

HALF YEAR RESULTS PRESENTATION

Half Year ended 31 December 2009

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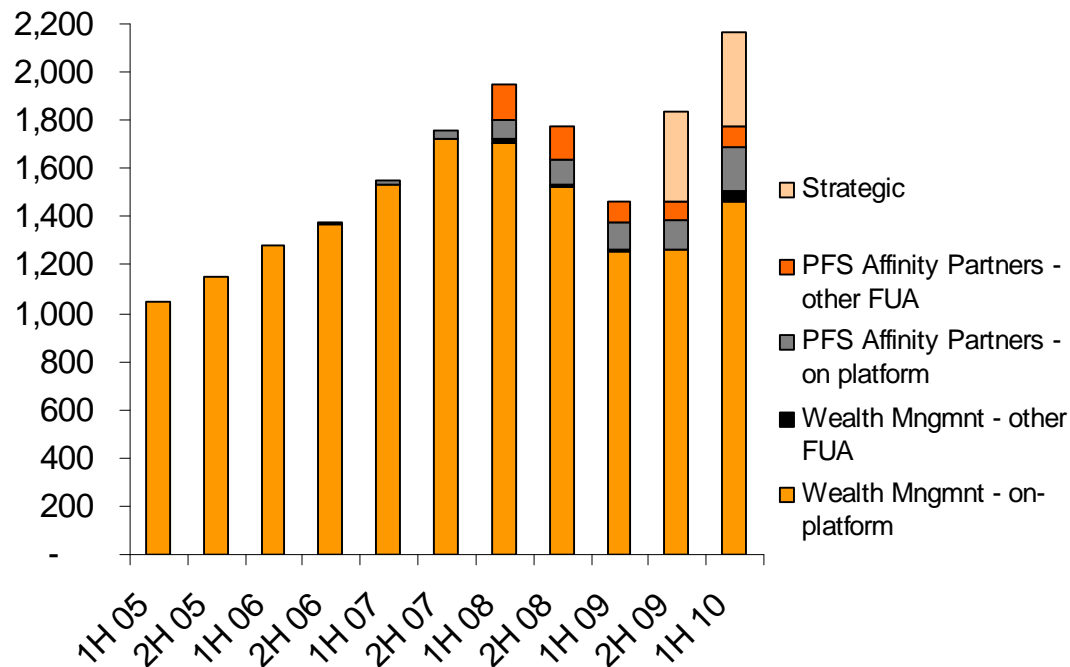
1H FY2010 Highlights

1H FY2010 Summary

- ◆ Strong increases over 2H FY2009 in:
 - **FUMA** at end of period + **18.3%** to \$2.17 billion
 - **Revenue** + **20.3%** to \$17.52 million
 - **NPAT** before impairment + **42.1%** to \$1.702 million
- ◆ Improved net new fund flows onto Plan B platforms
- ◆ Client retention remains high
- ◆ Increased shareholding in Strategic Financial Management (“Strategic”) to 86%
- ◆ Successful transfer of Australian equity portfolio management to internal investments division
- ◆ Increase in scale of finance broking activities through acquisition of WA broking business (not included in FUMA numbers)
- ◆ Interim fully franked dividend of 1.5 cps payable 1 April 2010

Funds Under Management, Administration or Advice (FUMA)

Total FUMA (\$m)



