ALLCO EQUITY PARTNERS LIMITED

F2006 ANNUAL RESULTS

MANAGING DIRECTOR'S REVIEW PRESENTATION

AUGUST 2006

Investment Strategy

- Medium to large transactions
- Traditional Private Equity and Corporate Activist
- Current focus on Australia and NZ markets
  - will consider opportunities in offshore markets
- Preference for:
  - financial services
  - healthcare
  - media
  - gaming
- Will pursue opportunistic situations outside these core areas
- Current risk management practice of no more than 30% of equity funds invested in any one transaction to be reviewed
  - markets have become more competitive
  - allow investment in transactions that the Board believes are in the interest of the Company and shareholders
- Target business
  - needs to be fundamentally sound
  - stable cash flows
  - financial structuring to enhance business value but does not create business value
- Expect to achieve one to two transactions per annum
  - target $400 million - $500 million enterprise value each year
- Patience important
  - medium term investment horizon

F2006 Financial Results

	Consolidated
Revenue ($m)	
• Sales	30.6
• Interest income (excl. AIFRS impact)	8.9
• AIFRS generated interest income	19.3
• Dividends	5.4
• Other	1.4
TOTAL REVENUE	65.6
Earnings before financing costs, depreciation, amortisation and tax ($m)	41.8
Earnings before financing costs and tax ($m)	33.4
Net earnings before tax ($m)	26.8
Earnings per share, including AIFRS interest impact	
• Basic and diluted	25.7 cents
Underlying earnings per share	6.7 cents
Dividend declared, fully franked	6.0 cents per share
Net assets per share after tax	$3.65 per share
ASX net tangible assets per share	$2.36 per share
Investments acquired - equity component	$190m
- estimated business enterprise value	$380m

Dividend

- Maiden dividend declared
- 6.0 cents per share, fully franked
- Record date – 29 September 2006
- Payment date - 20 October 2006
- Dividend reinvestment plan not activated
- Nature of activities means a regular dividend is not expected to be paid

Funds Flow Statement since listing

	$m
Sources of funds	
• Capital received	367
• Borrowings (limited recourse)	105
• Share issue and instalment collection costs	(13)
Net funds raised	459
Net operating and other cash flows	15
Net sources of funds	474
Uses of funds **(Note 1)**	
• Baycorp Advantage Limited (net of 2005 capital return)	(118)
• Signature Security Group	(145)
• Trans Tasman Collections	(33)
Cash funds available at 30 June 2006	178

Note 1: includes applicable transaction costs

Net Assets per share at 30 June 2006 (Note 1)

	$ per AEPL Share
Cash and cash equivalents	1.74
Investments	
• Baycorp Advantage Limited at market value	1.22
• Signature Security Group consolidated net assets before debt funding	1.34
• Trans Tasman Collections at cost	0.32
Other AEPL net assets	0.02
	4.64
Less Signature Security Group net debt funding	(0.99)
Net Assets per Share	3.65
Less intangible assets and goodwill	(1.30)
Minority interest adjustment	0.01
Net Tangible Assets per Share	2.36

Note 1: Excludes amounts due from shareholders on partly paid shares

Signature Security Group

Business Description	Supplier of electronic security services in Australia and New Zealand. Services include the installation, monitoring, sale and leasing of electronic security equipment to residential and commercial customers. Approximately 18% market share in Australia
Acquired	January 2006
Ownership	94%. Balance held by management
Enterprise Value at acquisition, excl. costs	$138 million
Equity Cost	$40 million
Funding Facilities	$105 million limited recourse acquisition facility and mezzanine debt facility. Recourse only to Signature Security Group Additional committed, limited recourse capital expenditure and working capital facilities available

Financial Contribution	**Post Acquisition Audited**	**12 months to 30/6/06 Unaudited**
• Revenue	$30.9m	$62.9m
• Earnings before financing costs, depreciation, amortisation and tax	$12.8m	$26.2m
• Earnings before financing costs and tax	$4.4m	$9.4m
• Cash flow from operating and investing activities	$8.2m	$9.4m
Implied EBITDA acquisition multiple		5.27x

Employees (fte)	359
Strategy	Grow business through dealer line and business acquisitions

Trans Tasman Collections

Business Description	Receivables management and integrated debt recovery services in Australia and New Zealand. Owns Baycorp Collection Services and Portfolio Management Group.
Acquisition Completed	30 June 2006
Ownership	50% joint venture with DB Capital Partners client fund. Equity accounted investment
Enterprise Value excluding costs (100%)	$112 million
Equity Cost	$32.5 million
EBITDA multiple normalised ***(Note 1)***	3.92x
Funding Facilities	$70 million revolving and senior term facilities. No recourse to AEPL. Drawn down to $55 million.
Employees (fte)	413
Strategy	Grow business through acquisition of debt ledgers and expanding customer base

Note 1: Applicable to BCS acquisition and based on AGAAP

Baycorp Advantage Limited

Business Description	Major provider of business and information services in Australia and New Zealand. Listed on ASX and NZX.
Acquired	August 2005
Ownership	17.4%
Cost of Acquisition	
• Initial cost	$137.4m
• 2005 capital return received	($19.4m)
Cost at 30 June 2006	$118.0m
Market Value at 30 June 2006	$124.7 million
Unrealised gain before tax	$6.7 million
Financial Contribution	
Dividends received, fully franked	$5.4 million
Additional capital return announced by Baycorp	$14 million expected in late 2006
Post acquisition developments	- Board seat obtained - Separation of BCS completed by Baycorp - Capital management initiatives undertaken by Baycorp

Fees Paid to the Manager

Transaction Fees	1% on completion of investment acquisitions based on enterprise value acquired $2.7 million paid in F2006
Performance Fees	$nil only payable upon exit of investments subject to return thresholds being met
Annual Management Fees	$ nil not currently applicable
Cost Recovery	
• accounting and administrative support	$0.3 million in F2006

Amount due on Partly Paid Shares

- Shares issued at $6.00 each, payable in three instalments
- Final instalment amount of $2.00 per share currently payable on 16 December 2006
- Can defer up to 6 months
  - final decision to be made by mid-October

Capital Management

- Available cash
  - $178 million at 30 June
  - conservative cash management strategies
  - funds placed on interest bearing deposit
  - preserve for use in transactions
- Debt
  - look at on a transaction basis
  - facilities arranged to date
    - recourse to underlying investments
    - limited or no recourse to AEPL

Business Combinations and AIFRS – Key Impacts

- Amounts due from Shareholders on Partly Paid Shares
  - carried at fair value based on discounted cash flow
  - $25.7million impact to carrying value of receivable and shareholder equity at 1 July 2005
  - discount recognised as interest income is unwound
    - $19.3 million profit impact in F2006
    - $6.4 million profit impact in F2007

- Investment in Baycorp Advantage Limited
  - carrying value is marked to market each month
  - movement in value taken directly to shareholders' funds
  - mark to market movement is tax effected

- Investment in Signature Security
  - fair value accounting applied to assets and liabilities at acquisition
  - identifiable intangible assets and goodwill assessed
  - $114 million of goodwill to be subject to annual impairment testing
  - identifiable intangible assets amortised over contract life
  - F2006 post acquisition amortisation reduced by $0.7 million

Deal Flow

Indicative or Firm Offers made since formation:

Financial Services	5
Gaming	1
Healthcare	2
Media	1
Other	6
	15

Deal Flow

Offers made by Type:	
Private Equity Market	13
Corporate Activist	2
	15