



26 July 2016

UNAUDITED FULL YEAR RESULTS AND DIVIDEND

The Directors of Euroz Limited (“EZL”) wish to announce the following unaudited results and dividend for the year ended 30 June 2016.

	June 16 (unaudited)	June 15 (audited)	% Increase / Decrease
Pre-tax operating profit/(loss) from normal activities	7,294,298	8,838,499	(17%)
Unrealised pre-tax profit/(loss) on investments	(5,206,039)	(21,062,094)	75%
Profit/(Loss) before tax	2,088,259	(12,223,595)	117%
Income tax benefit/(expense)	472,758	5,092,943	(91%)
Net Profit/(Loss) after tax	2,561,017	(7,130,652)	136%
Earnings Per Share	1.61c	(4.66c)	135%
Dividends Per Share	4c	5c	(20%)

Euroz Limited reports an unaudited net profit after tax of \$2,561,017.

The Directors have declared a final fully franked dividend of 2.25 cents per share. When combined with the interim dividend of 1.75 cents this amounts to a total of 4 cents per share fully franked for the full year. The shares of Euroz will trade ex-dividend from 2 August 2016, with the final dividend paid on 5 August 2016.

We are pleased to report a turnaround in reported profitability in the past financial year driven by a second half improvement in Euroz Securities and a rebound in our resource related markets.

Our Western Australian focus has delivered excellent returns to shareholders over time and through a number of business cycles. In our 16 year history we have generated significant cash flow and paid over \$181 million in fully franked dividends to our shareholders.

Our strategy during the past two difficult years has been twofold:

1. Retain our core team of experienced staff so we can enjoy the excellent transactional upside all our businesses experience in strong commodities and equities markets.
2. Establish and grow our recurring revenues in wealth and funds management which will not only protect us during inevitable downturns in our markets but create significant shareholder value over time.

The downturn in our markets over the past two years has provided the opportunity for us to build our funds and wealth management businesses. Developing these businesses has required capital, time and patience but we remain confident we are transforming our overall business into a much stronger, more sustainable and valuable Company.

These new businesses have been funded and launched during very difficult times and being able to pay modest dividends of 4 cents per share fully franked for this past financial year is a reflection of the underlying strength of our businesses.

Growing our total funds under management (FUM) across all of our businesses is a key objective and will be an important measure of our future success. Total group FUM as at 30 June 2016 was \$952 million.

Stockbroking

Euroz Securities

Our Euroz Securities business experienced a solid uplift in profitability versus the previous year driven by an improvement in corporate revenues.

Our team delivered Equity Capital Market (“ECM”) raisings of \$300 million versus \$142 million in the previous year.

Broking volumes and ECM activity in our markets over the past year were still well below the normal long term averages but we can report an improved pipeline of activity in the current half with initial public offerings and mergers and acquisition mandates in both the resources and industrial sectors.

A number of these larger raisings did not settle until July 2016 and have given us an excellent start to the new financial year.

Funds Management

Westoz Funds Management

The Listed Investment Companies Westoz Investment Company (“WIC”) and Ozgrowth Limited (“OZG”) are interlinked with their investment universe of Western Australia and Western Australian connected companies. Whilst commodity prices have rebounded in the second half, Western Australia continues to feel the wider effects of the downturn from the past resources boom.

An improved second half helped WIC and OZG report gross investment returns of 0.4% and 2.6% respectively for the financial year.

Our significant long term investments in WIC and OZG will continue to have a material effect on our reported profitability. During the past financial year, despite positive performance, the slightly lower share prices of WIC and OZG affected our Group profitability by \$4.8 million.

Investors should be reminded of the potential performance fees these funds can generate and that increases in the share prices of WIC and OZG can have a very positive effect on our profitability.

Prodigy Investment Partners

Prodigy Investment Partners (“PIP”) was established In July 2014 as a platform to create a quality, multi boutique funds management business.

The first of these boutique partnerships, Flinders Investment Partners was launched in July 2015. We are pleased the Flinders Emerging Companies Fund has been approved by Zenith and Lonsec and most importantly returned 23.9% from inception (31 August 2015) to 30 June 2016. These independent research approvals, establishment of the fund on a number of wrap platforms, excellent first year performance by the fund and the overwhelmingly positive feedback our distribution team are receiving from the market are significant milestones. It takes time to establish a brand and track record and we are confident funds will steadily flow into this product.

The second partnership, Dalton Street Capital, was launched in May 2016. Dalton Street is headed by former senior Credit Suisse executives Alan Sheen and Nick Selvaratnam. We believe the strong growth in alternative asset classes will continue and this absolute return fund has the track record and credentials to capitalise on this trend.

Wealth Management

Entrust Private Wealth Management

Entrust was acquired in July 2016 to provide a wealth management platform for all of our businesses. We aim to grow this business organically and believe we have an excellent wealth platform to attract wealth advisers from competitors.

We are excited by the expertise in wealth management Entrust has bought to the firm and in particular the opportunity to offer professional and sophisticated advice to clients across all of our businesses.

During the year we have integrated the operations of Entrust with our wider business and achieved a number of forecast business synergies.

Entrust has a significant high net worth client base with FUM of \$581 million at 30 June 2016 which combined with existing Euroz Securities FUM creates a business currently managing \$762 million for clients.

Summary

The Directors are pleased with the progress achieved to transform our business over the past year. We have managed to maintain profitability and pay dividends whilst we build a number of new businesses, all in a Western Australian market which on balance is still relatively subdued.

Strong staff ownership of 42% is supportive of our view we are building a Company with an increasing base of underlying revenues whilst still retaining transaction based upside across a wider variety of diversified businesses.

Andrew McKenzie
Executive Chairman

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