

Allco Equity Partners Limited

**2008 Business Review
and Annual Results Presentation**

27 August 2008

Allco Equity Partners



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1. Business and strategy

Allco Equity Partners Limited ("AEP") is an investment company which provides its shareholders with investment exposure to, and returns from, investments in operating businesses which would not necessarily be otherwise available. AEP pursues private equity style transactions and public market opportunities using private equity experience and disciplines

- **Since listing AEP has delivered on its investment mandate**
 - In under four years it has invested over \$600m in operating businesses
 - Two profitable divestments completed returning or reinvesting over \$240 million
 - AEP has maintained a disciplined and prudent investment approach through a period where equity markets rose strongly

- **AEP has a well positioned and robust investment portfolio**
 - AEP's current portfolio includes shareholdings in the ASX listed IBA Health Group ("IBA Health") and investments in Signature Security Group ("Signature") and Baycorp Collections ("Baycorp")
 - Portfolio businesses are positioned in defensive sectors which do not necessarily rely on growing and strong consumer confidence for success
 - Despite the turmoil in financial markets, the business performances of IBA Health, Signature and Baycorp support the carrying values of these investments

- **Current market conditions provide opportunities for AEP**
 - Since AEP listed in December 2004 the market for private equity assets has been very competitive and prices for businesses relatively high
 - Changed economic circumstances mean attractive investment opportunities are emerging
 - The investment team is currently actively pursuing such opportunities

AEP invests in operating businesses

- Private equity style investments have provided attractive returns for investors globally, however they are difficult for many investors to access
- AEP pursues private equity style transactions and public market opportunities using private equity experience and disciplines

Traditional Private Equity business model

- Private equity value creation model:
 - Invest in operating businesses
 - Build the business value within a targeted timeframe:
 - *provide stability in ownership for the investment period*
 - *encourage investment and strengthen the business as a result of a longer term view compared to publicly listed market*
 - *implement more aggressive operating plans*
 - *structure closely aligned management incentives*
 - *close corporate governance (i.e. private equity team works very closely with management)*
 - Sell the business at a profit

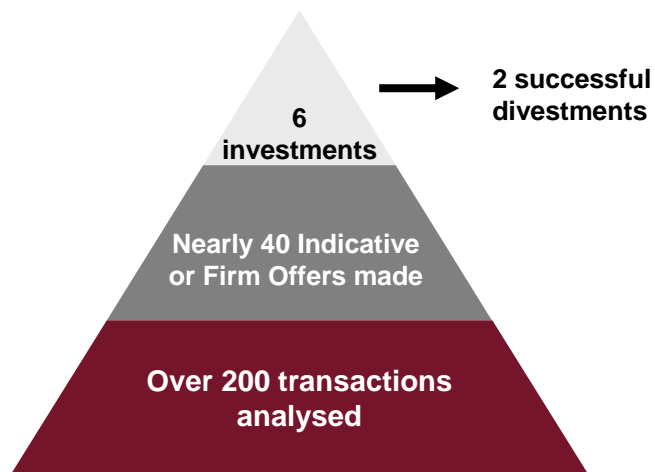
AEP investments

- AEP applies the private equity investment model in investing in both private and publicly listed operating businesses:
 - Private investments – traditional private equity model, with businesses remaining unlisted. AEP is typically the majority shareholder (or have majority within syndicate of other investors)
 - Publicly listed investments – AEP takes influential shareholdings in publicly listed companies and applies private equity investment disciplines
 - *investments can be structured to protect downside (convertible notes, debt etc.)*
 - *flexible capital that provides alternative to raising capital in the public market*

AEP has delivered on its investment mandate

- In under four years AEP has invested over \$600m in operating businesses and returned or reinvested \$240m

Deal flow since formation (December 2004)



Investments to date






2 undisclosed transactions

Date	Event
December 2004	▪ Listed on ASX
August 2005	▪ Takeover offer for Veda Advantage; acquired 17.3% stake
December 2005	▪ Takeover offer for Watty!; offer unsuccessful
January 2006	▪ Acquired Signature Security Group
June 2006	▪ Acquired Baycorp Collections
September 2006	▪ Acquired stake in Diversified Industrial company
December 2006	▪ Takeover offer for Qantas; AEP to be largest shareholder; offer unsuccessful
May 2007	▪ Diversified Industrial investment sold; 73% IRR before management fees ¹
June 2007	▪ Veda Advantage stake sold; 20% ungeared IRR before management fees ¹
October 2007	▪ Supported IBA Health's bid for iSOFT; acquired 30.6% stake ²

