LINK GROUP

Prospectus

Initial Public Offer of Ordinary Shares

Issuer
Link Administration Holdings Limited
ABN 27 120 964 098

Financial Adviser
ROTHSCHILD

Joint Lead Managers
citi
Deutsche Bank
MACQUARIE
UBS

Important Notes

Offer

The Offer contained in this Prospectus is an invitation to you to apply for fully paid ordinary shares in Link Administration Holdings Limited (ACN 120 964 098) (**Company**). This Prospectus is issued by the Company and LAH SaleCo Limited (ACN 608 234 082) (**SaleCo**) for the purpose of Chapter 6D of the Corporations Act.

Lodgement and listing

This Prospectus is dated 30 September 2015 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Prospectus Date**). The Company will apply within seven days of the Prospectus Date, to the Australian Securities Exchange (**ASX**) for admission of the Company to the official list of the ASX and for quotation of its Shares on ASX. None of ASIC, ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry date

No Shares will be issued or transferred on the basis of this Prospectus after the expiry date, being 13 months after the Prospectus Date.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. Neither the Company or SaleCo is licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in Shares. There are risks associated with an investment in Shares and some of the key risks are set out in Section 5. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares.

No person named in this Prospectus warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

No offer where offer would be illegal

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer or to otherwise permit a public offering of the Shares, in any jurisdiction outside Australia and New Zealand. The Offer is not being extended to any investor outside Australia and New Zealand, other than to certain institutional investors as part of the Institutional Offer and to Eligible Employees in certain other jurisdictions as described in Section 7. The distribution of this Prospectus (including in electronic form) outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Shares being offered pursuant to this Prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or any US state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Shares in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful under applicable law, including the US Securities Act.

See Section 10.9 for more details on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia.

Disclaimer

As set out in Section 7.11, it is expected that the Shares will be quoted on the ASX initially on a conditional and deferred settlement basis. The Company, SaleCo, the Company's service provider Link Market Services Limited (ABN 54 083 214 537) (**Share Registry**), the Joint Lead Managers and the Selling Shareholders disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, SaleCo, their directors, the Joint Lead Managers or any other person in connection with the Offer. You should rely only on the information in this Prospectus.

This Prospectus may not be distributed to, or relied upon, by persons in the United States unless accompanied by the Institutional Offering Memorandum under which the Offer will be made, which, together with this Prospectus, constitutes the Institutional Offering Memorandum except that the Institutional Offering Memorandum will not include the Investigating Accountant's Report with respect to the Forecast Financial Information included in Section 4 of this Prospectus. This Prospectus does not constitute an offer of securities in the United States or to any person in the United States.

This Prospectus may not be distributed in the United States or to any person in the United States or elsewhere outside Australia or New Zealand unless it is attached to, or constitutes part of, the Institutional Offering Memorandum that describes selling restrictions applicable in the United States and other jurisdictions outside Australia or New Zealand, and may only be distributed to persons to whom the Offer may be lawfully made in accordance with the laws of any applicable jurisdiction. The Offer is not an offer or invitation in any jurisdictions where, or to any person to whom, such an offer or invitation would be unlawful.

Financial information and amounts

Section 4 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

The Historical Financial Information for FY2013, FY2014 and FY2015 included in this Prospectus has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, adopted by the Australian Accounting Standards Board, which are consistent with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Unless otherwise stated, all pro forma data in this Prospectus gives effect to the pro forma adjustments referred to in Section 4.3.

Important Notes (continued)

The Forecast Financial Information for FY2016 included in this Prospectus is based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information is consistent with the basis of presentation and presentation of the Historical Financial Information.

The Historical Financial Information and the Forecast Financial Information in this Prospectus should be read in conjunction with, and are qualified by reference to, the information contained in Section 4.

All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest $0.1 million unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

Non-IFRS financial information

Readers should be aware that certain financial data included in this Prospectus is 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial information does not have standardised meanings prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial information determined in accordance with Australian Accounting Standards. Readers are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or ratio included in this Prospectus.

Forward-looking statements

This Prospectus includes Forecast Financial Information for FY2016 based on an assessment of present economic and operating conditions, and on a number of assumptions set out in Section 4.8 regarding future events and actions that, as of the Prospectus Date, the Company expects to occur.

This Prospectus contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations, and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends. Consistent with customary market practice for Initial Public Offerings (**IPOs**) in Australia, Forecast Financial Information has been prepared and included in Section 4 of this Prospectus and is an example of forward-looking statements.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and Link Group management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. As a result, any or all of the forward-looking statements and the Forecast Financial Information in this Prospectus may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 5, the general and specific assumptions in Section 4.8, the sensitivity analysis in Section 4.9 and other information in this Prospectus. Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and Forecast Financial Information.

Neither the Company or SaleCo gives any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and you are cautioned not to place undue reliance on the forward-looking statements or Forecast Financial Information.

These forward-looking statements speak only as at the Prospectus Date. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise and may not publish prospective financial information in the future. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with the ASX after the Prospectus Date.

Cautionary note regarding industry and market data

This Prospectus, including the Industry overview in Section 2 and the Company overview in Section 3, contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Link Group's business and markets. Unless otherwise indicated, such information is based on a market study (**Company Market Study**) that Link Group commissioned from Rice Warner Pty Ltd AFSL 239 191 (**Rice Warner**), as well as Link Group's analysis of such information. The information contained in the Company Market Study has been accurately reproduced, and, as far as Link Group is aware, no facts have been omitted which would render the information provided inaccurate or misleading.

The Company Market Study includes or is otherwise based on information supplied to Rice Warner by or on behalf of Link Group, including internal financial and operational information of Link Group. In addition, Link Group understands from Rice Warner that the Company Market Study includes or is otherwise based on information obtained from (a) various data collection agencies, industry associations, forums and institutes and private market analysts; and (b) publicly available information, such as federal and state government budgets, tender publications, and other information publicly released by corporations and government departments, as well as primary interviews conducted with industry experts and participants and secondary market research.

While the Company Market Study provides that the views, opinions, forecasts and information contained in the report are based on information reasonably believed by Rice Warner in good faith to be reliable, Rice Warner has not independently verified or audited the information or material provided to it by or on behalf of Link Group. In addition, Link Group has not independently verified, and cannot give any assurances as to the accuracy and completeness of the market and industry data contained in this Prospectus that has been extracted or derived from the Company Market Study. Accordingly, the accuracy and completeness of such information are not guaranteed. There is no assurance that any of the forecasts or projections contained in the Company Market Study which are referred to in this Prospectus will be achieved.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts contained in reports, surveys and research of third parties which are referred to in this Prospectus will be achieved. The Company has not independently verified this information. Forecasts and estimates involve risks and uncertainties and are subject to change based on various factors, including the risk factors in Section 5.

References to market position in this Prospectus are determined on the following bases. In the Australian superannuation administration industry, references to market position are based on the number of superannuation fund members serviced unless otherwise stated. In the corporate markets industry, references to market position are based on the number of companies serviced unless otherwise stated.

Past performance

This Prospectus includes information regarding the past performance of Link Group. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial years

All references to FY2013, FY2014, FY2015 and FY2016 appearing in this Prospectus are to the historical financial years ended 30 June 2013, 30 June 2014 and 30 June 2015 and the forecast financial year ending 30 June 2016 respectively, unless otherwise indicated.

Exposure Period

The Corporations Act prohibits the Company from processing applications for Shares under this Prospectus (**Applications**) in the seven day period after the Prospectus Date (**Exposure Period**). This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds under the Offer. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

During the Exposure Period, this Prospectus will be made generally available to Australian residents without the Application Form, by being posted on the following website: www.linkgroup.com.

Obtaining a copy of this Prospectus

A hard copy of this Prospectus will be available for Australian residents free of charge during the Offer Period by contacting the Link Group IPO Information Line on 1300 934 599 (toll free within Australia) between 8.30am and 5.30pm Australian Eastern Daylight Time (**AEDT**), Monday to Friday. If you are eligible to participate in the Offer and are calling from outside Australia, please call +61 2 8767 1361 between 8.30am and 5.30pm AEDT, Monday to Friday.

This Prospectus will be made available in electronic form on the following website: www.linkgroup.com. The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website in Australia.

Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If unsure about the completeness of this Prospectus received electronically, or a print out of it, you should contact the Company.

Applications for the Shares under this Prospectus may only be made on either a printed copy of the application form attached to or accompanying this Prospectus or via the electronic application form attached to the electronic version of this Prospectus (**Application Form**), available at www.linkgroup.com. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus.

Cooling off rights

Cooling off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances you cannot withdraw your Application once it has been accepted.

Privacy

By completing an Application Form, you are providing personal information to the Company and SaleCo through the Share Registry which will manage Applications on behalf of the Company. The Company and SaleCo, and the Share Registry on behalf of the Company, may collect, hold, use and disclose that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide the information requested in the Application Form, the Company and Share Registry may not be able to process your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included on the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included on the Share register if you cease to be a Shareholder.

The Company and the Share Registry may also share your personal information with agents and service providers of the Company or others who provide services on the Company's behalf, some of which may be located outside Australia where personal information may not receive the same level of protection as that afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purposes of preparation and distribution of statements and for handling mail;
- market research companies for the purposes of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, independent auditors, contractors, consultants and other advisers for the purposes of administering, and advising on, the Shares and associated actions.

Information contained in the Share register will also be used to facilitate dividend payments, corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to their personal information that the Company and Share Registry may hold about that person, subject to certain exemptions under law.

A fee may be charged for access. Access requests must be made in writing or by a telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the corporate directory on the final page of this Prospectus.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located at www.linkgroup.com. Alternatively, you can contact the Company by telephone on 1300 934 599 or by email at privacy.officer@linkgroup.com and the Company will send you a copy of its Privacy Policy free of charge. The Company's Privacy Policy also contains information about how you can

Important Notes (continued)

access and seek correction of your personal information, complain about a breach by the Company of the Australian privacy laws, and how the Company will deal with your complaint.

It is recommended that you obtain a copy of this Privacy Policy and read it carefully before making an investment decision.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and the Company's Privacy Policy (located at www.linkgroup.com).

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

Definitions, abbreviations and time

Defined terms and abbreviations used in this Prospectus (unless specified otherwise) are explained in the Glossary in Section 11.

All references to time in this Prospectus refer to AEDT (as applicable) unless stated otherwise.

Photographs and diagrams

Photographs and diagrams used in this Prospectus which do not have any descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by Link Group.

Diagrams used in the Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in figures, charts, graphs and tables are based on information available as at the Prospectus Date.

Company website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred to in this Prospectus, is incorporated in this Prospectus by reference.

Offer management

The Offer is managed by Citi, Deutsche Bank, Macquarie Capital and UBS.

Investigating Accountant's Report on the Financial Information and financial services guide

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail investors with a financial services guide in relation to its independent review under the Corporations Act. The Investigating Accountant's Report and accompanying financial services guide are provided in Section 8.

Use of trademarks

This Prospectus includes the Company's registered and unregistered trademarks. All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Questions

If you have any questions in relation to the Offer, contact the Link Group IPO Information Line on 1300 934 599 (toll free within Australia) or +61 2 8767 1361 (outside Australia) between 8.30am and 5.30pm AEDT, Monday to Friday.

This Prospectus is important and should be read carefully and in full.

Contents

Contents (continued)

Chairman's Letter

Dear Investor,

On behalf of the Directors, I am pleased to offer you the opportunity to become a shareholder in Link Administration Holdings Limited (the **Company**).

Link Group is the largest provider of superannuation fund administration services to superannuation funds in the Australian superannuation system and a leading provider of shareholder management and analytics, share registry and other value-added services to corporate clients in Australia and globally. While Australia and New Zealand (**A&NZ**) are expected to contribute the majority of revenues, the Company's global operations currently span 11 countries and are expected to keep growing.

Link Group has evolved from a share registry business within an accounting firm into a provider of technology-enabled outsourced services for superannuation funds administration and corporate markets. Between 2000 and 2005, Link Group was a joint venture between ASX Limited and Perpetual Limited, before being acquired by funds managed or advised by Pacific Equity Partners (**PEP**). Today, Link Group administers financial ownership data for over 2,300 clients globally, servicing an underlying stakeholder base of over 10 million superannuation account holders and over 20 million individual shareholders.

Link Group is led by a highly regarded and experienced management team that has a track record of driving significant growth. The management team has overseen over 80 migrations onto the Company's proprietary Fund Administration platform and the execution and successful integration of over 30 Business Combinations in the last 10 years. The recent Business Combination with Superpartners represents a significant milestone for Link Group and is expected to be a key driver of growth in the years ahead.

Link Group's growth strategy is focused on strengthening the Company's competitive advantage through innovation, executing the integration of Superpartners and the continuation of Link Group's disciplined expansion and acquisition strategy by further expanding Link Group's existing operations and pursuing opportunities adjacent to Link Group's existing operations.

This Prospectus contains detailed information about the Offer, as well as the key risks associated with an investment in the Company. These risks include security software and technology breaches and improper access to the private data of Link Group's clients, reliance on third party IT suppliers, a reliance on the effective performance of IT infrastructure, Link Group's concentrated client base and risks regarding contract renewal or early termination. I encourage you to read this document carefully and in its entirety before making an investment decision.

On behalf of the Directors, I look forward to welcoming you as a shareholder of the Company.

Yours Sincerely,

Michael Carapiet
Chairman, Link Administration Holdings Limited

Important Dates

Important dates

Prospectus lodgement date	Wednesday, 30 September 2015
Retail Offer opens	Friday, 9 October 2015
Retail Offer closes	Tuesday, 20 October 2015
Bookbuild to determine the Final Price	Thursday – Friday, 22 – 23 October 2015
Final Price announced to the market	Monday, 26 October 2015
Commencement of trading on a conditional and deferred settlement basis	Tuesday, 27 October 2015
Settlement of the Offer	Friday, 30 October 2015
Completion (Shares issued or transferred to successful Applicants and commencement of trading on an unconditional and deferred settlement basis)	Monday, 2 November 2015
Expected dispatch of holding statements	Monday, 2 November 2015
Expected commencement of trading of Shares on the ASX on a normal settlement basis	Tuesday, 3 November 2015

Dates may change

These dates are indicative only and may change. The Company and SaleCo, in consultation with the Joint Lead Managers, reserve the right to amend any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before Shares are issued by the Company or transferred by SaleCo). If the Offer is cancelled before the issue and transfer of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

How to invest

Applications can only be made by completing and lodging an Application Form.

Instructions on how to apply for Shares are set out in Section 7 and on the back of the Application Forms.

Questions

If you have any questions in relation to the Offer, please contact the Link Group IPO Information Line on 1300 934 599 (toll free within Australia) or +61 2 8767 1361 (outside Australia) between 8.30am and 5.30pm AEDT, Monday to Friday. If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

Key Offer Statistics

Key Offer statistics

Indicative Price Range for the Offer[1]	$5.41 to $6.37
Total proceeds under the Offer[2]	$879.2 million to $946.5 million
Total number of Shares available under the Offer[3]:	148.6 million to 162.5 million
– new Shares to be issued[4]; and	78.5 million to 92.4 million
– existing Shares to be sold by SaleCo	70.1 million
Number of Shares to be held by Existing Shareholders at Completion[5]	211.2 million
Total number of Shares on issue at Completion[6]	359.8 million to 373.7 million
Indicative market capitalisation[7]	$2,021.9 million to $2,291.9 million
Pro forma net debt (as at 30 June 2015)[8]	$308.5 million
Enterprise value[9]	$2,330.4 million to $2,600.4 million
Enterprise value/pro forma FY2016 forecast EBITDA after significant items[10]	14.3x to 15.9x
Offer Price/pro forma forecast FY2016 NPATA per share[11]	25.3x to 28.7x
Annualised forecast dividend yield for the FY2016 dividend[12]	2.4% to 2.7%

This prospectus is important and should be read in its entirety prior to deciding whether to invest in Shares. In particular, Section 4 sets out in detail the financial information referred to in this Prospectus, the basis of preparation of that information, the Statutory Financial Information and Pro Forma Financial Information, certain financial ratios and metrics and details of Link Group's net debt and dividend policy. Section 4 contains certain non-IFRS measures and should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

1. The Indicative Price Range for the Offer (other than the Employee Offer) is the indicative range for the Final Price. The Final Price may be set within or below the Indicative Price Range. The Employee Final Price will be at a 10% discount to the Final Price. Shares may trade below the lower end of the Indicative Price Range.
2. Based on the Indicative Price Range.
3. Based on the Indicative Price Range. The actual total number of Shares available under the Offer will depend on the Final Price.
4. Based on the Indicative Price Range. The actual number of Shares to be issued under the Offer will depend on the Final Price.
5. Excludes any Shares which may be acquired by Existing Shareholders under the Offer.
6. Based on the Indicative Price Range.
7. The minimum market capitalisation is based on the low end of the Indicative Price Range. The maximum market capitalisation is based on the top end of the Indicative Price Range. The Final Price can be set within or below the Indicative Price Range so the market capitalisation may vary accordingly.
8. Refer to Section 4.5 for details of the components of pro forma net debt.
9. Enterprise value is calculated as Link Group's indicative market capitalisation, based on the Indicative Price Range, plus pro forma net debt at Completion.
10. The ratio is calculated as enterprise value divided by pro forma forecast FY2016 EBITDA after significant items. The ratio of enterprise value/pro forma forecast FY2016 Operating EBITDA, which excludes significant items, is 12.9x to 14.4x (based on the Indicative Price Range) as outlined in Table 4.1b in Section 4. Significant items are summarised in Table 4.2b.
11. Offer Price/pro forma consolidated NPATA per share includes significant items. The ratio of Offer Price/pro forma consolidated NPATA before significant items is 21.2x to 24.0x (based on the Indicative Price Range) as outlined in Table 4.1b in Section 4.
12. Annualised forecast FY2016 dividend yield at the Offer Price is based on the proposed FY2016 dividend for the period from 1 January 2016 to 30 June 2016 set out in Section 4.11, annualised for a full 12 month period.

Section 1

Investment Overview

1. Investment Overview

1.1 Introduction

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>What is Link Group's business?</td><td>Link Group administers financial ownership data for over 2,300 clients globally servicing an underlying stakeholder base which includes over 10 million superannuation account holders and over 20 million individual shareholders.

The business is underpinned by investment in technology, people and processes. It includes an in-house technology capability that supports Link Group's service offering to deliver comprehensive solutions to its client base. Link Group's proprietary technology platforms provide a key source of competitive advantage and have been developed with approximately $300 million of investment over the last nine years.

Link Group has approximately 4,300 employees and operations in 11 countries.</td><td>Section 3.1</td></tr>
<tr><td>What are Link Group's key business divisions?</td><td>The business has three key divisions: Fund Administration, Corporate Markets and Information, Digital & Data Services (IDDS):
• Fund Administration: provides a broad suite of superannuation administration services that connect superannuation funds with their members. Link Group is the largest provider of services in Australia's superannuation fund administration industry, which services the fourth largest pension pool in the world based on funds under management (FuM);
• Corporate Markets: provides a comprehensive suite of services that connect issuers with their stakeholders. These services are provided to companies globally and include: shareholder management and analytics, stakeholder engagement, share registry, employee share plans and company secretarial services. Link Group holds a leading market position in all its key markets; and
• IDDS: supports Link Group's other divisions and their clients as well as servicing external clients directly by providing services including:
– development and maintenance of proprietary IT systems and platforms;
– data analytics; and
– digital communications and solutions.</td><td>Section 3.1</td></tr>
<tr><td>Who are Link Group's clients?</td><td>Link Group services over 2,300 clients globally. These clients largely come from two key groups:
• Australian superannuation and pension funds; and
• listed companies in A&NZ, Europe (including the United Kingdom), the Middle East, Asia (including Hong Kong, Singapore and India) and South Africa.</td><td>Section 3.4</td></tr>
<tr><td>In which geographical markets does Link Group primarily generate revenue?</td><td>Link Group's largest geographic market is A&NZ, which is forecast to account for over 90% of its FY2016 revenue. Substantially all of this revenue is expected to be generated in Australia.

The majority of Link Group's non-A&NZ revenue is derived from Europe (the United Kingdom, Germany and France), Asia (Hong Kong, Singapore and India) and South Africa.</td><td>Section 3.1</td></tr>
</table>

Topic	Summary	For more information
How does Link Group generate its revenue?	Link Group's primary source of revenue is from contracted services to clients across Fund Administration, Corporate Markets and IDDS, where clients pay contracted fees based on the volume and nature of the activity or services provided. It is typical for these contracted fee arrangements to include a fixed fee component as well as a variable fee component based on the complexity and scale of the services provided. Management considers that approximately 90% of Link Group's revenue is Recurring Revenue. Recurring Revenue is defined as revenue arising from contracted core administration services, stakeholder engagement services, share registry services and shareholder management and analytics services that are unrelated to corporate actions. Recurring Revenue is expressed as a percentage of total revenue. Additional sources of revenue are typically derived from value-added services and project fees. These are generally billed on a fixed fee or time and materials used basis.	Sections 4.7.1.1
What are Link Group's key costs in generating its revenues?	Key operating expense categories for Link Group include: • **employee expenses:** the largest cost for Link Group, including salaries and related costs of all Link Group staff and contractors; • **IT expenses:** relating to non-staff IT functions, including software licences, software and hardware maintenance and support, outsourced facilities management costs, data centre support and hardware and communications charges; • **occupancy expenses:** costs associated with the premises from which Link Group operates, including rent, utilities, security and third party management costs; and • **other expenses:** including administrative, marketing, professional and consulting, insurance, travel and office and general expenses. Other expenses also include print and mail expenses incurred on behalf of and largely charged back to clients.	Sections 4.7.1.2

Topic	Summary	For more information
What is Superpartners?	Superpartners is a superannuation fund administration provider that was previously owned by five superannuation funds who were also its major clients. Superpartners was previously loss-making. During 2014, each of these superannuation funds undertook a competitive tender process for the provision of outsourced superannuation fund administration services to their respective funds. Link Group was the successful tender participant and in December 2014, Link Group signed service contracts with an initial term of five years with each of the five superannuation funds. As part of the tender process, Link Group also acquired the Superpartners corporate entity, including its staff and other assets and liabilities. The addition of these clients significantly increased revenues in Fund Administration and is expected to increase Link Group's revenues significantly in FY2016, albeit with a reduction in margins until operational efficiencies are realised.	Section 3.10.5
What is Link Group's growth strategy?	Link Group's growth strategy is focused on five major drivers: • further penetration of Link Group's attractive markets by winning new clients across all divisions and increasing the revenue from existing clients through new and enhanced value-added products and services; • strengthening the competitive advantage of the business through product and service innovation; • pursuing client, product and regional expansions including via its focused Business Combination strategy to enhance its product and service offerings, expand its international operations and add new clients; • executing the integration of Superpartners and the migration of its key clients to Link Group's proprietary platforms from which Link Group management expects to realise material synergies; and • pursuing opportunities in markets adjacent to Link Group's existing operations.	Section 3.10

Topic	Summary	For more information
How does the Company expect to fund its operations?	Link Group's principal sources of funds are expected to be cash flow generated from operations, cash on hand and borrowings under the New Banking Facilities. The Company anticipates that it will have sufficient cash flow from existing operations to meet its operational requirements and business needs during the forecast period. In addition, following its listing, Link Group will have undrawn facilities of approximately $492 million to meet additional operational requirements or to help fund potential growth opportunities that may arise.	Section 4.5.3
What is Link Group's historical and forecast financial performance?	See table below. The information presented above contains non-IFRS financial measures, is intended as a summary only and should be read in conjunction with the more detailed discussion on the Financial Information disclosed in Section 4 as well as the risk factors set out in Section 5. Pro forma and statutory financial information varies and you should read Section 4 for full details of Link Group's pro forma and statutory results and the underlying assumptions. Appendix C contains a reconciliation of historical and forecast statutory to pro forma results.	Section 4.3

	Pro Forma Historical Results			Pro Forma Forecast Results	Statutory Forecast Results
$ million	FY13	FY14	FY15	FY16	FY16
Revenue	365.1	410.4	588.3	750.0	750.0
Operating EBITDA[1]	129.8	137.5	148.0	181.2	158.4
EBITDA after significant items	134.2	114.1	116.5	163.2	140.4
EBITA	112.4	83.3	84.5	127.5	104.7
NPAT				59.1	27.5
NPATA				79.8	48.2
NPATA before significant items				95.5	63.9

1. Operating EBITDA excludes significant items including costs associated with undertaking the Business Combinations described in Section 3.10.4, bargain purchase gain and gain on consolidation, integration costs of the Business Combinations, IT business transformation costs and the costs of migrating clients to Link Group's technology platforms. See Table 4.2b.

Topic	Summary	For more information
What is Link Group's dividend policy?	The Directors anticipate that the first dividend to Shareholders will be determined in respect of the six months to 30 June 2016 and will become payable in October 2016. It is the intention of the Board to declare a dividend of approximately $27 million, or 7.4 cents per share[1] in respect of the period from 1 January 2016 to 30 June 2016, which is expected to be largely unfranked. This dividend, when annualised, represents approximately 56.5% of FY2016 pro forma forecast NPATA before significant items. Beyond this, and having regard to the factors outlined in Section 4.11, it is the intention of the Board to target a dividend payout ratio between 40% and 60% of Link Group annual NPATA. The level of the payout ratio is expected to vary between periods depending on factors the Directors may consider including the factors outlined in Section 4.11. No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.	Section 4.11
Will dividends be franked in the future?	The Company expects that dividends may be largely unfranked for the financial year ending 30 June 2017 due to the utilisation of historical tax losses as at 30 June 2015.	Section 4.11
Why is the Offer being conducted?	The Offer is being conducted to: • provide Existing Shareholders with an opportunity to realise all or part of their investment in the Company; • provide a liquid market for shares and an opportunity for others to invest in the Company; • raise primary capital to pay down a portion of existing debt within the business in order to strengthen its balance sheet and provide financial flexibility to pursue its identified growth opportunities; • provide the Company with the benefits of an increased profile that arises from being a listed public company; and • provide the Company with access to capital markets to improve capital management flexibility.	Section 7.1.2

1. Assuming the issue of 154,989,644 Shares under the Offer based on the Mid-Point Final Price.

1.2 Investment highlights

Topic	Summary	For more information
Leading market position in attractive industries	Fund Administration services the largest number of member accounts in the Australian superannuation industry, where typical contract terms for outsourced administration are three to five years and have high levels of Recurring Revenue. Australia currently has the world's fourth largest private pension pool based on FuM, and the Australian superannuation industry is forecast to continue growing strongly, with FuM expected to nearly double by 2029.[2] Corporate Markets holds a leading market position in each of the key markets in which the business operates. Link Group's clients in Corporate Markets are issuers who are increasingly focused on utilising value-added services to better analyse and engage with their stakeholders. Services provided by Link Group in the corporate markets industry are also characterised by high levels of Recurring Revenue, and a two to three year contract term is typical.	Sections 2, 3 and 4
Proprietary and scalable technology platforms	Link Group brings together technology, processes and people to deliver technology-driven solutions for its clients. The Company believes its competitive advantage stems from the capability, functionality, integration and scalability of its proprietary platforms, which deliver breadth and quality of service and high operating leverage. The continuing investment in its proprietary IT platforms continues to strengthen this competitive advantage by further increasing operating leverage, driving ongoing innovation and delivering increased efficiencies while continuing to provide clients with bespoke services.	Section 3
Large and loyal client base	Link Group services over 2,300 clients globally across its divisions. The high level of integration with clients and their systems, especially in Fund Administration, supports a stable and recurring revenue stream for Link Group and contributed year-on-year client retention rates of over 95% in Fund Administration and Corporate Markets from FY2014 to FY2015. In Fund Administration, contract terms are typically between three and five years. In Corporate Markets, contracts are typically for terms of two to three years. Revenues from Link Group clients increase with the number and complexity of the services that Link Group provides. Link Group offers a range of value-added services which are increasingly utilised by clients to enhance their engagement with their underlying members and stakeholders.	Section 3.3

2. Based on data from Rice Warner (2015).

Topic	Summary	For more information
Strong financial profile	The Company believes that it has a strong financial profile, including: • consistent and strong growth highlighted by a revenue CAGR of 23% over the period from FY2002 to FY2015 and an Operating EBITDA CAGR of 24% over the same period; • historical resilience of earnings across economic cycles; • strong earnings visibility with high levels of Recurring Revenue (approximately 90% in the three years to FY2015) derived from the contracted nature of Link Group's revenue model; • attractive forecast Operating EBITDA margins of 24% in FY2016, expected to improve post the forecast period; and • strong net operating free cash conversion ratio of 78% forecast in FY2016.	Section 4
Strategically positioned for long-term growth	The growth strategy of Link Group can be categorised into three key areas: • **product and service innovation opportunities:** growth opportunities arise from attractive market dynamics in the markets in which Link Group's businesses operate and continued innovation of Link Group's service offering, including through the cross-selling of existing services and the development of new value-added services and products, to enable clients to engage with their underlying members and stakeholders. For example, the increase in outsourcing of superannuation fund administration may create an opportunity for Link Group to further penetrate Australia's superannuation fund administration industry; • **Superpartners:** the successful tender for Superpartners' clients is forecast to increase Link Group's revenues significantly in FY2016 with an associated reduction of margins until operational efficiencies are realised. This transaction is expected to provide an attractive pool of potential synergies. These synergies include reducing operational costs, reducing IT costs related to legacy technology platforms and generating efficiency benefits from automation. Assuming no further acquisitions or Business Combinations of a similar nature, Link Group management expects a progressive trend back to a Fund Administration and IDDS Operating EBITDA margin similar to that achieved in pro forma FY2014; and • **client, product and regional expansions and adjacent market opportunities:** further growth is expected from a disciplined expansion and acquisition strategy to broaden and enhance Link Group's product offering, add new clients and build Link Group's presence in new and existing markets. These transactions are classified as business combinations under Australian Accounting Standards (Business Combinations).	Section 3.10

1. Investment Overview (continued)

Topic	Summary	For more information
Track record of value creation through Business Combinations and migrations	Link Group has a track record of identifying, successfully executing and integrating value-creating client, product and regional expansions, and adjacent market Business Combination opportunities: • Link Group has integrated over 30 Business Combinations in the last 10 years; • these have expanded Link Group's service offering and geographic presence, and enhanced its capability to provide an integrated suite of services through each of its divisions; and • Link Group has a long history of migrating clients onto its proprietary platforms, with over 80 Fund Administration migrations completed since 2008 and over 200 migrations of Corporate Markets clients since 2002. These Business Combinations and migrations have together significantly contributed to Link Group's positive track record of earnings growth.	Section 3
Experienced management team	Link Group's management team, led by Managing Director John McMurtrie and Chief Financial Officer John Hawkins, has extensive industry experience, with: • a proven track record of driving significant growth; • experience in successfully completing large-scale system development and data migrations; and • experience in successfully executing and integrating over 30 Business Combinations over the last 10 years for Link Group.	Section 6.2

1.3 Key risks

Topic	Summary	For more information
Security software and technology breaches and improper access to the private data of Link Group's clients	The use of information technology and the effectiveness of Link Group's proprietary technology platforms are critical to the ability of Link Group to deliver services to its clients and to continue to grow the business. By their nature, information technology systems are susceptible to cyber attacks. Security breaches may involve unauthorised access to Link Group's networks, systems and databases, exposing financial, proprietary and personal user information. It is possible that the measures taken by Link Group to protect its proprietary information and the private information of its clients may not be sufficient to prevent unauthorised access to, or disclosure of, such data. Any accidental or deliberate security breaches or other unauthorised access to Link Group's information technology systems or client data may subject Link Group to reputational damage, a loss of confidence in the services it provides, claims by clients, loss of clients, a disruption of services to clients, legal action and regulatory scrutiny. Any of these events could adversely impact Link Group's reputation, business, financial condition and financial performance. While Link Group has effected an insurance policy for a range of cyber risks, it is subject to a policy limit which may not be adequate to cover all financial exposure arising from one or more cyber security breaches. In addition, any significant claim against such a policy may lead to either or both of increased premium on renewal and additional exclusions to the terms of future policies. Further, certain exclusions are specified in the cyber security insurance policy, including where Link Group contractually agrees to assume responsibility for another party's obligation for which it would otherwise not be responsible. If cyber insurance (or any other insurance) is either not available to cover a claim, or the quantum of any relevant claim exceeds the applicable policy limit, Link Group will itself be exposed to the financial impact of the event (and, as such, it could have an adverse impact on its business, financial condition or financial performance). Further, some of Link Group's third party suppliers may receive and store information provided by Link Group or its clients. If these third party suppliers fail to adopt or adhere to robust security practices, or in the event of a breach of their security systems, the data of Link Group's clients may be improperly accessed, used or disclosed.	Section 5.1.1
Reliance on third party IT suppliers	Link Group relies on certain contracts with third party suppliers to maintain and support its IT infrastructure and software, which underpin its core business activities. Link Group's reliance on third parties and their systems to provide key services decreases its control over the delivery of these services and the quality and reliability of the services provided. Any delay, disruption or deterioration in the level of service provided by a third party could impair Link Group's ability to provide services to its clients to the level expected or at all. If any of these contracts are terminated or unexpectedly unable to be performed for any reason, this could adversely impact Link Group's operations, earnings and financial condition.	Section 5.1.2

Topic	Summary	For more information
Reliance on the effective performance of IT infrastructure	Technology is the key enabler of Link Group's services. Link Group and its clients are dependent on the effective performance, reliability and availability of Link Group's technology platforms, software, third party data centres and communications systems. Link Group may fail to successfully achieve the required development of its technology and systems to meet clients' needs, match competitors or meet regulatory requirements, which may, in turn, adversely affect its operations, relationship with clients, financial performance and financial condition. Further, Link Group's core technologies may be exposed to damage or interruption from unforeseen events which may cause the systems to be unavailable from time to time. This may affect the ability of Link Group to deliver consistent, quality services to its clients and may lead to reputational damage and may also adversely impact Link Group's operations, financial performance and financial condition.	Section 5.1.3
Concentrated client base	Link Group has a relatively concentrated client base, with its top two clients expected to contribute 29% of FY2016 revenues while its top five clients are expected to contribute 46% of FY2016 revenue. If Link Group were to lose one or more of these key clients, Link Group's business and financial condition could be adversely impacted.	Section 5.1.4
Failure to renew contracts or early terminations	There is a risk that Link Group may be unable to renew contracts with its major clients upon contract expiry, or such contracts may be terminated and Link Group could be unable to add new clients. If Link Group were to lose one or more of these contracts, its operations, earnings and financial condition could be adversely affected. In addition, if one or more of these contracts is not renewed upon expiry, and Link Group is unable to add new clients, its business, financial condition and financial performance could be adversely impacted in the future.	Section 5.1.5

Topic	Summary	For more information
Regulatory compliance	Link Group is subject to privacy laws in Australia and in more than 10 other jurisdictions in which it conducts its business. Such laws impact the way Link Group can collect, use, analyse, transfer and share personal and other information that is central to many of the services Link Group provides. Any actual or perceived failure by Link Group to comply with relevant laws and regulations may lead to consequences such as the imposition of fines or other penalties, client losses and a reduction in the development of technology and services using such data and could adversely impact Link Group's business, financial condition and financial performance. Under certain client contracts, Link Group has accepted regulatory and compliance commitments to its clients which exceed those to which it would be subject in its business-as-usual operations. Further, under some of these contracts, Link Group has: • also provided indemnification to the client for losses arising from Link Group's failure to comply with these additional regulatory and compliance commitments; and/or • very high contractual liability limits or no limitation on liability. Contracts which include either or both of the above characteristics expose Link Group to potentially more significant financial claims and such claims could adversely impact Link Group's financial condition and financial performance.	Section 5.1.6
Past and future acquisitions and Business Combinations	There is a risk that Link Group may not be able to successfully integrate Superpartners' clients into its existing business or extract other operating efficiencies from the integration of Superpartners' corporate and other functions. Given the high levels of client integration in Fund Administration, a considerable time period is required for the complete migration of Superpartners' clients onto Link Group's proprietary systems. Link Group may not be able to successfully execute the migration of these clients, or may do so in a longer time frame than is currently envisaged, which may have the impact of reducing the expected synergies from the acquisition of these clients. To the extent Link Group does not achieve the synergies it expects from the integration of Superpartners and its clients or it takes longer than anticipated to do so, its business, financial condition and financial performance could be adversely impacted. In addition to Superpartners, Link Group has undertaken client, product and regional expansions and adjacent market acquisitions and continues to investigate and consider potential transactions and other strategic initiatives. Link Group faces a number of risks in relation to the implementation of these Business Combinations including risks around integration and migration of the operations, systems, technologies and employees of acquired businesses, disruption to the existing business, challenges from competitors in new markets, loss of clients or employees of the acquired business, assumption of liabilities and incurrence of debt to fund acquisitions, assumption of contractual obligations with unfavourable terms and a failure to realise expected synergies. The occurrence of these risks could have a material adverse effect on Link Group's business, financial performance or financial condition.	Section 5.1.7

1. Investment Overview (continued)

Topic	Summary	For more information
Failure to attract and retain key personnel	A key driver of Link Group's performance is the recruitment and retention of effective and qualified employees. Link Group faces risks of loss of key management personnel, loss of other key employees, delay in finding suitable replacements for lost personnel and the inability to find suitably qualified personnel to meet Link Group's business needs as it grows. If any of these risks were to materialise, they could have a material adverse impact on Link Group's business, financial performance and financial condition.	Section 5.1.8
Increased competition	The key industries that Link Group operates in are all competitive markets and are expected to remain competitive. Link Group's competitive position may be impacted by a number of factors, including the level of innovation relative to that of competitors, commercial factors including pricing and liability, the ability to keep up with technological or regulatory change, the ability to respond to client preferences for products and services and the ability to maintain strong relationships with existing clients by upholding the consistency and quality of its services. In addition, Link Group needs to respond effectively to any changes in the competitive landscape, which may evolve as a result of a number of factors, including the entry of new competitors into the market and the consolidation of existing market participants. Increased competition may adversely affect Link Group's business, financial performance and financial condition.	Section 5.1.9

1. Investment Overview (continued)

Topic	Summary	For more information
Change to regulations in key markets	Regulatory change could have a material adverse impact on Link Group's business, financial performance and financial condition. For example, Fund Administration is impacted by initiatives of the Commonwealth Government to promote the consolidation and roll over of multiple accounts and the implementation of Unclaimed Superannuation Monies (**USM**) rules. Such regulation or similar regulatory initiatives may reduce the number of superannuation member accounts that Link Group administers and, consequently, could impact Link Group's business, financial performance and financial condition. In addition, Link Group is required to hold an Australian Financial Services Licence (**AFSL**) in order to provide certain financial services and products. If Link Group were to lose its AFSL, the services it provides its clients may be disrupted, its reputation may be adversely impacted and its relationships with its clients may be adversely impacted. Any such event could result in a loss of clients, which could impact Link Group's business, financial performance and financial condition.	Section 5.1.10
Impairment of intangible assets	Link Group has a material amount of intangible assets on its Statement of Financial Position relating to goodwill and identifiable intangible assets such as client contracts and relationships, software and licences. Under Australian Accounting Standards, goodwill and indefinite life intangible assets must be regularly tested for impairment. If impaired, Link Group is required to write down the value of its intangible assets which would result in an expense in the Statement of Profit or Loss, thereby potentially materially impacting Link Group's financial condition and reported earnings.	Section 5.1.11
Significant retained holding by certain Existing Shareholders	Immediately after Completion, the PEP Shareholders will hold approximately 30.3% and the ICG Shareholders will own approximately 10.0% of the issued share capital of the Company.[1] Therefore, these Existing Shareholders, if they act together, may have the capacity to control the election of Directors, the approval of significant corporate transactions and the success of a takeover or similar offer for the Shares. In addition, PEP has rights under the Relationship Deed described in Section 6.7 with respect to representation on the Board. The interests of these Existing Shareholders may differ from the interests of the Company and the interests of Shareholders who purchase Shares under the Offer. Each of the Escrowed Shareholders has entered into voluntary escrow arrangements in relation to their Escrowed Shares as described in Section 7.13. In addition, the PEP Shareholders and the ICG Shareholders have entered into a co-ordination deed that governs their rights and obligations (as between themselves) with respect to the sale of their Shares following release of the voluntary escrow arrangements. The absence of any sale of Escrowed Shares by the Escrowed Shareholders during their Escrow Period and a significant sale of Shares at the end of the Escrow Period, could both affect the liquidity for, and adversely affect the market price for, Shares.	Section 5.1.12

1. Based on the Mid-Point Final Price.

Topic	Summary	For more information
Other risks	More detail on these risks and a number of other risks are outlined in Section 5, including risks relating to reputational damage, litigation, ability to realise the benefits from its research and development investments, protection of its intellectual property rights, infringement of third party intellectual property rights, ability to execute its planned growth strategy and ability to refinance debt on attractive terms. In addition, Section 5.2 outlines a number of general investment risks.	Sections 5.1 and 5.2

1.4 Directors and Link Group's senior management team

Topic	Summary	For more information
Who are the Directors?	• Michael Carapiet (Independent Chairman and Non-Executive Director) • John McMurtrie (Managing Director) • Cameron Blanks (Non-Executive Director) • Glen Boreham, AM (Independent Non-Executive Director) • Paul McCullagh (Non-Executive Director) • Sally Pitkin (Independent Non-Executive Director) • Fiona Trafford-Walker (Independent Non-Executive Director)	Section 6.1
Who are the key members of Link Group's senior management?	• John McMurtrie (Managing Director) • John Hawkins (Chief Financial Officer) • Suzanne Holden (Chief Executive Officer – Fund Administration) • David Geddes (Chief Executive Officer – Corporate Markets) • Paul Gardiner (Chief Executive Officer – IDDS)	Section 6.2

1.5 Significant interests of key people and related party transactions

Topic	Summary	For more information
Who are the Existing Shareholders and what will their interest in the Company be immediately following Completion?		Section 7.1.5

Shareholder	Shares held immediately prior to Completion		Shares held immediately following Completion	
	Number of Shares	Percentage shareholding	Number of Shares	Percentage shareholding[2]
PEP Shareholders	148,788,358	52.9%	110,788,358	30.3%
ICG Shareholders	55,396,597	19.7%	36,682,656	10.0%
Macquarie Entities	23,738,877	8.4%	14,624,668	4.0%
Management	33,147,987	11.9%	28,876,137	7.9%
Other	20,232,567	7.1%	20,232,567	5.5%

2. Based on the Mid-Point Final Price.

1. Investment Overview (continued)

Topic	Summary	For more information
What significant benefits and interests are payable to Directors and other persons connected with Link Group or the Offer?	(see table and text below)	Section 6.4

Director	Number of Shares immediately following Completion	Percentage shareholding immediately following Completion[1]
Michael Carapiet[2]	851,465	0.23%
John McMurtrie[3]	12,609,029	3.44%
Cameron Blanks[4]	53,000	0.01%
Paul McCullagh[5]	232,155	0.06%
Glen Boreham, AM	-	-
Sally Pitkin	-	-
Fiona Trafford-Walker	-	-

Directors may hold their interests in securities shown above directly or indirectly through holdings by companies or trusts. The Directors are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Directors may acquire under the Offer.

The Shares recorded in the above table will be subject to voluntary escrow arrangements as outlined in Section 7.14.

Directors and senior management are entitled to remuneration and fees on commercial terms. In addition, a bonus pool of up to $1 million (in aggregate) may be payable to certain senior executives on successful completion of the Offer.

1. Based on the Mid-Point Final Price.
2. 200,000 Shares are held directly by Michael Carapiet's associated entity, Gentilly Holdings 2 Pty Limited as trustee for Carapiet Family Trust and 651,465 Shares are held by Bond Street Custodians Limited as bare trustee for Michael Carapiet's associated entity Gentilly Holdings 2 Pty Limited as trustee for Carapiet Family Trust.
3. John McMurtrie holds 4,655,510 Shares directly, 7,919,450 Shares indirectly through his investment vehicle Boston & Baxter Pty Limited as trustee for Gatehouse Trust and 34,069 Shares indirectly by Bogart & Bacall Pty Ltd as trustee for McMurtrie Smithers Superannuation Fund.
4. Cameron Blanks has a beneficial interest in the number of Shares set out in the table above, through Eagle Co-investment Pty Limited as trustee for Pacific Private Equity Partners Fund III Co-investment Trust A and PEP Co-Investment Pty Limited.
5. Paul McCullagh has a beneficial interest in the number of Shares set out in the table above, through PEP Investment Pty Limited, Eagle Co-investment Pty Limited as trustee for Pacific Private Equity Partners Fund III Co-investment Trust A and PEP Co-Investment Pty Limited.

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Will any Shares be subject to restrictions on disposal following Completion?</td><td>The following Existing Shareholders are subject to voluntary escrow arrangements:
<table>
<tr><th>Shareholders</th><th>Number of Shares</th><th>Escrow Period</th><th>Number of Shares eligible for early release</th></tr>
<tr><td>PEP Shareholders</td><td>110,788,358</td><td>Until FY2016 Release</td><td>21,692,897[6]</td></tr>
<tr><td>ICG Shareholders</td><td>36,682,656</td><td>Until FY2016 Release</td><td>21,692,897[6]</td></tr>
<tr><td>Macquarie Shareholder</td><td>9,114,209</td><td>Until FY2016 Release</td><td>9,114,209[6]</td></tr>
<tr><td>Management (1)</td><td>24,728,014</td><td>Until FY2016 Release</td><td>Nil</td></tr>
<tr><td>Management (2)</td><td>600,000</td><td>Until 29 June 2020</td><td>600,000[7]</td></tr>
<tr><td>Eligible Employees</td><td>Up to 1,697,793[8]</td><td>Until FY2016 Release</td><td>Nil</td></tr>
</table>
</td><td>Section 7.13</td></tr>
</table>

1.6 Overview of the Offer

Topic	Summary	For more information
Who are the issuers of this Prospectus?	• Link Administration Holdings Limited (ACN 120 964 098); and • LAH SaleCo Limited (ACN 608 234 082)	Section 7.1
What is the Offer?	The Offer is an initial public offering of 84,889,644 new Shares to be issued by the Company (based on the Mid-Point Final Price)[9] and 70,100,000 Shares to be sold by SaleCo. The Shares being offered will represent approximately 42.3% of the total outstanding Shares on issue on Completion. A summary of the rights attaching to the Shares is set out in Section 7.12.	Section 7.1
Who is SaleCo?	SaleCo is a special purpose vehicle established to enable Selling Shareholders to sell part or all of their investment in Link Group on Completion.	Section 10.4

6. These shares may be released from escrow on the date that is 10 trading days following the date that the Company's half year results for FY2016 are released to the market, if the volume weighted average price of the Shares on ASX for any period of 10 consecutive trading days after such date is 20% or more above the Final Price.
7. The Board may at its absolute discretion reduce the Escrow Period for these Shares to three years (i.e. until 29 June 2018).
8. Based on the Mid-Point Final Price.
9. The actual number of Shares to be issued will be dependent on the Final Price.

