



# Half year Results Presentation

Half Year ended 31 December 2007

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# 1H08 Highlights

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- ◆ Revenue **up 20.2%** to \$18.47m
- ◆ Half year EBITDA **up 29.0%** to \$4.15m
- ◆ Impressive **46.0% lift** in NPAT to \$2.67m
- ◆ Half year EPS of **3.57 cps**
- ◆ Fully franked dividend of **2.0 cps** (to be paid 4 April 2008)
- ◆ Strong growth in PFS Affinity Partner Program – New business alliance with Polson Higgs (New Zealand)
- ◆ Notwithstanding volatility of equity markets, Plan B achieved solid net inflows of funds throughout the period with no unusual outflows

# 1H08 Highlights

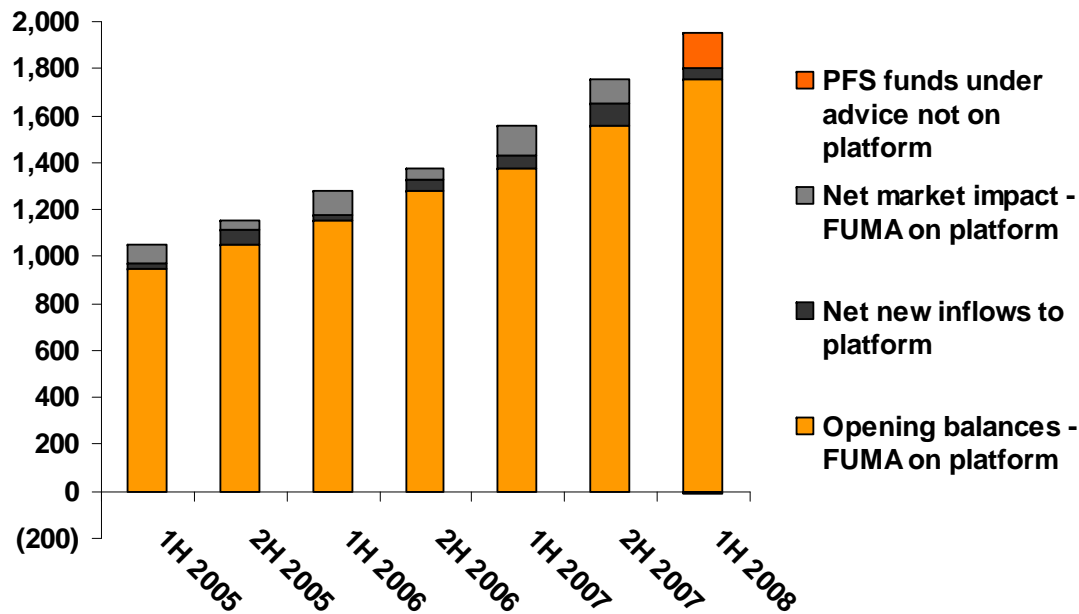
Half year ended:	Dec-07 Actual	Dec-06 Actual	Change	Full year ended:	June-07 Actual
<b>FUMA (\$b)</b>	1.95	1.55	<b>+25.8%</b>	<b>FUMA (\$b)</b>	1.75
<b>Revenue (\$'000)</b>	18,474	15,365	<b>+20.2%</b>	<b>Revenue (\$'000)</b>	33,067
<b>EBITDA (\$'000)</b>	4,147	3,215	<b>+29.0%</b>	<b>EBITDA (\$'000)</b>	7,496
<b><i>EBITDA margin</i></b>	22.4%	20.9%		<b><i>EBITDA margin</i></b>	22.7%
<b>NPAT (\$'000)</b>	2,669	1,828	<b>+46.0%</b>	<b>NPAT (\$'000)</b>	4,333
<b>EPS ¢</b>	3.57	3.22	<b>+10.9%</b>		
<b>DPS ¢</b>	2.0	n.a.			
<b><i>Franking</i></b>	100%	n.a.			

