

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

	Current Period	Previous Period
Net tangible asset backing per ordinary security	(3.30) cents	(1.02) cents

The decrease in net tangible asset backing per ordinary security, compared to the prior corresponding period, is due to the acquisition of intangible assets associated with businesses purchased subsequent to 31 December 2008. The carrying value of the Group's intangible assets (net of deferred tax liabilities) is excluded from the above calculations and has resulted in a negative outcome.

4. Details of entities over which control has been gained or lost during the period

a) Control gained over entities

Not applicable.

b) Control lost over entities

Not applicable.

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

On 30 October 2009, Snowball Group Limited paid a final fully franked dividend of 2.0 cents per share in respect of the year ended 30 June 2009, which was equal to a total dividend payment of \$3,072,294. This followed payment of an interim fully franked dividend of 1.0 cent per share on 30 April 2009, taking the total fully franked dividend in respect of the year ended 30 June 2009 to 3.0 cents per share, which was equal to a total dividend payment of \$4,601,213.

On 20 October 2008, Snowball Group Limited paid a final fully franked dividend of 2.5 cents per share in respect of the year ended 30 June 2008, which was equal to a total dividend payment of \$3,819,547. This followed payment of an interim fully franked dividend of 1.0 cent per share on 23 April 2008, taking the total fully franked dividend in respect of the year ended 30 June 2008 to 3.5 cents per share, which was equal to a total dividend payment of \$5,315,184.

Subsequent to the end of the current reporting period, the Directors have declared an interim fully franked dividend of 1.25 cents per share. The record date for determining the entitlement to this dividend is 31 March 2010.

6. 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.

7. Details of associates and joint venture entities

a) Details of associates

(i) QTCU Financial Planning Pty Ltd

Name of the entity	QTCU Financial Planning Pty Ltd
Ownership interest	25.0% of the ordinary shares
The date of acquisition 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: \$78,600 Post-amortisation: \$53,424
The contribution of the entity to the reporting entity's profit from ordinary activities during the prior corresponding period	Pre-amortisation: \$51,102 Post-amortisation: \$25,926

In addition to the above 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.

(ii) Duncan Dovico Holdings Pty Ltd

Name of the entity	Duncan Dovico Holdings Pty Ltd
Ownership interest	31.8% of the ordinary shares
The date of acquisition of the ownership interest	1 July 2008
The contribution of the entity to the reporting entity's profit from ordinary activities during the current period	Pre-amortisation: \$165,078 Post-amortisation: \$93,461
The contribution of the entity to the reporting entity's profit from ordinary activities during the prior corresponding period	Pre-amortisation: \$216,837 Post-amortisation: \$145,223

In addition to the above share of profit, Snowball Group Limited earns additional revenue from the financial planning services that it provides to customers as referred to it by Duncan Dovico Holdings Pty Ltd.

(iii) Big Sky Financial Solutions Pty Ltd

Name of the entity	Big Sky Financial Solutions Pty Ltd
Ownership interest	49.0% of the ordinary shares
The date of acquisition of the ownership interest	17 September 2008
The contribution of the entity to the reporting entity's profit from ordinary activities during the current period	Pre-amortisation: \$Nil Post-amortisation: \$Nil
The contribution of the entity to the reporting entity's profit from ordinary activities during the prior corresponding period	Pre-amortisation: \$Nil Post-amortisation: \$Nil

Snowball Group Limited earns additional revenue from the services that it provides to Big Sky Financial Solutions Pty Ltd pursuant to a Services Agreement.

b) Details of joint venture entities

Not applicable.

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

Not applicable.

9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification

Not applicable.



Quentin B Jones
Director

Sydney
16 February 2010

Snowball Group Limited ABN 81 006 490 259
Interim report – 31 December 2009

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Snowball Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' report

Your directors present their report on the consolidated entity consisting of Snowball Group Limited (Snowball) and the entities it controlled at the end of, or during, the half-year ended 31 December 2009.

Directors

The following persons were directors of Snowball Group Limited during the whole of the half-year and up to the date of this report:

Q B Jones (Chairman)

J J Nunan

M N Campbell

A B McDonald

G E Maloney was appointed as a director on 14 December 2009 and continues in office at the date of this report.

R Dhawan was a director from the beginning of the financial year until his resignation on 14 December 2009.