Topic	Summary	For more information
What is the consideration payable for the Shares?	The Indicative Price Range for the Offer (except for the Employee Offer) is $5.41 to $6.37 per Share. The Indicative Price Range for the Employee Offer is $4.87 to $5.73 per Share, representing a 10% discount to the Indicative Price Range under the Institutional Offer, the Broker Firm Offer and the Priority Offer. Successful Applicants under the Offer (other than the Employee Offer) will pay the Final Price. Successful Applicants under the Employee Offer will pay the Employee Final Price, which will represent a 10% discount to the Final Price. The Final Price will be determined at the conclusion of the bookbuild and may be set below or within the Indicative Price Range.	Section 7.2
What is the proposed use of proceeds received in connection with the Offer?	The Offer will raise between $879.2 million – $946.5 million. The proceeds of the Offer will be applied to: • pay down existing debt within the business; • pay for the costs of the Offer; and • fund the proceeds of sale to the Selling Shareholders, which is expected to be $379.2 million – $446.5 million.[1] All of the proceeds received by SaleCo for the sale of existing Shares will be paid to Selling Shareholders.	Section 7.1.2
How is the Offer structured/ who is eligible to participate?	The Offer comprises: • the **Broker Firm Offer**, which is open to Australian and New Zealand resident retail clients of Brokers who receive a firm allocation of Shares from their Broker at the Final Price; • the **Priority Offer**, which is made to selected investors in Australia and New Zealand nominated by the Company who have received a Priority Offer invitation to apply for shares at the Final Price; • the **Employee Offer**, which is open to Eligible Employees of Link Group and is made at the Employee Final Price which will represent a 10% discount to the Final Price, (together with the Broker Firm Offer and the Priority Offer, the **Retail Offer**); and • the **Institutional Offer**, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus or the Institutional Offering Memorandum, as applicable. Consistent with a previous undertaking given to a small number of institutional investors in connection with previous transactions undertaken by Link Group, the Company has received a commitment from an investor to acquire $100 million worth of Shares at the Final Price under the Institutional Offer.	Section 7.1.1
Is the Offer underwritten?	No. The Offer is not underwritten.	Section 7.2

1. Based on the Indicative Price Range. The proceeds which SaleCo will receive will depend on the Final Price.

1. Investment Overview (continued)

Topic	Summary	For more information
Who are the Joint Lead Managers for the Offer?	The Joint Lead Managers are Citi, Deutsche Bank, Macquarie Capital and UBS.	Section 7.2
Will the Shares be quoted on the ASX?	The Company will apply to ASX within seven days of the Prospectus Date, for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code LNK). It is anticipated that quotation will initially be on a conditional and deferred settlement basis. Completion is conditional on ASX approving this Application. If approval is not given within three months after such Application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.	Section 7.2 and 7.11
What is the allocation policy?	The allocation of Shares between the Retail Offer and the Institutional Offer will be determined by the Company after consultation with the Joint Lead Managers and having regard to the allocation policy outlined in Sections 7.3.4, 7.4.4, 7.5.4 and 7.8.3. Save as set out below, the allocation of Shares among Applicants in the Institutional Offer will be determined by the Company and SaleCo in consultation with the Joint Lead Managers. The Company will allocate $100 million worth of Shares to the investor from which it has received a commitment as referred to above under the Institutional Offer. With respect to the Broker Firm Offer, it is a matter for the Brokers as to how they allocate Shares among their eligible clients. The Company will determine allocation of Shares among Applicants in the Priority Offer, in consultation with the Joint Lead Managers. Eligible Employees will receive a guaranteed minimum allocation of $2,000 of Shares under the Employee Offer. Eligible Employees may apply for additional Shares in excess to that guaranteed allocation, subject to an aggregate total allocation to Eligible Employees under the Employee Offer of $10 million worth of Shares. Subject to the guaranteed allocation to Eligible Employees, the Company and the Joint Lead Managers reserve the right to reject any Application or bid, or to allocate to any Applicant or bidder, fewer Shares than the number, or the equivalent dollar amount, applied or bid for. In addition, the Company and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of Applications) in the Broker Firm Offer which are for more than $250,000 worth of Shares.	Sections 7.2, 7.3.4, 7.4.4, 7.5.4 and 7.8.3
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares under the Offer.	Section 7.2

Topic	Summary	For more information
What are the tax implications of investing in the Shares?	Summaries of certain Australian tax consequences of participating in the Offer and investing in Shares are set out in Section 10.8. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 10.8
How can I apply?	Broker Firm Offer Applicants may apply for Shares by completing the Application Form included in or accompanying this Prospectus, and lodging it with the Broker who invited them to participate in the Offer. Applicants under the Priority Offer and the Employee Offer may apply for Shares by applying online at www.linkgroupshareoffer.com.au. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.	Sections 7.3.2, 7.4.2, and 7.5.2
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or around 2 November 2015.	Section 7.2
When can I sell my Shares on the ASX?	It is expected that trading of Shares on the ASX will commence on or about 27 October 2015 on a conditional and deferred settlement basis. It is expected that dispatch of holding statements will occur on or about 2 November 2015 and that Shares will commence trading on the ASX on a normal settlement basis on 3 November 2015. It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Section 7.11.3 and Important dates on page 8
Can the Offer be withdrawn?	The Company and SaleCo reserve the right to not proceed with the Offer at any time before the issue or transfer of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be fully refunded. **No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.**	Section 7.10
Where can I find out more information about this Prospectus or the Offer?	All enquiries in relation to this Prospectus should be directed to the Link Group IPO Information Line on: • 1300 934 599 within Australia; or • +61 2 8767 1361 outside Australia; from 8.30am until 5.30pm (AEDT), Monday to Friday. If you are unclear in relation to any matter, or are uncertain as to whether Link Group is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.	Important dates and Key Offer statistics on pages 8 and 9

Section 2

Industry Overview

2. Industry Overview

2.1 Introduction

Link Group provides a broad suite of services that connect superannuation funds and corporate clients to their members and stakeholders, primarily through its proprietary technology-enabled platforms. Link Group's operations are primarily in A&NZ which are forecast to account for over 90% of FY2016 revenue. Link Group also has an expanding global footprint in Corporate Markets.

Section 2 provides an overview of the three key industries that Link Group operates in, being:

- Australian superannuation fund administration, an industry that is important to Australia's superannuation system;
- corporate markets, a global industry that provides services that connect securities issuers with their stakeholders; and
- information, digital and data services, an industry which encompasses data analytics, digital communications, digital solutions and the development and maintenance of IT systems and platforms.

2.2 Australian superannuation system

Link Group's key market is the Australian superannuation fund administration industry, which is an important component of Australia's superannuation system.

Australia's superannuation system seeks to provide working Australians access to private income and a pool of savings that allows for higher standards of living in retirement. An objective of the system is to enhance living standards in retirement and transfer the financial burden of retirement away from being a predominantly government-funded liability.

Australian superannuation funds receive mandatory contributions made by employers (on behalf of their employees) to individuals' superannuation accounts and voluntary contributions made by individuals (members) to the same accounts. These contributions, along with capital gains and income from investments, are held by superannuation funds for their members and are normally only accessible to the individual in certain circumstances such as when they have achieved preservation age and have retired or when they are permanently incapacitated (or to their dependants in the event of death before retirement). This framework is one of the pillars in the funding of the Australian retirement income system.

The current system was established in 1992, when the Commonwealth Government implemented the Superannuation Guarantee[1] policy, which introduced mandatory employer contributions to employee superannuation accounts. Since this time, the government-imposed mandatory contributions as a proportion of each individual's total salary package or wage have progressively increased. The mandatory contribution rate at the inception of the system was 3% and was raised most recently to 9.5% from 9.25% on 1 July 2014. This rate is expected to increase to 12% over the next decade[2]. Mandatory contributions made by employers on behalf of employees, additional employer contributions and contributions made by salary sacrifice are subject to concessional marginal tax rates (up to the current cap of $30,000 to $35,000 per person per annum, depending on their age) to encourage Australians to save more for their retirement.[3]

The superannuation system and its regulatory framework continue to evolve and a number of changes have been made since the system was introduced, including:

- establishment of the industry's key regulator, the Australian Prudential Regulation Authority (**APRA**) in 1998;
- liberalisation of the ability of employees to choose their own superannuation fund, including self-managed superannuation funds (**SMSF**s) (e.g. Superannuation Choice legislation[4] in 2005, which stimulated increased competition amongst funds);
- alterations to the taxation framework (e.g. through the Simplified Superannuation reforms[5] in 2007); and
- Stronger Super reforms in 2011 that introduced a number of different measures including the creation of a new, simple, low-cost default superannuation product called MySuper and enhancements to the disclosure and reporting requirements for superannuation funds.

Under this framework, Australia's superannuation FuM has grown significantly over time. The strong growth in total FuM can be attributed to a number of factors, including Superannuation Guarantee contribution rate increases, tax incentives, growth of the Australian economy and the compounding return on assets as the industry matures.

As at 30 June 2015, the Australian superannuation industry had over $2.0 trillion of FuM, greater than 100% of Australia's 2014 GDP.[6] As shown in Figure 2.1, between FY2004 and FY2014, FuM has grown at a CAGR of 11.2% and are expected to continue to grow strongly. Changing government regulation is expected to continue to be a driver of the industry. Key factors include the expected gradual increase of the Superannuation Guarantee rate to 12% over the next decade, changes to reporting and compliance, changes to the age at which a pension is accessible and tax incentives.

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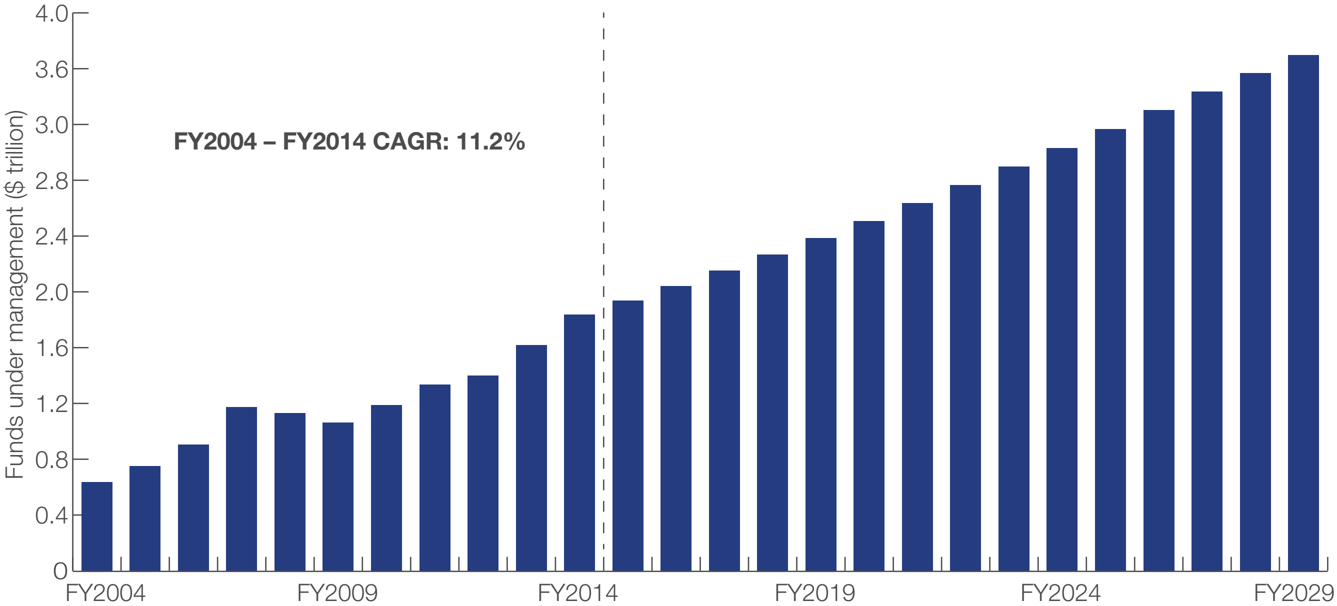
1. Superannuation Guarantee means compulsory superannuation contributions made by employers on behalf of their employees.
2. Australian Taxation Office, Superannuation guarantee percentage, last modified 24 June 2015.
3. Australian Taxation Office, Your age and superannuation contributions caps, last modified 30 June 2015.
4. *Superannuation Legislation Amendment (Choice of Superannuation Funds) Act 2004* (Cth).
5. *Tax Laws Amendment (Simplified Superannuation) Act 2007* (Cth).
6. APRA, Quarterly Superannuation Performance June 2015 issued 20 August 2015; Reserve Bank of Australia, Submission to the Financial System Inquiry March 2014.

2. Industry Overview (continued)

Figure 2.1: Total Australian superannuation FuM

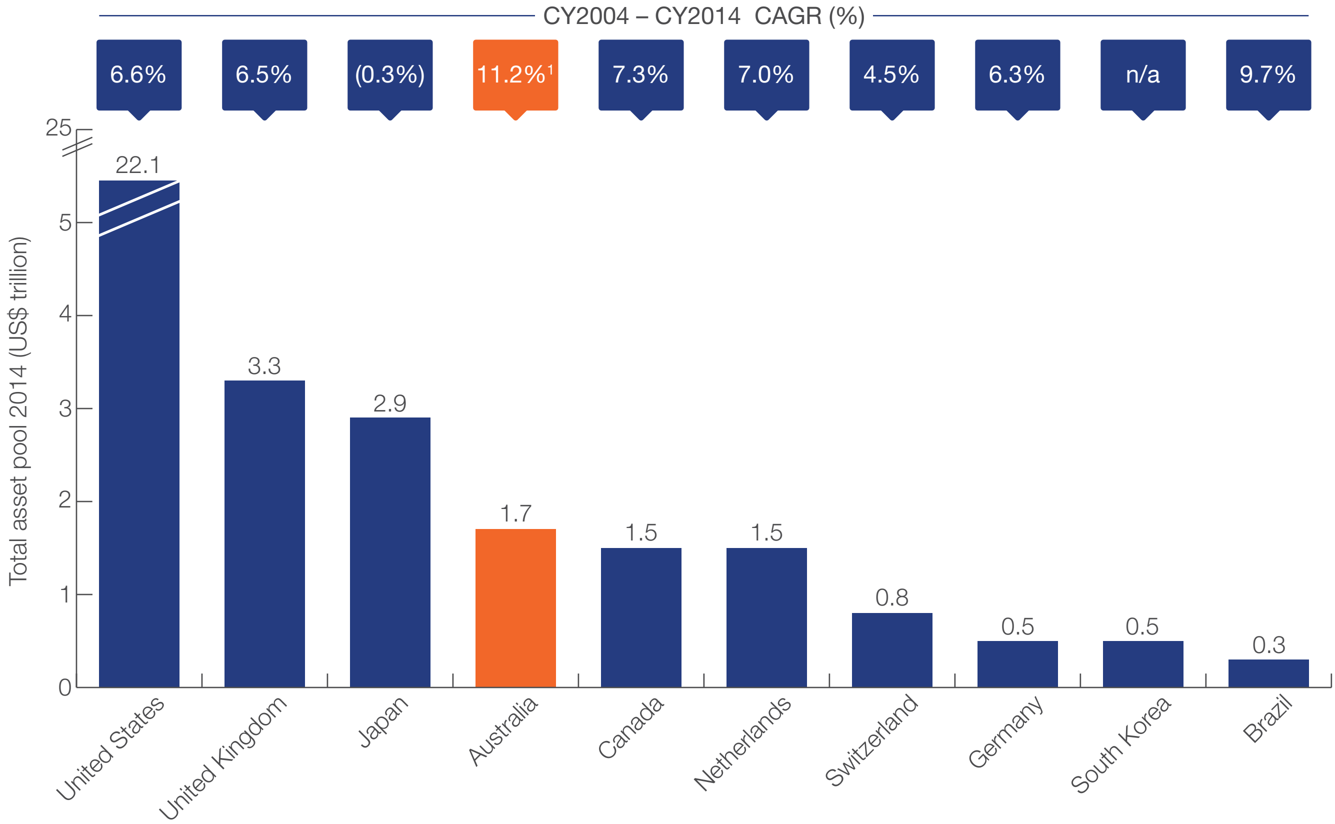


Source: APRA Superannuation Bulletin 2013, revised February 2014; APRA Quarterly Superannuation Performance June 2015, issued 20 August 2015; projections based on data from Rice Warner (2015).

As illustrated in Figure 2.2, Australia currently has the fourth largest private retirement savings pool in the world, behind the United States, Japan and the United Kingdom, and has exhibited the strongest growth of the top 10 largest pools in the last decade. Total FuM in Australia are expected to grow to approximately $3.7 trillion by FY2029.[7]

7. Based on data from Rice Warner (2015).

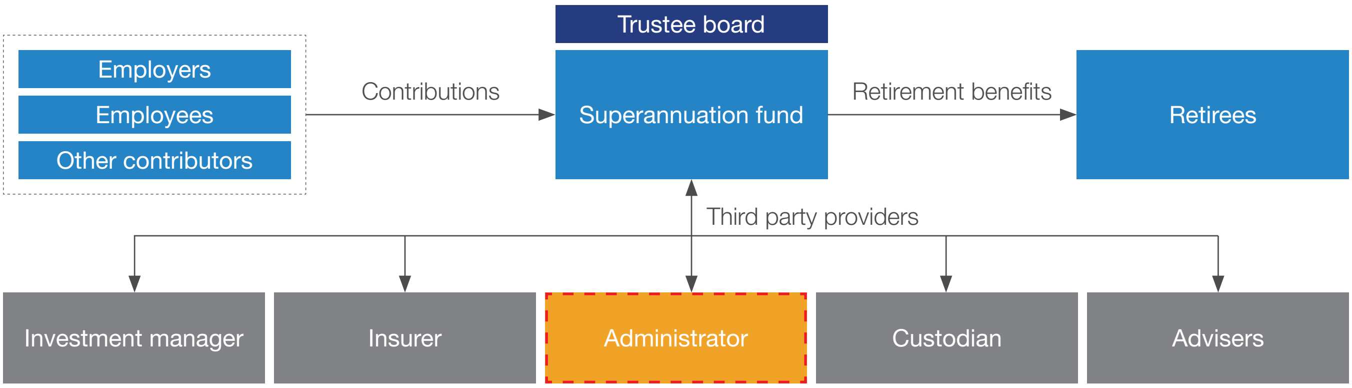
Figure 2.2: Top 10 largest global pension pools



Source: Towers Watson Global Pension Asset Study, February 2015.
Note: Figure 2.2 presents 2014 data. As at 30 June 2015, the Australian superannuation system has over $2.0 trillion in FuM.

Superannuation funds are trusts and are managed by trustees or a trustee board (excluding government funds which can have different legal structures). As the trustee of its members' superannuation accounts, a superannuation fund has a fiduciary obligation to act in the best interests of its members through the operation of the fund and management of the assets in the fund. In order to do this, the trustee often outsources the majority of the fund's functions to specialists, as depicted in Figure 2.3, with the exception of administration which is still held in-house by a large number of funds.

Figure 2.3: Common superannuation fund structure[2]



Note: Employees and retirees as presented above represent members in different stages of the superannuation cycle.

1. Based on FY2004 and FY2014 FuM in Australian dollars, sourced from APRA, Superannuation Bulletin 2013, revised February 2014, and APRA, Quarterly Superannuation Performance, June 2015, issued 20 August 2015.
2. SMSFs have a different structure and are typically less complex and are therefore not reflected in this diagram.

2. Industry Overview (continued)

Outsourced service providers include custodians who on behalf of the trustee hold the assets on behalf of members, investment managers who are responsible for investing and managing the assets and administrators, such as Link Group, who are responsible for the fund's day-to-day administrative operations. The trustee board manages these outsourced arrangements.

2.3 Australian superannuation fund administration industry

The Australian superannuation fund administration industry is engaged in connecting Australian superannuation funds with their members. Link Group began providing fund administration services following the acquisition of Australian Administration Services in 2006, which had been providing these services since 1987, before the current superannuation system was established.

2.3.1 Fund administration industry background

There are approximately 250 APRA regulated and non-APRA regulated government superannuation funds in Australia.[3] Each of these funds requires administration services which can be provided by a third party such as Link Group, administered in-house or by adopting a model whereby the fund is administered in-house with third party fund administration software and platforms. Core administration services include:

- data management;
- member communication;
- contribution processing;
- benefit payments;
- call centre operation;
- client accounting;
- insurance premium collection and claim administration; and
- statement processing.

In addition to these core services, superannuation funds seek to differentiate themselves from competitors by offering value-added and trustee services including:

- stakeholder education;
- financial planning services for members; and
- digital communication.

There is also a growing trend of funds seeking to analyse and understand their members in greater detail, in order to implement tailored solutions to monitor and improve member engagement. As part of this, providers such as Link Group offer their fund clients data analytics services.

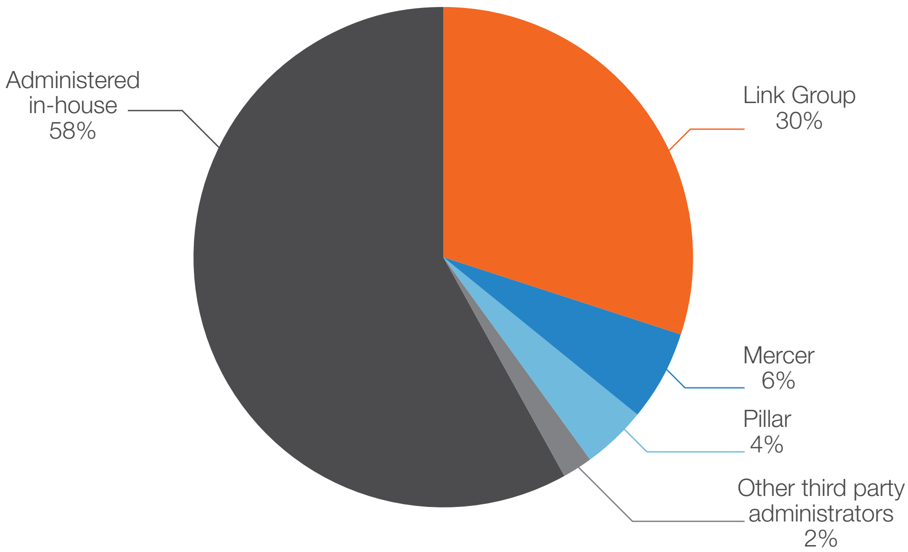
Superannuation funds are increasingly able to offer these core and value-added services to a broader range of members as funds that were historically restricted to certain categories of members open up to the general public.

2.3.2 Fund administration industry size and structure

It is estimated that the current annual spend by Australian superannuation funds (excluding SMSFs) on core administration services is greater than $2.0 billion, excluding value-added services.[4] Figure 2.4 illustrates the current estimated market share by administration expenses for APRA regulated superannuation funds and non-APRA regulated government superannuation funds. Core administration services form a significant part of superannuation funds' operating expenses, which have grown at a CAGR of 9% between FY2004 and FY2014.[5]

3. Based on June 2015 number of funds, excluding SMSFs, sourced from APRA, Quarterly Superannuation Performance, June 2015, issued 20 August 2015.
4. Based on data from Rice Warner (2015).
5. Based on Total Operating Expenses, sourced from APRA, Fund Level Profiles and Financial Performance, issued 20 May 2015.

Figure 2.4: Australian superannuation administration industry by core administration service expense



Source: Based on data from Rice Warner (2015).
Note: Analysis excludes value-added services. SMSFs have a different structure and are excluded from this analysis.

There are broadly three types of superannuation fund administration models available to trustees of superannuation funds:

- **in-house administration:** where the administration services are performed by the fund itself. As illustrated in Figure 2.5, large in-house administered funds include The Universal Super Scheme (National Australia Bank), AMP Superannuation Savings Trust and QSuper;
- **in-house administration with third party fund administration software and platforms:** where superannuation funds acquire services from third parties to perform essential functions, while performing the remaining administration functions in-house. Typically, under this model, the IT platform for core administration services is provided by a third party, while the superannuation fund administers the operation of the platform using its own staff. Providers of third party IT administration platforms include Bravura, DST Systems, Financial Synergy, GBST, Link Group through IDDS and SunGard. The superannuation funds that employ this administration model are included in Figure 2.4 as administered in-house; and
- **outsourced administration:** where superannuation funds contract independent service providers to provide all of their core administration services. Leading outsourced service providers include Link Group, Mercer and Pillar.

In relation to SMSFs, a large number of providers offer tailored superannuation administration services to these funds. Providers of administration services to SMSFs include financial planners, accountants, tax advisers, banks and wealth managers. There are many providers of IT platforms that cater specifically to SMSFs.

Link Group's differentiating factors and its strategy to compete with other industry participants are discussed in Section 3.5.1.

As shown in Figure 2.5, the majority of Australia's 10 largest superannuation funds by estimated administration and related fees currently employ the in-house administration model.

Figure 2.5: Australia's 10 largest superannuation funds by estimated administration and related fees

Fund	% total industry's estimated administration and related fees (FY2014)	Status of administration	Number of members as at 30 June 2014	Description
The Universal Super Scheme	8%	In-house	1.2 million	Superannuation fund provided by MLC (National Australia Bank)
AMP Superannuation Savings Trust	7%	In-house	2.4 million	Superannuation fund provided by AMP
AustralianSuper	5%	Outsourced ✓ Link Group	2.1 million	Superannuation fund servicing multiple industries
State Public Sector Superannuation Scheme (QSuper)	5%	In-house	0.5 million	Fund that is only open to public sector employees in Queensland and not to the general public
Retirement Wrap	4%	In-house	0.8 million	Superannuation fund provided by BT (Westpac)
Colonial First State FirstChoice Superannuation Trust	4%	In-house	0.8 million	Superannuation fund provided by Colonial First State (Commonwealth Bank)
Sunsuper Superannuation Trust	3%	In-house	1.1 million	Queensland-based multi-industry superannuation fund
Retail Employees Superannuation Trust (**REST**)	3%	Outsourced ✓ Link Group	2.1 million	Superannuation fund historically for retail industry employees
Suncorp Master Trust	2%	In-house	0.2 million	Superannuation fund provided by Suncorp
OnePath Masterfund	2%	In-house	1.1 million	Superannuation fund provided by ANZ

Source: Estimates of administration and related fees based on data from Rice Warner (2015); number of members sourced from APRA, Fund Level Profiles and Financial Performance, issued 20 May 2015.

Figure 2.5 does not include any Eligible Rollover Funds (**ERF**s), which are superannuation funds that are eligible to receive accounts automatically rolled over from other funds. Accounts can be automatically rolled over from another superannuation fund to an ERF in a number of complying circumstances, for example, if a member becomes uncontactable. The average balances of member accounts in ERFs are lower than those in other funds. Administrators typically receive lower fees per member to administer ERFs compared to those for other funds as the cost of servicing ERFs is typically lower.

2.3.3 Fund administration industry dynamics

Existing industry participants may benefit from the industry dynamics outlined below:

- **technology:** a significant amount of time and capital must be invested to design and maintain an effective, scalable and secure administration platform for the superannuation industry. For potential new entrants, technology poses a challenge as significant time and material investment is often required to develop, implement and maintain a functional and efficient fund administration platform;
- **operating scale:** due to the high fixed cost nature of fund administration operations, a comparatively high number of clients and underlying members are required to achieve the level of efficiency required to offer material benefits to funds that currently perform these administration functions in-house;
- **client integration:** administrators have a significant level of integration with various stakeholders in the Australian superannuation fund administration industry including clients, employers and employees. For example, administrators are engaged in multiple and complex interactions with industry stakeholders on a daily, weekly and monthly basis, including collecting contributions from employers and employees, posting contribution amounts to relevant member accounts, communicating with members on behalf of their clients, transferring monies to fund managers and custodians and paying insurance premiums to different insurance providers on behalf of their clients. This integration promotes strong relationships with clients and long-term contractual arrangements; and
- **operational risks of switching service providers:** there is potential for disruption and administrative errors when a client moves from one provider to another. These risks typically increase with the number of member accounts and the complexity of record-keeping.

The above factors contribute to Link Group's high level of client retention which is discussed in further detail in Section 3.3.

2.3.4 Fund administration industry drivers

The Australian superannuation fund administration industry is impacted by a number of key drivers.

2.3.4.1 Outsourcing

Outsourcing administrative functions allows superannuation funds to focus on their core competencies. A range of factors may drive outsourcing of services, including but not limited to:

- the evolving regulatory environment, which has substantially increased the complexity of the superannuation system and imposes administrative burdens and changing requirements on superannuation funds;
- the service benefits to superannuation fund members; and
- the high level of public scrutiny on superannuation fund costs.

Recently, large superannuation funds, such as the Western Australian Government Employees Superannuation Board (**GESB**) and Superpartners' clients, have elected to utilise outsourced administration service providers. In addition, the total number of outsourced member accounts has increased from 5.7 million in 2008 (18% of total member accounts) to 11.0 million in 2014 (37% of total member accounts).[1]

2.3.4.2 Fund member accounts

The total number of superannuation fund member accounts has increased throughout the period from 1992 to 2010, peaking at 33 million member accounts in 2010. Many Australians have multiple superannuation accounts.

Growth in member accounts is supported by a number of factors, including:

- the increase in participation rates in the superannuation system, as new generations of Australians join the superannuation system from their first day of work;
- steady growth in the number of employed persons in Australia, having grown at a CAGR of 1.9% between FY2004 and FY2014, and expected to grow at a CAGR of 2.0% over the next five years[2], which is driven by:
  - population growth (including net immigration);
  - an increase in average ages at retirement, reinforced by the raising of the age at which the Commonwealth Government's Age Pension is available; and
  - changing societal trends, such as increased female participation in the workforce and an increase in families with both parents participating in the workforce;

1. Proportion of total member accounts based on member accounts of APRA regulated and non-APRA regulated government superannuation funds and excludes SMSFs, based on data from Rice Warner (2015); APRA, Superannuation Bulletin 2013, revised February 2014.
2. Historical growth sourced from Australian Bureau of Statistics, Time Series 6.202.0 Labour Force, Australia, released 6 August 2015; projected growth sourced from Department of Employment, Industry Employment Projects for the five years to November 2019, released 2015.

- a larger pool of retirees who actively manage their superannuation accounts and rely on their superannuation savings. Pensioner member accounts typically represent a higher value segment for administrators given their increased levels of engagement and demand for value-added services. The number of pension member accounts in APRA regulated superannuation funds and non-APRA regulated government superannuation funds has increased from approximately 0.5 million in 2004 (1.9% of members) to 1.2 million in 2014 (4.0% of members)[3]. The continued growth in pension member accounts is expected to be driven by:
  - longer life expectancy;[4] and
  - changing retiree demographics as individuals who have been employed during the mandatory superannuation era move into retirement;
- the increasing mobility of the workforce across different jobs and industries, leading to employees establishing multiple superannuation accounts.

Since 2010, superannuation fund member accounts in aggregate have declined to 30 million from 33 million, as member number growth has been offset by Commonwealth Government initiatives to promote consolidation and roll over of multiple accounts held by individuals. These initiatives include the USM rules of the Australian Taxation Office (**ATO**). The USM rules require the superannuation fund to twice yearly pay to the ATO unclaimed superannuation benefits that satisfy an unclaimed superannuation category. Broadly, a member's account is classified as unclaimed where any of the following conditions apply:

- the member is aged 65 or older and uncontactable;
- deceased member account which is considered to be unclaimed;
- former temporary resident as advised by the ATO; or
- member with a lost account which is under $2,000 (current threshold).

Under the USM rules, the superannuation fund retains the lost member within the fund subject to the lost member's account balance being above a prescribed threshold (initially $200 and increased to $2,000 in 2012). If the balance of the account is below the prescribed threshold, the member account and balance is required to be transferred to the ATO. During the last financial period, approximately 140,000 member accounts of Link Group's clients were transferred to the ATO under the USM rules, which is approximately 1.3% of Link Group's total member accounts as at June 2015. By virtue of their low member account balance and the inherent characteristics of ERFs, the USM rules have impacted ERFs more than other superannuation funds.

While the USM threshold is forecast to increase to $4,000 from 31 December 2015 and $6,000 from 31 December 2016, Link Group management expects that the impact on member accounts of Link Group's clients will be less than the impact when the threshold increased from $200 to $2,000, given that:

- account holders with higher balances are more likely to be actively engaged;
- many members may have a preference for retaining multiple accounts in order to access the associated insurance benefits; and
- the increased notice period of the implementation of USM threshold changes has allowed superannuation funds to adopt strategies to engage with their members and prevent accounts from being deemed lost and thereafter being transferred to the ATO as unclaimed.

2.3.4.3 Further adoption of value-added services

The impact of USM has led to an increasing focus by superannuation funds on member engagement. The increasing focus on strategies to engage with members has been a positive dynamic for the superannuation fund administration industry as it has allowed service providers, including Link Group, to provide a number of incremental services to funds, such as data analytics, member education and digital communication. These value-added services assist with strengthening member engagement and identification of potential members that are in danger of becoming classified as lost members.

2.3.4.4 Consolidation of funds in the superannuation system

The Australian superannuation industry has seen significant consolidation in the number of funds in the last decade. The number of APRA regulated superannuation funds and non-APRA regulated government superannuation funds has fallen materially from greater than 1,200 in 2004 to approximately 250 currently, driven by the growing pressure to achieve economies of scale. These forces are expected to lead to continuing industry consolidation and trend towards a smaller number of larger-scale funds in the industry, which is a positive dynamic for service providers such as Link Group whose fund clients include large superannuation funds.

Consolidation was more pronounced in the initial period following the implementation of Superannuation Choice regulations in 2005, which allowed members to select their own funds and, consequently, forced funds to be more competitive on fees and seek to improve the quality and range of their service offering.

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3. Based on pension members of APRA regulated superannuation funds, sourced from APRA, Fund Level Profiles and Financial Performance, issued 20 May 2015 and estimates of pension members of non-APRA regulated government funds based on data from Rice Warner (2015).
4. Australian Bureau of Statistics, Time Series 3105.0.65.001, Life expectancy at birth, released 18 September 2014; Australian Treasury Projections, 2015 Intergenerational Report, released 5 March 2015.

As a result, value-added services and the quality of technology made available to superannuation fund clients became a key differentiator and source of competitive advantage. These services enable better member engagement, functionality, services and improved efficiency.

2.4 Corporate markets industry

Link Group's Corporate Markets division offers a broad suite of services and operates in the corporate markets industry across a number of countries and regions. The industry has evolved significantly in the last two decades, delivering a suite of key services that connect issuers to their stakeholders. These key services are outlined in Figure 2.6.

Figure 2.6: Corporate markets key services

Service	Description
Shareholder management and analytics	Data analytics products such as ownership analysis (e.g. share register analysis or shareholder identification) and other market intelligence products that together allow companies to identify, profile, track, manage, target and engage with institutional shareholders, investors (including beneficial owners who hold their investments through nominees), potential investors and the wider investment community
Stakeholder engagement	Broad suite of services encompassing: – **proxy solicitation:** undertaking shareholder communication campaigns; – **bond transactions management:** locating and communicating with bondholders; and – **insolvency solutions:** connecting with and managing stakeholders in insolvency events.
Share registry	Core service is the maintenance of public company share registers to ensure accurate and current shareholder information and the management of communications with issuers' shareholders. Additional services include treasury management (e.g. dividend and mergers and acquisitions distributions), annual general meeting management and corporate action support
Employee share plans	Design and administration of company-sponsored employee incentive plans
Company secretarial	Offering comprises corporate and commercial legal services, company secretarial services and corporate administration solutions. Services include formal statutory officer appointments, governance reviews, external counsel and a range of corporate administration services

Source: Link Group management.

2.4.1 Corporate markets industry background

The competitive landscape varies across service lines and geographies. Only a few participants have the capability to offer the full spectrum of corporate markets services. Some of the key participants in the market are members of the Global Share Alliance (**GSA**).

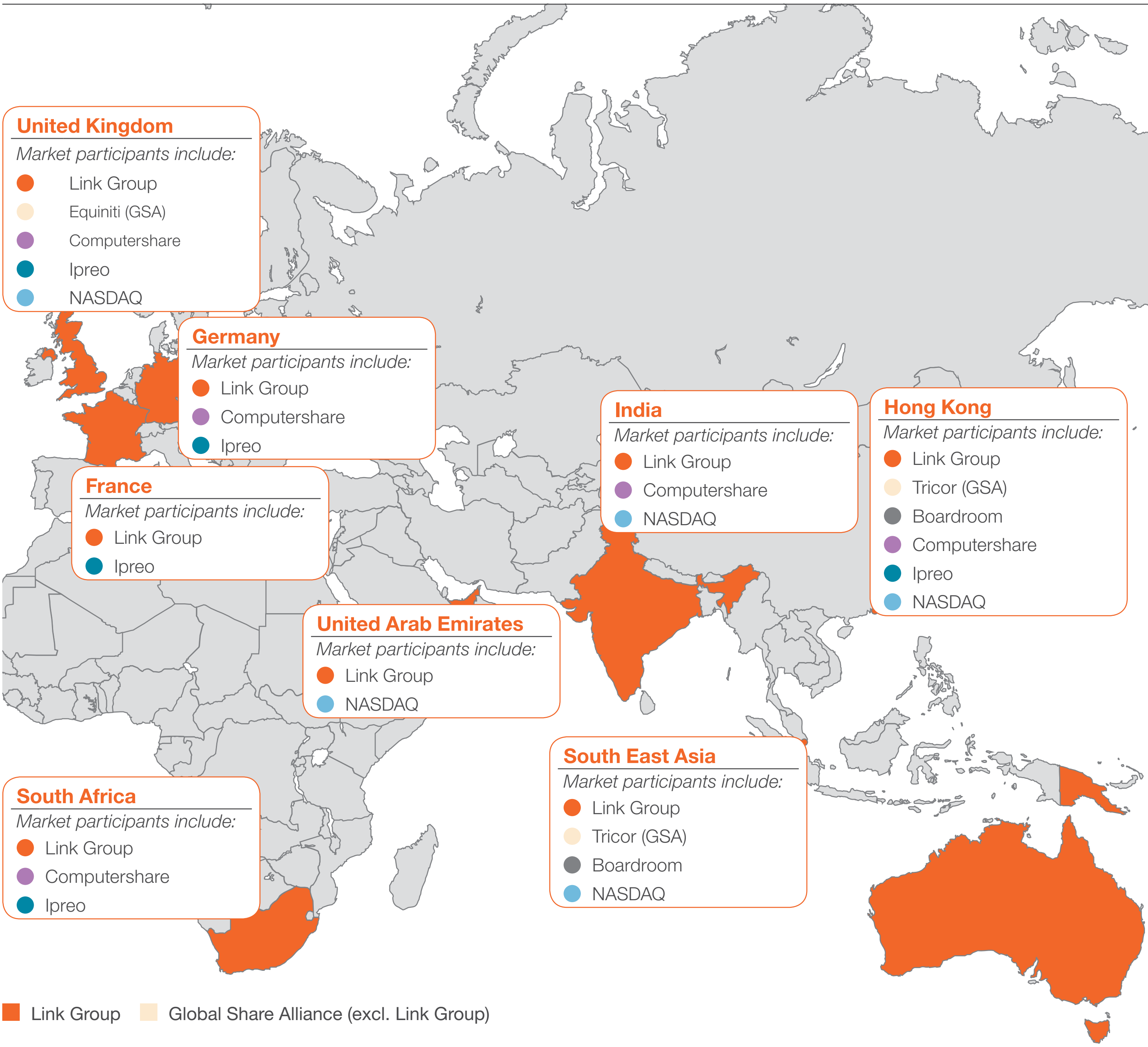
The GSA is a multinational network of corporate markets service providers formed in 2011. Through the GSA, members such as Link Group can deliver integrated solutions comprising shareholder management and analytics, share registry, and other capital market related services to their clients. The GSA has grown significantly since its inception and its members currently manage in excess of 40 million shareholder records on behalf of more than 5,000 clients. Members of the alliance include:

- American Stock Transfer & Trust Company LLC (**AST**) (North America)/CST Trust Company (**CST**) (North America);
- Equiniti (United Kingdom);
- Link Group (A&NZ, Europe, Middle East and Africa, India and Asia);
- Tricor (Asia); and
- Wells Fargo (North America).

In the corporate markets industry, Link Group's major geographic market is Australia, where its competitors include NASDAQ and Computershare. In addition to these global operators, Link Group competes in Australia with a number of smaller participants including Advanced Share Registry, Boardroom and Security Transfer Registrars.

In jurisdictions outside Australia, Link Group's competitors in the corporate markets industry include Ipreo, NASDAQ and Computershare.

Figure 2.7: Key participants in those markets in which Link Group's Corporate Markets operates



Note: List of market participants shown for each region is non-exhaustive.

Link Group

Advanced Share Registry (ASR)

ASX-listed share registry provider (share registry)

Boardroom

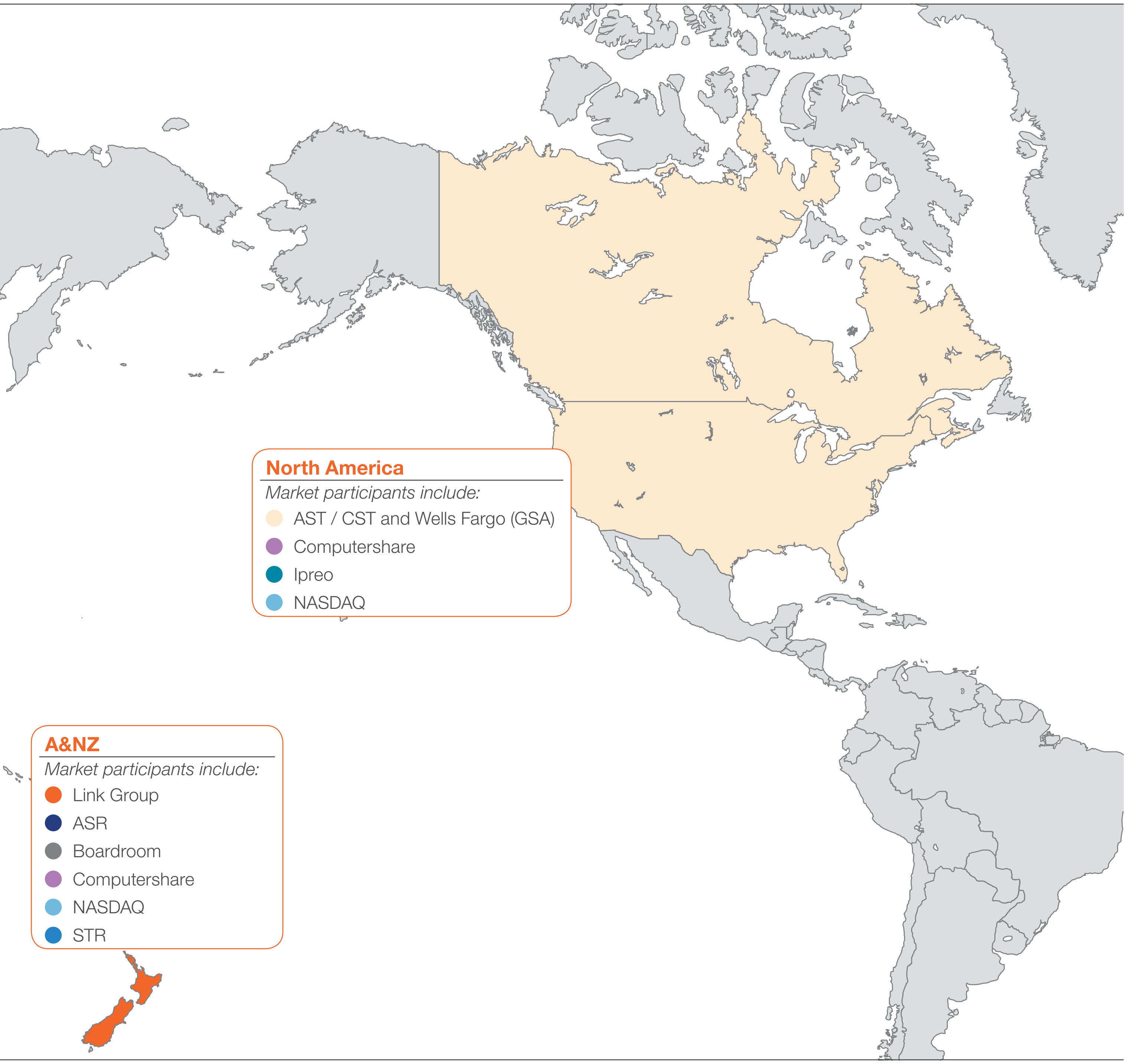
Singapore Stock Exchange-listed provider (share registry and company secretarial)

Ipreo

Privately owned global provider (shareholder management and analytics, and stakeholder engagement)

NASDAQ

NASDAQ-listed provider (shareholder management and analytics, and stakeholder engagement)



Computershare

ASX-listed provider
(shareholder management and analytics, stakeholder engagement and share registry)

Security Transfer Registrars (STR)

Australia-based share registry provider
(share registry)

Global Share Alliance (GSA) (excl. Link Group) (share registry)

AST/CST
North American-based provider

Wells Fargo
NYSE-listed provider

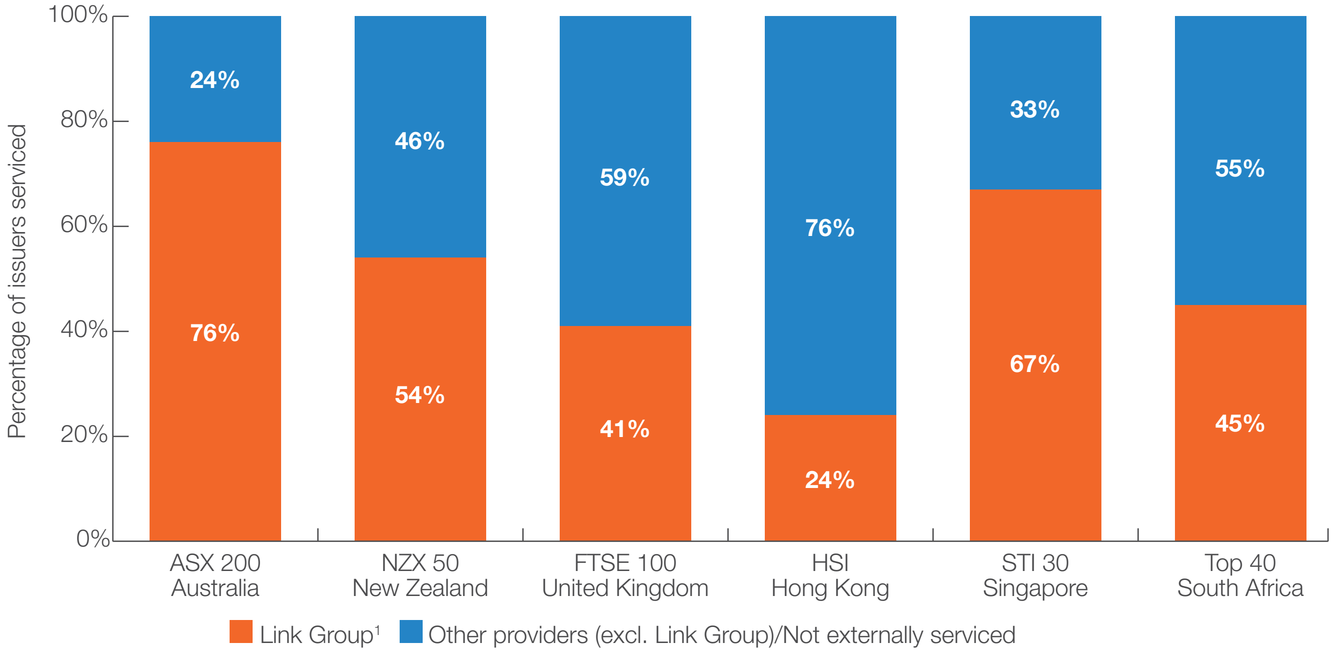
Equiniti
United Kingdom-based provider

Tricor
Hong Kong-based provider

2.4.2 Corporate markets industry size and structure

The global corporate markets industry is estimated by Link Group management to generate over $4.0 billion in revenue per annum. In Link Group's Corporate Markets division, shareholder management and analytics and share registry are two of the key services. The percentage of issuers serviced by these businesses is illustrated in Figures 2.8 and 2.9. As illustrated in Figure 2.8, Link Group holds the No.1 market position in shareholder management and analytics in Australia, New Zealand, the United Kingdom and South Africa, and is a leading service provider in France, Germany, Ireland, Hong Kong and Singapore. Other global competitors in the shareholder management and analytics market are NASDAQ and Ipreo.

Figure 2.8: Global shareholder management and analytics competitive landscape – percentage of issuers serviced by Link Group



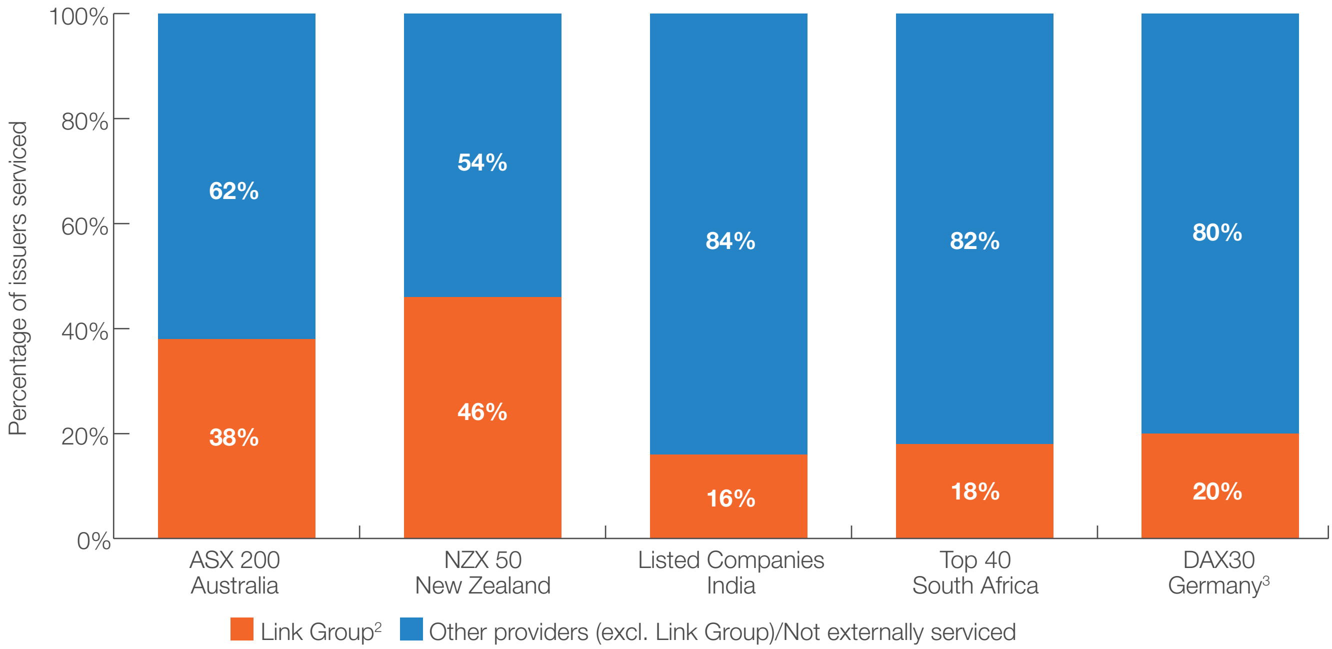
Source: Link Group management estimates. Based on number of companies in the relevant index as at June 2015.

