

2012/2013 Half Year Results February 2013

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Results Overview

Results reflect flat trading conditions

- Financial Services revenue flat at \$46.4m
 - Momentum gained in 2nd quarter which was 4% up on pcp
- Business Services revenue down 2.5% to \$164.5m
 - Principal turnover in Sydney & Melbourne a factor
 - Business conditions remain soft in SME market
- Costs and cash flow continue to be tightly managed

Costs tightly managed

- Business efficiency program resulting in the reduction of 123 roles in October/November
- Group Shared Services project commenced last year

Savings \$m's	1 st Half 2013	2 nd Half 2013	Annualised
Business Efficiency	0.7	4.3	9.3
Group Shared Services	1.2	1.8	5.2
	1.9	6.1	14.5

Cost review continues

Decisive Transformation Made

Restructure Leadership

Group Shared Services

Remuneration Model

Business Efficiency Program



Results Overview

Strong financial position

- Gearing (net debt/equity) at 21% after completion of transformation programs
- Operating cash flow impacted by lower business services revenue and one-off costs. Working capital remains well managed
- Interim dividend of 3.0 cents, consistent with pcp

Earnings performance

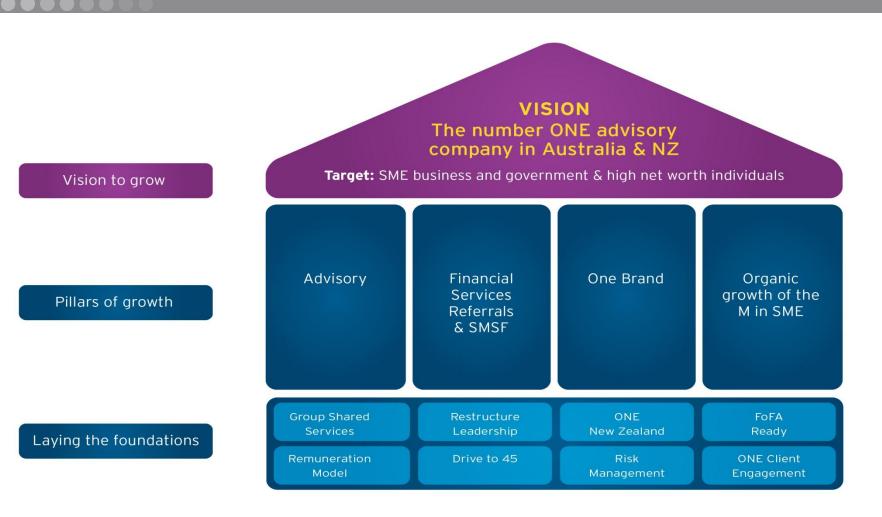
- Normalised EBITA at \$15.8m (FY12, \$23.0m) impacted by lower Business Services revenue, particularly in capital cities
- Non-recurring redundancy and other costs of \$3.8m (\$2.6m net of tax)
- NPAT was \$5.2m (F12:\$6.7m) after expensing non-recurring costs

Outlook

- Normalised earnings weighting expected at approximately 45% first half and 55% 2nd half (as advised in market update on 12 December 2012)
- Weighting to second half supported by cost efficiencies already implemented and ongoing



From Vision to Execution





Half Year Operating Performance

Operating Revenue		2012/13 \$m	2011/12 \$m	Growth %
- Business Services	(1)	164.5	168.7	(2)%
- Financial Services		46.4	46.3	0%
Total Revenue		210.9	215.0	(2)%
less Expenses		(189.6)	(186.3)	2%
Net Contribution from Member Firms		21.3	28.7	(26)%
less Overheads	(2)	(5.5)	(5.7)	(4)%
Normalised EBITA		15.8	23.0	(31)%
less redundancy costs	(3)	(3.2)		
less merger assessment costs		(0.6)		
less FY12 project costs	(4)	-	(8.8)	
EBITA		12.0	14.2	(15)%
less Interest Expense		(2.4)	(2.5)	(4)%
less Tax		(3.0)	(3.7)	(19)%
less Amortisation of Intangible Assets		(1.4)	(1.3)	8%
Net Profit		5.2	6.7	(22)%
Interim Dividend per share		3.0¢	3.0¢	0%