Review of operations

Review of current year strategy

Snowball's strategy has consistently been to achieve growth both organically and through acquisitions of advice and accounting businesses, and to expand Snowball's participation in the wealth management value chain by pursuing selective vertical integration opportunities. Snowball's previously stated strategic initiatives for the 2010 financial year (as detailed in the Group's 2009 Annual Report) specifically included enhancing Snowball's internal portfolio construction and fund-of-funds management, and its investment research capability, to assist to deliver more effective investment solutions and reduce costs for our clients, while maintaining margins in a relatively uncertain regulatory environment.

The current regulatory reform agenda and focus on reducing conflicts of interest and average fees to clients has highlighted the need for advice groups such as Snowball to leverage their scale and create business efficiencies to assist in providing appropriate solutions and services for their clients at an optimal cost. Advice groups that have scale and can deliver these business efficiencies will be best placed in the new environment to generate sustainable profitability and business growth.

On 18 December 2009, Snowball entered into a Share Purchase Agreement with Officium Group Pty Ltd (OGPL) to acquire all of the issued shares in Officium Capital Ltd (Officium Capital), a portfolio construction and fund-of-funds manager. The acquisition of Officium Capital is consistent with Snowball's strategy and provides significant benefits for clients and Snowball shareholders. The acquisition also positions Snowball to actively manage the proposed regulatory changes.

The acquisition of Officium Capital and other re-investment in the business (to address the current regulatory reform agenda) have been the major focus for Snowball in the first half of 2010 (*refer 'Impact of transactions occurring after the balance sheet date' section below for further detail of the acquisition of Officium Capital*).

Review of operations (continued)Comparison of current period results to prior corresponding period comparatives

The table below compares Snowball's results for the current reporting period to the prior corresponding period comparatives so as to facilitate an assessment of the performance of the group.

	6 mths to 31 Dec 09 \$'000	6 mths to 31 Dec 08 \$'000	% Increase/ (decrease)
Revenue from continuing operations	13,417	12,291	9%
Share of associates' profit	244	268	(9)%
Total operating costs	(8,867)	(8,357)	6%
Operating EBITDA	4,794	4,202	14%
Acquisition-related costs (<i>Officium Capital Ltd</i>)	(464)	-	n/a
Profit on disposal of OTAS	-	770	(100)%
EBITDA	4,330	4,972	(13)%
Interest expense ⁽¹⁾	(300)	(92)	226%
Depreciation and amortisation expenses ⁽²⁾	(1,549)	(1,029)	51%
Income tax expense	(687)	(897)	(23)%
Profit after income tax attributable to equity holders	1,794	2,954	(39)%
Earnings per share – cents	1.17	1.93	(39)%
Earnings (excl. amortisation) per share – cents	1.81	2.34	(23)%
Operating EBITDA per share – cents	3.13	2.75	14%
EBITDA per share – cents	2.82	3.25	(13)%
Operating cost to income ratio ⁽³⁾	65%	67%	
Cost to income ratio ⁽⁴⁾	68%	63%	

⁽¹⁾ Higher interest expense due to debt funding: (1) the acquisition of businesses; and (2) deferred consideration commitments, subsequent to 31 December 2008. As at 31 December 2009 the Group's gearing ratio remains low at 14%.

⁽²⁾ Increase reflects a significantly higher amortisation expense for the current period due to: (1) the acquisition of businesses in the second half of the 2009 financial year; and (2) a one-off adjustment in the prior corresponding period which reduced prior period amortisation expense by \$0.240m.

⁽³⁾ Calculated as 'total operating costs' divided by 'revenue from continuing operations' plus 'share of associates' profit'.

⁽⁴⁾ Calculated as 'total operating costs' plus 'acquisition-related costs' divided by 'revenue from continuing operations' plus 'share of associates' profit' plus 'profit on disposal of OTAS'.

Review of operations (continued)

The commentary below provides an analysis of the results for the half-year ended 31 December 2009 compared to the comparatives for the half-year ended 31 December 2008 (as set out in the table above).

Operating EBITDA

Operating EBITDA has increased by \$0.592m (14%) compared to the six months ended 31 December 2008, equivalent to a 14% increase in operating EBITDA per share, from 2.75 cents per share to 3.13 cents per share. This operating EBITDA result was driven by the organic growth in continuing operations and a contribution from acquisitions made during the second half of the 2009 financial year.

EBITDA has decreased by \$0.642m (13%) compared to the six months ended 31 December 2008 due to the impact of: (1) the pre-tax profit on the disposal of OTAS in the prior corresponding period; and (2) 'one-off' acquisition related costs incurred in the current period in respect of the acquisition of Officium Capital.