As illustrated in Figure 2.9, Link Group provides share registry services in a number of markets. Link Group holds strong market positions, with opportunities to increase market penetration as its service offering in each region matures.

1. Percentage of issuers serviced by Link Group includes those issuers for whom Link Group is not the exclusive service provider.

2. Industry Overview (continued)

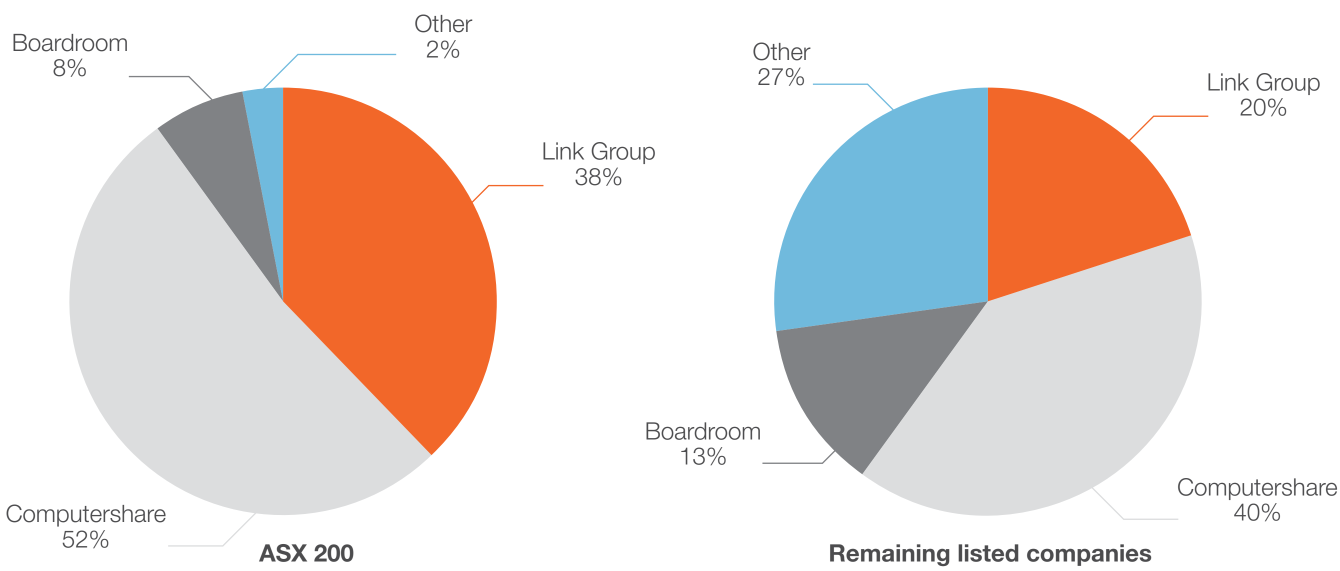
Figure 2.9: Global share registry competitive landscape – percentage of issuers serviced by Link Group



Source: Publicly available stock exchange data. Based on number of companies in the relevant index as at June 2015.

In the Australian share registry market, there are two major participants – Computershare and Link Group, as illustrated in Figure 2.10.

Figure 2.10: Key market participants in the ASX share registry market



Source: Publicly available stock exchange data. Based on number of issuers as at June 2015.

2. Percentage of issuers serviced by Link Group includes those issuers for whom Link Group is not the exclusive service provider.
3. Only 50% of the DAX30 represents registered shares (i.e. the market Link Group operates in).

There are a number of smaller providers, such as Boardroom, who have less than 10% market share (by number of companies serviced in the ASX 200). Market shares for the key participants have been relatively static over the last five years on a number of shareholders administered basis. Link Group's strong market share (approximately 38% based on the number of companies serviced in the ASX 200) has been stable since 2009.

The provision of share registry services to listed companies outside the ASX 200 is less concentrated and the Company believes this represents an opportunity for further market penetration.

2.4.3 Corporate markets industry dynamics

Existing industry participants may benefit from the market dynamics outlined below. Equally, some of these factors may pose challenges to smaller or offshore providers seeking to operate in the market.

- **Shareholder management, analytics and stakeholder engagement:** increasingly, boards of directors and senior management of listed companies are interested in developing a greater understanding of their existing and potential investors and engaging with these stakeholders. Increased focus on corporate governance and heightened levels of shareholder activism have contributed to this trend. An effective offering drives adoption of services provided by third party service providers such as Link Group.
- **Technology:** not only are there significant costs associated with designing, developing, testing and implementing functional IT systems, ongoing investment is required to maintain and upgrade these systems to improve efficiency, minimise risks of technology failure and ensure data privacy. An effective and scalable IT system is essential for attracting larger clients with a higher number of shareholder accounts and is a key revenue driver for service providers such as Link Group.
- **Regulatory requirements:** jurisdiction-specific regulatory requirements may impact the ability of offshore market participants entering a particular market. In Australia, for example, offshore participants may be required to make significant (and costly) modifications to existing technology platforms to ensure compatibility with CHESS and compliance with domestic regulations (e.g. ASX rules).
- **Longer term contracts:** the trend towards longer term share registry contracts (typically three years or longer) results in fewer contracts coming up for renewal over any given time period.

2.4.4 Corporate markets industry drivers

The corporate markets industry is impacted by a number of global and region-specific factors, such as economic health and the geopolitical environment. Some of the key industry-specific drivers include:

- **increased levels of shareholder activism:** this drives the number of subscribers and frequency of analysis as companies seek to better understand and manage their shareholder base;
- **heightened awareness of the importance of investor relations:** there is a need for a better understanding of investor activity and behaviour and its influence on corporate actions;
- **company listings:** while the number of companies listed on the world's stock exchanges has declined since peak levels in 2007, there has been a recent recovery, driven by movement in emerging exchanges, especially in Asia.[1] Global IPO activity in 2014 was at its strongest level since 2011, with more than 1,200 new listings in 2014[2];
- **corporate activity:** although the value of global IPOs has grown at a CAGR of 16% between 2011 and 2014[3], both capital raisings and mergers and acquisitions have been at relatively low levels in recent years. However, global public mergers and acquisitions activity has increased in the last year with US$700 billion and US$707 billion of activity in 2013 and 2014 respectively[4]; and
- **number of shareholder accounts:** is an important driver and can vary with the factors noted above, as well as additional factors such as retail shareholder ownership.

1. The World Bank, Total listed domestic companies, last updated 28 July 2015.
2. Dealogic, based on volume of global IPOs in 2014, July 2015.
3. Dealogic, based on value of global IPOs in 2013 and 2014, July 2015.
4. Dealogic, based on value of completed mergers and acquisitions, July 2015.

2.5 Information, digital and data services industry

The information, digital and data services industry is a very large and broad global market. The industry contains a number of service lines, including:

- software sales;
- software licensing;
- privacy and security;
- website development;
- digital solutions;
- digital communications;
- data analytics;
- facilities management; and
- development and maintenance of IT systems and platforms.

Link Group's Information, Digital and Data Services division focuses on the following key service lines: development and maintenance of proprietary IT systems and platforms, licensing of in-house fund administration software and the value-added services of data analytics, digital solutions and digital communications.

2.5.1 Information, digital and data services industry background, size and structure

The competitive landscape varies across different service lines and geographies. Value-added services and the licensing of in-house fund administration software to external clients are forecast to account for 22% of Link Group's Information, Digital and Data Services FY2016 revenue. Link Group's key competitors in these service lines include:

- **in-house administration software:** Bravura, DST Systems, Financial Synergy, GBST and SunGard;
- **data analytics:** large number of participants; Link Group is a leader in the data analytics for fund administration and corporate markets industries;
- **digital solutions:** various website and mobile applications and development businesses; and
- **digital communications:** Blue Star Group, Computershare, Fuji Xerox and various smaller participants.

2.5.2 Information, digital and data services industry dynamics

The development and maintenance of IT systems and platforms are a service line that targets businesses that require the implementation of IT initiatives. The market for this service is driven by businesses aiming to automate and streamline workflow and administration tasks to realise cost efficiencies. In addition to the realisation of cost efficiencies, the development of IT systems can assist in improving customer relationship management and ongoing client/customer interaction.

Link Group's Information, Digital and Data Services division's value-added services of data analytics, digital solutions and digital communications form part of the broader marketing services sector. A key focus of the sector is increasing the efficiency and effectiveness of targeted communication and marketing campaigns for businesses. The marketing services sector is underpinned by attractive dynamics as businesses are increasingly focused on targeted marketing efforts based on the analysis of internal and external data sets. The data analytics offered by service providers such as Link Group allow businesses to better understand member and customer preferences and predict customer behaviour.

2.5.3 Information, digital and data services industry drivers

Some of the key industry-specific drivers of service lines that Link Group focuses on include:

- **level of activity in the fund administration and corporate markets industries:** the level of activity in these industries influences the demand for the development and maintenance of industry-specific IT systems and platforms;
- **increasing engagement with stakeholders:** an increasing focus by listed companies and superannuation funds on connecting and engaging with their stakeholders is an important driver of marketing campaigns. This increasing engagement can lead to demand for data analytics, digital communications and digital solutions;
- **regulatory change:** regulatory change often drives the demand for bespoke projects from clients. For example, recent superannuation reforms such as Stronger Super have led to increased project revenues for Link Group's Information, Digital and Data Services division; and
- **innovation in products and services:** service providers such as Link Group aim to develop innovative software and technology for existing and future clients.

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LINK GROUP

Section 3

Company Overview

3. Company Overview

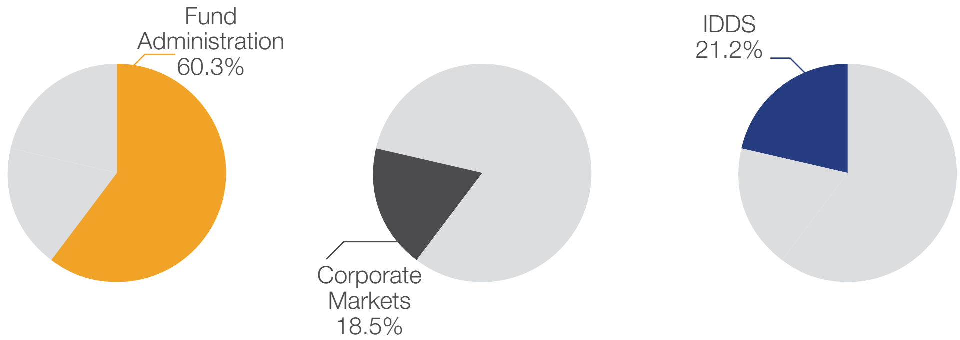
3.1 Overview of Link Group

Link Group administers financial ownership data for over 2,300 clients globally, servicing an underlying stakeholder base of over 10 million superannuation account holders and over 20 million individual shareholders. In servicing these stakeholders, Link Group completes 20 million transactions, processes $70 billion in payments and receives over 4.6 million calls per year. Link Group's innovative software solutions and technology platforms enable it to provide comprehensive solutions to its client base. Link Group's largest geographic market is A&NZ which is forecast to account for over 90% of its FY2016 revenue. Since its inception, Link Group has been entrusted by clients to handle sensitive data in a secure and confidential manner.

Figure 3.1: Link Group divisional overview

	Fund Administration	Corporate Markets	Information, Digital and Data Services
Description	– Administration services for superannuation funds – No.1 market position in Australia[1] – Over $2.0 billion industry[2] – Combines its proprietary technology, processes and people to deliver a complete financial data solution to its superannuation clients	– Comprehensive corporate market offering – Connects issuers with their stakeholders – A leading service provider in all of Link Group's key markets	– Innovative software solutions and technology platforms – Approximately $300 million invested by Link Group over the last nine years – Scalability provides high operating leverage
Underlying stakeholders	**Over 10 million superannuation account holders**	**Over 20 million individual shareholders**	**Over 30 million financial records**
Key services	– Core administration services – Stakeholder education and advice – Value-added data management and analytics	– Shareholder management and analytics – Stakeholder engagement – Share registry – Employee share plans	– Core systems development and maintenance – Digital communications and solutions – Data analytics

FY2016 revenue contribution[3]



	Fund Administration	Corporate Markets	Information, Digital and Data Services
Full time equivalent employees (**FTE**s)[4]	2,656	865	781

1. Market position in the Australian superannuation fund administration industry is based on the number of member accounts serviced.
2. Based on data from Rice Warner (2015). Analysis excludes value-added services. SMSFs have a different structure and are excluded from this analysis.
3. Pre eliminations.
4. Based on 30 June 2015 FTE numbers.

3. Company Overview (continued)

Link Group's operations are divided into three divisions, as depicted in Figure 3.1:

- **Fund Administration:** provides administration services to superannuation funds. Link Group provides a fully integrated platform solution to its clients, covering all major front, middle and back office administration functions. These services include core and value-added and trustee services;
- **Corporate Markets:** provides a comprehensive corporate market offering that connects issuers with their stakeholders. The division's key services include shareholder management and analytics, stakeholder engagement, share registry, employee share plans and company secretarial. The two largest services in Corporate Markets by revenue contribution are shareholder management and analytics and share registry. Corporate Markets' global client base includes listed and unlisted companies; and
- **IDDS:** is the technology hub of Link Group and a key driver of innovation. IDDS provides core services of development and maintenance of proprietary IT systems and platforms, and value-added services of data analytics, digital solutions and digital communications. This division supports Fund Administration, Corporate Markets and a number of external clients.

3.2 Link Group history

Originally a share registry business within an accounting firm, it became a joint venture between ASX (formerly known as the Australian Stock Exchange Limited) and Perpetual Limited in 2000. Link Group has evolved into a provider of technology-enabled outsourced services for the superannuation fund administration and corporate markets industries. Link Market Services was sold to funds managed or advised by PEP in 2005. Following this, Link Group management and PEP identified growth opportunities in the superannuation fund administration and corporate markets industries. This led to the acquisitions of Australian Administration Services and Orient Capital in September 2006, providing broader capability in the administration and management of financial ownership data. Following on from these important acquisitions, Link Group's share registry and superannuation fund administration businesses were brought together under the Company in January 2007.

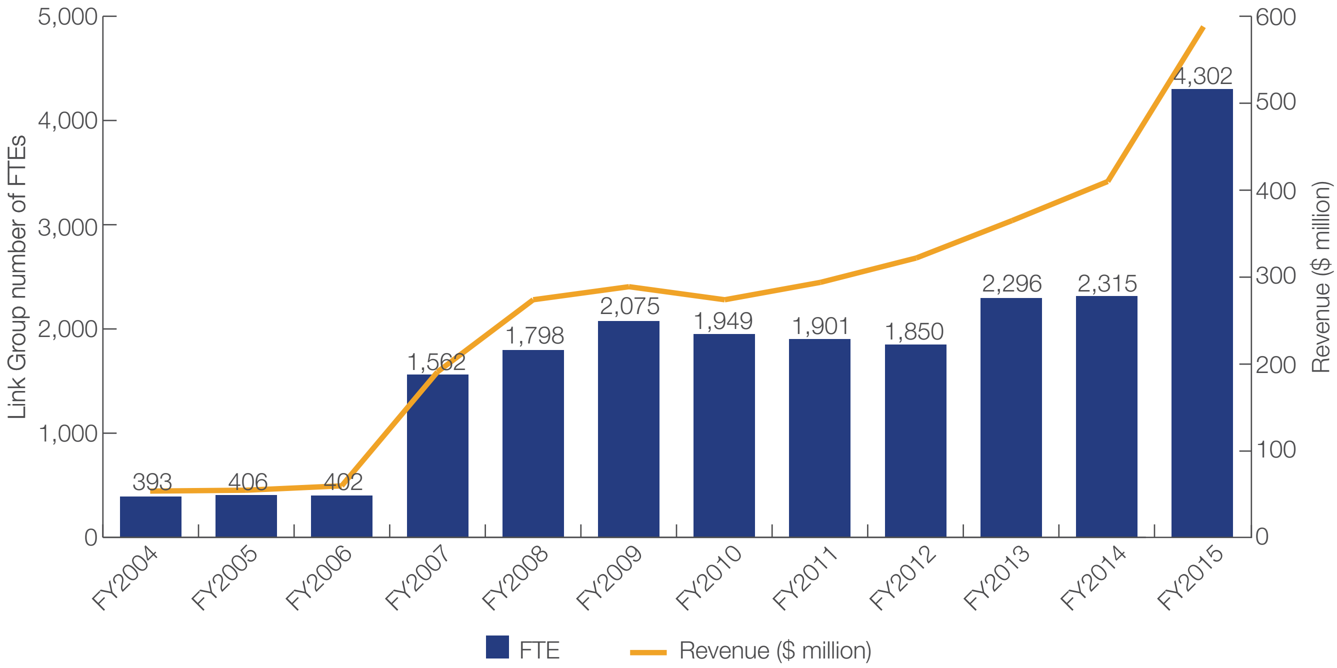
In 2008, Link Group launched its proprietary superannuation administration platform and two years later it had completed the migration of all Australian Administration Services' clients onto this platform. In 2014, Link Group successfully won the tender to be the outsourced administration services provider of both GESB and the five major clients of the Superpartners business.

In the nine years since the acquisition of Australian Administration Services and Orient Capital, Link Group has invested approximately $300 million in the successful development and implementation of market leading capability in platforms and systems. This has allowed the business to significantly grow by:

- achieving further market penetration;
- innovating and extending product and service offerings;
- making strategic client, product and regional expansions; and
- pursuing adjacent market opportunities.

A core competency of Link Group is the identification and evaluation of potential Business Combinations that complement its existing offering. Over the last 10 years, Link Group entities have successfully executed and integrated over 30 Business Combinations. These have included adjacent market opportunities such as Australian Administration Services, Orient Capital and Property Exchange Australia (**PEXA**), and client, product and regional expansions such as Superpartners, GESB, Empirics (analytics), Synchronised Software (third party administration software provider) and registrar services GmbH (German share registry).

Figure 3.2: Link Group's FTEs and revenues over time



As Link Group has expanded in new and existing markets, Link Group's total number of FTEs has also increased, as illustrated in Figure 3.2. Link Group's staff members play an important role in supporting the business and growing its revenues as it continues to expand in all three divisions. Link Group revenues and FTEs increased significantly upon the Business Combination with Superpartners in FY2015.

3.3 Key features of the business model

Link Group's divisions have several attractive features, as shown in Figure 3.3, including:

- **proprietary scalable platforms:** generally allow Link Group to service more underlying stakeholders with minimal incremental capital investment and limited additional fixed costs. The proprietary nature of the platforms also enables Link Group to more efficiently develop and integrate new value-added product offerings for clients;
- **differentiated offering from competitors:** driven by Link Group's unique proprietary platforms that allow a comprehensive range of products and services to be offered to clients;
- **the mission-critical nature of Link Group's services:** span multiple facets of the clients' relationship with their underlying stakeholders and customers (i.e. superannuation fund members and shareholders). By managing these relationships, Link Group plays an important role in developing and maintaining its clients' brand and perception in the market place;
- **contracted revenues:** provide visibility for future revenue while maintaining some flexibility. As an example, Fund Administration's contracts generally provide for annual indexation-linked price increases and volume protection clauses around member losses;
- **high proportion of Recurring Revenue:** expected to continue given the nature of the businesses' underlying contracts;
- **client retention:** refers to the percentage of revenue from clients who have continued to use Link Group as their service provider year-on-year. In Link Group's view, high levels of client retention can be attributed to the quality of the services that Link Group provides, brand loyalty and significant integration with clients;
- **integration with clients:** a factor contributing to client retention. In Fund Administration, for example, the interaction between Link Group's systems and the various stakeholders in the superannuation system has led to high levels of integration with Link Group's superannuation fund clients. The resulting high switching costs and operational risks of switching have contributed to high client retention;
- **continued innovation and growth of value-added services:** contributes to Link Group capturing further revenue in its established markets; and
- **positioned well to continue to pursue client, product and regional expansions:** Link Group could target expanding its product offering, client base or geographical presence. Link Group management has had significant experience in executing and integrating over 30 client, product and regional expansions and adjacent market opportunities in the last 10 years.

Figure 3.3: Key features of the business model

	Fund Administration	Corporate Markets	IDDS[1]
Proprietary scalable platforms	✓	✓	✓
Differentiated offering	✓	✓	✓
Link Group's role	Core	Core	Core
Recurring Revenue for the three years to FY2015	91%	88%	71%
Client retention[2]	>95%	>95%	n/a
Typical contract term	3–5 years	2–3 years	Annual licensing and individual project terms
Client integration	High	Medium–High	Medium
Typical lead time to change service provider	6–9 months	2 months	n/a

3.4 Link Group clients

Link Group's business is characterised by medium to long-term client contracts of two to five years, strong Recurring Revenue and high levels of client retention, being approximately 95% from FY2014 to FY2015. Link Group's top five and top 10 clients are forecast to account for approximately 46% and 58% of Link Group's FY2016 revenue respectively. The profile for the top 10 clients of Link Group and its predecessor organisations is shown below in Figure 3.4.

Figure 3.4: Profiles of top 10 clients by FY2016 revenue

	Length of relationship[3]	Remaining contract tenure from 30 June 2015[4]
Client 1	>20 years	Contract tenure >4 years
Client 2	>20 years	1 year ≤ contract tenure ≤2 years
Client 3	>20 years	Contract tenure >4 years
Client 4	13 years	Contract tenure >4 years
Client 5	>20 years	Contract tenure >4 years
Client 6	1 year	2 years ≤ contract tenure ≤ 4 years
Client 7	2 years	2 years ≤ contract tenure ≤ 4 years
Client 8	>20 years	Contract tenure >4 years
Client 9	13 years	Contract tenure <1 year
Client 10	>20 years	Contract tenure <1 year

Three of Link Group's top 10 clients have contracts that expire in the next two years. Each of these clients has a longstanding relationship with Link Group and its predecessor organisations and a history of contract renewal.

All of Link Group's top 10 clients by FY2016 revenue are in Fund Administration. While none of its Corporate Markets clients are represented amongst its top 10 clients, they are an important part of Link Group's business.

1. Analysis includes only IDDS' direct clients.
2. Client retention represents the proportion of annual revenue from clients that have not been lost in the last 12 months.
3. Where client was previously a Superpartners client, length of relationship shown includes the relationship with the predecessor entity.
4. Tenure refers to remainder of fixed contract term. Following the initial term, the contracts are terminable by the client without cause on between three and 12 months notice.

Figure 3.5 presents some examples of key Corporate Markets clients.

Figure 3.5: Corporate Markets clients

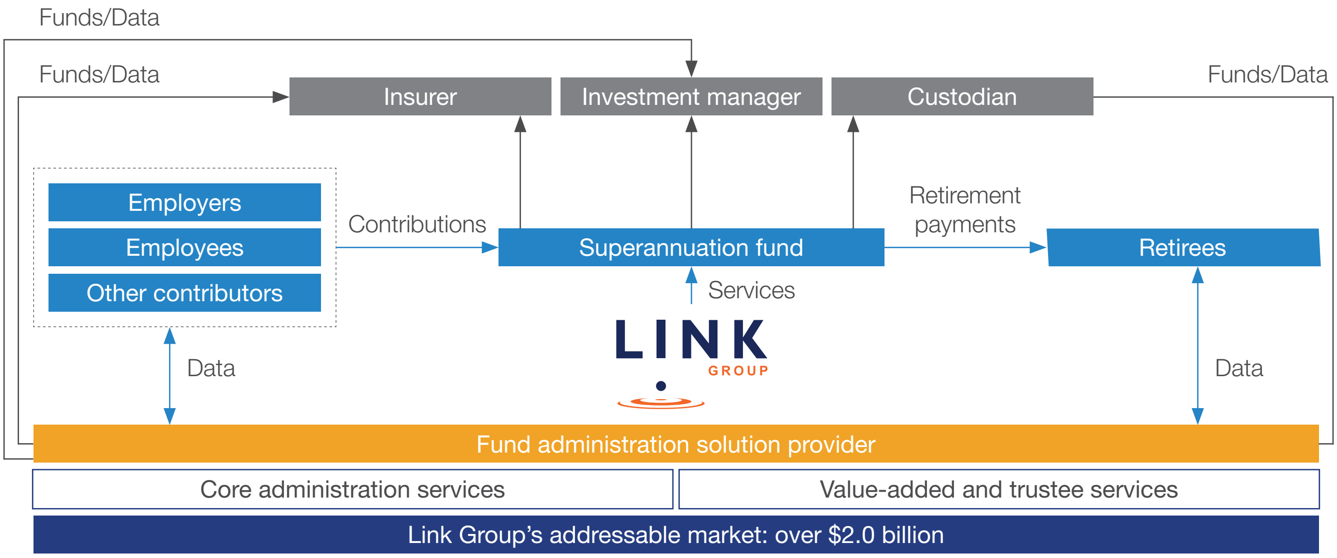
AGL Limited	APA Group	Bayer AG	Coca-Cola Amatil	Commonwealth Bank of Australia
Daimler AG	Deutche Bank AG	Old Mutual	Qantas Airways Limited	Tabcorp Holdings Limited
Telstra Corporation	UBS AG	Westpac Group		

3.5 Fund Administration

3.5.1 Division overview

Fund Administration combines its proprietary technology, processes and people to deliver a comprehensive financial data solution to its superannuation clients, as shown in Figure 3.6. The division occupies a leading market position in the Australian superannuation fund administration industry.

Figure 3.6: Link Group's role in the industry[1]



Fund Administration provides the following services:

- **core administration services:** include data management, member communication, contribution processing, benefit payments, contact centre operation, client accounting, insurance premium collection and claim administration, and statement processing;
- **value-added and trustee services:** include:
  - **predictive data analytics:** a range of solutions that are aimed at understanding member and employer behaviour. These services are delivered to Fund Administration clients through IDDS. The insights generated by these services assist clients with targeted marketing, member retention and member engagement;
  - **integrated clearing house:** simplifies contribution payments for employers by allowing them to pay to all employee superannuation funds with a single payment. This service is provided in partnership with a leading Australian financial institution;
  - **Money Solutions:** a financial planning service provider that supports superannuation fund members to take charge of their financial future through targeted financial advice;
  - **direct investment options:** a flexible feature that provides superannuation fund members with the capability to invest in ASX 300 securities, Exchange Traded Funds and term deposits. This service is provided in partnership with a leading Australian financial institution; and
  - **trustee services:** include services relating to the provision of data and record-keeping. This enables superannuation fund trustees to access all interactions with superannuation fund members and employers in order to accurately fulfil their reporting obligations with regulators.

In addition to these services, Link Group's fee-for-service offering also undertakes bespoke development of its proprietary technology platforms to help clients differentiate their product offerings, respond to regulatory change, and acquire, retain and engage their members.

1. Employees and retirees as presented above represent members in different stages of the superannuation cycle; addressable market based on data from Rice Warner (2015). Analysis excludes value-added services. SMSFs have a different structure and are excluded from this analysis.

With its extensive investment in proprietary systems and technology and its operating scale, Link Group is able to position itself as both a high quality and low cost provider.

Service quality is a key source of competitive advantage for Link Group, and comes from both the breadth and depth of Link Group's platform and the platform's capability. Another source of Link Group's competitive advantage is its innovation, flexibility and capacity to service with increased operating scale.

3.5.2 Revenue model

In Fund Administration, Link Group typically enters into three to five year contracts[1] with superannuation funds for the services provided. It is customary for Link Group to charge clients a weekly fee per member of the client's fund, invoiced monthly, although these charges can vary depending on a number of factors, including the type of member, the level of service, the technology platform utilised and the scale of the client. The fees generated from these services are considered Recurring Revenue given the contracted nature of the work. The division's contracts generally provide for annual indexation-linked price increases and volume protection clauses around member losses.

In addition, Link Group provides consulting and fee-for-service project work, which increases the interaction between Link Group and its clients and strengthens these relationships. The level of revenue from fee-for-service work can vary given that clients are not contractually obliged to purchase a specific level of fee-for-service products. Revenue is usually consistent month-to-month but is subject to movements in member numbers and annual indexation-linked price increases.

Pension member accounts represent a high value segment for Fund Administration due to their heightened levels of engagement with their superannuation funds and increased demand for value-added services by the funds. The number of pension member accounts that Link Group services has grown from approximately 9,000 in FY2012 to approximately 111,000 in FY2015 (including approximately 54,000 pension member accounts from the successful tender for Superpartners' clients).

3.5.3 New Zealand

Link Group has recently established a platform to service Fund Administration clients in New Zealand. The successful tender for clients in this market would represent the first expansion of Fund Administration outside the Australian market.

1. Note that contracts are generally terminable without cause by the client on between 3 and 12 months notice, after an initial term.

3. Company Overview (continued)

3.6 Corporate Markets

3.6.1 Division overview

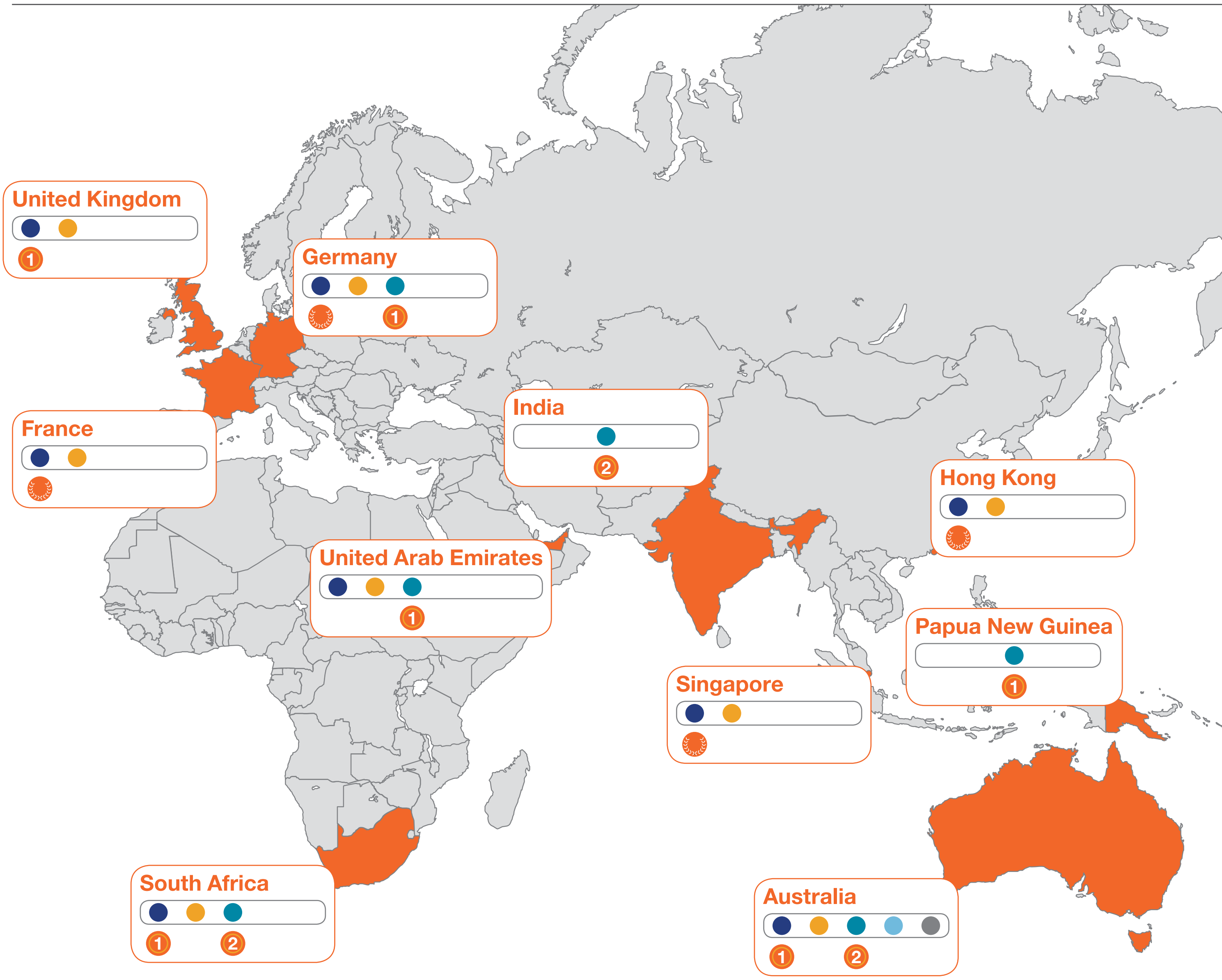
Corporate Markets provides its clients a comprehensive corporate markets offering that connects issuers to their stakeholders. The division occupies a leading market position in all of the key markets in which it operates. The services that Link Group offers its clients in this division are varied and include:

- shareholder management and analytics;
- stakeholder engagement;
- share registry;
- employee share plans; and
- company secretarial.

Figure 3.7 illustrates some of Link Group's product suite. A key competitive advantage of Corporate Markets is the ability to provide a wide range of services, which are delivered through a single, integrated technology platform, to provide comprehensive corporate markets solutions to its clients.

Corporate Markets services a diverse pool of clients across a range of different geographies. Link Group currently manages accounts for over 20 million individual shareholders and services over 2,000 clients globally. Figure 3.7 also illustrates the geographic footprint of Corporate Markets. To complement Link Group's geographic footprint, it is also a member of the GSA, a worldwide network of registry and financial service providers formed in 2011. A&NZ is forecast to account for approximately 70% of the division's FY2016 revenue.

Figure 3.7: Corporate Markets product suite, geographic footprint and market position[1]

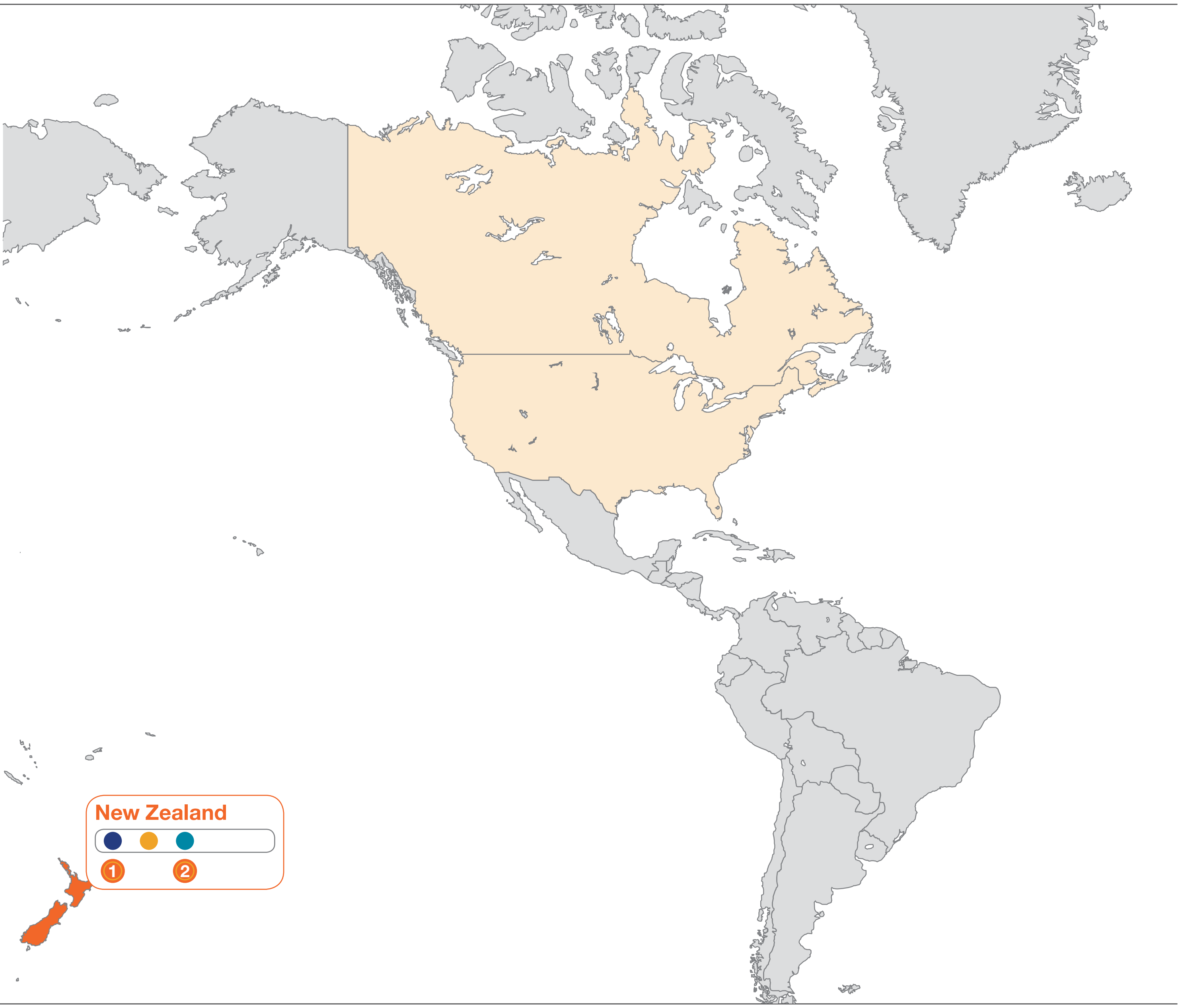


Link Group Global Share Alliance (excl. Link Group)

Shareholder management and analytics	Stakeholder engagement	Share registry
orient capital	D.F. KING orient capital	LINK MARKET SERVICES registrar services LINK INTIME INDIA PVT LTD PNG REGISTRIES LIMITED
– A global leader in the provision of a comprehensive suite of services, including share ownership analysis, market intelligence, investor communications and shareholder management technology – Provides integrated data products through its proprietary platform	– A leading provider of proxy solicitation, bond transactions management and communications, and solutions related to insolvencies (e.g. processing and maintaining records)	– A leading service provider in all key markets in which Corporate Markets operates registry services – Incorporates core register maintenance, treasury, meetings, capital market services and multi-channel investor communications – Connecting clients globally to over 20 million individual shareholders

1. Market position is based on the number of companies serviced in major indices.

3. Company Overview (continued)



Employee share plans	Company secretarial
EPS	Company Matters
– A leading administrator of Australian employee share plans for businesses listed locally and overseas – Key technology includes a global employee share plan platform and issuer reporting portal – Services include design and administration, reporting, trustee services and share trading	– Australian incorporated legal practice offering clients corporate and commercial legal services, company secretarial services and corporate administration solutions – The services complement Link Group's broader Corporate Markets offering

1 No.1 market position

2 No.2 market position

A leading market position

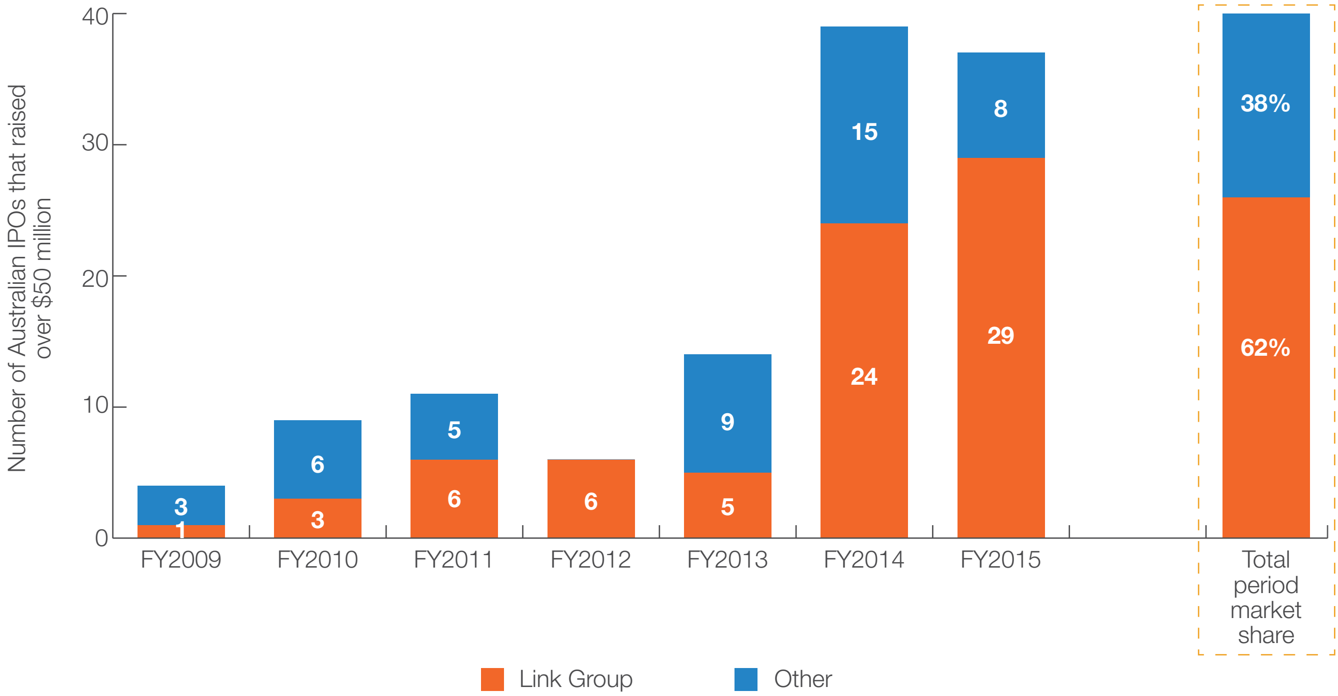
3.6.2 Revenue model

Corporate Markets' revenues are largely contract-based, and typically based on the number of shareholders serviced. As such, revenue is largely a function of the number of shareholder accounts and the proportion and pricing of the core and value-added services provided, both of which are impacted by regional conditions and market dynamics. In Australia, being its largest market by revenue, Link Group currently services approximately 440 share registry clients, representing approximately six million individual shareholders.

As well as winning clients that are already listed, an integral part of maintaining and increasing the number of clients that Corporate Markets services is to win IPO tenders that come to market. This enables Link Group to offer its comprehensive and integrated suite of products and services to each new client.

As illustrated in Figure 3.8, Corporate Markets has performed well in Australia. Since FY2009, it has been selected as the preferred share registry for the majority of IPOs that raised over $50 million.

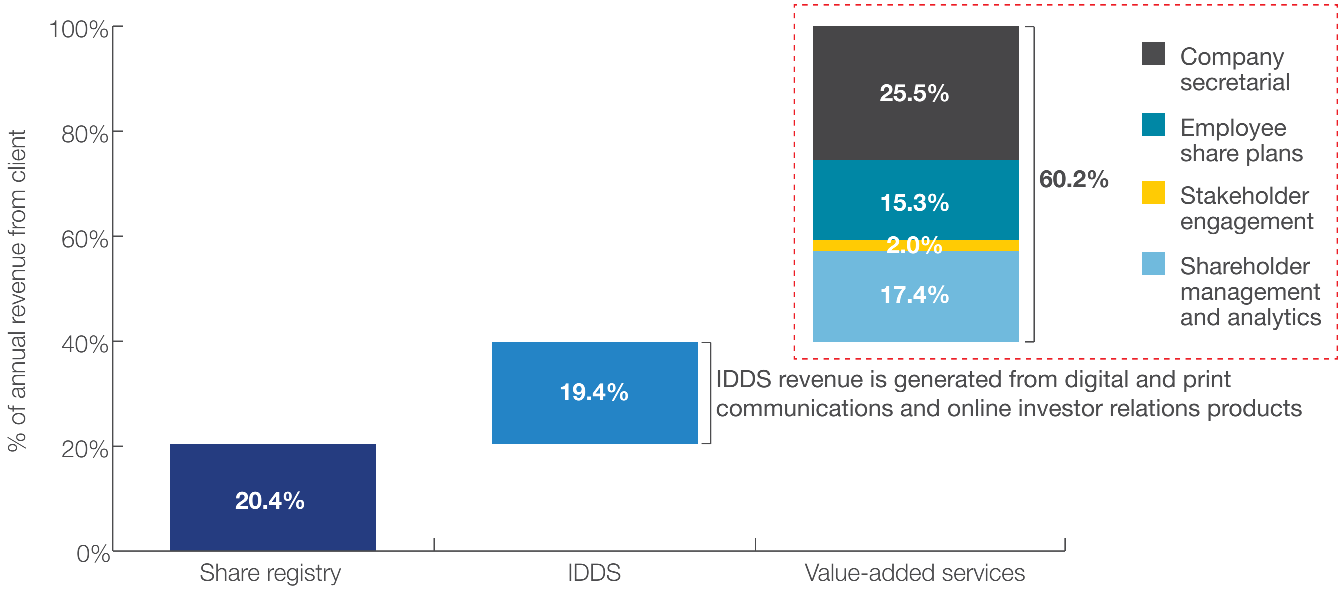
Figure 3.8: Share of Australian IPOs that raised over $50 million



Source: ASX.

In addition to offering core registry services to IPO clients, Link Group offers a range of value-added services, which are increasingly utilised by clients to enhance their understanding of and engagement with their underlying shareholders. Figure 3.9 provides an example of Link Group's ability to cross-sell the products and services in its corporate markets offering.

Figure 3.9: Case study – recent IPO win



3.6.2.1 Shareholder management and analytics

Link Group offers a number of value-added services that help provide analytics and insights to clients in relation to their shareholder base. The majority of the revenue in this part of the division is considered to be Recurring Revenue as most service lines operate on an annual subscription basis, with additional fees from transaction-based services.

3.6.2.2 Stakeholder engagement

Link Group offers a number of services relating to stakeholder engagement. These services include proxy solicitation, bond transactions management and communications, and processing and record maintenance solutions relating to insolvencies. Fees for these services are usually charged on a per project basis.

3.6.2.3 Share registry

In the share registry business line, registry revenue is generated from maintaining clients' share registers, processing transactions for the register, processing dividends, providing meeting and communications services and providing administration services for shareholders.

Clients are typically charged a bundled fee per shareholder per month, covering some or all of the above services. These revenues are either fixed (albeit subject to changes in the number of shareholders serviced) or recur with a reasonable degree of regularity, and are therefore considered by Link Group management to be Recurring Revenue.

Another source of revenue is the project management and facilitation of corporate actions, such as takeovers, share buybacks, rights issues and other forms of capital raisings or restructurings, and the preparation of communications with investors. Corporate actions related revenues are dependent on the level of corporate activity and are not considered to be part of Recurring Revenue.

A third source of revenue is margin income, which refers to revenue earned from monies held by Link Group prior to on-payment to third parties. This is typically dependent on the level of corporate activity and is not considered Recurring Revenue.

Corporate actions related revenues and margin income are forecast to account for less than 2% of Link Group's FY2016 revenue.

3.6.2.4 Employee share plans

This service line relates to the administration of Australian-based employee share and option plans for businesses listed locally and overseas. Fees for these services typically vary based on plan type, size and complexity but are usually charged on a per participant per month basis. Given its contracted nature, this revenue is considered to be Recurring Revenue.

3.6.2.5 Company secretarial

This service line relates to the provision of corporate and commercial legal services, company secretarial services and corporate administration solutions to ASX-listed entities. Fees for these services typically vary based on the range of services provided and the frequency of interactions with the client, and are usually charged on a time incurred basis.

