Centrepoint Alliance

ASX Announcement

24 February 2016

Appendix 4D and Half Year Report to 31 December 2015

- **1H16 underlying profit before tax of $3.2m, down 26% on the pcp and up 16% on prior period**
- **1H16 statutory NPAT of $0.7m, down 75% on the pcp**
- **Fully franked interim dividend of 1 cent per share**

Centrepoint Alliance Limited (ASX:CAF) ('Centrepoint') announces an underlying net profit before tax of $3.2m down 26% on the prior corresponding period and up 16% on the prior period.

The Wealth business delivered a solid result with an underlying pre-tax profit of $3.5m which was down 13% on the prior corresponding period and up 13% on the prior period. The transformation of the business to a modern wealth advice business is progressing to plan and is well recognised for its competitive offering and trusted team. The move to a fee for service model in May last year resulted in a drop in adviser fee revenues. This is gradually being offset by strong growth in professional advisers to the group. The business also achieved good growth in funds management and salaried advice revenues partially offset by a drop in product rebates.

The Funding underlying pre-tax profit was down 15% on the prior corresponding period and up 48% on the prior period. The premium funding business wrote a record 15,000 loans during the period offsetting commercial insurance premium rate reductions. Premiums funded of $211m was flat on the prior corresponding period and up 26% on the prior period driven by 12% growth in the eastern states.

Statutory net profit after tax was impacted by onerous lease provisions of $0.6m relating to a major premises restructure across the group.

Centrepoint also announced an interim dividend of 1 cps fully franked to be paid on 29 April 2016.

The Chairman, Alan Fisher commented 'We are pleased with the Group's progress in executing on its strategy. The market environment in both business lines is challenging so it is particularly pleasing to see the transformation of the Wealth business gaining momentum and the Funding business growing its broker relationships and loans. In a market where Institutional competitors are reassessing their participation, Centrepoint is strengthening its position as the preferred choice for quality advisers and brokers.'

The momentum in the salaried advice channel and the innovative separately managed account service are increasingly important drivers in the Wealth result. Together these investments provide sustainable growth platforms in the post FOFA world.

The investment in people, technology and client solutions in both Wealth and Funding has continued. The Group's strategy is to achieve sustainable, long term growth by delivering innovative solutions to independent advisers and brokers to support their customer's needs.

The Group had cash and cash equivalents of $12m as at 31 December 2015. The Group has a strong financial position from which to deliver organic and inorganic growth.

Centrepoint Alliance

The Group is well positioned in both businesses for sustainable growth by continuing to support professional advisers and brokers thrive in attractive markets.

Investor Briefing

John de Zwart, Managing Director, and John Cowan, Chief Financial Officer, will hold an investor briefing at 10am (AEDT) on Thursday, 25 February 2016.

If you wish to participate in the briefing please register by visiting our ASX Announcements section of the Investor Centre on the Centrepoint website - http://www.centrepointalliance.com.au.

Centrepoint's Appendix 4D and Half Year Report are appended.

For further information please contact:

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Managing Director
Centrepoint Alliance Limited
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CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 052 507 507

Appendix 4D

Half year ended 31 December 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

In thousands of Australian dollars				
Revenues from ordinary activities	Down	8 %	to	$24,049
Profit before tax and non-controlling interests	Down	66%	to	$1,221
Profit after tax attributable to members	Down	75%	to	$714

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	1.0 cents	1.0 cents
Previous corresponding period	1.0 cents	1.0 cents
Record date for determining entitlements to dividend	24 March 2016	
Payment date of dividend	29 April 2016	
Dividend Reinvestment Plan		
Plan active	Yes	
Discount	2%	
Pricing period	28 March 2016 to 8 April 2016	
Last DRP election date	25 March 2016	
Net tangible assets per share	31 Dec 2015	30 June 2015
	14.99 cents	14.85 cents

- Results are extracted from the attached Half Year Financial Report for the six months ended 31 December 2015 which was subject to an independent review.
- For explanation and commentary on the results refer to the Directors' Report in the attached Half Year Financial Report.

CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 052 507 507

HALF YEAR FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Contents

Your directors present their report for the half year ended 31 December 2015.

Directors

The names and details of the Company's directors in office during the half year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Alan Fisher (Chairman) – appointed 12 November 2015
John de Zwart (Managing Director & Chief Executive Officer)
Matthew Kidman (Non-Executive Director) - resigned 12 November 2015
Martin Pretty (Non-Executive Director)
John O'Shaughnessy (Non-Executive Director)
Richard (Rick) Nelson (Chairman) – resigned 12 November 2015
Stephen Maitland (Non-Executive Director) – resigned 31 August 2015

Company Secretary

Debra Anderson

Operating & Financial Review

Group Business Operations

Centrepoint Alliance Limited and its controlled entities (the 'Group') operates predominantly in the financial services industry within Australia and has two core business segments:

- Centrepoint Funding ('Funding'), which provides insurance premium funding and mortgage aggregation services to mortgage brokers; and,
- Centrepoint Wealth ('Wealth'), which provides a range of financial advice and support services (including licensing, systems, compliance, training and technical advice) and wealth solutions to financial advisers, accountants and their clients, across Australia.

Financial Performance

Profit before tax from continuing operations for the half year ended 31 December 2015 decreased by 66% to $1.221 million (2014: $3.600 million) and is a reflection of a continued challenging market environment for Premium Funding and lower revenues from the implementation of a quality sustainable wealth advice business model.

a) Funding

Description: Provides a cash flow solution primarily to Small and Medium Sized Enterprises ('SME') and corporate clients to enable funding of their general insurance premiums and also provides aggregation and licencing services to mortgage brokers.

Business Model: Insurance premium funding is distributed to customers through a national network of third party general insurance brokers. A large volume of relatively small short term loans are funded using a receivables finance facility provided by two of Australia's major banks. Centrepoint Lending Solutions ('CLS') is an aggregator of mortgage and asset finance solutions. It is a boutique player in a large market, designed to primarily service the needs of financial planning clients.

Key Drivers: The number of supporting brokers, dollar volume and number of loans written, general insurance premium price cycle, property purchases, funding terms and lending margins, credit management and operating expenses.

Overview: The insurance premium funding market is estimated to have declined by 7% in 2015 due to commercial insurance premium reductions and the market is estimated to be around $4.6bn[1] per annum and is dominated by two institutions. Centrepoint Alliance Premium Funding is one of the largest non-aligned funders with an estimated 9% market share[1].

Centrepoint Alliance Premium Funding Pty Ltd ("CAPF") has a multi option facility, including an insurance premium funding receivables finance facility with the National Australia Bank Limited ('NAB') & Bendigo and Adelaide Bank ('BAAB'). CAPF has entered into discussions with NAB and BAAB to simplify the current receivables facility which will benefit CAPF in respect of enhanced pricing and productivity and extend the facility which expires in November 2016.

Financial Performance: Profit before tax for the half year ended 31 December 2015 decreased 22% compared to the prior corresponding period from $1.542 million to $1.208 million. Revenue generated of $8.632 million is 10% down on December 2014: $9.503 million and reflects current industry trends in the commercial insurance premium funding market. Expenses of $7.424 million were lower by 8% due to decreased borrowing costs

b) Wealth

Description: Provider of a range of financial advice, support services (including licensing, systems, compliance, training and technical advice) and wealth solutions (platforms and managed portfolios and funds) to financial advisers, accountants and their clients across Australia.

Business Model: Wealth provides services to authorised representatives under its Australian Financial Services Licences ('AFSL'). The licenced entities are Professional Investment Services Pty Ltd ('PIS') and Alliance Wealth Pty Ltd ('AW'). Services are also provided to authorised representatives of other AFSL holders through Associated Advisory Practices Pty Ltd. Wealth sources best of breed investment platforms, portfolio solutions and managed funds through Investment Diversity Ltd and Ventura Investment Management Ltd. The business is transitioning from typically commission, percentage splits, and rebates on products to a fee for service model to be better aligned with customers interests. A new Advice Fee structure has been implemented changing the revenue generated from retention of a portion of advice revenue earned by Wealth's authorised representatives to a dollar based fee. In addition revenue is generated from product providers through product margins on packaged investment platforms, managed funds and other fees for services.

Key Drivers: The number of Practices or Licenses, fee income, funds under advice ('FuA'), funds under distribution agreements ('FUDA'), funds under administration ('FUAdm'), funds under management ('FUM'), margin and operating costs.

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[1] Insurance Premium Financiers of Australia Industry Statistics 20/11/2015

Overview: Wealth operates in a market dominated by large institutions. Wealth is the largest non-institutional full advice business in Australia.[2] The wealth market is attractive with superannuation assets expected to continue to grow by 7% p.a.[3] over the next twenty years and the need for quality advice continuing to grow. The market has experienced significant regulatory change with the commencement of the Future of Financial Advice legislation and changes to the Life Insurance Framework.

During the calendar year Wealth invested in developing a Salaried Adviser channel and has continued to develop the suite of solutions and services together with systems and methodologies to deliver high quality advice and outcomes to financial advisers and their clients. A review and rationalisation of premises was undertaken resulting in a smaller footprint. The Gold Coast office space has been halved and we are marketing this space for sublease. Onerous contract accounting requirements have resulted in an adjustment for this financial period.

The processing of client claims continues to be fully managed by an internal claims team. The half year ended December 2015 has produced a decrease in legacy client claims settled of $0.7 million compared to $6.7m in the prior corresponding period. The number of legacy claims continues to decrease and has not varied significantly from our expectations.

Financial Performance: Profit before tax was $1.731 million (2014: $3.386 million) which is a reflection of the introduction of the new business model in the first half of 2015 as a result of the future of financial advice regulations. Revenue decreased 2% to $16.529 million with expenses, excluding client claims, depreciation and amortisation of $13.535 million compared to $12.237 million. $0.405 million of the increase in expenses relates to additional technology costs associated with increased investment in telecommunication infrastructure and systems. $0.500 million has been expensed in relation to the onerous lease contract.