Funds under advice (FUA)

Snowball's FUA has increased by 22% from the prior corresponding period reflecting an improvement in net new business inflows, a contribution from acquisitions and the resumption of more favourable investment market conditions.

Revenue from continuing operations

The Group's revenue from continuing operations increased by 9%, or \$1.126m, compared to the six months ended 31 December 2008. FUA-based fees, which comprise a large proportion of Snowball's revenue, increased over the prior corresponding period primarily due to a contribution from acquisitions. In addition, non-FUA-based revenue increased through continued strong performance from insurance, as well as through the contribution from acquisitions.

Share of associates' profit

Contribution to the Group operating EBITDA result from investments in associates is \$0.244m, a decrease of \$0.024m (9%) compared to the six months ended 31 December 2008. This reflects:

- an increased contribution from QTCU Financial Planning, largely driven by a reduction in expenses reflecting operating efficiencies;

partly offset by:

- a decreased contribution from the Group's accountancy 'business', Duncan Dovico Holdings Pty Ltd, primarily due to the timing of activity. The full-year performance of this business is expected to be in line with the 2009 financial year.

Review of operations (continued)Operating costs

Organic operating expense levels remained in line with the six months ended 31 December 2008 notwithstanding that Snowball's major focus during the period was re-investment in the business to address proposed regulatory change in the financial planning industry and other strategic objectives, on which costs of \$0.190m were incurred. Total operating costs for the period were \$8.867m, of which \$0.452m related to newly acquired businesses in the second half of 2009. Therefore:

- total operating costs including expenses relating to newly acquired businesses increased by 6%, or \$0.510m; and
- total operating costs excluding expenses relating to newly acquired businesses increased by 1%, or \$0.058m.

As a result of increased efficiency, a continued focus on expense reduction and synergy benefits realised from newly acquired businesses, the Group's operating cost to income ratio has decreased from 67% in the previous corresponding period to 65% in the current period. Therefore, given Snowball's proven ability to leverage its scale and contain costs, the Group is well positioned to fully benefit from an expected increase in activity given the resumption of more favourable investment market conditions.

Acquisition-related costs

During the current period Snowball has incurred \$0.464m of one-off acquisition-related costs in respect of the acquisition of Officium Capital. These costs have primarily been incurred to secure legal and consulting advice/services to assist Snowball in respect of the acquisition of Officium Capital. In addition, an Independent Expert was engaged to prepare a report to assist the Board and shareholders in analysing the acquisition.

Recent acquisitions

During the second half of the 2009 financial year, Snowball completed a number of acquisitions in respect of financial planning and corporate superannuation businesses. In the six months to 31 December 2009, Snowball has benefited from a contribution to performance by each of these businesses for the full period. These acquisitions have provided the Group with further revenue diversification benefits and generally performed in line with expectations in the first half.

Impact of transactions occurring after the balance sheet date

As noted above, on 18 December 2009, Snowball entered into a Share Purchase Agreement with OGPL to acquire all of the issued shares in Officium Capital. On completion of the acquisition, the consideration to be paid by Snowball for the shares in Officium Capital (Sale Shares) is a cash payment of \$6.5 million, subject to a maximum potential 'Claw-back' payment of \$2.5 million to be made to Snowball if certain conditions are not met. This cash payment will be funded by external bank debt. To effect the acquisition of Officium Capital by Snowball approval is required from Snowball shareholders. A General Meeting of Snowball Shareholders was held on 12 February 2010 to propose the Resolution which was subsequently passed.

Officium Capital is a portfolio construction and fund-of-funds manager with \$465 million in funds under management as at 31 December 2009. Officium Capital is the responsible entity of 14 managed investment schemes and a manager of funds directly and together with other specialist fund managers.

The acquisition of Officium Capital is consistent with Snowball's strategy and provides significant benefits for clients and Snowball shareholders. The acquisition also positions Snowball to actively manage the proposed regulatory changes. In summary, the Directors of Snowball believe that the acquisition of Officium Capital will:

- assist Snowball to capitalise on the opportunities presented in the new environment;
- provide for greater efficiency in the management of client portfolios;
- add incremental margin across the value chain, further diversifying Snowball's revenue streams; and
- generate revenue synergy benefits from utilising the OFS distribution channel, increasing flows into Officium Capital funds.