3.7 Information, Digital & Data Services

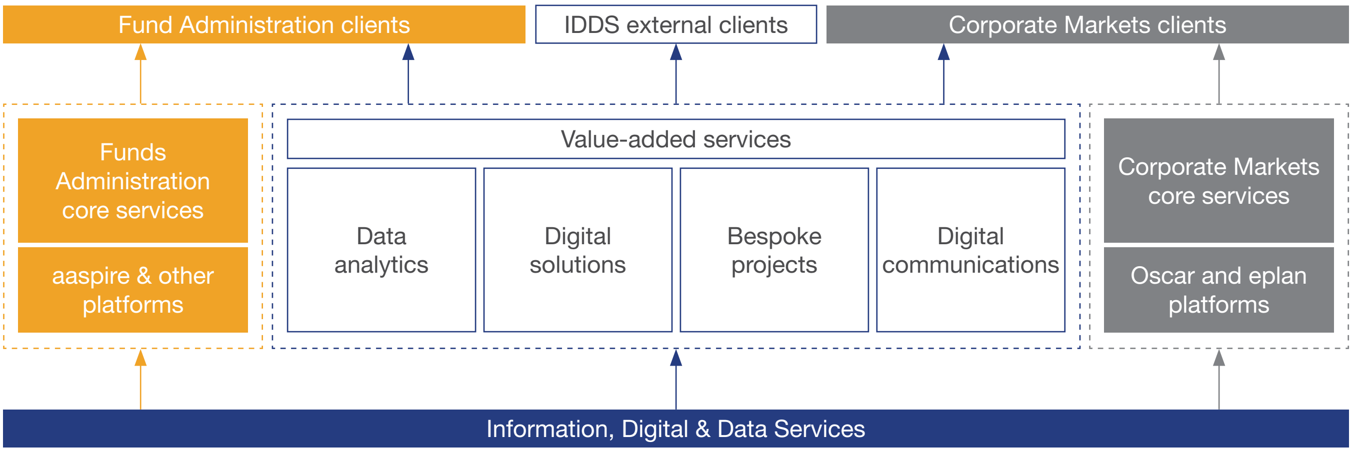
3.7.1 Division overview

IDDS is the technology hub that develops and maintains the proprietary technology platforms that support Link Group's operations in Fund Administration and Corporate Markets. IDDS partners with Fund Administration and Corporate Markets, and provides the systems to enable and support the fee-for-service projects in Fund Administration and value-added services in Corporate Markets.

In addition to supporting Fund Administration and Corporate Markets to engage with their clients, IDDS services external clients. IDDS' relationships with Link Group's other divisions and external clients are illustrated in Figure 3.10. The relationships that IDDS creates with its own clients can lead to opportunities for Link Group's other divisions and provide for enhanced client integration with Link Group. Value-added services and licensing in-house administration software represent an increasingly important component of IDDS and are expected to account for 22% of IDDS' FY2016 revenue.

IDDS leverages its intellectual property to develop and maintain Link Group's core systems and provides the innovation and data analytics capabilities that Link Group management believes differentiate Link Group's product and service offerings from those of competitors. IDDS' key proprietary platforms are outlined in Figure 3.11. IDDS uses its proprietary IT platforms and data insights to innovate and improve the experiences of clients' underlying customers. An example of this is the recent strategic partnership with ME Bank, which is further discussed in Section 3.10.3.3.

Figure 3.10: IDDS' relationships with Link Group's other divisions and external clients



Over the last nine years, Link Group has invested approximately $300 million in the successful development and implementation of market leading platforms. These core platforms are key enablers of Link Group's other divisions and have been designed with the following objectives:

- scalability;
- high levels of automation;
- high degree of operating leverage;
- flexibility;
- privacy and data protection; and
- ability to interface with other value-added platforms and services developed by Link Group.

A description of IDDS' key proprietary platforms and services is outlined in Figure 3.11. These key proprietary platforms also leverage and connect with shared applications and IT infrastructure.

Figure 3.11: Key proprietary platforms and services

Shared applications

Shared IT infrastructure

CORE SERVICES

Outsourced superannuation
proprietary fund administration platform that delivers clients efficient end-to-end administration functions. The platform was developed in-house and is continuously improved to ensure Link Group can retain a competitive advantage

Share registry and database management
proprietary platform that manages and maintains share records for listed companies

Shareholder management and analytics
proprietary platform that connects issuers to their stakeholders. Core functions include share register analysis and investor communications services

In-house fund administration software
a market leading data integration and analytics solution used primarily by superannuation fund clients but with application to other sectors

VALUE-ADDED SERVICES

Data analytics
a market leading data integration and analytics solution used primarily by superannuation fund clients but with application to other sectors

Digital solutions
web-based and mobile-based communications and related services platforms

Digital communications
manages and co-ordinates clients' communication campaigns

Supports Fund Administration
Supports Corporate Markets
Supports Fund Administration, Corporate Markets and external clients
Software licensed to external clients

Shared applications include contract management, inbound workflow processing, outbound communications, contact archive and reporting and insight. Common IT infrastructure includes end-user devices, databases, servers, storage, network, utilities and security.

IDDS also delivers bespoke fee-for-service IT projects for its clients, primarily those in the superannuation industry.

3.7.2 IT systems

Link Group utilises tier one, best-in-class infrastructure and IT vendors that include:

- Oracle hardware and software for the transactional databases;
- VMWare and Citrix for virtualisation;
- Cisco for networks;
- EMC for storage;
- IBM for integration;
- TIBCO for process automation;
- Symantec and McAfee for security; and
- Microsoft for business intelligence, web servers and general office purposes.

The infrastructure is owned and licensed by Link Group and is housed in Fujitsu data centres and managed by Fujitsu under a managed services agreement. Link Group's proprietary applications are developed using industry standard Java and Microsoft .Net stacks, and conform to standard multi-tier architecture conventions.

3. Company Overview (continued)

3.7.3 Technology and innovation

By concentrating on technology and innovation, IDDS has evolved from being focused on client-directed development to an innovative provider of solutions, identifying and anticipating the needs of clients across Link Group. Figure 3.12 provides examples of the innovation IDDS has provided in all key aspects of clients' relationships with underlying stakeholders.

Figure 3.12: IDDS supports all key aspects of the stakeholder value chain

	On-boarding	Engagement	Retention	Reporting and analytics
Fund Administration and external clients in the superannuation administration industry	– Multi-channel registration functionality including web and mobile – Integration of member on-boarding with key partners (e.g. single sign up for both bank and superannuation accounts)	– "Push" delivery technology (digital member cards and geo-targeted member communications)* – Interactive, real-time transactional capability including via mobile apps – Self-service member portals with real-time access to data	– Personalised offers based on member data and behaviour – "One-stop" view of overall wealth via integration with banks and wealth managers* – Member loyalty program* – Online, real-time tracking of financial goals and progress	– Individual financial progress against similar aggregate demographic groups – Comparison of fund performance and demographics vs. industry
Corporate Markets and external clients in the corporate markets industry	– Integrated web-based management platforms and online offerings for capital management activities, including seamless, online offer applications for investors – Online investor application forms for the managed funds industry	– "Push" delivery technology (shareholder and investor alerts and digital shareholder or employee cards) – Interactive, real-time transactional capability via self-service investor portals – Meeting management technology and services – Roadshow apps for Chief Executive Officers and Chief Financial Officers	– Personalised, "push" offers to shareholders for company products and services, including geo-location targeting* – "One-stop" view of overall wealth via integration with banks and wealth managers, and shareholder centre*	– Shareholder analytics – Peer company analytics – Investor profiling

Note: Asterisks indicate initiatives on development roadmap.

3.7.4 Revenue model

IDDS partners with Link Group's other divisions and provides services to external clients to generate revenue. As such, activity in Fund Administration and Corporate Markets is a key driver of IDDS revenue.

The majority of revenue in IDDS is generated from fee-for-service revenue, which is individually priced and broadly based on a cost plus margin model. Certain IDDS business lines also generate Recurring Revenue from selling software subscriptions and platform services to their client base.

IDDS goes to market with brands including Syncsoft, Empirics, Link DigiCom and Digital Solutions.

3.7.5 IT security

IT security is central to IDDS and Link Group proactively seeks to mitigate any risks associated with its technology infrastructure. Link Group has recently attained an ISO 27001 certification for its approach to information security management. ISO 27001 is a global standard for information security management, and this certification demonstrates Link Group's commitment to best practice and industry leadership. Key elements of Link Group's IT risk mitigation strategy are outlined in Figure 3.13.

Figure 3.13: Risk mitigation procedures and initiatives

Risk mitigation procedures	Example of initiatives
Specialist IT teams	– Dedicated head of information security – Management of information security, forensics, security intelligence and analytics
Staff procedures	– Segregation of duties, data and networks – Role-based permissions and regular user access reviews – Mandatory staff awareness training – Careful management of “key man” related risks
Rigorous risk mitigation IT infrastructure	– Reputable third party firewalls on all internal systems – Anti-virus updates are installed automatically on all staff computers – 24/7 network intrusion detection and prevention system – Data encryption – Data is securely stored and accessed from Link Group’s in-house repository
Integration/transition	– Purpose-built and dedicated integration/transition team for integration post acquisition
Monitoring and testing	– Continuous monitoring and activity logging on core platforms – Dedicated security operations centre responsible for security intelligence, analytics and operations – Systems testing by external security vendors during and post development
Industry standards	– ISO standards (including ISO 27001 certification)
Supplier selection and management	– Third party supplier education – Selection of leading third party technology infrastructure providers

However, such mitigants cannot exclude all risks associated with technology infrastructure. See Section 5 for further detail on such risks.

3.8 Human resources

Link Group has over 4,300 employees globally, with approximately 90% of these employees based in Australia. Link Group operates a shared service human resources model across its divisions that actively supports the business by integrating Business Combinations, improving the quality of employees and implementing proactive human resource management. Link Group’s management uses a wide range of metrics to provide visibility on the deployment, productivity and performance of Link Group’s human resources.

Over time, Link Group has demonstrated an ability to attract and retain talented and experienced employees. Average tenure among Link Group employees in Australia is currently over four years. Link Group provides an attractive employee value proposition given its history of growth, investment in technology and training, stable and experienced management team and focus on culture and corporate social responsibility.

Link Group offers bespoke training programs that are structured to focus on industry-specific knowledge, product knowledge, systems and applications, customer service and compliance. This investment in people provides a competitive advantage through its workforce.

To the extent possible, Link Group uses standard terms and conditions across its employment contracts with incentives linked to Link Group, divisional and individual performance. The majority of employees are on collective or enterprise agreements and there is a gradual standardisation of terms and conditions for acquired businesses.

Link Group has developed expertise in integrating employees from acquired businesses, to achieve synergy and cost savings while managing risk. Currently, dedicated and experienced resources in integration are embedded in Fund Administration to facilitate the operational transition of Superpartners’ clients, the cultural transformation of Superpartners’ employees and to ensure business readiness for each migration of clients onto Link Group’s systems.

3.9 Regulation

Link Group currently has limited direct operational regulatory obligations. An exception to this is that two subsidiaries within Link Group hold AFSLs to enable Link Group to offer financial services and products that primarily include general and personal financial advice and custodial services.

However, while Link Group's business is not itself heavily regulated, many of Link Group's clients are subject to additional operational regulation, particularly Fund Administration clients. The Australian superannuation industry is supported by a comprehensive regulatory framework and superannuation funds need to meet prudential obligations enforced by APRA. Superannuation funds also need to comply with Australian financial services law which is enforced by ASIC. Through its technology platforms, products and services, Link Group assists its clients meet their reporting and other obligations. The regulatory framework is evolving with frequent legislative change, which may create revenue opportunities for IDDS through its fee-for-service offering.

Link Group currently performs material business activities on behalf of superannuation funds. APRA expects that material business activities outsourced by APRA regulated entities are subject to appropriate due diligence, risk assessments, monitoring compliance and contingency planning. Importantly, APRA regulations state that these activities are not removed from the reach of regulators and APRA can, for example, access records maintained by Link Group on behalf of its superannuation fund clients.

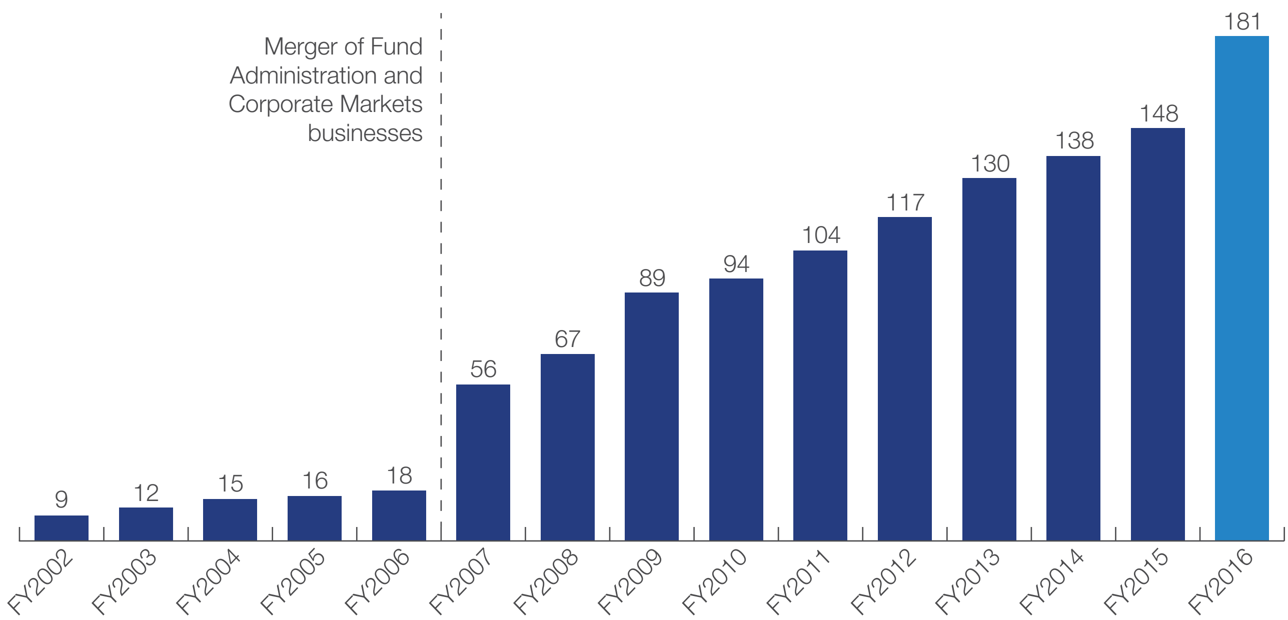
Corporate Markets clients listed on public securities exchanges are subject to the various regulatory requirements associated with being listed, such as compliance with the applicable listing rules and clearing house regulations. Link Group's products and services provide support to these clients to help them satisfy these requirements.

A key component of Link Group's business is the collation, use and analysis of private and personal information. As such, Link Group is subject to privacy laws in Australia and in the other jurisdictions in which it conducts its business. These laws generally regulate the handling of personal information and data collection. Such privacy laws impact the way Link Group can collect, use, analyse, transfer and share personal and other information that is central to many of its services. Link Group has a comprehensive privacy framework in place to ensure the security and confidentiality of private information and compliance with relevant law.

3.10 Link Group growth

Link Group has had a long history of strong and consistent growth in both revenue and Operating EBITDA across multiple economic cycles. As illustrated in Figure 3.14, Link Group has achieved uninterrupted Operating EBITDA growth since FY2002, with a CAGR of 24% between FY2002 and FY2015. Additionally, Link Group has shown strong revenue growth with a CAGR of 23% between FY2002 and FY2015.

Figure 3.14: Link Group's Operating EBITDA growth profile ($ million)[1, 2]



Revenue ($ million)	44	49	54	55	65	221	274	289	274	294	322	365	410	588	750

1. FY2013 to FY2016 Operating EBITDA include public company costs.
2. Operating EBITDA has been presented on a consistent basis throughout the historical period disclosed above. FY2002–FY2012 Operating EBITDA has been consistently extracted from the Company's (or prior to the Company's establishment the equivalent holding Company's) statutory consolidated financial statements, apart from FY2006 and FY2007 where the Operating EBITDA was extracted from management accounts as statutory consolidated financial statements for each of these two years had not been prepared on a comparable 12 month basis due to group restructuring in these years. The basis of preparation of the Historical Financial Information is set out in Section 4.2.

3.10.1 Overview of growth strategy

Link Group's growth strategy is focused on five major drivers:

- further penetration of attractive markets;
- product and service innovation;
- client, product and regional expansions;
- executing the Superpartners opportunity; and
- identifying adjacent market opportunities.

3.10.2 Further penetration of attractive markets

Link Group aims to leverage its operational capability and diverse product suite to win new clients and cross-sell more products in its key markets. While Link Group already has an established market position in all of its key markets, there remains substantial opportunity to grow the current client base over time.

3.10.2.1 Fund Administration

In Fund Administration, Link Group is able to increase its market penetration by not only winning new clients, but also by its clients increasing their underlying membership and increasing value-added services. Key drivers of Link Group's market penetration include:

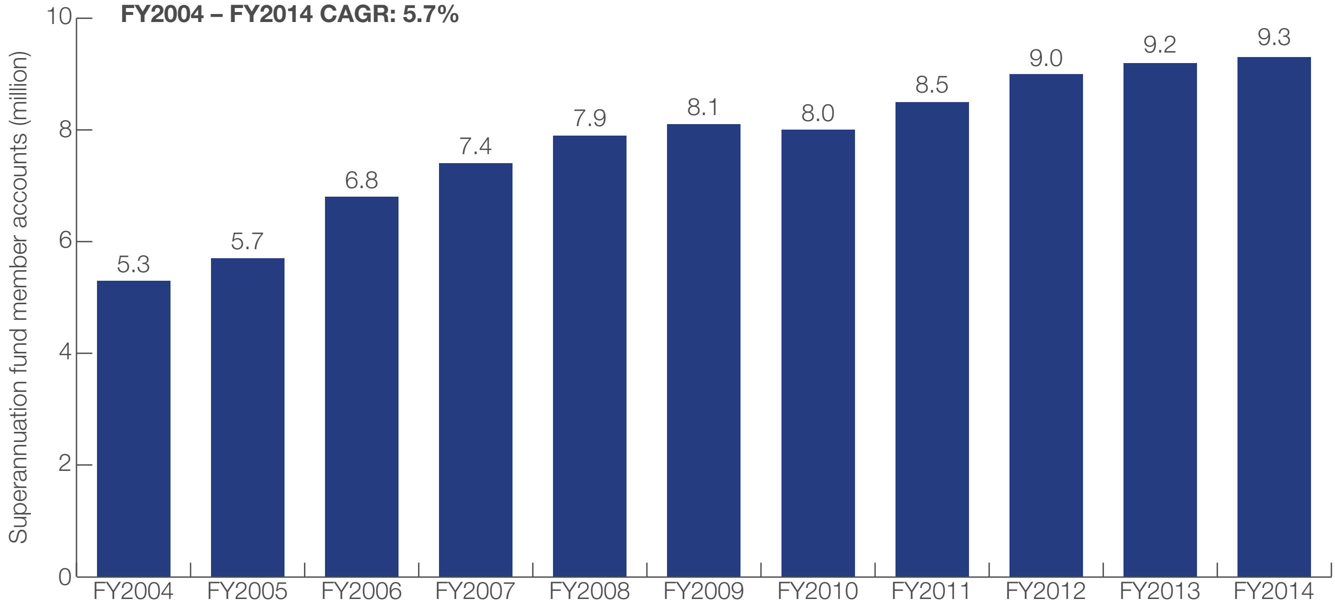
Winning of new clients

- Management believes that Link Group's proprietary technology, quality of service offering and operating scale provide a competitive advantage relative to other service providers. Through this competitive advantage, Link Group is in a strong position to win new clients that:
  - administer their funds through in-house functions:
    - **increased outsourcing:** the superannuation industry is currently characterised by increased outsourcing in response to the growing and increasingly complex regulatory and compliance burden;
    - **gain of new members from increased outsourcing:** at the end of FY2006, Link Group had 3.3 million member accounts. Between FY2006 and FY2015, 5.4 million of the 6.0 million new member accounts were gained by Link Group as a result of previously in-house administered superannuation funds outsourcing their administration functions; and
    - **current administration status of top 10 funds:** as illustrated in Figure 2.5, currently eight out of Australia's top 10 superannuation funds by administration and related fees are in-house administered;
  - are in-house administered, using third party fund administration software and platforms; or
  - fully outsource their superannuation fund administration services to other third party providers.

Underlying member growth of Link Group's clients

- Link Group benefits from growth in the number of underlying fund member accounts held by its current clients.
- Growth in underlying fund member accounts is driven by:
  - new member wins and transfers
    - as illustrated in Figure 3.15, between FY2004 and FY2014, the underlying membership of Fund Administration's current client base (some of which were only clients of Link Group for some of that period) exhibited a CAGR of almost 6%; and
  - industry consolidation
    - the division's top five clients have grown at a CAGR of approximately 7% over the same period, as they have been active consolidators in the market and have continued to win new members;
    - for example, AustralianSuper has gained approximately 400,000 members through its merger with eight entities over the last five years.

Figure 3.15: Fund member accounts of current Fund Administration clients (excl. ERFs and redundancy trusts)



Source: APRA, Fund Level Profiles and Financial Performance, issued 20 May 2015. Excludes ERFs and redundancy trusts.

Since the Australian Administration Services Business Combination in FY2006, the combination of winning additional clients and the underlying member growth of its incumbent clients has increased the total number of member accounts (excluding ERFs and redundancy trusts) serviced by Link Group from 3.2 million to 9.3 million as at 30 June 2014. Link Group management estimates that Link Group's total number of members (excluding ERFs and redundancy trusts) remained at 9.3 million as at 30 June 2015.

In addition to the positive outlook for further market penetration, Fund Administration contracts generally provide for annual indexation-linked price increases and volume protection clauses around member losses.

3.10.2.2 Corporate Markets

In Corporate Markets, Link Group currently services over 2,000 clients globally. Management believes that Link Group's comprehensive, integrated offering can help to increase market share, both from winning new clients and increasing penetration of its diverse product and service offering throughout its existing client base. Link Group's ability to cross-sell the products and services in its Corporate Markets offering is expected to be a key driver of further market penetration in the geographies in which it operates.

3.10.2.3 IDDS

In IDDS, Link Group management believes that Link Group is well positioned to grow from the trend towards valued-added services such as data analytics.

3.10.3 Product and service innovation

Revenues from Link Group's existing clients increase with the number and complexity of the services that Link Group provides.

3.10.3.1 Fund Administration

In Fund Administration, increasing competition between superannuation funds to attract new members has led to funds increasing their marketing spend in the sector. This is a positive development for administration service providers such as Link Group whose superannuation fund clients are increasingly seeking new products and services that may differentiate them from other funds. Link Group will continue to invest in innovation, product and systems development with the aim of enhancing client engagement and client partnerships.

An example of Link Group's service offering is its proprietary data analytics platform, which enables superannuation funds and other clients to engage with their underlying members and stakeholders to better understand their behaviour. Over the last three years, this platform has expanded its superannuation fund administration client base from four to over 25 clients.

3.10.3.2 Corporate Markets

In Corporate Markets, Link Group continues to develop value-added services to integrate into its existing offering. Growth is expected from introducing these value-added services to new and existing clients. For example, Link Group has developed its capability to offer real-time use of registry data to its clients.

As well as investing in new products and services, Link Group's investment in innovation is aimed at delivering efficiencies for the underlying business. These efficiencies can be in the form of improved workflow, optimised headcount or reduced operating costs.

3.10.3.3 IDDS

IDDS aims to develop innovative software and technology for existing and future clients. Link Group leverages its proprietary IT platforms to partner with clients to enrich the functionality of customer-facing processes and improve data analytics. For example, IDDS recently announced a strategic partnership with ME Bank, an industry superannuation fund owned bank, to tailor, personalise and improve the services offered to fund members through greater integration between their banking and superannuation experiences.

3.10.4 Client, product and regional expansions

A core competency of Link Group is the successful execution of Business Combinations which have delivered client, product and regional expansions. In Fund Administration, where Link Group successfully tenders for new clients, it is usually required to take on the operations, people and cost base of the existing (in-house or third party) administrator, resulting in a business combination under Australian Accounting Standards. Client wins of this nature, along with product and regional expansion transactions discussed in Figure 3.17, are referred to as Business Combinations.

Link Group's proprietary platforms position it well for extracting synergies and expanding the revenue and earnings growth from its Business Combinations through cross-selling and product expansion, as illustrated by the completion of over 30 Business Combinations in the last 10 years.

Link Group intends to maintain its highly disciplined and focused Business Combination strategy to enhance its product and service offerings, expand its international operations and add new clients, as shown in Figure 3.16. The use of Link Group's technology platforms has been central to Link Group's success in reducing operating costs in the businesses that it acquires.

Figure 3.16: Link Group's Business Combination strategy

	Client expansion		Product expansion	Regional expansion
	Client relationship focused (akin to a tender)	*Market consolidation*		
Inherent characteristics of the opportunity	– In-house administration business operated by key clients – Sub-scale activity and relatively high operating costs – Capital constraints restrict investment in innovation	– Strong client relationships – Complementary operations, strong market position	– High quality service or product offering – Proprietary technology or brand name value – Highly complementary to Link Group product suite	– Strong market position – Strong local relationships that can be leveraged to deliver further products and services from Link Group's offering
Typical structure	– Negotiation of key client agreements and integration of existing operations – Consideration paid for assets acquired	– Traditional acquisition of a business/company	– Traditional acquisition of a business/company	– Traditional acquisition of a business/company
Key benefits to Link Group	– High operating leverage delivers efficiencies – Increased scale enables further investment in technology and innovation – Long-term contract with key clients – Opportunity to deliver existing Link Group services to new client base	– High operating leverage delivers efficiencies – Increased scale enables further investment in technology and innovation – Opportunity to deliver existing Link Group services to new client base	– Ability to leverage the new product across a large existing client base – Opportunity to deliver existing Link Group services to new client base – Enhances comprehensive offering for clients	– Provides foothold in a new market, allowing Link Group to expand existing product suite into the local market – Enhances comprehensive offering for clients
Key historical examples	*Fund Administration* – FuturePlus – Superannuation administration assets of Russell Investments – GESB – Superpartners – Administration assets of Aon (New Zealand)	*Fund Administration* – The Australian Superannuation Group* *Corporate Markets* – Capital Precision (United Kingdom) – Employee share plan assets of Watson Wyatt*	*Fund Administration* – Money Solutions* *Corporate Markets* – European assets of D.F. King – Company Matters* *IDDS* – Synchronised Software – Empirics*	*Corporate Markets* – registrar services GmbH (Germany) – Intime Spectrum (India)* – Ultra Registrars (South Africa)* – Link Market Services Ltd (New Zealand)

Note: Asterisks indicate Business Combination that occurred prior to FY2013; all other Business Combinations in Figure 3.16 occurred in FY2013 or later.

3.10.5 Superpartners opportunity background

Near term growth in Fund Administration is underpinned by the successful tender for Superpartners' clients. Established in 1997, Superpartners is a superannuation administration provider previously owned by five shareholders: AustralianSuper, Cbus, HESTA, Hostplus and MTAA Super. These five superannuation funds, shown in Figure 3.17, were also major clients of Superpartners.

Figure 3.17: Major Superpartners clients

Client	Number of member accounts (million)[1]	FuM ($ billion)	Type of fund	Scheduled migration
AustralianSuper	2.1	80	Defined contribution	H2 2016
Cbus	0.7	28	Defined contribution	H1 2016
HESTA	0.8	29	Defined contribution	H2 2015
Hostplus	1.0	16	Defined contribution	H1 2016
MTAA Super	0.3	8	Defined contribution	H2 2015
Top five total	*4.9*	*161*		

Source: Link Group management.

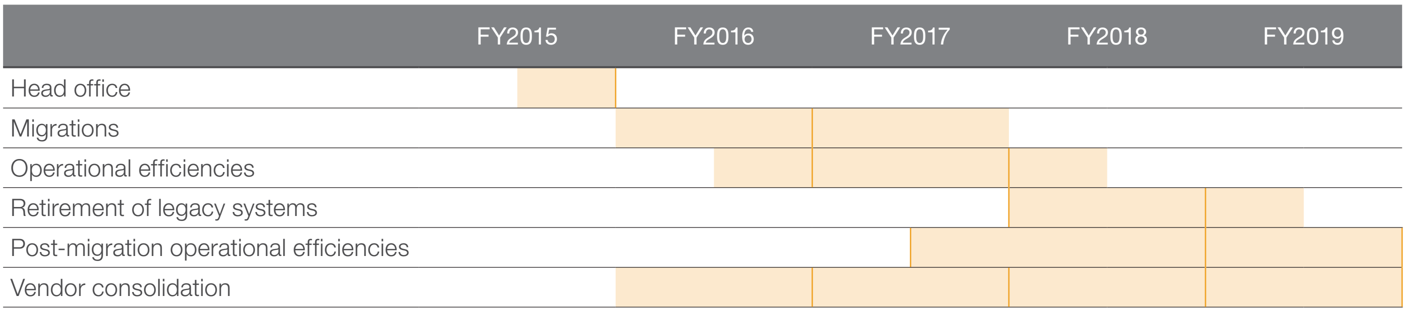
In 2014, Link Group entered the competitive tender process to provide outsourced superannuation fund administration services for Superpartners' clients. Link Group was the successful tender participant and as a result of that tender process, new service contracts were entered into with each of Superpartners' clients in December 2014, with these new contract arrangements having an initial term of five years. Link Group also acquired 100% of the shares in Superpartners, including its staff and IT assets at the same time. The addition of these clients significantly increased revenues in Fund Administration and is expected to further increase Link Group's revenues significantly in FY2016, with compression of Operating EBITDA margin until the realisation of operational efficiencies.

Prior to the transaction, Superpartners was developing a new technology platform to replace its existing legacy platform. As part of the ownership change, the development of the new system is no longer necessary and a commitment for Superpartners' clients to migrate to Link Group's proprietary fund administration platform was incorporated into the new long-term service contracts. Once migrated, the former Superpartners clients will benefit from functionality provided by Link Group's platform. Link Group will also benefit from having a single platform and the resulting lower cost to deliver administration services.

The successful tender for these clients not only strengthens Link Group's leading position in the attractive superannuation fund administration industry but is also expected to deliver material synergies through the rationalisation of Link Group functions, elimination of duplicated functions, increased operating leverage and economies of scale. Synergies are expected to be realised in both Fund Administration and IDDS. Link Group management estimates that the full benefits of the synergies will only be achieved once the former Superpartners clients are fully migrated to Link Group's proprietary technology platform and when Superpartners' existing legacy systems are shut down. Figure 3.18 illustrates the intended timing of the integration process.

1. Based on number of members at June 2014, sourced from APRA, Fund Level Profiles and Financial Performance, issued 20 May 2015.

Figure 3.18: Timing of the realisation of synergies from Superpartners



Link Group has a long history of migrating clients successfully onto its proprietary fund administration platform with over 80 fund migrations completed since 2008 when this platform was commissioned. Data migrations are typically quite complex and time-intensive as they involve many sequential steps to ensure potential errors are minimised. Some of the steps included in a migration include:

- extracting data records from legacy system;
- cleansing data;
- aligning data to business rules;
- importing records onto new system; and
- testing and checking.

For some migrations, Link Group also builds further functionality into its existing platform to meet client requirements. The complexity of any migration is dependent not only on the number of members but on other contributing factors, such as the type of superannuation fund. In some cases, a smaller defined benefit fund may require a more complex migration than a much larger defined contribution fund.

Many protective measures are in place to reduce the risks associated with migration. These measures include:

- extensive testing;
- data backups and redundancy;
- senior Link Group management oversight; and
- detailed project planning process with third party review.

3.10.5.1 Superpartners opportunities in Fund Administration

The successful tender for the five major Superpartners superannuation funds in FY2015 has significantly increased Link Group's revenue in Fund Administration.

Before Superpartners, Link Group's Fund Administration Operating EBITDA margin had grown progressively to 24% in pro forma FY2014 due to the investment in systems and the progressive migration of new clients. However, this margin is expected to be negatively impacted by Superpartners and by migrations from the Business Combinations with FuturePlus and superannuation administration assets of Russell Investments. Assuming no further and similar acquisitions or Business Combinations, Link Group management expects a progressive trend back to an Operating EBITDA margin level similar to that achieved in pro forma FY2014. However, that is unlikely to be achieved unless operational efficiencies are realised in connection with completion of the client migrations and the legacy systems shut downs as scheduled in Figures 3.18. Achieving Operating EBITDA margin improvement also relies on Link Group's ability to extract cost synergies which is subject to the integration risks set out in Section 5.1.7.1. However, any cost synergies relating to Superpartners will accrue from the time that they are realised and during FY2015 Link Group realised run-rate savings relating to the rationalisation of Link Group's head office functions.

The Fund Administration contracts entered with those funds that were previously shareholders of Superpartners include a mechanism for price adjustment in March 2017. Management believes that any price adjustment will be largely offset by the indexation-linked price increases generally included in Fund Administration contracts.

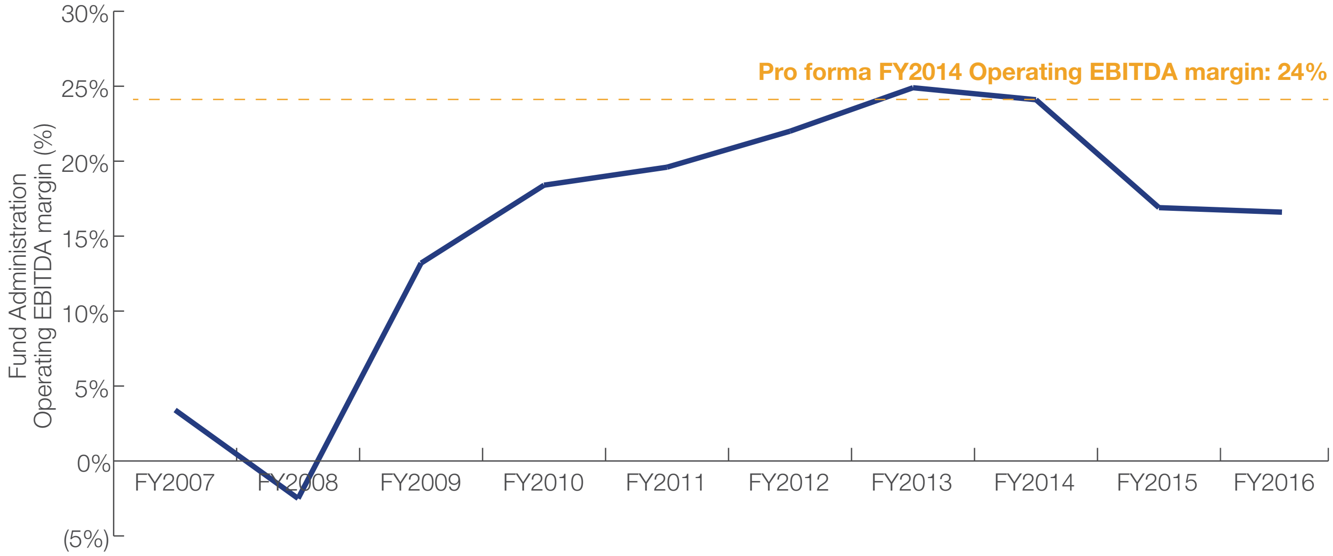
Case study: Acquisition of Australian Administration Services in 2006

Link Group acquired Australian Administration Services in 2006. The business at the time was operating on legacy IT systems with little automation of processes and workflows. A key aspect of Link Group's acquisition business case was to invest in the development of a proprietary fund administration system to improve operational efficiency. The development of this system commenced in 2007 and the first clients were migrated onto the new system in 2008. After all the migrations were completed in 2010, the legacy systems were closed down and operational efficiencies were realised. This resulted in an improved Operating EBITDA margin for Fund Administration, as illustrated in Figure 3.19.

3. Company Overview (continued)

In FY2014, Fund Administration Operating EBITDA margin was again compressed, following Business Combinations with FuturePlus and the superannuation administration assets of Russell Investments, as both businesses had low margins. This Operating EBITDA margin is expected to improve with the realisation of operational synergies.

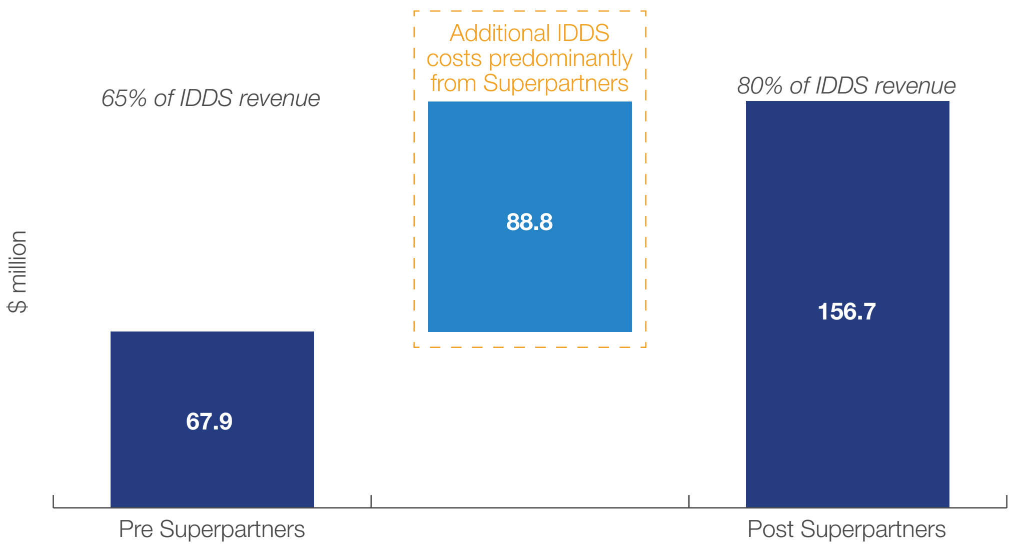
Figure 3.19: Historical and forecast Fund Administration Operating EBITDA margin



3.10.5.2 Superpartners opportunities in IDDS

As illustrated in Figure 3.20, the Superpartners Business Combination has increased IDDS' costs as it continues to operate legacy Superpartners systems prior to the complete migration of Superpartners' clients. The division is expected to demonstrate an improved Operating EBITDA margin after the forecast period through synergies from operational efficiencies and the consolidation of vendors, applications and data centres, as shown in Figure 3.18. While the IDDS Operating EBITDA margin is expected to progressively trend back to a level similar to that achieved in pro forma FY2014 any improvement is subject to the same assumptions and risks that are set out for Fund Administration in Section 3.10.5.1.

Figure 3.20: Evolution of IDDS costs[1]



1. Pre Superpartners IDDS costs refer to FY2014 and Post Superpartners IDDS costs refer to FY2016. IDDS costs illustrated represent total IDDS costs including staff, IT and other costs supporting IT infrastructure and development.

3.10.6 Adjacent market opportunities

Link Group has a history of identifying and executing opportunities in adjacent markets that match its core competencies. Some of these opportunities include:

- shareholder management and analytics through the acquisition of Orient Capital in 2006;
- superannuation fund administration through the acquisition of Australian Administration Services in 2006; and
- electronic property exchange through the acquisition of a stake in PEXA in 2011.

Link Group is currently a minority shareholder (approximate 11% holding) in PEXA, an Australian company that automates property conveyancing transactions. The PEXA system is a secure platform that allows all participants in conveyancing transactions (lawyers, conveyancers, land registries and financial institutions) to transact online. This obviates the need for the traditional paper-based, in-person, conveyancing meetings.

Characteristics of adjacent market opportunities that Link Group targets include strong market position in an industry with attractive fundamentals and compatibility with Link Group's core competencies in data management, technology leadership and process design.

Potential opportunities for Link Group include:

- land registries;
- company registries; and
- property exchanges.

Section 4

Financial Information

4. Financial Information

4.1 Introduction

The financial information of Link Group contained in Section 4 includes historical consolidated financial information for FY2013, FY2014 and FY2015 and forecast consolidated financial information for FY2016 (**Financial Information**), as summarised in Figure 4.1:

Figure 4.1 Overview of Financial Information

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	– **Statutory Historical Financial Information** includes the: – statutory historical consolidated statements of profit or loss for FY2013, FY2014 and FY2015 (**Statutory Historical Results**); – statutory historical consolidated cash flow information for FY2013, FY2014 and FY2015 (**Statutory Historical Cash Flows**); and – statutory historical consolidated statement of financial position as at 30 June 2015 (**Statutory Historical Statement of Financial Position**).	– **Pro Forma Historical Financial Information** includes the: – pro forma historical consolidated statements of profit or loss for FY2013, FY2014 and FY2015 (**Pro Forma Historical Results**); – pro forma historical consolidated cash flow information for FY2013, FY2014 and FY2015 (**Pro Forma Historical Cash Flows**); and – pro forma historical consolidated statement of financial position as at 30 June 2015 (**Pro Forma Historical Statement of Financial Position**).
Forecast Financial Information	– **Statutory Forecast Financial Information** includes the: – statutory forecast consolidated statement of profit or loss for FY2016 (**Statutory Forecast Results**); and – statutory forecast consolidated cash flow information for FY2016 (**Statutory Forecast Cash Flows**).	– **Pro Forma Forecast Financial Information** includes the: – pro forma forecast consolidated statement of profit or loss for FY2016 (**Pro Forma Forecast Results**); and – pro forma forecast consolidated cash flow information for FY2016 (**Pro Forma Forecast Cash Flows**).

The following items are summarised in Section 4:

- the basis of preparation and presentation of the Financial Information (see Section 4.2);
- information regarding certain non-IFRS financial measures (see Section 4.2.4);
- the pro forma adjustments to the Statutory Historical Financial Information and the Statutory Forecast Financial Information, and reconciliations to the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information respectively (see Sections 4.3.1, 4.4.2 and 4.5);
- details of the items which Link Group management considers to be significant items (see Section 4.3.1);
- segment information (see Section 4.3.3);
- details of Link Group's net debt (see Section 4.5.1) and a description of the New Banking Facilities (see Section 4.5.2);
- information regarding Link Group's liquidity and capital resources (see Section 4.5.3);
- information regarding Link Group's contractual obligations and commitments and off statement of financial position arrangements (see Section 4.5.4);
- quantitative and qualitative disclosures about market risk (see Section 4.5.5);
- summary of key operating metrics (Section 4.6);
- a discussion of key factors that have impacted Link Group's Pro Forma Historical Results and may impact future results (see Section 4.7);
- Link Group management discussion and analysis of the Pro Forma Historical Financial Information and of the Pro Forma Forecast Financial Information (see Sections 4.7 and 4.8);

- the Directors' best estimate general and specific assumptions underlying the Forecast Financial Information (see Sections 4.8.1 and 4.8.2);
- an analysis of the key sensitivities in respect of the Forecast Financial Information (see Section 4.9);
- a description of Link Group's critical accounting policies (see Section 4.10); and
- a summary of Link Group's proposed dividend policy (see Section 4.11).

The information in Section 4 should also be read in conjunction with the risk factors set out in Section 5, Appendices A, B and C and other information contained in this Prospectus.

All amounts disclosed in Section 4 and the Appendices are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest $0.1 million. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

4.2 Basis of preparation and presentation of the Financial Information

4.2.1 Overview

The Financial Information has been prepared in accordance with the measurement and recognition principles of Australian Accounting Standards, IFRS and Link Group's accounting policies.

Link Group's significant accounting policies are set out in Appendix A and its critical accounting policies are set out in Section 4.10.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

A discussion of the segments that the Directors expect to report under Australian Accounting Standards Board (**AASB**) 8 Operating Segments is set out in Section 4.3.3. In addition to the Financial Information, Section 4 includes non-IFRS measures that Link Group uses to manage and report on its business that are not in accordance with Australian Accounting Standards or IFRS.

The Directors are responsible for the preparation and presentation of the Financial Information.

4.2.2 Preparation of the Historical Financial Information

The Statutory Historical Financial Information for FY2013, FY2014 and FY2015 has been derived from the general purpose statutory consolidated financial statements of Link Group for FY2013, FY2014 and FY2015 (**Statutory Historical Financial Reports**).

The Statutory Historical Financial Reports were audited by KPMG in accordance with Australian Auditing Standards. KPMG has issued unqualified opinions in respect of the Statutory Historical Financial Reports.

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus and has been derived from the Statutory Historical Financial Information.

Section 4.3.1, Table 4.2a sets out the pro forma adjustments to the Statutory Historical Results and a reconciliation of the Statutory Historical Results to the Pro Forma Historical Results. Table 4.2b sets out details of significant items impacting the Statutory Historical Results. Pro forma adjustments have been made to the Statutory Historical Results to reflect:

- the impact of incremental public company operating costs as if they were incurred from 1 July 2012; and
- the elimination of costs associated with other items such as:
  - change in capital structure and management fees;
  - settlement of legal claims relating to events pre FY2013; and
  - changes in the method of calculation of employee liabilities.

Section 4.4.2, Table 4.7a sets out the pro forma adjustments to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows. Pro forma adjustments were made to the Statutory Historical Cash Flows to reflect the cash impact of the pro forma adjustments to the Statutory Historical Results. Table 4.7b summarises the cash impact of significant items on Statutory Historical Cash Flows.

Section 4.5, Table 4.9 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position.

Pro forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect:

- the impact of the Offer as if it had occurred as at 30 June 2015; and
- the impact of the New Banking Facilities as if they were in place as at 30 June 2015.

Investors should note that, while Link Group has completed a number of Business Combinations since the beginning of FY2013 (as described in Section 3.10.4), including that of Superpartners on 19 December 2014 (with economic effect from 31 December 2014), no pro forma adjustments have been made to the Statutory Historical Financial Information in preparing the Pro Forma Historical Financial Information to reflect the pre-Link Group ownership earnings or cash flows of any of these Business Combinations. As a result, the earnings and cash flow contributions of these Business Combinations are reflected in the Historical Financial Information from the dates that the transactions were completed.

The Pro Forma Historical Financial Information presented in Tables 4.1a, 4.7 and 4.9 in this Prospectus has been reviewed by KPMG Transaction Services, in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as stated in its Investigating Accountant's Report on the Pro Forma Historical Financial Information. Investors should note the scope and limitations of the Limited Assurance Investigating Accountant's Report on the Pro Forma Historical Financial Information (contained in Section 8).

The Pro Forma Historical Financial Information has also been adjusted to separately identify certain significant items, as set out in Section 4.3.

Investors should note that past results are not a guarantee of future performance.

4.2.3 Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared by Link Group solely for inclusion in this Prospectus. The Forecast Financial Information is presented on both statutory and pro forma bases for FY2016. The Statutory Forecast Financial Information represents the best estimates of the financial performance and cash flows that the Company expects to report in Link Group's general purpose statutory consolidated financial statements for FY2016.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information.

Section 4.3.1, Table 4.2a sets out a reconciliation of statutory forecast EBITDA to pro forma forecast EBITDA and Table 4.2b sets out a summary of significant items impacting statutory forecast EBITDA. Table 4.3 sets out a reconciliation of statutory forecast NPAT to pro forma forecast NPAT. In preparing the Pro Forma Forecast Financial Information, pro forma adjustments have been made to the Statutory Forecast Financial Information to reflect the elimination of costs associated with certain items such as:

- Offer transaction costs;
- adjustments to reflect the impact of the post-Offer capital structure and New Banking Facilities being in place from 1 July 2015; and
- the tax impact of the above adjustments.

Section 4.4.2, Table 4.7a sets out a reconciliation of statutory forecast net free cash flow to pro forma forecast net free cash flow. Table 4.7b summarises the cash impact of significant items on Statutory Forecast Cash Flows. Table 4.8 sets out a reconciliation of statutory forecast net cash flow to pro forma forecast net cash flow. Pro forma adjustments were made to the statutory forecast net cash flows to reflect:

- the cash impact of the pro forma adjustments to the Statutory Forecast Results; and
- the cash impact of costs, proceeds and the New Banking Facilities associated with the Offer.

No Business Combinations are assumed to occur in the forecast period other than one proposed Fund Administration regional expansion Business Combination that was announced in August 2015 and that is expected to have a minimal impact on forecast earnings in FY2016.

The basis of preparation and presentation of the Forecast Financial Information is consistent with the basis of preparation and presentation of the Pro Forma Historical Financial Information.

The Forecast Financial Information has been prepared by Link Group based on an assessment of current economic and operating conditions and on the general and specific assumptions regarding future events and actions as set out in Sections 4.8.1 and 4.8.2. The Forecast Financial Information is subject to the risk factors set out in Section 5. The inclusion of these assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur.

The Forecast Financial Information presented in this Prospectus has been reviewed by KPMG Transaction Services, in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as stated in its Limited Assurance Investigating Accountant's Report on the Forecast Financial Information. Investors should note the scope and limitations of the Limited Assurance Investigating Accountant's Report on the Forecast Financial Information (contained in Section 8). The Limited Assurance Investigating Accountant's Report on the Forecast Financial Information has been prepared solely in connection with the offer of Shares in Australia and has been omitted from the Institutional Offering Memorandum being distributed outside Australia.

The Directors believe the general and specific assumptions, when taken as a whole, to be reasonable at the time of preparing the Prospectus. However, the information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on Link Group's actual financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of the Company, the Directors and Link Group management, and are not reliably predictable. Accordingly, none of the Company or SaleCo, their respective Directors and Link Group management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Forecast Financial Information should be read in conjunction with the general assumptions set out in Section 4.8.1, the specific assumptions set out in Section 4.8.2, the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 5, the significant accounting policies set out in Appendix A, the critical accounting policies set out in Section 4.10 and other information in this Prospectus.

The Company has no intention to update or revise the Forecast Financial Information or other forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation.

