

Wilson HTM Investment Group Ltd

2012 Interim Results

For six months ending 31 December 2011

15 February 2012



Pinnacle
INVESTMENT MANAGEMENT



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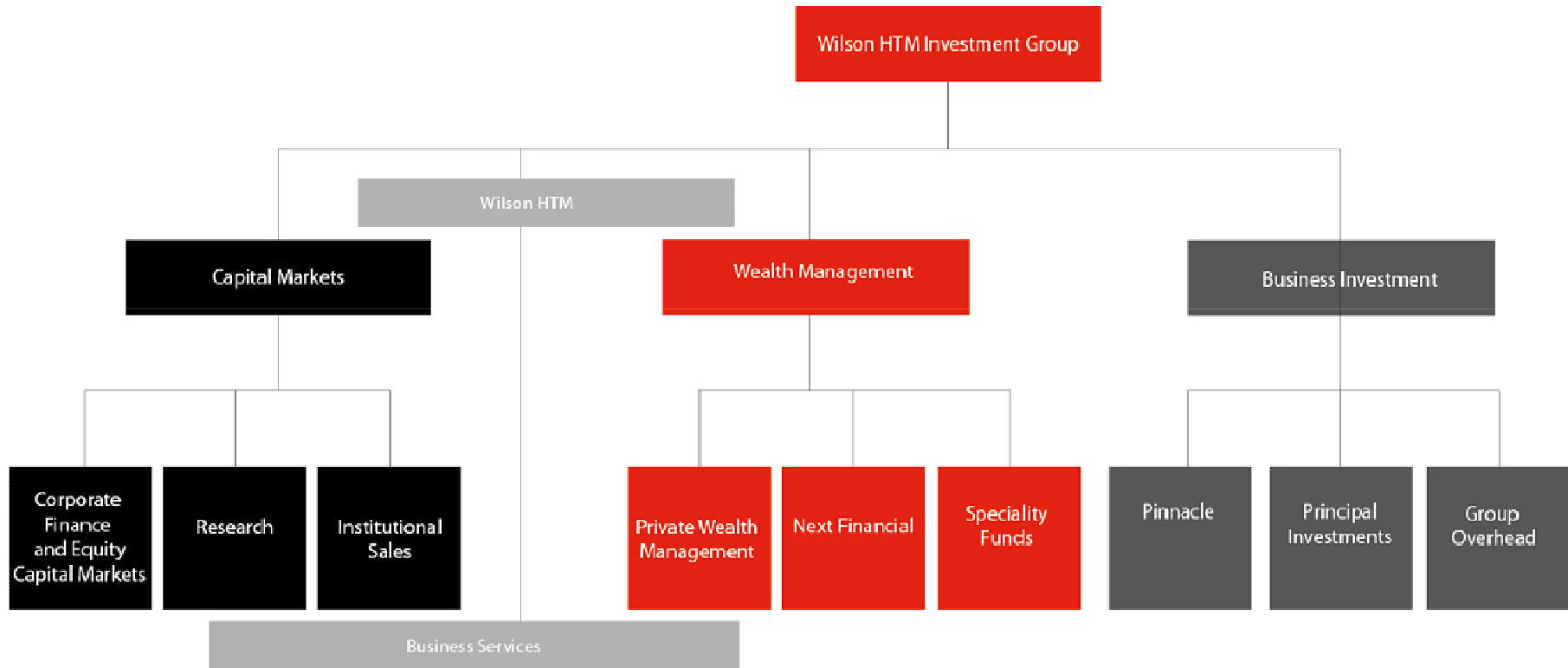
Agenda

- Group Structure
- Our Mission, Vision and Values
- Key Events
- Interim Results 2012 Financial Year
 - Group Financial Result
 - Funds Under Management
- Outlook



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Group Structure





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Our Mission, Vision and Values

- Our Mission
 - Creating prosperity for our clients, people and community.

- Our Vision
 - To be Australia's leading investment house for emerging companies and wealth management.

- Our Values
 - Experience and a history of service in financial markets since 1895.
 - Empowering our people and building lasting partnerships with clients.
 - Community investment in the causes and charities closest to us.
 - Focus on delivering the best outcomes for our clients.
 - Innovative thought leaders in investment strategies and products.
 - Holistic approach to best leverage our skills.



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Key Events this Financial Year

- **Leadership**
 - Andrew Coppin appointed Managing Director 27 October 2011.
 - Board now comprises six directors.
 - Executive Leadership Team established representing all parts of the business.
- **Next Financial**
 - Positive contribution in 1HFY12.
 - Reduction in the structured product portfolio proceeding to plan (46% reduction to \$148m at 31 December 2011).
- **Operational improvements**
 - Significant technology upgrades (virtual desktop, new desk phones, new portfolio management platform).
 - Lower and more variable cost base (staff reductions, renegotiated contracts, more active supplier management).
- **Pinnacle Investment Management**
 - Strategic investor process commenced.
 - Information Memorandum released 7 February 2012, indicative offers due March 2012.



