

MARKET RELEASE

29 August 2007

SNOWBALL GROUP LIMITED
ABN 81 006 490 259
ASX: SNO

PRELIMINARY FINAL REPORT AND FINAL DIVIDEND

Consistent with the ASX announcement on 16 August 2007, Snowball Group Limited (Snowball) announces its preliminary final results in the attached Appendix 4E.

The Directors of Snowball are pleased to advise that they have determined to pay a fully franked final dividend of 2.0 cents per share. Record Date for the dividend will be 28 September 2007 with Payment Date on 22 October 2007.

Snowball encourages shareholders who have not yet done so, to provide their direct credit details to the company's share registry prior to the Record Date so they may receive payment of the dividend by direct credit payment into an Australian bank account. Shareholders wishing to make this election should do so prior to 28 September 2007 by contacting Computershare on 1300 855 080 for a direct credit election form.

For further information:

Tony McDonald
Managing Director
Snowball Group
(02) 9250 1515
0416 117 031

Carl Scarcella
Chief Operating Officer
Snowball Group
(02) 9250 1502
0438 020 038

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- d) A brief explanation of any of the figures reported above necessary to enable the figures to be understood

Western Pacific Financial Group which was acquired on 7 February 2007, will be referred to in this report as “WPFG”, the original Snowball prior to that date as “Outlook”, and the combined group as “Snowball”.

The Explanatory Memorandum dated 22 November 2006 regarding the merger of Outlook and WPFG, and the ASX Release of 27 February 2007, noted that WPFG has been identified as the acquirer of Outlook under the requirements of AASB 3 *Business Combinations*. This type of business combination is commonly referred to as a reverse acquisition as, for accounting purposes WPFG is treated as the acquirer of Outlook, even though from a legal perspective Outlook acquired WPFG.

AASB 3 requires that consolidated financial statements prepared following a reverse acquisition shall be issued under the name of the legal parent (i.e. Snowball Group Limited), but be a continuation of the financial statements of the legal subsidiary (i.e. WPFG - the acquirer for accounting purposes). The cost of the business combination in a reverse acquisition is deemed to have been incurred by the legal subsidiary (i.e. WPFG), in the form of equity instruments issued to the shareholders of the legal parent (i.e. Snowball Group Limited). Accordingly, the cost of the business combination has been determined with reference to the fair value of all the issued equity instruments of Snowball Group Limited immediately prior to the business combination.

There have been no material changes in the Group’s application of its significant accounting policies as presented in the consolidated financial statements for the year ended 30 June 2006. Readers of this report should refer to Note 1 Summary of Significant Accounting Policies in the aforementioned financial statements for details of these accounting policies.

The implications on the application of AASB 3 on each of the attached financial statements are as follows:

Income Statements:

- The 2007 Consolidated Income Statement comprises 12 months of WPFG, and 5 months of Outlook.
- The 2006 Consolidated Income Statement comprises 12 months of WPFG.

Further, in respect of the Earnings per Share disclosed on the Income Statements:

- 2007 financial year:
 - The numerator, the net profit after tax, is as reported in the 2007 Consolidated Income Statement, comprising 12 months of WPFG and 5 months of Outlook.
 - The denominator, the Weighted Average Number of Ordinary Shares, is determined as follows:

- From 1 July 2006 to 7 February 2007: deemed to be the number of ordinary shares issued by Snowball Group Limited to the vendors of WPFPG in the reverse acquisition, being 80,067,392.
 - From 8 February 2007 to 30 June 2007: the actual number of ordinary shares (and options for the diluted Earnings per Share calculation) of Snowball Group Limited outstanding during that period.
- 2006 financial year:
- The numerator, the net profit after tax, is as reported in the 2006 Consolidated Income Statement, comprising 12 months of WPFPG.
 - The denominator, the Weighted Average Number of Ordinary Shares, is deemed to be the number of ordinary shares issued by Snowball Group Limited to the vendors of WPFPG in the reverse acquisition, being 80,067,392.

Balance Sheets:

- The 2007 Consolidated Balance Sheet represents both WPFPG and Outlook, i.e. Snowball, as at 30 June 2007.
- The 2006 Consolidated Balance Sheet represents WPFPG as at 30 June 2006.

Statements of Changes in Equity:

- The 2007 Consolidated Statement of Changes in Equity comprises:
 - The equity balance of WPFPG at the beginning of the year.
 - The profit for the year and transactions with equity holders, being 12 months of WPFPG, and 5 months of Outlook.
 - The equity balance of WPFPG and Outlook at the end of the year.
- The 2006 Consolidated Statement of Changes in Equity comprises 12 months of WPFPG.