For the purpose of Section 4, an indicative Final Price of $5.89 per Share (the Mid-Point Final Price) has been used in calculations.

4.2.4 Explanation of certain non-IFRS financial measures

Link Group uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are collectively referred to in this Section 4 as 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business. The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **Recurring Revenue** is revenue arising from contracted core administration services, stakeholder engagement services, share registry services and shareholder management and analytics services that are unrelated to corporate actions. Recurring Revenue is expressed as a percentage of total revenue. Recurring Revenue is revenue the business expects to generate with a high level of consistency and certainty year-on-year. Recurring Revenue includes contracted revenue which is based on fixed fees per member (for Fund Administration) or shareholder (for Corporate Markets). Clients are typically not committed to a certain total level of expenditure and as a result fluctuations for each client can occur year-on-year depending on various factors, including the number of member accounts in individual funds or the number of shareholders of corporate market clients;
- **Gross Revenue** is the aggregate segment revenue before elimination of intercompany revenue and recharges such as IDDS recharges for IT support, client related project development and communications services on-charged by Fund Administration or Corporate Markets to their clients. Link Group management considers segmental Gross Revenue to be a useful measure of the activity of each segment;
- **Operating EBITDA** is earnings before interest, tax, depreciation and amortisation and significant items. Management uses Operating EBITDA to evaluate the operating performance of the business and each operating segment prior to the impact of significant items, the non-cash impact of depreciation and amortisation and interest and tax charges, which are significantly impacted by the historical capital structure and historical tax position of Link Group. Link Group also presents Operating EBITDA margin which is Operating EBITDA divided by revenue, expressed as a percentage. Operating EBITDA margin for business segments is calculated as Operating EBITDA divided by segmental Gross Revenue while Link Group Operating EBITDA margin is calculated as Operating EBITDA divided by revenue. Management uses Operating EBITDA to evaluate the cash generation potential of the business because it does not include significant items or the non-cash charges for depreciation and amortisation. However, the Company believes that it should not be considered in isolation or as an alternative to net operating free cash flow;

- **EBITDA** is earnings before interest, tax, depreciation and amortisation;
- **EBITA** is earnings before interest, tax and acquired amortisation. Acquired amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets that were acquired as part of Business Combinations. This measure includes the amortisation expense relating to capitalised internally developed software and acquired software integral to the ongoing operating performance of the business. EBITA can be useful to help understand the cash generation potential of the business allowing for investment in assets and software. However, the Company believes that it should not be considered in isolation or as an alternative to net operating free cash flow. Link Group also presents EBITA margin which is EBITA divided by revenue, expressed as a percentage. EBITA margin is a measure that Link Group management uses to evaluate the profitability of the overall business;
- **EBIT** is earnings before interest and tax;
- **NPATA before significant items** is net profit after tax and after adding back tax affected significant items (including the discount expense on the unwind of the Superpartners client migration provision) and acquired amortisation. Acquired amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets that were acquired as part of Business Combinations. Link Group management considers NPATA before significant items to be a meaningful measure of after-tax profit as it excludes the impact of significant items and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. This measure includes the tax effected amortisation expense relating to certain acquired software which is integral to the ongoing operating performance of the business. Link Group also presents NPATA before significant items margin which is NPATA before significant items divided by revenue, expressed as a percentage. NPATA before significant items margin is a measure that Link Group management uses to evaluate the profitability of the overall business;
- **working capital** is trade and other receivables and other current assets less trade and other payables, accrued expenses, other creditors and current provisions and excludes debt-related balances and the impacts on these balances of significant items;
- **capital expenditure** is a combination of capitalised product development costs and other costs primarily related to property, plant and equipment. Capitalised product development costs are related to the development of proprietary IT systems and platforms to meet client needs and enable operational efficiencies to be achieved;
- **net operating free cash flow** is Operating EBITDA after changes in operating working capital and capital expenditure but before the net cash impacts of financing, tax, dividends, consideration for Business Combinations and significant items;
- **net free cash flow after significant items** is net operating free cash flow after the cash impact of significant items;
- **net operating free cash flow conversion ratio** is calculated as net operating free cash flow divided by Operating EBITDA and expressed as a percentage. Management believes this is a useful measure of the ability of the business to convert Operating EBITDA into net operating free cash flow; and
- **net debt** is interest-bearing loans and borrowings (before capitalised borrowing costs) net of cash and cash equivalents.

Certain financial data included in Section 4 is also non-IFRS financial information. Although the Company believes that these measures provide useful information about the financial performance of Link Group, they should be considered as supplements to the statement of profit or loss measures that have been presented in accordance with Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way Link Group calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

4.3 Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

Table 4.1a sets out a summary of the Pro Forma Historical Results, the Pro Forma Forecast Results and the Statutory Forecast Results. The Statutory Historical Results and the Statutory Forecast Results are reconciled to the Pro Forma Historical Results and the Pro Forma Forecast Results, respectively, in Section 4.3.1 and Appendix C.

Table 4.1a: Summary Pro Forma Historical Results, Pro Forma Forecast Results and Statutory Forecast Results

$ million	Notes	Pro Forma Historical Results FY2013	FY2014	FY2015	Pro Forma Forecast Results FY2016	Statutory Forecast Results FY2016
Fund Administration		231.2	251.3	413.8	560.5	560.5
Corporate Markets		122.0	134.4	160.0	171.8	171.8
IDDS		91.3	104.6	148.4	196.5	196.5
Eliminations	1	(79.4)	(79.9)	(133.9)	(178.8)	(178.8)
Revenue		**365.1**	**410.4**	**588.3**	**750.0**	**750.0**
Employee expenses		(146.8)	(169.9)	(274.8)	(353.2)	(353.2)
IT expenses		(18.1)	(25.1)	(54.7)	(72.2)	(72.2)
Occupancy expenses		(12.7)	(14.1)	(25.2)	(35.1)	(35.1)
Other expenses		(57.7)	(63.8)	(85.6)	(108.3)	(131.1)
Total operating expenses		**(235.3)**	**(272.9)**	**(440.3)**	**(568.8)**	**(591.6)**
Operating EBITDA		**129.8**	**137.5**	**148.0**	**181.2**	**158.4**
Significant items						
Business Combination and integration costs	2	5.5	(8.7)	(20.2)	(6.3)	(6.3)
IT business transformation and client migration costs	3	(1.1)	(14.7)	(11.3)	(11.7)	(11.7)
Total significant items (impacting EBITDA)		**4.4**	**(23.4)**	**(31.5)**	**(18.0)**	**(18.0)**
EBITDA after significant items		**134.2**	**114.1**	**116.5**	**163.2**	**140.4**
Depreciation		(6.6)	(7.1)	(9.9)	(11.3)	(11.3)
Amortisation	4	(15.2)	(23.7)	(22.1)	(24.4)	(24.4)
EBITA		**112.4**	**83.3**	**84.5**	**127.5**	**104.7**
Acquired amortisation	5	(14.2)	(19.8)	(28.2)	(29.6)	(29.6)
EBIT	6	**98.2**	**63.5**	**56.3**	**97.9**	**75.1**
Net finance expense	7				(12.1)	(33.2)
Discount on provision unwind	8				(4.1)	(4.1)
NPBT					**81.7**	**37.8**
Income tax expense	9				(22.6)	(10.3)
NPAT					**59.1**	**27.5**
Add back acquired amortisation (after tax)					20.7	20.7
NPATA					**79.8**	**48.2**
Significant items after tax	10				15.7	15.7
NPATA before significant items					**95.5**	**63.9**

1. Eliminations represent intra group eliminations and recharges primarily resulting from services provided by IDDS to Fund Administration and Corporate Markets for the provision of IT and other support services, the costs associated with the development and use of proprietary technology platforms, project-based work, digital, print and mail communication services provided by IDDS to Fund Administration and Corporate Markets clients. Project-based work, digital and print and mail communication services and certain development activity costs that are on-charged to external clients by Fund Administration or Corporate Markets, as applicable.
2. Business Combination and integration expenses represent costs incurred by Link Group in relation to certain Business Combinations and subsequent integration costs. Such costs typically reflect third party due diligence and legal costs and subsequent restructuring costs including redundancy costs. Business Combination costs also included the impact of non-cash bargain purchase gains and a gain on consolidation in FY2013 and FY2015 respectively (see Table 4.2b, notes 1, 2 and 3).
3. IT business transformation and client migration expenses relate to two IT business transformation initiatives (to offshore certain IT development and testing functions and the forecast implementation cost relating to a new long-term IT infrastructure agreement) and costs relating to client migration activities described in more detail in Table 4.2b, notes 4 and 5.
4. Amortisation includes the amortisation (FY2013: $2.6 million) and accelerated amortisation charge (FY2014: $8.2 million) of a retired software asset which was fully amortised in FY2014 but excludes acquired amortisation.
5. Acquired amortisation reflects amortisation on client lists and the revaluation impact of acquired intangible assets resulting from Business Combinations. The main Business Combinations impacting acquired amortisation in the period are Synchronised Software, FuturePlus and the superannuation administration assets of Russell Investments in FY2013, registrar services GmbH in FY2014 and Superpartners and Link Market Services Ltd (New Zealand) in FY2015. Acquired amortisation includes $1.2 million and $3.7 million in FY2013 and FY2014 respectively, related to the retired software asset discussed above in note 4.
6. The Pro Forma Historical Results have been presented before net finance expense and income tax expense because of the significant changes to the capital structure that have occurred during the historical period (see comments in Table 4.2a, note 3) and because Link Group's funding structure (under the New Banking Facilities) following Completion will be materially different to that in place during the historical period prior to Completion (see Section 4.5.2). As a result, the historical net finance expense and income tax expense recorded under the funding structure in place during the period prior to the Completion were significantly different from those which would have resulted under the New Banking Facilities and intended debt structure that will be in place following Completion and are not representative of what such finance expense and income tax expense would have been if the new funding structure had been in place during the historical period. See Section 4.3.2 for a summary of the statutory historical and forecast consolidated statements of profit or loss.
7. Pro forma net finance expense reflects the estimated finance costs for FY2016 which would have been incurred had the New Banking Facilities been in place from 1 July 2015 and includes $0.7 million amortisation of capitalised borrowing costs.
8. Discount on provision unwind represents the unwind of the provision relating to the Superpartners client migration costs established as part of acquisition accounting (see Table 4.2b, note 5) and recorded on the statement of financial position at present value (see Table 4.9, note 5).
9. Effective tax reflects the impact of tax rates in the jurisdictions in which Link Group operates and the recognition of certain tax losses.
10. Significant items after tax are comprised of the tax effected significant items referred to in notes 2 and 3 above and the tax effected discount on the unwind of the provision in relation to the Superpartners client migration costs referred to in note 8 above. Tax is assumed at 30% where deductible.

The Statutory Historical Results are reconciled to the Pro Forma Historical Results in Table 4.2a and Appendix C. Table 4.3 sets out a reconciliation of pro forma forecast NPAT to statutory forecast NPAT.

Table 4.1b

Offer Metrics and Ratios	Notes	
Enterprise value/pro forma FY2016 forecast Operating EBITDA	1	12.9x to 14.4x
Enterprise value/pro forma FY2016 forecast EBITDA	2	14.3x to 15.9x
Enterprise value/pro forma FY2016 forecast EBITA	3	18.3x to 20.4x
Offer Price/pro forma forecast FY2016 NPATA per share	4	25.3x to 28.7x
Offer Price/pro forma forecast FY2016 NPATA before significant items per share	5	21.2x to 24.0x
Annualised forecast FY2016 dividend yield at the Offer Price	6	2.4% to 2.7%
Pro forma net debt (as at 30 June 2015)/pro forma FY2016 forecast Operating EBITDA		1.7x
Pro forma net debt (as at 30 June 2015)/pro forma FY2016 forecast EBITDA		1.9x
Pro forma FY2016 forecast Operating EBITDA/pro forma finance expense	7	15.0x
Pro forma FY2016 forecast EBITDA/pro forma finance expense	8	13.5x

1. The enterprise value/forecast Operating EBITDA multiple is calculated as the enterprise value divided by pro forma forecast Operating EBITDA for FY2016. This multiple represents a valuation metric that may enable prospective investors to assess the valuation of comparable businesses before the impact of depreciation, amortisation, significant items and different capital and taxation structures. See Table 4.2b for a summary of significant items.
2. The enterprise value/forecast EBITDA multiple is calculated as the enterprise value divided by pro forma forecast EBITDA for FY2016. This multiple represents a valuation metric that may enable prospective investors to assess the valuation of comparable businesses before the impact of depreciation, amortisation, and different capital and taxation structures but including significant items.
3. Calculated as the enterprise value divided by pro forma forecast consolidated EBITA for FY2016. See Table 4.1a for pro forma forecast consolidated EBITA for FY2016.
4. Offer Price/pro forma consolidated NPATA per share is calculated based on the Indicative Price Range divided by NPATA per share which is based on the total number of Shares on issue at Completion at the Indicative Price Range.
5. Offer Price/pro forma consolidated NPATA before significant items per share is calculated based on the Indicative Price Range divided by NPATA before significant items per share which is based on the total number of Shares on issue at Completion based on the Indicative Price Range. Significant items are summarised in Table 4.2b.
6. Calculated as the implied annualised dividend per Share divided by the Indicative Price Range. For more information on Link Group's dividend policy, see Section 4.11.
7. Calculated as pro forma forecast Operating EBITDA divided by pro forma net finance expenses excluding discount on provision unwind.
8. Calculated as pro forma forecast EBITDA divided by pro forma net finance expenses excluding discount on provision unwind.

4.3.1 Pro forma adjustments to the Statutory Historical Results and the Statutory Forecast Results and summary of significant items

Table 4.2a sets out the pro forma adjustments that have been made to Link Group's Statutory Historical and Forecast Results for various items impacting the historical and forecast periods. Table 4.2b sets out items which Link Group management considers to be significant in nature. Table 4.2a should be read in conjunction with Table 4.4, which sets out the Statutory Historical Results extracted from the Statutory Historical Financial Reports.

No pro forma adjustments have been made to statutory revenue in either the Pro Forma Historical Results or the Pro Forma Forecast Results. No pro forma adjustments have been made to the Statutory Historical Financial Information in preparing the Pro Forma Historical Financial Information to reflect the pre-Link Group ownership earnings impact of any Business Combinations (as described in Section 3.10.4) in the historical periods. Business Combinations are reflected in the Historical Financial Information from the dates they were completed. In addition, the Pro Forma Forecast Results and the Statutory Forecast Results assume no Business Combinations are completed during the forecast period other than one proposed Fund Administration regional expansion Business Combination announced in August 2015 with minimal forecast earnings impact in FY2016.

Table 4.2a: Pro forma adjustments to the Statutory Historical Results and Statutory Forecast Results

		Historical			Forecast
$ million	Notes	FY2013	FY2014	FY2015	FY2016
Statutory EBITDA after significant items		**133.7**	**75.2**	**112.4**	**140.4**
Incremental public company costs	1	(2.5)	(2.5)	(2.5)	–
Offer transaction costs	2	–	–	–	22.8
Change in capital structure and advisory fees	3	3.0	40.1	–	–
Settlement of legal claims	4	–	1.3	3.8	–
Employee liabilities	5	–	–	2.8	–
Total pro forma adjustments		**0.5**	**38.9**	**4.1**	**22.8**
Pro forma EBITDA after significant items		**134.2**	**114.1**	**116.5**	**163.2**

1. Incremental public company costs – reflect Link Group's estimates of the incremental annual costs Link Group will incur as a public company. These costs include Chairman and other Non-Executive Director remuneration, additional audit and legal costs, tax, company secretarial, public relations and listing fees, directors and officers insurance premiums as well as investor relations services, annual general meeting and annual report costs. There is no adjustment in the forecast period as the statutory and the forecast results reflect a full year of public company costs.
2. Offer transaction costs – total costs of the Offer are estimated at $42.6 million, of which $19.8 million (before tax) are directly attributable to the issue of new Shares by the Company and will be offset against equity raised in the Offer. The remaining $22.8 million (before tax) relate to the sale of existing Shares by the Selling Shareholders and are expensed in the Statutory Forecast Results.
3. Change in capital structure and advisory fees – adjustments to remove the impact of capital restructuring activities and advisory fees. The FY2013 adjustment primarily relates to the historical advisory fees which are no longer incurred by the business. The FY2014 cost adjustment reflects advisory fees related to an equity raise and the refinancing of debt facilities ($8.2 million) and a related tax equalisation payment to management shareholders ($10.5 million), a termination payment in respect of an investment services agreement ($20.0 million) and actual part year advisory fees ($1.4 million). No further advisory fees were charged by the service provider during FY2015 and Link Group does not expect to pay any similar fees or expenses to that service provider in the future.
4. Settlement of legal claims – legal and settlement costs associated with a third party litigation claim related to events pre FY2013 which has now been settled.
5. Employee liabilities – a change in accounting estimate for long service leave and annual leave due to a change in probability factors and application of a discount rate used to calculate the provision. The majority of the financial impact of this adjustment relates to periods prior to FY2013.

Table 4.2b: Summary of significant items

$ million	Notes	Pro Forma Historical Results FY2013	FY2014	FY2015	Pro Forma Forecast Results FY2016
Business Combination costs	1	1.9	6.0	6.6	0.7
Bargain purchase gain and gain on consolidation	2	(9.2)	–	(10.3)	–
Integration costs	3	1.8	2.7	23.9	5.6
Business Combination and integration costs		**(5.5)**	**8.7**	**20.2**	**6.3**
IT business transformation	4	–	5.1	3.1	4.5
Client migration costs	5	1.1	9.6	8.2	7.2
IT business transformation and client migration costs		**1.1**	**14.7**	**11.3**	**11.7**
Total significant items (impacting EBITDA)	6	(4.4)	23.4	31.5	18.0
Discount on provision unwind		–	–	–	4.1
Total significant items		**(4.4)**	**23.4**	**31.5**	**22.1**

1. Business Combination costs – costs associated with undertaking the Business Combinations described in Section 3.10.4. Such costs include legal, accounting and other advisory costs as well as associated travel costs. The main Business Combinations that these costs relate to are FuturePlus, Synchronised Software, the superannuation administration assets of Russell Investments in FY2013, registrar services GmbH, Capital Precision and GESB in FY2014 and the European assets of D.F. King, Superpartners and the remaining 50% of Link Market Services Ltd (New Zealand) in FY2015. The forecast results include one proposed Fund Administration regional expansion Business Combination announced in August 2015 with minimal forecast earnings impact in FY2016, for which the costs to complete the Business Combination are expected to be $0.7 million.
2. Bargain purchase gain and gain on consolidation – in FY2013, Link Group undertook Business Combinations whereby the fair value of purchase consideration was $9.2 million lower than the fair value of identifiable net assets acquired. As a result, Link Group recognised a bargain purchase gain in its statutory statement of profit or loss. In FY2015, prior to 30 June 2015, Link Group owned 50% of Link Market Services Ltd (New Zealand), which was accounted for by Link Group as an equity investment. Link Group acquired the remaining 50% shareholding in Link Market Services Ltd (New Zealand) on 30 June 2015, such that Link Market Services Ltd (New Zealand) is now 100% owned and controlled by Link Group and therefore accounted for as a fully consolidated subsidiary. The transaction resulted in Link Group recognising in its statutory statement of profit or loss a gain on sale of $10.3 million, as the fair value of Link Group's initial 50% ownership (fair value being implied by the transaction value) exceeded the equity accounted carrying value.
3. Integration costs – integration costs related to the Business Combinations described above in note 1 and Section 3.10.4. These costs relate to redundancies in FY2013 and FY2014 primarily arising due to the integration of FuturePlus and the superannuation administration assets of Russell Investments. FY2015 includes $13.8 million of redundancy costs, primarily relating to the integration of Superpartners, as well as a $7.4 million onerous lease cost in relation to a lease agreement which became surplus to requirements as a result of the integration of Superpartners. FY2016 forecast primarily relates to further unprovisioned redundancy costs arising from the integration of Superpartners.
4. IT business transformation – costs arising from restructure of the IT department (within IDDS) which commenced in FY2014 and involved outsourcing certain development and testing functions to a third party offshore provider. The restructure resulted in Link Group incurring $2.8 million and $0.3 million of duplicated IT costs in FY2014 and FY2015, respectively, and $1.8 million and $2.8 million of redundancy costs as a result of the restructure in FY2014 and FY2015, respectively. The FY2014 amount contains $0.5 million of other redundancy costs relating to other overseas business restructuring. In FY2016, Link Group has forecast to incur $4.5 million of vendor related costs to implement a new long-term IT infrastructure agreement.
5. Client migration costs – the costs of employees and contractors employed specifically to migrate new Fund Administration clients from legacy technology platforms to Link Group's proprietary platform. The costs are mainly related to Fund Administration and reflect the integrated nature of Link Group's relationship with its clients. The main client migrations to which these costs relate arose from the FuturePlus and the superannuation administration assets of Russell Investments Business Combinations in FY2013. Link Group has a number of clients that are yet to be migrated to Link Group's technology platform. These migrations are expected to be completed from FY2016 and beyond the forecast period. Statement of profit or loss expenses associated with the migration of Superpartners clients are not included in this adjustment, as these expenses are incurred against a provision raised as part of the acquisition accounting (refer to Table 4.9, note 5). Cash costs associated with Superpartners' client migrations are shown within significant items in the statement of cash flow (refer to Table 4.6, note 2). Client migrations are discussed further in Section 3.10.5.
6. Discount on provision unwind represents the unwind of the provision relating to the Superpartners client migration costs established as part of acquisition accounting (see note 5) and recorded on the statement of financial position at present value (see Table 4.9, note 5).

Table 4.3 sets out the pro forma adjustments that have been made to Link Group's statutory forecast NPAT for various items which are expected to impact the forecast period. Table 4.3 should be read in conjunction with Table 4.4, which sets out the Statutory Historical Results.

Table 4.3: Pro forma adjustments to the statutory forecast NPAT

$ million	Notes	**Forecast** FY2016
Statutory NPAT		**27.5**
Offer transaction costs	1	22.8
Net finance expense	2	21.1
Tax impact of adjustments	3	(12.3)
Pro forma NPAT		**59.1**

1. Offer transaction costs – total costs of the Offer are estimated at $42.6 million, of which $22.8 million (before tax) not directly attributable to the issue of new Shares by the Company are expensed. The remaining $19.8 million (before tax) are set off against equity raised in the Offer, and are disclosed in Shareholders' equity on the statement of financial position.
2. Net finance expense in the Statutory Forecast Results has been adjusted to:
   - reflect the finance cost associated with the New Banking Facilities as if they were in place on 1 July 2015 (net impact of $12.1 million);
   - remove the impact of the amortisation and write-off of capitalised borrowing costs relating to the existing debt facilities and replace with the amortisation of capitalised borrowing costs relating to the New Banking Facilities (net impact of $4.9 million); and
   - remove the break costs associated with swaps held against the existing debt facilities ($4.1 million).
3. Tax impact of adjustments – reflects the net impact of forecast tax deductions on adjustments assuming a rate of 30% for domestic costs and taking into account non-deductible costs.

4.3.2 Statutory Historical Results

Table 4.4 sets out a summary of the Statutory Historical Results.

Table 4.4: Summary Statutory Historical Results

		Historical results[1]		
$ million	Notes	FY2013	FY2014	FY2015
Revenue		**365.1**	**410.4**	**588.3**
Employee expenses		(148.7)	(192.3)	(300.5)
IT expenses		(17.9)	(28.2)	(56.1)
Occupancy expenses		(12.7)	(14.1)	(32.7)
Other expenses	2	(59.2)	(66.7)	(90.9)
Net acquisition and capital management related income/(expenses)		7.1	(33.9)	4.3
Total operating expenses		**(231.4)**	**(335.2)**	**(475.9)**
EBITDA		**133.7**	**75.2**	**112.4**
Depreciation		(6.6)	(7.1)	(9.9)
Amortisation	3	(15.2)	(23.7)	(22.1)
EBITA		**111.9**	**44.4**	**80.4**
Acquired amortisation	4	(14.2)	(19.8)	(28.2)
EBIT		**97.7**	**24.6**	**52.2**
Net finance expense		(37.1)	(60.0)	(52.4)
Gain on assets held at fair value		–	–	3.4
Share of NPAT of equity accounted investments	5	0.6	0.4	0.8
NPBT		**61.2**	**(35.0)**	**4.0**
Income tax expense		(11.0)	9.8	(0.7)
NPAT		**50.2**	**(25.2)**	**3.3**
Add back acquired amortisation (after tax)		9.9	13.9	19.8
NPATA		**60.1**	**(11.3)**	**23.1**

1. See Appendix C for reconciliation of Statutory Historical Results to Pro Forma Historical Results.
2. Described as "Administrative and general expenses" in the Statutory Historical Financial Reports.
3. Amortisation excludes acquired amortisation.
4. Acquired amortisation – reflects amortisation on client lists and the revaluation impact of acquired intangible assets that were acquired as part of Business Combinations. See Table 4.1a, note 5.
5. Share of NPAT of equity accounted investments represents the share of NPAT for Link Market Services Ltd (New Zealand) throughout the historical period.

4.3.3 Segment Pro Forma Historical Results and segment Pro Forma Forecast Results

In accordance with AASB 8, Link Group has determined that its reporting segments for future periods comprise Fund Administration, Corporate Markets and IDDS:

- **Fund Administration:** provides outsourced administration services to superannuation funds. Link Group provides a fully integrated platform solution to its clients, covering all major front, middle and back office administration functions. These services include core, value-added and trustee services (refer to Section 3.5);
- **Corporate Markets:** provides a comprehensive corporate market offering that connects issuers with their stakeholders. The division's key services include shareholder management and analytics, stakeholder engagement, share registry, employee share plans and company secretarial. The two largest services in Corporate Markets by revenue contribution are shareholder management and analytics and share registry. Corporate Markets' global client base includes listed and unlisted companies (refer to Section 3.6); and
- **IDDS:** is the technology hub of Link Group and a key driver of innovation. IDDS provides a core service of development and maintenance of proprietary IT systems and platforms and Link Group's value-added services of data analytics, digital solutions and digital communications. This division supports Fund Administration, Corporate Markets and a number of external clients. This division generates internal revenue from Fund Administration and Corporate Markets which is eliminated in Link Group consolidated revenue as well as external revenue (refer to Section 3.7).

Each operating segment earns revenue and incurs expenses in connection with its associated business activity.

Link Group also reports an additional expense category titled Head Office representing executive office, risk and compliance, human resources and finance functions. Head Office largely comprises employee expenses but also includes insurance, training and audit related costs which are not directly attributable to Link Group's business segments.

Table 4.5 illustrates the pro forma revenue and pro forma Operating EBITDA generated by each of the Link Group segments.

Table 4.5: Segment Pro Forma Historical Results and segment Pro Forma Forecast Results

$ million	Notes	Pro Forma Historical Results FY2013	FY2014	FY2015	Pro Forma Forecast Results FY2016
Revenue					
Revenue excluding Superpartners clients		231.2	251.3	263.1	267.8
Superpartners clients	1	–	–	150.7	292.7
Total Fund Administration		231.2	251.3	413.8	560.5
Corporate Markets		122.0	134.4	160.0	171.8
IDDS		91.3	104.6	148.4	196.5
Gross Revenue		**444.5**	**490.3**	**722.2**	**928.8**
Eliminations		(79.4)	(79.9)	(133.9)	(178.8)
Revenue		**365.1**	**410.4**	**588.3**	**750.0**
Operating EBITDA					
Fund Administration		57.5	60.6	70.2	92.9
Corporate Markets		39.5	44.9	50.4	54.9
IDDS		37.2	36.7	34.1	39.8
Head Office		(4.4)	(4.7)	(6.7)	(6.4)
Total Operating EBITDA		**129.8**	**137.5**	**148.0**	**181.2**
Revenue growth					
Fund Administration	2	n/a	9%	65%	35%
Corporate Markets	2	n/a	10%	19%	7%
IDDS	2	n/a	15%	42%	32%
Link Group		**n/a**	**12%**	**43%**	**27%**
Operating EBITDA growth					
Fund Administration		n/a	5%	16%	32%
Corporate Markets		n/a	14%	12%	9%
IDDS		n/a	(1%)	(7%)	17%
Head Office		n/a	7%	43%	(4%)
Link Group		**n/a**	**6%**	**8%**	**22%**

1. Superpartners is not recorded as a separate segment but shown in the table above to demonstrate the impact on FY2015 and FY2016 revenue.
2. Calculated based on Gross Revenue before eliminations; see definition of non-IFRS measures in Section 4.2.4.

4.4 Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flows and Statutory Forecast Cash Flows

4.4.1 Overview

Table 4.6 sets out a summary of the Pro Forma Historical Cash Flows, the Pro Forma Forecast Cash Flows and the Statutory Forecast Cash Flows.

Table 4.6: Summary Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flows and Statutory Forecast Cash Flows

		Pro Forma Historical Cash Flows			Pro Forma Forecast Cash Flows	Statutory Forecast Cash Flows
$ million	Notes	FY2013	FY2014	FY2015	FY2016	FY2016
Operating EBITDA		**129.8**	**137.5**	**148.0**	**181.2**	**158.4**
Non-cash items in Operating EBITDA	1	(2.8)	(3.1)	(2.7)	(3.1)	(3.1)
Changes in working capital		5.0	(14.2)	(30.7)	(2.7)	(3.3)
Capital expenditure		(15.8)	(20.2)	(35.1)	(33.7)	(33.7)
Net operating free cash flow		**116.2**	**100.0**	**79.5**	**141.7**	**118.3**
Cash impact of significant items	2	(4.8)	(20.1)	(32.0)	(69.3)	(69.3)
Net free cash flow after significant items		**111.4**	**79.9**	**47.5**	**72.4**	**49.0**
Tax	3				(1.0)	(1.0)
Interest	4				(11.4)	(28.6)
Repayment of loans	5				–	(793.2)
Proceeds from New Banking Facilities	6				–	325.0
Upfront debt fees	7				–	(2.7)
Proceeds from issue of Shares	8				–	480.2
Other investing cash flow	9				(5.9)	(5.9)
Net cash flow					**54.1**	**22.8**
Net operating free cash conversion ratio		90%	73%	54%	78%	75%

1. Non-cash items in Operating EBITDA represent a lease incentive expense on rental property.
2. Cash impact of significant items reflects the profit or loss impact of the items adjusted for movements in provisions. The main cash outflows arise from Business Combination, integration and client migration activities. Cash flows in FY2014, FY2015 and FY2016 also include costs relating to two IT business transformation initiatives (to offshore certain IT development and testing functions and the forecast implementation cost relating to a new long-term IT infrastructure agreement). FY2016 cash outflows relating to significant items are forecast to reflect cash outflows of $48.7 million mainly relating to Superpartners client migrations ($41.5 million of cash offset against the Superpartners client migration provision and the remainder forecast to be expensed as significant items), $15.4 million of integration costs, of which $9.6 million was provisioned at 30 June 2015, $4.5 million of IT business transformation costs and $0.7 million of Business Combination costs. For further detail of the cash impact of historical significant items, see Table 4.7b, notes 1 to 4.
3. Cash tax outflows are calculated after allowing for the utilisation of carry forward tax losses.
4. Pro forma interest represents the cash interest payments assuming the New Banking Facilities and capital structure had been in place on 1 July 2015. Statutory cash interest assumes the current level of debt and debt facilities are in place until Completion and the revised capital structure and New Banking Facilities post Completion to 30 June 2016. Statutory cash interest costs include the $4.1 million repayment of an interest rate swap which becomes due on redemption of the existing debt facilities.
5. Repayment of loans reflects the payment of the existing debt facilities.
6. Management has forecast to draw down $325.0 million of the New Banking Facilities at Completion.
7. Upfront debt fees of $2.7 million are payable on drawdown of the New Banking Facilities.
8. Net proceeds from the Offer are assumed to be $480.2 million, comprising $500.0 million of gross proceeds less $19.8 million of costs (before tax) directly attributable to the issue of new Shares by the Company and which are offset against equity raised in the Offer. The remaining $22.8 million (before tax) of gross Offer costs relate to the sale of existing Shares by the Selling Shareholders and are expensed in the statutory forecast Operating EBITDA.
9. Other investing cash flow mainly represents the additional investment in PEXA made in July 2015 (refer to Section 3.10.6).

Summary Statutory Historical Cash Flow information for FY2013, FY2014 and FY2015 are presented within Appendix B.

4.4.2 Pro forma adjustments to the Statutory Historical Cash Flows and the Statutory Forecast Cash Flow and summary of the cash impact of significant items

Table 4.7a sets out the pro forma adjustments that have been made to Link Group's statutory historical and forecast cash flows for various items impacting the historical and forecast periods. Table 4.7b sets out the cash impact of items Link Group management considers to be significant in nature.

Table 4.7a: Pro forma adjustments to the Statutory Historical Cash Flows and Statutory Forecast Cash Flow

			Historical		Forecast
$ million	Notes	FY2013	FY2014	FY2015	FY2016
Statutory net free cash flow		**110.9**	**55.9**	**48.2**	**49.0**
Incremental public company costs	1	(2.5)	(2.5)	(2.5)	–
Offer Transaction costs	2	–	–	–	22.8
Repayment of shareholder loans	3	–	–	–	(2.2)
Change in capital structure and management fees	4	3.0	26.2	–	–
Settlement of legal claims	5	–	0.3	1.8	2.8
Cash impact of pro forma adjustments		**0.5**	**24.0**	**(0.7)**	**23.4**
Pro forma net free cash flow after significant items		**111.4**	**79.9**	**47.5**	**72.4**

1. Incremental public company costs – Link Group's estimates of the cash impact of incremental annual costs Link Group will incur as a public entity. There is no adjustment in the forecast period as the statutory and the forecast cash flows reflect a full year of public company costs. See Table 4.2a, note 1.
2. Offer transaction costs included in statutory EBITDA are $22.8 million (before tax).
3. $2.2 million of shareholder loans are forecast to be repaid as a consequence of the Offer.
4. Change in capital structure and advisory fees – adjustment to remove the cash impact of historical capital restructuring activities and advisory fees described in Table 4.2a, note 3. The FY2014 cash flow impact from the capital restructure is $13.9 million lower than presented in the EBITDA adjustments in Table 4.2a due to this amount being disclosed below statutory net free cash flow in the Statutory Historical Financial Reports.
5. Settlement of legal claims – cash impact of legal and settlement costs associated with third party litigation arising from events pre FY2013; FY2014 cash costs were $1.0 million lower than the EBITDA impact of $1.3 million and FY2015 cash costs were $2.0 million lower than the EBITDA impact of $3.8 million (see Table 4.2a, note 4) due to provisions raised. Payment is forecast to be made in FY2016 to settle this legal claim (see Table 4.8, note 2).

Table 4.7b: Summary of cash impact of significant items

$ million	Notes	FY2013	FY2014	FY2015	FY2016
			Historical		**Forecast**
Business Combination costs	1	1.9	6.0	6.6	0.7
Integration costs	2	1.8	1.2	7.5	15.4
IT business transformation and client migration costs	3	–	3.3	5.0	4.5
Client migration costs	4	1.1	9.6	12.9	48.7
Cash impact of significant items		**4.8**	**20.1**	**32.0**	**69.3**

1. Business Combination costs – represent the cash impact of Business Combination costs. FY2013 cash costs mainly related to FuturePlus, the superannuation administration assets of Russell Investments and Synchronised Software Business Combinations while in FY2014 the cash outflow increased to $6.0 million relating to the overseas and domestic Business Combinations of registrar services GmbH, Capital Precision and GESB. In FY2015, costs mainly related to Superpartners, the European assets of D.F. King and Link Market Services Ltd (New Zealand). See Table 4.2b, note 1. Business Combination costs do not include purchase consideration paid.
2. Integration costs – FY2013 and FY2014 cash flows mainly reflected integration of the Business Combinations in each year. The increase in cash flows in FY2015 reflected both the utilisation of FY2014 provisions as well as certain cash outflows relating to Superpartners. During FY2015, provisions were established for announced initiatives which are forecast to have a cash outflow in FY2016; accordingly, the cash outflow in FY2015 is lower than the significant item cost expensed. See Table 4.2b, note 3.
3. IT business transformation – represents the cash impact of costs arising from the restructure of IT development and testing operations (within IDDS) in FY2014 and FY2015. The FY2014 cash impact is $1.8 million lower than the EBITDA impact reflecting redundancy costs charged in the year which were not paid until FY2015 which results in FY2015 cash being $1.8 million higher than the EBITDA adjustment. See Table 4.2b, note 4.
4. Client migration costs – client migration costs mainly reflect dedicated migration project team costs. Cash outflows were $1.1 million in FY2013, reflecting the commencement of migrations for new clients in the year. Cash outflows increased to $9.6 million in FY2014, reflecting the migration of clients arising from the Russell and FuturePlus Business Combinations in FY2013. FY2015 also includes $4.7 million of cash costs relating to Superpartners client migration; these costs are not included within the Statutory Historical Results but are incurred against a provision raised as part of the Superpartners acquisition accounting. Management expects a total cash outflow in relation to Superpartners migrations of $60 million over a two year period post acquisition which has been provisioned in the statutory and pro forma historical consolidated statement of financial position as at 30 June 2015 (see Table 4.9, note 5). The provision has been discounted and has a balance of $50.0 million, being part of a total provision of $51.3 million as at 30 June 2015. The discount expense relating to the provision is included within significant items to NPAT in calculating NPATA before significant items (see Table 4.1a, note 10).

Table 4.8 sets out a reconciliation from statutory net cash flows to pro forma net cash flows.

Table 4.8: Pro forma adjustments to the Statutory Forecast Cash Flows

$ million	Notes	Forecast FY2016
Statutory net cash flow		**22.8**
Offer transaction costs	1	22.8
Settlement of legal claims	2	2.8
Repayment of shareholder loans	3	(2.2)
Interest	4	17.2
Repayment of loans	5	793.2
Proceeds from New Banking Facilities	6	(325.0)
Upfront debt fees	7	2.7
Proceeds from issue of Shares	8	(480.2)
Pro forma net cash flow		**54.1**

1. Offer transaction costs – total costs of the Offer are estimated at $42.6 million, of which $22.8 million (before tax) not directly attributable to the issue of new Shares by the Company are expensed and therefore recognised through net operating free cash flow. The remaining $19.8 million (before tax) are set off against equity raised in the Offer (see note 8 below).
2. Settlement of legal claims – represents the payment for settlement and legal costs forecast to be made in FY2016. These costs were expensed in the periods prior to FY2016 and were provided for in the 30 June 2015 statutory and pro forma consolidated statement of financial position.
3. Repayment of shareholder loans – represents a cash inflow forecast, arising as a result of the Offer, in relation to the repayment of shareholder loans.
4. Interest – adjustment represents the difference between forecast cash interest payments under the New Banking Facilities assuming they were in place on 1 July 2015 and the statutory forecast cash interest outflow which assumes the existing debt facilities are in place until the Offer and also includes the repayment of an interest swap arising from the Offer.
5. Repayment of loans – represents the forecast redemption of existing debt facilities at the Offer date from proceeds from the Offer and the New Banking Facilities.
6. Management has assumed $325.0 million of gross debt is drawn down on Completion.
7. Upfront debt fees of $2.7 million are forecast in relation to the New Banking Facilities.
8. Proceeds from issue of Shares are forecast to be $500.0 million on a gross basis. Proceeds are shown net of $19.8 million of costs (before tax) which are directly attributable to the Offer (see note 1 above).

4.5 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

The Pro Forma Historical Statement of Financial Position as at 30 June 2015 as set out in Table 4.9 is derived from the Statutory Historical Statement of Financial Position as at 30 June 2015, adjusted to reflect the impact of the Offer and the impact of the New Banking Facilities that will be in place following Completion as if they had occurred or were in place on 1 July 2015.

On Completion, the Company will issue new equity and draw down on its New Banking Facilities (described below). Proceeds from the Offer will be used to pay down existing debt, pay for the costs of the Offer and the partial sell down of existing Shares by the Selling Shareholders, and settle an interest rate swap.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Link Group's view of its financial position upon Completion or at a future date. Further information on the sources and uses of funds of the Offer and the New Banking Facilities is contained in Sections 4.5.2, 7.1.2 and 9.1.

Table 4.9: Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

$ million	Notes	Statutory 30 June 2015	Impact of the Offer[1]	Impact of the New Banking Facilities[2]	Pro forma 30 June 2015
Current assets					
Cash and cash equivalents		31.9	459.6	(475.0)	16.5
Trade and other receivables		84.8	(2.2)	–	82.6
Other assets		10.7	–	–	10.7
Current tax assets		0.2	–	–	0.2
Total current assets		**127.6**	**457.4**	**(475.0)**	**110.0**
Non-current assets					
Investments		34.4	–	–	34.4
Plant and equipment		22.6	–	–	22.6
Intangible assets	3	864.5	–	–	864.5
Deferred tax assets		68.5	9.6	(1.2)	76.9
Other assets		0.4	–	–	0.4
Total non-current assets		**990.4**	**9.6**	**(1.2)**	**998.8**
Total assets		**1,118.0**	**467.0**	**(476.2)**	**1,108.8**
Current liabilities					
Trade and other payables		72.6	–	–	72.6
Interest-bearing loans and borrowings	4	24.0	–	(23.8)	0.2
Derivative financial liabilities		0.2	–	(0.2)	–
Provisions	5	90.0	–	–	90.0
Current tax liabilities		0.6	–	–	0.6
Total current liabilities		**187.4**	**–**	**(24.0)**	**163.4**
Non-current liabilities					
Trade and other payables		6.5	–	–	6.5
Interest-bearing loans and borrowings	4	765.6	–	(442.5)	323.1
Derivative financial liabilities		3.9	–	(3.9)	–
Provisions	5	41.8	–	–	41.8
Deferred tax liabilities		63.7	–	–	63.7
Total non-current liabilities		**881.5**	**–**	**(446.4)**	**435.1**
Total liabilities		**1,068.9**	**–**	**(470.4)**	**598.5**
Net assets		**49.1**	**467.0**	**(5.8)**	**510.3**

$ million	Notes	Statutory 30 June 2015	Impact of the Offer[1]	Impact of the New Banking Facilities[2]	Pro forma 30 June 2015
Equity					
Contributed equity		202.5	485.0	–	687.5
Reserves		(145.7)	–	2.9	(142.8)
Accumulated losses		(7.8)	(18.0)	(8.7)	(34.5)
Total equity attributable to equity holders		**49.0**	**467.0**	**(5.8)**	**510.2**
Non-controlling interest		0.1	–	–	0.1
Total equity		**49.1**	**467.0**	**(5.8)**	**510.3**

1. Impact of the Offer – $459.6 million increase in cash and cash equivalents due to the proceeds from the issue of new Shares ($500.0 million), cash received from the repayment of shareholder loans ($2.2 million) offset by total Offer transaction costs ($42.6 million). Certain Offer transaction costs are assumed to be deductible over a five year period, resulting in a deferred tax asset of $9.6 million. Contributed equity is forecast to increase by $485.0 million, being the proceeds from the issue of new Shares ($500.0 million) offset by Offer transaction costs directly attributable to the issue of new Shares ($19.8 million) net of the deferred tax attributable to these Offer transaction costs ($4.7 million). Accumulated losses increase as a result of expensed Offer transaction costs ($22.8 million) net of deferred tax impact of these costs ($4.8 million).
2. Impact of the New Banking Facilities – $475.0 million decrease in cash and cash equivalents due to the repayment of the existing banking facilities ($793.2 million), upfront debt fees associated with the New Banking Facilities ($2.7 million), break costs associated with swaps against the existing debt facilities ($4.1 million) offset by drawdown of debt ($325.0 million) under the New Banking Facilities. Current interest-bearing loans and borrowings decrease by $23.8 million due to the repayment of the current portion of the existing debt facilities ($26.9 million) offset by the write-off of capitalised borrowing costs ($3.1 million). Non-current interest-bearing loans and borrowing decrease due to the repayment of the non-current portion of the existing debt facilities ($766.3 million) offset by the drawdown of the New Banking Facilities ($325.0 million) net of upfront debt fees ($2.7 million) and the write-off of upfront debt costs associated with the existing debt facilities ($1.5 million). Accumulated losses increase due to the write-off of capitalised debt costs on the existing debt facility ($4.6 million) and $4.1 million expense incurred in settling the existing swap which also results in a $2.9 million release of the cash flow hedge reserve and the write-off of the associated deferred tax asset ($1.2 million).
3. The net book value of intangible assets comprises $580.7 million in goodwill, $146.4 million in client lists, $133.4 million of software and $3.9 million in relation to brand names.
4. Interest-bearing loans and borrowings (current and non-current) also include finance lease liabilities of $1.0 million and are shown net of capitalised borrowing costs $4.6 million as at 30 June 2015, $2.7 million on a pro forma basis.
5. Included within provisions is $51.3 million ($38.9 million current and $12.4 million non-current) primarily relating to the contractual obligation to migrate Superpartners clients on to Link Group's proprietary IT systems. The migration provision was recognised upon acquisition of Superpartners under AASB 3 and is discounted to present value. The gross value of the migration provision, on an undiscounted basis, was $56.2 million as at 30 June 2015, representing the remaining forecast cash outflow. As cash costs are incurred, the migration provision is utilised (i.e. there is no EBITDA impact), and the discount unwinds as an interest expense.

4.5.1 Summary of net debt as at 30 June 2015

Table 4.10 sets out the net debt position of Link Group as at 30 June 2015, on a statutory basis (before Completion) and on a pro forma basis (following Completion).

Table 4.10: Summary of net debt as at 30 June 2015

$ million	Notes	Statutory	Pro forma	Change
Cash and cash equivalents		(31.9)	(16.5)	15.4
Long term				
Existing senior debt	1	766.3	–	(766.3)
New Banking Facilities		–	325.0	325.0
Long term debt		**766.3**	**325.0**	**(441.3)**
Short term				
Existing senior debt	1	26.9	–	(26.9)
Short term debt		**26.9**	**–**	**(26.9)**
Total debt	**2**	**793.2**	**325.0**	**(468.2)**
Net debt	**2**	**761.3**	**308.5**	**(452.8)**
Net debt/FY2015 pro forma Operating EBITDA			2.08	
Net debt/FY2016 forecast pro forma Operating EBITDA			1.70	

1. Excludes finance lease liabilities of $1.0 million and is shown gross of capitalised borrowing costs of $4.6 million.
2. Excludes provisions for client migration obligations of $51.3 million as at 30 June 2015.

4.5.2 Description of New Banking Facilities

4.5.2.1 Overview

Link Administration Pty Limited, a wholly owned subsidiary of the Company has entered into a syndicated facility agreement with a syndicate of banks including Westpac, Commonwealth Bank of Australia and National Australia Bank for the provision of a committed $580 million unsecured revolving facility with a split tenor of three and five years.

The new facilities are guaranteed by the Company, Link Administration Pty Limited and other selected wholly owned subsidiaries of Link Group (together, the **Obligors**). The Guarantors must represent in every period not less than 80% of the consolidated EBITDA and total assets of Link Group.

The availability of funding under the New Banking Facilities is dependent on:

- Completion;
- simultaneous repayment of the existing debt facilities;
- evidence that the ratio of senior net debt to EBITDA (**Leverage ratio**) to FY2016 pro forma forecast EBITDA is less than or equal to 2.5 times, as disclosed in this Prospectus;
- payment of all fees and expenses; and
- various items of ancillary documentation being provided to the agent in advance.

The New Banking Facilities will comprise:

- a fully committed three year Facility A of $275 million;
- a fully committed five year Facility B of $275 million;
- a fully committed five year Facility C of $30 million; and
- an uncommitted five year Facility D of $250 million.

4.5.2.2 Finance costs

The facilities have variable interest rates based on the bank bill swap rate (BBSY) plus a margin which varies depending on the Leverage ratio (refer to Section 4.5.2.7). Link Administration Pty Limited will be required to pay 40% of the applicable margin on any undrawn committed debt in addition to other customary fees typical for facilities of this nature.

4.5.2.3 Facilities A and B

Facilities A and B are available to initially refinance existing indebtedness (including derivative transactions associated with such financing) as well as including related financing and IPO transaction advisory fees, costs and expenses, to assist or fund working capital requirements (including tax payments and dividends), to fund acquisitions permitted under the facility and capital expenditure (and related advisory fees, costs and expenses) and for general corporate purposes.

4.5.2.4 Facility C

Facility C is a general working capital facility for Link Group.

4.5.2.5 Facility D

Facility D is an uncommitted revolving credit facility for general corporate purposes to fund acquisitions permitted under the facility (and related advisory fees, costs and expenses) and growth capital expenditure and to refinance existing debt of an acquired target.

4.5.2.6 Repayment date

Facility A is repayable on the date that is 3 years, and Facility B and Facility C are repayable on the date that is 5 years, in each case, from the date of the initial drawdown under the New Banking Facilities.