1. IRR: Internal rate of return calculation before Incentive Fees but post upfront Transaction Fees paid to AEPM
 2. Includes ordinary shares and convertible notes

AEP has a well positioned and robust investment portfolio

- All current investments have been made in defensive sectors which do not necessarily rely on growing and strong consumer confidence for success
- Signature and Baycorp both had solid operating performances in FY08 and have a robust outlook
- IBA Health investment made in October 2007. IBA Health released results on 25 August 2008

Business	Sector		Investment (at cost)	Investment Date
	Healthcare IT	High growth sector with predominately public sector customers	\$200.0m ordinary shares \$37.3m convertible notes \$57.8m short term loan	October 2007
	Security	Large base of contracted recurring revenues	\$55.3m ordinary shares	January 2006
	Receivables Management	Well placed to benefit from current economic conditions	\$37.6m ordinary shares	June 2006

Current market conditions

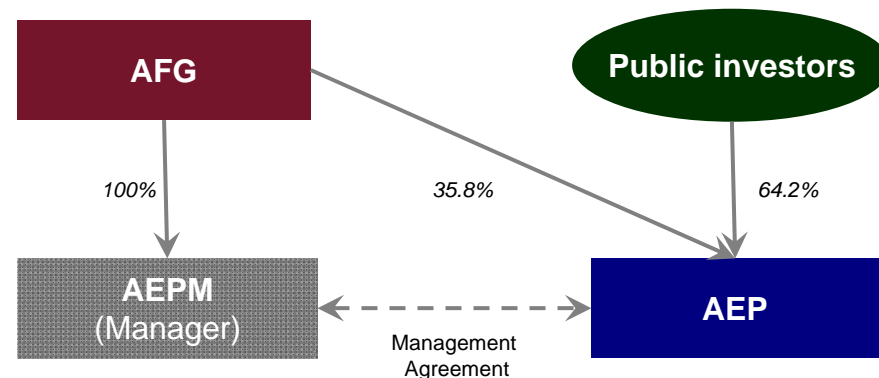
- The Australian market has been significantly impacted post the global credit crunch
 - Valuations have declined to more attractive levels
 - Ability for listed companies to raise new equity has been significantly diminished
 - Banks are capital constrained and are generally only supporting top-tier relationships
- IPO window is ostensibly closed for all but resources stocks

AEP believes these are the most attractive investment conditions since listing

- These conditions can provide opportunities to invest in quality operating businesses at attractive prices and are suited to AEP's investment mandate:
 - Greater focus on public market opportunities both in terms of strategic stakes and public-to-private opportunities
 - Provide an alternative for companies trying to raise capital via IPO or secondary offerings
 - Focus on identifying 'under-valued' assets which will not rely on high leverage to achieve an attractive return

Relationship with Allco Finance Group (AFG)

- AFG has a 35.8% relevant interest in AEP¹
 - 12.6% ownership of ordinary shares²
 - 23.2% relevant interest pursuant to option arrangements with LJCB Investment Group
- AFG owns 100% of the Manager, AEPM
 - Contractual arrangement with AEP through the Management Agreement
 - The Manager provides agreed services in exchange for Transaction and Incentive Fees
 - Services include providing recommendations on investment and divestment opportunities and assisting with implementing decisions taken by the AEP Board or Investment Committee
- AEPM has two representatives on the AEP Board
 - Managing Director (Robert Moran)
 - Non-executive director (David Clarke)
- AEP does not have any
 - Borrowing arrangements with AFG
 - Loan or investment exposure to AFG
 - Co-investments with AFG



1. Based on 96,759,258 issued AEP ordinary shares

2. Includes ownership of 10,185,185 initial ordinary shares. Subject to a 10 year Non-Disposal Deed (2014)

2. FY08 financial results

Statutory financial results summary

- Reported net profit after tax of \$19.9m
- Decrease from 2007 due primarily to profit on disposal of investments and IFRS impacts in the prior year

	12 months to 30 June 2007	12 months to 30 June 2008
Total consolidated revenue and operating income (\$m) ¹	146.0	100.8
EBITDA (\$m) ²	82.2	49.0
EBIT (\$m) ³	68.2	39.5
Profit before tax (\$m)	56.3	28.7
Net profit after tax (\$m)	43.8	19.9
Earnings per share ⁴	43.1 cents	20.4 cents
Final Dividend per share declared	37.0 cents	6.0 cents
Total dividends per share for year	40.0 cents	11.0 cents
Net assets at balance date – carrying value basis per share	\$5.75	\$5.52

