



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

Snowball Group Limited completed the legal acquisition of Western Pacific Financial Group Pty Ltd on 7 February 2007.

*Western Pacific Financial Group will be referred to in this report as “WPFG”, the original Snowball prior to that date as “Outlook”, and the combined group as “Snowball Group Limited”.*

Under the terms of AASB 3 Business Combinations, WPFG was deemed to be the accounting acquirer in the business combination and this transaction was therefore accounted for as a reverse acquisition under AASB 3. Accordingly, consolidated financial statements of the Snowball Group Limited group of entities are prepared as consolidated financial statements of WPFG. The comparative information from 1 July 2006 to 30 June 2007 presented in the consolidated financial statements is that of WPFG as a stand alone entity for the year plus the contribution from Outlook for the period 8 February 2007 to 30 June 2007. The results for the year ended 30 June 2008 are for the combined Group (ie. Snowball Group Limited).

There have been no material changes in the Group’s application of its significant accounting policies as presented in the Snowball Group Limited Annual Report for the year ended 30 June 2007.

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

Consolidated Income Statement:

- The Consolidated Income Statement for the year ended 30 June 2008 comprises 12 months of Snowball Group Limited.
- The Consolidated Income Statement for the year ended 30 June 2007 comprises 12 months of WPFG, and 5 months of Outlook.

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

- Year ended 30 June 2008:
  - The numerator, the net profit after tax, is as reported in the Consolidated Income Statement for the year ended 30 June 2008, comprising 12 months of Snowball Group Limited.
  - The denominator, the Weighted Average Number of Ordinary Shares, is the actual number of ordinary shares (and options for the diluted Earnings per Share calculation) of Snowball Group Limited outstanding during the period, being 149,442,506.

- Year ended 30 June 2007:
  - The numerator, the net profit after tax, is as reported in the Consolidated Income Statement for the year ended 30 June 2007, comprising 12 months of WPFPG 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.

Consolidated Balance Sheet:

- The Consolidated Balance Sheet as at 30 June 2008 represents Snowball Group Limited.
- The Consolidated Balance Sheet as at 30 June 2007 represents Snowball Group Limited.

Consolidated Statement of Changes in Equity:

- The Consolidated Statement of Changes in Equity for the year ended 30 June 2008 comprises 12 months of Snowball Group Limited.
- The Consolidated Statement of Changes in Equity for the year ended 30 June 2007 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.

Consolidated Cash Flow Statement:

- The Consolidated Cash Flow Statement for the year ended 30 June 2008 comprises 12 months of Snowball Group Limited.
- The Consolidated Cash Flow Statement for the year ended 30 June 2007 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.

### 3. Consolidated Income Statement

For the year ended 30 June 2008

	2008 \$'000	2007 \$'000
<b>Revenue from continuing operations</b>	<b>28,510</b>	16,496
Amortisation expense	(2,062)	(670)
Commissions expense	(285)	(119)
Depreciation expense	(339)	(200)
Employee benefits expense	(12,554)	(6,085)
Finance costs	(154)	(65)
General administration expense	(958)	(480)
Occupancy expense	(922)	(423)
Professional fees	(1,131)	(749)
Other expenses from ordinary activities	(1,862)	(1,022)
Share of net profits of associates accounted for using the equity method	<u>191</u>	<u>111</u>
<b>Profit before income tax</b>	<b>8,434</b>	6,794
Income tax expense	(2,525)	(2,063)
<b>Profit for the year</b>	<b>5,909</b>	4,731
Profit attributable to minority interest	(86)	(16)
<b>Profit attributable to members of Snowball Group Limited</b>	<b>5,823</b>	4,715
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the company: *</b>		
Basic earnings per share	<b>3.90</b>	4.47
Diluted earnings per share	<b>3.84</b>	4.27

\* To assist users of our Preliminary Final Report to better assess the performance of the combined Group, a comparison of EBITDA per share to "pro-forma results" for the year ended 30 June 2007 is detailed on page 14 of this Report. In summary, basic EBITDA per share has increased by 11%, from 6.62 cents per share to 7.35 cents per share, compared to the pro-forma results for the 2007 financial year.

