

Half Year Results

25 February 2016

Barry Lambert - Chairman

Phil Aris - Managing Director & CEO

countplus 

Half Year Results Highlights

Financials

Operating Profit (EBITA): \$12.65 million (↑18.7%)

Net Profit before Tax: \$10.66 million (↑22%)

Consolidated Net Profit after Tax: \$6.23 million (↑2.5%)

CUP Dividends

**3rd Interim Dividend of 2 cents per share fully franked
declared on 24/2/2016**

(Payment date 16/5/2016; Ex-date 26/4/2016)

**Final dividend for 2015/16 will be confirmed prior to
the end of the financial year and is expected to be paid
on 15 August 2016.**

Result Overview

- Core investment in Class Limited has been an outstanding investment following its successful IPO
- Continued challenging conditions for accounting division
- New management taking decisive action and expects second half to be stronger than prior year
- Impairment in one of our smaller accounting businesses
- Financial planning continues to grow with planning business
Total Financial Solutions one of group's best performers
- Acquisition by ADVICE389 of 40% of inaugural firm Hunter Financial Planning
- Increased shareholding in our largest associate Hood Sweeney (26% to 32%) following share buyback
- Achieved first transactions in Direct Equity Plan

Group Performance

	Dec '15 \$ '000	% Change (Dec'14)
Total Net Revenue	45,519	(2.9%)
Non-cash Fair Value gain	6,758	N/A
Other income	530	137.7%
<i>Expenses:</i>		
Salaries & employment (member firms)	(28,673)	4.3%
Salaries & employment (HO)	(1,233)	86%
Premises	(2,607)	5.5%
Depreciation	(479)	(14.9%)
Impairment expense*	(1,000)	N/A
Other Expenses	(6,636)	9.4%
Total Expenses	(40,628)	9%
Share of Profit from Associates	471	(3.9%)
Operating Profit (EBITA)	12,650	18.7%

Accounting revenue down 3.4%.
Financial planning revenue up 5.4% (23% of net revenue).
Property related revenue is 5.9% of net revenue.

Non-cash fair value gain relates to Class Limited shares which listed in December 2015. The shares have been valued at the closing price as at 31 December 2015 of \$1.79.

Increase in expenses due to investment in headcount and set up costs for ADVICE389 & BLUE789, lease renegotiations and relocations and movements in debtor/WIP provisioning.

* Impairment of a small Accounting practice.

Group Performance

	Dec '15 \$ '000	% Change (Dec'14)
Interest Expense (net)	(646)	14.5%
Amortisation Expense	(1,346)	(1.1%)
Net Profit before Tax	10,658	22%
Income Tax Expense	(4,426)	66.8%
Consolidated Net Profit after Tax	6,232	2.5%

Largest component of non-cash amortisation expense relates to acquired client relationships arising on acquisitions. Reducing over time.

Higher tax expense primarily relates to the fair value on Class Limited shares and the tax deconsolidation of 3 member firms under our Direct Equity Plan.

Balance Sheet

	Dec'15 \$ '000	% Change (Jun'15)
Current Assets	29,950	(11.3%)
Current Liabilities	20,248	7.2%
Current Ratio	1.48	
Non-Current Assets	82,931	15.7%
Non-Current Liabilities	32,700	(1.8%)
Net Assets	59,933	12.6%
Loans and Borrowings		
Net Debt	17,462	(13.9%)

Interest bearing loans reduced by \$3m (11.5%) due to settlement of commercial property sale and funds from the DEP. Also lower deferred payments from acquisitions than prior period.

Current assets declined due to settlement of commercial property sale post 30 June 15.

* Non-current assets increased due to the fair value gain on the Class Limited Shares.

* Non-current liabilities include the group's loan facility with Macquarie Bank with a limit of \$30m (balance of \$23.3m at 31.12.15) which is a 3 year facility due to expire in May 2018.