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# Financial Performance

# FUMA

## Total FUMA (\$m)



Total FUMA as at 31 December 2007 up 25.8% on pcp

Positive net inflows in every month of 1H08 despite equity market volatility

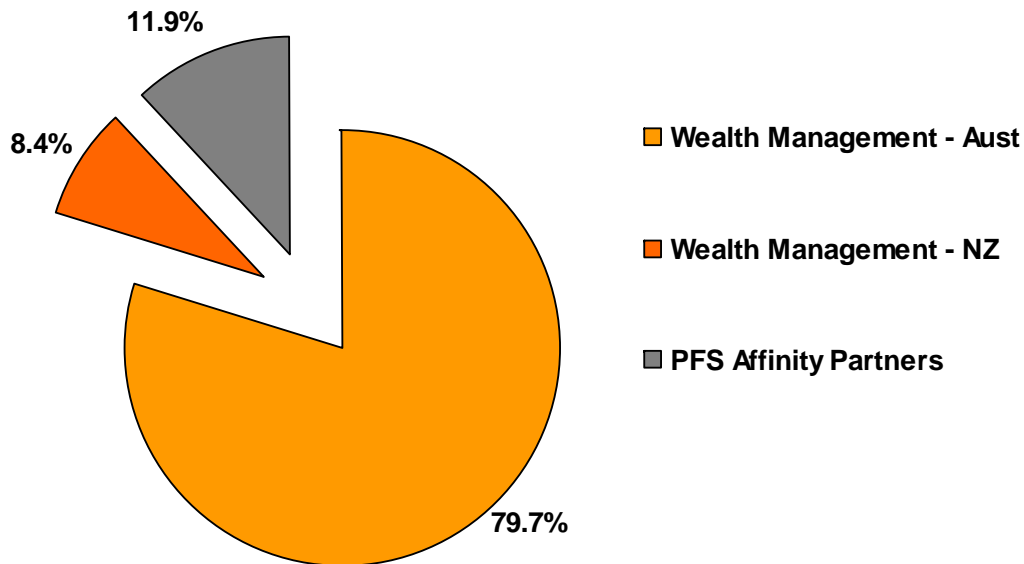
Gross outflows in line with management expectations

Small negative net market impact in 1H08 (<1%)

*No unusual withdrawal activity despite recent market volatility – sound business fundamentals*

# FUMA

### FUMA by channel (%)



Strong growth in PFS business to 11.9% of FUMA as at 31 December 2007

PFS channel expected to be a major source of future growth extending scale advantages of platform

Positive net inflows of funds for both core and PFS business for the period

PFS includes funds on both Plan B and external platforms

*Expected increase in PFS funds flowing to Plan B's platform in 2H08 on the back of completed implementations in NZ*

# 1H08 Income Statement

	<b>1H08</b>	<b>1H07</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	<b>18,474</b>	<b>15,365</b>	<b>+20.2%</b>
Operating expenses	(14,327)	(12,150)	+17.9%
<b>EBITDA</b>	<b>4,147</b>	<b>3,215</b>	<b>+29.0%</b>
Depreciation and amortisation expense	(611)	(512)	
<b>EBIT</b>	<b>3,536</b>	<b>2,703</b>	<b>+30.8%</b>
Net financing income / (costs)	457	(85)	
<b>NPBT</b>	<b>3,993</b>	<b>2,618</b>	<b>+52.5%</b>
Income tax expense	(1,324)	(790)	
<b>NPAT</b>	<b>2,669</b>	<b>1,828</b>	<b>+46.0%</b>
<b>EPS ¢</b>	<b>3.57</b>	<b>3.22</b>	<b>+10.9%</b>

## Revenue Analysis

	1H08 \$'000	1H07 \$'000	Change %
Recurring fees from FUMA on platform	17,290	14,243	+21.4%
Other revenue from services rendered	1,184	1,124	+5.3%
<b>Total revenue</b>	<b>18,474</b>	<b>15,367</b>	<b>+20.2%</b>