Corporate

Description: The costs of the Centrepoint board of directors, company secretarial functions and the administration of the listed public entity are reflected in Corporate.

Overview: Consistent with prior simplification of the corporate structure, some expenses that were previously recorded at the Corporate level are now allocated to the operating segments resulting in some reductions in reported expenses.

Financial Performance: Total expenses of $1.958 million were up 14% on the prior comparative period, primarily reflecting an investment in M&A and an increase in long term employee incentive expense. There was reduced professional consulting fees and property costs.

Dividends

On 24 February 2016, the directors of Centrepoint Alliance Limited declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2015. The dividend will be paid out of the dividend reserve. The total amount of the dividend is $1,532,396 which represents a fully franked dividend of 1 cent per share and will be paid on 29 April 2016.

The Directors have approved a Dividend Reinvestment Plan option that shareholders may exercise for the interim dividend, including a 2% discount.

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[2] Money Management Top 100 Financial Planning Survey 2015

[3] DEXX&R Market Projections Report 27/4/15

Significant Events Subsequent to Balance Date

On 22 January 2016, Centrepoint Alliance was served with a writ of summons and statement of claim, filed in the High Court of the Republic of Singapore by Aviva Asia Holdings. The legal action arises from the sale of shares in 2012 by Fifth Floor Pte Ltd to Aviva Asia in Centrepoint's former Singapore-based subsidiary, Professional Advisory Holdings (PAH).

In the proceedings, Aviva Asia alleges that Centrepoint's former subsidiary, Fifth Floor Pte Ltd, breached a warranty contained in the Share Purchase Agreement and is seeking damages approximating $1 million. This matter is currently being vigorously defended.

There are no other matters or events which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Auditor Independence Declaration

The auditor, Deloitte Touche Tohmatsu, has provided a written independence declaration to the directors in relation to its review of the financial report for the half year ended 31 December 2015. The independence declaration which forms part of this report is on page 5.

Signed in accordance with a resolution of the directors.

A. D. Fisher
Chairman

24 February 2016

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Centrepoint Alliance Limited
Level 6, 2 Elizabeth Plaza
NORTH SYDNEY NSW 2060

24 February 2016

Dear Board Members

Centrepoint Alliance Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Centrepoint Alliance Limited.

As lead audit partner for the review of the financial report of Centrepoint Alliance Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2015

	Note	Half year to 31 Dec 2015 $'000	Half year to 31 Dec 2014 $'000
CONTINUING OPERATIONS			
Revenue			
Advice and financial product revenue (gross)		56,504	60,357
Advice and financial product fees		(40,736)	(43,518)
Advice and financial product revenue (net)		15,768	16,839
Interest income		7,903	8,824
Other revenue	5	378	404
		24,049	**26,067**
Expenses			
Borrowing expenses		(2,521)	(3,056)
Employee related		(11,813)	(11,216)
Professional services		(698)	(1,275)
Client claims		(149)	(393)
IT and communication expenses		(1,091)	(635)
Insurances		(429)	(682)
Property costs		(1,399)	(1,070)
Impairment of assets		(251)	(184)
Depreciation and amortisation		(1,274)	(989)
Other general and administrative expenses	6	(3,203)	(2,967)
		(22,828)	**(22,467)**
Profit before tax from continuing operations		**1,221**	**3,600**
Income tax expense		(507)	(697)
Net profit from continuing operations after tax		**714**	**2,903**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**714**	**2,903**
Net profit attributable to:			
Owners of the parent		714	2,911
Non-controlling interests		-	(8)
Net profit for the period		**714**	**2,903**
Total comprehensive profit attributable to:			
Owners of the parent		714	2,911
Non-controlling interests		-	(8)
Total comprehensive profit for the period		**714**	**2,903**
Earnings per share for profit attributable to the ordinary equity holders of the parent		**Cents**	**Cents**
Basic profit per share	8	0.48	2.05
Diluted profit per share	8	0.47	2.00

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes included in pages 10 to 22.

Condensed Consolidated Statement of Financial Position

As at 31 December 2015

	Note	31 Dec 2015 $'000	30 June 2015 $'000
ASSETS			
Current			
Cash and cash equivalents		12,047	12,539
Trade and other receivables		10,315	11,375
Interest bearing receivables		140,223	122,467
Other assets		4,465	4,377
Total current assets		**167,050**	**150,758**
Non-current			
Interest bearing receivables		336	330
Other assets		922	827
Property, plant & equipment		1,428	2,080
Intangible assets & goodwill	11	4,353	4,945
Deferred tax assets		9,279	9,694
Total non-current assets		**16,318**	**17,876**
TOTAL ASSETS		**183,368**	**168,634**
LIABILITIES			
Current			
Trade and other payables		29,601	34,427
Interest bearing liabilities		106,035	85,317
Other liabilities		183	183
Provisions		7,910	8,911
Current tax liability		93	141
Total current liabilities		**143,822**	**128,979**
Non-current			
Interest bearing liabilities		-	75
Other liabilities		376	467
Provisions		2,560	2,455
Total non-current liabilities		**2,936**	**2,997**
TOTAL LIABILITIES		**146,758**	**131,976**
NET ASSETS		**36,610**	**36,658**
EQUITY			
Contributed equity	12	33,432	32,678
Reserves	13	17,224	18,740
Accumulated losses		(14,164)	(14,878)
Equity attributable to shareholders		**36,492**	**36,540**
Non-controlling interests		118	118
TOTAL EQUITY		**36,610**	**36,658**

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 10 to 22.

Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2015

	Note	Half year to 31 Dec 2015 $'000	Half year to 31 Dec 2014 $'000
Cash Flows from Operating Activities			
Cash receipts from customers		76,564	80,768
Cash paid to suppliers and employees		(74,014)	(77,850)
Cash provided by operations		2,550	2,918
Claims and litigation settlements		(781)	(6,742)
Income tax refunded		-	-
Net cash flows provided by /(used) in operating activities		**1,769**	**(3,824)**
Cash Flows from Investing Activities			
Interest received		158	321
Maturity /(investment) in term deposits		-	5,000
Acquisition of intangible assets	11	(35)	(98)
Acquisition of property, plant & equipment		(38)	(417)
Proceeds from sale of property, plant & equipment		84	1
Net cash flows provided by investing activities		**169**	**4,807**
Cash Flows from Financing Activities			
Interest and borrowing expenses paid		(240)	(38)
Net increase in borrowings		16,597	6,630
Net increase in loan funds advanced		(17,763)	(7,412)
Proceeds from issue of share capital		-	28
Dividends paid	7	(1,025)	(3,126)
Net cash flows used in financing activities		**(2,430)**	**(3,918)**
Net decrease in cash & cash equivalents		**(492)**	**(2,935)**
Cash & cash equivalents at the beginning of the year		12,539	16,373
Cash & cash equivalents at the end of the period		**12,047**	**13,438**

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the attached notes included in pages 10 to 22.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2015

	Notes	Ordinary shares $'000	Dividend reserve $'000	Other reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2015		**32,677**	**17,979**	**761**	**(14,878)**	**36,539**	**118**	**36,658**
Profit for the period		-	-	-	714	714	-	714
Total comprehensive income for the year		-	-	-	714	714	-	714
Transfer to dividend reserve		-	-	-	-	-	-	-
Issue of share capital	12	755	-	-	-	755	-	755
Share-based payment		-	-	264	-	264	-	264
Dividends paid	7	-	(1,780)	-	-	(1,780)	-	(1,780)
Balance at 31 Dec 2015		**33,432**	**16,199**	**1,025**	**(14,164)**	**36,492**	**118**	**36,610**
Balance at 1 July 2014		**40,015**	**3,820**	**498**	**(9,938)**	**34,395**	**126**	**34,521**
Profit for the period		-	-	-	2,911	2,911	(8)	2,903
Total comprehensive income for the year		-	-	-	2,911	2,911	(8)	2,903
Transfer to dividend reserve		-	1,700	-	(1,700)	-	-	-
Share capital reduction 1	12	(7,871)	-	-	7,871	-	-	-
Share-based payment		29	-	234	-	263	-	263
Dividends paid	7	-	(3,126)	-	-	(3,126)	-	(3,126)
Balance at 31 Dec 2014		**32,173**	**2,394**	**732**	**(856)**	**34,443**	**118**	**34,561**

1. The parent entity (Centrepoint Alliance Limited) offset accumulated losses as at 30 June 2014 of $7,871,000 against share capital as provided for by section 258F of the Corporations Act.

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the attached notes included in pages 10 to 22.

1. Corporate information

The interim consolidated financial statements of Centrepoint Alliance Limited and its subsidiaries (collectively, the 'Group') for the half year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 24 February 2016.

Centrepoint Alliance Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Summary of significant accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the half year ended 31 December 2015 have been prepared in accordance with AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 June 2015.

It is recommended that the half year financial report be considered together with any public announcements made by the Group during the half year ended 31 December 2015 and up to the date of this report in accordance with the continuous disclosure obligations of the ASX listing rules.

The half year financial report has been prepared on a historical cost basis, except for certain financial assets and derivative financial instruments that have been measured at fair value.

The half year financial report is presented in Australian dollars and all values are rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

New accounting standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the financial year ended 30 June 2015, except for the adoption of new standards and interpretations noted below:

AASB 2015-3: ***Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality***	Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.

The adoption of the above Standard does not have any material impact on the disclosures or amounts recognised in the Group's condensed consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. Summary of significant accounting policies (cont.)

Comparatives

Certain adjustments have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result certain line items have been amended in the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

3. Business combinations

There were no business combinations during the period.

4. Segment information

The Group has organised its businesses and identified two reportable segments based on the nature of the products and services provided and the markets in which it operates. Internal reports are regularly reviewed by the Managing Director and Chief Executive Officer on this basis.