Strong growth in FUMA during 1H FY2010

Total FUMA as at 31 December 2009 of \$2.17 billion

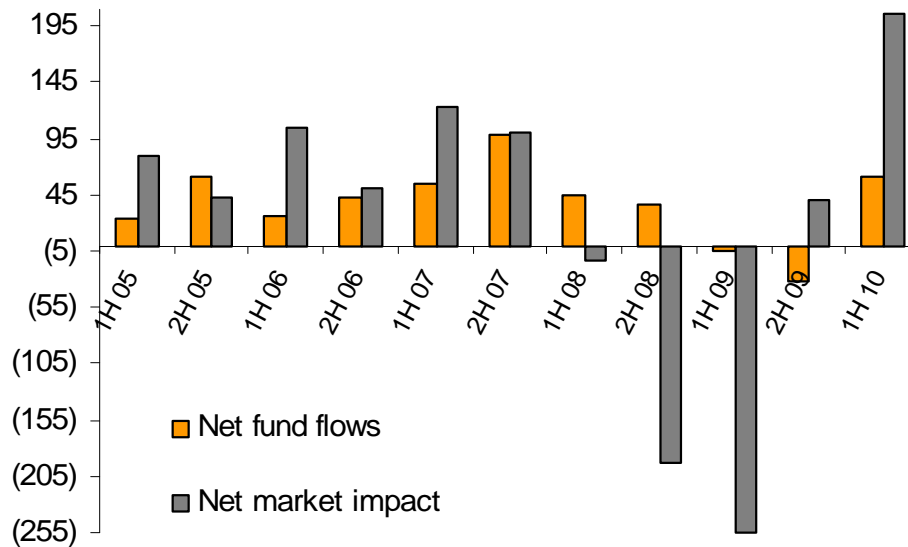
48.1% increase over pcp and 18.3% improvement during 1H FY2010

PFS includes reclassification of FUMA related to Tauranga disposal

On-platform FUMA represents 76% of total FUMA

FUMA – Movement

On-platform FUMA (\$'m)



Net fund inflows for 1H FY2010 of \$60.5 million

Strong equity market performance underpins growth

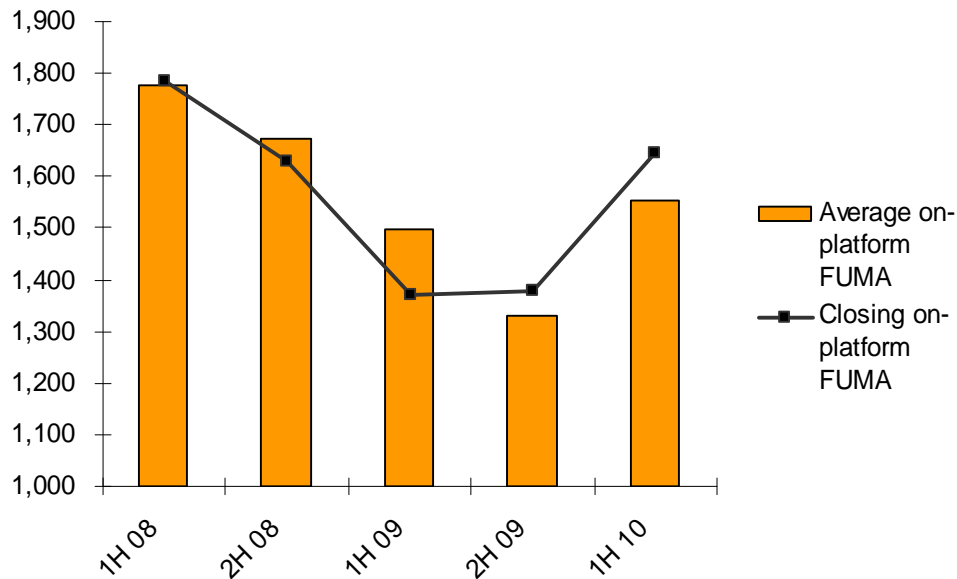
Gross outflows only 3.9% of opening balance

High managed client retention rate

Return to positive net fund inflow position in 1H FY2010

FUMA – Average on-platform

On-platform FUMA (\$'m)



Average on-platform FUMA in 1H FY2010 of \$1.55 billion increased by 16.7% over 2H FY2009

Average on-platform FUMA in 1H FY2010 increased by 3.6% over pcp

Average on-platform FUMA improvement lags increase in on-platform FUMA on the upswing

The background of the slide is a grayscale image showing several stacks of coins of varying heights. The coins are resting on a document that features a line graph with several peaks and valleys, suggesting financial data or trends. The overall image is slightly blurred, giving it a professional and conceptual feel.