#### **4. Consolidated Balance Sheet and Statement of Changes in Equity**

##### **Consolidated Balance Sheet As at 30 June 2008**

	2008 \$'000	2007 \$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,412	3,924
Receivables	6,601	7,118
Total current assets	<u>11,013</u>	<u>11,042</u>
<b>Non-current assets</b>		
Receivables	-	518
Investments accounted for using the equity method	2,231	2,262
Property, plant and equipment	1,318	876
Intangible assets	61,369	55,929
Total non-current assets	<u>64,918</u>	<u>59,585</u>
<b>Total assets</b>	<u>75,931</u>	<u>70,627</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	3,847	4,706
Interest bearing liabilities	400	583
Current tax liabilities	2,138	1,705
Provisions	970	929
Provision for deferred consideration	2,379	-
Total current liabilities	<u>9,734</u>	<u>7,923</u>
<b>Non-current liabilities</b>		
Interest bearing liabilities	710	1,923
Deferred tax liabilities	7,602	7,472
Provisions	129	79
Total non-current liabilities	<u>8,441</u>	<u>9,474</u>
<b>Total liabilities</b>	<u>18,175</u>	<u>17,397</u>
<b>Net assets</b>	<u>57,756</u>	<u>53,230</u>
<b>EQUITY</b>		
Contributed equity	54,531	52,869
Reserves	(2,740)	(4,257)
Retained profits	5,292	3,940
Parent entity interest	57,083	52,552
Minority interest	673	678
<b>Total equity</b>	<u>57,756</u>	<u>53,230</u>

**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2008**

	2008 \$'000	2007 \$'000
<b>Total equity at the beginning of the year</b>	<u>53,230</u>	2,618
Profit for the year	<u>5,909</u>	4,731
<b>Total recognised income and expense of the year</b>	<u>5,909</u>	4,731
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity, net of transaction costs	1,662	52,676
Dividends paid to company's shareholders	(4,471)	(3,200)
Dividends paid to minority interest in subsidiaries	(92)	-
Employee share options	329	177
Movement in the business combination reserve	-	(5,225)
Movement in reserves for shares to be issued as deferred consideration for the acquisition of a business	1,384	791
Minority interest on acquisition of subsidiary	-	662
Movement in reserves for shares issued upon exercise of options under the Snowball Group Limited Employee Share Option Plan	(195)	-
	<u>(1,383)</u>	45,881
<b>Total equity at the end of the year</b>	<u>57,756</u>	53,230
Total recognised income and expense for the year is attributable to:		
Members of Snowball Group Limited	5,823	4,715
Minority interest	86	16
	<u>5,909</u>	4,731

## 5. Consolidated Statement of Cash Flows

For the year ended 30 June 2008

	2008	2007
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	29,622	15,114
Payments to suppliers and employees (inclusive of goods and services tax)	(18,492)	(10,398)
	<u>11,130</u>	<u>4,716</u>
Interest received	313	86
Borrowing costs	(154)	(65)
Income taxes paid	(1,962)	(662)
<b>Net cash inflow from operating activities</b>	<u>9,327</u>	<u>4,075</u>
<b>Cash flows from investing activities</b>		
Dividends received	222	149
Proceeds from sale of property, plant and equipment	1	10
Payments for purchase of controlled entity, net of cash acquired	-	(1,368)
Payments for property, plant and equipment	(785)	(66)
Payments for intangible assets – other separately identifiable assets	(3,613)	(137)
Proceeds of loans from related parties	-	1,905
<b>Net cash inflow from investing activities</b>	<u>(4,175)</u>	<u>493</u>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	1,203	93
Proceeds from borrowings	-	1,092
Repayments of borrowings	(1,388)	(126)
Dividends paid to company's shareholders	(4,471)	(3,200)
Repayments of finance lease	(8)	(30)
<b>Net cash outflow from financing activities</b>	<u>(4,664)</u>	<u>(2,171)</u>
<b>Net increase in cash and cash equivalents</b>	<b>488</b>	<b>2,397</b>
Cash and cash equivalents at the beginning of the financial year	<u>3,924</u>	<u>1,527</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<u>4,412</u>	<u>3,924</u>

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

Snowball Group Limited paid a final fully franked dividend of 2 cents per share, in respect of the previous corresponding reporting period, on 22 October 2007, which was equal to a total dividend payment of \$2,976,120.

Snowball Group Limited paid an interim fully franked dividend of 1 cent per share, in respect of the current reporting period, on 23 April 2008, which was equal to a total dividend payment of \$1,495,637.

Subsequent to the end of the year, the directors have resolved to pay a final fully franked dividend of 2.5 cents per share in respect of the current reporting period. The record date for determining the entitlement to this dividend is 29 September 2008.