The Group's reportable segments are:

- Centrepoint Wealth – provides Australian Financial Services Licence related services, investor directed portfolio services and investment management services to financial advisers and their clients
- Centrepoint Funding – provides insurance premium funding and mortgage broking services

Board, corporate finance, company secretarial and other administration functions of the Company not allocated to the above reportable segments are identified as corporate and unallocated.

The Group operated in Australia and New Zealand during the reporting period. A detailed review of these segments is included in the Directors' Report.

The accounting policies of the reportable segments are the same as the Group's accounting policies. The Group does not currently manage its assets and liabilities on an individual segment basis.

4. Segment information (cont.)

Half year to 31 Dec 2015	Centrepoint Wealth $'000	Centrepoint Funding $'000	Corporate & Unallocated $'000	Consolidated $'000
Revenue				
External customers	15,282	864	-	**16,146**
Inter-segment revenue	1,149	56	147	**1,352**
Interest income	98	7,712	93	**7,903**
Segment revenue	**16,529**	**8,632**	**240**	**25,401**
Inter-segment elimination				**(1,352)**
Total revenue				**24,049**
Segment results				
Borrowing expenses	(36)	(2,449)	(36)	**(2,521)**
Client claims	(149)	-	-	**(149)**
Depreciation & amortisation	(1,113)	(127)	(34)	**(1,274)**
Impairment of assets	7	(258)	-	**(251)**
Segment profit before tax	**1,731**	**1,208**	**(1,718)**	**1,221**
Inter-segment elimination				**-**
Profit before tax				**1,221**
Balance Sheet at 31 Dec 2015				
Current assets				
Interest bearing receivables	158	140,065	-	**140,223**
Other current assets	15,391	3,964	7,472	**26,827**
Total current assets	**15,549**	**144,029**	**7,472**	**167,050**
Non-current assets				
Interest bearing receivables	336	**-**	-	**336**
Other non-current assets	8,157	729	7,097	**15,982**
Total non-current assets	**8,493**	**729**	**7,097**	**16,318**
Total Assets	**24,042**	**144,758**	**14,569**	**183,368**
Current liabilities				
Interest bearing liabilities	202	105,833	-	**106,035**
Other current liabilities	17,261	20,437	89	**37,787**
Total current liabilities	**17,463**	**126,271**	**89**	**143,822**
Non-current liabilities				
Interest bearing liabilities	-	-	-	**-**
Other non-current liabilities	2,622	53	261	**2,936**
Total non-current liabilities	**2,622**	**53**	**261**	**2,936**
Total Liabilities	**20,084**	**126,324**	**350**	**146,758**
Net Assets	**3,957**	**18,434**	**14,219**	**36,610**

4. Segment information (cont.)

Half year to 31 Dec 2014	Centrepoint Wealth $'000	Centrepoint Funding $'000	Corporate & Unallocated $'000	Consolidated $'000
Revenue				
External customers	16,259	981	4	**17,244**
Inter-segment revenue	532	20	2,206	**2,758**
Interest income	43	8,502	278	**8,823**
Segment revenue	**16,834**	**9,503**	**2,488**	**28,825**
Inter-segment elimination				**(2,758)**
Total revenue				**26,067**
Segment results				
Borrowing expenses	(148)	(3,012)	104	**(3,056)**
Client claims	(393)	-	-	**(393)**
Depreciation & amortisation	(818)	(151)	(20)	**(989)**
Impairment of assets	-	(187)	3	**(184)**
Segment profit before tax	**3,386**	**1,542**	**772**	**5,700**
Inter-segment elimination				**(2,100)**
Profit before tax				**3,600**
Balance Sheet at 30 June 2015				
Current assets				
Interest bearing receivables	207	122,260	-	**122,467**
Other current assets	18,374	4,308	5,609	**28,291**
Total current assets	**18,581**	**126,568**	**5,609**	**150,758**
Non-current assets				
Interest bearing receivables	330	-	-	**330**
Other non-current assets	9,452	895	7,199	**17,546**
Total non-current assets	**9,782**	**895**	**7,199**	**17,876**
Total Assets	**28,363**	**127,463**	**12,808**	**168,634**
Current liabilities				
Interest bearing liabilities	174	85,143	-	**85,317**
Other current liabilities	18,947	24,255	460	**43,662**
Total current liabilities	**19,121**	**109,398**	**460**	**128,979**
Non-current liabilities				
Interest bearing liabilities	75	-	-	**75**
Other non-current liabilities	2,586	60	276	**2,922**
Total non-current liabilities	**2,661**	**60**	**276**	**2,997**
Total Liabilities	**21,782**	**109,458**	**736**	**131,976**
Net Assets	**6,581**	**18,005**	**12,072**	**36,658**

The Inter-segment sales are carried out on an arm's length basis and are eliminated on consolidation.

5. Other revenue

	Half year to 31 Dec 2015 $'000	Half year to 31 Dec 2014 $'000
Cost recoveries from advisers	248	259
Retail and wholesale asset and service fees	44	84
Other	86	61
Total other revenue	**378**	**404**

6. Other expenses

	Half year to 31 Dec 2015 $'000	Half year to 31 Dec 2014 $'000
Audit fees	221	194
Training and Development	209	554
Directors fees and expenses	149	192
Foreign exchange loss/(gain)	3	1
Licensing, subscriptions and registrations	618	559
Marketing and promotion	463	182
Management fees	370	321
Travel and entertainment	406	447
Printing & stationery	66	59
Other expenses	698	458
Total other general and administrative expenses	**3,203**	**2,967**

7. Dividends

	Half year to 31 Dec 2015 $'000	Half year to 31 Dec 2014 $'000
Dividends paid or payable		
The following fully franked dividends were provided for or paid during the half year:		
Dividends paid on ordinary shares	1,780	3,126

Dividends payable are recognised when declared by the company.

8. Earnings per share ('EPS')

The following reflects the income used in the basic and diluted EPS computations:

	Half year to 31 Dec 2015 $'000	Half year to 31 Dec 2014 $'000
a) Profit used in calculating profit per share		
Net profit attributable to ordinary equity holders of the Company	714	2,911
Net profit attributable to ordinary equity holders of the Company from continuing operations	714	2,911
b) Weighted average number of shares	**No. of shares**	**No. of shares**
Weighted average number of ordinary shares (excluding reserved shares)	149,361,385	141,959,811
Effect of dilution:		
Performance rights and CAESP shares	3,566,667	3,930,435
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	**152,928,052**	**145,890,246**

There have been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

9. Fair value of financial instruments

The Group uses various methods in estimating the fair value of a financial instrument. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The methods comprise:

Level 1 – the fair value is calculated using quoted (unadjusted) market prices in active markets for identical assets or liabilities.

9. Fair value of financial instruments (cont.)

Level 2 – the fair value is estimated using inputs other than quoted (unadjusted) market prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Quoted (unadjusted) market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of listed equity investments are based on quoted market prices.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in their hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between categories during the year.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Cash and Cash equivalents: Fair value approximates the carrying amount as these assets are receivable on demand or short term in nature.

Interest Bearing Receivables: For fixed rate loans, excluding impaired loans, fair value is determined by discounting expected future cash flows by the RBA Indicator Lending Rate for 3 year fixed small business loans adjusted using quoted BBSW interest rates to reflect the average remaining term of the loans as at 31 December 2015.

The calculated fair value using this Level 3 methodology approximates carrying value. Increasing the interest rate used to discount future cash flows by 1% would reduce fair value by less than $383,246.

For variable rate loans, excluding impaired loans, fair value approximates the carrying amount as they are repriced frequently.

Interest Bearing Liabilities: The carrying values of variable rate interest bearing liabilities approximate their fair value as they are short term in nature and reprice frequently.

10. Discontinued operations

The Group has a number of dormant entities in New Zealand which are in the process of being wound up or sold.

There are Nil results for the dormant International operations for the reporting period (2014: Nil) and there were no major classes of assets and liabilities as at 31 December 2015 (2014: Nil).

11. Intangible assets

a) Reconciliation of carrying amounts at the beginning and end of the half year

Half year ending 31 December 2015	Goodwill $'000	Software $'000	Network & Client Lists $'000	Total $'000
At 1 July 2015 net of accumulated amortisation and impairment	2,132	774	2,039	**4,945**
Additions	-	103	-	**103**
Impairment	-	-	-	**-**
Amortisation	-	(319)	(376)	**(695)**
At 31 Dec 2015 net of accumulated amortisation and impairment	**2,132**	**558**	**1,663**	**4,353**
At 31 December 2015				
Cost	2,132	2,324	7,290	**11,746**
Accumulated amortisation and impairment	-	(1,766)	(5,627)	**(7,393)**
Net carrying value	**2,132**	**558**	**1,663**	**4,353**

Half year ending 31 December 2014	Goodwill $'000	Software $'000	Network & Client Lists $'000	Total $'000
At 1 July 2014 net of accumulated amortisation and impairment	2,132	1,010	2,887	**6,029**
Additions	-	98	-	**98**
Impairment	-	-	-	**-**
Amortisation	-	(270)	(442)	**(712)**
At 31 December 2014 net of accumulated amortisation and impairment	**2,132**	**838**	**2,445**	**5,415**
At 30 June 2015				
Cost	2,385	3,810	10,025	**16,220**
Accumulated amortisation and impairment	(253)	(3,036)	(7,986)	**(11,275)**
Net carrying value	**2,132**	**774**	**2,039**	**4,945**

11. Intangibles (cont.)

b) Description of the Group's intangible assets

i) Goodwill

Cash generating units ('CGU')

Goodwill of $1,176,000 was created as a result of the reverse acquisition of Centrepoint Alliance Limited by Centrepoint Wealth Pty Ltd in December 2010. It represents goodwill on the insurance premium funding business.