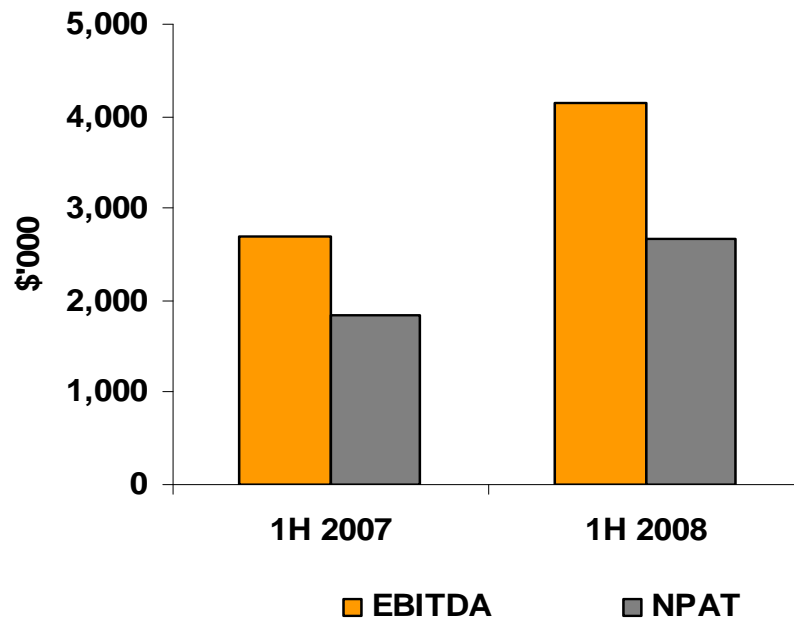
- ◆ Recurring revenue derived from FUMA balances as a percentage of total revenue remains high (approx 93%)
- ◆ Fee capture as a proportion of FUMA also remains high, notwithstanding the increase in PFS derived FUMA which typically generates revenue at a lower rate
- ◆ Increase of over 5% in other revenue derived from Plan B's other fee based service offerings – expansion of diverse revenue sources including services related to Trust Administration, Native Title and Life Insurance services

## Operating expenses

	1H08 \$'000	1H07 \$'000	Change %
Employee benefit expenses	10,367	8,642	+20.0%
Property costs	978	705	+38.7%
Other expenses	2,982	2,803	+6.4%
<b>Total operating expenses</b>	<b>14,327</b>	<b>12,150</b>	<b>+17.9%</b>

- ◆ Employee benefit expenses constitute 72% of total operating costs – 20% increase on pcp reflects increased average staff numbers, acquisitions and impact of general salary pressures
- ◆ Increase in property costs reflect rental pressures in the Perth market
- ◆ Focus on cost containment for variable expenses – growth in Other expenses contained at 6.4% as compared with pcp
- ◆ Continued investment in staff and technology contributes to long term growth

# Profitability



**EBITDA growth of 29%  
in 1H08 to  
\$4.1 million**

**Margin improvement as  
compared with pcp  
reflects impact of  
higher average FUMA  
levels**

**Impressive NPAT  
growth of 46% –  
above expectations on  
YTD basis**

**Fully franked interim  
dividend of 2.0 cps  
declared, above  
prospectus forecast**

***Increased FUMA contributing to efficiencies and  
margin improvement***

## Cash flows

	1H08 \$'000	1H07 \$'000	Change %
Operating cash inflows	2,434	1,782	+37%
Investing cash outflows	(1,506)	(3,727)	-60%
Financing cash inflows	4,953	604	+720%
<b>Cash balance</b>	<b>12,613</b>	<b>6,559</b>	<b>+92%</b>

- ◆ Operating cash inflows have increased by 37% on pcp due to increase in EBITDA and net interest income
- ◆ Investment outflows have improved by \$2.2m on pcp - 1H07 included \$2.6m of outflows in respect of acquisition activity in New Zealand
- ◆ Net finance inflows reflect the impact of Plan B's July 2007 capital raising (gross inflow of \$17.4m) and repayment of debt
- ◆ Growth in operating cash flows and net finance inflows in the period provide the basis for funding future growth and dividends

## Financial Position

	31 Dec 2007 \$'000	30 June 2007 \$'000
Cash and cash equivalents	12,613	6,732
Other current assets	3,976	4,752
Non-current assets	20,556	20,661
<b>Total assets</b>	<b>37,145</b>	<b>32,145</b>
Interest-bearing loans and borrowings	160	9,639
Other liabilities	6,057	9,387
<b>Total liabilities</b>	<b>6,217</b>	<b>19,026</b>
<b>Net assets</b>	<b>30,928</b>	<b>13,119</b>
Issued capital	29,543	13,421
Foreign currency translation reserve	58	290
Retained income	1,327	(592)
<b>Total equity</b>	<b>30,928</b>	<b>13,119</b>