Full details about Snowball's acquisition of Officium Capital, including the Independent Expert's Report which concludes that the transaction is fair and reasonable to the non-associated shareholders of Snowball, are set out in the Notice of Meeting and Explanatory Memorandum, as released to the market on 11 January 2010.

Earnings

Assuming the acquisition of Officium Capital is effective 1 February 2010, and taking into account the one-off transaction costs, the Group's forecast earnings per share for the 2010 financial year is expected to be approximately 6.8 percent lower than it otherwise would have been in 2010 as a result of the acquisition. The transaction is expected to be earnings accretive from the 2011 financial year onwards.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

Rounding of amounts to nearest thousand dollars

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.



Quentin B Jones
Director

Sydney
16 February 2010

Auditor's Independence Declaration

As lead auditor for the review of Snowball Group Limited for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Snowball Group Limited and the entities it controlled during the period.



Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
16 February 2010

SNOWBALL GROUP LIMITED
Consolidated statement of comprehensive income
For the period ended 31 December 2009

	Half-year	
	2009	2008
	\$'000	\$'000
Revenue from continuing operations	13,417	12,291
Other income	-	770
Amortisation expense	(1,405)	(877)
Commissions expense	(87)	(84)
Depreciation expense	(144)	(152)
Employee benefits expense	(6,211)	(6,015)
Finance costs	(300)	(92)
General administration expense	(569)	(417)
Occupancy expense	(451)	(395)
Professional fees	(996)	(629)
Other expenses from ordinary activities	(1,017)	(817)
Shares of net profits of associates accounted for using the equity method	244	268
Profit before income tax	2,481	3,851
Income tax expense	(687)	(897)
Profit for the half-year	1,794	2,954
Other comprehensive income	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income for the half-year	1,794	2,954
Profit is attributable to:		
Owners of Snowball Group Limited	1,794	2,954
Total comprehensive income for the half-year is attributable to:		
Owners of Snowball Group Limited	1,794	2,954
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share	1.17	1.93
Diluted earnings per share	1.17	1.91

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

SNOWBALL GROUP LIMITED
Consolidated statement of financial position
As at 31 December 2009

	31 December 2009 \$'000	30 June 2009 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	1,700	2,280
Trade and other receivables	3,983	4,679
Total current assets	5,683	6,959
Non-current assets		
Receivables	853	86
Investments accounted for using the equity method	5,626	5,548
Property, plant and equipment	1,065	1,156
Intangible assets	68,429	69,672
Total non-current assets	75,973	76,462
Total assets	81,656	83,421
LIABILITIES		
Current liabilities		
Trade and other payables	3,436	2,834
Borrowings	800	800
Current tax liabilities	432	753
Provisions	967	882
Provision for deferred consideration	1,049	3,868
Total current liabilities	6,684	9,137
Non-current liabilities		
Borrowings	10,283	7,800
Deferred tax liabilities	8,018	8,317
Provisions	62	71
Provision for deferred consideration	625	886
Total non-current liabilities	18,988	17,074
Total liabilities	25,672	26,211
Net assets	55,984	57,210
EQUITY		
Contributed equity	56,762	56,489
Reserves	(4,743)	(4,522)
Retained profits	3,965	5,243
Total equity	55,984	57,210

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

SNOWBALL GROUP LIMITED
Consolidated statement of changes in equity
For the half-year ended 31 December 2009

Consolidated	Notes	Attributable to owners of Snowball Group Limited				Non-con- trolling interest \$'000	Total \$'000
		Contri- buted equity \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000		
Balance at 1 July 2008		56,180	(4,389)	5,292	57,083	673	57,756
Profit for the half-year		-	-	2,954	2,954	-	2,954
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs		261	-	-	261	-	261
Dividends provided for or paid	3	-	-	(3,819)	(3,819)	-	(3,819)
Employee share option expense		-	95	-	95	-	95
Shares issued as deferred consideration for the acquisition of a business		-	(263)	-	(263)	-	(263)
Non-controlling interest on disposal of subsidiary		-	-	-	-	(673)	(673)
		261	(168)	(3,819)	(3,726)	(673)	(4,399)
Balance at 31 December 2008		56,441	(4,557)	4,427	56,311	-	56,311
Balance at 1 July 2009		56,489	(4,522)	5,243	57,210	-	57,210
Profit for the half-year		-	-	1,794	1,794	-	1,794
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs		273	-	-	273	-	273
Dividends provided for or paid	3	-	-	(3,072)	(3,072)	-	(3,072)
Employee share option expense		-	44	-	44	-	44
Employee share scheme		-	(2)	-	(2)	-	(2)
Shares issued as deferred consideration for the acquisition of a business		-	(263)	-	(263)	-	(263)
		273	(221)	(3,072)	(3,020)	-	(3,020)
Balance at 31 December 2009		56,762	(4,743)	3,965	55,984	-	55,984