Financial Performance

1H FY2010 financial results

| | 1H 10 | 2H 09 | 1H 09 | Change 1H 10 to 2H 09 | Change 1H 10 to 1H 09 |
|--|--------|--------|--------|-----------------------------|-----------------------------|
| FUMA at end of period (\$b) | 2.17 | 1.83 | 1.46 | 18.3% | 48.1% |
| Average on-platform FUMA (\$b) | 1.55 | 1.33 | 1.50 | 16.7% | 3.6% |
| Revenue (\$'000) | 17,520 | 14,564 | 15,456 | 20.3% | 13.4% |
| Operating expenses, before impairment & depreciation (\$'000) | 14,148 | 12,362 | 12,713 | 14.4% | 11.3% |
| EBITDA before impairment (\$'000) | 3,372 | 2,202 | 2,743 | 53.1% | 22.9% |
| <i>EBITDA margin</i> | 19.2% | 15.1% | 17.7% | | |
| NPAT before impairment attributable to members (\$'000) | 1,702 | 1,198 | 1,668 | 42.1% | 2.0% |
| NPAT attributable to members (\$'000) | 1,702 | (314) | 1,291 | n.a. | 31.8% |
| EPS before impairment (cents) | 2.12 | 1.52 | 2.23 | 39.5% | (4.9%) |
| EPS (cents) | 2.12 | (0.44) | 1.72 | n.a. | 23.3% |
| DPS (cents) | 1.5 | 1.2 | 1.1 | 25.0% | 36.4% |
| Franking | 100% | 100% | 100% | | |

Revenue analysis

- ◆ Revenue improvement of 20.3% to \$17.52 million compared with 2H FY2009 reflects underlying difference in average FUMA between those periods of 16.7%
- ◆ Excluding impact of Strategic, revenue up 5.3% on pcp and by 18.3% over 2H FY2009
- ◆ Expanded investment management services provides additional revenue source
- ◆ Revenue from off-platform funds under advice has become an important component of total revenue since acquisition of Strategic
- ◆ Recurring revenue derived from FUMA balances as a percentage of total revenue was 92%
- ◆ Other revenue includes increased contribution from mortgage broking activities following acquisition of WA broking business in July 2009

Operating expenses

| | 1H 10 | 2H 09 | 1H 09 | Change | |
|------------------------------|---------------|---------------|---------------|-------------------|-------------------|
| | | | | 1H 10 to 2H 09 | 1H 10 to 1H 09 |
| Staff costs | 10,032 | 8,844 | 8,933 | 13.4% | 12.3% |
| Property & Equipment | 1,218 | 1,134 | 998 | 7.4% | 22.0% |
| Professional fees | 785 | 735 | 857 | 6.8% | (8.4%) |
| IT costs | 507 | 408 | 370 | 24.3% | 37.0% |
| Other operating costs | 2,008 | 1,250 | 1,561 | 60.6% | 28.6% |
| Total operating costs | 14,550 | 12,371 | 12,719 | 17.6% | 14.4% |

- ◆ Employee benefit expenses remain approximately 70% of total operating costs and have increased by 12.3% on pcp. This reflects the impact of the following:
 - inclusion of Strategic in 1H FY2010 – excluding Strategic increase on pcp = 7.5%
 - reset of salaries following voluntary decreases in FY2009
 - positive effect of leave accrual management not repeated in 1H FY2010
 - increases in anticipated variable pay for FY2010

Operating expenses - continued

- ◆ Continued attention to general cost containment measures and productivity improvements throughout all business units – balanced against ongoing business requirements and growth
- ◆ Excluding Strategic, other operating expenses up only 4.6% on pcp
- ◆ Increase in property costs reflects impact of renewed head office lease – no further material adjustments anticipated until FY2012
- ◆ IT cost increases reflect cost of improved systems, deployment of FAME into core wealth management business and costs associated with expanded in-house investment management capabilities
- ◆ Marketing and other discretionary expenses continue to be tightly managed with no significant variance on pcp