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Group Financial Result

	1H2012	2H2011	1H2011
Reported Net (Loss)/Profit	(\$3.3m)	(\$8.0m)	\$2.7m
Net Revenue	\$35.5m	\$37.2m	\$47.2m
Corporate Debt	Nil	Nil	Nil
Cash and Liquid Securities	\$24.7m	\$34.0m	\$34.3m
Net Tangible Assets	\$51.7m	\$55.6m	\$65.8m
Total Funds Under Management	\$10.9bn	\$12.1bn	\$11.7bn



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Group Financial Result

Weaker equity markets (All Ordinaries declined 11.8%) and continued investor cautiousness negatively impacted corporate revenues, broking volumes, and principal investment values.

- Net Revenue declined to \$35.5m (\$37.2m 2HFY11).
- Corporate Debt
 - Corporate loan facility (\$17m cap) extended to December 2013.
 - Available debt capacity with Nil outstanding.
- Cash and Liquid Securities of \$24.7m
 - Reduction due to mark to market losses, payment of half of the final Deutsche Bank AG termination fee and operating cash outflows.
- Funds Under Management
 - Total Funds under Management down 10% over six months to \$10.9 billion. Decline is largely market driven.
 - Pinnacle boutiques \$9.3 billion and Wilson HTM Funds \$1.6 billion.
- Net Tangible Assets of \$51.7 million.



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Composition of Group Financial Result

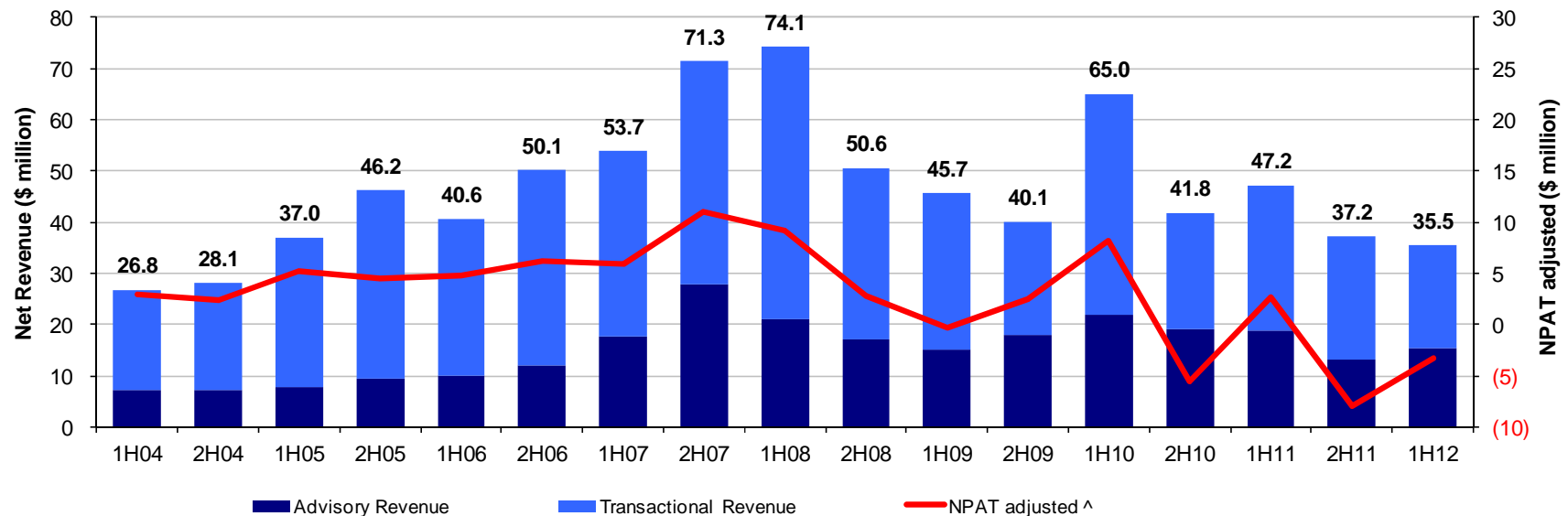
	1H2012	2H2011	1H2011
Capital Markets	(\$0.7m)	\$0.2m	\$2.7m
Wealth Management	\$0.1m	\$0.0m	\$0.8m
Next Financial	\$0.8m	(\$4.5m)	(\$2.8m)
Wilson HTM	\$0.2m	(\$4.3m)	\$0.7m
Pinnacle Parent	(\$1.4m)	(\$1.1m)	(\$1.0m)
Boutique contribution – gross	\$2.0m	\$3.1m	\$2.5m
Tax on boutique contribution	<u>(\$0.6m)</u>	<u>(\$0.9m)</u>	<u>(\$0.8m)</u>
Boutique contribution - net	\$1.4m	\$2.2m	\$1.7m
Minorities (related to Pinnacle and consolidated funds)	(\$0.4m)	\$0.0m	\$0.3m
Principal Investments (loss)/profit	(\$1.0m)	(\$2.1m)	\$4.9m
Group Overhead	(\$3.6m)	(\$3.3m)	(\$2.8m)
Business Investment	(\$5.0m)	(\$4.3m)	\$3.1m
WIG (Loss)/Profit	(\$4.8m)	(\$8.6m)	\$3.8m
Tax (expense)/benefit	\$1.1m	\$0.3m	(\$0.8m)
Less minority interests	\$0.4m	\$0.3m	(\$0.3m)
WIG Net (Loss)/Profit after Tax	(\$3.3m)	(\$8.0m)	\$2.7m