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

SNOWBALL GROUP LIMITED
Consolidated statement of cash flows
For the half-year ended 31 December 2009

	Half-year	
	2009	2008
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	14,975	14,746
Payments to suppliers and employees (inclusive of goods and services tax)	(10,354)	(10,282)
	4,621	4,464
Interest received	36	87
Interest paid	(290)	(92)
Income taxes paid	(1,306)	(3,177)
Net cash inflow from operating activities	3,061	1,282
Cash flows from investing activities		
Dividends received	75	101
Payments for property, plant and equipment	(54)	(170)
Payments for purchase of intangible assets	(3,143)	(3,510)
Loans to associates	(132)	-
Net cash outflow from investing activities	(3,254)	(3,579)
Cash flows from financing activities		
Proceeds from issues of shares	10	-
Repayments of borrowings	(400)	-
Proceeds from borrowings	3,075	2,890
Dividends paid to company's shareholders	(3,072)	(3,819)
Net cash outflow from financing activities	(387)	(929)
Net decrease in cash and cash equivalents	(580)	(3,226)
Cash and cash equivalents at the beginning of the half-year	2,280	4,412
Cash and cash equivalents at the end of the half-year	1,700	1,186

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Snowball Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period with the following exceptions:

(a) Presentation of financial statements

The Group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Group has changed the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Business combinations

A revised AASB 3 *Business Combinations* became operative on 1 July 2009. While the revised standard continues to apply the acquisition method to business combinations, there have been some significant changes. All purchase consideration is now recorded at fair value at the acquisition date. Contingent payments classified as debt are subsequently re-measured through profit or loss. Under the Group's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition. Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

Non-controlling interests in an acquiree are now recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Under the previous policy, the non-controlling interest was always recognised as its share of the acquiree's net identifiable assets. If the Group recognises previously acquired deferred tax assets after the initial acquisition accounting is completed there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

The changes were implemented prospectively from 1 July 2009. The Group has not made any business acquisitions during the half year period. However, acquisition related costs incurred during the period associated with the transaction as detailed on page 10 have been accounted for under the revised standard. The Group will apply the revised AASB 3 *Business Combinations* for all business combinations occurring subsequent to 1 July 2009.

1. Basis of preparation of half-year report (continued)

(c) Segment reporting

The Group has adopted AASB 8 *Operating Segments* from 1 July 2009. AASB 8 replaces AASB 114 *Segment Reporting*. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in a change in the number of reportable segments presented for the Group as operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

Goodwill is allocated by management at a segment level and this change has not resulted in any impairment of goodwill. There has been no other impact on the measurement of the Group's assets and liabilities.

Working capital management

As at 31 December 2009 the Group has a technical working capital deficiency which reflects the 'current' classification of its liability for deferred consideration associated with recent business acquisitions. The Group will draw on available funds from its existing \$24.7m financing facility, principally established to fund such acquisitions, to discharge the deferred consideration obligations.

2. Segment information

Primary reporting format – business segments

	Financial Education & Advice \$'000	Consolidated \$'000
Half-year 2009		
Total segment revenue	<u>13,252</u>	<u>13,252</u>
Unallocated revenue		<u>165</u>
Revenue from continuing operations		<u>13,417</u>
Share of net profits of associates		<u>244</u>
Total revenue and other income		<u>13,661</u>
Segment result	<u>5,943</u>	<u>5,943</u>
Unallocated expenses		<u>(3,462)</u>
Profit before income tax		<u>2,481</u>
Half-year 2008		
Total segment revenue	<u>12,144</u>	12,144
Unallocated revenue		<u>147</u>
Revenue from continuing operations		12,291
Other income		770
Share of net profits of associates		<u>268</u>
Total revenue and other income		<u>13,329</u>
Segment result	<u>5,590</u>	5,590
Unallocated expenses		<u>(1,739)</u>
Profit before income tax		<u>3,851</u>

3. Dividends

	Half-year	
	2009	2008
	\$'000	\$'000
Ordinary shares		
Dividends provided for or paid during the half-year	<u>3,072</u>	3,819

4. Equity securities issued

	Half-year		Half-year	
	2009 shares	2008 shares	2009 \$'000	2008 \$'000
Issues of ordinary shares during the half-year				
Exercise of options issued under the Snowball Group Limited Employee Option Plan	50,000	-	10	-
Issuance of shares to the vendors of the Dunhill business as deferred consideration for the acquisition of that business	722,836	470,489	263	263
	772,836	470,489	273	263

5. Business combinations

Current period

Snowball Group Limited did not acquire a business during the current period. Refer to note 7 for details regarding the acquisition of Officium Capital Limited which occurred after balance date.