Profitability - Summary

- ◆ EBITDA margin improvement to 19.2% - up from 17.7% in pcp and 15.1% in 2H FY2009
- ◆ Higher EBITDA margin driven by:
 - maintenance of average fee rates coupled with FUMA growth
 - inclusion of Strategic (high margin business)
 - cost containment below revenue growth
 - in-house management of Australian equity portfolio
- ◆ Non-cash amortisation of acquired mortgage broking business and of customer relationship intangibles has led to increase in depreciation and amortisation expense
- ◆ Decrease in net finance income reflects lower average interest rates, deployment of cash in the Strategic acquisition and temporary borrowing during current period to finance broking business acquisition
- ◆ Average Group tax rate, excluding impact of impairment, has been reduced to approximately 31% as a result of prior year tax losses utilised in New Zealand
- ◆ EPS of 2.12cps for 1H FY2010

Cash flows

| | 1H 10 | 2H 09 | 1H 09 | Change | |
|----------------------|---------|---------|---------|-------------------|-------------------|
| | | | | 1H 10 to 2H 09 | 1H 10 to 1H 09 |
| Operating cash flows | 3,718 | 1,588 | 991 | 134.1% | 275.2% |
| Investing cash flows | (2,441) | (6,672) | (1,247) | (63.4%) | 95.7% |
| Financing cash flows | (255) | (847) | (1,839) | (69.9%) | (86.1%) |
| Cash balance | 7,399 | 6,377 | 12,309 | 16.0% | (39.9%) |

- ◆ Strong improvement in operating cash inflows driven by increase in profitability, benefit of rent-free period and positive impact of timing of certain other key expense items
- ◆ Investing cash outflows relate to purchase of mortgage broking business and increase in stake in Strategic during the period (low level of underlying capex)
- ◆ Low net financing cash outflows reflect favourable impact of underwritten DRP

Capital management

- ◆ Balance sheet remains strong with negligible levels of debt
- ◆ Loan facility of \$10 million recently renewed – not currently utilised
- ◆ \$600k of loan facility utilised to finance mortgage broking business acquisition but repaid by 31 December 2009
- ◆ Strong operating cash generation negated any requirement to borrow to fund the \$1.5m cash portion of the 2nd tranche of Strategic acquisition
- ◆ Dividend reinvestment plan utilised for final FY2009 dividend but suspended for interim FY2010 dividend
- ◆ Portion of cash on balance sheet required for regulatory capital purposes associated with AFS licences within Group
- ◆ Accounting treatment of options granted over remaining shares in Strategic reflected in balance sheet structure – total liability decreased following exercise of options in October 2009

Dividend

- ◆ Fully franked interim dividend increased by 36.4% to **1.5 cents** per share
- ◆ Record Date for determining entitlements to the interim dividend is **11 March 2010**
- ◆ Dividend to be paid to shareholders on **1 April 2010**
- ◆ **DRP** suspended for interim dividend
- ◆ Company's dividend policy guide is to distribute between 50% and 70% of underlying NPAT as dividends – strong cash flow outlook allowed Board to determine payout slightly above this level



Business Overview

Plan B's focus unchanged

- ◆ Plan B's strategic intent and client centric approach remains unchanged
- ◆ Focus on long term client relationships and education continues
- ◆ High client retention throughout recent volatile period and subsequent market recovery evidences success and sustainability of Plan B's integrated model
- ◆ Plan B's disciplined investment philosophy and diversified investment strategies have not altered – performance of Plan B's pools generally above benchmarks over the past 12 months
- ◆ Plan B's vertically integrated model remains a competitive advantage
- ◆ Organic growth initiatives (expansion of business with not-for-profit organisations, Executive Advisory Services, etc) continuing
- ◆ Growth through acquisition continues to be pursued and evaluated - patient, focussed and disciplined strategy