Cash Flow Statements:

- The 2007 Consolidated Statement of Cash Flows comprises:
 - The cash balance of WPFPG at the beginning of the year.
 - The transactions for the year, being 12 months of WPFPG, and 5 months of Outlook.
 - The cash balance of WPFPG and Outlook at the end of the year.
- The 2006 Consolidated Statement of Cash Flows comprises 12 months of WPFPG.

3. Income Statements

Snowball Group Limited
Income statements
For the year ended 30 June 2007

	Consolidated	
	2007	2006
	\$'000	\$'000
Revenue from continuing operations	16,496	7,247
Amortisation expense – separately identifiable assets arising from business combinations	(623)	-
Amortisation expense – other separately identifiable assets	(47)	-
Commissions expense	(119)	-
Depreciation expense	(200)	(106)
Employee benefits expense	(6,085)	(1,397)
Finance costs	(65)	-
General administration expense	(480)	(228)
Occupancy expense	(423)	(95)
Professional fees	(749)	(313)
Other expenses from ordinary activities	(1,022)	(767)
Share of net profits of associates accounted for using the equity method	111	-
Profit before income tax	6,794	4,341
Income tax expense	(2,063)	(1,314)
Profit for the year	4,731	3,027
Profit attributable to minority interest	(16)	-
Profit attributable to members of Snowball Group Limited	4,715	3,027
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share	4.47	3.78
Diluted earnings per share	4.27	3.78

4. Balance Sheets and Statements of Changes in Equity

Snowball Group Limited

Balance sheets

As at 30 June 2007

	Consolidated	
	2007	2006
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	3,924	1,527
Receivables	7,118	5,161
Total current assets	<u>11,042</u>	<u>6,688</u>
Non-current assets		
Receivables	518	-
Investments accounted for using the equity method	2,262	-
Property, plant and equipment	876	468
Intangible assets – goodwill	33,269	-
Intangible assets – separately identifiable assets from business combinations	22,462	-
Intangible assets – other separately identifiable assets	229	-
Total non-current assets	<u>59,616</u>	<u>468</u>
Total assets	<u>70,658</u>	<u>7,156</u>
LIABILITIES		
Current liabilities		
Payables	4,706	3,469
Interest bearing liabilities	583	-
Current tax liabilities	1,705	1,069
Provisions	929	-
Total current liabilities	<u>7,923</u>	<u>4,538</u>
Non-current liabilities		
Interest bearing liabilities	1,923	-
Deferred tax liabilities	7,472	-
Provisions	79	-
Total non-current liabilities	<u>9,474</u>	<u>-</u>
Total liabilities	<u>17,397</u>	<u>4,538</u>
Net assets	<u>53,261</u>	<u>2,618</u>
EQUITY		
Contributed equity	52,869	193
Reserves	(4,226)	-
Retained profits	3,940	2,425
Parent entity interest	52,583	2,618
Minority interest	678	-
Total equity	<u>53,261</u>	<u>2,618</u>

Snowball Group Limited
Statements of changes in equity
For the year ended 30 June 2007

	Consolidated	
	2007	2006
	\$'000	\$'000
Total equity at the beginning of the year	2,618	286
Profit for the year	4,731	3,027
Total recognised income and expense of the year	4,731	3,027
Transactions with equity holders in their capacity as equity holders:		
Issue of equity, net of transaction costs	52,676	-
Dividends paid	(3,200)	(695)
Employee share options	177	-
Movement in the business combination reserve	(5,225)	-
Movement in the deferred consideration reserve	822	-
Minority interest on acquisition of subsidiary	662	-
	45,912	(695)
Total equity at the end of the year	53,261	2,618
Total recognised income and expense for the year is attributable to:		
Members of Snowball Group Limited	4,715	3,027
Minority interest	16	-
	4,731	3,027

