Half Year Results
28 February 2011

Barry Lambert - Chairman
Michael Spurr - CEO

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Background and Key Events

- Countplus is an aggregation of 16 accounting firms, 1 financial services firm (75% interest) and 1 financial planning dealer group;
- At 1 July 2010: Held part interest 15 accounting firms (approx. 25%);
- Post July 2010 – 3 further businesses were acquired or part acquired together with the remaining equity interest of the firms;
- Listed 22 December 2010 ($20m public raising);
- Count Financial remains largest single shareholder (39%);
- Firm principals are largest shareholder group (49%).
- Michael Spurr – Former Count CFO appointed CEO/MD

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Result Highlights

- Net Profit after Tax: **$8.34m**
- Net Profit after Tax attributable to shareholders: **$3.67m**
- EBITA: **$9.86m** (ex $3.4m gain on consolidation);
- Adjusted (normalised) Return on Equity: **17.4%**[1]
- Adjusted (normalised) Earnings per Share: **8.42c**[1]
- First quarterly dividend declared

  2c (fully franked) -payable 1 July 2011

[1]Adjusted return on equity and earnings per share are calculated assuming the acquisition of remaining equity of firms occurred at beginning of period and so uses consolidated profit and end of period equity to provide more meaningful comparative analysis for CUP results in the future

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Group Performance – Member Firms

	$ '000	% of Total Revenue
Total Net Member Revenue	**41,339**	**100**
Expenses:		
Salaries and Employment	(22,879)	(55.4)
Premises	(1,950)	(4.7)
Depreciation	(590)	(1.4)
Other expenses	(5,672)	(13.7)
Total Expenses	**(31,083)**	**(75.2)**
Net Income Member Firms	10,256	
Net Contribution Margin (%)		**24.8**

Revenue made up of primarily of accounting, legal and financial planning services.

3 Firms were acquired post July 2010.

Other Expenses include some non-recurring acquisition costs expensed in period.

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Group Performance

	$ '000		% of Total Revenue
Net Income Member Firms		**10,256**	
Head Office Contribution	(398)		(1.0)
EBITA		**9,858**	**23.8**
Interest Expense	(547)		(1.3)
Net Profit before Tax		**9,311**	**22.5**
Tax Expense	(3,084)		(7.4)
Cash Earnings		**6,227**	**15.1**
Amortisation Expense	(437)		(1.1)
Fair value Uplift (net)		2,550	6.2
Net Profit after Tax		**8,340**	**20.2**
Profit attributable to shareholders		**3,677**	

Interest expense primarily due to working capital loans now repaid.

Head office contribution expected to have neutral to positive contribution going forward.

Amortisation expenses relate primarily to acquired client relationships – expected to increase second half.

Fair value uplift arises from consolidation of interests in 15 firms at 1 July.

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Balance Sheet

	$ '000	
Current Assets	26,459	
Non-Current Assets	51,288	
Total Assets	**77,747**	
Current Liabilities	24,482	
Non-Current Liabilities	5,301	
Total Liabilities	**29,783**	
Net Assets	**47,964**	
Current Ratio		1.08x
Net Tangible Assets		5.89c per share
Total Loans and borrowings	**1,175**	
Debt to equity ratio		**2.4%**

Strong balance sheet with working capital debt repaid out of public raising.

All Member Firms generate strong cash flow.

$10m debt facility with Count Financial undrawn.

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What makes CUP different?

- “Special” relationship with Count Financial
  - Recruitment
  - Outsourced services
  - Financial arrangements
- The Member Firms – quality not size
- Equity incentives

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Guidance

- Second half cash result expected to be stronger
  - 3 Member Firms were acquired post July 2010
  - Acquisition costs expensed in first half not recurring
- 2 cents quarterly dividends commencing July 2011

Strategy for the Future

- Organic growth
- “Tuck-in” and “Bolt-on” acquisitions
- Targeted acquisitions at group level
- Accounting franchise

What are the benefits to accountants and other financial services businesses of being part of Countplus?

- Diversify assets and grow at a listed multiple
- Provide financial support for business growth
- Long-term succession
- Enhance services range to client base

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