



PLAN B GROUP HOLDINGS LIMITED
AND ITS CONTROLLED ENTITIES
ABN 36 124 951 337

INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2007

Plan B Group Holdings Limited interim financial report

31 December 2007

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Plan B Group Holdings Limited interim financial report
Directors' report
For the half-year ended 31 December 2007

The directors present their report together with the consolidated financial report for the half-year ended 31 December 2007 and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are:

Mr B R S Taylor	Director since April 2007
Mr D C de Burgh	Director since April 2007
Mr B J Honey	Director since April 2007
Mr C A Lubich	Director since April 2007
Mr D K Pearce	Director since April 2007
Ms P B Vamos	Director since April 2007

Review of operations

The Directors report that in the first half of the 2008 financial year the Group continued to grow and recorded a strong financial performance.

Revenue increased by 20.2% and net profit after tax increased by 46% compared with the corresponding period ended 31 December 2006.

These improved operating results are primarily driven by the increased average Funds under Administration, Management or Advice ("FUMA") held over the course of the period. The total FUMA from all channels as at 31 December 2007 was \$1.95 billion, representing an increase of 11.4% since 30 June 2007 and an increase of 25.8% over the 12 month period to 31 December 2007. In excess of 10% of total FUMA is now attributable to the new PFS Affinity Partner business initiative which was commenced during 2007. It is expected that the PFS Affinity Partner program will continue to be a major source of growth in future FUMA.

Funds held on Plan B's proprietary funds management platform have grown from \$1.55 billion as at 31 December 2006 to \$1.80 billion as at 31 December 2007. This reflects the impact of net new business inflows from both the owned wealth management and the PFS Affinity Partner operations, acquisitions of wealth advisory businesses such as Rutherford Rede (Northland) and the overall growth stemming from investment market performance.

The growth in funds held on the Plan B platform between 30 June 2007 and 31 December 2007 was however restricted to approximately 2.8% after adverse investment market performance in the latter part of this period eroded some of the gains from net new business inflows.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") grew from the prior six month comparative period by approximately 29%, off the back of the Group's increased revenues. The improvement in EBITDA margin from approximately 20.9% to 22.4% was a highlight of the result. It reflects the benefits of a growing volume of FUMA being administered on existing platforms, notwithstanding the increase in PFS sourced FUMA on which revenue is typically generated at a lower rate compared with the Group's owned wealth management operations.

Net financing income has increased by \$542,000 over the previous corresponding period to \$457,000 during the first half. This increase reflects the impact of the issue of 17,400,000 ordinary shares in July 2007 in connection with the Company's initial public offering of securities which raised \$16.1million net of issue costs and tax. Approximately \$9.4million of the new issue proceeds was used to repay the majority of the Group's debt. The balance is reflected in the increased cash and cash equivalents amount disclosed in the balance sheet of \$12.6million as at 31 December 2007 which puts the Group in a strong financial position to fund growth opportunities.

Earnings per share for the current half year is 3.57 cents per share, which is an increase of 10.9% over the comparative period and also reflects the impact of the higher weighted average number of shares on issue during the current period.

Plan B Group Holdings Limited interim financial report
Directors' report (continued)
For the half-year ended 31 December 2007

Review of operations (continued)

As a result of the good financial performance of the Group in the first half, the Directors have declared a fully franked interim dividend of 2 cents per share payable to shareholders on 4 April 2008, as more fully set out in note 6 to the interim financial statements. This represents a payout ratio of 56% and is within the stated dividend policy payout ratio of 50% to 70% of net profit after tax.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' report for the half-year ended 31 December 2007.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of Directors:

A handwritten signature in black ink, appearing to read 'B R S Taylor', with a stylized flourish at the end.

B R S Taylor
Chairman

Perth
22 February 2008



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the Directors of Plan B Group Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review or the half-year ended 31 December 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'D P McComish'.

