

Count Financial Limited

Annual Results

29 August 2011

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Today's Presentation:

- Introduction and high level results
- Detailed results
- **Business Outlook & Commentary**
- Q&A

Results in brief:

- Record Net Profit After Tax: \$52m, up 113% pcp
- Diluted Earnings Per Share (EPS): 19.72 cents, up 111% pcp
- EBIT \$25.24m
- Dividends
 - Final “Risk/Reward” dividend: 4 cents, payable 14/10/2011, totalling 10 cents for the year
- Strong ongoing Countplus contribution up 123% pcp
- Excluding Countplus one-off effects – NPAT up 6%

Financially Strong 30 June 2011

	30/6/2011	30/6/2010
Total Cash/Investments/Loans	\$128.69m	\$61.71m
Less loan balance	\$18.51m	\$11.82m
Net Value	\$110.18m	\$49.89m

countplus 

39.1%



17.3%



10.76%



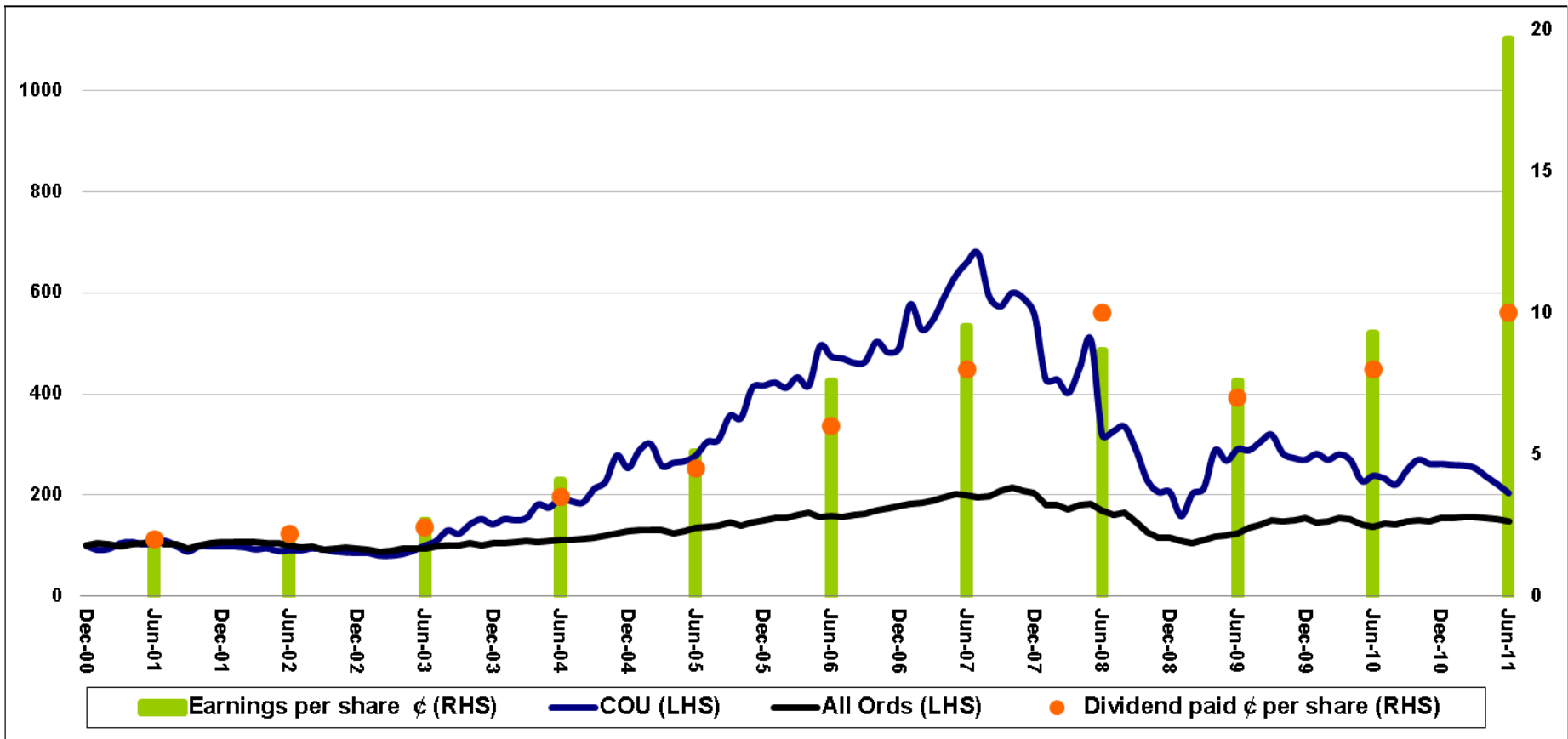
7.4%



10%

COU EPS & Dividends vs. Share Price

As at 30 June 2011



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Our Track Record