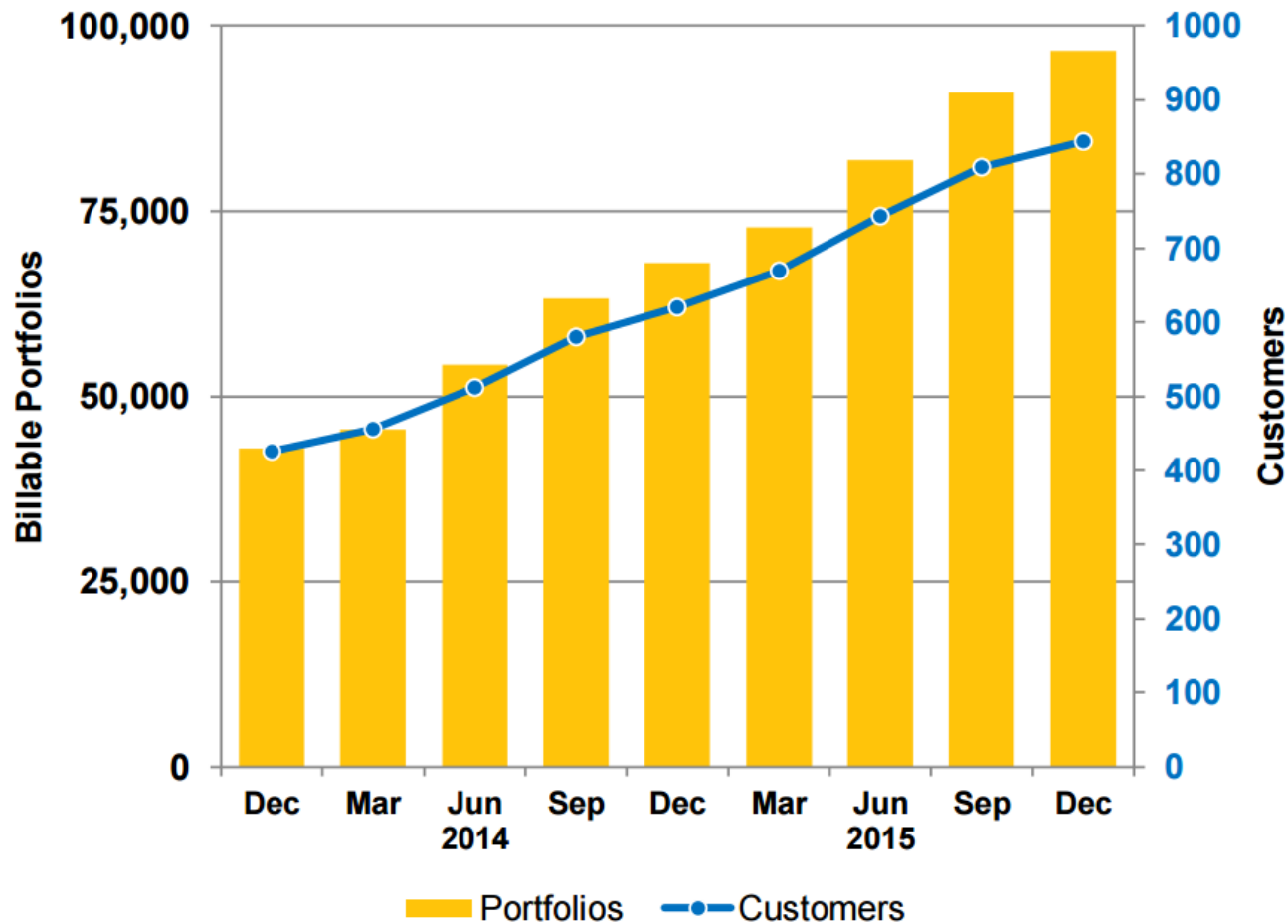
Dividends

Dividends 2015/16	Cents Per Share	Paid / Payable
1 st Interim Dividend	2 cents	16/11/2015 (paid)
2 nd Interim Dividend	2 cents	15/02/2016 (paid)
3rd Interim Dividend	2 cents	16/05/2016 (payable)

Recent Acquisitions/Investments

Date	Business	Activity
Aug 2015	Hunter Financial	Financial planning firm in Newcastle, NSW. 40% interest acquired by ADVICE389.
Sep 2015	Australian Superannuation & Compliance (“ASC”)	Specialist SMSF administrator in West Perth, WA. 100% interest acquired by Bentleys (WA).
Oct 2015	HWC Accountants	Accounting & Financial planning firm in Gold Coast. 100% interest acquired by The MBA Partnership.
Jan 2016	Cummings West	Accounting & Financial planning firm in Tweed Heads South, NSW. 51% interest acquired by The MBA Partnership.