D P McComish
Partner

Perth
22 February 2008

Plan B Group Holdings Limited interim financial report
Consolidated interim income statement
For the half-year ended 31 December 2007

	31 Dec 2007	31 Dec 2006
Note	\$'000	\$'000
Revenue	18,474	15,365
Other income	2	32
Employee benefits expense	(10,367)	(8,642)
Payments to contract advisors	(289)	(248)
Rental and related property costs	(978)	(705)
Professional fees	(844)	(621)
Information technology costs	(236)	(392)
Travel and accommodation costs	(263)	(231)
Depreciation and amortisation expense	(611)	(512)
Other expenses	<u>(1,352)</u>	<u>(1,270)</u>
Results from operating activities	3,536	2,776
Financial income	497	248
Financial expenses	<u>(40)</u>	<u>(333)</u>
Net financing income / (costs)	457	(85)
Share of losses of associates	<u>-</u>	<u>(73)</u>
Profit before tax	3,993	2,618
Income tax expense	<u>(1,324)</u>	<u>(790)</u>
Profit for the period	<u>2,669</u>	<u>1,828</u>
Earnings per share:		
Basic and diluted earnings per share (cents)	7	<u>3.57</u>
		<u>3.22</u>

The income statement is to be read in conjunction with the accompanying notes to and forming part of the interim financial statements.

Plan B Group Holdings Limited interim financial report
Consolidated interim balance sheet
As at 31 December 2007

	Note	31 Dec 2007 \$'000	30 June 2007 \$'000
Assets			
Cash and cash equivalents		12,613	6,732
Trade and other receivables		<u>3,976</u>	<u>4,752</u>
Total current assets		<u>16,589</u>	<u>11,484</u>
Other receivables		1,255	1,415
Deferred tax assets		785	565
Plant and equipment		1,924	1,740
Intangible assets		<u>16,592</u>	<u>16,941</u>
Total non-current assets		<u>20,556</u>	<u>20,661</u>
Total assets		<u>37,145</u>	<u>32,145</u>
Liabilities			
Trade and other payables		1,586	4,154
Interest-bearing loans and borrowings	4	81	9,520
Employee benefits		2,814	3,736
Income tax payable		710	471
Provisions		<u>56</u>	<u>56</u>
Total current liabilities		<u>5,247</u>	<u>17,937</u>
Interest-bearing loans and borrowings	4	79	119
Employee benefits		832	928
Provisions		<u>59</u>	<u>42</u>
Total non-current liabilities		<u>970</u>	<u>1,089</u>
Total liabilities		<u>6,217</u>	<u>19,026</u>
Net assets		<u>30,928</u>	<u>13,119</u>
Equity			
Issued capital	5	29,543	13,421
Foreign currency translation reserve		58	290
Retained income		<u>1,327</u>	<u>(592)</u>
Total equity		<u>30,928</u>	<u>13,119</u>

The balance sheet is to be read in conjunction with the accompanying notes to and forming part of the interim financial statements.

Plan B Group Holdings Limited interim financial report
Consolidated interim statement of changes in equity
For the half-year ended 31 December 2007

		Foreign currency		
	Issued capital	translation reserve	Retained income	Total equity
Note	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 July 2006	10,761	(121)	(2,675)	7,965
Profit for the half-year	-	-	1,828	1,828
Foreign currency translation differences	-	277	-	277
Total recognised income and expense for the half-year	-	277	1,828	2,105
Issue of ordinary shares	2,660	-	-	2,660
Dividends paid	-	-	(650)	(650)
Closing balance at 31 December 2006	13,421	156	(1,497)	12,080
Opening balance at 1 July 2007	13,421	290	(592)	13,119
Profit for the half-year	-	-	2,669	2,669
Foreign currency translation differences	-	(232)	-	(232)
Total recognised income and expense for the half-year	-	(232)	2,669	2,437
Issue of ordinary shares	5 16,122	-	-	16,122
Dividends paid	6 -	-	(750)	(750)
Closing balance at 31 December 2007	29,543	58	1,327	30,928

The statement of changes in equity is to be read in conjunction with the accompanying notes to and forming part of the interim financial statements.