- Average EBIT growth last 8 years 18% pa

30 June \$M	2004	2005	2006	2007	2008	2009	2010	2011
EBIT	10.85	15.60	23.18	28.92	33.42	23.43	26.23	25.24
Change %	32%	44%	49%	25%	16%	(30%)	12%	(4%)

- Average annual dividend increase last 8 years 22% pa

Per Share	2004	2005	2006	2007	2008	2009	2010	2011
Dividend (cents)	3.5	4.5	6.0	8.0	10	7	8	10
Change %	45%	28%	33%	33%	25%	(30)%	14%	25%

Breakdown of results: Revenue

	08/09	09/10	10/11	
	\$M	\$M	\$M	%
Net Fees & Retail Revenue	14.29	14.58	13.25	(9%)

Note: Breakdown of results excludes Countplus consolidated revenue and expenses and fair value gains and therefore differs from the annual report and Appendix 4E.

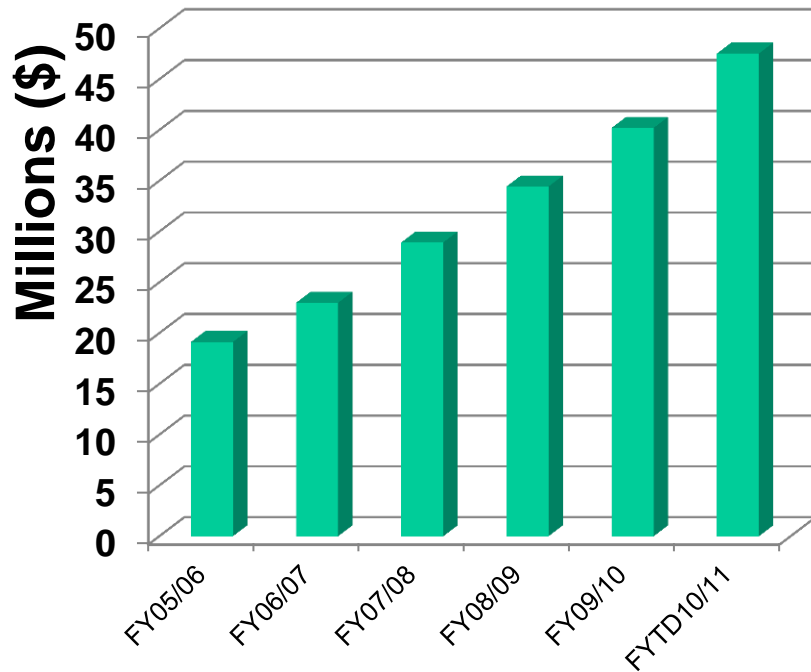
Breakdown of results: Revenue

- **Business split:**
 - **Super/Pension Investment 29%**
 - **Non-Super Investments 24%**
 - **Residential/Commercial Lending 20%**
 - **Insurance 15%**
 - **Asset Finance 6%**
 - **Shares 3%**
 - **Margin Lending 1%**

