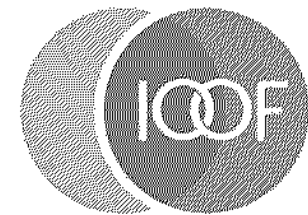


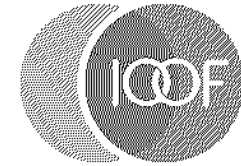
Acquisition of Perennial Investment Partners Ltd (“PIPL”) minorities

Investor Presentation

5 October 2006



Acquisition of PIPL minorities



IOOF has announced the acquisition of PIPL minorities shareholding

- This represents 21.85% of PIPL currently held by management and will take the IOOF holding to 100%

Minority shareholders to receive an initial payment of \$67.9m

- Based on 100% valuation of PIPL of \$320m ("Initial Valuation")
- Plus a potential deferred payment based on PIPL's 2008/09 audited financial performance

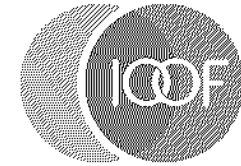
IOOF will compensate certain other key PIPL executives in exchange for them relinquishing their claims to PIPL equity

- Initial payment of \$9.4m plus a potential deferred payment based on PIPL's 2008/09 audited financial performance
- Under AIFRS, this \$9.4m payment may result in a one-off expense item in 2006/07
- The value of this claim is subtracted from the Initial Valuation for the purpose of calculating minorities' initial payment (\$67.9m)



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Acquisition of PIPL minorities



Deferred payment is based on the “Deferred Valuation” less the Initial Valuation

- Deferred Valuation to be based on 25 times 2008/09 audited NPAT (and OEI)
- Deferred payment will be paid on a pro-rata basis (including the claims to PIPL equity – these account for approx. 4.12% of PIPL on a diluted basis)
- Payable at the completion of the 2008/09 financial year

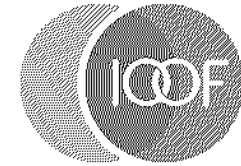
IOOF shareholder approval will be sought in relation to aspects of the transaction.

Represents a final acquisition multiple of 25 times NPAT with an initial payment based on a PIPL valuation of \$320m



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Strategic Rationale



Best of breed asset management

Increases IOOF's exposure to one of its core businesses

More closely align Perennial's growth opportunities with IOOF's access to capital

Provides IOOF with a more transparent platform for growth

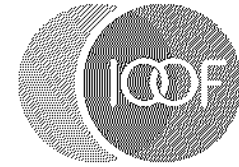
Ensures continued business model sustainability

Continued operational independence for Perennial's businesses



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Perennial success factors



Sustainable long-term investment out-performance driven by:

Operational independence

Alignment of interests

Best of breed talent, both front and back office

Scalable business model

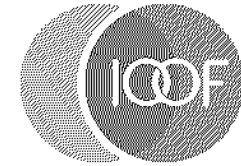
Cultural fit

IOOF seeks to support these fundamental principles



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Future business direction



Committed to operational independence

- Demonstrated track-record of PIPL autonomy despite existing 70%+ ownership

Work in conjunction with Perennial in determining efficiency opportunities

Improved branding opportunities

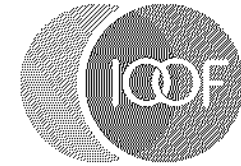
Support an inter-generational “boutique” model

Continued support of Perennial’s investment boutiques



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Timeline



Seek approval from shareholders at IOOF's Annual General Meeting

- 15 November 2006

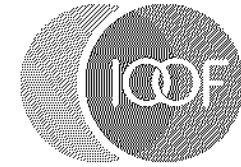
Documentation distributed to shareholders the week beginning 16th October

- Notice of meeting
- Explanatory Memorandum & Independent Expert Report

Assuming shareholder approval, transaction completion expected by the end of November



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Questions?

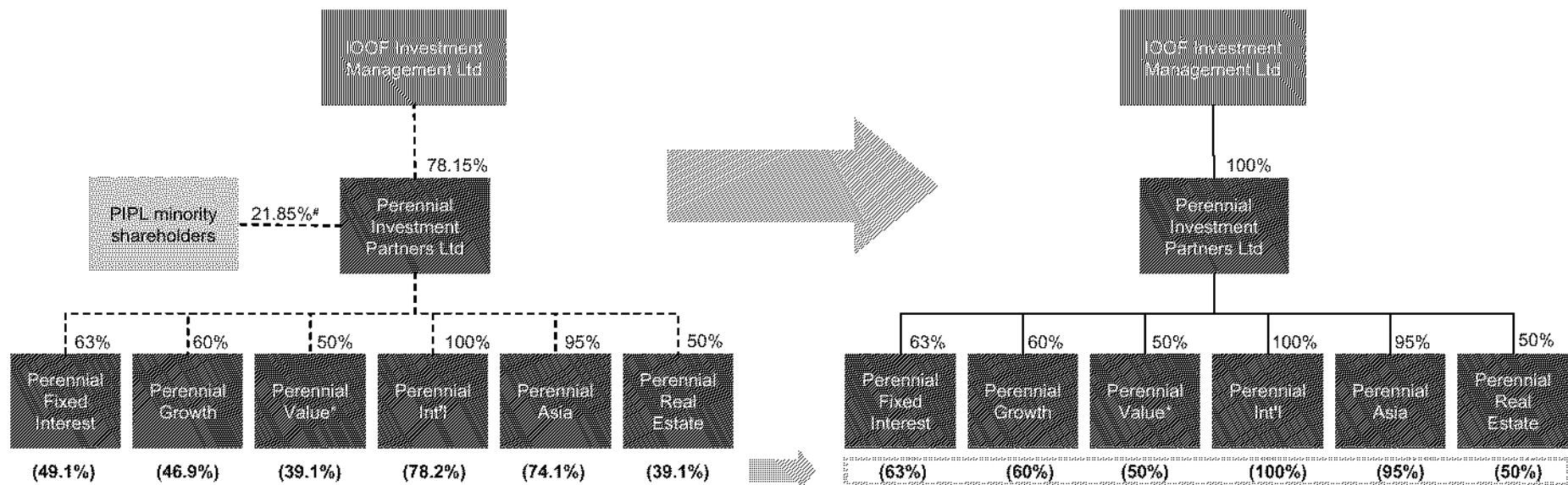
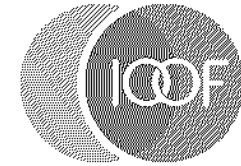
For further enquiries contact:

Ron Dewhurst
Chief Executive Officer
(03) 8614 4873

Renato Mota
Manager, Group Strategy
(03) 8614 4790

Appendix A

Group structure pre/post PIPL acquisition



Perennial will continue its partnership with boutique investment managers

Note:

* Perennial Value Management is not part of the PIPL consolidation Group.

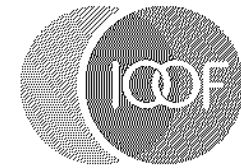
Excludes existing executive rights to PIPL equity



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Appendix B

PIPL transaction parameters



Valuation metrics

100% of PIPL valued at \$320m

PIPL's 2006/07 NPAT is forecast to be between \$9.5m - \$10.5m

- This assumes long-term average equity market returns during the period

	Consolidated ¹	Equity share ²
NPAT	\$9.5m - \$10.5m	n/a
Multiple	30x - 33x	n/a
FuM (\$bn)	20.57	11.27
Multiple	1.6%	2.8%

EPS positive to IOOF shareholders from 2007/08 onwards

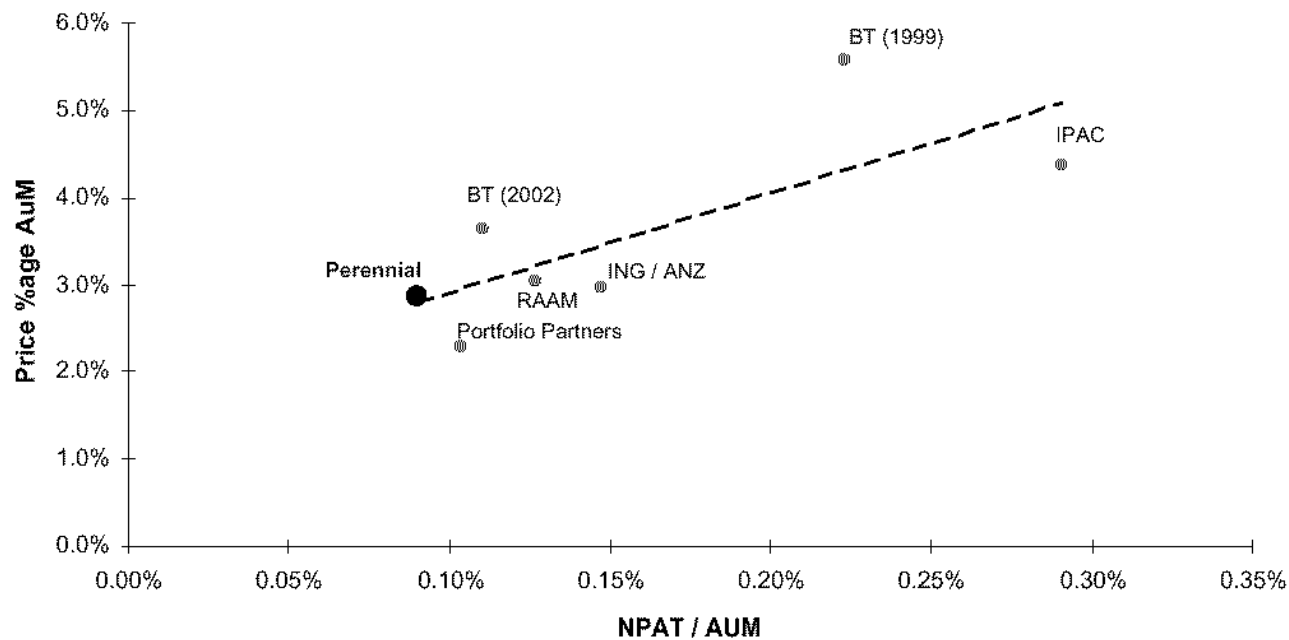
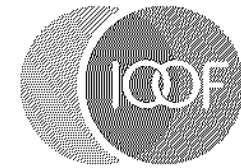
1. Consolidated NPAT includes the equity accounted contribution of PVM (which is not consolidated into PIPL)

2. Funds under Management is as at 30 September 2006 and has been deconsolidated to reflect PIPL's share of FuM based on equity ownership after minority interests.



Appendix B

PIPL transaction parameters



In line with comparable precedent transactions

Source: Citigroup, GSJBW, IOOF analysis. Based on PIPL valuation of \$320m



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