Plan B Group Holdings Limited interim financial report
Consolidated interim statement of cash flows
For the half-year ended 31 December 2007

	31 Dec 2007 \$'000	31 Dec 2006 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	21,378	16,144
Cash payments in the course of operations	(18,319)	(13,359)
Interest received	456	233
Income tax paid	(1,041)	(903)
Interest paid	(40)	(333)
Net cash from operating activities	<u>2,434</u>	<u>1,782</u>
Cash flows from investing activities		
Acquisition of plant and equipment	(523)	(309)
Acquisition of intangible assets	(65)	(760)
Acquisition of subsidiary	-	(1,617)
Acquisition of business operation	-	(1,070)
Deferred consideration paid	(918)	-
Proceeds from the sale of investments	-	29
Net cash from investing activities	<u>(1,506)</u>	<u>(3,727)</u>
Cash flows from financing activities		
Proceeds from borrowings	-	3,588
Repayment of borrowings	(9,437)	(988)
Repayment of lease liabilities	(42)	(46)
Proceeds from the issue of share capital	17,400	-
Executive and advisor share acquisition scheme loans	(1,330)	-
Equity raising costs	(888)	-
Dividend paid	(750)	(1,950)
Net cash from financing activities	<u>4,953</u>	<u>604</u>
Net increase / (decrease) in cash and cash equivalents	5,881	(1,341)
Cash and cash equivalents at 1 July	<u>6,732</u>	<u>7,900</u>
Cash and cash equivalents at 31 December 2007	<u><u>12,613</u></u>	<u><u>6,559</u></u>

The statement of cash flows is to be read in conjunction with the accompanying notes to and forming part of the interim financial statements.

Plan B Group Holdings Limited interim financial report
Condensed notes to the consolidated interim financial statements
For the half-year ended 31 December 2007

1. Basis of presentation

Plan B Group Holdings Limited ("the Company") is a company domiciled in Australia and is the legal parent entity of the Group. The consolidated interim financial statements are those of the consolidated entity, comprising Plan B Wealth Management Limited (the accounting parent entity) and its deemed subsidiaries (together referred to as the "Group") and the Group's interests in associates.

The consolidated interim financial report for the half-year ended 31 December 2007 was approved by the Board of Directors on 22 February 2008.

(a) Statement of compliance

The consolidated interim financial report is a general purpose financial report that has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2007. It is also recommended that this report be considered together with any public announcements made by the Group during the half-year ended 31 December 2007 and up to the date of this report in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(b) Basis of measurement

These financial statements have been prepared under the historical cost convention, as modified by the revaluation to fair value of available-for-sale financial assets, certain financial assets and financial liabilities carried at fair value through the income statement and derivative financial instruments.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the members of the Group.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

In preparing this consolidated interim financial report the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2007.

2. Significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated report as at and for the year ended 30 June 2007.

3. Segment reporting

Business segments are the Group's primary format for segment reporting and comprise the following main business segments:

- ♦ Integrated wealth management services: This segment includes the provision of integrated strategic wealth management advice, portfolio administration and investment management services to clients.
- ♦ PFS affinity partner program: This segment provides practice support, portfolio administration and investment management services to independent financial advisory businesses.

Other operations include the provision of trust management and custodial services and estate planning and administration services.

The PFS affinity partner program segment is not separately reported in these financial statements as, for the half-year ended 31 December 2007, it constitutes less than 10% of the Group's revenue, its operating results and its net assets.

Plan B Group Holdings Limited interim financial report
Condensed notes to the consolidated interim financial statements
For the half-year ended 31 December 2007

4. Interest-bearing loans and borrowings

On 17 July 2007, the Group repaid secured bank loans of \$9,437,000 from the proceeds of an issue of shares undertaken in July 2007 (refer note 5). At 31 December 2007, the interest bearing liabilities of \$160,000 consist of finance lease liabilities of the Group.