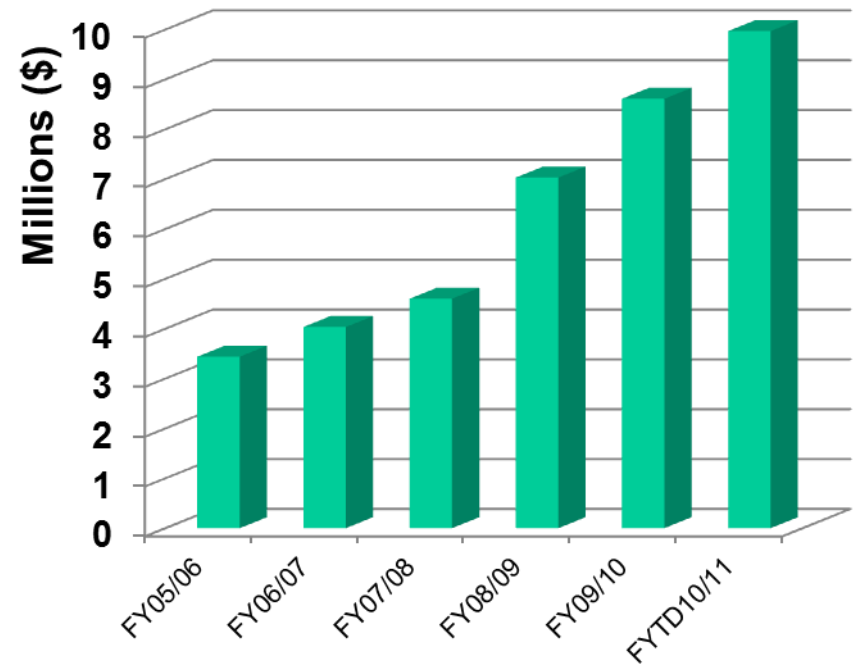
- **June 2011:**
 - **Gross Commissions & Fees \$47.68m (down 5%)**
 - **Brokerage Paid: \$34.43m (down 3%)**

Wealth Protection

In Force Premiums



New Business



- In Force Premiums \$47.5M, up 12.8% compared to FY09/10.
- New Business \$9.97M, up 15.8% compared to FY09/10.

Breakdown of results: Revenue

- **Wealth Protection:**
 - **New Business \$10m up 16% on pcp**
 - **In Force: mid teens growth rate**
- **Lending/Finconnect**
 - **LUM down marginally at around \$3.4 billion**
 - **Net commissions down 11%**

Breakdown of results: Revenue

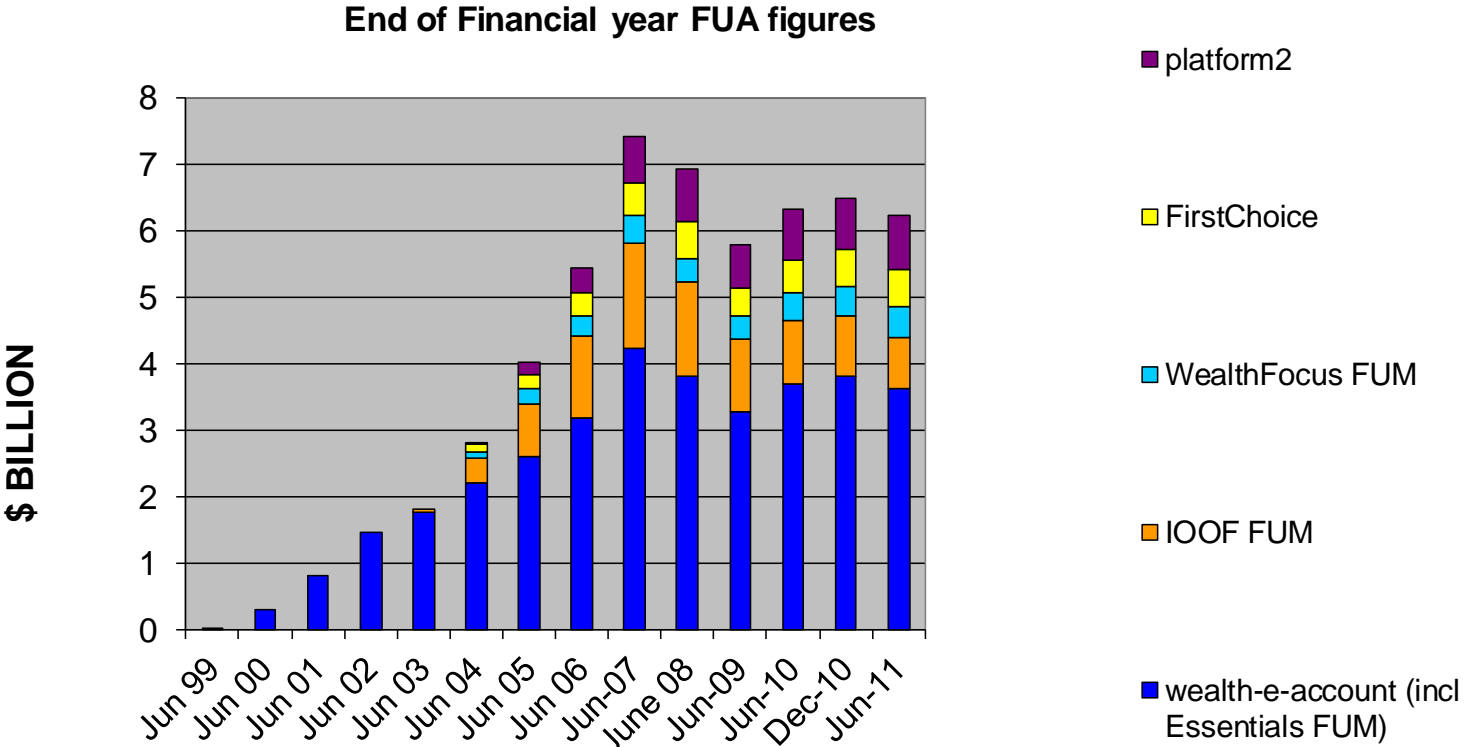
Operating Profit	08/09	09/10	10/11	Change
	\$M	\$M	\$M	%
Net Fees and Retail Revenue	14.29	14.58	13.25	(9%)
Asset-based Revenue	25.13	27.58	27.91	1%