1. Operating income is broken down in the following slide
2. EBITDA – Profit before tax, financing costs, depreciation and amortisation
3. EBIT – Profit before tax and financing costs
4. 2008 based on 96,759,258 issued shares; 2007 based on 99,630,584 issued shares

Statutory financial results summary (continued)

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- The table below shows a break down of the operating income between FY07 and FY08
- The FY07 results include profit from disposal of investments. There were no divestments from any portfolio assets during FY08

	12 months to 30 June 2007	12 months to 30 June 2008
Signature sales revenue	64.1	69.8
Corporate interest income	17.2	20.5
IFRS interest income	6.4	-
Profit on disposal of investments	36.3	-
Net gain / (loss) on financial instruments	9.8	(11.5)
Fee income from IBA recognised	-	11.9
Baycorp equity accounted contribution	0.6	2.0
IBA Health equity accounted contribution	-	7.1
Dividends and other income	11.6	1.0
Total operating income	146.0	100.8

Proportional financial results

- The table below shows AEP's proportional share of revenue and profit for each of its portfolio companies
- We believe this is a useful way to present financial results as it allows investors to more easily see the on-going contribution from each portfolio company to AEP

A\$m	IBA Health ¹	Signature	Baycorp	Proportional earnings (pre corporate expenses and other adjustments)	Corporate expenses and other adjustments	Proportional earnings (post corporate expenses and other adjustments)
AEP ownership	30.6%	95.8%	50.0%			
Accounting method	Equity	Consolidated	Equity			Consolidated
Operating revenue	110.4	67.0	29.1	206.5		
Underlying EBITDA²	32.3	22.5	7.9	62.7	(2.7)³	60.0
Reported EBITDA	29.5	21.3	5.5	56.3		
Underlying EBIT²	28.2	13.4	7.4	49.0	(2.7)³	46.4
Reported EBIT	15.5	12.3	5.0	32.8		
Reported NPAT	4.4	1.5	2.0	7.8	12.1⁴	19.9
Net Debt	75.4	88.4	28.6	192.5	(181.1)⁵	11.5

1. Figures presented as if AEP had invested in IBA Health at the start of FY08 to allow for assessment of ongoing contribution. Actual acquisition date was 31 October 2007. An adjustment has been made in "other adjustments" to allow for this timing difference and reconcile back to AEP's consolidated NPAT

2. Figures reported as underlying have been adjusted for specific items. Specific items are detailed in Section 3: "Portfolio company review"

3. Represents on-going expenses incurred at corporate level as part of managing AEP

4. Includes all other non-portfolio company income and expenses incurred within AEP as well as timing adjustment for IBA Health investment as per (1)

5. Net debt in AEP corporate includes cash on balance sheet (\$98.3m), realisable securities (\$24.9m) and subordinated loan to IBA (\$57.8m)

Debt position of portfolio companies at 30 June 2008

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- AEP has no balance sheet recourse debt
 - Debt in portfolio companies is only recourse to those companies' assets and reserves
- Each company is individually financed, with no links to other portfolio companies
- No debt arrangements between AEP and AFG
- Debt figures shown in the table are 100% of the debt balances within the portfolio companies. AEP's share of this debt is shown on the previous slide

Entity	Total Gross Debt 30 June 2008 (A\$m)	Term Remaining	Recourse Only to Assets of Underlying Investment
Signature	94	3 years	Yes
Baycorp	62	4 years	Yes
IBA Health ¹			
Debt facility	177	4 years	Yes
Contract financing	66	Life of contracts	Yes
Subordinated debt ²	58	Due October 2008	Yes

1. Source: IBA Health announcement to ASX on 25 August 2008

2. Owed by IBA Health to AEP

Net assets per share

- The table below shows the net asset value per share compared to the current AEP share price based on:
 - the balance sheet carrying values; and
 - marking AEP's investment in IBA Health to its current share price
- Based on valuation analysis conducted, the Directors have assessed that the current carrying values for IBA Health, Signature and Baycorp are supportable