- (1) Decline in revenue as a result of tough business conditions and the rebuild of Melbourne and Sydney businesses
- (2) Tight control of overheads
- (3) Non-recurring employment costs associated with the reduction of 123 roles
- (4) 2011/12 costs of implementing Group Shared Services and Remuneration Model



Operating Cash Flow Summary

		1 st Half 2013 \$m	1 st Half 2012 \$m	Increase / (Decrease) \$m
Normalised EBITA		15.8	23.0	(7.2)
less Project / Other costs	(1), (2)	(3.8)	(2.1)	(1.7)
plus Depreciation		2.8	3.4	(0.6)
EBITDA		14.8	24.3	(9.5)
add / (less) Working Capital Movement	(3)	(10.7)	(12.0)	1.3
Cash Flow from Operations before Interest & Tax		4.1	12.3	(8.2)
less Interest Paid		(2.3)	(2.1)	(0.2)
less Tax Paid	(4)	(2.5)	(5.3)	2.8
Cash Flow from Operations		(0.7)	4.9	(5.6)

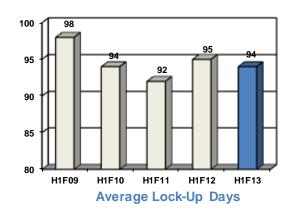
- (1) Non-recurring costs impacting operating cash flow
- (2) 1st half 2012 project costs were \$2.1m cash with a further \$6.7m provisioned
- (3) Working capital stronger than pcp. Second half also expected to be cyclically stronger
- (4) Tax payments varied down with lower earnings



Balance Sheet Analysis

Strong Financial Position

		As at 31/12/12 \$m	As at 31/12/11 \$m
Cash		17.5	14.7
Plant and Equipment	(1)	21.0	25.7
WIP (net) and Trade Debtors	(2)	93.0	96.1
Average Lockup Days	(2)	94	95
Borrowings			
- Secured Bank Loans		67.5	43.8
- Unsecured Convertible Notes (face v	ralue) (3)	-	10.0
Leasing & HP		4.5	6.5
Net Debt	(4)	54.5	45.6
Shareholder Funds		264.7	273.3
Gearing (Net Debt / Shareholder Funds)	21%	17%

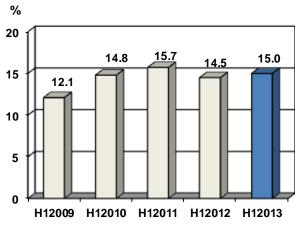


- (1) Reduction reflects leasehold asset disposal and IT write downs with move to outsource arrangements
- (2) WIP and debtor management has seen improvement in lock-up on pcp
- (3) Convertible Notes fully repaid at 30 June 2012
- (4) Move in net debt (largely) reflects impact of prior year project costs and current period one-off costs



Financial Services Performance

Financial Services	1 st Half 2013 \$m	1 st Half 2012 \$m	Growth %
Revenue			
Financial Planning – on-going	22.6	23.1	(2)%
Financial Planning – up-front	3.3	3.2	3%
Total Financial Planning	25.9	26.3	(2)%
Risk Insurance	4.1	3.8	8%
General Insurance	1.6	1.3	23%
Finance Broking	3.9	3.8	3%
Self Managed Super Fund Administration	10.9	10.9	-
Other	-	0.2	-
Total Revenue	46.4	46.3	1%
less Expenses	(39.4)	(39.6)	(1)%
Net Contribution	7.0	6.7	4%
Net Contribution Margin	15.0%	14.5%	



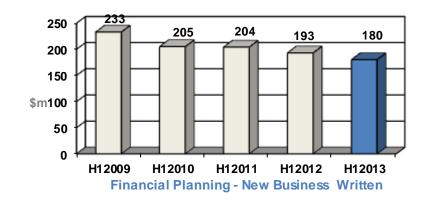
Net Contribution Margin - Financial Services

- FP value proposition aligned with FoFA outcomes
- FP revenue maintained in difficult business conditions, with $2^{\rm nd}$ quarter showing improvement on pcp
- WHK remains a leading non-aligned Financial Planning business following recent industry rationalisation