Note: Breakdown of results excludes Countplus consolidated revenue and expenses and fair value gains and therefore differs from the annual report and Appendix 4E.

Key Performance Indicators

Key Performance Indicators	30/6/11	30/6/10	30/6/09	% change
	\$B	\$B	\$B	FYTD
1 Approved Platforms	\$6.22	\$6.33	\$5.79	(2%)
2 Other Funds	\$3.64	\$3.94	\$3.71	(8%)
3 Total Funds 1&2 (FUA)	\$9.86	\$10.27	\$9.50	(4%)
4 Loans outstanding	\$3.59	\$ 3.76	\$ 3.67	(5%)
5 Total 3&4 (FLUA)	\$13.45	\$14.03	\$13.17	(4%)
	30/6/11	30/6/10	30/6/09	% change
	\$M	\$M	\$M	FYTD
6 Insurance Premiums (in force)	\$47.50	\$42.08	\$34.44	13%

Funds Under Advice: Platforms



June 2011: FUA \$6.22 billion (-1.74%)

2010/11 Annual Results: Revenue

Operating Profit	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	Change
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	%
Net Fees and Retail Revenue	11.20	12.25	14.10	16.13	17.34	14.29	14.58	13.25	(9%)
Asset-based Revenue	10.55	13.60	19.87	25.62	31.57	25.13	27.58	27.91	1%
Other fees	3.53	3.86	3.01	3.24	3.07	3.12	3.20	2.02	(37%)
Net Revenue	25.28	29.71	36.98	44.99	51.98	42.54	45.36	43.18	(5%)

Note: Breakdown of results excludes Countplus consolidated revenue and expenses and fair value gains and therefore differs from the annual report and Appendix 4E.

2010/11 Annual Results: Expenses

Expenses	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	Change
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	%
Employment	7.85	7.91	7.70	8.23	8.82	9.06	9.11	8.8	(3%)
Other expenses	6.58	5.40	4.61	5.58	6.67	6.51	7.51	8.4	12%
Share based payments expense	-	0.80	1.49	2.26	3.07	3.54	2.51	0.7	(73%)
Total Expenses	14.43	14.11	13.80	16.07	18.56	19.11	19.13	17.9	(6%)

- Share based payments lower due to revaluations

Note: Breakdown of results excludes Countplus consolidated revenue and expenses and fair value gains and therefore differs from the annual report and Appendix 4E.