	Carrying value		Basis for carrying amount	IBA Health marked to market ¹	
	\$m	\$ / share		\$m	\$ / share
IBA Health					
Shares & convertible notes	249.2	2.57	Equity accounted	175.3	1.81
Loan	57.8	0.60	Historic cost	57.8	0.60
Signature net assets	57.1	0.59	Consolidated	57.1	0.59
Baycorp	40.9	0.42	Equity accounted	40.9	0.42
Cash and cash equivalents	98.3	1.02	Actual	98.3	1.02
Realisable securities	24.9	0.26	Marked to market	24.9	0.26
Other	5.6	0.06	Actual	5.6	0.06
Total net assets	533.8	5.52		459.9	4.76
AEP share price²		1.70			1.70
Share price discount to NAV		69% or \$3.82			64% or \$3.06

1. IBA Health market value calculated at \$0.70 per share / convertible note, representing the closing price as at 26 August 2008

2. AEP closing share price as at 26 August 2008

- **Dividend**

- Final dividend of 6.0 cents per share, fully franked
- Total dividends for FY08 of 11.0 cents per share, fully franked
- Decrease from 2007 reflects impact of profits on sale of investments made and distributed
- Record date – 12 September 2008
- Payment date – 30 October 2008
- Total dividends of 57.0 cents per share, fully franked, since formation in December 2004

- **Capital management program**

- AEP completed an on-market share buy-back between June 2007 and January 2008
 - bought back and cancelled 5.1 million shares (5% of issued shares) at a cost of \$21.1 million
- AEP will continue its capital management program by commencing a further on-market share buy-back
 - up to an additional 5% of issued shares, expected to commence on 15 September 2008

- **Remaining available cash**

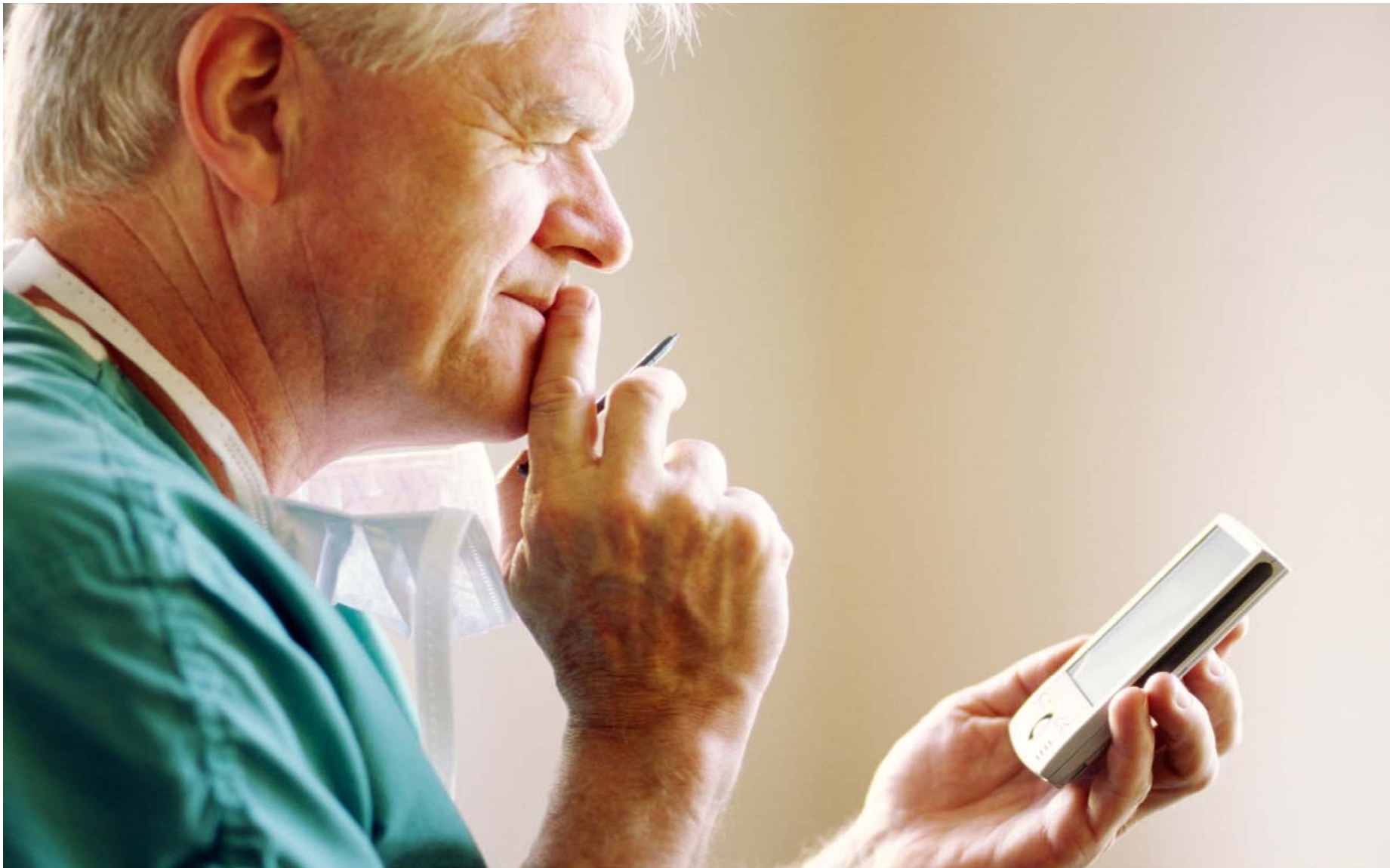
- \$98.3 million as at 30 June 2008
 - \$25 million reserved for follow on investments in existing entities and working capital management
 - October dividend plus share buyback: estimated cost of \$15-\$20 million
 - Leaves approximately \$55 million for deployment in new investments
 - This amount could be increased through release of funds in existing investments
 - All cash on AEP balance sheet is interest bearing and held with major Australian banks