4.5.2.7 Financial covenants

The New Banking Facilities will include the following financial covenants, which are usual for facilities of this nature. The financial covenants will be tested semi-annually in respect of the period to 30 June and 31 December each year on a rolling 12 month basis.

- Interest coverage ratio (ratio of EBITDA to interest expense) – to be no less than 3.0 times
- Leverage ratio – to be no greater than 3.75 times.

Each of the above ratios is as described in the New Banking Facilities and includes allowance for the impact of future acquisitions. EBITDA and other terms are defined in the New Banking Facilities and are subject to a number of specific adjustments. These adjustments are not shown in this Prospectus and, as such, the actual covenant calculations will differ from those based on total net debt and EBITDA as defined in this Prospectus.

Breach of the above covenants is an event of default (subject to a remedy period) under the New Banking Facilities.

4.5.2.8 Other financing considerations

The agreements under which the New Banking Facilities are made available contain certain representations, warranties, undertakings and events of default which are customary for facilities of this nature. Any breach by the Obligors may lead to the funds borrowed becoming due and the New Banking Facilities being cancelled.

4.5.2.9 Review events

It will be a review event under the New Banking Facilities if there is a change of control in the Company (as defined in the New Banking Facilities), if the AFSL is revoked (subject to agreed materiality thresholds) or, if following listing on the ASX, the Shares are suspended from trading for 10 consecutive Business Days (for reasons other than there being an imminent announcement of a major acquisition or merger transaction). Following such review event, the lenders may either agree to revised terms with the Company or, if agreement cannot be reached, require repayment of the New Banking Facilities.

4.5.3 Liquidity and capital resources

Following Completion, Link Group's principal sources of funds are expected to be cash flow generated from operations, cash on hand and borrowings under the New Banking Facilities. The Company expects to draw down approximately $275 million of Facility A and $50 million of Facility B (on Completion) and roll over the existing working capital commitments (bank guarantees of $12 million) on Facility C leaving $225 million undrawn on Facility B, $18 million undrawn on Facility C and $250 million undrawn and uncommitted on Facility D.

Link Group's main use of cash is to fund operations, working capital, capital expenditure and dividends. Historical and forecast capital expenditure and working capital trends are described in Sections 4.7 and 4.8. The Company expects that it will have sufficient cash flow from operations to meet its operational requirements and business needs during the forecast period. Link Group may draw down on Facility C or reduce its cash on hand to meet business needs as and when required. Link Group's ability to generate sufficient cash depends on its future performance. Quantitative and qualitative disclosures about market risk sensitive instruments are addressed in Section 4.5.5.

4.5.4 Contractual obligations, commitments and contingent liabilities

Table 4.11 sets out the contractual obligations, commitments and contingent liabilities of Link Group as at 30 June 2015.

Table 4.11: Summary of contractual obligations, commitments and contingent liabilities within the Statutory Historical Financial Information

$ million	Notes	< 1 year	1 – 5 years	> 5 years	Total
Lease commitments	1	37.9	115.8	166.7	320.4
Contingent liabilities	2				12.6

1. Link Group has a total of $320.4 million lease commitments primarily relating to property leases.
2. Link Group has $12.6 million of contingent liabilities primarily relating to a performance bond held as part a requirement of a subsidiary's AFSL requirements.

As at 30 June 2015, Link Group had tax losses of $235.2 million unrecognised for deferred tax purposes, available for offset against taxable income in future years. The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these losses because it is not probable that the conditions to utilise these losses against future taxable profit will be met.

There are no further off statement of financial position items other than those disclosed above.

4.5.5 Quantitative and qualitative disclosures about market risk

4.5.5.1 Interest rate risk

Link Group is exposed to interest rate risk arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Link Group's primary financial liabilities impacted by interest rate movements include loans and borrowings. Link Group monitors and analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing options and the mix of fixed and variable interest rates.

4.5.5.2 Foreign exchange risk

Link Group is exposed to foreign exchange risk on sales, purchases and foreign currency bank accounts that are denominated in a currency other than the functional currencies of Link Group entities, being the Australian dollar. The overseas subsidiaries within Link Group transact in a different functional currency (including United Kingdom pound, New Zealand dollar, South African rand, Indian rupee, Euro) and investments in these subsidiaries are not hedged. The effects of any foreign exchange rate movements in respect to the net investment in foreign subsidiaries are recognised in the foreign currency translation reserve. The diversification of this exposure across a number of foreign currencies can give Link Group a natural hedge to Australian dollar and overseas currency fluctuations.

4.6 Operating metrics

Table 4.12 sets out Link Group's key operating metrics for FY2013, FY2014, FY2015 and FY2016 derived from the Pro Forma Historical Results, the Pro Forma Forecast Results and the Statutory Forecast Results.

Table 4.12: Key operating metrics

		Pro forma historical			Pro forma forecast	Statutory forecast
	Notes	FY2013	FY2014	FY2015	FY2016	FY2016
Link Group						
Net Revenue growth %		n/a	12%	43%	27%	27%
Key earnings metrics:						
Recurring Revenue %	1	89%	88%	91%	91%	91%
Operating EBITDA margin %		36%	34%	25%	24%	21%
Operating EBITDA growth %		n/a	6%	8%	22%	n/a
EBITA after significant items margin %		31%	20%	14%	17%	14%
EBITA after significant items growth %		n/a	(26%)	1%	51%	n/a
NPATA margin %		n/a	n/a	n/a	11%	6%
NPATA before significant items margin %		n/a	n/a	n/a	13%	9%
NPAT margin %		n/a	n/a	n/a	8%	4%
Fund Administration						
Recurring Revenue %	1	89%	91%	94%	95%	95%
Revenue growth %	2	n/a	9%	65%	35%	35%
Operating EBITDA margin %	2	25%	24%	17%	17%	n/a
Operating EBITDA growth %	2	n/a	5%	16%	32%	n/a
Corporate Markets						
Recurring Revenue %	1	88%	88%	87%	85%	85%
Revenue growth %	2	n/a	10%	19%	7%	7%
Operating EBITDA margin %	2	32%	33%	32%	32%	n/a
Operating EBITDA growth %	2	n/a	14%	12%	9%	n/a
IDDS						
Revenue growth %	2	n/a	15%	42%	32%	32%
Operating EBITDA margin %	2	41%	35%	23%	20%	n/a
Operating EBITDA growth %	2	n/a	(1%)	(7%)	17%	n/a

1. Recurring Revenue is defined in the Glossary. It is a non-IFRS financial measure utilised by management. See Section 4.2.4 and Appendix A.
2. Calculated based on Gross Revenue as defined in Section 4.2.4 and Appendix A.

4.7 Link Group management discussion and analysis of the Pro Forma Historical Financial Information

4.7.1 Key factors affecting Link Group's financial performance

Set out below is a discussion of the key factors that affected Link Group's pro forma historical financial performance for FY2013, FY2014 and FY2015. The discussion of these factors is intended to provide a brief summary only and does not detail all the factors that affected Link Group's pro forma historical financial performance, or may affect Link Group's future pro forma financial performance.

Link Group management discussion and analysis of the Statutory History Results and the Statutory Historical Cash Flows are included in Appendix B.

4.7.1.1 Revenue

Link Group's primary sources of revenue are from contracted services that it provides to clients across Fund Administration, Corporate Markets and IDDS, where clients pay contracted fees based on the volume and nature of activity or services provided. Management considers that the majority of Link Group's revenue streams are recurring in nature, with Recurring Revenue in the historical period ranging from 88% in FY2014 to 91% in FY2015.

The following describes how revenue is generated in each division:

Fund Administration – refer to Section 3.5.2:

- **Core administration services:** Link Group charges contracted clients a weekly fee per member of the client's fund, invoiced monthly, although the charges are dependent on various factors including:
  - the different types of members (e.g. defined contribution, defined benefit, active, inactive, accumulation or pension);
  - the level of work involved in servicing each member type;
  - the technology platform utilised by the client; and
  - the complexity and scale of the fund.
- **Value-added and trustee services:** Link Group charges clients for, among other things, predictive data analytics, financial planning and advice and trustee services.
- **Fee-for-service:** Link Group also undertakes bespoke development of the technology platforms to help clients differentiate their product offering, respond to regulatory change, and acquire, retain and engage with their members. Although the services are provided to contracted clients, clients are not contractually obliged to purchase a specific level of fee-for-service products and the level of revenue can vary.

Fund Administration revenue is usually consistent month to month but is subject to movements in member numbers and annual indexation-linked price increases. Clients are mostly under contracts with three to five year terms.

Corporate Markets – refer to Section 3.6.2:

- **Shareholder management and analytics:** most revenue is generated from monthly, quarterly or annual subscriptions. Refer to Section 3.6.2.1.
- **Stakeholder engagement:** mixture of monthly fixed fee revenue and some project and market related revenue. Refer to Section 3.6.2.2.
- **Share registry:** mostly monthly fees, per shareholder, and some bundling across the various service components. Also includes a low value of market related revenue from corporate actions and margin income. Refer to Section 3.6.2.3.
- **Employee share plans:** monthly contracted fees based on the number and complexity of equity plans offered. Refer to Section 3.6.2.4.
- **Company secretarial:** mostly time-based fees. Refer to Section 3.6.2.5.

Corporate Markets clients are mostly contracted for terms of two to three years.

IDDS – refer to Section 3.7.4:

- IDDS develops and maintains proprietary IT systems and platforms for internal and external clients. Fees are based on a combination of fixed, variable and cost plus based methodologies.
- Additionally, external revenue is generated from recurring subscription-based contracted services and additional fee-for-service (project type) revenue which is individually priced.

4.7.1.2 Operating expenses

Link Group's operational activities are supported by a pool of permanent and non-permanent employees and proprietary technology platforms. As a result, staff and IT costs are the main expenses within the business. Other expenses include occupancy and other administration costs including print and mail expenses which are largely recharged to clients.

Employee expenses: are the largest costs for Link Group and include customer operations, contact centre, customer relationship, IT, product development, back office support and management personnel across the various business segments.

Link Group employs a mix of permanent, fixed term, contractor and casual employees to maintain a consistent service level while retaining flexibility to vary the workforce to meet high demand periods mainly in areas of the business which are dependent on market conditions or project type activities, including for teams working on ad hoc projects, such as migrations.

IT expenses: costs associated with software licences, software and hardware maintenance and support, outsourced facilities management costs, data centre support, hardware and communications charges (but excluding Link Group employee-related costs which are included in employee-related expenses).

Occupancy expenses: costs associated with the premises occupied by Link Group including rent, utilities, security and third party management.

Other expenses: include marketing, professional and consulting, insurance, travel and office and general expenses. Other expenses also include print and mail expenses incurred on behalf of and largely recharged to clients. Australian Accounting Standards require that print and mail expenses and revenue be shown separately, with revenue earned from clients being included in revenue and expenses being included in other expenses.

4.7.1.3 Depreciation

Depreciation is a non-cash charge that relates to Link Group's plant, equipment, fixtures and fittings. Link Group's policy with regard to the calculation of depreciation is set out in Appendix A.

4.7.1.4 Amortisation

Amortisation is a non-cash charge that relates to Link Group's internally generated assets and purchased intangible assets.

- Most of the internally generated assets relate to software development associated with Link Group's proprietary technology platforms. Accordingly, a large proportion (93% as at 30 June 2015) of the assets, and associated amortisation charge (95% in FY2015), relates to IDDS which has developed the platforms and other assets.
- Amortisation of acquired intangibles is a Business Combination related non-cash expense. Amortisation of acquired intangibles relates to the client lists acquired as part of Business Combinations as well as the increase in amortisation from the revaluation of acquired intangibles.

4.7.1.5 Net finance expense

Link Group has historically operated under a different capital structure to the capital structure which will be in place under the New Banking Facilities following Completion. Pro forma adjustments have been made to FY2016 statutory net finance expense to reflect the costs assuming the post-Completion capital structure and New Banking Facilities were in place from 1 July 2015, to arrive at the FY2016 pro forma net finance expense.

Pro forma forecast net finance expense has been calculated by applying the base rate and margin under the New Banking Facilities to the level of pro forma net debt forecast throughout FY2016 assuming the New Banking Facilities were in place from 1 July 2015.

4.7.1.6 Capital expenditure

Capital expenditure substantially relates to hardware and the development of proprietary IT systems and platforms to meet client needs and enable operational efficiencies to be achieved. Development expenditure is capitalised only if development costs are directly attributable and can be measured reliably and future economic benefits are probable.

4.7.1.7 Business Combinations

As discussed in Section 3.10.4, Link Group has completed a number of Business Combinations since the beginning of FY2013 as part of its growth strategy, the most significant being Superpartners in FY2015 which provided a significant increase in scale and opportunity for synergies in Fund Administration and IDDS.

Where Link Group successfully tenders for a new client in Fund Administration, Link Group is usually required to take on the operations, people and cost base of the existing (in-house or third party) administrator as a Business Combination. Link Group generally extracts revenue synergies by leveraging new products across the business and/or significant cost synergies from the Business Combinations through reductions in operating costs. Where Business Combinations have arisen as a result of a tender process (Fund Administration), contract terms including client pricing are usually renegotiated. As a result, revenue can vary significantly under Link Group ownership. The pre-Business Combination results of acquired businesses can therefore be, and generally are, materially different to the results delivered under Link Group's ownership.

4.7.1.8 Working capital

Working capital primarily reflects trade and other receivables, trade and other payables and provisions. Year end working capital (and the movement between periods) is impacted by the timing of specific receipts and payments.

4.7.2 Link Group management discussion and analysis: Pro Forma Historical Results for FY2014 compared to FY2013

Table 4.13 sets out the summary Pro Forma Historical Results for FY2013 and FY2014.

Table 4.13: Pro Forma Historical Results for FY2014 compared to FY2013

		Pro forma historical results		Change	
$ million	Note	FY2013	FY2014	$ million	%
Fund Administration		231.2	251.3	20.1	9%
Corporate Markets		122.0	134.4	12.4	10%
IDDS		91.3	104.6	13.3	15%
Eliminations		(79.4)	(79.9)	(0.5)	1%
Revenue		**365.1**	**410.4**	**45.3**	**12%**
Employee expenses		(146.8)	(169.9)	(23.1)	16%
IT expenses		(18.1)	(25.1)	(7.0)	39%
Occupancy expenses		(12.7)	(14.1)	(1.4)	11%
Other expenses		(57.7)	(63.8)	(6.1)	11%
Total operating expenses		**(235.3)**	**(272.9)**	**(37.6)**	**16%**
Operating EBITDA		**129.8**	**137.5**	**7.7**	**6%**
Significant items		4.4	(23.4)	(27.8)	(632%)
EBITDA after significant items		**134.2**	**114.1**	**(20.1)**	**(15%)**
Depreciation		(6.6)	(7.1)	(0.5)	8%
Amortisation	1	(15.2)	(23.7)	(8.5)	56%
EBITA after significant items		**112.4**	**83.3**	**(29.1)**	**(26%)**
Recurring Revenue %		89%	88%		(1%)
Operating EBITDA margin %		36%	34%		(2%)
EBITA after significant items margin %		31%	20%		(11%)

1. Excludes acquired intangibles amortisation.

4.7.2.1 Revenue

Link Group's revenue increased $45.3 million (12%) from $365.1 million in FY2013 to $410.4 million in FY2014.

Recurring Revenue remained broadly flat at a Link Group level (89% in FY2013 to 88% in FY2014) and across Fund Administration and Corporate Markets.

Fund Administration

Fund Administration revenue increased $20.1 million (9%) from $231.2 million in FY2013 to $251.3 million in FY2014 mainly as a result of:

- increased average member numbers from new clients following the successful Business Combinations with FuturePlus (14 December 2012) and the superannuation administration assets of Russell Investments (30 April 2013). Business Combination driven member number increases were partially offset by the loss of members as a result of USM thresholds to the ATO increasing from $200 to $2,000 in April 2013, thereby having a full year impact in FY2014 (see Section 2.3.4.2);
- annual indexation-linked price increases in client contracts; partially offset by lower fee-for-service revenue arising out of a reduction of Stronger Super regulatory projects; and
- member reductions from a client that decided to in-source the only element of the fund's administration services not previously administered in-house. Management believes this was an isolated instance which contradicts the general trend of client outsourcing, and given the previously outsourced work related to a relatively small number of members (approximately 214,000) compared to the total members already administered in-house by the client (2.4 million).

Corporate Markets

Revenue increased $12.4 million (10%) from $122.0 million in FY2013 to $134.4 million in FY2014. The increases arose from the Business Combination with registrar services GmbH in Germany ($6.7 million) and growth in shareholder management and analytics and stakeholder engagement business in both Australia and Europe.

IDDS

Revenue increased $13.3 million (15%) from $91.3 million in FY2013 to $104.6 million in FY2014. Growth mainly arose from the Business Combination with Synchronised Software on 17 June 2013 ($8.1 million), the full year impact of the Business Combination with Empirics in FY2013 ($1.6 million) and organic growth in IDDS' digital and mail communications operations from increased client activity in Fund Administration and Corporate Markets, net of lower recharges compared to FY2013 relating to costs incurred by IDDS in previous periods.

4.7.2.2 Operating expenses

Total operating expenses increased $37.6 million (16%) from $235.3 million in FY2013 to $272.9 million in FY2014. The increase was mainly the result of an increase in employee expenses of $23.1 million (16%) from $146.8 million in FY2013 to $169.9 million in FY2014, reflecting additional headcount and related costs arising from the FuturePlus, the superannuation administration assets of Russell Investments, Synchronised Software and registrar services GmbH Business Combinations.

IT expenses similarly increased $7.0 million (39%) from $18.1 million in FY2013 to $25.1 million in FY2014, reflecting the impact of the Business Combinations.

Other expenses increased $6.1 million (11%) from $57.7 million in FY2013 to $63.8 million in FY2014, mainly as a result of increased professional and consulting costs and print and mail expenses due to the impact of Business Combinations.

4.7.2.3 Segment Operating EBITDA and Operating EBITDA margin

Table 4.14: Pro forma historical segment Operating EBITDA and Operating EBITDA margin for FY2014 compared to FY2013

$ million	Notes	Pro forma historical results FY2013	Pro forma historical results FY2014	Change $ million	Change %
Fund Administration		57.5	60.6	3.1	5%
Corporate Markets		39.5	44.9	5.4	14%
IDDS		37.2	36.7	(0.5)	(1%)
Head Office		(4.4)	(4.7)	(0.3)	7%
Operating EBITDA		**129.8**	**137.5**	**7.7**	**6%**
Operating EBITDA margin					
Fund Administration margin %	1	25%	24%		(1%)
Corporate Markets margin %	1	32%	33%		1%
IDDS margin %	1	41%	35%		(6%)
Operating EBITDA margin %		**36%**	**34%**		**(2%)**

1. Calculated based on Gross Revenue.

Link Group Operating EBITDA margin decreased from 36% in FY2013 to 34% in FY2014, primarily reflecting the consolidation of lower Operating EBITDA margin businesses of FuturePlus and the superannuation administration assets of Russell Investments within Fund Administration. Operating EBITDA margin was also adversely impacted by the mix of revenue, with higher growth in Fund Administration which generates lower than total Link Group Operating EBITDA margin.

Fund Administration

Operating EBITDA increased $3.1 million (5%) from $57.5 million in FY2013 to $60.6 million in FY2014. The growth was driven by increases in revenue, partially offset by a decline in Operating EBITDA margin of 1% from 25% in FY2013 to 24% in FY2014 following the Business Combination with lower margin operations of FuturePlus and the superannuation administration assets of Russell Investments. The lower margin stemming from the consolidation of these operations reflects temporary operating inefficiencies during the restructuring period while clients are migrated on to Link Group's proprietary platform, processes are streamlined and redundant applications and resources are retired.

Corporate Markets

Operating EBITDA increased $5.4 million (14%) from $39.5 million in FY2013 to $44.9 million in FY2014, largely driven by the corresponding revenue growth. Operating EBITDA margin remained relatively stable at 32% in FY2013 and 33% in FY2014. There was a slight benefit from the part year impact of Business Combinations which had seasonal earnings profiles weighted towards the end of the financial year.

IDDS

Operating EBITDA decreased $0.5 million (1%) from $37.2 million in FY2013 to $36.7 million in FY2014, largely driven by lower recharges relating to costs incurred by IDDS in previous periods, net of revenue growth in the division. This also caused Operating EBITDA margin to decrease from 41% in FY2013 to 35% in FY2014.

4.7.2.4 Significant items

Significant items increased $27.8 million from $4.4 million (credit) in FY2013 to $23.4 million expense in FY2014. Link Group undertook Business Combinations in FY2013 whereby the fair value of purchase consideration was $9.2 million lower than the fair value of identifiable net assets acquired resulting in a credit partially offset by Business Combination, integration and client migration costs. In FY2014, significant items mostly reflected client migration costs from new client wins, Business Combination costs and costs associated with a project to offshore certain IT development and testing functions. See Table 4.2b and associated notes for further details.

4.7.2.5 Depreciation and amortisation

Depreciation and amortisation was largely stable in FY2014 compared to FY2013 but amortisation increased $8.5 million (56%) from $15.2 million in FY2013 to $23.7 million in FY2014, mainly reflecting the acceleration of amortisation of an asset which was retired in FY2014 ($5.6 million movement) and the impact of growth in the asset base following Business Combinations.

4.7.2.6 EBITA after significant items margin

Link Group EBITA after significant items margin decreased from 31% in FY2013 to 20% in FY2014, partly as a result of the above Operating EBITDA margin impacts but also from the increase in amortisation charge (including the accelerated amortisation of certain software assets) and from increases in significant items.

4.7.3 Link Group management discussion and analysis: Pro Forma Historical Cash Flows for FY2014 compared to FY2013

Table 4.15: Pro Forma Historical Cash Flows for FY2014 compared to FY2013

	Pro forma historical cash flows		Change	
$ million	FY2013	FY2014	$ million	%
Operating EBITDA	**129.8**	**137.5**	**7.7**	**6%**
Non-cash items in operating EBITDA	(2.8)	(3.1)	(0.3)	11%
Changes in working capital	5.0	(14.2)	(19.2)	(384%)
Capital expenditure	(15.8)	(20.2)	(4.4)	28%
Net operating free cash flow	**116.2**	**100.0**	**(16.2)**	**(14%)**
Cash impact of significant items	(4.8)	(20.1)	(15.3)	319%
Net free cash flow after significant items	**111.4**	**79.9**	**(31.5)**	**(28%)**
Net operating free cash conversion ratio	90%	73%		(17%)

4.7.3.1 Net free cash flow

Net operating free cash flow decreased by $16.2 million (14%) from $116.2 million in FY2013 to $100.0 million in FY2014. Operating EBITDA growth of $7.7 million was offset by a $19.2 million movement in working capital from a $5.0 million inflow in FY2013 due to higher year end trade and other payables to a $14.2 million outflow in FY2014 as trade and other payables and provisions fell, driven by the timing of payments.

Capital expenditure increased $4.4 million from $15.8 million in FY2013 to $20.2 million in FY2014, mainly reflecting investment in platforms following the Business Combination with Synchronised Software.

The cash outflow from significant items increased $15.3 million from $4.8 million FY2013 to $20.1 million in FY2014. The increase largely represented additional activity in relation to Business Combinations, subsequent integration and client migration activities as well as costs associated with the IT offshoring project. For further information, see Table 4.7b and associated notes.

4.7.4 Link Group management discussion and analysis: Pro Forma Historical Results for FY2015 compared to FY2014

Table 4.16 sets out the summary Pro Forma Historical Results for FY2014 and FY2015.

Table 4.16: Pro Forma Historical Results for FY2015 compared to FY2014

		Pro forma historical results		Change	
$ million	Notes	FY2014	FY2015	$ million	%
Fund Administration		251.3	413.8	162.5	65%
Corporate Markets		134.4	160.0	25.6	19%
IDDS		104.6	148.4	43.8	42%
Eliminations		(79.9)	(133.9)	(54.0)	68%
Revenue		**410.4**	**588.3**	**177.9**	**43%**
Employee expenses		(169.9)	(274.8)	(104.9)	62%
IT expenses		(25.1)	(54.7)	(29.6)	118%
Occupancy expenses		(14.1)	(25.2)	(11.1)	79%
Other expenses		(63.8)	(85.6)	(21.8)	34%
Total operating expenses		**(272.9)**	**(440.3)**	**(167.4)**	**61%**
Operating EBITDA		**137.5**	**148.0**	**10.5**	**8%**
Significant items		(23.4)	(31.5)	(8.1)	35%
EBITDA after significant items		**114.1**	**116.5**	**2.4**	**2%**
Depreciation		(7.1)	(9.9)	(2.8)	39%
Amortisation	1	(23.7)	(22.1)	1.6	(7%)
EBITA after significant items		**83.3**	**84.5**	**1.2**	**1%**
Recurring Revenue %		88%	91%		3%
Operating EBITDA margin %		34%	25%		(9%)
EBITA after significant items margin %		20%	14%		(6%)

1. Excludes acquired intangibles amortisation.

4.7.4.1 Revenue

In FY2015, Link Group revenue increased $177.9 million (43%) from $410.4 million in FY2014 to $588.3 million in FY2015. This was mainly the result of growth in contracted revenue within Fund Administration, reflecting member growth from client relationship-based expansion from the successful tenders to be the outsourced administration services provider for GESB and Superpartners, both resulting in Business Combinations, from 1 July 2014 and 1 January 2015 respectively.

Recurring Revenue increased from 88% in FY2014 to 91% in FY2015, mainly driven by increases in Fund Administration (91% in FY2014 to 94% in FY2015).

Fund Administration

Total Fund Administration revenue increased by $162.5 million (65%) from $251.3 million in FY2014 to $413.8 million in FY2015. This largely related to the GESB Business Combination (which occurred on 30 June 2014) and the Superpartners clients tender and Business Combination (which occurred with economic effect on 31 December 2014) referred to above. Superpartners contributed revenue of $150.7 million in the six months to 30 June 2015.

Increased revenues from new clients were partially offset by the full year impact of the FY2014 loss of a client that decided to in-source the only element of the fund's administration services not previously administered in-house, as outlined in Section 4.7.2.1 ($3.3 million), as well as reduced fee-for-service revenue ($9.1 million reduction) upon the completion of some significant client projects driven by Stronger Super regulatory requirements which generated revenue in FY2013 and FY2014.

The increased level of Recurring Revenue between FY2014 and FY2015 reflected high levels of fee-for-service revenue (not considered Recurring Revenue) generated in FY2013 and FY2014 relating to Strong Superannuation regulatory reforms. As these revenue streams fell in FY2015, the proportion of Recurring Revenue increased.

In addition, Recurring Revenue was higher in FY2015 as the new Superpartners clients generated lower levels of fee-for-service revenue, reflecting the low level of ongoing investment in the legacy technology platform.

Corporate Markets

Corporate Markets revenue increased $25.6 million (19%) from $134.4 million in FY2014 to $160.0 million in FY2015, reflecting increased activity and client wins in the Australian registry business as well as increased market penetration of shareholder management and analytics products and services. In addition, Link Group expanded its stakeholder engagement services offering (for jurisdictions outside the Americas) through the Business Combination with the European assets of D.F. King, a proxy solicitation business, in FY2015 ($4.4 million). Link Group also benefited from a full year of revenue from the German share registry business, registrar services GmbH ($5.3 million).

Corporate Markets Recurring Revenue fell slightly in FY2015 from 88% in FY2014 to 87% in FY2015, reflecting the impact of the Business Combination with the European assets of D.F. King (stakeholder engagement revenue which is not considered Recurring Revenue) towards the end of the financial year.

IDDS

IDDS revenue increased $43.8 million (42%) from $104.6 million in FY2014 to $148.4 million in FY2015, mainly reflecting the recharge of operating expenses associated with the Superpartners IT operations. Link Group also created the Digital Solutions business within IDDS in FY2015, specialising in the development of new product innovation for the benefit of both Fund Administration and Corporate Markets and external clients which contributed $4.1 million of revenue in FY2015. These increases were partially offset by a reduction in IT recharges as outsourcing cost savings were passed on to Fund Administration and certain fee-for-service projects driven by Stronger Super regulatory requirements came to an end.

Eliminations increased $54.0 million (68%) from $79.9 million in FY2014 to $133.9 million in FY2015, reflecting the increased recharge of the Superpartners internal IT functions from IDDS to Fund Administration.

4.7.4.2 Operating expenses

Operating expenses increased $167.4 million (61%) from $272.9 million in FY2014 to $440.3 million in FY2015, mostly driven by increases in employee expenses of $104.9 million, IT expenses of $29.6 million and occupancy expenses of $11.1 million reflecting additional FTE and support costs for Superpartners and the GESB client win. Growth in operating expenses occurred in both Fund Administration and IDDS.

IT expenses also increased in FY2015 following the absorption of significant Superpartners IT expenses as Link Group supported the legacy Superpartners technology platform prior to the migration onto Link Group's proprietary platform. IT expenses also increased as a result of an offshore outsourcing agreement entered into in FY2015, albeit this initiative had a net operating expense benefit arising from a reduction in employee expenses.

Other expenses increased $21.8 million (34%) from $63.8 million in FY2014 to $85.6 million in FY2015 from higher print and mail (separately recharged to clients), professional and consulting and other expenses, reflecting growth related to the Superpartners and GESB client tender wins.

4.7.4.3 Segment Operating EBITDA and Operating EBITDA margin

Table 4.17: Pro forma historical segment Operating EBITDA and Operating EBITDA margin for FY2015 compared to FY2014

		Pro forma historical results		Change	
$ million	Notes	FY2014	FY2015	$ million	%
Fund Administration		60.6	70.2	9.6	16%
Corporate Markets		44.9	50.4	5.5	12%
IDDS		36.7	34.1	(2.6)	(7%)
Head Office		(4.7)	(6.7)	(2.0)	43%
Operating EBITDA		**137.5**	**148.0**	**10.5**	**8%**
Operating EBITDA margin					
Fund Administration margin %	1	24%	17%		(7%)
Corporate Markets margin %	1	33%	32%		(1%)
IDDS margin %	1	35%	23%		(12%)
Operating EBITDA margin %		**34%**	**25%**		**(9%)**

1. Calculated based on Gross Revenue.

Link Group Operating EBITDA margin decreased from 34% in FY2014 to 25% in FY2015, driven by reductions in Fund Administration and IDDS reflecting the impact of the lower margin Superpartners business and the associated support of the Superpartners legacy technology platform.

Fund Administration

Operating EBITDA increased $9.6 million (16%) from $60.6 million in FY2014 to $70.2 million in FY2015 but Operating EBITDA margin fell from 24% in FY2014 to 17% in FY2015.

This primarily reflected revenue growth from the successful tenders for, and resultant Business Combinations with GESB and Superpartners. Operating EBITDA margins on both businesses were significantly below those generated by the Fund Administration segment before the Business Combinations.

Corporate Markets

Operating EBITDA increased $5.5 million (12%) from $44.9 million in FY2014 to $50.4 million in FY2015, reflecting revenue growth from the leverage of product and service offerings across the client base, client wins and the part year impact of the Business Combination with the European assets of D.F. King. Operating EBITDA margin reduced from 33% in FY2014 to 32% in FY2015. The reduction mainly reflected the full year impact of registrar services GmbH, which generates a high level of its earnings towards the end of the financial year, that had a positive impact on FY2014 but added minimal additional Operating EBITDA in FY2015.

IDDS

Operating EBITDA decreased $2.6 million (7%) from $36.7 million in FY2014 to $34.1 million in FY2015, despite revenue growth of $43.8 million (42%) from additional recharges described previously. The Operating EBITDA decrease reflected the additional cost associated with Superpartners, particularly the legacy Superpartners technology platform having a much higher operating cost structure than Link Group's proprietary platform. In addition, in FY2015, IDDS generated less income from the support of fee-for-service projects in Fund Administration compared to the revenue earned in FY2014 in relation to Stronger Super initiatives. As a result of these factors, Operating EBITDA margin reduced from 35% in FY2014 to 23% in FY2015.

4.7.4.4 Depreciation and amortisation

Depreciation increased $2.8 million (39%) from $7.1 million in FY2014 to $9.9 million in FY2015, reflecting an increased asset base relating to Superpartners. Amortisation decreased $1.6 million (7%) from $23.7 million in FY2014 to $22.1 million in FY2015, reflecting the lower asset base and acceleration of amortisation in FY2014 related to a retired software asset, partially offset by increased software amortisation on Superpartners assets.

4.7.4.5 Significant items

Significant items expense increased $8.1 million from $23.4 million in FY2014 to $31.5 million in FY2015. The increase largely reflected higher integration costs including provisions of $8.5 million for redundancy costs, primarily relating to the integration of Superpartners, as well as a $7.4 million onerous lease cost in relation to a number of lease agreements which became surplus to requirements as a result of the integration of Superpartners. Business Combination costs were also high as a result of Superpartners. See Table 4.2b and associated notes for further details.

4.7.4.6 EBITA after significant items margin

EBITA after significant items margin decreased from 20% in FY2014 to 14% in FY2015, mainly reflecting the reduction in Operating EBITDA margin arising from the lower margin Superpartners operations as well as increases in significant items described in Section 4.7.4.5.

4.7.5 Link Group management discussion and analysis: Pro Forma Historical Cash Flows for FY2015 compared to FY2014

Table 4.18: Pro Forma Historical Cash Flows for FY2015 compared to FY2014

	Pro forma historical cash flows		Change	
$ million	FY2014	FY2015	$ million	%
Operating EBITDA	**137.5**	**148.0**	**10.5**	**8%**
Non-cash items in Operating EBITDA	(3.1)	(2.7)	0.4	(13%)
Changes in working capital	(14.2)	(30.7)	(16.5)	116%
Capital expenditure	(20.2)	(35.1)	(14.9)	74%
Net operating free cash flow	**100.0**	**79.5**	**(20.5)**	**(21%)**
Cash impact of significant items	(20.1)	(32.0)	(11.9)	59%
Net free cash flow after significant items	**79.9**	**47.5**	**(32.4)**	**(41%)**
Net operating free cash conversion ratio	73%	54%		(19%)

4.7.5.1 Net free cash flow

Net operating free cash flow decreased by $20.5 million (21%) from $100.0 million in FY2014 to $79.5 million in FY2015, despite Operating EBITDA growth of $10.5 million. Increased Operating EBITDA was offset by the working capital impact of the increase in trade and other receivables largely relating to the Business Combination with Superpartners, which (along with Link Market Services, Ltd (New Zealand)) is fully reflected in working capital as at 30 June 2015. FY2015 revenue only reflects a part year from the date the Business Combinations were completed.

In addition, Link Group invested an additional $14.9 million in capital expenditure compared to FY2014, mainly reflecting Superpartners capital expenditure ($9.2 million) and additional investment in Corporate Markets systems.

Cash outflow from significant items increased $11.9 million (59%) from $20.1 million in FY2014 to $32.0 million in FY2015. For further information, see Table 4.7b and associated notes.

4.8 Forecast Financial Information

The Forecast Financial Information is based on various general and specific assumptions, including those set out below. In preparing the Forecast Financial Information, Link Group has undertaken an analysis of historical performance and applied assumptions, where appropriate, in order to forecast future performance for FY2016. The Company and its Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider all assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus, including each of the assumptions set forth in Sections 4.8.1 and 4.8.2. However, actual results are likely to vary from those forecast and any variation may be materially positive or negative.

The assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of the Company and its Directors, and are not reliably predictable. Accordingly, none of the Company, its Directors, SaleCo or its directors, or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 5 and the Independent Limited Assurance Report on Forecast Financial Information set out in Section 8. A reconciliation of the Statutory Forecast Results to the Pro Forma Forecast Results is set out in Section 4.3.1. A reconciliation of the Statutory Forecast Cash Flows to the Pro Forma Forecast Cash Flows is set out in Section 4.4.2.

The Forecast Financial Information has been prepared based on the significant accounting policies adopted by Link Group, which are in accordance with Australian Accounting Standards, and are disclosed in Appendix A. It is assumed that there will be no changes in Australian Accounting Standards, the Corporations Act or other financial reporting requirements that may have a material effect on Link Group's accounting policies during the forecast period.

4.8.1 General assumptions

In preparing the Forecast Financial Information, the following general assumptions have been adopted:

- no material change in the competitive or market environment in which Link Group operates;
- no significant interruptions in relation to any of Link Group's technology, platforms or software used to deliver Link Group services;
- no material change in economic factors (e.g. business formations, business confidence and consumer sentiment);
- no material changes in key personnel, including key management personnel, with Link Group maintaining its ability to recruit and retain the personnel required to support future growth;
- no material change in applicable Australian Accounting Standards or other mandatory professional reporting requirements of the Corporations Act which have a material effect on Link Group's financial performance or cash flows, financial position, accounting policies, or financial reporting or disclosure;
- no material changes in government regulation and policy beyond those announced as at the Prospectus Date;
- progress of the Offer in accordance with the timetable set out in the Important dates section of this Prospectus;
- no material industry disturbances, disruptions to the continuity of operations of Link Group or other material changes in its business;
- no material amendment to any material contract, agreement or arrangement or material change in licences and licence providers relating to Link Group's business;
- no material changes in the Australian currency or any other currency used in the territories in which Link Group operates;
- no material adverse impact in relation to litigation or claims (existing or otherwise);
- no material change in Link Group's corporate and funding structure other than as set out in, or contemplated by, this Prospectus; and
- no occurrence of the key risk factors listed in Section 5, or in the event of any occurrence, no material adverse impact on the operations of Link Group.

4.8.2 Specific assumptions

The specific assumptions that have been used in the preparation of the Forecast Financial Information are set out below.

4.8.2.1 Revenue assumptions

The Forecast Financial Information is based on the following key revenue assumptions:

Link Group

- no Business Combinations are assumed to occur in the forecast period other than one proposed Fund Administration regional expansion Business Combination that was announced in August 2015 and that is expected to have minimal impact on forecast earnings in FY2016.

Fund Administration

- FY2016 reflects a full year of Superpartners revenue based on current contracted terms including indexation-linked price increases from 1 July 2015;
- retention of all clients as per their contractual terms including contracted indexation-linked price increases other than clients who have given notice to terminate contracts as at 30 June 2015;
- flat underlying member growth within Link Group's client funds less the estimated reduction in member numbers resulting from the increase in the statutory USM threshold from $2,000 to $4,000 first reported in April 2015;
- fee-for-service revenue for non-Superpartners Fund Administration is assumed to be consistent with historical performance and with current known fee-for-service projects; and
- reduction in full year fee-for-service revenue for the Superpartners business in FY2016, reflecting lower development work on the legacy technology platform. Management does not expect any significant improvement in fee-for-service revenue to occur until after client migration to Link Group's technology platform which is forecast to be complete beyond FY2016.

Corporate Markets

- no material customer losses during FY2016 and a full year revenue impact of client wins in FY2015;
- new client wins in the year consistent with FY2015;
- full year of revenue from the European assets of D.F. King and Link Market Services Ltd (New Zealand) (acquired 30 June 2015);
- pricing based on current contracted terms or expected terms for contracts due for renewal in FY2016;
- market-based revenue consistent with current market conditions in regions in which Link Group operates; and
- known Link Group sales and product initiatives where the benefit can be reliably estimated.

IDDS

- full year of revenue from recharges associated with the Superpartners IT function supporting the Superpartners legacy technology platform;
- IT-related expenses for GESB, being included within IDDS and recharged to Fund Administration. During FY2015, these expenses were recorded directly within Fund Administration and accordingly, no recharge from IDDS was made; and
- growth in data analytics from a full year of Superpartners client revenue and new business.

4.8.2.2 Cost and other assumptions

The Forecast Financial Information is based on the following key cost and other assumptions:

- employee expenses – assumes broadly stable headcount for Corporate Markets based on headcount as at 30 June 2015, with reductions in headcount in Fund Administration and IDDS during FY2016 resulting from planned cost saving initiatives and the full year impact of initiatives already actioned in FY2015, largely arising from the integration of Superpartners. Forecast salary cost increases of an average of 2.5% have been assumed during FY2016 other than where specific rates apply in which case specific rates have been used.

  As outlined in 6.6.1, Link Group has proposed a long-term incentive plan. The proposed plan does not give rise to an accounting expense in FY2016 on the basis that the Company does not expect to make any grants under the plan prior to the results announcement in respect of FY2016. FY2016 is therefore presented on a consistent basis with the Historical Financial Information which similarly had no share-based payment expense as the previous plan had fully vested prior to FY2013;
- IT expenses – assume a full year of Superpartners IT costs net of cost saving initiatives including partial year savings from a new IT managed services agreement;
- occupancy expenses – based on actual rental agreements in place for FY2016 and include known rental costs over the full lease term for each property. Associated expenses such as utilities, security and maintenance are based on recent historical trends and expected indexation-related cost increases;

- other expenses – based on the current runrate of expenses post the absorption of Superpartners expenses adjusted for known cost saving initiatives and expected inflation related increases;
- Business Combination costs – no acquisitions, tenders, divestments, restructurings or investments or associated expenses other than a Fund Administration regional expansion Business Combination announced in August 2015 with minimal earnings impact in FY2016;
- integration costs – integration costs relating to previously completed Business Combinations that are expected to be incurred in FY2016 (primarily redundancy costs) are shown as significant items within Pro Forma Forecast Results and Pro Forma Forecast Cash Flows;
- client migration costs – assumed to be incurred during FY2016 based on client migrations currently in progress or which Link Group is committed to undertake. These costs have been shown as significant items within Pro Forma Forecast Results and from Pro Forma Forecast Cash Flows as individual client migrations to Link Group's proprietary IT systems only occur once. Actual costs primarily represent employee, contractor and consultant costs relating to migrations. Certain client migration costs for Superpartners have been recorded as a provision on the Statutory Statements of Financial Position and Pro Forma Statements of Financial Position under acquisition accounting. The provision is recognised at a discount to present value. As cash costs are incurred, the migration provision is unwound (i.e. there is no EBITDA impact), and the discount unwinds as an interest expense. The interest expense relating the discount unwind in FY2016 is reflected in the Pro Forma Forecast Results and Statutory Forecast Results as a net finance expense.

  No significant disruption to the migration of Superpartners clients from legacy technology platforms to Link Group's proprietary technology platforms;
- IT business transformation – costs relating to an initiative to restructure IT infrastructure services, as part of the new IT managed services agreement, are shown as significant items in the Pro Forma Forecast Results and Pro Forma Forecast Cash Flows;
- incremental public company costs – reflect Link Group's estimate of the incremental annual costs that the Company will incur as a public entity including Chairman and other Non-Executive Director remuneration, additional audit, legal and tax costs, listing fees, share registry costs, directors' and officers' insurance premiums as well as investor relations, annual general meeting and annual report costs;
- Offer transaction costs – $42.6 million of transaction costs, of which $19.8 million (before tax) are directly attributable to the issue of new Shares by the Company and are offset against equity raised in the Offer. The remaining $22.8 million (before tax) relate to the sale of existing Shares by the Existing Shareholders and are expensed in the Statutory Forecast Results. The Pro Forma Forecast Results exclude these Offer transaction costs;
- depreciation – growth reflects a full year impact of Superpartners with the impact from increasing hardware related capital expenditure in FY2015;
- amortisation – growth reflects a full year impact of Superpartners with the impact from increased software development related capital expenditure in FY2015;
- net finance expense – statutory forecast net finance expense is based on the existing debt facilities up until the Offer date, from which point interest charges and costs are based on the New Banking Facilities and the assumed average level of forecast net debt from the Offer date through to 30 June 2016. In addition, statutory net finance expense includes the unwinding of the net present value discount relating to the Superpartners client migration provisions recognised on the statement of financial position. The Pro Forma Forecast Results represent net finance expense based on the terms of the New Banking Facilities and the average level of pro forma forecast net debt for FY2016, as if the New Banking Facilities had been in place and the Offer had completed on 1 July 2015. Pro forma forecast net finance expense excludes the Superpartners provision discount unwind;
- income tax expense – assumes effective corporate tax rate of 30% in Australia and relevant tax rates in the territories in which Link Group operates. Forecast tax expense and cash tax payments are forecast after taking into account the recognition and utilisation of certain tax losses.
- non-cash items in Operating EBITDA – forecast lease incentive expense based on existing rental property
- changes in working capital – reflect forecast movements in trade and other receivables and other current assets less movements in trade and other payables, provisions and deferred (unearned) revenues;
- capital expenditure – reflects:
  - forecast expenditure on product development activities;
  - further development and product enhancement of the core technology platforms supporting Fund Administration and Corporate Markets; and
  - other property, plant and equipment.
- exchange rates – assumed to remain constant with the key exchange rates used of 1.11 New Zealand dollars to one Australian dollar, 0.68 Euros to one Australian dollar, 0.48 United Kingdom pounds to one Australian dollar, 45.9 Indian rupees to one Australian dollar and 8.69 South African rand to one Australian dollar.

4.8.3 Link Group management discussion and analysis: Pro Forma Forecast Results for FY2016 compared to Pro Forma Historical Results for FY2015

Table 4.19: Pro Forma Forecast Results for FY2016 compared to Pro Forma Historical Results for FY2015

$ million	Notes	Pro Forma Historical Results FY2015	Pro Forma Forecast Results FY2016	Change $ million	Change %
Fund Administration		413.8	560.5	146.7	35%
Corporate Markets		160.0	171.8	11.8	7%
IDDS		148.4	196.5	48.1	32%
Eliminations		(133.9)	(178.8)	(44.9)	34%
Revenue		**588.3**	**750.0**	**161.7**	**27%**
Employee expenses		(274.8)	(353.2)	(78.4)	29%
IT expenses		(54.7)	(72.2)	(17.5)	32%
Occupancy expenses		(25.2)	(35.1)	(9.9)	39%
Other expenses		(85.6)	(108.3)	(22.7)	27%
Total operating expenses		**(440.3)**	**(568.8)**	**(128.5)**	**29%**
Operating EBITDA		**148.0**	**181.2**	**33.2**	**22%**
Significant items		(31.5)	(18.0)	13.5	(43%)
EBITDA after significant items		**116.5**	**163.2**	**46.7**	**40%**
Depreciation		(9.9)	(11.3)	(1.4)	14%
Amortisation	1	(22.1)	(24.4)	(2.3)	10%
EBITA after significant items		**84.5**	**127.5**	**43.0**	**51%**
Recurring Revenue %		91%	91%		0%
Operating EBITDA margin %		25%	24%		(1%)
EBITA after significant items margin %		14%	17%		3%

1. Excludes acquired intangibles amortisation.

4.8.3.1 Revenue

Link Group revenue is forecast to increase by $161.7 million (27%) from $588.3 million in FY2015 to $750.0 million in FY2016. The increase mainly reflects growth in Recurring Revenue in Fund Administration from the full year impact of the successful tender to be the outsourced administration services provider for Superpartners that was secured in FY2015.

Recurring Revenue is forecast to remain stable at 91% in FY2016 compared to FY2015.

Fund Administration

Revenue is forecast to increase by $146.7 million (35%) from $413.8 million in FY2015 to $560.5 million in FY2016, driven by growth in Recurring Revenue from a full year of revenue from Superpartners clients and annual indexation-linked price increases. This growth from secured clients is expected to be slightly offset by net member losses from the increase of the USM threshold from $2,000 to $4,000 and lower fee-for-service revenue for Superpartners clients, reflecting lower development work on the legacy technology platform.

The full year impact of the lower proportion of fee-for-service revenue generated by Superpartners clients is forecast to drive the increase in Recurring Revenue from 94% in FY2015 to 95% in FY2016. Management does not expect fee-for-service revenue to increase further until each client is migrated to Link Group's technology platform, substantially beyond the forecast period.

Corporate Markets

Revenue is forecast to increase by $11.8 million (7%) from $160.0 million in FY2015 to $171.8 million in FY2016, from the acquisition and consolidation of the remaining 50% of Link Market Services Ltd (New Zealand) on 30 June 2015, growth in shareholder management and analytics in Australia and Asia and the full year impact of the Business Combination with the European assets of D.F. King. Link Group management has forecast approximately $3.4 million of growth to be driven by new contract wins, which is materially consistent with the value of FY2015 new business wins.

Corporate Markets Recurring Revenue was relatively stable in the FY2013 to FY2015 period but is forecast to fall to 85% in FY2016 reflecting the full year impact of the European assets of D.F. King (this stakeholder engagement revenue is not considered Recurring Revenue) and further penetration of products across the remainder of the client base.

IDDS

Revenue is forecast to increase by $48.1 million (32%) from $148.4 million in FY2015 to $196.5 million in FY2016, which primarily reflects a full year of revenue recharges to Superpartners (within Fund Administration) for supporting the Superpartners legacy IT platform ahead of migration to Link Group's proprietary technology platform.

4.8.3.2 Operating expenses

Employee expenses

Employee expenses are forecast to increase by $78.4 million (29%) from $274.8 million in FY2015 to $353.2 million in FY2016, reflecting the full year impact of additional headcount supporting the new Superpartners clients net of cost savings from efficiency improvements and cost control initiatives undertaken in FY2015 as well as FTE reductions during the year, which only have a part year benefit.