Cash increased due to positive operating flows and capital raising

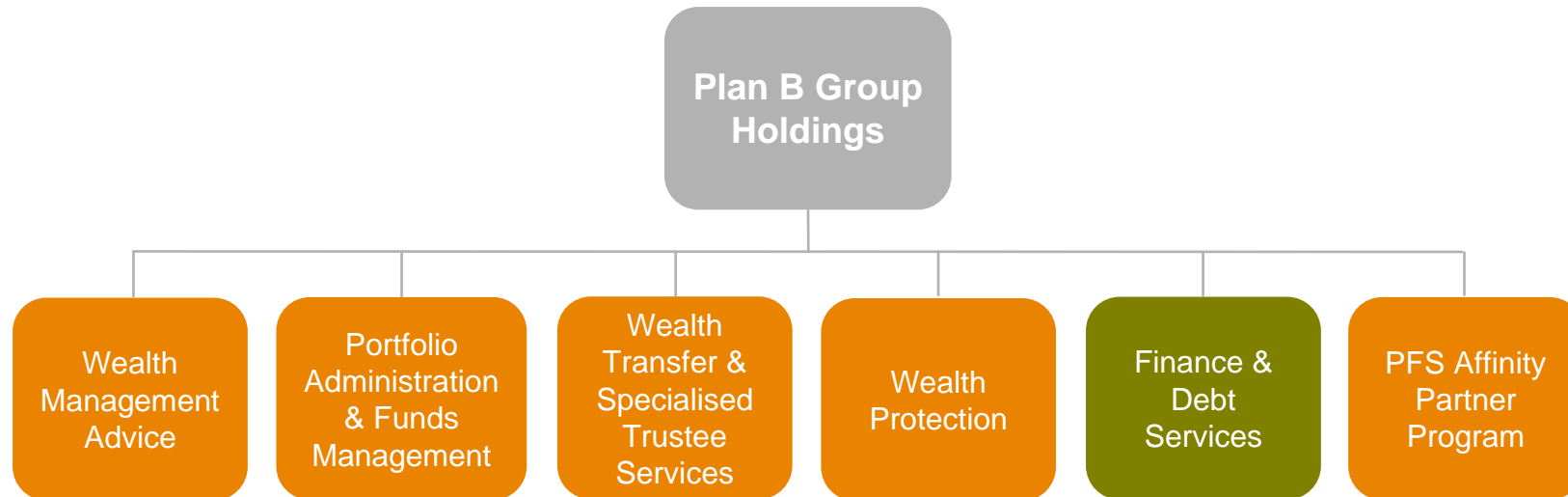
Capital raising has resulted in insignificant level of debt - 67% decrease in total liabilities

Net cash of \$12.5m provides significant capacity for acquisitions

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# Basis of Performance

## Business Overview



- ◆ Integrated model operating at most points of the wealth management value chain
- ◆ Disciplined investment philosophy based on diversified investment strategy
- ◆ Investment in robust systems and technology platform delivering scale and efficiency advantages as FUMA balance grows

## Business Overview

- ◆ High net worth client focus and low turnover of relationship managed clients
- ◆ Focus on long term client relationships strengthened via –
  - Client investment education
  - Provision of end-to-end services for clients (Wealth Management to Wealth Transfer)
  - “Company” led rather than “Adviser” led client focus
- ◆ Exposure to mandated superannuation inflows in the order of 59% of FUMA provides excellent prospects for sustained mid to longer term revenue growth

## Prospects for Organic Growth

- ◆ Targeted organic growth via established initiatives –
  - **Executive Advisory Service** – referrals from major WA corporations have picked up since January and more ‘second-tier’ companies are embracing the offer
  - **Native Title Trusts** – pioneer trust is moving to next phase which will result in increased capital inflows. Two new trusts close to finalisation. Increased awareness and interest in the service by corporations and indigenous representative groups outside WA
  - **PFS Affinity Partner Program** – progress impacted by need for principals of target advisory firms to focus on client ‘hand-holding’ through current market turbulence. Review of pricing of product administration fees has resulted in approval to lower fees for smaller clients – forecast average fees from PFS business will continue to be achieved