signature
SECURITY GROUP

ibahealth

BAYCORP

3. Portfolio company review



Key facts

ACQUIRED – October 2007

% OWNED – 30.6% effective ownership

ASX Code – IBA.AX

AEP INVESTMENT:

Ordinary shares – \$200.0 million

Convertible notes – \$37.3 million

Subordinated debt – \$57.8 million

HEAD OFFICE – Sydney

COUNTRIES OF OPERATION – Australia, New Zealand, UK, Western Europe, Asia

EMPLOYEES: Approx. 3,800

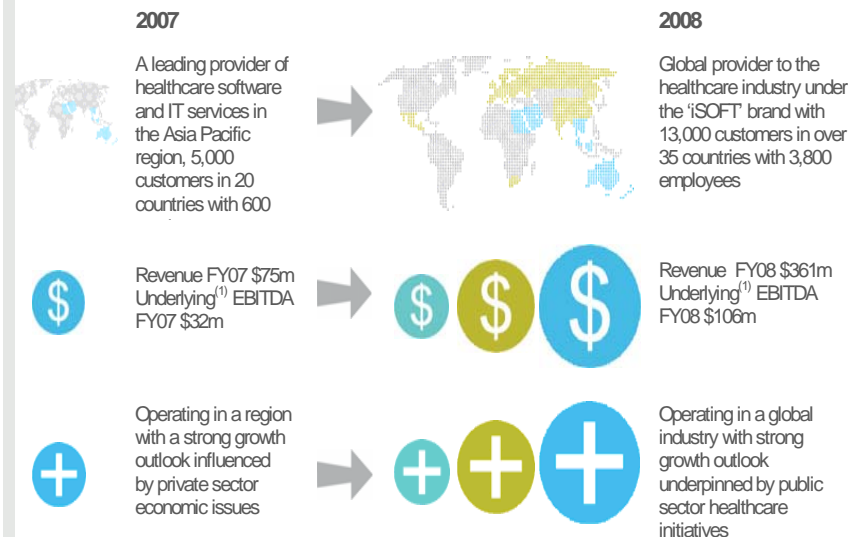


- IBA Health is a leading developer of software applications for healthcare, and the largest specialty information company listed on the ASX
- IBA Health designs, develops and delivers fully integrated healthcare IT solutions which support workflows across hospitals, GPs, specialists, aged and community care providers, the primary care sector as well as claims and payment processes
- Leading market position in UK, Australia, New Zealand, Netherlands, and in some parts of Asia. Key position in England's National Health Service's National Programme for IT, one of the world's largest civilian IT projects
- IBA Health's systems are installed in 13,000 health provider organisations in over 35 countries

Investment opportunity

To provide the funding to IBA Health to enable it to make the acquisition of iSOFT plc, providing it the opportunity to transform into a truly global health IT company

The development and transformation of IBA Health following from AEP's investment



⁽¹⁾Figures reported as 'underlying' EBITDA have been adjusted for one-off exceptional items, integration costs and one-off acquisition costs.