FTEs have been forecast for each individual business unit based on the 30 June 2015 FTEs and the forecast level of activity for FY2016. Average wage increases are assumed to be 2.5%, other than where specific wage rates are relevant in which case the relevant rate has been used.

IT expenses

IT expenses are forecast to increase by $17.5 million (32%) from $54.7 million in FY2015 to $72.2 million in FY2016. These are driven by the full year impact of support costs for the Superpartners legacy technology platform following client growth from Business Combinations as well as IT expenses for Link Market Services Ltd (New Zealand).

Link Group has forecast a portion of the total expected Superpartners synergies for FY2016 (from the full year impact of actioned FY2015 initiatives and new FY2016 initiatives including partial year savings from the new IT managed services agreement) to arise within IT expenses, driven by scale and process efficiencies and from the ongoing migration of Superpartners clients onto Link Group's proprietary technology platform. Total expected IT cost savings can only be achieved in full once all clients have migrated to Link Group's proprietary technology platform and accordingly, most of the synergy benefit is expected to be realised beyond the forecast period.

Occupancy expenses

Occupancy expenses are forecast to increase by $9.9 million (39%) from $25.2 million in FY2015 to $35.1 million in FY2016, driven by the full year impact of the occupancy expenses associated with the new employees and associated occupancy expenses taken on with the Superpartners business. The occupancy expenses are forecast based on the rent, known increases and associated expenses of premises currently occupied.

Other expenses

Other expenses are forecast to increase by $22.7 million (27%) from $85.6 million in FY2015 to $108.3 million in FY2016, reflecting the increase in activity from new Superpartners clients. Cost increases mainly reflect increases in insurance, travel, professional and consultancy, print and mail activity (forecast to be approximately 50% of total other expenses) and general and administration expenses.

4.8.3.3 Segment Operating EBITDA and Operating EBITDA margin

Table 4.20: Pro forma forecast segment Operating EBITDA and Operating EBITDA margin for FY2016 compared to pro forma historical segment Operating EBITDA and Operating EBITDA margin for FY2015

		Pro Forma Historical Results	Pro Forma Forecast Results	Change	
$ million	Notes	FY2015	FY2016	$ million	%
Fund Administration		70.2	92.9	22.7	32%
Corporate Markets		50.4	54.9	4.5	9%
IDDS		34.1	39.8	5.7	17%
Head Office		(6.7)	(6.4)	0.3	(4%)
Operating EBITDA		**148.0**	**181.2**	**33.2**	**22%**
Operating EBITDA margin					
Fund Administration margin %	1	17%	17%		(0%)
Corporate Markets margin %	1	32%	32%		0%
IDDS margin %	1	23%	20%		(3%)
Operating EBITDA margin %		**25%**	**24%**		**(1%)**

1. Calculated based on Gross Revenue.

Link Group Operating EBITDA is forecast to increase $33.2 million (22%) from $148.0 million in FY2015 to $181.2 million in FY2016 while Operating EBITDA margin is forecast to fall slightly from 25% in FY2015 to 24% in FY2016. Link Group management anticipates that forecast Operating EBITDA for FY2016 will be weighted approximately 46% to 49% to the first half and 51% to 54% to the second half, reflecting the impact of cost reduction initiatives to be undertaken progressively throughout the year.

Fund Administration

Operating EBITDA is forecast to increase $22.7 million (32%) from $70.2 million in FY2015 to $92.9 million in FY2016, reflecting the full year impact of Superpartners and cost savings from actioned and forecast initiatives.

Operating EBITDA margin is forecast to remain stable at 17%, as the full year impact of the lower margin Superpartners operations is forecast to be offset by the benefits of the headcount and vendor rationalisation activities actioned in FY2015 and further efficiency initiatives forecast in FY2016. The full synergy benefits from the successful tender for the Superpartners clients are not anticipated to be achieved until after the successful migration of the Superpartners clients onto Link Group's proprietary technology platform. This is expected to occur after the forecast period (see Section 3.10.5 for further details).

Corporate Markets

Operating EBITDA is forecast to increase $4.5 million (9%) from $50.4 million in FY2015 to $54.9 million in FY2016, driven by revenue growth, cost saving initiatives and the full year impact of FY2015 Business Combinations. Operating EBITDA margin is forecast to remain broadly stable with FY2016 at 32%.

IDDS

Operating EBITDA is forecast to increase $5.7 million (17%) from $34.1 million in FY2015 to $39.8 million in FY2016, reflecting revenue growth from the increased activity and support for Fund Administration arising from Superpartners and cost saving initiatives thereon.

Operating EBITDA margin is forecast to decrease from 23% in FY2015 to 20% in FY2016, reflecting the full year impact of less efficient technology platforms and the additional Superpartners technology platform support costs, partially offset by the full year impact of actioned and forecast cost saving initiatives, with the full benefit of Superpartners related synergies to accrue after FY2016.

4.8.3.4 Significant items

Significant items expense is forecast to decrease $13.5 million (43%) from $31.5 million in FY2015 to $18.0 million in FY2016. The main costs in FY2016 are forecast to arise from integration activities (mainly due to the integration of Superpartners), ongoing client migrations and implementation costs in respect of the long-term IT infrastructure agreement initiative. FY2015 costs also arose due to the recognition of provisions in relation to several cost saving initiatives being actioned in FY2016. See Table 4.2b and associated notes for further details.

4.8.3.5 Depreciation and amortisation

Depreciation and amortisation are forecast to increase slightly from FY2015, reflecting the full year impact of additional assets from the Superpartners Business Combination, a full year impact of FY2015 capital expenditure and forecast FY2016 capital expenditure partially offset by other assets reaching the end of their useful economic lives.

4.8.3.6 EBITA after significant items margin

EBITA after significant items margin is forecast to increase in FY2016, reflecting Operating EBITDA increases and a forecast reduction in significant items compared to FY2015.

4.8.4 Link Group management discussion and analysis: Pro Forma Forecast Cash Flows for FY2016 compared to Pro Forma Historical Cash Flows for FY2015

Table 4.21: Pro Forma Forecast Cash Flows for FY2016 compared to Pro Forma Historical Cash Flows for FY2015

$ million	Pro Forma Historical Cash Flows FY2015	Pro Forma Forecast Cash Flows FY2016	Change $ million	Change %
Operating EBITDA	**148.0**	**181.2**	**33.2**	**22%**
Non-cash items in Operating EBITDA	(2.7)	(3.1)	(0.4)	15%
Changes in working capital	(30.7)	(2.7)	28.0	(91%)
Capital expenditure	(35.1)	(33.7)	1.4	(4%)
Net operating free cash flow	**79.5**	**141.7**	**62.2**	**78%**
Cash impact of significant items	(32.0)	(69.3)	(37.3)	117%
Net free cash flow after significant items	**47.5**	**72.4**	**24.9**	**52%**
Net operating free cash conversion ratio	54%	78%		24%

4.8.4.1 Net free cash flow

Net operating free cash flow is forecast to increase $62.2 million (78%) from $79.5 million in FY2015 to $141.7 million in FY2016. The increase is driven by forecast increases in Operating EBITDA of $33.2 million and a $28.0 million reduction in the working capital outflows. In FY2015, there was a $30.7 million working capital outflow in the year, reflecting the increased activity from the new Superpartners clients. At 30 June 2015, the full working capital impact of Superpartners clients and Link Market Services Ltd (New Zealand) is reflected in the consolidated statement of financial position with no significant further increase expected during FY2016, notwithstanding the increase in revenue over the course of the year.

Cash outflow from significant items is forecast to increase $37.3 million from $32.0 million in FY2015 to $69.3 million in FY2016. The increase mainly reflects Superpartners client migration and other integration initiatives including client migration commitments. For further information, see Table 4.7b and associated notes.

4.9 Sensitivity analysis

Set out in Table 4.22 is a summary of the sensitivity of FY2016 pro forma NPAT to changes in a number of key assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown, and these variances may be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely key impact on FY2016 pro forma NPAT, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or be additive, and it is likely that Link Group management would respond to an adverse change in one item to seek to minimise the net effect on Link Group's earnings.

Table 4.22: Sensitivity analysis on pro forma NPAT for FY2016

	Notes	Increase/ decrease	FY2016 pro forma NPAT +/- impact ($ million)
Variance in Revenue			
Fund Administration – fee-for-service	1	+/-25%	+/- 1.0
Corporate Markets – corporate actions	2	+/-25%	+/- 1.0
Change in staff costs	3	+/-1%	+/- 2.5
Change in other operating costs	4	+/-1%	+/- 1.5
Change in RBA cash rate	5	+/-50bps	+/- 0.0
Foreign Exchange movement		+-10%	+/- 1.3

1. Changes in revenue arising from variances in fee-for-service revenue net of estimated cost movements and tax impact.
2. Changes in revenue arising from market related corporate action revenue net of estimated cost movements and tax impact.
3. Variances in staff costs arising from changes in wage rates, headcount or staff mix. Includes tax movement but excludes any productivity impact from any change in headcount.
4. Estimated impact of movements in other operating costs net of tax.
5. The impact of movements in the cash rate on net debt is largely offset by movements to margin income.

4.10 Critical accounting policies

Preparing financial statements in accordance with Australian Accounting Standards requires management to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Judgements made by Link Group management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied by Link Group are in respect of Business Combinations, value in use/impairment calculations, provisions, utilisation of tax losses and financial instruments, as described in the significant accounting policies outlined in Appendix A.

4.11 Dividend policy

The payment of dividends by the Company is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and the financial condition of the Company, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant.

The Directors anticipate that the first dividend to Shareholders will be determined in respect of the six months to 30 June 2016 and will become payable in October 2016. It is the intention of the Board to declare a dividend of approximately $27m, or 7.4 cents per share in respect of the period from 1 January 2016 to 30 June 2016, which is expected to be largely unfranked.

This dividend, when annualised, represents approximately 56.5% of FY2016 pro forma forecast NPATA before significant items.

Beyond this, and having regard to the factors outlined above, it is the intention of the Board to target a dividend payout ratio between 40% and 60% of Link Group annual NPATA. The level of the payout ratio is expected to vary between periods depending on factors the Directors may consider including the factors outlined above.

The Company expects that dividends may be largely unfranked for the financial year ending 30 June 2017 due to the utilisation of historical tax losses as at 30 June 2015.

No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend. Please read the Forecast Financial Information in conjunction with the assumptions underlying its preparation as set out in Section 4.7, the risk factors set out in Section 5 and the terms of the New Banking Facilities set out in Section 4.5.2.

Section 5

Key Risks

5. Key Risks

Section 5 describes some of the potential risks associated with Link Group's business, the industries in which it operates and an investment in the Shares. Some risks are specific to Link Group's business activities, while others are more general in nature. Section 5 does not purport to list every risk that may be associated with Link Group or an investment in the Shares. The occurrence or consequence of some of the risks described in Section 5 is partially or completely outside the control of the Company, its Directors and senior management.

Prior to applying for Shares, investors should read the Prospectus carefully and in full and satisfy themselves that they have a sufficient understanding of the risks associated with Link Group and an investment in the Shares before deciding whether the Shares are a suitable investment for them, having regard to their own investment objectives, financial circumstances and taxation position. If investors are unclear in relation to any matter associated with an investment in Link Group, they should seek professional advice from their stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Link Group.

5.1 Business risks

5.1.1 Security software and technology breaches and improper access to the private data of Link Group's clients

The use of information technology and the effectiveness of Link Group's proprietary technology platforms are critical to the ability of Link Group to deliver services to its clients and the growth of its business. By their nature, information technology systems are susceptible to cyber attacks, with third parties seeking unauthorised access to data. Security breaches may involve unauthorised access to Link Group's networks, systems and databases, including with respect to Link Group's service offerings and technology platforms and the deployment of viruses or other malicious software designed to create system and service disruptions, exposing financial, proprietary and personal user information.

In addition, in providing services to its clients, Link Group stores, analyses and transmits confidential and private personal information. It is possible that the measures taken by Link Group to protect its proprietary information and the private information of its clients are not sufficient to prevent unauthorised access to, or disclosure of, such data.

Any accidental or deliberate security breaches or other unauthorised access to Link Group's information technology systems or client data may subject Link Group to reputational damage, a loss of confidence in the services it provides, claims by clients, loss of clients, a disruption of services to clients, legal action and regulatory scrutiny. Any of these events could adversely impact Link Group's reputation, business, financial condition and financial performance. While Link Group has effected an insurance policy for a range of cyber risks, it is subject to a policy limit which may not be adequate to cover all financial exposure arising from one or more cyber security breaches. In addition, any significant claim against such a policy may lead to either or both of increased premium on renewal and additional exclusions to the terms of future policies. Further, certain exclusions are specified in the cyber security insurance policy, including where Link Group contractually agrees to assume responsibility for another party's obligation for which it would otherwise not be responsible. If cyber insurance (or any other insurance) is either not available to cover a claim, or the quantum of any relevant claim exceeds the applicable policy limit, Link Group will itself be exposed to the financial impact of the event (and, as such, it could have an adverse impact on its business, financial condition or financial performance).

Further, some of Link Group's third party suppliers may receive and store information provided by Link Group or its clients through mobile or web applications. Although any such information provided by Link Group is limited and subject to contractual confidentiality obligations, if these third party suppliers fail to adopt or adhere to robust security practices, or in the event of a breach of their security systems, the data of Link Group's clients may be improperly accessed, used or disclosed.

5.1.2 Reliance on third party IT suppliers

Link Group relies on certain contracts with third party suppliers to maintain and support its IT infrastructure and software, which underpin its core business activities. Link Group's reliance on third parties to provide key services decreases its control over the delivery of these services and the quality and reliability of the services provided. Link Group is also subject to the risk of any failures in each third party provider's systems or IT infrastructure, which may impact that third party's ability to deliver the services it is contracted to provide. Any delay, disruption or deterioration in the level of service by a third party provider could impair Link Group's ability to provide services to its clients at all, or to the service levels Link Group and its clients expect. In addition, if any such contracts are terminated for any reason and an alternative source of technology or systems is not found in a timely manner or on similar commercial terms, Link Group's operations, earnings and financial condition could be adversely impacted.

5.1.3 Reliance on the effective performance of IT infrastructure

Technology is the key enabler of Link Group's services. Link Group and its clients are dependent on the effective performance, reliability and availability of Link Group's technology platforms, software, third party data centres and communication systems.

While Link Group's existing proprietary platforms are designed to appropriately and effectively service Link Group's clients, changes and developments in technology, including by its competitors, or the commercial and/or regulatory environment may require Link Group to develop and maintain new and/or enhanced technology platforms. There is a risk that Link Group may fail to successfully achieve the required development of its technology and systems, which may, in turn, adversely affect its operations, relationship with clients, financial performance and financial condition.

Further, Link Group's core technologies may be exposed to damage or interruption from system failures, viruses, cyber attacks, telecommunication provider failures, disasters from natural or human causes, or other unforeseen events which may cause the systems to be unavailable from time to time. This may affect the ability of Link Group to deliver consistent, quality services to its clients and lead to reputational damage and may also adversely impact Link Group's operations, financial performance and financial condition.

5.1.4 Concentrated client base

Link Group has a relatively concentrated client base, with the top two clients expected to contribute 29% of FY2016 revenue and the top five clients expected to contribute 46% of FY2016 revenue. If Link Group were to lose one of more of these key clients, Link Group's business and financial condition could be adversely impacted.

5.1.5 Failure to renew contracts or early terminations

Link Group has a number of contracts with major clients in Fund Administration and Corporate Markets. These contracts, from which Link Group generates its services revenue, typically contain termination clauses which may be invoked upon contract breach.

If Link Group were to lose one or more of these contracts, for example as a result of operational errors, its operations, earnings and financial condition could be adversely impacted. In addition, if one or more of these contracts is not renewed upon expiry, and Link Group is unable to add new clients, its business, financial condition and financial performance could be adversely impacted in the future.

5.1.6 Regulatory compliance

Link Group is subject to privacy laws in Australia and in 10 other jurisdictions in which it conducts its business. These laws generally regulate the handling of personal information and data collection. Such laws impact the way Link Group can collect, use, analyse, transfer and share personal and other information that is central to many of the services Link Group provides. Any actual or perceived failure by Link Group to comply with relevant laws and regulations may result in the imposition of fines or other penalties, client losses, a reduction in existing services, and limitations on the development of technology and services making use of such data. Any of these events could adversely impact Link Group's business, financial condition and financial performance.

Under certain client contracts, Link Group has accepted regulatory and compliance commitments of its clients which exceed those to which it would be subject in its usual business-as-usual operations. Further, under some of these contracts, Link Group:

- has also provided indemnification to the client for losses arising from Link Group's failure to comply with such obligation; and/or
- very high contractual limits or no limitation on liability.

Contracts which include either or both of the above characteristics expose Link Group to potentially more significant financial claims and such claims could adversely impact Link Group's financial condition and financial performance.

5.1.7 Past and future acquisitions and Business Combinations

5.1.7.1 Possible unsuccessful integration of Superpartners and its clients

The successful tender for Superpartners' clients in December 2014 was a significant milestone for Link Group and constitutes an important part of Link Group's growth strategy. The Superpartners Business Combination has increased and is expected to further increase Link Group's information technology and other costs. Although the Superpartners Business Combination is expected to increase Link Group's revenues significantly in FY2016, it is expected to reduce Link Group's Operating EBITDA margins unless operational efficiencies are realised.

There is a risk that Link Group may not be able to successfully integrate Superpartners' clients into its existing business or extract other operating efficiencies from the rationalisation of Superpartners' corporate and other functions. Given the high levels of client integration in Fund Administration, a considerable time period is required for the complete migration of Superpartners' clients onto Link Group's proprietary systems. Link Group may not be able to successfully execute the migration of these clients, or may do so in a longer time frame than is currently envisaged, which may have the impact of reducing the expected synergies from the acquisition of these clients. To the extent Link Group does not achieve the synergies it expects from the integration of Superpartners and its clients or it takes longer than anticipated to do so, its business, financial condition and financial performance could be adversely impacted due to a range of potential factors, including risk of customer churn.

The technology integration requirements for Superpartners involve the transition of key IT managed services from the incumbent provider of key IT services (HP) to Link Group's preferred supplier (Fujitsu) as well as the consolidation of five data centres. Despite the carefully planned transition activity being conducted by Link Group, as with any migration/transition, there is a risk that Link Group may suffer service disruption and downtime, which could have a material adverse affect on the operations of the business and the ability of Link Group to provide services to its clients.

5.1.7.2 Other Business Combinations and acquisitions

Link Group has undertaken client, product and regional expansions and adjacent market acquisitions and continues to investigate and consider potential transactions and other strategic initiatives that are consistent with its growth strategy. Such transactions may relate to businesses that are consistent with services Link Group already provides, in adjacent markets and in new markets and geographies. The successful implementation of client, product and regional expansions and adjacent market acquisitions, and other initiatives can be time-consuming and costly, and the process of integrating acquired businesses and clients may create unforeseen operating difficulties and expenditure. The risks Link Group may face in connection with its acquisitions and other initiatives include:

- difficulty in integrating and migrating the operations, systems, technologies and employees of the acquired business;
- disruption to Link Group's existing business and diversion of Link Group management's attention on transition and integration of the acquired business;
- difficulty in entering markets in which Link Group has limited direct or prior experience and where competitors have established market positions;
- potential loss of key employees, clients or suppliers of the acquired business;
- assumption of liabilities and incurrence of debt to fund acquisitions;
- assumption of contractual obligations that contain terms that are not beneficial to Link Group; and
- failure to realise the expected synergies and increases in revenue, margins and net profit from acquisitions.

The occurrence of any of these risks could have a material adverse effect on Link Group's business, financial performance or financial condition, particularly in the case of larger acquisitions or concurrent acquisitions.

5.1.8 Failure to attract and retain key personnel

A key driver of Link Group's performance is the recruitment and retention of effective and qualified employees. Link Group faces the following risks in relation to personnel:

- loss of key management personnel;
- loss of other key employees;
- delay in finding suitable replacements for lost personnel; and
- inability to find suitably qualified personnel to meet Link Group's business needs as it grows.

If any of these risks were to materialise, they could have a material adverse impact on Link Group's business, financial performance and financial condition.

5.1.9 Increased competition

The key industries in which Link Group operates, namely Australian superannuation fund administration, global corporate markets and information, digital and data services, are all competitive markets and are expected to remain competitive. Examples of factors that may impact Link Group's competitive position include:

- level of innovation relative to that of competitors;
- commercial factors, including pricing and liability terms;
- ability to keep up with technological or regulatory change;
- ability to respond to client preferences for products and services; and
- ability to maintain strong relationships with existing clients by upholding the consistency and quality of its services.

In addition, Link Group needs to respond effectively to any changes in the competitive landscape, which may evolve as a result of a number of factors, including the entry of new competitors into the market and the consolidation of existing market participants. Increased competition may adversely affect Link Group's business, financial performance and financial condition.

5.1.10 Changes to regulations in key markets

Fund Administration and Corporate Markets are governed by laws, rules and regulations of local jurisdictions' regulatory bodies and/or exchanges, which have a material impact on Link Group's business. For example, in Fund Administration, total Australian superannuation fund member accounts have declined in aggregate from 33 million member accounts in 2010 to 30 million member accounts in 2014, a decline supported by initiatives by the Commonwealth Government to promote the consolidation and roll over of multiple accounts and the implementation of USM rules, which require all superannuation providers to report and transfer lost members' accounts to the ATO. Such regulations or similar regulatory initiatives may reduce the number of member accounts of Link Group's clients and could impact Link Group's business, financial performance and financial condition.

In addition, under Link Group's contracts with its clients, Link Group is required to hold an AFSL in order to provide certain financial services and products. If Link Group were to lose its AFSL, the services it provides its clients may be disrupted, its reputation may be adversely impacted and its relationships with its clients may be adversely impacted. Any such event could result in a loss of clients, which could impact Link Group's business, financial performance and financial condition.

5.1.11 Impairment of intangible assets

Link Group has a material amount of intangible assets on its balance sheet relating to goodwill and identifiable intangible assets such as client contracts and relationships, software and licences.

Under Australian Accounting Standards, goodwill and indefinite life intangible assets must be regularly tested for impairment. If impaired, Link Group would need to write down the value of its intangible assets which would result in an expense in the income statement, thereby potentially materially impacting Link Group's financial condition and reported earnings.

5.1.12 Significant retained holding by certain Existing Shareholders

Immediately after Completion, assuming that the Existing Shareholders and their associates do not subscribe for any Shares under the Offer, the Existing Shareholders will beneficially own approximately 57.7% of the Company's issued share capital. In particular, PEP Shareholders will hold approximately 30.3%, ICG Shareholders will own approximately 10.0% and Macquarie Shareholder will own approximately 2.5% of the issued share capital.

Each of the Escrowed Shareholders has entered into voluntary escrow arrangements in relation to their Escrowed Shares as described in Section 7.13. The absence of any sale of Escrowed Shares by the Escrow Shareholders during their Escrow Period may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares. It is important to recognise that Shareholders may receive a market price for their Shares that is less than the price that Shareholders paid. Following the end of the relevant Escrow Period, a significant sale of Shares by one or more of the PEP Shareholders, ICG Shareholders or Macquarie Shareholder or the perception that such sales might occur, could adversely affect the market price of the Shares. In addition, the PEP Shareholders and the ICG Shareholders have entered into a Co-ordination Deed that governs the rights and obligations of the PEP Shareholders and the ICG Shareholders (as between themselves) with respect to sales of their respective shareholdings in the Company following release of the voluntary escrow arrangements (see Section 7.14 for further details).

These Existing Shareholders, if they act together, would be able to exert a significant degree of influence over the Company's management and affairs and over matters requiring Shareholder approval, including the election of Directors and approval of significant corporate transactions. In addition, the PEP Shareholders have additional rights under the Relationship Deed described in Section 6.7 with respect to representation on the Board. The interests of these Existing Shareholders may differ from the interests of the Company and the interests of Shareholders who purchase Shares under the Offer. Also, while they hold a large stake in the Company, these Shareholders may be able to determine or influence whether a takeover or similar offer for the Shares is successful.

5.1.13 Reputational damage

The Link Group brand is important in attracting and retaining clients. There is a risk that the brand may be tarnished by incidents such as negative publicity, data security breach or one-off unforeseen events that negatively impact Link Group's operations. The occurrence of any such incidents may lead to client loss and the failure to attract new clients, which, in turn, may have an adverse impact on Link Group's financial performance.

5.1.14 Litigation

Link Group may in the ordinary course of business become involved in litigation and disputes, for example with its suppliers or clients. Any such litigation or dispute could involve significant economic costs and damage to relationships with suppliers, clients and/or other stakeholders. Any such outcomes may have an adverse impact on Link Group's business, market reputation and financial condition and financial performance.

5.1.15 Failure to realise benefits from research and development investments

Developing software and technology is expensive and the investment in the development of these product and service offerings often involves an extended period of time to achieve a return on investment. For example, Link Group estimates that it has invested approximately $300 million over the last nine years in the successful development and implementation of market leading capability in platforms and systems in Fund Administration and Corporate Markets. An important element of Link Group's corporate strategy is to continue to make investments in innovation and related product and service opportunities through internal investments and the acquisition of intellectual property from companies that it has acquired. The Company believes that it must continue to dedicate resources to its innovation efforts to develop its software and technology service offering and maintain its competitive position. However, Link Group may not receive significant revenues from these investments for several years, or may not realise such benefits at all.

5. Key Risks (continued)

5.1.16 Failure to protect intellectual property rights

Link Group relies and expects to continue to rely on a combination of confidentiality, assignment, and licence agreements with its employees, consultants, and third parties with whom it has relationships, as well as trademarks, copyright and patents, to protect its proprietary rights. Third parties may knowingly or unknowingly infringe Link Group's proprietary rights, and/or may challenge proprietary rights held by Link Group, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which Link Group operates or intends to operate its business. In any or all of these cases, Link Group may be required to expend significant time and expense in order to prevent infringement or to enforce its rights. If the protection of its proprietary rights is inadequate to prevent unauthorised use or appropriation by third parties, its competitors may be able to more effectively mimic its products, services, and methods of operation. Any of these events could have an adverse effect on its business, financial condition and financial performance.

5.1.17 Infringement of third party intellectual property rights

Link Group may receive notices from third parties claiming infringement of their intellectual property rights and/or breach of its agreements with them. Link Group cannot assure Applicants that such claims may not arise, including from its competitors in the industries it which it operates, or that such claims may not require protracted negotiation, including litigation, to resolve, or the payment of monetary damages or the satisfaction of indemnification obligations in its agreements with suppliers. In addition, such claims may increase as Link Group continues to acquire new businesses and enter new markets. In such cases, if a determination was made that Link Group had infringed such third party rights, Link Group's business and financial condition may be adversely affected.

5.1.18 Failure to execute the planned growth strategy

Link Group's growth strategy is focused on further penetration of key markets, product and service innovation, client, product and regional expansions and identification of adjacent market opportunities. To the extent Link Group is not able to execute its strategy, its business and growth prospects may be adversely impacted. Similarly, in respect of Fund Administration, eight of the 10 largest superannuation funds by estimated administration fees for FY2014 presently conduct their fund administration services in-house. To the extent these funds do not look to outsource their fund's administration, or such outsourcing occurs at lower levels than the Company expects, Link Group may not be able to execute its growth strategy with respect to Fund Administration, which could adversely impact its business and growth prospects.

5.1.19 Failure to refinance debt on attractive terms

The New Banking Facilities may require refinancing in the future. Link Group may also seek additional debt financing in the future to grow the business, invest in its IT systems and/or make acquisitions. The terms that debt financiers are willing to offer may depend on a number of factors including but not limited to macroeconomic conditions, tenor of facilities, Link Group's business and financial performance and the risks associated with the use of funds. If Link Group requires but is unable to refinance its debt facilities, or is unable to refinance them on attractive terms, Link Group's financial position could be adversely impacted.

5.2 General investment risks

5.2.1 Price of Shares

The price of Shares quoted on ASX may rise or fall due to a number of factors both within and outside the control of the Company, its Directors and senior management. The Shares may trade below or above the Final Price due to factors including but not limited to:

- economic conditions in the geographies in which Link Group operates, including interest rates, exchange rates, inflation and commodity prices;
- fluctuations in the local and global market for listed stocks (especially for peers operating in similar markets to Link Group);
- changes to government policy, legislation or regulation, especially around the superannuation industry;
- inclusion in or removal from market indices;
- the nature of the markets that Link Group operates in;
- general and operational business risks;
- natural disasters; and
- global hostilities, tensions and acts of terrorism.

5.2.2 Changes to tax rates or tax law

There is the potential for changes to Australia's taxation law. Any change to Link Group's current tax rate (including in the foreign jurisdictions in which it operates) is likely to impact Link Group's financial performance and the return to Shareholders.

An interpretation of taxation laws by the relevant tax authority that differs from Link Group's view of those laws may increase the amount of tax to be paid.

In addition, an investment in the Shares involves tax considerations which may differ for each Shareholder. Changes in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns.

5.2.3 Shareholder dilution

In the future, the Company may elect to issue Shares or engage in fundraisings including to fund acquisitions that Link Group may decide to make. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

5.2.4 Adverse interest rate fluctuations

Changes in interest rates will affect borrowings which bear interest at floating rates such as the New Banking Facilities, to the extent Link Group has not hedged against this interest rate risk. An increase in interest rates will affect Link Group's cost of servicing these borrowings, which may adversely impact its business, financial condition and financial performance.

5.2.5 Adverse movements in exchange rates

Link Group currently conducts operations in a number of jurisdictions, including Australia, New Zealand, the United Kingdom, France, Germany, the United Arab Emirates, Singapore (which is serviced from Hong Kong and Australia), Hong Kong and Papua New Guinea. Adverse movements in the exchange rate between the Australian dollar and those respective foreign currencies, and any other foreign currencies as a result of future international expansion, may cause Link Group to incur foreign currency losses. Such losses may impact and reduce Link Group's profitability, and ability to pay dividends and service debt obligations.

5.2.6 Possible changes in Australian Accounting Standards

Australian Accounting Standards are set by the AASB and are outside the control of either the Company, its Directors or senior management. The AASB is due to introduce new or refined Australian Accounting Standards during the period from 2014 to 2018, which may affect future measurement and recognition of key statement of profit or loss and statement of financial position, including revenue and receivables. There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of profit or loss and statement of financial position, including revenue and receivables, may differ.

Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial condition and financial performance reported in Link Group's consolidated financial statements.

5.2.7 Possibility of force majeure events

Events that may impact the economies of Australia, New Zealand, the United Kingdom, Singapore and other geographies where Link Group operates may occur within or outside these geographies. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that could have an adverse effect on the demand for Link Group's services and its ability to conduct business.

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Section 6

Key Individuals, Interests and Benefits

6. Key Individuals, Interests and Benefits

6.1 Board

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience as further described below.

Director	Experience and background
 **Michael Carapiet** Independent Chairman and Non-Executive Director	– Michael Carapiet was appointed as a director and Chairman of the Company in 2015 – Mr Carapiet is Chairperson of Insurance & Care NSW and was previously Chair of SAS Trustee Corporation, the trustee entity for NSW State Super – Mr Carapiet is the Chairman of Smartgroup Corporation Limited and Adexum Capital Limited and a member of the Advisory Board for Norton Rose Australia, and was previously a director of Southern Cross Media Limited – Mr Carapiet currently serves on or has previously served on the following Commonwealth Government boards: Infrastructure Australia (current), Clean Energy Finance Corporation (current) and Export Finance Insurance Corporation (former) – Mr Carapiet has over 30 years of experience in banking and financial services – Mr Carapiet holds a Master of Business Administration from Macquarie University, Sydney
 **John McMurtrie** Executive Director and Managing Director	– John McMurtrie joined Link Group in 2002 as Managing Director – Previous senior appointments include Executive General Manager of ASX's Investors and Companies division and Chief Executive Officer of UBS Australia – Mr McMurtrie has more than 35 years of experience in the financial services industry – Mr McMurtrie holds a Master of Economics and Bachelor of Economics (Hons) from the University of Adelaide
 **Cameron Blanks** Non-Executive Director and Nominee Director of the PEP Shareholders	– Cameron Blanks was appointed as a director of the Company in 2006 as a nominee of the PEP Shareholders – Mr Blanks is a Managing Director at PEP, having joined the firm in 2002 – Mr Blanks has previously held roles at Bain & Company and in the mining and construction industry in both Australia and North America – Mr Blanks received an Master of Business Administration from Massachusetts Institute of Technology's Sloan School, as well as a Masters of Engineering and Bachelor of Engineering from the University of South Australia
 **Glen Boreham, AM** Independent Non-Executive Director	– Glen Boreham was appointed a non-executive director of the Company in 2015 – Mr Boreham is a director of Cochlear Limited, Southern Cross Media Group and cloud computing provider Data#3. He is also the Chairman of Advance, an organisation that connects and supports Australian business and the global Australian community, and the Chairman of the Industry Advisory Board for the University of Technology, Sydney – Mr Boreham was previously the Managing Director of IBM Australia and New Zealand, Chair of Screen Australia, Deputy Chairman of the Australian Information Industry Association and a director of the Australian Chamber Orchestra – Mr Boreham was awarded a Member of the Order of Australia in January 2012 for services to business and the arts – Mr Boreham holds a Bachelor of Economics from The University of Sydney

Director	Experience and background
 **Paul McCullagh** Non-Executive Director and Nominee Director of the PEP Shareholders	– Paul McCullagh was appointed as a director of the Company in 2006 as a nominee of the PEP Shareholders – Mr McCullagh is a founder of PEP and member of the firm's Operating Committee – Previous roles include Managing Director of Salomon Brothers Australia and Head of Australasia at Prudential Securities – Mr McCullagh has 35 years of corporate finance experience in the United States, Asia and Australasia – Mr McCullagh is a Fellow of the Institute of Chartered Accountants in Ireland and a member of the Institute of Chartered Accountants in Australia – Mr McCullagh holds a Bachelor of Commerce and Master of Business Studies from the University College, Dublin
 **Sally Pitkin** Independent Non-Executive Director	– Sally Pitkin was appointed a non-executive director of the Company in 2015 – Previously a senior corporate partner at Clayton Utz, Dr Pitkin has extensive corporate and banking law experience, followed by over 18 years of experience as a director and board member across a wide range of industries in both private and public sectors, including in highly regulated industries, professional services and commercialisation of new technology – Dr Pitkin is a non-executive director of Echo Entertainment Group Limited, Super Retail Group Limited, Billabong International Limited and IPH Limited – Dr Pitkin is the President of the Queensland Division of the Australian Institute of Company Directors and a member of the External Advisory Board of ASIC – Dr Pitkin holds a PhD in Governance from The University of Queensland, and a Master and Bachelor of Laws from the Queensland University of Technology
 **Fiona Trafford-Walker** Independent Non-Executive Director	– Fiona Trafford-Walker was appointed a non-executive director of the Company in 2015 – Ms Trafford-Walker is the Director of Consulting and Chair of the Investment Committee at Frontier Advisors – Ms Trafford-Walker was the inaugural Managing Director at Frontier Advisors and played a critical role in growing the firm – Ms Trafford-Walker has 22 years of experience in advising institutional investors on investment and governance-related issues – Ms Trafford-Walker holds a Master of Finance from RMIT University and a Bachelor of Economics from James Cook University

John Hawkins (Link Group Chief Financial Officer) will act as Company Secretary of the Company.

6.2 Senior management

Executive	Experience and background
 **John McMurtrie** Executive Director and Managing Director	– See Section 6.1 for more detail

Executive	Experience and background
 **John Hawkins** Chief Financial Officer	– John Hawkins joined Link Group as Chief Financial Officer in 2001 – Mr Hawkins has extensive commercial, accounting and finance experience from various roles with Optus, Perpetual and KPMG (Australia and the United Kingdom) – Mr Hawkins has over 30 years professional experience, with over 15 years in financial services – Mr Hawkins is a member of the Institute of Chartered Accountants in Australia – Mr Hawkins holds a Bachelor of Science (Computer Science) and a Bachelor of Commerce from The University of Queensland
 **Suzanne Holden** Chief Executive Officer, Fund Administration	– Suzanne Holden joined Link Group in 2010 and has held her present role since 1 January 2015 – Prior to joining Link Group, Ms Holden gained extensive experience managing large operational and customer service teams, most recently as the General Manager of Airport Operations for Qantas, where she was responsible for all operation, compliance and service performance across Australia – Ms Holden has 25 years of management experience – Ms Holden holds a joint Honours degree in Mathematics and Drama from Surrey University and is a graduate of the Australian Institute of Company Directors – Ms Holden is also a director of the Association of Superannuation Funds of Australia
 **David Geddes** Chief Executive Officer, Corporate Markets	– David Geddes was appointed Chief Executive Officer of Corporate Markets in 2014 – Mr Geddes joined Link Group in 2006 when Orient Capital was acquired by Link Group from ASX Limited – Mr Geddes has more than 30 years financial market experience and a deep understanding of the corporate markets industry, having founded Orient Capital in the 1980s – Mr Geddes holds a Bachelor of Science (Hons) in Geography and Geology from the University of Bristol
 **Paul Gardiner** Chief Executive Officer, IDDS	– Paul Gardiner was appointed the Chief Executive Officer of IDDS in 2015 – Mr Gardiner joined Link Group in 2006 when Orient Capital, which he joined in 2001, was acquired by Link Group from ASX Limited – Mr Gardiner has over 15 years of experience in operations, data analytics and digital technology – Mr Gardiner holds a Bachelor of Commerce and a Higher Diploma in Marketing Practice from the National University of Ireland, Galway – Mr Gardiner holds a Masters of Business Studies (Management Information Systems) from University College, Dublin

6.3 Director disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

Except as set out below, no Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

6.4 Directors' interests and remuneration

6.4.1 Managing Director

John McMurtie is employed in the position of Managing Director of the Company. The Company has entered into an employment contract with John McMurtie to govern his employment with the Company. Refer to Section 6.5 for further details.

6.4.2 Non-Executive Director remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director. However, under the ASX Listing Rules, the total amount of fees payable to all Directors for their services (excluding for these purposes, the remuneration of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. This amount has been capped by the Company at $2 million per annum. Any increase to that aggregate annual sum needs to be approved by Shareholders. Directors will seek approval of the Shareholders from time to time, as appropriate.

This aggregate annual sum does not include any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Company, which may be made in addition to or in substitution for the Director's fees.

For FY2016, it is expected that the fees payable to the current Non-Executive Directors will not exceed $1.2 million in aggregate. The annual Directors' fees currently agreed to be paid by the Company are $320,000 (exclusive of GST) to the Chairman and $160,000 (exclusive of GST) to each of the other Non-Executive Directors. In addition, the following annual fees are payable to Directors for their involvement in Board committees:

Committee	Chairman fee	Member fee
Risk and Audit Committee	$35,000	$17,500
Human Resources and Remuneration Committee	$28,000	$14,000
Nomination Committee	–	–
Technology and Innovation Committee	$28,000	$14,000

Superannuation payments are included in Director's fees and Committee fees. Amounts are exclusive of GST.

The Director's fees for Michael Carapiet will be paid to Gentilly Services Pty Ltd, which is his personal services company.

6.4.3 Deeds of access, indemnity and insurance for Directors

The Company has entered into a deed of access, indemnity and insurance with each Director which contains the Director's right of access to Board papers and requires the Company to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain losses and liabilities (including all reasonable legal expenses) which the Director may incur as a result of, or by reason of (whether solely of in part), being or acting as a Director of the Company or of a related body corporate.

Under the deeds of access, indemnity and insurance, the Company must maintain a directors' and officers' insurance policy insuring each Director (amongst others) against liability as a director of the Company and its related bodies corporate for the period that they are directors and for seven years after they cease to act as directors of the Company or a related body corporate (or the date any relevant proceedings commenced during the seven year period have been finally resolved).

6.4.4 Other information and interests

Directors may also be reimbursed for travel and other expenses reasonably incurred in connection with the performance of their duties as Directors. Directors may be paid such special remuneration as the Directors decide is appropriate where a Director performs extra work or services for or at the request of the Company. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

6.4.5 Directors' interests in Shares and other securities

Directors are not required by the Constitution to hold any Shares. However, under the Board Charter, Directors will be required to aquire at least 15,000 Shares each within 12 months of their appointment. These Shares maybe aquired under the Offer or on-market after listing. The Directors' interests in Shares and other securities in the Company immediately following Completion are set out below:

Director	Number of Shares immediately following Completion	Percentage shareholding immediately following Completion[1]
Michael Carapiet[2]	851,465	0.23%
John McMurtrie[3]	12,609,029	3.44%
Cameron Blanks[4]	53,000	0.01%
Paul McCullagh[5]	232,155	0.06%
Glen Boreham, AM	–	–
Sally Pitkin	–	–
Fiona Trafford-Walker	–	–

Directors may hold their interests in securities shown above directly or indirectly through holdings by companies or trusts.

The Directors are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Directors may acquire under the Offer.

The Shares recorded in the second column of the above table held by or on behalf of John McMurtrie, Cameron Blanks and Paul McCullagh will be subject to voluntary escrow arrangements as outlined in Section 7.13.

John McMurtrie will sell 1,000,000 shares to SaleCo in accordance with the IPO Implementation Deed summarised in Section 9.2 for transfer to Applicants under the Offer.

6.4.6 Interests and benefits of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director:

- has or had at any time during the two years preceding the Prospectus Date, an interest in:
  - the formation or promotion of the Company;
  - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
  - the Offer; or
- has been paid or agreed to be paid any amount (whether in cash, Shares or otherwise), or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

During the lead up to the Offer, prior to their formal appointment as Directors of the Company, each of Sally Pitkin, Fiona Trafford-Walker and Glen Boreham was appointed as consultants to the Company. For their consultancy services, both of Sally Pitkin and Fiona Trafford-Walker were paid a fee of $13,333 per month (exclusive of GST). Glen Boreham was paid a fee of $14,667 per month (inclusive of GST) via his company Boreham and Associates Pty Ltd.

1. Based on the Mid-Point Final Price.
2. 200,000 Shares are held directly by Michael Carapiet's associated entity, Gentilly Holdings 2 Pty Limited as trustee for Carapiet Family Trust and 651,465 Shares are held by Bond Street Custodians Limited as bare trustee for Michael Carapiet's associated entity Gentilly Holdings 2 Pty Limited as trustee for Carapiet Family Trust.
3. John McMurtrie holds 4,655,510 Shares directly, 7,919,450 Shares indirectly though his investment vehicle Boston & Baxter Pty Limited as trustee for Gatehouse Trust and 34,069 Shares indirectly by Bogart & Bacall Pty Ltd as trustee for McMurtrie Smithers Super Fund.
4. Cameron Blanks has a beneficial interest in the number of Shares set out in the table above, through Eagle Co-investment Pty Limited as trustee for Pacific Private Equity Partners Fund III Co-investment Trust A and PEP Co-Investment Pty Limited.
5. Paul McCullagh has a beneficial interest in the number of Shares set out in the table above, through PEP Investment Pty Limited, Eagle Co-investment Pty Limited as trustee for Pacific Private Equity Partners Fund III Co-investment Trust A and PEP Co-Investment Pty Limited.

6.5 Executive remuneration

The employment arrangements for the senior management team are summarised in Sections 6.5.1 and 6.5.2.

6.5.1 Managing Director

John McMurtrie is employed by Link MS Services in the position of Managing Director, Link Group. Mr McMurtrie is currently receiving a base remuneration package of $725,000 (inclusive of mandatory superannuation contributions).

Mr McMurtrie, along with other key management personnel, has signed a new employment contract which will take effect from the Allotment Date. From the Allotment Date, his base remuneration package will increase to $800,000 but will then remain at that level under the terms of the new employment contract for the period up to 30 June 2017.

As part of that new contractual arrangement, Mr McMurtrie is also eligible to receive an annual short term incentive (**STI**) up to a maximum of 80% of his base remuneration package for the relevant year, subject to achieving targets as against key performance indicators agreed with the Board for that year. If these targets are met in respect of a particular financial year of the Company, 50% of any STI entitlement will be provided to Mr McMurtrie as a cash payment generally before the end of November, but not prior to the finalisation of the consolidated financial statements of the Company for that year, with 25% of that STI entitlement being deferred for 12 months after the first payment and the final 25% being deferred for a further 12 months. Those deferred STI components may be paid in cash to Mr McMurtrie or, at his election (and subject to any requisite Shareholder approvals being obtained), in the form of Shares. If Mr McMurtrie elects to receive Shares, and the requisite shareholder approvals are obtained, the number of Shares issued to Mr McMurtrie in respect of that deferred STI payment will be calculated by reference to the volume weighted average price of Shares on the 5 trading days immediately before the requisite shareholder approval is sought. Where Mr McMurtrie elects to receive Shares but shareholder approval is not obtained, the deferred STI component will be paid in cash. The STI in any year (including any deferred component) is payable to Mr McMurtrie upon cessation of his employment in certain circumstances (subject to Shareholder approval where required). However, any deferred STI component referrable to the current STI year will not be payable if Mr McMurtrie resigns unless the Board determines otherwise in its discretion.

Mr McMurtie is also entitled to participate in Link Group's new long-term incentive plan (as summarised in Section 6.6.1).

Under the terms of Mr McMurtrie's employment contract, either party is entitled to terminate Mr McMurtrie's employment by giving 12 months' written notice. Link MS Services may, at its election, make a payment in lieu of that notice based on Mr McMurtrie's base remuneration package.

Link MS Services can also terminate the employment contract on 12 months' written notice where Mr McMurtrie becomes incapacitated by illness or injury for an accumulated period of more than six months in any 12 month period or where Link MS Services is advised by an independent medical officer that, due to physical or mental ill health, Mr McMurtrie is unable to perform his duties on a permanent basis. Link MS Services may also terminate Mr McMurtrie's employment immediately and without further payment where he commits serious misconduct and on other similar grounds.

After termination of employment, the employment contract provides that Mr McMurtrie will be subject to non-compete, non-solicitation of clients and non-solicitation of employees restrictions, within Australia and for a maximum period of 12 months.

6.5.2 Other senior management

All other senior management are employed under written terms of employment with Link MS Services. Like Mr McMurtrie, the four additional key management personnel have signed new employment contracts which will take effect from the Allotment Date.

The key terms and conditions of their employment include:

- total remuneration packages (including mandatory superannuation contributions);
- the potential to receive an annual STI on similar terms as those summarised in Section 6.5.1 for John McMurtrie, but with the maximum STI for any year ranging from 50% to 60% of their base remuneration package and the timing for the election to receive Shares rather than a cash payment for the deferred portions being no later than 20 Business Days prior to the relevant anniversary date;
- eligibility to participate in Link Group's new long-term incentive plan (as summarised in Section 6.6.1);
- express provisions protecting Link Group's confidential information and intellectual property;
- notice of termination of employment provisions, with the relevant notice periods varying from 6 months (in the case of David Geddes and Paul Gardiner) to 12 months (in the case of John Hawkins and Suzanne Holden); and
- post-employment restrictions covering non-competition, non-solicitation of clients and non-poaching of employees, within Australia and for a maximum duration 12 months.

A summary of the base annual salary packages for key management personnel with effect from the Allotment Date is set out below:

Executive	Position	Total annual remuneration package
John McMurtrie	Managing Director, Link Group	$800,000
John Hawkins	Chief Financial Officer, Link Group	$650,000
Suzanne Holden	Chief Executive Officer, Fund Administration	$600,000
David Geddes	Chief Executive Officer, Corporate Markets	$500,000
Paul Gardiner	Chief Executive Officer, IDDS and Chief Operating Officer, Corporate Markets	$500,000

6.6 Employee incentive arrangements

6.6.1 Long-term incentive plan

In connection with the Company's admission to the Official List, the Company intends to introduce a new long-term incentive arrangement, the Omnibus Equity Plan (**Plan**).

Executives identified by the Board will be offered participation under the Plan in the form of options or rights (which will be options with a zero exercise price). The vesting of those options and rights will be subject to the satisfaction of service-based conditions and performance hurdles, which when satisfied will allow participating executives to receive fully paid ordinary shares in the Company or vested options that are exercisable over ordinary shares in the Company.

On exercise of options and rights issued under the Plan, it is proposed that for executives based in certain countries, the Company will instruct the trustee of the Link Group Employee Share Trust (**EST**) to subscribe for or acquire Shares and to hold those Shares on behalf of those executives in accordance with the terms of a trust deed. While those Shares are held in the EST, executives will be entitled to receive dividends and exercise voting rights attaching to those Shares, and will be eligible to withdraw those Shares from the EST on application. For executives based in countries where the EST cannot be operated or it is considered not appropriate, those executives will hold Shares in their own names.