**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**

	2008 \$'000	2007 \$'000
Retained profits at the beginning of the financial year	3,940	2,425
Net profit attributable to members of Snowball Group Limited	5,823	4,715
Dividends Paid	<u>(4,471)</u>	<u>(3,200)</u>
Retained profits at the end of the financial year	<u>5,292</u>	<u>3,940</u>

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

- The Consolidated Statement of Retained Earnings for the year ended 30 June 2008 comprises 12 months of Snowball Group Limited.
- The Consolidated Statement of Retained Earnings for the year ended 30 June 2007 comprises:
  - The balance of WPFG at the beginning of the year.
  - The profit and dividends for the year, being 12 months of WPFG, and 5 months of Outlook.
  - The balance of WPFG and Outlook at the end of the year.

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

	2008	2007
Net tangible asset backing per ordinary security	2.38 cents	2.79 cents

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

a) Control gained over entities

Not applicable.

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 current period	Pre-amortisation: \$240,985 ** Post-amortisation: \$190,633 **
The contribution of the entity to the reporting entity's profit from ordinary activities during the prior corresponding period	Pre-amortisation: \$132,215 *** Post-amortisation: \$111,235 ***

\* The ownership interest was acquired by Outlook on 1 October 2005 but the application of AASB 3 has resulted in the acquisition date by Snowball Group Limited reverting to the date of the reverse acquisition.

\*\* In addition to this share of profit, Snowball Group Limited earns additional revenue from the services that it provides to QTCU Financial Planning Pty Ltd pursuant to a Services Agreement.

\*\*\* Reflects contribution to the reporting entity's profit for the period 8 February 2007 to 30 June 2007.

- 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 section 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 final fully franked dividend of 2 cents per share, in respect of the previous corresponding reporting period, on 22 October 2007, which was equal to a total dividend payment of \$2,976,120.

Snowball Group Limited paid an interim fully franked dividend of 1 cent per share, in respect of the current reporting period, on 23 April 2008, which was equal to a total dividend payment of \$1,495,637.

Subsequent to the end of the year, the directors have resolved to pay a final fully franked dividend of 2.5 cents per share in respect of the current reporting period. The record date for determining the entitlement to this dividend is 29 September 2008.

- 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
<b>2008</b>				
Total segment revenue	25,491	2,710	(28)	28,173
Unallocated revenue				337
Revenue from continuing operations				28,510
Share of net profits of associates				191
Total revenue and other income				28,701
Segment result	14,198	495	-	14,693
Unallocated revenue less unallocated expenses				(6,259)
Profit before income tax				8,434
Income tax expense				(2,525)
Profit for the year				5,909
Less: Profit attributable to minority interest				(86)
Profit attributable to members of Snowball Group Limited				5,823

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	Financial Education & Advice	Accountancy Services	Inter-segment eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000
<b>2007</b>				
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				<u>16,607</u>
Segment result	9,308	169	-	9,477
Unallocated revenue less unallocated expenses				(2,683)
Profit before income tax				6,794
Income tax expense				(2,063)
Profit for the year				4,731
Less: Profit attributable to minority interest				(16)
Profit attributable to members of Snowball Group Limited				<u>4,715</u>

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

- The 2008 Segment revenue and results comprise 12 months of Snowball Group Limited.
- The 2007 Segment revenue and results comprise 12 months of WPFG and 5 months of Outlook.

e) A discussion of trends in performance

**Consolidated Financial Results**

The revenue from continuing operations for the 2008 financial year is \$28.510m, an increase of \$12.014m (73%) on the prior corresponding period.

EBITDA for the 2008 financial year is \$10.989m, an increase of \$3.260m (42%) on the prior corresponding period.

The profit after income tax for the 2008 financial year is \$5.909m, an increase of \$1.178m (25%) on the prior corresponding period.

As explained in section 2(d) above, the results for the current period, and the commentary on those results in the above paragraphs, comprise 12 months of Snowball Group Limited, with the comparatives for the 2007 financial year comprising 7 months of the WPFG business on a standalone basis and 5 months of the merged WPFG and Outlook combination. Given the accounting treatment of the reverse acquisition, the directors are of the view that the provision of additional comparatives for the prior corresponding period (the “pro-forma results”) will assist users of the Preliminary Final Report to better assess the performance of the combined group.

The pro-forma 2007 results in the table below have been calculated by adding together:

- the comparative Consolidated Income Statement (representing 7 months of the WPFG business on a standalone basis and 5 months of the merged WPFG and Outlook combination) as presented on page 4;
- the Outlook Consolidated Income Statement as presented in the Interim Report for the period ended 31 December 2006 of Snowball Group Limited; and
- the results of Outlook for the month of January 2007,

as detailed on page 16 of Snowball Group Limited’s 2007 Annual Report.

