

**MARKET RELEASE**
**ClearView announces 1H FY12 results**

- **Reported profit up 316% y-o-y to \$12.2 million**
- **Underlying profit of \$9.1 million down 12% y-o-y but in line with 2H FY11**
- **LifeSolutions and WealthSolutions launched in December 2011**

**SYDNEY, 22 February 2012:** ClearView Wealth Limited (“ClearView”, ASX: CVW) announced today its results for the six months ended 31 December 2011.

ClearView Managing Director, Simon Swanson, said, “These results reflect a sound outcome in light of weak investment markets and general economic conditions. They do not reflect any uplifts in new business from ClearView’s new product suites which were delivered according to schedule in December 2011.” Mr Swanson continued, “First half 2012 underlying profit of \$9.1 million reflects favourable net claims experience offset by a 10% year-over-year decline in funds under management and advice, and higher product development costs. The first half generated a 12.4% after tax return on the capital employed in the business and an increase in surplus capital above our internal benchmarks to \$59 million.”

**Financial Highlights**

<b>\$M (unless stated otherwise)</b>	<b>1H FY12</b>	<b>1H FY11</b>	<b>CHANGE</b>
Reported NPAT	12.2	2.9	316%
Underlying NPAT <sup>1</sup>	9.1	10.3	-12%
Underlying EPS (cents, fully diluted)	2.15	2.41	-11%
Funds under management and advice/FUMA (\$B)	2.8	3.1	-10%
Net Assets per share <sup>3</sup> (cents)	61.5	59.0	4%
Embedded value <sup>4</sup>	250	248	1%

- Underlying NPAT<sup>1</sup> of \$9.1 million was down 12% year-over-year but in line with 2H FY11 underlying NPAT of \$9.0 million;
- Reported 1H FY12 NPAT of \$12.2 million (up 316% y-o-y) includes a \$6.5 million policy liability effect from the decline in long-term discount rates (1H FY11: -\$1.8 million), and was not affected by costs considered unusual to the Group’s ordinary activities (1H FY11: -\$1.7 million);
- Balance sheet remains strong with no debt, \$59 million surplus capital<sup>2</sup> and net assets of 61.5 cents per share (up 4% y-o-y);
- Embedded value of \$250 million declined 4% compared to 30 June 2011, impacted by the FY11 final dividend of \$7.7 million and lower FUMA levels.

1 Underlying profit (not reviewed or audited) is the Board’s key measure of profitability and is the basis on which dividend payments are determined. It consists of profit after tax adjusted for amortisation, the effect of changing discount rates on insurance policy liabilities (as required by accounting standards), and in the prior year, restructure, transition and system upgrade costs considered unusual to the Group’s ordinary activities.

2 Surplus capital reporting basis changed in 2H FY11 to reflect surplus capital above internal benchmarks. The internal benchmarks exceed regulatory requirements.

3 Net assets per share is adjusted for the Employee Share Plan (ESP) loan of \$13.4m (\$12.0m in 1H FY11) and 23.85m (20.7m in 1H FY11) ESP shares.

4 Discount rate remains unchanged in 1H FY12 despite significant reduction in long-term rates.

Mr Swanson added, “On a strategic and operational level, we launched LifeSolutions, a suite of life advice products and services, and WealthSolutions, ClearView’s private label wrap platform. These new market leading product suites provide us with the ability to offer a better value proposition to clients, advisers and strategic partners, and enable us to participate in significantly larger segments of the life insurance and wealth management industry. We now have the platform in place to grow new business and hence shareholder value.”

### Operational Highlights

- Established a new growth platform into the life and wealth advice markets through the December 2011 launch of LifeSolutions and WealthSolutions;
- Launched a client access portal and iPhone application for existing managed fund product clients and ClearView Financial Planners;
- Encouraged by the interest and traction in recruiting highly experienced and successful financial advisers to ClearView’s dealer group including Lambert Investments and InvestInsure pre 31 December 2011;
- Extended Employee Share Plan (ESP) to include select advisers that join the ClearView dealer group, to align interests to the long term success of ClearView; and
- Appointed Chief Operating Officer Barry Odes to ensure effective co-ordination of the delivery of products and services to customers, ClearView financial planners, strategic partners and the IFA market.

### Outlook

Uncertain and volatile investment markets coupled with a tough economic environment make it difficult to provide specific earnings guidance.

On the life insurance side, growth in life insurance in force premium is forecast to commence in 2H FY12 from the LifeSolutions rollout and related penetration into the independent adviser market. Rollouts to the Bupa member base will focus on key channels and start to include the HBA/Mutual Community member bases. The market outlook remains strong with adviser sold retail life insurance outside superannuation expected to grow at 9% per annum (*source: Rice Warner*).

Wealth management and financial planning is expected to face continued pressure from uncertain and volatile investment markets. Nevertheless, market fundamentals remain highly attractive, bolstered by the proposed increase in mandated superannuation to 12%.

ClearView is well positioned for growth. Despite its size, ClearView has a broad reach due to its distribution strategy which includes strategic partners with a 3 million member base, the ClearView dealer group and IFAs. The Group is also vertically integrated to leverage the life and wealth value chains and to adapt to recent regulatory reforms.

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