Investment structure

- \$200.0 million equity
- \$37.3 million convertible notes
- \$57.8 million of secured high yielding debt

This capital structure was designed to provide some downside protection to AEP's overall investment and to ensure AEP – rather than third party financier – controls the subordinated debt tranche. AEP's investment rights are enshrined in a Subscription Agreement.

AEP has two directors and an alternate director on the IBA Health board to monitor and support the investment.

Positive environment for growth of IBA Health

- Globally healthcare spending continues to expand
- Growth in healthcare spending is being driven by:
 - ageing population
 - increased demand for access to healthcare services
 - requirement for more efficient healthcare services
 - increased demand for higher quality healthcare
- International environment favourable for IBA Health's IT solutions which address the above market demands

IBA Health – financial results

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A\$m	12 months to 30 June 2007	12 months to 30 June 2008 ¹	% ²
Revenue	74.8	360.9	<i>nm</i>
Underlying EBITDA ³	32.3	105.6	<i>nm</i>
Underlying EBIT ³	25.0	92.1	<i>nm</i>
Reported EBIT	25.0	50.7	
Underlying net profit after tax ³	23.1	49.4	
Reported net profit after tax	23.0	14.6	
Adjusted operating cash flow ⁴	38.1	73.9	
Net debt	145.3	246.5	
Net assets	156.9	586.1	

1. Includes 12 months of IBA and 8 months of iSOFT. Sourced from IBA Health announcement to ASX on 25 August 2008

2. Percentage change is not meaningful due to IBA's acquisition of iSOFT during FY08

3. Figures reported as underlying have been adjusted for one-off exceptional items, integration and one-off acquisition costs (refer to IBA Health announcement to ASX on 25 August 2008 for further detail)

4. Adjusted operating cash flow is cash flow from operations excluding one-off acquisition items and adding back the Existing Service Agreement prepayments

- IBA Health has been through a transformational year after completing the acquisition of a much larger UK based competitor, iSOFT plc
 - IBA Health is now a global health IT company, with an international footprint and in excess of 80% of revenues outside Australia and South East Asia
 - AEP provided funding to IBA Health to support this acquisition, and is now a cornerstone shareholder with an effective equity interest of 30.6%
- The integration of iSOFT has been completed successfully
 - Synergies in excess of \$27 million extracted
 - Strategy and business model implemented under the iSOFT brand
 - New appointments to strengthen senior management
 - Further merger benefits expected with rationalisation of product development and supporting functions, and increased global cross selling capacity
- AEP has an active role in supporting and guiding IBA Health
 - AEP has two directors and an alternate director on the IBA Health Board
 - AEP representatives chair IBA Health's Remuneration Committee, are members of the Audit and Remuneration Committees and chaired the Integration Committee
 - AEP's investment rights are enshrined in a Subscription Agreement

Financial Results ¹

- FY08 result ahead of EBITDA guidance
 - particularly pleasing given the appreciation of the Australian dollar
- Revenue of \$361 million and underlying EBITDA of \$106 million

Outlook ¹

- FY09 revenue forecast in the range of \$540 - \$560 million
 - growth of c.15% over annualised FY08 revenue (i.e. including iSOFT revenues for the full year)
 - over 80% of revenue is recurring, contracted or expected
- FY09 EBITDA forecast in the range of \$120 – \$130 million
- Cash flow will benefit from the cancellation of the ESA prepayments in April
 - this is expected to improve operating cash flow for FY09 by approximately \$70 million
- IBA Health Board expects to reinstate dividend payments for FY09

Carrying value

- Despite turmoil in financial markets, the business performance of IBA Health supports the carrying value on AEP's balance sheet
- AEP believes IBA Health is trading at a significant discount to comparable companies

1. Source: IBA Health announcement to ASX on 25 August 2008

IBA Health – terms of AEP loan

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Facility Amount	A\$57.8 million as at June 2008	
Maturity	29 October 2008	
Repayment	From proceeds of equity issuance	
Security	Secured	
Ranking	Subordinated to the senior debt facilities	
Current Financial Terms	Monthly interest	Annualised interest
UK LIBOR (6 month) ¹	0.49%	5.93%
Cash margin	0.38%	5.50%
PIK margin	0.25%	3.00%
Warrants	0.50%	6.00%
Total effective interest rate	1.62%	20.43%

