

ASX ANNOUNCEMENT: CUP

Thursday, 11 February 2016



Market Update and FY16 Earnings Guidance

At the AGM on the 25th November 2015 we advised that on a continuing basis ie excluding abnormals we expected our full year 2016 operating profit before tax and minorities to be in line with last year. Based on our expected unaudited half year results, we anticipate our latest full year 2016 reforecast operating results excluding abnormals to be around 20% below last year.

Our first half results are down primary due to higher provisioning charges and an impairment of one of our smaller accounting businesses. However after accounting for the revaluation of our core investment in Class Limited (based on 31 December 2015 valuations) we expect our full year net profit after tax to be higher than last year. Countplus owns approximately 5.4% in Class Limited and this has been an outstanding investment for the company following its successful IPO in December 2015.

New Management – Decisive Action

The Countplus portfolio of accounting businesses continue to experience difficult economic conditions. However, as part of the drive to improve earnings our new management is taking decisive action to rectify any ongoing performance issues and we expect the second half to be stronger than the prior year.

Head Office costs for the first half were also higher than prior year mainly due to non-recurring set up costs associated with BLUE789 and ADVICE389. Progress on these initiatives has been slower than anticipated and accordingly a decision was made to reduce management costs relating to these businesses. However, we maintain our commitment to these long term initiatives and will now utilise existing resources within the company.

Funds from the Direct Equity Plan have reduced debt and some was invested in Class Limited at the IPO.

Dividend Policy

Whilst we are not in a position to make long term projections the current fully franked quarterly dividend of 2c is expected to be maintained.

A detailed commentary on the half year results will be included in the ASX release dated 25 February 2016.

For further information please contact:

Barry Lambert
Chairman
Telephone: 02 8488 4500
Mobile 0408 427 701
Email: barry.lambert@countplus.com.au
www.countplus.com.au

Phil Aris
Chief Executive Officer
Telephone: 02 8488 4500
Email: phil.aris@countplus.com.au
www.countplus.com.au