Expenses:

- Non staff expenses are up 12% for the year, but up only 2% in the second half, following the Countplus float
- Staff expenses are down 3% and include accrual of performance bonus, not accrued in prior periods
- Staff numbers reduced by 12 late in 1H11, with the transfer to Xplan and separate listing of Countplus - this benefit is seen in 2H11
- Share based payments expense is down due to the revaluation of equity entitlements under the new scheme.

Summary

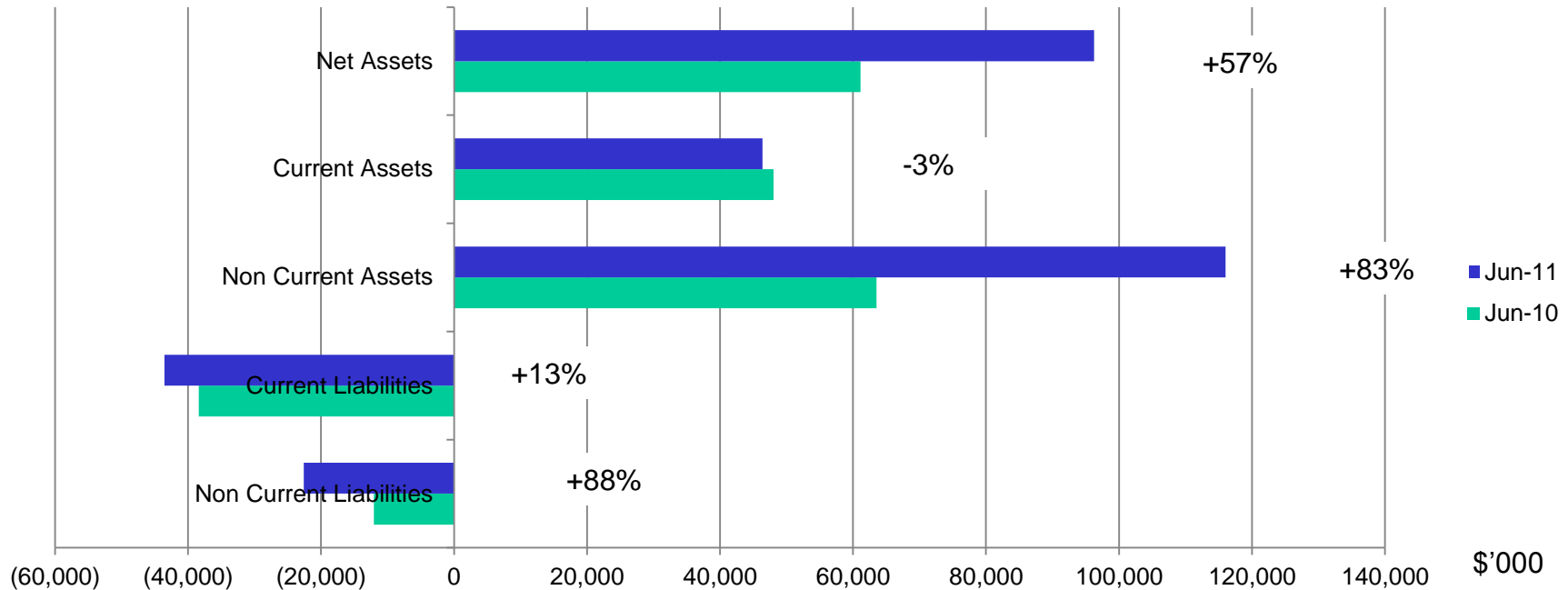
Year ending 30 June	2005	2006	2007	2008	2009	2010	2011	Change
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	%
Net Operating Income#	29.71	36.98	44.99	51.98	42.54	45.36	43.12	(5%)
Expenses	14.11	13.80	16.07	18.56	19.11	19.13	17.94	(6%)
EBIT	15.60	23.18	28.92	33.42	23.43	26.23	25.24	(4%)
Investment income*	1.04	2.37	3.88	(1.72)	4.72	7.80	53.98	592%
Net profit before tax	16.65	25.55	32.80	31.7	28.1	33.03	79.23	133%
Net profit after tax^	12.30	17.60	22.69	21.3	19.4	24.18	51.56	113%

excludes interest, dividends and profits from sale of assets

*including unrealised gains and losses, dividends from investment portfolio, interest income from loans to franchisees and associates, share of profits from associates (FY10) and consolidated profits and revaluation gain from Countplus (FY11)

