understand where we sit with competitors so that we can adjust the approach as we consider necessary.

Slide 49 – A few changes

We have made some fairly small changes to the overall approach since last year. For executives, this has included a more scaled method for rewarding performance in excess of the hurdle rates and an increased focus on achieving the total operating cost target.

For Non Executive Directors, we have changed from a base fee and then additional payments for committees and subsidiary boards, to a simple single fee for all Non Executive Directors, which includes the work of committees and so on.

We feel as a board that we have developed a fair system for remuneration which is in the best interests of all of our shareholders in attracting and keeping the talent we need to keep the company performing well.

Slide 50 – So what about the vote?

As you are aware, you are being asked to indicate to us whether you agree with the approach we have taken.

Resolution 3 on the Notice of Annual General Meeting lists a 'non binding' vote on the Remuneration Report.

The non binding concept means that your vote is advisory or indicative only, and the board is not bound by it. The board is not obliged to make changes even if the majority of shareholders vote against it.

But to go back to basics, you as shareholders appoint us as the board to look after your interests. And we take notice of what you tell us.

Slide 51 – some have voted against the report

We see from the proxy returns that a number of shareholders have indicated that they intend to vote against the Remuneration Report. The percentage appears to be about 11.5%. As best as can be seen, many of these shareholders are acting on the advice of Governance Advisory firms. These companies provide consulting advice to institutional shareholders about their views on our compliance with what they regard as good governance.

I think it is important that I explore for a few minutes just what is happening here as, of course, we take this indication seriously. We assume it means that some shareholders think we have not put in place the optimum approach to remuneration.

Slide 52 – So let me put this in context ...

The principles for the governance of listed companies come largely from the ASX Guidelines, which were developed two or three years ago in response to a series of the corporate failures

around the world. Many of you will be familiar with the guidelines. They are not rigid, but are guidelines only, and in fact are currently under review to ensure that they remain appropriate.

The ASX has stated that the “overriding objective of the ASX Corporate Governance Council is to provide an industry wide flexible framework for corporate governance that can provide a practical guide for listed companies”.

It continues “The Principles and Recommendations are not prescriptive. If a listed company considers that particular recommendations are not appropriate to its circumstances, it has the flexibility – under the ‘if not, why not?’ approach – not to adopt them, as long as it explains why.”

We have canvassed some of the corporate governance advisory companies to try to find out the nature of their objections. Because the only options for voting are either for or against (or abstaining), we need to understand how comprehensive the rejection is. We need to understand the objections and clarify and answer where we can. I think we would seem unresponsive to all shareholders if we did not. Some shareholders would surely wonder first, why some corporate advisory companies disagree with our approach, and secondly, what the board’s view is.

I would like to deal briefly with some issues I have uncovered.

Some relate to things that some shareholders would like to have seen in the Remuneration Report. It is a long report and it is difficult to decide what to leave out! Some would have liked to have seen all of the performance scorecards for executives and the degree to which each was met. There is certainly nothing secret about these and I have tried to show an example earlier.

Another piece of information not included in the report is the limit on the number of shares which can be awarded to executives under the LTI scheme. Most companies limit this to 5% and that is what applies in IOOF.

Other areas relate to treatments which may be seen as being at variance to the Guidelines. The matter of Ron's share allocations over his first four years with IOOF, which do not have specific performance hurdles, has been mentioned by one, with the view that there is a preference for performance hurdles.

However, the board was well aware of the strategy it undertook in setting up the remuneration for Ron when he joined the company, and this included a set number of shares as a retention incentive. Clearly, Ron has a detailed set of performance indicators he must meet as part of his employment contract.

There is still a retirement benefit system in place for those non executive directors who joined under this arrangement. The scheme has been closed for any new directors since 2003. While generally, the corporate advisory companies do not support the continuance of retirement benefits for directors, I understand on the basis that directors may 'time serve', in the case of IOOF, we have confidence that this is not the case.

We conducted a comprehensive board review in the second half of this year where all directors were individually assessed. We also undertook a detailed process whereby we sought feedback on the performance of those directors who were renominated for re-election at this AGM, to be certain that their renomination was warranted. All were unanimously supported.

You will probably remember that two directors retired from the board last year, two new directors joined, and we have announced today that a further director has been identified to

join the board shortly. Time serving by directors is not an issue for this company. We have an energetic and committed board.

Finally, it was noted that there is a difference in the approach to remuneration for Mike Crivelli, who is chairman of Perennial Investment Partners Limited. He is not paid separately for his role as a director on the IOOF Holdings company and one adviser indicated that it would prefer each director to be paid for each board separately. This matter has been considered, and in Mike's case, the board feels that the current approach is best.

I hope I have been able to make our approach to the reward of our people clear.

If there are other issues shareholders would like to raise, I would be happy to hear and answer them.

Slide 53 – We recommend ...

Finally, in considering the vote, I can say that the directors unanimously recommend that shareholders vote in favour of resolution 3.

I call for a shareholder to move to adopt the Director's Remuneration Report. Please show your yellow voting card.

Thank you.

Do I have a seconder?

Thank you.

Are there any questions on this motion to adopt the Director's Remuneration Report?

Kate Spargo to wait for questions

[Thank you for your questions and comments.]

Would you please indicate your vote in favour or against by raising your yellow voting card.

Those in favour?

Those against?