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Group Financial Performance

- Volatile market conditions experienced since 1H08.
- NPAT impacted by large swings in mark to market values for Principal Investments and prior period losses in Next Financial.

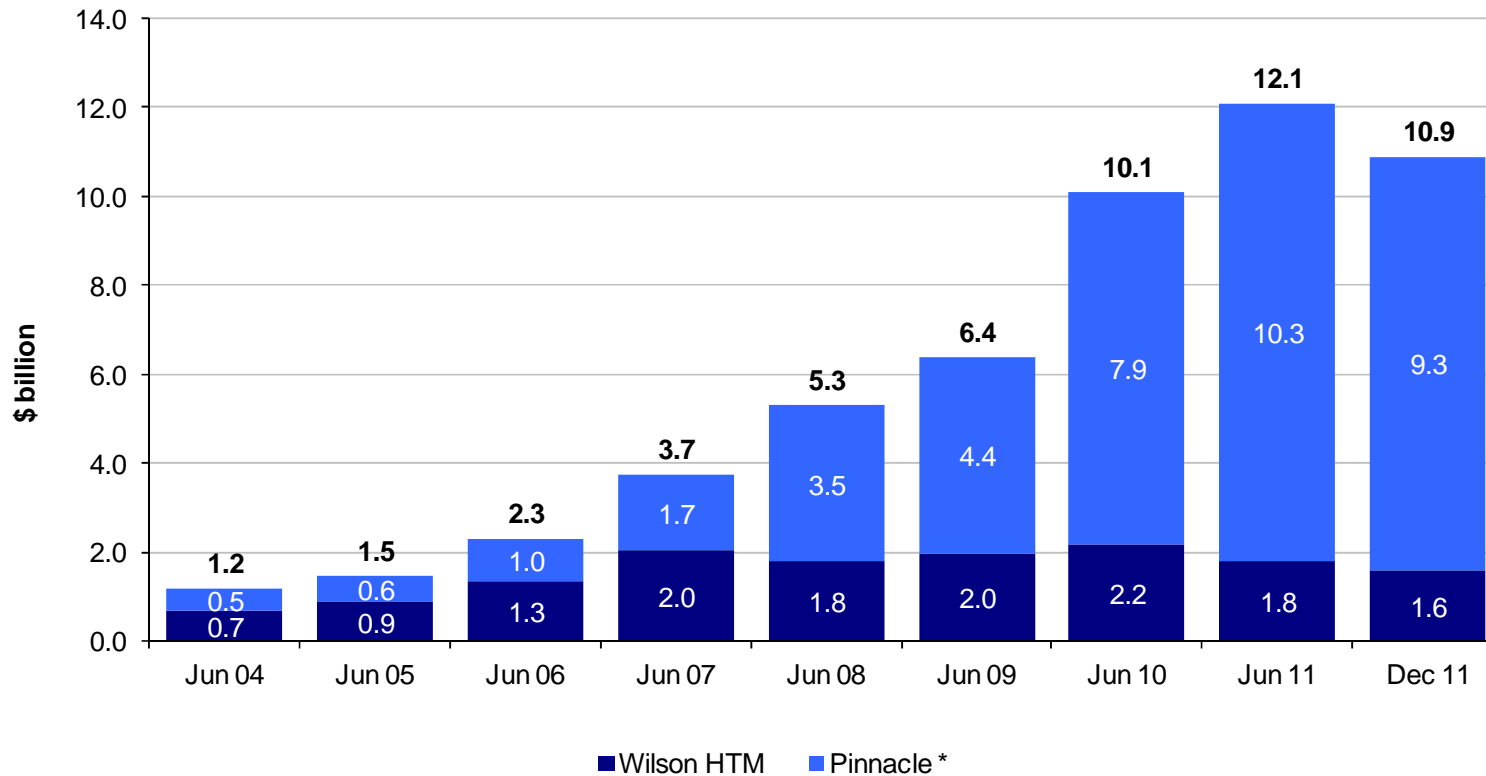


^ NPAT Adjusted to exclude the Deutsche Bank AG Termination Fee in 2H10.