^ Excluding non-controlling interests

Capital Management – strong position



- Net Assets up 57% for FY11
- Investments in Associates up 291% (Revaluation of Countplus investment on deconsolidation)
- Non-current listed Investment portfolio (ex-DKN) up 18%
- Repayment of loan portfolio to Countplus associates by Countplus during year, reducing current assets, counterbalanced by reclassification of DKN as a current asset
- Total debt at 31 Dec was \$18.5m (up 57%) due to final Countplus acquisitions and purchase of CAF stake
- Debt to equity ratio is 19% and net interest cover is 20 times

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Key Messages

- Count's business model is solid, sustainable and profitable, despite recent financial market volatility
- 2010/11 Tough & Challenging Year – with some key foundation stones laid for renewed productivity & growth
- Capital markets & net flows – cyclical rather than structural
- Business Outlook depends largely on capital markets, but also on the Controllables
- Controllables – Focus on the Fundamentals – especially Franchisee/Adviser productivity and network expansion
- Well positioned on regulatory (FoFA) front
- Franchisee network -highly qualified accountant FPs
- Momentum play – strong in SMSF; post retirement
- Overall, Count well positioned

Major Earnings Growth Drivers

- **Short Term**

- Market performance (especially equities)
- Margin on FUA
- Expense management

- **Medium Term:**

- **Organic:**

- As above, PLUS
- Growing diversified revenue streams – e.g. Lending, Wealth Protection, share of earnings of associate entities
- Competitiveness of platform offerings & franchisee model
- Network expansion & productivity

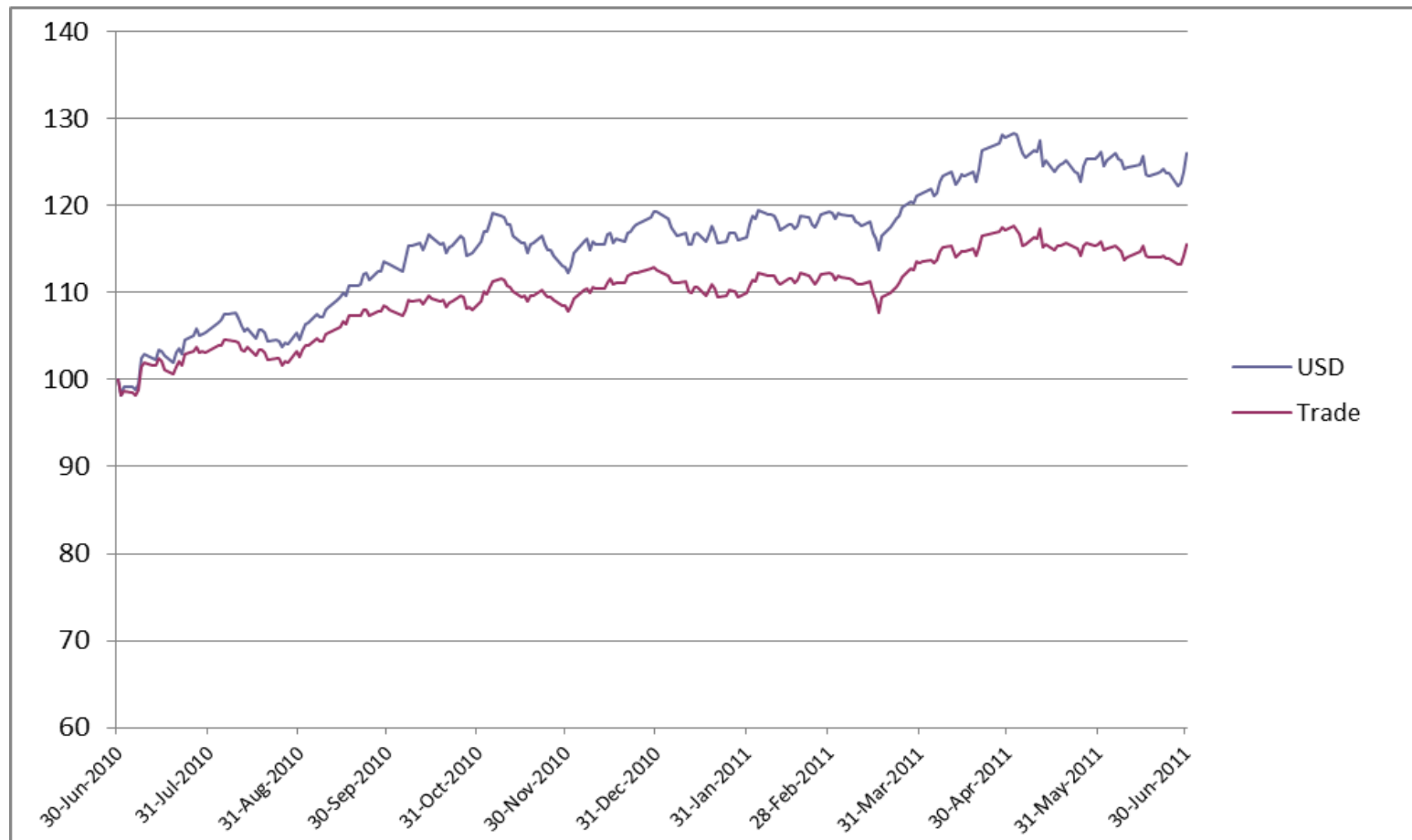
- **Non Organic – Corporate Development/M&A**