Goodwill was also created during 2012 on the acquisitions of the externally owned interests in Ventura Investment Management Ltd of $93,000 and in Centrepoint Lending Solutions Pty Ltd of $863,000, (net of an impairment of $253,000).

Other CGU's include Professional Investment Services Pty Ltd and Investment Diversity Limited.

Goodwill is tested on an annual basis and when there is an indication of potential impairment.

ii) Networks and client lists

Intangible assets in the form of adviser network businesses and adviser client lists acquired to expand the adviser network. These had a total book value at 31 December 2015 of $1,663,000 (June 2015: $2,039,000).

iii) Software

The Group has developed or acquired software, which are being amortised over their expected useful lives.

c) Impairment tests for goodwill and intangibles

i) Goodwill

Goodwill is tested annually for impairment by calculation of value in use at the CGU level.

Value in use is calculated using discounted cash flow projections for five years and terminal values prepared from current forecasts using the following assumptions:

- Growth rate 2.50% (June 2015: 2.50%)
- Cost of equity: 12.35% (June 2015: 12.35%)

The testing resulted in no impairment being required.

The value in use model is not materially sensitive to any of the above assumptions.

No indicators of impairment are noted for the remaining CGU's.

11. Intangibles (cont.)

ii) Networks and client lists

Adviser networks and client lists are regularly tested for impairment by calculation of value in use or when indicators of potential impairment arises.

Value in use is calculated using discounted cash flow projections associated with the applicable asset using the following assumptions:

- The number of revenue generating advisers and clients declines to nil over the remaining useful life
- Revenue growth from advisers and clients: -5% to 0% depending on the asset (June 2015: -5% to 0%)
- Inflation rate for expenses: 2.5% (June 2015: 2.5%)
- Cost of equity: 12.35% (June 2015: 12.35%)

The testing resulted in no impairment losses (June 2015: Nil).

The value in use calculations are most sensitive to the remaining useful life assumption. Sensitivity analysis indicates that a decrease in the assumed useful life of 1 year would have resulted in an impairment expense of $190,501 (June 2015: $226,000).

iii) Software

The value of the developed or acquired software of the Group is amortised on a straight line basis over a 2.5 year period, which the directors assess as the intangible assets' useful lives. No software is considered to be impaired.

12. Contributed equity

	Number of shares	31 Dec 2015 $'000	Number of shares	30 June 2015 $'000
i) Ordinary shares (issued & fully paid)				
Balance at start of year	148,300,806	36,178	142,789,724	41,188
Movements during the year:-				
- Share issue - long term incentive plan	2,650,000	901	4,514,284	2,356
- Share issue - dividend reinvestment plan	2,288,772	755	996,798	505
- Share capital s258F reduction	-	-	-	(7,871)
On issue at end of year	**153,239,578**	**37,834**	**148,300,806**	**36,178**
ii) Reserved shares				
Balance at start of year	(5,300,000)	(3,500)	(856,431)	(1,173)
Movements during the year:-				
- Issue of share to executive	-	-	70,715	29
- Share issue - long term incentive plan	(2,650,000)	(901)	(4,514,284)	(2,356)
On issue at end of year	**(7,950,000)**	**(4,401)**	**(5,300,000)**	**(3,500)**
Total contributed equity	**145,289,578**	**33,433**	**143,000,806**	**32,678**

13. Reserves

	31 Dec 2015 $'000	30 June 2015 $'000
Employee equity benefits reserve	1,025	761
Dividend reserve	16,199	17,979
Total	**17,224**	**18,740**

a) Employee equity benefits reserve	31 Dec 2015 $'000	30 June 2015 $'000
Balance at start of year	761	498
Value of share based payments provided or which vested during the year	264	263
Value of share based payments expired during the year	-	-
Balance at end of year	**1,025**	**761**

The employee equity benefits reserve is used to record the value of share based payments provided to employees, including KMP, as part of their remuneration.

During the current period, the following shares were issued to the Managing Director and Chief Executive Officer and other senior executives of the Group under the Centrepoint Alliance Employee Share Plan ("CAESP"). Participants were provided with an interest free non-recourse loan to fund their acquisition of the shares. This arrangement is equivalent to a call option over the shares and accordingly it has been valued using the Black Scholes model:

Shares	No. of shares	Vesting period	Issue price	Fair Value at issue date
Managing Director	1,500,000	3 years	$0.340	$0.095
Senior Executives	1,150,000	3 years	$0.340	$0.095

b) Dividend reserve	31 Dec 2015 $'000	30 June 2015 $'000
Balance at start of year	17,979	3,820
Dividends paid	(1,780)	(4,541)
Transfer from current year parent entity profit	-	18,700
Balance at end of year	**16,199**	**17,979**

The dividend reserve represents profits transferred for payment of potential future dividends.

14. Share based payment plans

All current option awards are fully vested at reporting date. There are 7,950,000 shares which are held within the CAESP which are not yet vested. Performance rights over 3,700,000 shares issued in the prior financial year have not yet vested.

a) Option pricing model

The fair value of the shares issued under the CAESP, the options issued under the CAESOP and the performance rights are estimated as at the date of allocation using the Black Scholes Model taking into account the terms and conditions upon which they were granted and market based inputs as at the grant date.

15. Commitments

In December 2015, the Group entered into a new lease for premises for a term of 5 years with a 5 year option to renew. Annual rent expenditure is approximately $142,000.

16. Contingent liabilities

The nature of the financial advice business is such that from time to time advice given by the Group or its Authorised Representatives results in claims by clients for compensation.

The Group has provided for claims arising from advice provided prior to 1 July 2010 based on an actuarial model of past claims. The actuarial model does not project claims from class actions. Class action lawyers have been active within the financial advice industry in relation to failed investment products and there is an unquantifiable risk that such action may be taken against a Group subsidiary in the future.

At the date of this report the directors are not aware of any material contingent claims in relation to advice provided after 1 July 2010.

There were no other contingent liabilities at reporting date.

17. Events after the reporting period

On 22 January 2016, Centrepoint Alliance was served with a writ of summons and statement of claim, filed in the High Court of the Republic of Singapore by Aviva Asia Holdings. The legal action arises from the sale of shares by Fifth Floor Pte Ltd to Aviva Asia in Centrepoint's former Singapore-based subsidiary, Professional Advisory Holdings (PAH).

In the proceedings, Aviva Asia alleges that Centrepoint's former subsidiary, Fifth Floor Pte Ltd, breached a warranty contained in the Share Purchase Agreement and is seeking damages approximating $1 million. This matter is currently being vigorously defended.

There are no other matters or events which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

18. Seasonality of operations

Provision of financial advice and investment products: There is no significant seasonal variation in the income from the provision of financial advice and investment products and services.

Insurance Premium Funding: The insurance premium funding business follows the seasonal peak of insurance policy renewals. The majority of the receivables have historically peaked, along with income in the second quarter of the financial year and fall to the lowest levels in the final quarter.

19. Onerous lease contract

During the period the Group undertook a review of all its premises. The review has resulted in merging the two Brisbane office locations, closing the Adelaide office utilising a "working from home" model, and making a decision to move the North Sydney office to Sydney CBD. The locations vacated at the end of their lease period are Brisbane and Adelaide. Further, the Gold Coast office has merged from two floors to one, and a result of this change is that an onerous contract now exists.

A review has assessed the likely offset from sub-leasing the Gold Coast premises for the lease period to October 2018, and application of the appropriate accounting treatment results in establishing a provision for onerous lease contracts of $500,000 that will be amortised over this period. This has been split between a current provision of $253,000 and non-current provision of $247,000. The associated expense is included in property expenses. In addition, there is an impact on leasehold assets that results in bringing forward depreciation of $300,000. The total profit and loss impact reported in the financial period is $800,000.

The changes to premises results in a reduction in the existing premises cost and a better working environment for our people.

In accordance with a resolution of the directors of Centrepoint Alliance Limited, I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of Centrepoint Alliance Limited for the half year ended 31 December 2015 are in accordance with the *Corporations Act 2001*, including:

      i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and

      ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the directors:

A. D. Fisher
Chairman

24 February 2016

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the members of Centrepoint Alliance Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Centrepoint Alliance Limited, which comprises the condensed statement of financial position as at 31 December 2015, and the condensed consolidated statement of profit or loss and comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Centrepoint Alliance Limited and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 23.

Directors' Responsibility for the Half-Year Financial Report

The directors of Centrepoint Alliance Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Centrepoint Alliance Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Centrepoint Alliance Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Centrepoint Alliance Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants
Brisbane, 24 February 2016

Centrepoint Alliance

Half Year Results
Centrepoint Alliance Limited
31 December 2015
ASX:CAF

Corporate snapshot

Centrepoint Alliance

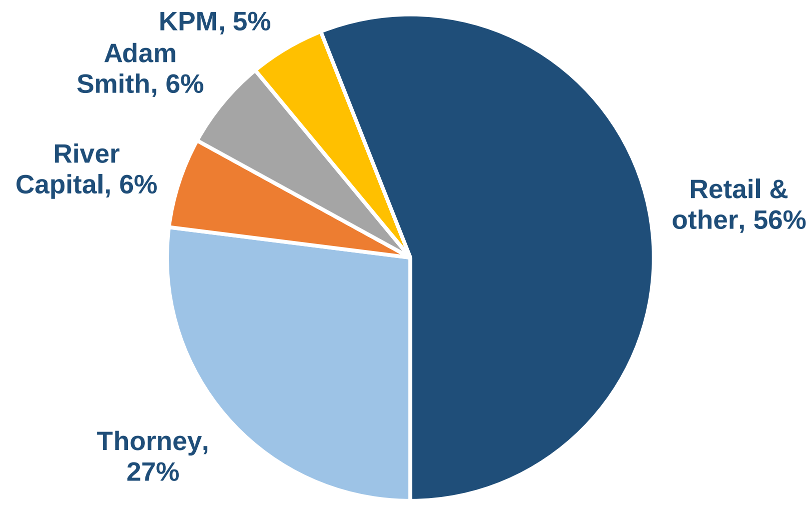
Capital Structure

Share price (19 February 2016)	$0.36
Fully paid ordinary shares	153.2m
Options and performance rights	4.0m
Market capitalisation	$55.2m
Cash (31 December 2015)	$12.0m
Drawn corporate debt (31 December 2015)	$0.2m