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Funds Under Management



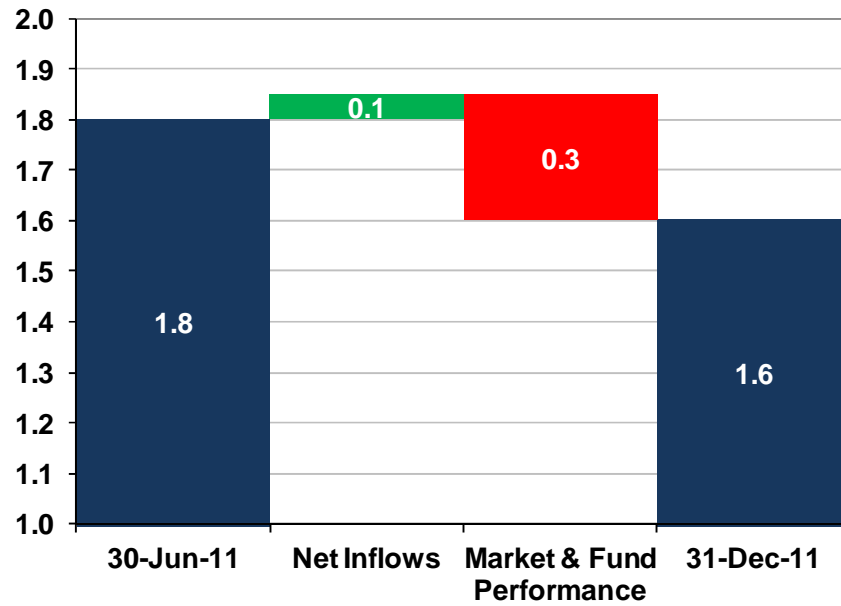
* Pinnacle includes 100% of boutiques



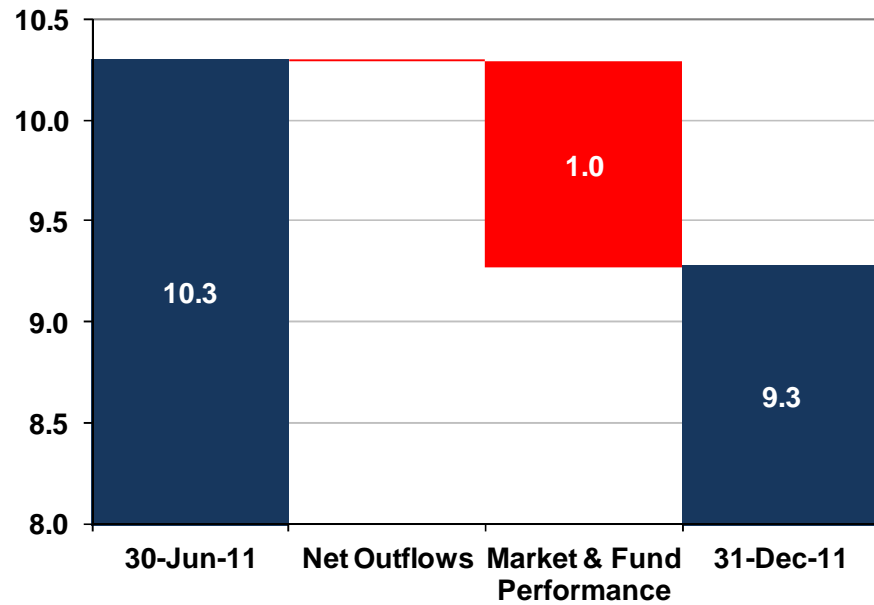
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FUM – Correlation to Market

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Pinnacle*



* Pinnacle includes 100% of boutiques



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Outlook

- Period of progressive consolidation is well underway.
- Process to engage strategic investor in Pinnacle has commenced.
- There are signs that indicate improving corporate and investor confidence however, we cannot rule out a continuation of the current market volatility.
- We expect initiatives implemented in this financial half year will contribute positively toward a stronger second half.



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