*Overall long term growth prospects of the wealth management industry*

## Investment Strategy and Performance

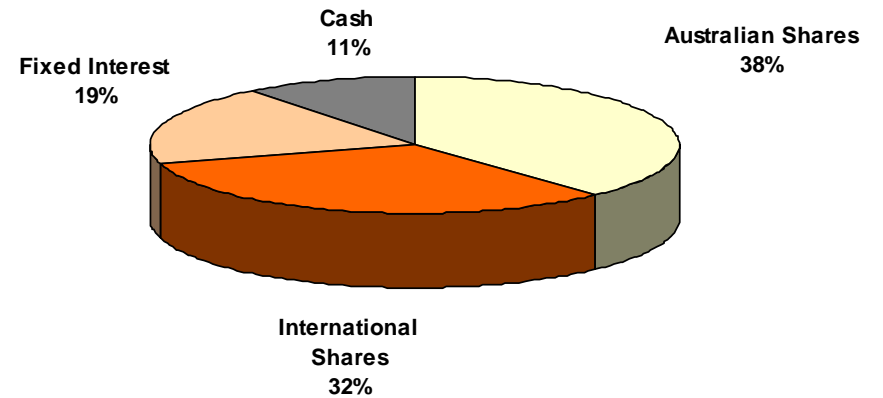
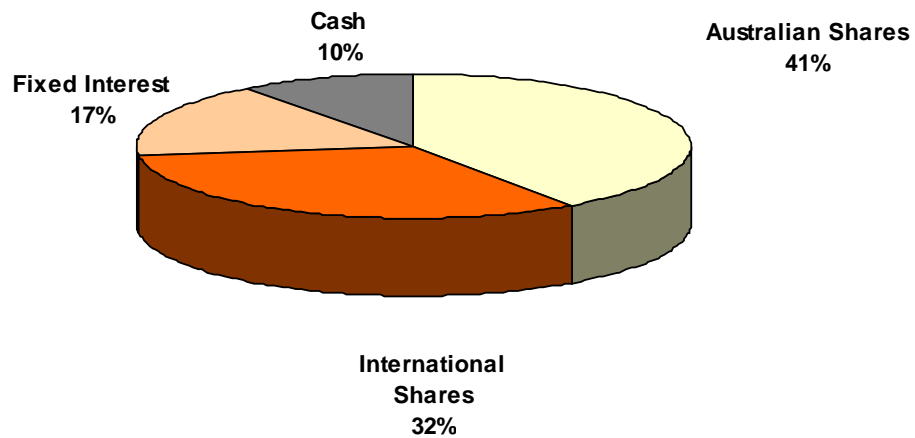
- ◆ Focus on high quality defensive assets to dampen volatility
- ◆ Plan B's pools engineered to cope with volatility as this cannot be avoided
- ◆ Focus on exposure to rewarded risk, sustainability and reliability of returns beyond short term opportunism for growth assets
- ◆ Plan B's pools continue to perform in line with expectations