Valuation

Enterprise Value (EV)	$43.3m
CY15 Underlying EBITDA	$7.16m
EV/ Underlying EBITDA ratio	6.1x
Statutory CY15 EPS	2.5 cps
CY15 P/E ratio	14.6x
CY15 total dividend	2.2 cps
CY15 dividend yield	6.1%

Shareholder structure



Share price (2 years)

source: finance.yahoo.com

1H16 Financial highlights

- Underlying pre-tax profit of $3.2m down 26% on pcp, and up 16% on pp. Statutory net profit after tax of $0.7m was down 75% and 76% on pcp and pp respectively
- The underlying results were driven by:
  - Growth in funds management and administration revenues ($0.8m) and salaried advice revenues ($0.8m) were offset by
  - Lower Wealth fees ($1.8m) following the implementation of fee for service model
  - Lower platform rebates and grandfathered income ($0.9m)

  In addition, the statutory net profit was impacted by premises restructuring resulting in $0.6m after tax impact (EPS impact of 0.38 cents)
- Wealth underlying profit of $3.5m was down 13% on pcp and up 13% on pp
- Funding underlying profit of $1.4m was down 15% on pcp and up 48% on pp
- Interim fully franked dividend of 1 cent per share
- Strong balance sheet with $12.0m in cash

1H16 Operational highlights

Centrepoint Alliance

- Wealth's new sustainable revenues performing well with salaried advice and product solution strategies being implemented
- Wealth is recruiting quality practices following the exit of institutional and non-institutional licensees
- Premium funding lifted market share and maintained loan volumes despite commercial premiums being down. A record 15,000 loans were written during the period following 12% growth in the eastern states
- Strong expense control enabled continued investment in salaried advice, M&A activity, new adviser technology and product solutions and establishment of adviser service centre
- Legacy claims continuing long term decline

Financial summary

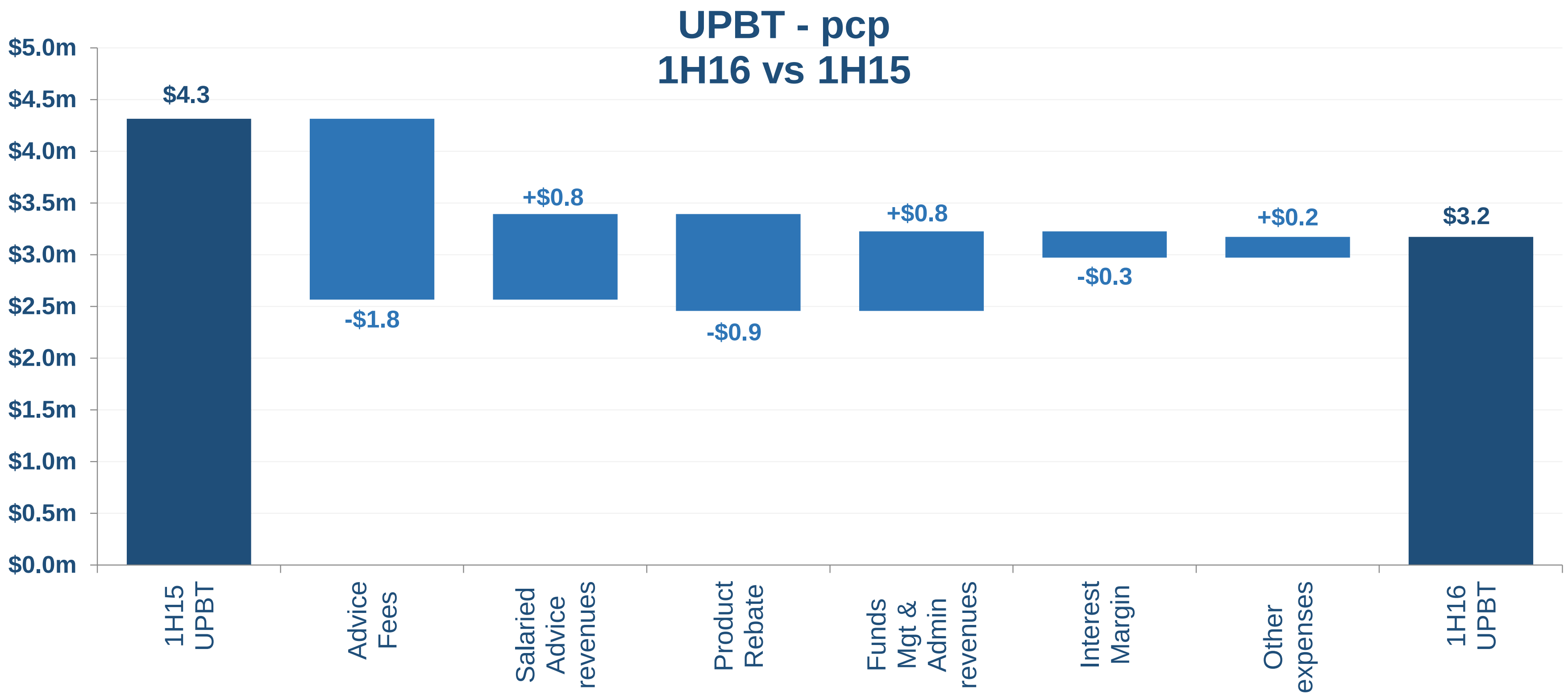
Centrepoint Alliance

	1H15	2H15	1H16		Change - pcp 1H16 v 1H15		Change - pp 1H16 v 2H15
Total Revenue	$26.1m	$22.8m	$24.0m	▼	(8%)	▲	5%
Total Expenses (ex claims)	$22.1m	$21.6m	$22.7m	▲	3%	▲	5%
Cost to Income Ratio	85%	95%	94%	▲	11%	▼	(1%)
Underlying PBT (UPBT)	$4.3m	$2.7m	$3.2m	▼	(26%)	▲	16%
Statutory PBT	$3.6m	($1.0m)	$1.2m	▼	(66%)	▲	217%
Statutory NPAT	$2.9m	$3.0m	$0.7m	▼	(75%)	▼	(76%)
Underlying PBT EPS (cents)	2.96	1.84	2.12	▼	(28%)	▲	16%
Statutory diluted EPS (cents)	2.00	2.00	0.47	▼	(77%)	▼	(77%)
Net Tangible Assets (cents per share)	15.94	14.85	15.38	▼	(3%)	▲	4%
Funds under Administration & Management							
- Invested	$2.7b	$2.8b	$2.9m	▲	7%	▲	1%
- Net Flows	$124m	$86m	$88m	▼	(30%)	▲	1%
Premium Funding Loans	$215m	$169m	$212m	▼	(1%)	▲	26%

- Revenues impacted by Wealth transitioning to modern advice business resulting in lower product rebates and adviser fees; weak investment markets impacting asset based incomes; and soft commercial insurance market resulting in lower premiums funded
- Solid growth in funds under administration and management, and loans funded in soft market conditions

Major drivers of UPBT

Centrepoint Alliance



- The transition to a quality advice business and a fee for service model has resulted in $1.8m fee reduction combined with product rebate reductions of $0.9m
- Salaried advice launched in late 2014 contributed $0.8m in fee income
- Net flows have increased administration and funds management income by $0.8m
- Expense savings were largely offset by investment in sales platform and IT infrastructure

Business line profit summary

Centrepoint Alliance

Segment	1H15	2H15	1H16	Change - pcp 1H16 v 1H15		Change - pp 1H16 v 2H15	
Wealth	$4.0m	$3.1m	$3.5m	▼	(13%)	▲	13%
Funding	$1.6m	$0.9m	$1.4m	▼	(15%)	▲	48%
Corporate	($1.3m)	($1.3m)	($1.7m)	▲	30%	▲	32%
Group Underlying PBT	**$4.3m**	**$2.7m**	**$3.2m**	▼	**(26%)**	▲	**16%**
Underlying Profit Adjustments	($0.7m)	($3.7m)	($2.0m)	▲	173%	▼	(47%)
Tax	($0.7m)	$4.0m	($0.5m)	▼	(27%)	▼	(113%)
Statutory NPAT	**$2.9m**	**$3.0m**	**$0.7m**	▼	**(75%)**	▼	**(76%)**

- Wealth's new business model attracting new practices and adoption of wealth solutions offset by lower revenues from advice fees ($1.8m) and pre-FOFA product rebates ($0.9m)
- Funding growing east coast distribution, impacted by soft commercial insurance market and lost volumes in WA market. Operational cost savings offset by corporate overheads
- Corporate expenses increased as a result of investment in M&A resources ($0.3m) and prior period under accrual ($0.1m)

Underlying profit reconciliation

Centrepoint Alliance

	1H15	2H15	1H16		Change - pcp 1H16 v 1H15		Change - pp 1H16 v 2H15
Underlying Profit	**$4.3m**	**$2.7m**	**$3.2m**	▼	(26%)	▲	16%
Legacy claims	($0.2m)	($2.2m)	($0.1m)	▼	(42%)	▼	(95%)
Amortisation of intangibles	($0.4m)	($0.4m)	($0.4m)	▼	(16%)	▼	(8%)
Restructuring costs	($0.1m)	($0.1m)	($0.4m)	▲	339%	▲	183%
Book Purchases	$0.0m	($0.8m)	($0.2m)	▲	n/a	▼	(71%)
Other	$0.0m	($0.1m)	($0.1m)	▲	n/a	▼	(55%)
Premises Restructure	$0.0m	$0.0m	($0.8m)	-	n/a	▲	n/a
Statutory Profit Before	**$3.6m**	**($1.0m)**	**$1.2m**	▼	**(66%)**	▲	**228%**
Tax payable	($0.7m)	($0.3m)	($0.5m)	▼	(27%)	▲	84%
Tax Assets Realised	$0.0m	$4.3m	$0.0m	-	n/a	▼	(100%)
Net Profit After Tax	**$2.9m**	**$3.0m**	**$0.7m**	▼	**(75%)**	▼	**(76%)**