Slide 54 – Resolution 3

I am advised by the Committee of Scrutiny that valid proxies have been lodged in relation to this item of business as detailed on the slide now showing.

The motion is carried.

Slide 55 – Resolution Holding Slide

Ladies and gentlemen, I will now hand back to the Chairman, Ian Blair.

Kate Spargo to sit down and Chairman to remain seated and take the microphone

Thank you Kate.

The fourth item of business is to approve the acquisition of Perennial Investment Partners Limited from entities associated with Mr Michael Crivelli and Mr Anthony Patterson.

As you are aware, on 5 October 2006, IOOF announced the proposed acquisition of 21.85% of the issued capital of

Perennial Investment Partners Ltd which will take IOOF's ownership to 100%.

The directors of IOOF, other than Mr Michael Crivelli, have carefully considered the potential benefits and disadvantages of the Acquisition for IOOF shareholders, and in light of all strategic options available to IOOF to generate value for shareholders, the board believes that there is compelling logic to proceed with the Acquisition. This view has been supported by the findings of the Independent Expert's Report.

We would now like to put the following to shareholders and advise you that the Independent Directors unanimously recommend that shareholders vote in favour of this resolution. Would you please note that Mr Crivelli has not participated in board discussions or decisions relating to this Acquisition. Mr Crivelli does not make any recommendation in relation to this resolution.

Subject to the passing of Resolutions 5, I ask you to consider and, if thought fit, pass the following resolution:

'That, for the purpose of the ASX Listing Rule 10.1, members of IOOF approve its acquisition of 4,140 shares in Perennial Investment Partners Limited from a company associated with Mr Michael Crivelli, a director of IOOF and 7,335 shares in Perennial Investment Partners Limited from a company associated with Mr Anthony Patterson, a director of a subsidiary of IOOF on the terms set out in the Notice of Meeting and the Explanatory Memorandum.'

IOOF will disregard any votes cast in relation to the resolution under Item 4 by Mr Michael Crivelli, Mr Anthony Patterson or their associates, however, IOOF need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the person chairing the meeting as proxy for a person

who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decide.

I call for a shareholder to move to approve the acquisition of Perennial Investment Partners Limited from entities associated with Mr Michael Crivelli and Mr Anthony Patterson.

Thank you.

Do I have a seconder?

Thank you.

Are there any questions on this motion to approve the acquisition of Perennial Investment Partners Limited from entities associated with Mr Michael Crivelli and Mr Anthony Patterson?

Ian Blair to wait for questions

[Thank you for your questions and comments.]

Would you please indicate your vote in favour or against by raising your yellow voting card.

Those in favour?

Those against?

Slide 56 – Resolution 4

I am advised by the Committee of Scrutiny that valid proxies have been lodged in relation to this item of business as detailed on the slide now showing.

The motion is carried.

Slide 57 – Resolution Holding Slide

The fifth item of business is to approve the accelerated deferred payment provisions.

As previously advised, IOOF will pay the minority shareholders in Perennial Investment Partners Limited A\$67.9m as an initial payment and, potentially, an additional deferred payment based on the 2008/09 financial performance. Full details have been provided in the Explanatory Memorandum.

We would now like to put the following to shareholders and advise you that the Independent Directors unanimously recommend that shareholders vote in favour of this resolution. Would you please note that Mr Crivelli has not participated in board discussions or decisions relating to this Acquisition. Mr Crivelli does not make any recommendation in relation to this resolution.

I now ask you to consider and, if thought fit, pass the following resolution:

‘For the purposes of the ASX Listing Rule 10.19 and section 200B of the Corporations Act 2001, members of IOOF approve the payment of the Accelerated Deferred Payment (calculated as set out in the Explanatory Memorandum) to Mr Michael Crivelli, being a director of IOOF and Mr Anthony Patterson, being a director of a subsidiary of IOOF in the circumstances and on the terms set out in this notice and attached Explanatory Memorandum.’

IOOF will disregard any votes cast in relation to the resolution under Item 5 by Mr Michael Crivelli, Mr Anthony Patterson or their associates, however, IOOF need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the person chairing the meeting as proxy for a person

who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decide.

I call for a shareholder to move to approve the accelerated deferred payment provisions.

Thank you.

Do I have a seconder?

Thank you.

Are there any questions on this motion to approve the accelerated deferred payment provisions ?

Ian Blair to wait for questions

[Thank you for your questions and comments.]

Would you please indicate your vote in favour or against by raising your yellow voting card.

Those in favour?

Those against?

Slide 58 – Resolution 5

I am advised by the Committee of Scrutiny that valid proxies have been lodged in relation to this item of business as detailed on the slide now showing.

The motion is carried.

Slide 59 – Questions

I would like to take this opportunity to advise that our management team will be available after the close of the meeting today to speak with you.

Ladies and Gentleman, if you have any further questions that are specific to the business of this meeting, please move to the nearest microphone and show your yellow or blue shareholder's card.

Chairman to wait for questions

[Thank you for your questions and comments.]

I advise that the proxy papers in respect of this meeting will be destroyed in 30 days.

Slide 60 – Disclaimer

Slide 61 – AGM Holding Slide

Ladies and Gentleman, on behalf of the Board, thank you for attending today and for your support of IOOF.

I hereby formally close this Annual General Meeting of IOOF Holdings Ltd.

Afternoon tea will now be served in the foyer.

Thank you.