Movements in the ASX 200 in 2010/11:



Source: RBA

Movements in the \$A in 2010/11:



Source: RBA

Business Outlook

- **Medium term outlook positive:** around 85% of Wealth Management is Super and Retirement Income with prospective 10% CAGR over next decade.
- **“Trusted Adviser” network:** well positioned
- **Momentum play** – SMSF and Post Retirement (40% of future fund flows from SMSF)
- **Short term:** depends largely on capital markets (uncontrollable), but also on the Controllables; capital markets affects FUA and inflow; we are focussed on the Controllables

2010/11: tough & challenging Year – with some key foundation stones laid for renewed productivity & growth

- 2010/11 Headwinds (for industry):
 - Capital markets (especially AEQ and IEQ): impact FUA, investor confidence and fund flows (Note: cyclical not structural)
 - \$A – impacts FUA (unhedged)
 - Regulatory reforms (especially) create uncertainty – also places demands on management time
- Demands on management attention – poor markets, client service & retention, regulatory reforms, introduction of new planning software
- However, strong foundation stones laid over last 12 months: renewed leadership & management, software, platform pricing, research, Finconnect fundamentals, and initiatives in areas such as estate planning, post retirement solutions and practice management.

Controllables – Focus on the Fundamentals

- Adviser productivity:
 - especially completion of Voyager (Xplan) rollout
 - Practice management initiatives (working on the business vs. in the business) & FoFA readiness
 - Renewed network expansion – strong pipeline of potential new firms
 - Core service model plus Segmentation Model
 - Leading Advice Solutions – SMSF Centre; Post Retirement Advice solutions; Estate Planning
 - Continued revenue diversification – Wealth Protection; Lending
 - Leverage Countplus
 - Leverage Class Super
-

Well positioned on regulatory (FoFA) front

- Draft FoFA legislation expected in September
 - Advisers well positioned: accountant based, professional, trusted advisers, already on fees basis
 - Platform offerings:
 - Already advised our intention to become IDPS Operator and RSE in respect of strategic platform offerings;
 - Source platform infrastructure and administration services from a couple of strategic platform partners;
 - Grandfathering arrangements.
 - Other positives:
 - scalable advice,
 - 'best interests' obligation;
 - SMSF changes (Count well positioned to be a leading service provider)
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Question Time

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- It is the present intention of Countplus Pty Ltd and Count Financial Limited to make the following offers of securities at a future point in time:
 - - issue of ordinary shares as consideration to acquire equity interests in investee companies; and
 - - issue of options over ordinary shares to employees (including former Principals) of investee companies.
 - issue of Count options pursuant to its Franchisee Investment Option Plan.
- Where necessary a disclosure document for each of these offers will be made available when the securities are offered. Anyone who is eligible and who wishes to acquire the relevant securities will need to complete an application form that will be in or will accompany the relevant disclosure document.

Count Financial Limited

Half Yearly Results

29 August 2011

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