- Legacy claims paid during the period were lower than expected and adjustment relates to discount unwind
- Amortisation relates to prior period acquisitions with long term value and capitalised IT costs
- Restructuring costs are associated with significant business model changes
- Book purchases relates to clients purchased from exiting advisers to be serviced by the salaried advice team
- Onerous lease resulted in a provision of $0.5m and bringing forward depreciation on leasehold assets of $0.3m

Group balance sheet

Centrepoint Alliance

	1H15	2H15	1H16	Change - pcp 1H16 v 1H15		Change - pp 1H16 v 2H15	
Cash and Term Deposits	$13.4m	$12.5m	$12.0m	▼	(10%)	▼	(4%)
Interest Bearing Receivables	$137.9m	$122.5m	$140.2m	▲	2%	▲	14%
Intangible Assets and Goodwill	$5.4m	$4.9m	$4.4m	▼	(20%)	▼	(12%)
Other Assets	$26.9m	$28.7m	$26.7m	▼	(1%)	▼	(7%)
Total Assets	**$183.6m**	**$168.6m**	**$183.4m**	▼	**(0%)**	▲	**9%**
Interest Bearing Liabilities	$104.8m	$85.3m	$106.0m	▲	1%	▲	24%
Other Liabilities	$44.3m	$46.7m	$40.7m	▼	(8%)	▼	(13%)
Total Liabilities	**$149.1m**	**$132.0m**	**$146.8m**	▼	**(2%)**	▲	**11%**
Net Assets	**$34.6m**	**$36.7m**	**$36.6m**	▲	**6%**	▼	**(0%)**
Net Tangible Assets	**$23.5m**	**$22.0m**	**$23.0m**	▼	**(2%)**	▲	**4%**
Net Tangible Assets (cents per share)	**15.94**	**14.85**	**15.38**	▼	**(3%)**	▲	**4%**

- Strong cash position and stable balance sheet
- Movement in interest receivables and liabilities reflects seasonality of the Funding business
- Other liabilities down due to lower Funding creditors and legacy claims provisions
- Corporate debt is insignificant

Centrepoint's vision

Centrepoint Alliance

To be recognised as Australia's most trusted and respected financial services organisation

By:

- Being the leading choice for quality advisers
- Partnering with world class service providers to deliver solutions designed for advisers and their clients
- Helping clients achieve their financial goals and make the right financial decisions
- Having a strong brand and financial performance
- Having a culture of innovation to find better, simpler solutions

Two attractive markets with strong positions

Centrepoint Alliance

Wealth Market

- Australian superannuation market of $2t expected to grow at an average of 7% pa over the next 20 years
- The nature of the Australian regulatory, superannuation, welfare and tax environment ensures most Australians would benefit from quality financial advice
- Trend away from traditional institutions
- Significant regulatory, customer and technology changes are making customer centric full advice models more achievable
- Attractive margins and scale advantages

Centrepoint Wealth

- Modern client centric wealth model combining advice and product solutions
- Large network of non institutional advisers (1,600) and emerging salaried advice model
- $2.9bn of Funds Under Management/ Administration
- Experienced and capable management team

Non-Bank Funding Market

Premium Funding

- $4.6b premium funding market*
- Distributed via General Insurance brokers to SME and corporate customers
- Relatively attractive margins increasing with scale

Mortgage broking and other non-bank funding

- Mortgage broking is a growing sector and good introductory sale
- A range of product extension opportunities exist

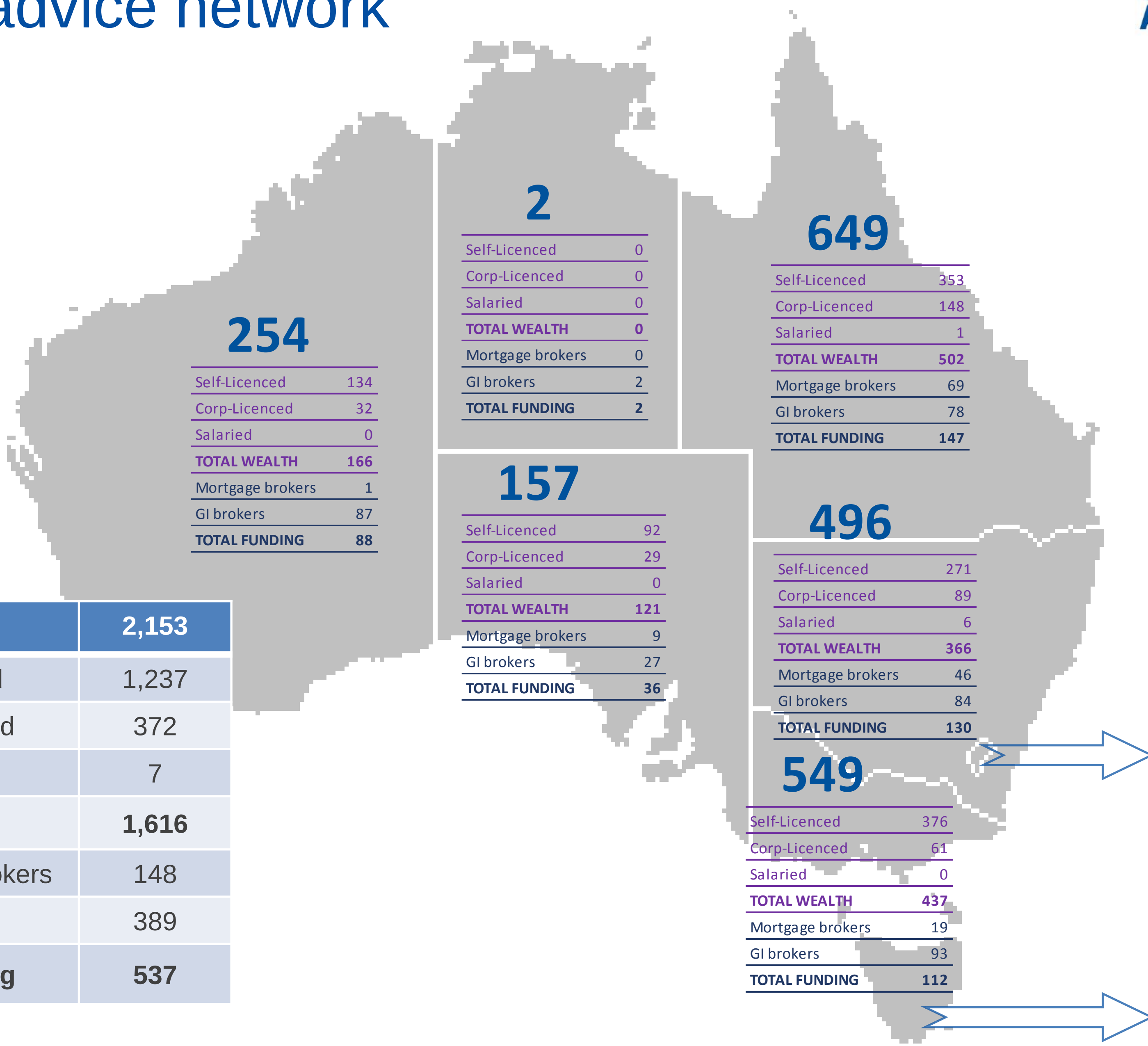
Centrepoint Funding

- Large network of partner GI broker groups (390)
- 30,000 loans funded, $400m general insurance premiums and $4bn mortgages funded
- East coast growth of 12% on pcp
- Experienced and capable management team

** Source: Insurance Premium Financiers of Australia 30 June 2015*

Our advice network

Centrepoint Alliance



254

Self-Licenced	134
Corp-Licenced	32
Salaried	0
TOTAL WEALTH	**166**
Mortgage brokers	1
GI brokers	87
TOTAL FUNDING	**88**

2

Self-Licenced	0
Corp-Licenced	0
Salaried	0
TOTAL WEALTH	**0**
Mortgage brokers	0
GI brokers	2
TOTAL FUNDING	**2**

649

Self-Licenced	353
Corp-Licenced	148
Salaried	1
TOTAL WEALTH	**502**
Mortgage brokers	69
GI brokers	78
TOTAL FUNDING	**147**

157

Self-Licenced	92
Corp-Licenced	29
Salaried	0
TOTAL WEALTH	**121**
Mortgage brokers	9
GI brokers	27
TOTAL FUNDING	**36**

496

Self-Licenced	271
Corp-Licenced	89
Salaried	6
TOTAL WEALTH	**366**
Mortgage brokers	46
GI brokers	84
TOTAL FUNDING	**130**

549

Self-Licenced	376
Corp-Licenced	61
Salaried	0
TOTAL WEALTH	**437**
Mortgage brokers	19
GI brokers	93
TOTAL FUNDING	**112**

14

Self-Licenced	5
Corp-Licenced	0
Salaried	0
TOTAL WEALTH	**5**
Mortgage brokers	2
GI brokers	7
TOTAL FUNDING	**9**

32

Self-Licenced	6
Corp-Licenced	13
Salaried	0
TOTAL WEALTH	**19**
Mortgage brokers	2
GI brokers	11
TOTAL FUNDING	**13**

Total	**2,153**
Self-Licenced	1,237
Corp-Licenced	372
Salaried	7
Total Wealth	**1,616**
Mortgage Brokers	148
GI Brokers	389
Total Funding	**537**