# Disciplined Asset Allocation

## Breakdown of Plan B's pools 2007/2008

*September 2007*

*February 2008*



## Investment Performance

### Performance Over Weighted Benchmarks

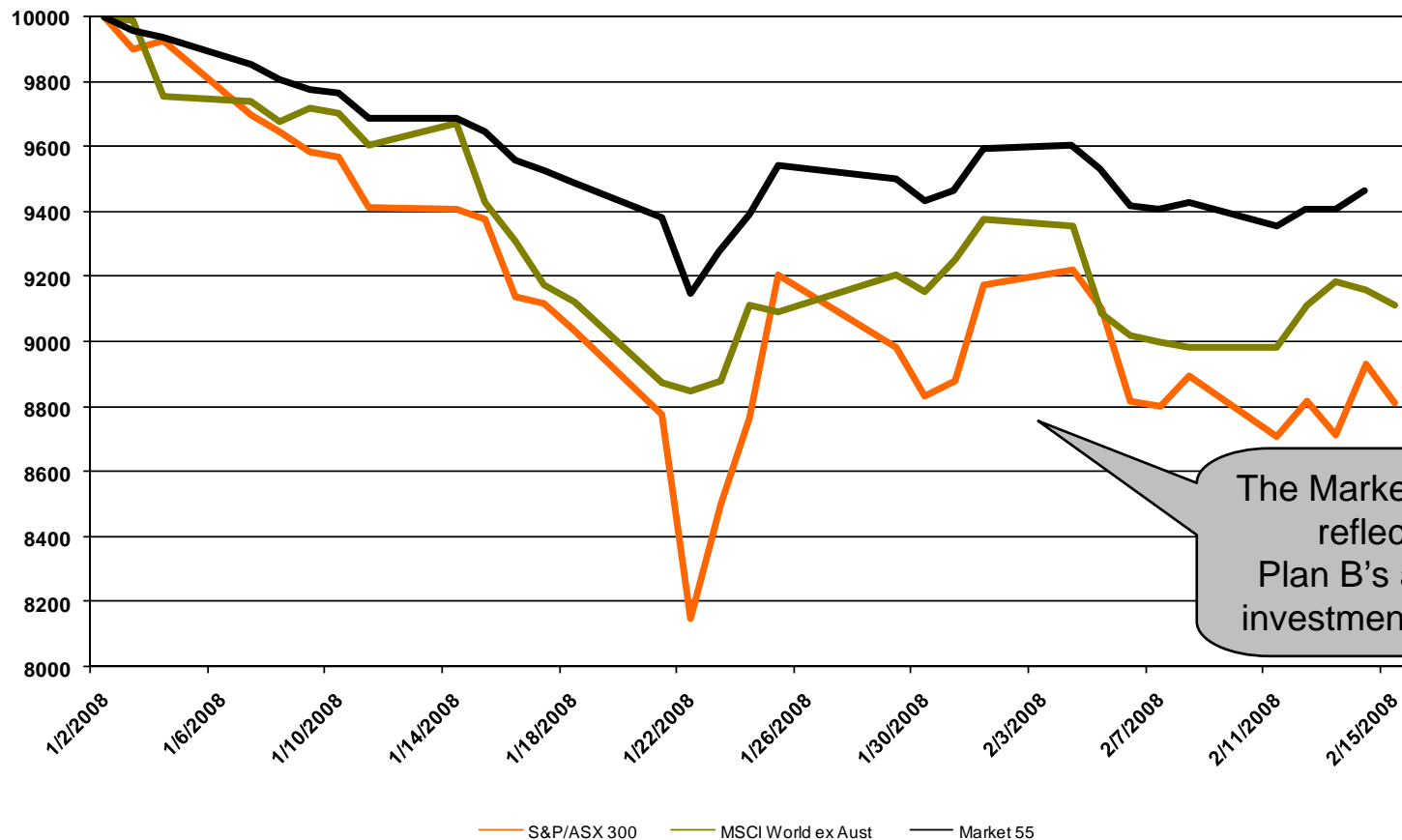
Plan B Pool	1 year	3 year	5 year	8 year
Market 35	0.31%	0.45%	0.62%	1.07%
Market 55	0.21%	0.64%	1.27%	1.31%
Market 75	-0.25%	0.50%	1.41%	1.52%
Market 95	-1.69%	0.20%	2.04%	1.94%

The above table illustrates value added by Plan B's disciplined investment approach and particular focus in the underlying portfolios – represented above by the difference between the compound per annum returns of the Plan B pools (excluding management fees) to 31 December 2007 and the relevant weighted benchmarks.

*\*Benchmarks are based upon the UBS 90 day Bank Bill Index and Composite Bond Index 0-5yrs, S&P ASX300 Accumulation Index, MSCI World Index and Emerging Markets Index in AUD – weighted in accordance with strategic asset allocations)*

# Investment Performance

## Growth of a Dollar: Plan B's Market 55 Pool vs. Equity Indices 1 January to 15 February 2008



The Market 55 pool is reflective of Plan B's aggregate investment allocation

## Summary and Outlook

### Positioned for Growth

- ◆ Excellent 1H08 result above management expectations notwithstanding equity market volatility
- ◆ Fully franked interim dividend of 2.0 cps declared (to be paid 4 April 2008)
- ◆ IPO and 1H08 result now delivered – continue to focus on growth
- ◆ Increased focus on extension of service offerings and other organic growth initiatives
- ◆ Continue to identify and develop new PFS Affinity Partner opportunities
- ◆ Acquisition opportunities constantly being evaluated against our criteria
- ◆ Plan B's brand and reputation continues to grow with increasing exposure

## Summary and Outlook

### Strong underlying business fundamentals

- ◆ Industry fundamentals remain sound – recent change in government has not altered the basics
- ◆ Market movements obviously impact revenue and profitability – however, funds inflows remained positive in each month of FY08 to date with no unusual redemption activity amongst client base
- ◆ Overall, underlying business fundamentals remain sound – Plan B remains well leveraged for growth organically, by acquisition and from improvements to equity markets

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