Prior corresponding period

(a) Summary of acquisitions

During the half year to 31 December 2008, Snowball Group Limited completed the following acquisitions:

- Effective 1 July 2008, the Group acquired the business assets of a specialist corporate superannuation business, Mastertek Benefit Consultants Pty Ltd.
- Effective 1 August 2008, the Group acquired the business assets of a financial planning business, Yarra Financial Group Pty Ltd.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	Mastertek Benefit Consultants \$'000	Yarra Financial Group \$'000	Total \$'000
Purchase consideration			
Cash paid	1,600	1,500	3,100
Direct costs relating to the acquisition	157	33	190
Total cash consideration	1,757	1,533	3,290
Deferred consideration	1,660	2,137	3,797
Total purchase consideration	3,417	3,670	7,087
Fair value of net identifiable assets acquired	835	1,056	1,891
Goodwill	2,582	2,614	5,196

5. Business combinations (continued)

(b) Assets and liabilities acquired

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

	Acquiree's carrying amount \$'000	Fair value \$'000
<i>(i) Mastertek Benefit Consultants Pty Ltd</i>		
Intangible assets – client contracts and related client relationships	-	881
Intangible assets – other rights	-	312
Deferred tax liability	-	(358)
Net identifiable assets acquired	-	835
<i>(ii) Yarra Financial Group Pty Ltd</i>		
Intangible assets – client contracts and related client relationships	-	1,116
Intangible assets – other rights	-	393
Deferred tax liability	-	(453)
Net identifiable assets acquired	-	1,056

The goodwill is attributable to the profitability of the acquired businesses and synergies expected to arise after the Group's acquisition of these businesses.

The fair value of assets and liabilities acquired are based on discounted cash flow models. No acquisition provisions were created.

6. Contingencies

The consolidated entity had contingent liabilities at 31 December 2009 in respect of:

Financial guarantees

The consolidated entity has given financial guarantees, secured by a fixed and floating charge over all the assets and undertakings of the group, in respect of the following:

- (i) Australian Securities and Investments Commission for the purpose of maintaining AFSL requirements amounting to \$40,000; and
- (j) rental contract guarantees totalling \$399,922.

No liability was recognised by the consolidated entity in relation to these guarantees.

7. Events occurring after the balance sheet date

(a) Acquisition of Officium Capital Limited

On 18 December 2009, Snowball entered into a Share Purchase Agreement with OGPL to acquire all of the issued shares in Officium Capital. On completion of the acquisition, the consideration to be paid by Snowball for the shares in Officium Capital (Sale Shares) is a cash payment of \$6.5 million, subject to a maximum potential 'Claw-back' payment of \$2.5 million to be made to Snowball if certain conditions are not met. This cash payment will be funded by external bank debt. To effect the acquisition of Officium Capital by Snowball approval is required from Snowball shareholders.

A General Meeting of Snowball Shareholders was held on 12 February 2010 to propose the Resolution which was subsequently passed. Completion is expected to take place by the end of February 2010, however the effective date of the acquisition is 1 February 2010.

(b) Dividends

On 12 February 2010, the directors declared an interim fully franked dividend of 1.25 cents per share. The record date for determining the entitlement to this dividend is 31 March 2010.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Snowball Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Quentin B Jones
Director

Sydney
16 February 2010

Independent auditor's review report to the members of Snowball Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of Snowball Group Limited, which comprise the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Snowball Group Limited Group (the consolidated entity). The consolidated entity comprises both Snowball Group Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Snowball Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independent auditor's review report to the members of
Snowball Group Limited (continued)**

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

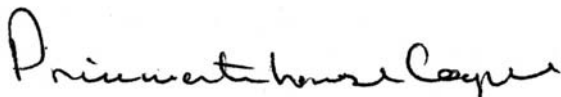
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Snowball Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



Charles Christie
Partner

Melbourne
16 February 2010