



Australasian Wealth Investments Limited
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Attention: Company Announcements
ASX Limited

By E-Lodgement

AUSTRALASIAN WEALTH INVESTMENTS LIMITED (ASX CODE: AWI) BUSINESS UPDATE – Quarter Ended 30 September 2015

This is a summary of the financial performance, and performance against key metrics, of your company for the quarter to 30 September 2015.

Unaudited Consolidated Accounts for Q1 FY2016

We present below our unaudited financial results on a consolidated basis to assist in understanding our underlying performance:

FY2015 FINANCIAL PERFORMANCE*	FY15 First Quarter	FY15 Full Year	FY16 First Quarter	FY16 YTD
	(to 30 Sept 2014)	(to 30 June 2015)	(to 30 Sept 2015)	(to 30 Sept 2015)

Commissions & Subscriptions	2,986,352	11,879,089	2,948,461	2,948,461
Consulting Fees Δ	142,644	650,619	40,000	40,000
Other Income Θ	189,827	693,913	47,142	47,142
Total Income	3,318,823	13,223,621	3,035,603	3,035,603

Rebates Paid	-603,484	-2,456,823	-489,114	-489,114
Employee Costs	-1,376,035	-5,790,685	-1,139,135	-1,139,135
Other Expenses \S	-1,051,467	-4,848,244	-762,844	-762,844
Total Operating Expenses	-3,030,986	-13,095,752	-2,391,093	-2,391,093

PBTA	287,837	127,869	644,510	644,510
Cash at Bank (end of period)	6,490,000	3,292,828	3,840,424	3,840,424

*This table has been prepared by management and is unaudited.

Δ Consulting fees include fees from AWI Funds and Forager contracts that have now been cancelled.

Θ Other Income includes revenue from AWI Ventures (now sidelined) and from interest earned on cash-at-bank.

\S Other Expenses includes Webabout termination of \$800,000 bought to account in full year FY15 and excludes expense of employee LTIP shares in YTD FY16



Commentary on financial performance

Under difficult market conditions, which saw the All Ordinaries Index drop over 7% for Q1 FY16, all business units posted positive results, with a combined PBTA of \$644,510, compared with a YoY comparison from September 2014 QTR of \$287,837.

The All Ordinaries index dropped 4.5% YoY from September 2014 to September 2015 attributing to the majority of the decline in commission revenue over this time. Lower fees in Consulting and Other were as expected after terminating a number of consulting contracts following the wind down of AWI Ventures and AWI Funds in June 2015.

With the centralisation of our operations and management we believe there are further cost synergies; however, the greater opportunity and where all resources are being focused is to capitalise the potential revenue growth across our digital customer databases via a consolidated customer relationship and marketing strategy. We expect to see revenue and profit traction over coming quarters as market conditions improve.

Core product performance metrics and commentary:

Performance in our key metrics for the September 2015 quarter was as follows:

Overall Business Metrics

FINANCIAL METRICS – FY15	Q2 FY15	Q3 FY15	Q4 FY15	Q1 FY16
	(to 31 Dec 2014)	(to 31 Mar 2015)	(to 30 June 2015)	(to 30 Sept 2015)
Unique visitors	566,000	608,000	553,441	488,210
Customers*	28,620	27,893	27,382	27,067
ARPC (\$) **	\$ 400	\$ 448	\$ 445	\$ 449

*Commission generating customers are an estimate due to fund managers reporting clients and/or reporting accounts

**Average annualised gross revenue per customer per annum (ARPC)

Refining and consolidating systems across the group have highlighted duplicate customers across multiple products. Deduping multiple clients as resulted in a drop in reported customer number and an increase in Average Revenue per Client. This process is ongoing as we move all customers on to one software system.

Running the business together has allowed us to take the best of breed systems and processes from each of the individual businesses and roll them out over the entire business. Improved systems and operational processes as resulted in improved ARPC and better internal communication to existing customers.

In June 2015, we reviewed all marketing initiatives and refocused as one business three brands. This has resulted in lower traffic as we optimize our various campaigns but better quality leads for a similar if not lower price.

Intelligent Investor continues to do well selling its subscriptions through InvestSMART and a refocus of all marketing initiatives has led to an increase lead quality and conversion. Overall conversion from free trial to paid subscriber has increased by 50% from Q1 FY15 to Q1 FY16.



The next few months are very exciting as a lot of our initiatives and project come to fruition. For further information or comment, please contact me on 02 8305 6000

A handwritten signature in black ink, appearing to read 'Paul Clitheroe'.

Paul Clitheroe
Executive Chairman