For the pro-forma EBITDA per share calculations, the weighted average number of shares for the 2007 financial year has been determined using the actual number of ordinary shares (and options for the diluted EBITDA per share calculation) of Outlook that were outstanding during that period. This number was adjusted for the 80,067,392 ordinary shares issued by Snowball Group Limited to the vendors of WPFG in the reverse acquisition, on the assumption that these shares were on issue for the entire prior corresponding period.

When compared to the Snowball Group Limited results for the current reporting period the pro-forma results facilitate an assessment of the combined group on a “like for like” basis.

	Unreviewed 12 mths to 30 Jun 08 \$'000	Unreviewed Pro-forma Results: 12 mths to 30 Jun 07 \$'000	% Increase/ (decrease)
Revenue from continuing operations	28,510	25,722	11%
Share of associates profit	191	159	20%
Total operating costs	(17,712)	(16,461)	8%
<b>Operating EBITDA *</b>	<b>10,989</b>	<b>9,420</b>	<b>17%</b>
<i>* Operating EBITDA comprises a contribution from:</i>			
• <i>Organic business existing as at 30 June 2007</i>	10,846	9,420	15%
• <i>Acquisitions during 2008 financial year <sup>(1)</sup></i>	143	-	n/a
<b>Operating EBITDA</b>	<b>10,989</b>	<b>9,420</b>	<b>17%</b>
Basic EBITDA per share	7.35	6.62	11%
Diluted EBITDA per share	7.24	6.39	13%
Cost to income ratio <sup>(2)</sup>	62%	64%	

<sup>(1)</sup> Contribution from acquisitions during 2008 financial year is net of “one-off” acquisition-related expenses.

<sup>(2)</sup> Calculated as “total operating costs” divided by “revenue from continuing operations plus share of associate’s profit”.

The commentary below provides an analysis of the results for the 2008 financial year compared to the pro-forma results for the 2007 financial year (as set out in the table above).

#### EBITDA and EBITDA per share

EBITDA has increased by \$1.569m (17%) compared to the pro-forma 2007 financial year, equivalent to an 11% increase in EBITDA per share, from 6.62 cents per share to 7.35 cents per share.

#### Achievement of market guidance

The 17% increase in EBITDA was driven primarily by the organic growth in continuing operations whereby, notwithstanding a downturn in investment markets commencing in November 2007, organic EBITDA increased by 15% compared to the pro-forma 2007 financial year, consistent with market guidance originally provided at the Company’s Annual General Meeting on 28 November 2007.

The 2008 result was further boosted by an EBITDA contribution from businesses acquired during the second half of the year of \$0.143m, net of one-off acquisition-related costs of \$0.194m (*refer section 14(f) below for further detail of acquisitions made in the 2008 financial year*).

#### Revenue from continuing operations & share of net profit of associates

Revenue from continuing operations increased \$2.788m (11%) compared to the pro-forma 2007 financial year, primarily the result of:

- a \$2.105m increase in the Financial Education & Advice segment;
- a \$0.447m increase in the Accountancy Services segment; and
- a \$0.228m increase in interest income.

Further commentary in relation to the growth in revenue for each of the Financial Education & Advice and Accountancy Services segments is provided below.

#### Operating costs

The \$1.251m (8%) increase in total operating costs compared to the pro-forma 2007 financial year was within budget for the current financial year. The increase in operating costs comprises:

- an increase of \$0.064m associated with the Financial Education and Advice business segment;
- an increase of \$0.270m in the Accountancy Services business segment; and
- an increase of \$0.916m in unallocated expenses, reflecting:
  - the reallocation of certain overheads from the Financial Education and Advice segment;
  - the impact of planned and one-off expenditure relating to the integration of the Outlook and WPFG businesses in the first half;
  - the impact of one-off expenditure relating to the acquisition and integration of businesses purchased in the second half; and
  - investment in infrastructure to support the continuing expansion of the Group.

Expenses in the second half of the current financial year were 7% lower than those in the first half, even allowing for costs relating to new business acquisitions during the second half of the year. This is due to the large portion of budgeted one-off expenditure in the first half, as identified in Snowball Group's interim report for the 6 months ended 31 December 2007. As a result, and notwithstanding the downturn in investment markets adversely impacting on levels of Funds Under Advice in the second half of the year, the Group's cost to income ratio has reduced year-on-year from 64% to 62%, in accordance with previous market guidance.

### Financial Education & Advice segment

	Unreviewed 12 mths to 30 Jun 08 \$'000	Unreviewed Pro-forma Results: 12 mths to 30 Jun 07 \$'000	% Increase/ (decrease)
Gross revenue from continuing operations	25,491	23,386	9%
Total operating costs	(10,730)	(10,666)	1%
Segment EBITDA	14,761	12,720	16%

#### EBITDA

EBITDA for the 2008 financial year is \$14.761m, an increase of \$2.041m (16%) compared to the pro-forma 2007 financial year.