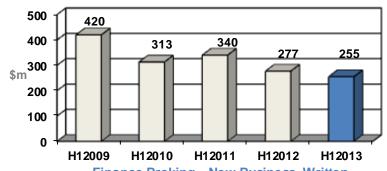


Financial Services Analysis

Funds Under Advice	\$m
30 June 2012	6,315
New business written	180
• Outflows	(177)
Net market movement & divestments	428
31 December 2012	6,746



Loans Under Administration	\$m
30 June 2012	2,830
New business written	255
Loans refinanced / repaid	(278)
31 December 2012	2,807



Finance Broking - New Business Written



Business Services Performance

Net Contribution Margin	8.7%	13.0%	
Net Contribution	14.3	22.0	(35)%
less Expenses	(150.2)	(146.7)	2%
Revenue	164.5	168.7	(2)%
Business Services	1 st Half 2013 \$m	1 st Half 2012 \$m	Growth %

(1) Revenue impacted by rebuild of Melbourne & Sydney businesses and challenging SME market

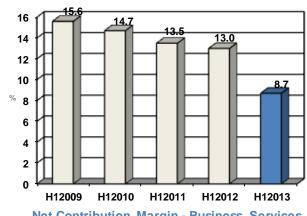
(2) Business efficiency program to drive cost reduction in the second half

Sydney & Melbourne Principal Turnover

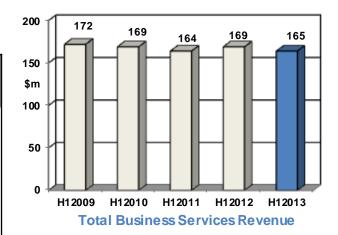
	Sydney 2012	Melbourne 2012
Arrivals	10	11 (7 promotions)
Departures	10	13

First Half Revenue Impact - \$4.9m

	1 st Half 2013 \$m	1 st Half 2012 \$m	Growth %
Compliance / Advisory	119.0	124.6	(4)%
Specialist Tax	14.3	11.9	20%
Audit	27.1	27.7	(2)%
Corporate Advisory	4.1	4.5	(9)%
	164.5	168.7	



Net Contribution Margin - Business Services





Outlook

- Continue transformation program
 - Common client engagement model
 - One Brand
 - Referral culture
 - Melbourne, Sydney rebuild
- Maintain ongoing focus on:
 - Cash flow cash flow from operations expected to be strong in the second half in line with the seasonal trend
 - Cost initiatives
- Normalised EBITA weighting expected at approximately 45% first half and 55% second half
- Present intentions are for a full year dividend payout ratio at or above 70% of cash earnings (NPAT plus amortisation of intangibles) per share



Merger Discussions with SFG Australia Limited

- Non-binding indicative proposal received from SFG Australia Limited (SFG) in relation to a potential merger
- SFG has proposed that the merger be effected by an SFG Scheme of Arrangement
- The key terms of the Proposal include:
 - o A merger ratio of 0.503 WHK shares for each SFG share
 - o The WHK share price premia implied by the merger ratio are as follows 1.23:
 - A 14% premium in favour of WHK, based on the latest closing WHK share price of \$1.06 and SFG share price of \$0.61;
 - A 18% premium in favour of WHK, based on WHK's 1-month VWAP of \$1.04 and SFG's 1-month VWAP of \$0.61⁴; and
 - A 7% premium in favour of WHK, based on WHK's 3-month VWAP of \$1.01 and SFG's 3-month VWAP of \$0.55
- The merger ratio would result in WHK shareholders owning approximately 42% of the shares in the merged entity
- SFG has proposed shared board and management control
- The Proposal is subject to a number of conditions, including due diligence (a summary of the conditions is set out in today's separate ASX release)
- The WHK Board will evaluate the Proposal and form a view on how to proceed There is no certainty that the Proposal will lead to a transaction
- Further market updates to be provided in due course

Notes:

- 1. All share prices effective as at 22 February 2013 and are rounded for presentation purposes
- 2. Implied premia calculated by dividing SFG market capitalisation into the merger ratio
- 3. Calculated on a fully diluted basis
- 4 VWAP is volume weighted average price



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