Wealth - Growth strategy

- The wealth advice market is transforming driven by regulatory and technology change Advisers are focusing on client best interest and operational efficiencies typically not found in institutional environments
- Centrepoint is succeeding in recruiting, developing and growing practices with high quality people, services, solutions and technology focused around quality and efficient advice
- Scale benefits to be realised over coming years

Organic growth

- Maintain and grow suite of adviser solutions
- Recruit and grow quality practices
- Grow salaried advice offering
- Grow funds under management and admin

Inorganic growth

- Acquire books of clients
- Acquire salaried advice practices

Wealth highlights

Centrepoint Alliance

Financial	• Underlying profit of \$3.5m down 13% on pcp and up 13% on pp • Advice fees were down \$1.8m with introduction of fee for service model and exit of non-core advisers, and product rebates were down \$0.9m on pcp. Salaried advice and product revenues were up \$1.6m. Newly recruited practices have 'fee free period' and not impacting current year fee revenues • Operational efficiencies continue to be delivered allowing investment in salaried advice (\$0.6m) and technology (\$0.6m)
Operating	• Recruitment of new quality practices continues to build for both authorised representatives and self licenced practices. New marketing and on-boarding processes have resulted in positive client outcomes and efficiencies • New adviser service centre launched and delivering enhanced client experience • Fund administration and management solutions continue to attract new advisers Managed account funds flow up 98% over pp • Soft investment markets and superannuation uncertainty are impacting client activity
Strategy and People	• New wealth model competitive and attracting quality professional practices • Take up of product solutions whilst slower than preferred is growing • 1st anniversary of salaried adviser channel - growing strongly • Strong relationships with regulators and industry stakeholders

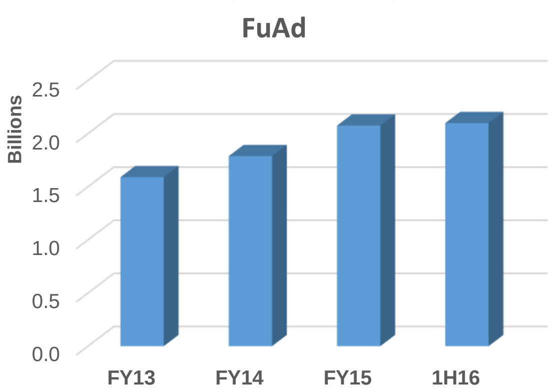
Wealth results

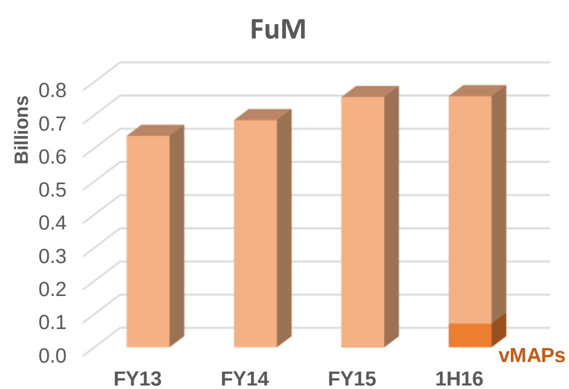
Centrepoint Alliance

	1H15	2H15	1H16	Change - pcp 1H16 v 1H15	Change - pp 1H16 v 2H15
Revenue	$16.3m	$15.3m	$15.4m	▼ (6%)	▲ 1%
Expenses	($12.3m)	($12.2m)	($11.9m)	▼ (3%)	▼ (3%)
Underlying PBT	**$4.0m**	**$3.1m**	**$3.5m**	▼ **(13%)**	▲ **13%**
Legacy claims	($0.2m)	($2.2m)	($0.1m)	▼ (42%)	▼ (95%)
Amortisation	($0.4m)	($0.3m)	($0.3m)	▼ (12%)	▼ (2%)
Restructure & other	($0.1m)	($0.9m)	($1.4m)	▲ 15.8x	▲ 47%
Statutory PBT	**$3.4m**	**($0.3m)**	**$1.7m**	▼ **(49%)**	▲ **6.6x**

Key Metrics $m

Net Flows, FuAd	115	49	40	▼ (65%)	▼ (18%)
Net Flows, FuM	10	37	47	▲ 3.9x	▲ 28%
Total Net Flows	**124**	**86**	**88**	▼ **(30%)**	▲ **1%**
FuAd balance	1,977	2,076	2,099	▲ 6%	▲ 1%
FuM balance	711	754	756	▲ 6%	▲ 0%
Total Funds	**2,688**	**2,829**	**2,856**	▲ **6%**	▲ **1%**





Summary

- Revenue mix moving to sustainable model. Fee for service implemented resulting in one off step change in fee income of $1.8m and product rebates down $0.9m. Funds management and administration margins and salaried advice up $1.6m
- The transformation in the expense base continues with review and rationalisation of premises and ongoing investment in salaried advice and IT systems
- Managed account funds flow of $51m up 98% on pp. Net funds flow down due to soft market conditions and lower adviser and client activities

Alliance Wealth & Protection

A leading non-aligned financial advice & end-to-end wealth management firm

- Independent, focused, customer oriented full range financial planning services firm:
  - ✓ wealth creation
  - ✓ retirement planning
  - ✓ debt management
  - ✓ risk insurance
  - ✓ financing solutions
  - ✓ estate planning
- Established in FY15. Grown to 7 full time In-house Financial Advisers servicing clients in three states (NSW, QLD and WA)
- Funds Under Advice of $180m, premiums inforce of $6.5m
- $800k revenue in 1H16
- Growing organically and through acquisitions

Funding highlights

Centrepoint Alliance

Financial	• Underlying profit of $1.4m, down 15% on pcp and up 48% on pp • Strong growth in loans written offset commercial general insurance premium rate reductions of 7%-15%* in FY15 and further small decreases in 1H16. Year on Year ('YoY') growth seen in January and February 2016 • Banking facility changes reduced line fees $0.5m pa effective 1 October 2015. Further borrowing cost savings are being negotiated • Operational cost savings were offset by increased corporate allocations for finance, marketing and IT • Price testing initiatives impacted margins slightly during 1H16. New business margins have increased following implementation of learnings
Operating	• Broker engagement progressing well with 6% pcp increase in active brokers • New outsourced mortgage broking solution with enhanced adviser service, lower operating costs being rolled out • Tight risk management and bad debts well controlled
Strategy and people	• Leading independent premium funder with strong partner arrangements with key broker groups - IBNA, Steadfast, CQIB, Insight • New Zealand operations established in August 2015. Currently underperforming expectations

** Source: Estimate based on Insurance Premium Financiers of Australia 6 months to 30 June 2015*

Funding results

Centrepoint Alliance

	1H15	2H15	1H16	Change - pcp 1H16 v 1H15	Change - pp 1H16 v 2H15
Revenue	$9.5m	$7.5m	$8.6m	▼ (10%)	▲ 15%
Expenses	($7.9m)	($6.5m)	($7.2m)	▼ (8%)	▲ 10%
Underlying PBT	**$1.6m**	**$0.9m**	**$1.4m**	▼ **(15%)**	▲ **48%**
Amortisation	($0.1m)	($0.1m)	($0.0m)	▼ (36%)	▼ (36%)
Restructure & other	-	($0.3m)	($0.1m)	▲ n/a	▼ (63%)
Statutory PBT	**$1.5m**	**$0.5m**	**$1.2m**	▼ **(22%)**	▲ **122%**

Key metrics

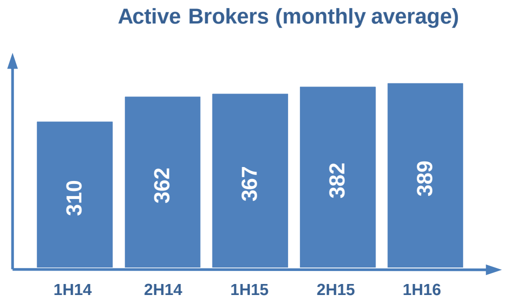
PF Loan volume ($m)	215	169	212	▼ (1%)	▲ 26%
Active brokers	367	382	389	▲ 6%	▲ 2%
Number of loans	14,702	13,749	15,002	▲ 2%	▲ 9%
Average loan value ($)	14,610	12,282	14,150	▼ (3%)	▲ 15%
Bad Debts ($m)	0.4	0.5	0.4	▼ (2%)	▼ (21%)
Bad debt, % of O/S	0.5	0.8	0.6	▲ 8%	▼ (29%)
Net Margin (%)	2.59	2.62	2.49	▼ (4%)	▼ (5%)

- Steady growth in brokers and loans written offset by the fall in commercial general insurance premiums in FY15 of 7%-15%*. Premiums appear to have stabilized in late 2015 with industry commentators forecasting price increases towards end of 2016
- Strong organic growth on east coast of 12% on pcp. WA continued to decline in volume
- Price testing initiatives impacted margins slightly in 1H16. This identified margin enhancement opportunities which begun being implemented in December 2015
- Strong credit management continues and the small loan size enhances the profile

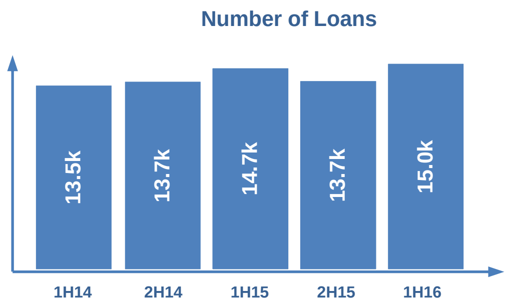
** Source: Estimate based on Insurance Premium Financiers of Australia 6 months to 30 June 2015*

Funding key performance measures

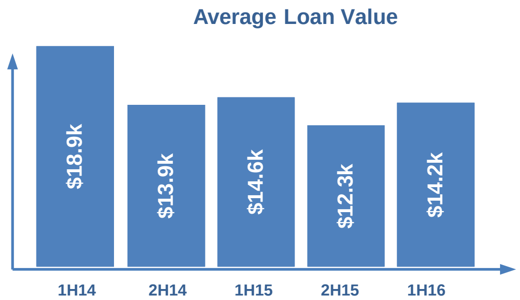
Strong focus remains on the key long term value drivers