#### Gross revenue from continuing operations

There was a \$2.105m (9%) increase in segment gross revenue for the reporting period compared to the pro-forma 2007 financial year. This increase is primarily attributable to:

- an increase in the average level of funds under advice in the organic business existing as at 30 June 2007;
- a contribution to revenue in the second half from new business acquisitions during the year; and
- a significant increase in insurance revenue, reflecting an increase in group risk business driven by growth in the corporate superannuation portfolio.

#### Operating costs

Segment operating costs for the reporting period increased by \$0.064m (1%) compared to the pro-forma 2007 financial year. This reflects:

- operating expenses of newly acquired businesses in the second half; partly offset by:
  - a reorganisation of WPFPG's operations following the merger, whereby certain functions such as finance, administration and general management were transferred out of the Financial Education and Advice segment to the Group's centralised Business Services unit;
  - planned efficiency gains and synergy benefits resulting from the merger of the Outlook and WPFPG financial planning operations; and
  - further tightening of cost control in the second half in light of current market conditions.

### Accountancy Services segment

	Unreviewed 12 mths to 30 Jun 08 \$'000	Unreviewed Pro-forma Results: 12 mths to 30 Jun 07 \$'000	% Increase/ (decrease)
Gross revenue from continuing operations	2,710	2,263	20%
Total operating costs	(2,143)	(1,873)	14%
Segment EBITDA	567	390	45%

### EBITDA

EBITDA for the 2008 financial year is \$0.567m, an increase of \$0.177m (45%) compared to the pro-forma 2007 financial year. The profit ratio (EBITDA as a percentage of gross revenue from continuing operations) has increased from 17% to 21% in the current period.

### Gross revenue from continuing operations

Segment revenue for the reporting period increased by \$0.447m (20%) compared to the pro-forma 2007 financial year, driven by:

- an increased focus on strategic and business advisory work which leverages off compliance-related services provided to new and existing clients; and
- a contribution to revenue in the second half from a newly acquired business during the year.

### Operating costs

Segment operating costs for the reporting period increased by \$0.270m (14%) compared to the pro-forma 2007 financial year. This reflects:

- an increase in personnel costs to support the continued growth in the business; and
- operating expenses of a newly acquired business in the second half.

- 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

**Acquisitions announced during the current year**

During the 2008 financial year, Snowball Group Limited completed the following acquisitions:

- effective 1 January 2008, acquisition of the business assets of a financial advice business, IFP Financial Planning Pty Ltd;
- effective 1 May 2008, acquisition of a right to revenue generated by three well-established Sydney financial planning practices and a licensing arrangement with Cambrian Asset Management, a corporate superannuation practice;
- effective 1 June 2008, acquisition of the business assets of an accounting business, Yarra Consulting Group Pty Ltd;
- effective 1 July 2008, acquisition of the business assets of Mastertek Benefit Consultants Pty Limited (MBC), a specialist corporate superannuation business; and
- effective 1 August 2008, acquisition of the business assets of a financial planning business, Yarra Financial Group Pty Ltd (Yarra FP).

**Impact of acquisitions on current year result and on future year performance**

The acquisitions completed by Snowball Group Limited during the 2008 financial year, with the exception of MBC and Yarra FP, contributed EBITDA of \$0.143m (net of one-off acquisition-related costs of \$0.194m) to current year performance, all in the second half of the year. In the 2009 financial year, Snowball Group Limited will benefit from a contribution to performance by each of these businesses for the full year.

**Impact of transactions occurring after the balance sheet date**

Snowball Group Limited announced on 29 July 2008 a merger of its accounting arm, Outlook Tax & Accounting Solutions (OTAS), with NSW-based accounting business Duncan Dovico (DD). Effective 1 July 2008, the two businesses will be amalgamated into one practice, offering the full suite of accounting services with a focus on servicing small to medium enterprises and high net worth individuals. Snowball will own around one-third of the merged entity, which will have an annual turnover approaching \$10 million.

Snowball Group Limited expects the contribution to its 2009 financial year result from the investment in the merged entity to be, as a minimum, in line with the 2009 expected result of OTAS if it was to be retained on a standalone basis (excluding any profit or loss on the sale of OTAS to Duncan Dovico).

**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:

- |                                     |  |                          |   |
|-------------------------------------|--|--------------------------|---|
| <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.



Q B Jones  
Director

14 August 2008