	31 Dec 2007 \$'000	30 June 2007 \$'000
5. Issued capital		
Ordinary shares	<u>29,543</u>	<u>13,421</u>
<i>Movements during the half-year ended 31 December 2007</i>	Number	\$'000
Opening balance - 1 July 2007	57,554,432	13,421
Issue of shares	17,400,000	17,400
Capitalised share issue costs, net of associated deferred tax asset	-	(1,278)
Closing balance - 31 December 2007	<u>74,954,432</u>	<u>29,543</u>

The number of shares as shown above relate to the number of issued ordinary shares in Plan B Group Holdings Limited, the legal parent of the Group. The value of the issued capital in the consolidated interim financial statements comprises the issued share capital of Plan B Wealth Management Limited, as the deemed acquiring company under the principles of reverse acquisition accounting, together with share capital issued by the legal parent, Plan B Group Holdings Limited, since the date of its deemed acquisition by Plan B Wealth Management Limited.

During the half-year under review, Plan B Group Holdings Limited issued and allotted 17,400,000 shares at \$1 per share in connection with the Company's initial public offering and listing on the ASX.

	31 Dec 2007 \$'000	31 Dec 2006 \$'000
6. Dividends		
Recognised amounts:		
The following dividends were declared and paid by the Group		
<i>Final dividend for the year ended 30 June 2007</i>		
28 August 2007: 1 cent per ordinary share fully franked	750	-
<i>Interim dividend</i>		
12 December 2006: 1.1 cent per ordinary share fully franked	<u>-</u>	<u>650</u>
	<u>750</u>	<u>650</u>
Unrecognised amounts:		
2007		
<i>Interim dividend</i>		
22 February 2008: 2 cents per ordinary share fully franked	<u>1,499</u>	<u>-</u>

Following the receipt of a dividend of \$2,000,000 from its subsidiary, the Directors of Plan B Group Holdings Limited declared a fully franked interim dividend on 22 February 2008 of 2 cents per share payable to all shareholders on the register of members on 14 March 2008, payable on 4 April 2008.

Plan B Group Holdings Limited interim financial report
Condensed notes to the consolidated interim financial statements
For the half-year ended 31 December 2007

7. Earnings per share

The calculation of basic and diluted earnings per share at 31 December 2007 was based on the profit attributable to ordinary shareholders of \$2,669,000 (2006: \$1,828,000) and a weighted average number of ordinary shares outstanding of 74,764,000 (2006: 56,690,000).

Weighted average number of ordinary shares

Plan B Group Holdings Limited was incorporated on 17 April 2007 and acquired a 100% interest in Plan B Wealth Management Ltd on that date by the issue of 208 ordinary shares for each 1 share held in Plan B Wealth Management Ltd. For accounting purposes the parent of the Group is Plan B Wealth Management Ltd. However, for purposes of calculating the weighted average number of shares, the number of shares on issue by the legal parent Plan B Group Holdings Limited has been used. In respect of the half-year ended 31 December 2006, the weighted number of shares on issue by Plan B Wealth Management Ltd has been converted to equivalent shares in Plan B Group Holdings Limited by applying the stated exchange ratio of 208:1. The weighted average number of shares has been calculated as follows:

	31 Dec 2007 No.'000	31 Dec 2006 No.'000
Issued shares at 1 July	57,554	55,084
Effect of shares issued	17,210	1,606
Weighted average number of ordinary shares at 31 December	<u>74,764</u>	<u>56,690</u>

Diluted earnings per share is equivalent to basic earnings per share as the Company has no instruments on issue that will lead to a dilution of earnings.

8. Related parties

There have been no significant changes to related party transactions as disclosed in the last annual financial report.

9. Subsequent events

There has not arisen in the interval between the end of the financial half-year and the date of this report, any item, transaction or event of a material nature likely in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

Plan B Group Holdings Limited interim financial report

Directors' declaration

For the half-year ended 31 December 2007

In the opinion of the Directors of Plan B Group Holdings Limited:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to be 'B R S Taylor', written over a vertical line.

B R S Taylor
Chairman

Perth
22 February 2008



Independent auditor's review report to the members of Plan B Group Holdings Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Plan B Group Holdings Limited, which comprises the consolidated interim balance sheet as at 31 December 2007, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a description of accounting policies and other explanatory notes and the Directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Plan B Group Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Plan B Group Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

D P McComish

Partner

Perth

22 February 2008