- Broker support continues to grow, up 25% over last 2 years
- Our reputation for consistent, reliable and responsive service is now being combined with technology to simplify and accelerate loan applications and improve the broker experience

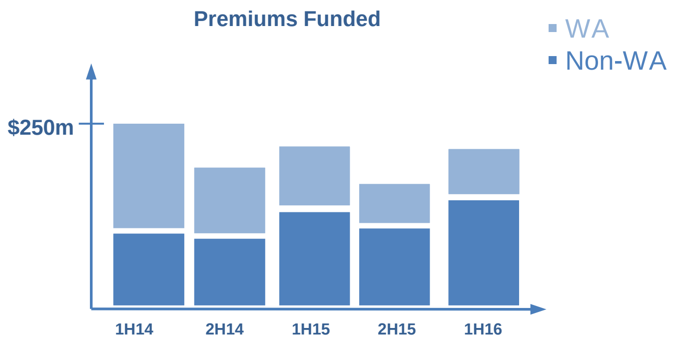


- Loan numbers continue to grow, albeit cyclical with volumes higher in the July to December period

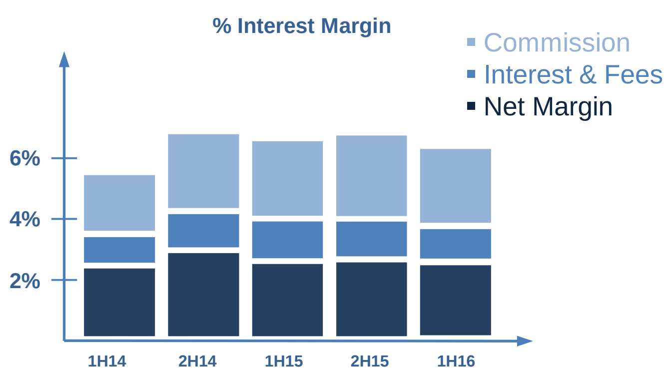


- Average loan value has declined 25% in the last 2 years due to a combination of soft general insurance premiums and the targeting of higher value smaller loan sizes

Funding key performance measures (cont'd)



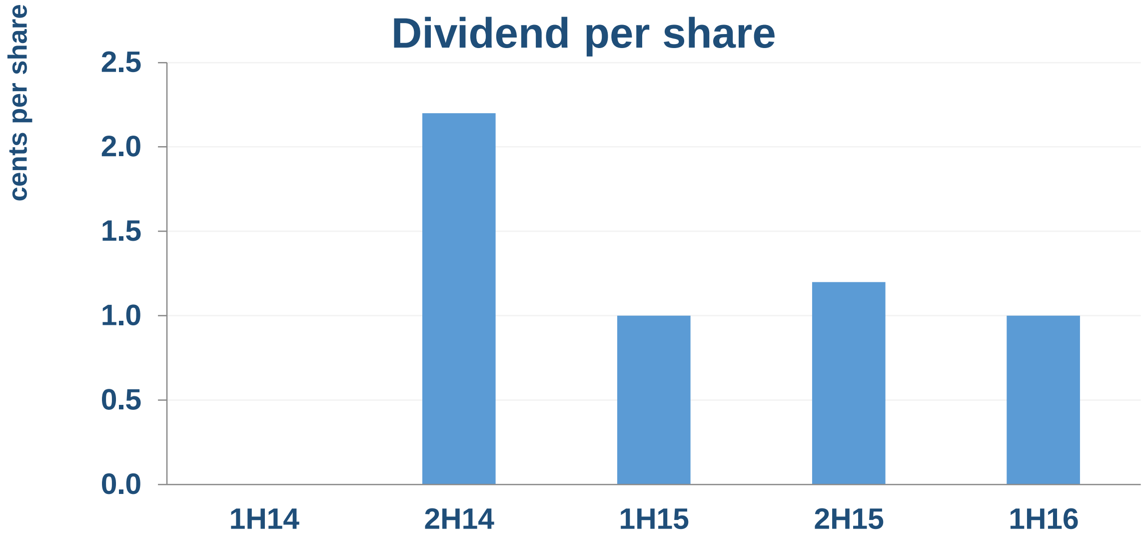
- Non-WA premiums funded increased by 12% versus pcp as the business transitions to a lower risk nationwide distribution model
- Growing market share with higher loans volumes offsetting lower premium values
- The business is well positioned for any hardening in the commercial insurance market

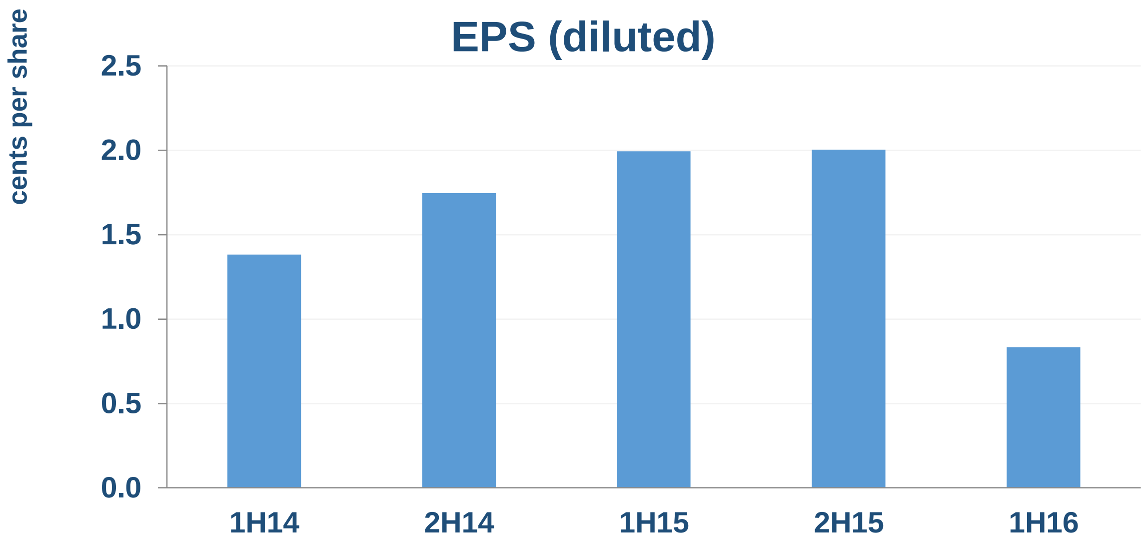


- During the period the business tested pricing strategies which resulted in slightly lower margins for the period and identifying several opportunities. These opportunities are being implemented and expected to increase net margins
- Commission pressures have stabilised as brokers adjust their businesses to the lower premium conditions

Dividends

Centrepoint Alliance





- The Board has declared a final dividend of 1.0 cents per share fully franked
- Record date is 24 March 2016 with payment on 29 April 2016
- A Dividend Reinvestment Plan is offered with a discount of 2%
- The aim of the dividend policy is to provide shareholders with sustainable and fully franked dividends, whilst balancing the cash flow needs of the business
- There is a Dividend Reserve of $16.2m and franking account reserve of $26m

Strategic initiatives - update

Centrepoint Alliance

Organic Growth	• Steady growth in quality wealth practices occurring as advisers select quality non-institutional business partners • Increasing support for in-house platforms and funds by advisers • Premium funding underlying profitability and growth restored • Margin opportunities exist following price testing initiatives
Modern Advice Model	• Modern and competitive adviser service model built and advisers adoption of in-house services and solutions increasing • Assisting practices with improving back office efficiencies and client experience • Upgrade occurring of mortgage broking infrastructure • Increase range of funds
Salaried Advice	• Salaried advice capability established • Focus on client experience, operational efficiency and growing new clients

Summary

- Wealth will continue to recruit, develop and grow quality practices as institutions reduce their focus on the independent advisers
- Modern adviser services business built. Evolution of services will continue. Focus is on adoption and improving client experience and practice profitability
- Increase usage by advisers of Centrepoint designed platforms and investments
- Funding to grow premiums funded and improve margins in 2H16
- Prepare the salaried advice business for a new phase of growth starting in 2017
- Launch the new Centrepoint Alliance brand and website
- Continued development of culture, team and in-house capabilities to support long term sustainable growth

Definitions

Centrepoint Alliance

Term	Definition
CY	Calendar Year
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation
EPS	Earnings Per Share
FOFA	Future Of Financial Advice (legislation)
Funds	The collective term for Funds under Distribution Agreements, Advice, Administration, Management and Managed Portfolios
Funds under Administration (‘FuAd’)	Funds upon which the Group derives fees as the responsible entity or as the promoter of badged investment administration solutions
Funds under Advice (‘FuA’)	Funds upon which advisers associated with the Centrepoint group provide advice to clients
Funds under Management (‘FuM’)	Funds upon which the Group derives a share of the investment product management margin
Net Margin	Net Interest Revenue divided by the volume of premiums funded (Loan Volume)
FY	Fiscal Year
M&A	Mergers and Acquisitions
NPAT	Net Profit After Tax
PBT	Profit Before Tax
PCP	Prior Corresponding Period
P/E ratio	Price-to-Earnings ratio (share price divided by earnings per share)
PP	Prior Period
Practices	Accumulated total of licensed (PIS/AW) and self-licensed (AAP) practices in the Centrepoint Group
Underlying PBT (UPBT)	Underlying PBT excludes tax, legacy amortisation and one-off, non-operational items
vMAPs	Ventura Separately Managed Account Solution
YoY	Year-on-Year

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Centrepoint Alliance

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All numbers are as at 31 December 2015 unless otherwise stated. Numbers may not add up due to rounding.

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