5. Cash Flow Statements

Snowball Group Limited Statements of cash flows For the year ended 30 June 2007

	Consolidated	
	2007	2006
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	15,114	9,092
Payments to suppliers and employees (inclusive of goods and services tax)	(10,398)	(4,358)
	<u>4,716</u>	<u>4,734</u>
Interest received	86	65
Borrowing costs	(65)	-
Income taxes paid	(662)	(309)
Net cash inflow from operating activities	<u>4,075</u>	<u>4,490</u>
Cash flows from investing activities		
Dividends received	149	-
Proceeds from sale of property, plant and equipment	10	-
Payments for purchase of controlled entity, net of cash acquired	(1,368)	-
Payments for property, plant and equipment	(66)	(189)
Payments for intangible assets – other separately identifiable assets	(137)	-
Proceeds of loans from related parties	1,905	-
Payments of loans to related parties	-	(2,032)
Net cash inflow from investing activities	<u>493</u>	<u>(2,221)</u>
Cash flows from financing activities		
Proceeds from issues of shares	93	-
Proceeds from borrowings	1,092	-
Repayments of borrowings	(126)	(370)
Dividends paid	(3,200)	(695)
Repayments of finance lease	(30)	-
Net cash outflow from financing activities	<u>(2,171)</u>	<u>(1,065)</u>
Net increase in cash and cash equivalents	2,397	1,204
Cash and cash equivalents at the beginning of the financial year	<u>1,527</u>	<u>323</u>
Cash and cash equivalents at the end of the financial year	<u><u>3,924</u></u>	<u><u>1,527</u></u>

6. Details of individual and total dividends or distributions and dividend or distribution payments

Snowball Group Limited paid a fully franked dividend of 1 cent per share on 27 October 2006, which was equal to a total dividend payment of \$607,574. The payment of this dividend is not reflected in the above Statement of Changes in Equity, the above Cash Flow Statement and below Statement of Retained Earnings, because it was paid prior to the reverse acquisition by WPFPG on 7 February 2007.

WPFPG paid a dividend of \$3,200,000 during the 2007 financial year, as reflected in the above Statement of Changes in Equity, the above Cash Flow Statement and below Statement of Retained Earnings.

7. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan

Not applicable.

8. A statement of retained earnings showing movements

	2007	2006
	\$'000	\$'000
Retained profits at the beginning of the financial year	2,425	93
Net profit attributable to members of Snowball Group Limited	4,715	3,027
Dividends Paid	<u>(3,200)</u>	<u>(695)</u>
Retained profits at the end of the financial year	<u>3,940</u>	<u>2,425</u>

The application of AASB 3 to the above Statements of Retained Earnings has had the following implications:

- The 2007 Consolidated Statement of Retained Earnings comprises:
 - The balance of WPFPG at the beginning of the year.
 - The profit and dividends for the year, being 12 months of WPFPG, and 5 months of Outlook.
 - The balance of WPFPG and Outlook at the end of the year.
- The 2006 Consolidated Statement of Retained Earnings comprises 12 months of WPFPG.

As explained in section 7 above, Snowball Group Limited paid a fully franked dividend of 1 cent per share on 27 October 2006, which was equal to a total dividend payment of \$607,574. The payment of this dividend is not reflected in the above Statement of Retained Earnings because it was paid prior to the reverse acquisition by WPFPG on 7 February 2007.

9. Net tangible assets per security with the comparative figure for the previous corresponding period

	2007	2006
Net tangible asset backing per ordinary security:		
Net tangible assets	<u>4,040,000</u>	<u>2,618,000</u>
Ordinary security	144,985,960	80,067,392
	= 2.79 cents	= 3.27 cents

AASB 3 does not consider the calculation of net tangible asset backing per ordinary security. However, the application of the general principals contained in AASB 3 to the above calculation of net tangible assets per security has had the following implications:

- In respect of the current year calculation:
 - The net tangible assets reported are those of WPFG and Outlook as at 30 June 2007.
 - The ordinary security number used in this calculation is the number of Snowball Group Limited shares as at 30 June 2007, being 144,985,960.
- In respect of the prior year calculation:
 - The net tangible assets reported are those of WPFG as at 30 June 2006.
 - Applying the principals set out in AASB 3 regarding the calculation of EPS, the ordinary security number used in this calculation is deemed to be the number of ordinary shares issued by Snowball Group Limited to the vendors of WPFG in the reverse acquisition, being 80,067,392.

10. Details of entities over which control has been gained or lost during the year

a) Control gained over entities

As explained above, notwithstanding that for legal purposes Outlook acquired WPFG, for accounting purposes WPFG acquired Outlook – which is referred to as a reverse acquisition. The cost of the business combination in a reverse acquisition is deemed to have been incurred by the legal subsidiary (i.e. WPFG), in the form of equity instruments issued to the shareholders of the legal parent (i.e. Snowball Group Limited). Accordingly, the cost of the business combination has been determined below with reference to the fair value of all the issued equity instruments of Snowball Group Limited immediately prior to the business combination.