1. Source: British Bankers Association 15 August 2008



Signature Security Group

Signature – company overview

Key facts

ACQUIRED – January 2006

% OWNED – 96%

CO-INVESTORS – Management (4%)

PURCHASE PRICE - \$138.0 million

AEP EQUITY INVESTMENT - \$55.3 million

HEAD OFFICE - Sydney

COUNTRIES OF OPERATION – Australia, New Zealand

EMPLOYEES: Over 400

- A leading electronic security services company in both Australia and New Zealand
- The security industry is generally not cyclical. Expected to grow strongly, driven by changes in technology and increased awareness of security needs in the community
- Services include the installation, security monitoring, maintenance, sale and leasing of electronic security equipment to residential and commercial customers
- Signature provides alarm monitoring services 24/7 to approximately 100,000 premises. One of the few security companies in the industry with a network of Australian Grade A1 (or New Zealand equivalent) monitoring stations



Signature – financial results

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A\$m	12 months to 30 June 2007	12 months to 30 June 2008	%
Revenue	64.4	69.9	8.6%
Underlying EBITDA	22.2	23.5	5.8%
Underlying EBIT ^{1,2}	8.3	14.0	69.5%
<i>Underlying EBIT margin</i>	12.8%	20.0%	
Reported EBIT ¹	8.4	12.8	
Capital expenditure ³	(5.6)	(7.5)	
Business acquisitions & dealer line acquisitions	(5.0)	(13.7)	
Net debt	81.7	92.3	
Net assets ⁴	56.0	57.5	

1. The depreciable life of some acquired security contracts on the Signature balance sheet was increased in FY08 leading to a lower amortisation expense

2. Figures reported as underlying have been adjusted for specific items: FY08 (-\$1.2m) relate to acquisition related expenses and one off redundancy and acquisition expenses; FY07 (\$0.1m) relate to release of provisions and acquisition expenses

3. Capital expenditure is property, plant & equipment and capitalisation of security systems leased to customers

4. Difference between FY08 net assets of \$57.5m vs \$57.1m shown in the net asset value table on slide 15 is cash on the balance sheet

Commentary

- FY08 was a significant year for Signature with key business and operational initiatives undertaken since AEP's acquisition now beginning to translate into positive financial performance
- Key highlights in FY08:
 - The lowest customer attrition levels in recent history
 - Strongest organic sales growth since 2001
 - Increasing channel sales growth, particularly in Australia
 - The acquisition of Radius Security significantly increasing the size of Signature's New Zealand business
- Signature's bolt-on acquisition strategy is also beginning to gain real momentum. Several other acquisition opportunities are currently being pursued in Australia and NZ

Outlook

- Business expected to grow profitably through a combination of stronger sales, lower customer attrition rates, tight cost controls, accretive acquisitions and expansion into related services, including medical alarm monitoring
 - Budget for FY09 is forecasting double digit EBITDA growth for Signature



Baycorp – company overview

Key facts

ACQUIRED – June 2006

% OWNED – 50%

CO-INVESTORS – Funds managed by Propel Investments

PURCHASE PRICE - \$112.0 million

AEP EQUITY INVESTMENT - \$37.6 million

HEAD OFFICE - Sydney

COUNTRIES OF OPERATION – Australia, New Zealand

EMPLOYEES: Approx. 400



- Baycorp is a leading debt management specialist to the corporate consumer market in Australia and across all business sectors in New Zealand
- Products and services include purchasing of debt ledgers, commission and fee for service based contingency collection services and full legal recovery services
- Well positioned to benefit from current economic conditions
- Benefiting from increased consumer debt volumes and trends to outsource collection

Baycorp – financial results

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A\$m	12 months to 30 June 2007	12 months to 30 June 2008	%
Revenue	56.7	58.2	2.7%
Underlying EBITDA ¹	10.0	15.8	58.2%
Underlying EBIT ¹	8.5	14.9	74.1%
<i>Underlying EBIT margin</i>	15.0%	25.5%	
Reported EBIT	8.9	10.0	
Net cash flow from operations	32.5	42.2	
Capital expenditure (including PDL investment) ²	(33.7)	(49.1)	45.7%
PDL asset balance	58.8	76.5	
Net debt	51.6	57.2	
Net assets	70.5	81.8	

Note: Due to differences in the way accounting policies have been applied, the Baycorp financials may not be directly comparable to some listed peers