Billable Portfolios and Customers on Class by Quarter
31 December 2013 to 31 December 2015



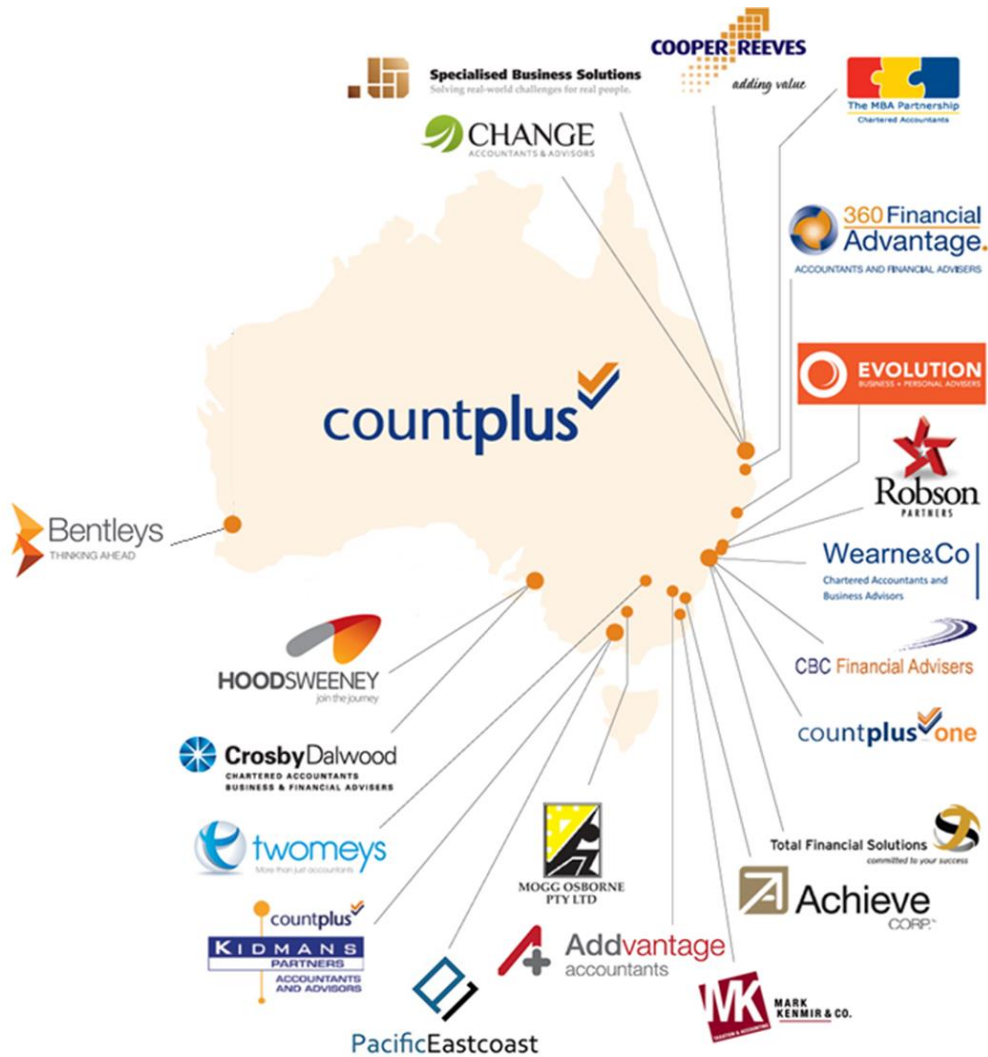
Direct Equity Plan

- Direct equity plan previously announced to the market and employees
- Opportunity to acquire equity directly in business
- Countplus to retain controlling share
- Designed to:
 - Promote retention of key employees
 - Facilitate succession for Principals
 - Provide direct performance alignment
- First three transactions completed in the first half: MBA Partnership, Kidmans & SBS

BLUE789 & ADVICE389

- High costs in the first half due to non-recurring set up costs.
- As progress has been slower than anticipated, a decision was made to reduce management costs.
- We maintain our commitment to building a network of successful accounting and financial planning firms who strive to continue to grow and continually evolve their client services and business operations – with a common supportive shareholder.
- Initial minority interest (target 30% to 40%) provides funds to facilitate succession and / or growth initiatives.
- Principals maintain ownership and management control, encouraging continued entrepreneurial spirit and commitment to the firm and staff.

The Countplus Network



Half Year Results

25 February 2016

Barry Lambert - Chairman

Phil Aris- Managing Director & CEO

countplus 