Details of the fair value of Outlook's assets and liabilities and goodwill acquired by WPFG are as follows:

	\$ million
<u>Purchase consideration:</u>	
64,280,468 shares, (being the number of ordinary shares of the legal parent, Snowball Group Limited, before the business combination), multiplied by 78 cents per share	50.1
1,053,892 shares (being the number of shares expected to be issued to the vendors of the Dunhill business as deferred consideration), multiplied by 78 cents per share	0.9
6,555,487 options on hand at 7 February 2007, multiplied by the difference between 78 cents per share and their exercise price	3.1
Total purchase consideration	<u>54.1</u>
Fair value of net identifiable assets acquired (see below)	20.8
Goodwill	<u>33.3</u>

The goodwill is attributable to the profitability of the acquired business and synergies expected to arise after the Group's acquisition of the new subsidiary. The fair value of assets and liabilities acquired were considered the approximate fair value. No acquisition provisions were created.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	\$ million	\$ million
- Cash	3.2	3.2
- Receivables	4.2	4.2
- Other financial assets	2.3	2.3
- Property, plant and equipment	0.6	0.6
- Deferred tax assets	0.3	0.3
- Intangibles	0.1	23.2
- Trade payables	(2.4)	(2.4)
- Interest bearing liabilities	(1.6)	(1.6)
- Current tax liabilities	(0.4)	(0.4)
- Employee provisions	(0.8)	(0.8)
- Deferred tax liabilities	(0.8)	(7.8)
Net assets	<u>4.7</u>	20.8
Net identifiable assets acquired		<u>20.8</u>

b) Control lost over entities

Not applicable.

11. Details of associates and joint venture entities

a) Associates

Name of the entity	QTCU Financial Planning Pty Ltd
Ownership interest	25% of the ordinary shares
The date of the ownership interest	7 February 2007 *
The contribution of the entity to the reporting entity's profit from ordinary activities during the period*	\$111,235 **

* As explained above, the application of AASB 3 to the 2007 Income Statements has resulted in the recognition of the results of 12 months of WPFG and 5 months of Outlook. Therefore, despite the fact that the 25% interest in this associate has been held by Outlook since 1 October 2005, only the \$111,235 contributed by the investment post 7 February 2007 has been recognised in the 2007 Consolidated Income Statement.

** In addition to this share of profit, the Group earns additional revenue from QTCU Financial Planning Pty Ltd pursuant to a Services Agreement.

b) Joint venture entities

Not applicable.

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

Please refer to 2(d) "A brief explanation of any of the figures reported above necessary to enable the figures to be understood" and 14(e) "A discussion of trends in performance".

13. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards)

Not applicable.

14. A commentary on the results for the period

a) The earnings per security and the nature of any dilution aspects

Refer to section 3 for the calculation of Basic Earnings per Share and Diluted Earnings per Share for both the current and previous year.

b) Returns to shareholders including distributions and buy backs

Snowball Group Limited paid a fully franked dividend of 1 cent per share on 27 October 2006, which was equal to a total dividend payment of \$607,574. The payment of this dividend is not reflected in the above Statement of Changes in Equity, Cash Flow Statement and Statement of Retained Earnings, because it was paid prior to the reverse acquisition by WPFPG on 7 February 2007.

WPFPG paid a dividend of \$3,200,000 during the 2007 financial year, as reflected in the above Statement of Changes in Equity, Cash Flow Statement and Statement of Retained Earnings.

c) Significant features of operating performance

Refer to 14(e) "A discussion of trends in performance".

d) The results of segments that are significant to an understanding of the business as a whole

Geographical segments

The consolidated entity operated only in Australia.

Business segments

The consolidated entity provides the following by products and service type:

- Financial Education and Advice
- Accountancy Services

	Financial Education & Advice	Accountancy Services	Inter-segment eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000
2007				
Total segment revenue	15,479	948	(49)	16,378
Unallocated revenue				118
Revenue from continuing operations				16,496
Share of net profits of associates				111
Total revenue and other income				16,607
Segment result	9,308	169	-	9,477
Unallocated revenue less unallocated expenses				(2,683)
Profit before income tax				6,794

	Financial Education & Advice	Accountancy Services	Inter-segment eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000
2006				
Total segment revenue	7,247	-	-	7,247
Unallocated revenue				-
Revenue from continuing operations				7,247
Share of net profits of associates				-
Total revenue and other income				7,247
Segment result	4,341	-	-	4,341
Unallocated revenue less unallocated expenses				-
Profit after income tax				4,341

The application of AASB 3 to the above Segment revenues and results has had the following implications:

- The 2007 Segment revenue and results comprises 12 months of WPFG and 5 months of Outlook.
- The 2006 Segment revenue and results comprises 12 months of WPFG.

e) A discussion of trends in performance

As stated previously in this report, the results for the period comprise seven months of the WPFG business on a standalone basis and five months of the merged WPFG and Outlook combination, with the comparatives for the 2006 financial year relating to WPFG alone. Accordingly, Snowball's results as set out in this report will be difficult to compare with prior period results.

