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Attention: Company Announcements
ASX Limited

By E-Lodgement

AWI BUSINESS UPDATE – QUARTER ENDING 31 MARCH 2015

This is a summary of the financial performance, and performance against key metrics for the quarter to 31 March 2015.

Unaudited Consolidated Accounts for the quarter and year to date ending 31 March 2015

Based on the similarity of their operations, AWI will consolidate InvestSMART and YourShare for reporting purposes. We present below our updated and unaudited financial results on a consolidated basis to assist in understanding underlying performance:

FY2015 FINANCIAL PERFORMANCE* (\$)	First Quarter (to 30 Sept 2014)	Second Quarter (to 31 Dec 2014)	Third Quarter (to 31 March 2015)	YTD (to 31 March 2015)
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InvestSMART Income (inc Yourshare)	2,274,209	2,075,081	2,151,292	6,500,582
Intelligent Investor Income	834,592	792,328	979,839	2,606,759
Other Income	204,523	220,975	245,648	671,146
Total Income	3,313,324	3,088,384	3,376,780	9,778,487

Rebates Paid	603,428	648,074	557,228	1,808,730
Employee Costs	1,367,901	1,427,370	1,567,031	4,362,302
Other Expenses	1,050,812	916,882	820,910	2,788,605
Employee benefit expense	0	63,743	0	63,743
Total Operating Expenses	3,022,142	3,056,069	2,945,170	9,023,380

PBT	291,182	32,315	431,610	755,107
CIR (%)	91%	99%	87%	
Cash at Bank (end of period)	6,489,691	5,736,919	3,788,027	

*This table has been prepared by management and is unaudited. PBT excludes write down on van Eyk investment.

**Other Income includes revenue from AWI Ventures, AWI Funds and from interest earned on cash-at-bank.

The increase in employee costs for the March quarter are largely due to redundancy costs arising as a result of the management restructure announced on 31 March.

As per our January 2015 announcement, AWI is now concentrating on synergies between its core businesses. It is pleasing to see this strategy already yielding some early results with all business units posting positive growth and revenue collectively up 9.3% in the March quarter. The main benefits of a lower and more efficient operational structure will not emerge until the final quarter of 2014/15 and will be seen more fully in 2015/16 onwards.

Intelligent Investor continues to do well selling its subscriptions through InvestSMART and upgrading its existing subscribers to its premium services. InvestSMART revenue is up 3.7% from cross promotion, and advertising spend in previous quarters is starting to yield results.

Cash at bank declined during quarter largely due to final payments made to vendors of Intelligent Investor and funding the final round of investee companies in AWI Ventures.

With the centralisation of our operations and management we believe there will be opportunity to release more cost savings; however, the greater opportunity is to capitalise on the synergies across our digital customer databases via a consolidated customer relationship and marketing strategy.

Core product performance metrics and commentary:

Management is focused on three key metrics: website traffic, customer numbers and average revenue per customer. These drivers will determine our revenue growth and, given the scalable nature of our businesses, revenue growth is the key to our earnings growth.

Performance in these key metrics for the March 2015 quarter was as follows:

InvestSMART

FINANCIAL METRICS – FY15	First Quarter (to 30 Sept 2014)	Second Quarter (to 31 Dec 2014)	Third Quarter (to 31 March 2015)
Unique visitors	312,000	305,000	345,000
Customers*	22,549	22,112	21,516
ARPC (\$) **	\$403	\$375	\$400

Intelligent Investor

FINANCIAL METRICS – FY15	First Quarter (to 30 Sept 2014)	Second Quarter (to 31 Dec 2014)	Third Quarter (to 31 March 2015)
Unique visitors	216,000	261,000	263,000
Customers	5,948	6,508	6,377
ARPC (\$) **	\$561	\$487	\$615

*Customer numbers, in relation to InvestSMART is an estimate (due to timing delays in the provision of relevant information from fund managers)

**Average annualised gross revenue per customer per annum (ARPC)

**InvestSMART**

While revenue grew during the quarter, we anticipate stronger growth from conversion of client leads sourced from our advertising campaigns in previous quarters.

The small fall in customer numbers reflects natural churn in investors. The increase in ARPC is largely due to clients taking up additional products and services and movements in the equity markets creating higher net trail income. We continue to refine the InvestSMART Separately Managed Accounts (SMA) investment product suite launched last quarter and continue to bring out additional products and services across the group.

Intelligent Investor

The increase in ARPC and annualised revenue in the quarter is a result of the upselling of the Share Advisor Premium product launched in January to existing clients.

For further information or clarification, please contact Paul Clitheroe on 02 9098 5071.

Paul Clitheroe
Executive Chairman
Australasian Wealth Investments Limited