1. Figures reported as underlying have been adjusted for specific items: FY08 (-\$4.9m) relate to impairment charge for Baycorp's 10.3% investment in Collection House Ltd (-\$5.7m), other non recurring items (+\$0.4m) and dividends received (+\$0.4m). Impairment was taken due to decline in market value of Collection House Ltd compared to the initial cost; Specific items FY07 (\$0.3m) mainly relate to dividends received from Baycorp's investment in Collection House Ltd and one off legal expenses
2. Majority of capital expenditure relates to investment in PDLs (FY08 \$47.3m, FY07 \$33.3m)

Commentary

- Strong performance in purchase debt ledger business:
 - strength of Baycorp’s balance sheet and more favourable market conditions enabled PDL investment to increase 42% to \$47.3m
 - cash collections increased 18.7% to \$59.2m, slightly above forecast for the year
 - conservative approach to purchased debt valuation relative to its peers (discount rate and collection period) has supported a less volatile asset performance
- Conditions in contingency (commission) market were less favourable
 - impacted by increasing trend for debt originators to sell their debt in the PDL market instead of outsourcing the collection
 - secured two major contingency and fee for service contracts at end of year, positioning business well for FY09
- Business continues to achieve efficiency gains
 - EBIT margin increased from 15.0% in FY07 to 25.5% in FY08
 - average dollars collected / hour per FTE for PDLs improved to \$245 in FY08. Compares very favourably to peers

Outlook

- Slowing macroeconomic climate means need for debt recovery remains high. Baycorp is well placed to take advantage of these conditions. Disciplined approach to PDL purchasing has opened up further opportunities in FY09
 - Budget for Baycorp for FY09 is forecasting double digit EBITDA growth
- Baycorp remains conservatively leveraged and positioned for growth
 - shareholders have committed extra capital to be used for increased PDL investment over the next 24 months

4. Initiatives addressing share price

Initiatives addressing AEP's share price

We are very cognisant of the significant discount at which the shares have been trading to the net asset value of the Company and are implementing various initiatives to address factors affecting the share price that are within our control:

1. Board restructure

- Effective from today the Company's Board will be restructured so that:
 - It has a majority of non-executive directors
 - It has a majority of directors independent of the Manager
 - One of those independent directors will act as the Independent Non-Executive Chairman
- To achieve this the following changes will be effective immediately:
 - David Coe will stand down as a director and Chairman and as one of AEP's appointed directors
 - Ian Tsicalas will be appointed as the new Independent Chairman

After these changes the new board composition is:

	Role	Independence
Ian Tsicalas	Non-executive Chairman	Independent
Robert Moran	Managing Director	Not independent
Michael Brogan	Non-executive Director	Independent
Peter Yates	Non-executive Director	Independent ¹
David Clarke	Non-executive Director	Not independent ²

1. While Peter Yates is now independent of the Manager, he is technically not independent under the ASX guidelines because he was formerly the Managing Director of AEP within the last 3 years

2. David Clarke is appointed by the Manager. David is the Managing Director and Chief Executive Officer of Allco Finance Group

2. Share buy-back

- In FY08 AEP delivered over \$50 million cash to shareholders through dividends and an on market share buy-back
- Further buy-back of up to an additional 5% of current issued shares announced

3. Enhanced disclosure

- AEP will provide a monthly statement as to its net asset position (on both balance sheet and marked to market basis)
- Will provide market with greater visibility in relation to the underlying AEP portfolio companies

4. Increased transparency around the IBA Health investment

- IBA Health announced its FY08 results and provided guidance for FY09 outlook
- IBA Health management team undertaking a full investor road show
- AEP Board has formed the view that the investment is not impaired as at balance date and continue to believe that the IBA Health investment will be a successful one

5. AFG commitment to private equity as part of its core asset class

- AFG announced on 21 August 2008 that it has signed a new banking agreement providing greater financial certainty
- AFG has expressed its commitment to private equity as a core asset class

5. Conclusion and outlook

- In under four years AEP has invested over \$600 million in operational businesses and returned or reinvested \$240 million from those investments
- AEP has a well positioned and robust investment portfolio that is in defensive sectors
- AEP's Board is very focused on the share price performance and has implemented various initiatives to address factors affecting the share price that are within its control
- AEP's current focus is to:
 - manage existing investments to ensure returns are maximised; and
 - invest its remaining capital in a market environment which could result in very attractive investment opportunities
- AEP intends to be a long term investor, using private equity investment disciplines to invest in both private and publicly listed operating businesses

Disclaimer

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