Sound Investment Performance

Performance Over Weighted Benchmarks*

| Plan B Pool | 1 year | 3 year | 5 year |
|-------------|--------|--------|--------|
| Market 35 | 3.19% | 0.35% | 0.39% |
| Market 55 | 4.53% | 0.96% | 0.88% |
| Market 75 | 5.24% | 0.52% | 0.58% |
| Market 95 | 3.19% | -0.12% | 0.22% |

- ◆ 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 2009 and the relevant weighted benchmarks.
- ◆ The 1 year performance reflects the strong performance of Plan B's core Australian equities portfolio (5.91% above benchmark) and of its international equities portfolio (3.71% above benchmark)

**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*

Current activities

- ◆ Internal review of Plan B's core advisory business offering in order to accelerate organic growth through:
 - differentiation and segmentation of the offering
 - deployment of improved systems to aid efficiency (FAME)
 - redesign of advisor remuneration structures
- ◆ Business development activities under evaluation - resources required to accelerate organic growth and further take-up of the PFS Affinity Partner programme
- ◆ Activities of the investment division have been expanded and management of the Group's core Australian equities portfolio has been brought in-house during the period
- ◆ The scale of the Group's mortgage broking activities increased through the acquisition of a mortgage broking business – additional capacity to service the Group's managed clients
- ◆ As anticipated, Plan B increased its stake in Strategic from 62% to 86%

Investment division

- ◆ Expansion of investment division activities under the direction of the Group Chief Investment Officer, Bryan Taylor
- ◆ Investment management of the Group's Australian core equities portfolio brought in-house from October 2009
- ◆ Additional personnel, systems and operational controls introduced to manage this function with custodian activities continuing to outsourced
- ◆ No change in investment philosophy or approach
- ◆ Portfolio currently \$550 million with an average fee of approximately 20 basis points – current EBITDA margin in excess of average Group margin with strong upside potential as portfolio value increases
- ◆ Opportunities for further expansion of the Group's in-house investment activities under consideration

Strategic Financial Management

- ◆ Stake increased to 86% with options to acquire the balance of 14% in October 2010 and October 2011 at pre-determined reducing multiples of EBIT
- ◆ Strong revenue and EBITDA margin contribution during 1H FY2010
- ◆ Underlying business performing according to plan with no adverse post acquisition client attrition
- ◆ The principals of the firm remain committed to growing the business
- ◆ Total funds under advice of approximately \$389 million
- ◆ Conversion of funds to the Group's platforms and the consequent revenue uplift below original expectations for the half but will accelerate over the balance of FY2010



Summary and Outlook

Business environment

- ◆ The wealth management industry remains the subject of a number of enquiries and initiatives which may lead to structural change and legislative response
- ◆ Plan B's integrated model and existing fiduciary positioning are ideal to address the changing environment both in Australia and New Zealand
- ◆ The improvement in investment market performance and the global economic outlook provide strong basis for further improvement in business performance
- ◆ Plan B continues to implement its growth strategy and to obtain the benefits of greater scale through:
 - revitalised organic growth
 - PFS Affinity partnerships
 - selective acquisitions

Positive outlook

- ◆ Operating margin improvement expected to continue in the second half
- ◆ Management striving to improve profitability whilst ensuring the ability to execute growth, service clients and meet regulatory standards
- ◆ In-house investment management of the Group's Australian core equities expected to enhance future margins and profitability
- ◆ Strategic intent to grow the business significantly and expand through the Eastern Seaboard remains
- ◆ Acquisition opportunities regularly being evaluated against our strict criteria
- ◆ Continuing to identify, evaluate and develop new PFS Affinity Partner opportunities
- ◆ Increasing exposure is enhancing Plan B's brand and reputation

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