An assessment of the performance of the combined entity on a "like for like" basis can be facilitated by adding together the full year results for each of Outlook and WPFG (the "pro-forma results") for the reporting period, and comparing them to the pro-forma results for the 2006 financial year, as set out in the following table:

	<i>Pro-forma results: 12 mths to Jun 07 \$000's</i>	<i>Pro-forma results: 12 mths to Jun 06 \$000's</i>	<i>Increase</i>
Revenue from continuing operations & share of associates profit	25,881	20,208	28%
Total operating expenses (excluding interest, depreciation and amortisation)	(16,461)	(13,060)	27%
Operating EBITDA	9,420	7,148	26%
Loss on disposal of 25% interest in subsidiary	(259)	-	-
EBITDA	9,161	7,148	28%
Finance expense	(143)	(286)	(50%)
EBTDA	9,018	6,862	31%

The pro-forma 2007 results have been determined by adding together the preliminary income statement, the interim results and the Outlook results for the month of January 2007, as set out in the following table:

	<i>Prelim. results: 12 mths WPFG & 5 mths Outlook to Jun 07 \$000's</i>	<i>Interim results: 6 mths Outlook to Dec 06 \$000's</i>	<i>1 mth Outlook Jan 07 \$000's</i>	<i>Pro-forma results: 12 mths WPFG & 12 mths Outlook to Jun 07 \$000's</i>
Revenue from continuing operations & share of associates profit	16,607	7,941	1,333	25,881
Total operating expenses (excluding interest, depreciation and amortisation)	(8,878)	(6,485)	(1,098)	(16,461)
Operating EBITDA	7,729	1,456	235	9,420
Loss on disposal of 25% interest in subsidiary	-	(259)	-	(259)
EBITDA	7,729	1,197	235	9,161
Finance expense	(65)	(70)	(8)	(143)
EBTDA	7,664	1,127	227	9,018

The pro-forma 2006 results have been determined by adding together the WPFG Income Statement as presented in the comparative column of the income statement in section 3 of this report, with the Outlook 2006 income statement as presented in the 2006 Annual Report of Snowball Group Limited.

These pro-forma results reflect a number of diverse factors prevalent in the reporting period, predominantly in the second half of the year following the merger of Outlook and WPFG, including:

- Stronger than anticipated revenue growth for both Outlook and WPFG, driven by revenue synergies and the benefit of strong financial markets;

- Over \$750,000 of one-off expenses attributable to recruitment and other non-capital costs necessary to successfully integrate the WPFG and Outlook businesses and build a sound foundation for sustained growth;
- An increase in expenses necessary to enhance the operating infrastructure of the combined business, and to facilitate and support future growth, in particular an organisational restructure which involved the recruitment of senior management, and the establishment and role-out of a telephone advice unit; and
- A full year's contribution to both revenue and expenses from the financial planning business acquired by Outlook in October 2005.

f) Any other factors which have affected the results in period or which are likely to affect results in the future, including those where the effect could not be quantified

In the 2008 fiscal year, Snowball should benefit from higher average levels of funds under advice, which stood at \$4.2 billion at 30 June 2007 (compared to \$1.9 billion at June 2006, prior to the WPFG/Outlook merger), a full year of revenue and cost synergies from the merger and the absence of the one-off costs relating to the merger. The results in the 2008 fiscal year are also subject to the performance of financial markets, which can have significant primary and secondary effects on funds under advice and the generation of fees and rebates.

15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed

This report is based on accounts to which one of the following applies:

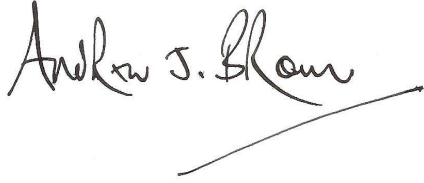
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|-------------------------------------|--|--------------------------|---|
| <input type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |

16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification

Not applicable.

17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification

Not applicable.

A handwritten signature in cursive script that reads "Andrew J. Brown". The signature is written in black ink and is positioned above a horizontal line that extends to the right.

Sign here: Date: 29 August 2007
Director

Print name: Andrew J Brown

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