The Company does not intend to make any grants under the Plan prior to the results announcement in respect of FY2016. At that time, Link Group will determine those executives who are to participate in the Plan, whether to issue options (and if so, the exercise price) and/or rights to those executives, and the service conditions and/or performance conditions to apply.

6.6.2 Broad-based employee share plan

In connection with the Company's admission to the Official List of the ASX, the Company also intends to introduce a broad-based employee share plan, the Tax Exempt Share Plan (**Exempt Plan**).

All Australian based qualifying employees of the Company and its subsidiaries will be offered participation in the Exempt Plan and the right to be issued up to $1,000 worth of fully paid ordinary shares for no payment.

The Exempt Plan has been structured so as to enable those qualifying employees to receive Shares free of income tax provided conditions in the current Australian tax legislation are satisfied. In accordance with those requirements, Shares acquired under the Exempt Plan cannot be disposed of or sold until the earlier of three years after the date on which they are issued and the date on which the holder ceases to be an employee of Link Group.

This restriction will be enforced by the trustee of the EST subscribing for the Shares and holding those Shares on behalf of qualifying employees in accordance with the terms of the trust deed. While those Shares are held in the EST, employees will be entitled to receive dividends and exercise voting rights attaching to those Shares. At the end of the restriction period, the Shares will be released from the EST and the relevant employee will generally be able to deal with the Shares.

Awards made to qualifying employees under the Exempt Plan will be tax free, provided participation is offered on a non-discriminatory basis to at least 75% of Link Group's Australian-resident permanent employees with at least three years' service, the Exempt Plan is operated to comply with the restriction period referred to above, and that the employee's adjusted taxable income for the year does not exceed $180,000.

6.7 Arrangements with the PEP Shareholders

Other than as set out below or elsewhere in this Prospectus, the Company is not party to any material related party arrangements.

Relationship with the PEP Shareholders

The PEP Shareholders will retain a 30.3%[1] interest in the Company on Completion.

1. Based on the Mid-Point Final Price.

The PEP Shareholders are supportive of the Company and its strategy. Their current intention is to remain Shareholders of the Company. The PEP Shareholders have entered into voluntary escrow arrangements with the Company as outlined in Section 7.13. Any sale of Shares by the PEP Shareholders in the 5 Business Day Period following the expiry of the voluntary escrow arrangements will be made in accordance with the terms of the Co-ordination Deed described in Section 7.14. Thereafter, any decision by the PEP Shareholders to sell down their interest at the relevant time will have regard to a range of factors at that time. These will include the market environment and certain other factors.

The Independent Non-executive Directors have approved the Company entering into a Relationship Deed with the PEP Shareholders and their representatives that regulates aspects of their relationship while the PEP Shareholders retain an interest in the Company.

The key provisions of the Relationship Deed require that:

- the Board adopts a board charter for managing conflicts of interest and resolving them in each case in a manner that incorporates and recognises the duties of directors of public companies and appropriate best practice guidelines on directors' conduct and duties in relation to conflicts of interests; and
- the PEP Shareholders may collectively nominate two Directors to the Board while the PEP Shareholders hold at least 20%, or one Director to the Board while the PEP Shareholders hold at least 10% (but less than 20%), of the issued share capital of the Company, and the Company must cause those nominated individuals to be appointed as Directors, provided that any nominee Directors will be subject, after appointment, to retirement by rotation and election in accordance with the ASX Listing Rules.

The PEP Shareholders have also entered into confidentiality obligations with respect to Link Group information made available to them under the Relationship Deed in favour of Link Group.

Risks associated with the PEP Shareholders' continued interest are set out in Section 5.1.12.

The PEP Shareholders and the Company, among others, are also party to the Co-ordination Deed referred to in Section 7.14.

6.8 Corporate governance

This Section 6.8 explains how the Board oversees the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget). The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The ASX Corporate Governance Council has developed and released its third edition of the ASX Corporate Governance Principles and Recommendations for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Corporate Governance Principles and Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which is has followed the ASX Corporate Governance Principles and Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and provide reasons for not following it. Section 6.8.4 sets out a brief summary of the approach currently adopted by the Company in relation to the ASX Corporate Governance Principles and Recommendations.

6.8.1 Board

Composition of the Board

The Board is comprised of six Non-Executive Directors, including the Chairman, and one Executive Director. Detailed biographies of the Directors are provided in Section 6.1.

Each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a Non-Executive Director or Executive Director as the case may be, without constraint from other commitments.

Independence of the Board

The Board is responsible for the overall governance of the Company. Issues of substance affecting the Company are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgement to the Board and must declare all actual or potential conflicts of interest on an ongoing basis. Any issue concerning a Director's ability to properly act as a Director must be discussed at a Board meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

6. Key Individuals, Interests and Benefits (continued)

In accordance with the Board Charter, it is intended that the Board will be comprised of a majority of independent directors. The Board considers an independent Director to be a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent and unfettered exercise of their judgement. The Board has adopted a definition of independence that is based on the definition set out in the ASX Corporate Governance Principles and Recommendations. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board assesses independence of directors upon appointment and annually through attestation from each director.

The Board considers that each of Michael Carapiet, Glen Boreham, Sally Pitkin and Fiona Trafford-Walker is free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the ASX Corporate Governance Principles and Recommendations.

John McMurtrie is considered by the Board not to be independent on the basis that he is the Managing Director of the Company. Cameron Blanks and Paul McCullagh are also considered by the Board not to be independent on the basis that they are nominee directors of the PEP Shareholders, those Shareholders together being the major shareholders of the Company.

Accordingly as at the time of the Company's listing, the Board will consist of a majority of independent Directors consistent with Recommendation 2.4 of the ASX Corporate Governance Principles and Recommendations.

Board Charter

The responsibilities of the Board are set out in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles and Recommendation. A copy of the Company's Board Charter is available on the Company's website at www.linkgroup.com/about-us.html.

Board's role in risk oversight

The Board's role in risk oversight includes receiving reports from management and the Risk and Audit Committee on a regular basis regarding material risks faced by the Company and applicable mitigation strategies and activities. Those reports detail the effectiveness of the risk management program and identify and address material business risks such as technological, strategic, business, operational, financial, human resources and legal/regulatory risks. The Board and its committees consider these reports, discuss matters with management and identify and evaluate any potential strategic or operational risks including appropriate activity to address those risks.

6.8.2 Board committees

As set out below, the Board has established four standing committees to facilitate and assist the Board in fulfilling its responsibilities. The Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

Board committees	Key responsibilities	Initial composition
Risk and Audit	Responsible for monitoring and advising the Board on Link Group's risk management, audit and regulatory compliance policies and procedures. Key roles of this committee include: – exercising oversight over the compliance of the financial statements with the requirements of the Corporations Act and any other mandatory professional reporting requirements, including making informed decisions regarding accounting and regulatory policies, practice and disclosures; – reviewing the scope and results of internal and external audit reviews; – assessing the effectiveness of Link Group's internal controls; and – assessing the effectiveness of Link Group's risk management framework.	Fiona Trafford-Walker (Chair), Sally Pitkin, Michael Carapiet and Paul McCullagh
Human Resources and Remuneration	Responsible for establishing the policies and practices of Link Group regarding the remuneration of Directors and senior executives and reviewing all components of the remuneration framework.	Sally Pitkin (Chair), Glen Boreham and Michael Carapiet.

Board committees	Key responsibilities	Initial composition
Nomination	Responsible for advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual Directors, and ensuring the proper succession plans are in place.	Each member of the Board.
Technology and Innovation	Responsible for advising the Board on matters of technology and innovation as they relate to Link Group's overall business strategy, reviewing and monitoring the effectiveness of Link Group's IT systems and data security measures and advising the Board on developments in technology and innovation.	Glen Boreham (Chair), Fiona Trafford-Walker and Michael Carapiet.

Each committee has the responsibilities described in the relevant committee charter adopted by the Company (each of which has been prepared having regard to the ASX Corporate Governance Principles and Recommendations). A copy of the charters for the above committees is available on the Company's website at www.linkgroup.com/about-us.html.

6.8.3 Corporate governance policies

The Company has also adopted the following policies, each of which has been prepared having regard to the ASX Corporate Governance Principles and Recommendations and is available on the Company's website at www.linkgroup.com/about-us.html.

Code of Conduct – This policy sets out the standards of ethical behaviour that the Company expects from its Directors, officers and employees.

Continuous Disclosure Policy – Once listed on the ASX, the Company will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

Risk Management Policy – This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business.

Securities Trading Policy – This policy is designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide guidance on avoiding any breach of insider trading laws.

Shareholder Communications Policy – This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders.

Diversity Policy – This policy sets out the Company's objectives for achieving diversity amongst its Board, management and employees.

6.8.4 ASX Corporate Governance Principles and Recommendations

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A brief summary of the approach currently adopted by the Company is set out below.

Principle 1 – Lay solid foundations for management and oversight

The respective roles and responsibilities of the Board and executives are defined in the Board Charter, a copy of which is available on the Company's website at www.linkgroup.com/about-us.html. There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon the Company's officers.

The Company Secretary, John Hawkins, reports directly to the Chairman of the Board in his role as Company Secretary. In John Hawkins' role as Chief Financial Officer he reports directly to the Managing Director. The role of the Company Secretary is outlined in the Board Charter.

The process for selection, appointment and re-appointment of Directors is detailed in the Nomination Committee Charter, a copy of which is available on the Company's website at www.linkgroup.com/about-us.html. Under the Nomination Committee Charter, Shareholders are required to be provided with all material information relevant to making an informed decision on whether or not to elect or re-elect a Director. The Nomination Committee is also responsible for evaluating the performance of the Board and the performance of individual directors and executives of the Company.

The Company has adopted a Diversity Policy, a copy of which is available on the Company's website at www.linkgroup.com/about-us.html. The Company's Diversity Policy requires the Board to establish measurable objectives to assist the Company in achieving gender diversity, and provides for delegation to the Human Resources and Remuneration Committee to review the Company's progress in meeting these objectives.

Principle 2 – Structure the Board to add value

The Board is comprised of one Executive and six Non-Executive Directors and the roles of Chairman and Managing Director are exercised by two separate individuals. The majority of Directors are considered independent based on the independence requirements in the ASX Corporate Governance Principles and Recommendations and the Company's Chairman is also considered to be an independent Director based on the independence requirements in the ASX Corporate Governance Principles and Recommendations. The Board believes that the size, composition and skills of the Board are appropriate for the Company's business and circumstances, and are in the best interests of Shareholders as a whole.

The Board is responsible for regularly reviewing its size, composition and skills to ensure that it is able to discharge its duties and responsibilities effectively, and to identify any gaps in the skills or experience of the Board. The Company has an induction program for new Directors and with the assistance of the Nomination Committee provides continuing education for Directors to develop and maintain the skills and knowledge needed to perform their roles as Directors effectively.

Principle 3 – Act ethically and responsibly

The Company has adopted a Code of Conduct which applies to all directors, officers, employees, contractors or consultants of the Company as well as a Securities Trading Policy. Each of these has been prepared having regard to the ASX Corporate Governance Principles and Recommendations and is available on the Company's website at www.linkgroup.com/about-us.html.

Principle 4 – Safeguard integrity in financial reporting

The Company has established a Risk and Audit committee which complies with the ASX Corporate Governance Principles and Recommendations, to oversee the management of financial and internal risks. The Risk and Audit committee is governed by the Risk and Audit Committee Charter, a copy of which is available on the Company's website at www.linkgroup.com/about-us.html.

Principle 5 – Make timely and balanced disclosure

The Company is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure Policy, a copy of which is available on the Company's website at www.linkgroup.com/about-us.html.

Principle 6 – Respect the rights of security holders

The Company has adopted a Shareholder Communications Policy which promotes two way communication between the Company and its Shareholders. The Company seeks to recognise numerous modes of communication, including electronic communication, to ensure that its communication with Shareholders is frequent, clear and accessible.

The Company will provide investors with comprehensive and timely access to information about itself and its governance on its website at www.linkgroup.com/about-us.html.

All Shareholders will be invited to attend the Company's annual meeting, either in person or by representative. The Board regards the annual meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by Shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's independent auditor.

Principle 7 – Recognise and manage risk

In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy, which is designed to assist the Company to identify, evaluate and mitigate risks affecting the Company.

The Risk and Audit committee is responsible for reviewing whether the Company has any material exposure to any economic, environmental and social sustainability risks, and if so, to develop strategies to manage such risks, and present such strategies to the Board.

Regular internal communication between the Company's management and Board supplements the Company's quality control system, complaint handling processes, employee policies and standard operating procedures which are all designed to address various forms of risks.

The Company regularly evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. Under the Risk and Audit committee Charter, the Risk and Audit committee is responsible for providing an independent and objective assessment to the Board regarding the adequacy, effectiveness and efficiency of the Company's risk management and internal control process. A copy of the Company's Risk Management Policy is available on the Company's website at www.linkgroup.com/about-us.html.

Principle 8 – Remunerate fairly and responsibly

The Company has the Human Resources and Remuneration committee to oversee the level and composition of remuneration of the Directors and Link Group's executives. The Company's Human Resources and Remuneration committee is governed by a Human Resources and Remuneration Committee Charter, a copy of which is available on the Company's website at www.linkgroup.com/about-us.html.

The Company will provide disclosure of its Directors' and executives' remuneration in its annual report.

LINK GROUP

Section 7

Details of the Offer

7. Details of the Offer

7.1 The Offer

This Prospectus relates to an initial public offering of new Shares by the Company and the sale of existing Shares by SaleCo. Based on the Mid-Point Final Price, the Company will issue 84,889,644 new Shares raising proceeds of $500.0 million, and SaleCo will sell 70,100,000 existing Shares raising proceeds of $412.9 million.

Based on the Mid-Point Final Price, the total number of Shares on issue at Completion will be 366,194,030 and all Shares on issue will rank equally with each other. A summary of the rights attaching to the Shares is set out in Section 7.12.

Successful Applicants under:

- the Institutional Offer, Broker Firm Offer and Priority Offer will pay the Final Price; and
- the Employee Offer will pay the Employee Final Price.

The Final Price will be determined at the conclusion of the bookbuild and may be set at a price below or within the Indicative Price Range.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus or the Institutional Offering Memorandum (as applicable).

7.1.1 Structure of the Offer

The Offer comprises:

- the **Retail Offer**, which consists of the:
  - **Broker Firm Offer**: which is open to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker;
  - **Priority Offer**: which is open to selected investors in Australia and New Zealand who have received a Priority Offer invitation to apply for Shares; and
  - **Employee Offer**: which is open to Eligible Employees of Link Group to apply for Shares; and
- the **Institutional Offer**, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world, made under this Prospectus or the Institutional Offering Memorandum (as applicable).

No general public offer of Shares will be made under the Offer. The allocation of Shares between the Retail Offer and the Institutional Offer will be determined by the Company and SaleCo in consultation with the Joint Lead Managers having regard to the allocation policies outlined in Sections 7.3.4, 7.4.4, 7.5.4 and 7.8.3.

7.1.2 Purpose of the Offer and use of proceeds

The Offer is being conducted to provide:

- a liquid market for Shares and an opportunity for others to invest in Link Group;
- Link Group with access to the capital markets to improve capital management flexibility;
- Link Group with the benefits of an increased profile that arises from being a listed entity;
- Link Group with funds for the repayment of debt, in order to strengthen its balance sheet and provide financial flexibility to pursue its identified growth opportunities and payment of the transaction costs associated with the Offer; and
- Existing Shareholders with an opportunity to realise their investment in Link Group, in whole or in part as the case may be.

Figure 7.1: Sources and uses of Offer proceeds based on the Mid-Point Final Price

Sources		Uses	$	%
Cash proceeds received from issue of new Shares by the Company	$500.0 million	Repayment of debt	$793.2 million	63.2%
Cash proceeds received from the sale of existing Shares by SaleCo	$412.9 million	Payment of costs of the Offer	$42.6 million	3.4%
New debt	$325.0 million	Payment of other costs	$6.8 million	0.5%
Proceeds from repayment of management loans	$2.2 million	Payment to Selling Shareholders	$412.9 million	32.9%
Cash from balance sheet	$15.4 million			
Total sources	**$1,255.5 million**	**Total uses**	**$1,255.5 million**	**100%**

7.1.3 Pro forma Historical Statement of Financial Position

The Company's Pro forma Historical Statement of Financial Position following Completion, including details of the pro forma adjustments is set out in Section 4.5.

7.1.4 Capital structure

The Company's capital structure before and following Completion is set out in Section 10.3.

7.1.5 Shareholding structure

The details of the ownership of Shares immediately prior to and immediately following Completion are set out below:

Figure 7.2: Shareholding structure based on a Mid-Point Final Price

	Shares held immediately prior to Completion		**Shares held immediately following Completion**[1]	
	Number of Shares	%	Number of Shares	%
PEP Shareholders	148,788,358	52.9	110,788,358	30.3
ICG Shareholders	55,396,597	19.7	36,682,656	10.0
Macquarie Entities	23,738,877	8.4	14,624,668	4.0
Management	33,147,987	11.9	28,876,137	7.9
Other	20,232,567	7.1	20,232,567	5.5
New Shareholders	–	–	154,989,644	42.3
Total	**281,304,386**	**100**	**366,194,030**	**100**

7.1.6 Control implications of the Offer

The Directors do not expect any Shareholder will control (as defined by section 50AA of the Corporations Act) the Company on Completion. On Completion, it is expected that approximately 50.1% of Shares will be subject to the voluntary escrow arrangements described in Section 7.13.

7.1.7 Potential effect of the fundraising on the future of Link Group

The Directors believe that on Completion, the Company will have sufficient funds available from the proceeds of the Offer, New Banking Facilities and its operations to fulfil the purposes of the Offer and meet the Company's stated business objectives.

1. Based on the Mid-Point Final Price.

7.2 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.12.
What is the consideration payable for each security being offered?	The Indicative Price Range for the Offer (except for the Employee Offer) is $5.41 to $6.37 per Share. The Indicative Price Range for the Employee Offer is $4.87 to $5.73 per Share. Successful Applicants under the: • Institutional Offer, Broker Firm Offer and Priority Offer will pay the Final Price; and • Employee Offer will pay the Employee Final Price which will represent a 10% discount to the Final Price. The Final Price will be determined at the conclusion of the bookbuild and may be set below or within the Indicative Price Range. Applicants under the Retail Offer will apply for a set dollar amount of Shares. Accordingly, Applicants will not know the number of Shares they will receive at the time they make their investment decision, nor will they know the Final Price or Employee Final Price (as applicable). Except as required by law, Applicants cannot withdraw or vary their Applications.
What is the Offer Period?	The key dates, including details of the Offer Period relating to each component of the Offer, are set out on page 8. The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in AEDT. The Company and SaleCo, in consultation with the Joint Lead Managers, reserve the right to amend any and all of these dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before Shares are issued by the Company or transferred by SaleCo). If the Offer is cancelled before the issue and transfer of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.
What are the cash proceeds to be raised?	Assuming a Mid-Point Final Price, $912.9 million is expected to be raised under the Offer ($500.0 million to be paid to or at the direction of the Company and $412.9 million to be paid to or at the direction of SaleCo).
Is the Offer underwritten?	No. The Offer is not underwritten.
Who are the Joint Lead Managers for the Offer?	The Joint Lead Managers are Citi, Deutsche Bank, Macquarie Capital and UBS.
What is the minimum and maximum Application size under the Offer?	The minimum Application under the Broker Firm Offer is as directed by the Applicant's Broker and there is no maximum value of Shares that may be applied for under the Broker Firm Offer. The Joint Lead Managers, the Company and SaleCo reserve the right to treat any Applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, as bids in the Institutional Offer or to reject the Application(s). The Joint Lead Managers, the Company and SaleCo also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person. Applications under the Priority Offer and Employee Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of shares thereafter.

Topic	Summary
What is the allocation policy?	The allocation of Shares between the Retail Offer and the Institutional Offer will be determined by the Company and SaleCo in consultation with the Joint Lead Managers, having regard to the allocation policies outlined in Sections 7.3.4, 7.4.4, 7.5.4 and 7.8.3. For Broker Firm Offer participants, the relevant Broker will decide how it allocates Shares among its retail clients, and it (and not the Company, SaleCo or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from it receive the relevant Shares. Save as set out below, the allocation of Shares under the Institutional Offer will be determined the Company and SaleCo in consultation with the Joint Lead Managers. Consistent with a previous undertaking given to a small number of institutional investors in connection with previous transactions undertaken by Link Group, the Company will allocate $100 million worth of Shares to an investor from which it has received a commitment under the Institutional Offer. The allocation of Shares under the Priority Offer will be determined by the Company. The allocation of Shares under the Employee Offer will be determined by the Company provided that those allocations (in aggregate) do not exceed $10 million worth of Shares. Each Eligible Employee will receive a guaranteed minimum allocation of $2,000 worth of Shares at the Employee Final Price. The Company, SaleCo and the Joint Lead Managers have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or bid, or allocate fewer Shares than the number, or the equivalent dollar amount than applied or bid for.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 2 November 2015. Refunds to Applicants who make an Application and are scaled back will be made as soon as possible post Settlement of the Offer, which is expected to occur on or about 30 October 2015. No refunds pursuant solely to rounding will be provided.
Will the Shares be quoted on the ASX?	The Company will apply within seven days of the Prospectus Date to ASX for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code LNK). Completion is conditional on ASX approving this Application. If approval is not given within three months after such Application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of Link Group or the Shares offered for subscription.

Topic	Summary
When are the Shares expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about 27 October 2015, initially on a conditional and deferred settlement basis. Trades occurring on ASX before Settlement will be conditional on the issue and transfer of Shares, and Settlement occurring. Conditional trading will continue until the Company has advised ASX that: • Settlement has occurred; and • the Company has issued Shares, and SaleCo has transferred Shares, to successful Applicants and bidders under the Offer, which is expected to be on or about 2 November 2015. From 2 November 2015, trading will be on an unconditional but deferred settlement basis until the Company has advised ASX that holding statements have been dispatched to Shareholders. Normal settlement trading is expected to commence on or about 3 November 2015. If Settlement has not occurred within 14 days (or such longer period as ASX allows) after the day Shares are first quoted on ASX, the Offer and all contracts arising on acceptance of the Offer and confirmations of allocations will be cancelled and of no further effect and all Application Monies will be refunded (without interest). In these circumstances, all purchases and sales made through ASX participating organisations during the conditional trading period will be cancelled and of no effect. **It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk.** The Company, SaleCo, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from the Link Group IPO Information Line, a Broker or otherwise.
Are there any escrow arrangements?	Yes. Details are provided in Section 7.13.
Has an ASIC relief or ASX waiver been sought, obtained or relied on?	Yes. Refer to Section 10.12.
Are there any tax considerations?	Yes. Refer to Section 10.8.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Section 10.10 for details of various fees payable by the Company to the Joint Lead Managers and by the Joint Lead Managers to the Co-Lead Manager, Co-Managers and Brokers.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Link Group IPO Information Line on 1300 934 599 (within Australia) or +61 2 8767 1361 (outside Australia) from 8.30am until 5.30pm AEDT, Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether Link Group is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

7.3 Broker Firm Offer

7.3.1 Who may apply

The Broker Firm Offer is open to retail clients of Brokers who received a firm allocation of Shares from their Broker and who have a registered address in Australia or New Zealand and are not located in the United States. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

7.3.2 How to apply

If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker to request a Prospectus and Application Form, or download a copy at www.linkgroupshareoffer.com.au. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm AEDT on the Closing Date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Application Form with the Broker from whom they received their invitation to acquire Shares under this Prospectus. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applicants under the Broker Firm Offer should contact their Broker about the minimum and maximum Application size. The Company, SaleCo and the Joint Lead Managers reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer Application procedures or requirements, in its discretion in compliance with applicable laws.

The Company, SaleCo, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9:00am AEDT on 9 October 2015 and is expected to close at 5:00pm AEDT on 20 October 2015. The Company, SaleCo and the Joint Lead Managers may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier time and date, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

7.3.3 How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

7.3.4 Allocation policy under the Broker Firm Offer

The allocation of Shares to Brokers will be determined by the Company and SaleCo, in consultation with the Joint Lead Managers. Shares that are allocated to Brokers for allocation to their clients will be issued or transferred to the Applicants nominated by those Brokers (subject to the right of the Company, SaleCo and the Joint Lead Managers to reject, aggregate or scale back Applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not the Company, SaleCo or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

The Company expects to announce the final allocation policy under the Broker Firm Offer on or about Completion. Applicants in the Broker Firm Offer will be able to call the Link Group IPO Information Line on 1300 934 599 (within Australia) or +61 2 8767 1361 (outside Australia) from 8.30am to 5.30pm AEDT to confirm their allocation. Applicants under the Broker Firm Offer, including those outside Australia, will also be able to confirm their allocation through the Broker from whom they received their allocation.

However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the Link Group IPO Information Line or confirmed your allocation through a Broker.

7.4 Priority Offer

7.4.1 Who may apply

The Priority Offer is open to eligible investors in Australia and New Zealand who have received a Priority Offer invitation to participate. If you are a Priority Offer Applicant, you should have received a personalised invitation to apply for Shares in the Priority Offer. The Priority Offer is not open to persons in the United States.

7.4.2 How to apply

Eligible Priority Offer Applicants may apply for Shares online and must comply with the instructions provided in their personalised Priority Offer invitation and on the website www.linkgroupshareoffer.com.au.

Applications must be received on or before the Closing Date.

Applications under the Priority Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter.

7.4.3 How to pay

Payment may be made via BPAY® for Priority Offer Applicants in Australia or by electronic funds transfer in Australian dollars for Priority Offer Applicants in New Zealand. Application Monies must be received by the Share Registry by 5.00pm AEDT on 20 October 2015. To make a payment via BPAY®, Priority Offer Applicants must apply online at www.linkgroupshareoffer.com.au and must comply with the instructions provided in their personalised Priority Offer invitation and on the website. New Zealand Priority Offer Applicants must apply online at www.linkgroupshareoffer.com.au and must comply with the instructions provided in their personalised Priority Offer invitation and on the website.

It is your responsibility to ensure that your BPAY® payment or electronic funds transfer payment is received by the Share Registry by no later than 5.00pm AEDT on 20 October 2015. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

7.4.4 Allocation policy under the Priority Offer

Invitations to Apply under the Priority Offer will be made at the absolute discretion of the Company.

Priority Offer Applicants will receive a guaranteed allocation up to and including the amount indicated on their personalised invitation. To the extent that you apply for Shares in excess of the amount indicated on your personalised invitation, your Application may be subject to a scaled back number of Shares.

7.5 Employee Offer

7.5.1 Who may apply

Eligible Employees who are employed as at the Prospectus Date and who will have been employed by Link Group for at least 12 months as at 23 October 2015 are eligible to participate in the Employee Offer (provided that they have not given or been given notice to terminate their employment as at 20 October 2015).

7.5.2 How to apply

Eligible Employees may apply for Shares online and must comply with the instructions on the website www.linkgroupshareoffer.com.au.

Applications must be received on or before the Closing Date.

Applications under the Employee Offer must be for a minimum of $2,000 worth of Shares and in multiples of $500 worth of Shares thereafter.

7.5.3 How to pay

Payment may be made via BPAY® for Eligible Employees in Australia or by electronic funds transfer in Australian dollars for Eligible Employees outside Australia. Application Monies must be received by the Share Registry by 5.00pm AEDT on 20 October 2015. To make a payment via BPAY®, Eligible Employees must apply online at www.linkgroupshareoffer.com.au and must comply with the instructions on the website. Overseas Eligible Employees must apply online at www.linkgroupshareoffer.com.au and must comply with the instructions on the website.

It is your responsibility to ensure that your BPAY® payment or electronic funds transfer payment is received by the Share Registry by no later than 5.00pm AEDT on 20 October 2015. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

7.5.4 Allocation policy under the Employee Offer

Eligible Employees will receive a guaranteed minimum allocation of $2,000 worth of Shares at the Employee Final Price. Eligible Employees may apply for additional Shares in exess of that guaranteed allocation, subject to an aggregate total allocation to Eligible Employees under the Employee Offer of $10 million worth of Shares. To the extent that applications under the Employee Offer are received in excess of $10 million, applications in excess of the guaranteed allocation will be subject to a scaled back number of Shares at the absolute discretion of the Board. The Company has absolute discretion regarding the allocation of Shares to Applicants in the Employee Offer and may reject an Application, or allocate fewer Shares than the number, or the equivalent dollar amount applied for. To the extent that Applications are not received for the full $10 million under the Employee Offer, the balance may be allocated to the Priority Offer.

7.5.5 Escrow arrangements under Employee Offer

By submitting an Application for Shares under the Employee Offer, each Eligible Employee agrees that they may not dispose of the Shares acquired under the Employee Offer until the date five trading days following the date of release of the Company's full year results to ASX for the year ending 30 June 2016 as described further in Section 7.13.

7.6 Acceptance of Applications under the Retail Offer

An Application in the Retail Offer is an offer by you to the Company and SaleCo to apply for Shares in the dollar amount specified in the Application Form at the Final Price (or in the case of Employee Offer Applicants, the Employee Final Price) on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. At the time of making an Application, an Applicant will not know the precise number of Shares they will be allocated and the price paid per Share; this will not be known until the Final Price, and the Employee Final Price, is determined as set out in Section 7.8.2. To the extent permitted by law, an Application by an Applicant may not be varied and is irrevocable.

An Application may be accepted by the Company and SaleCo in respect of the full amount, or any amount lower than that specified on the Application Form without further notice to the Applicant. The Company reserves the right to decline any Application if it believes any provisions or procedures in this Prospectus, the Application Form or other laws or regulations may not be complied with in relation to the Application.

The Company, SaleCo and the Joint Lead Managers reserve the right to reject any Application which is not correctly completed or which is submitted by a person whom they believe is ineligible to participate in the Retail Offer, or to waive or correct any errors made by the Applicant in completing their Application. In addition, the Company, SaleCo and the Joint Lead Managers reserve the right to aggregate any Applications which they believe may be multiple Applications from the same person or reject or scale back any Applications (or aggregation of applications) in the Broker Firm Offer which are for more than $250,000 worth of Shares.

Subject to any guaranteed allocation, the final allocation of Shares to Applicants in the Retail Offer will be at the absolute discretion of the Company, in consultation with the Joint Lead Managers, and the Company may reject an Application, or allocate fewer Shares than the number, or the equivalent dollar amount applied for.

Successful Applicants in the Broker Firm Offer and the Priority Offer will be allotted Shares at the Final Price.

These successful Applicants will receive the number of Shares equal to the value of their Application accepted by the Company and SaleCo divided by the Final Price (rounded down to the nearest whole Share).

Successful Applicants under the Employee Offer will be allotted Shares at the Employee Final Price.

These successful Applicants will receive the number of Shares equal to the value of their Application accepted by the Company and SaleCo divided by the Employee Final Price (rounded down to the nearest whole Share) subject to any scale back as described in Section 7.5.4.

No refunds pursuant solely to rounding will be provided.

Acceptance of an application will give rise to a binding contract, conditional on Settlement and quotation of Shares on ASX on an unconditional basis.

7.7 Application Monies

Application Monies received by Link Group under the Retail Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants.

Applicants under the Retail Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable.

No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by Link Group.

It is your responsibility to ensure that your BPAY® payment or electronic funds transfer payment is received by the Share Registry by no later than 5.00pm AEDT on 20 October 2015. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

7.8 Institutional Offer

7.8.1 Institutional Offer and the Indicative Price Range

The Institutional Offer will be conducted using a bookbuild process managed by the Joint Lead Managers. Full details of how to participate, including bidding instructions, will be provided to eligible participants by the Joint Lead Managers.

Participants can only bid into the bookbuild for Shares through the Joint Lead Managers. They may bid for Shares at specific prices or at the Final Price. Participants may bid above or within the Indicative Price Range, which is $5.41 to $6.37 per Share. Under the terms of the OMA, the Final Price will be determined by the Company and SaleCo in consultation with the Joint Lead Managers, after the close of the Retail Offer and the Institutional Offer as described in this Section 7.8. The Institutional Offer will open on 22 October 2015 and close on 23 October 2015. The Joint Lead Managers, the Company and SaleCo reserve the right to vary the times and dates of the Offer, including to close the Offer early, extend the Closing Date or accept late Applications or bids, either generally or in particular cases, without notification.

Bids in the Institutional Offer may be amended or withdrawn at any time up to the close of the Institutional Offer. Any bid not withdrawn at the close of the Institutional Offer is an irrevocable offer by the relevant bidder to apply or procure Applicants for the Shares bid for (or such lesser number as may be allocated) at the price per Share bid or at the Final Price, where this is below the price per Share bid, on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) or the Institutional Offering Memorandum (as applicable) and in accordance with any bidding instructions provided by the Joint Lead Managers to participants.

Bids can be accepted or rejected by the Company and SaleCo in whole or in part without further notice to the bidder. Acceptance of a bid will give rise to a binding contract on allocation of Shares to successful bidders conditional on Settlement and the quotation of Shares on the ASX on an unconditional basis.

Details of the arrangements for notification and Settlement of allocations applying to participants in the Institutional Offer will be provided to participants in the bookbuild process.

The Company has received a commitment from an investor to acquire $100 million worth of Shares at the Final Price under the Institutional Offer.

7.8.2 Final Price

The institutional bookbuild process will be used to determine the Final Price. Under the terms of the OMA, the Final Price will be determined by the Company and SaleCo in consultation with the Joint Lead Managers after the close of the Retail Offer and the Institutional Offer.

It is expected that the Final Price will be announced to the market on 26 October 2015. In determining the Final Price, consideration will be given to, but will not be limited to, the following factors:

- the level of demand for Shares under the Institutional Offer at various prices;
- the level of demand for Shares under the Retail Offer;
- the objective of maximising the proceeds of the Offer; and
- the desire for an orderly secondary market in the Shares.

The Final Price will not necessarily be the highest price at which Shares could be sold. The Final Price may be set below or within the Indicative Price Range. All successful bidders under the Institutional Offer will pay the Final Price.

7.8.3 Allocation policy under the Institutional Offer

The allocation of Shares among bidders in the Institutional Offer will be determined by the Company and SaleCo, in consultation with the Joint Lead Managers. Save as set out below, the Joint Lead Managers, the Company and SaleCo have absolute discretion regarding the basis of allocation of Shares among Institutional Investors. As noted above, consistent with previous undertakings given to a small number of institutional investors in previous transactions undertaken by Link Group, the Company will allocate $100 million worth of Shares to an investor from which it has received a commitment under the Institutional Offer.

The initial determinant of the allocation of Shares under the Institutional Offer will be the Final Price. Bids lodged at prices below the Final Price will not receive an allocation of Shares.

The allocation policy will also be influenced by, but not constrained by, the following factors:

- the price and number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders; and
- any other factors that the Company, SaleCo and the Joint Lead Managers consider appropriate, in their sole discretion.

7.9 Restriction on distribution

No action has been taken to register or qualify the Shares that are the subject of the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia and New Zealand. The Offer is not an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US securities laws. Offers to any persons in the United States are only being made pursuant to, and in accordance with the terms described in, the Institutional Offering Memorandum.

This Prospectus may not be distributed in the United States or Canada unless it is attached to, or constitutes part of, the Institutional Offering Memorandum that describes selling restrictions applicable in the United States or Canada (as applicable), and may only be distributed to persons to whom the Offer may be lawfully made in accordance with the laws of any applicable jurisdiction.

Each Applicant in the Broker Firm Offer and the Priority Offer and the Employee Offer, as well as each person in Australia or New Zealand to whom the Institutional Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US securities laws;
- it is not in the United States;
- it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia and New Zealand except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction which Shares are offered and sold.

Each bidder under the Institutional Offer will be required to make certain representations, warranties and undertakings set out in the confirmation of allocation letter distributed to it.

For more information on the other selling restrictions which apply to the Offer, refer to Section 10.9.

7.10 Discretion regarding the Offer

The Company may withdraw the Offer at any time before the issue or transfer of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company, SaleCo and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the number, or the equivalent dollar amount than Applied or bid for.

7.11 ASX listing, registers and holding statements, and conditional and deferred settlement trading

7.11.1 Application to ASX for listing of the Company and quotation of Shares

The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List and quotation of Shares on ASX (which is expected to be under the code LNK).

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered under this Prospectus.

If permission is not granted for the official quotation of the Shares on ASX within three months after such application is made (or any later date permitted by law), all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the ASX Listing Rules.

7.11.2 CHESS and issuer sponsored holdings

The Company will apply to participate in CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.11.3 Conditional and deferred settlement trading and selling Shares on-market

It is expected that trading of the Shares on ASX will commence on ASX on or about 27 October 2015, initially on a conditional and deferred settlement basis.

The contracts formed on acceptance of Applications and bids will be conditional on Settlement occurring under the Offer Management Agreement and SaleCo's acceptance of the irrevocable offers to sell Shares made by the Selling Shareholders to SaleCo under the irrevocable sale offers (**Settlement**). Trades occurring on ASX before Settlement will be conditional on Settlement occurring.

If the Offer is withdrawn after Shares have commenced trading on a conditional and deferred settlement basis, all contracts for the sale of the Shares on ASX would be cancelled and any Application Monies received would be refunded as soon as possible (without interest).

Conditional trading will continue until the Company has advised ASX that Settlement has occurred, which is expected to be on or about 30 October 2015. Trading will then be on an unconditional but deferred delivery basis until the Company has advised ASX that holding statements have been dispatched to Shareholders. Normal settlement trading is expected to commence on or about 3 November 2015.

If Settlement has not occurred within 14 days (or such longer period as ASX allows) after the day Shares are first quoted on ASX, the Offer and all contracts arising on acceptance of the Offer and confirmations of allocations will be cancelled and of no further effect and all Application Monies will be refunded (without interest). In these circumstances, all purchases and sales made through ASX participating organisations during the conditional trading period will be cancelled and of no effect.

After the basis for allocations has been determined, Applicants will also be able to call the Link Group IPO Information Line on 1300 934 599 (toll free within Australia) or +61 2 8767 1361 (outside Australia) in each case, open from 8.30am to 5.30pm AEDT Monday to Friday until Completion, or their Broker to confirm their allocations.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. The Joint Lead Managers, the Company, SaleCo and the Share Registry disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the Link Group IPO Information Line or confirmed your firm allocation of Shares through a Broker.

7.12 Summary of rights and liabilities attaching to Shares and other material provisions of the Constitution

The rights and liabilities attaching to the ownership of the Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the Official List.

7.12.1 Voting at a general meeting

At a general meeting of the Company, every shareholder present in person or by proxy, representative or attorney and entitled to vote is entitled to one vote on a show of hands and, on a poll, one vote for each fully paid share held by the shareholder or a fraction of a vote for a share on which payment remains owing.

7.12.2 Meetings of members

Every Shareholder is entitled to receive notice of, attend, and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

7.12.3 Dividends

The Directors may determine to pay a dividend and may decide the terms on which a dividend is to be paid.

For further information in respect of the Company's proposed dividend policy, see Section 4.11.

7.12.4 Transfer of Shares

Subject to the Constitution, the ASX Settlement Operating Rules and the ASX Listing Rules, Shares may be transferred by completing a written transfer document in common form, a proper ASX Settlement Operating Rules regulated transfer or a form approved by the directors.

The Directors may, in their absolute discretion, refuse to register a transfer of Shares or request ASX Settlement to apply a holding lock to prevent a transfer of Shares in certain circumstances including where a law relating to stamp duty prohibits the Company from registering it or in any of the circumstances permitted by the ASX Listing Rules.

The Directors must refuse to register a transfer of Shares if the Shares are classified under the Listing Rules or by the ASX as restricted securities and the transfer is or might be in breach of the Listing Rules or any restriction agreement entered into by the Company under the Listing Rules in relation to those Shares, or where the Company or the Directors are required to do so by the ASX Listing Rules.

7.12.5 Issue of further shares

Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Directors may issue and allot shares on terms determined from time to time by the Directors at an issue price that the Directors think fit and to shareholders whether in proportion to their existing shareholdings or otherwise, or to such other persons as the Directors may determine from time to time. The Directors' power under the Constitution includes the power to grant options over unissued shares and issue and allot classes of shares; with any preferential, deferred or special rights or restrictions; with any rights in regard to dividend, voting, return of capital or otherwise; which are liable to be redeemed or converted; or which are bonus shares that may be issued for no consideration.

7.12.6 Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the shareholders in kind all or any part of the property of the Company; and for that purpose, the liquidator may set such value as the liquidator considers fair on any property to be so divided and determine how it will carry out the division between the different classes of shareholders. If any property to be dividend includes shares or other securities in respect of which there is any liability, any person entitled to those shares may by written notice direct the liquidator to sell the relevant shares and account for the net proceeds.

7.12.7 Unmarketable parcels

Where the Company complies with the relevant procedure outlined in the Constitution, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.

7.12.8 Share buy backs

Subject to the Corporations Act and the ASX Listing Rules, the Company may reduce its share capital by buying back shares in accordance with Division 2 of Part 2J.1 of the Corporations Act.

7.12.9 Variation of class rights

As at the date of the Company's admission to the Official List, the Company's only class of shares on issue will be Shares. The rights attached to any class of shares may be varied in accordance with the procedures set out in the Constitution and the Corporations Act.

7.12.10 Directors – appointment and rotation

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum number of Directors is ten unless determined otherwise by resolution of the Company. Directors are elected at general meetings of the Company. Retirement will occur on a rotational basis so that no Director (excluding the managing director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or three years, whichever is longer. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.

7.12.11 Directors – voting

Questions arising at any meeting of Directors shall be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. Subject to the ASX Listing Rules, in the case of an equality of votes on a resolution, the chairperson of the meeting will not have a casting vote in addition to a deliberative vote.

7.12.12 Directors' fees

The Directors, other than an executive Director, will be paid by way of fees for their services as Directors up to the maximum aggregate sum per annum as may be approved from time to time by the Company in general meeting. The current maximum aggregate sum for directors' fees (excluding the remuneration for any executive director) inclusive of any directors' fees payable by an entity controlled by the Company or a subsidiary of the Company per annum is $2,000,000, with the initial remuneration of the Directors set out in Section 6.4. Any increase to that maximum aggregate sum needs to be approved by resolution of the Shareholders. Pursuant to the Constitution, Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them in connection with the performance of their duties as directors, including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged in the business of the Company or in the discharge of their duties as directors.

7.12.13 Indemnities

The Company, to the extent permitted by law and subject to the restrictions in the Corporations Act, indemnifies every person who is or has been an officer of the Company or a subsidiary of the Company (where the Company requested the officer to accept that appointment) against any liability (including liability for costs and expenses) incurred by that person as an officer of the Company or subsidiary as the case may be, and reasonable legal costs incurred or allegedly incurred by that person as an officer of the Company or subsidiary as the case may be. Certain liabilities are not covered by the indemnity including a liability to the Company or a related body corporate of the Company or a liability to some other person that arises out of conduct involving a lack of good faith.

The Directors, to the extent permitted by law, may agree to advance to an officer an amount which it might otherwise be liable to pay to the officer under the terms of the indemnity outlined above pending the outcome of any findings of a relevant court or tribunal which would have a bearing on whether the Company is in fact liable to indemnify the officer under the indemnity.

The Company, to the full extent permitted by the Corporations Act, may pay a premium for a contract insuring a person who is or has been an officer or independent auditor of the Company or a subsidiary of the Company (where the Company requested the officer to accept that appointment).

7.12.14 Amendment

The Constitution may be amended only by special resolution passed by at least three quarters of the votes cast by Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

7.13 Voluntary escrow arrangements

7.13.1 Existing Shareholders subject to voluntary escrow arrangements

The following Existing Shareholders are subject to voluntary escrow arrangements:

Shareholders	Number of Shares	Escrow Period	Number of Shares eligible for early release[1]
PEP Shareholders	110,788,358	Until FY2016 Release	21,692,897[1]
ICG Shareholders	36,682,656	Until FY2016 Release	21,692,897[1]
Macquarie Shareholder	9,114,209	Until FY2016 Release	9,114,209[1]
Management (1)	24,728,014	Until FY2016 Release	Nil
Management (2)	600,000	Until 29 June 2020	600,000[2]
Eligible Employees	Up to 1,697,793[3]	Until FY2016 Release	Nil

7.13.2 Terms common to all voluntary escrow arrangements for Escrowed Shareholders

Each Escrowed Shareholder has agreed to enter into an escrow deed in respect of their shareholding on Completion (other than Shares acquired under the Offer), which prevents them from disposing of their respective Escrowed Shares for the applicable escrow period as described above.

The restriction on 'disposing' is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the Shares, encumbering or granting a security interest over the Shares (except to the extent permitted by the deed as outlined in this Section 7.13), doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Shares or agreeing to do any those things.

Early Release

A portion of the Escrowed Shares as set out in Section 7.13.1 will be released from escrow if the volume weighted average price of the Shares on ASX for any consecutive ten day period is 20% or more above the Final Price following the date that the Company's half year results for FY2016 are released to the market.

All of the Escrowed Shareholders may be released early from these escrow obligations to enable in summary:

- the Escrowed Shareholder to accept an offer under a takeover bid in relation to its Escrowed Shares if holders of at least half of the Shares the subject of the bid that are not held by the Escrowed Shareholders have accepted the takeover bid;
- the Escrowed Shares to be transferred or cancelled as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act; or
- Escrowed Shareholders to participate in an equal access buy back or equal return of capital or other similar pro rata reorganisation.

Restrictions on Transfers

During the Escrow Period, Escrowed Shareholders whose Shares remain subject to escrow may dispose of any of their Escrowed Shares to the extent the disposal is required by applicable law (including an order of a court of competent jurisdiction) or to the extent the disposal is to an affiliate or affiliated fund entity or to a trust or entity which the Escrowed Shareholder controls where the transferee also enters into an escrow arrangement with the Company on substantially the same terms.

7.13.3 Employee escrow arrangements

Eligible Employees who acquire Shares under the Employee Offer will be subject to restrictions on disposal of such Shares until the date ten trading days after the release of the Company's full year results to ASX for the year ending 30 June 2016 (**Employee Escrow Period**) on the terms set out in the letter from the Company to Eligible Employees regarding the Employee Offer and in the Application Form for the Employee Offer.

1. These shares may be released from escrow on the date that is 10 trading days following the date the Company's half year results for FY16 are released to the market in the circumstances described below.
2. The Board may decide, at its absolute discretion, at any time prior to 29 June 2018 to reduce the Escrow Period to three years i.e. until 29 June 2018.
3. Based on the Mid-Point Final Price.

7.14 Co-ordination Deed

The PEP Shareholders and the ICG Shareholders have entered into a Co-ordination Deed which will govern their respective rights and obligations with respect to disposals of their Shares following release of the voluntary escrow arrangements set out in Section 7.13. The key terms of the Co-ordination Deed are as follows:

- if, following release of the voluntary escrow arrangements referred to in Section 7.13, one or more of the PEP Shareholders wishes to sell any Shares to a third party (whether by way of block trade, on-market sale, negotiated sale or otherwise) they grant the ICG Shareholders (collectively) a right to participate in that sale on a Share-for-Share basis; and
- if following release of the voluntary escrow arrangements referred to in Section 7.13, one or more of the ICG Shareholders wishes to sell any Shares to a third party (whether by way of block trade, on-market sale, negotiated sale or otherwise) they grant the PEP Shareholders (collectively) a right to participate in that sale on a Share-for-Share basis.

In either case, the sales are to occur on the same terms and conditions for both Shareholders and the sales are to be negotiated and co-ordinated by a nominee of the PEP Shareholders unless representatives of the parties agree otherwise.

The Co-ordination Deed will terminate on the date that is 5 Business Days after the final release of the voluntary escrow arrangements unless terminated prior to that date by any party on 5 Business Days' notice.

LINK GROUP

Section 8

Investigating Accountant's Reports

KPMG Transaction Services
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Private and confidential
The Directors
Link Administration Holdings Limited
LAH SaleCo Limited
Level 12, 680 George Street
Sydney NSW 2000

30 September 2015

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide on Pro Forma Historical Financial Information

Investigating Accountant's Report on Pro Forma Historical Financial Information

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by Link Administration Holdings Limited ("Link Group") and LAH SaleCo Limited ("SaleCo") to prepare this report for inclusion in the Prospectus to be dated on or about 30 September 2015 ("Prospectus") to be issued by Link Group and SaleCo, in respect of the proposed initial public offering of Shares in Link Group and its subsequent listing on the Australian Securities Exchange (the "Offer").

Expressions defined in the Prospectus have the same meaning in this report.

Scope

You have requested KPMG Transaction Services perform a limited assurance engagement in relation to the Pro Forma Historical Financial Information of Link Group described below and disclosed in Section 4 of the Prospectus.

The Pro Forma Historical Financial Information of Link Group is presented in Section 4 of the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information of Link Group consists of the:

- pro forma historical consolidated statements of profit or loss for the years ended 30 June 2013, 30 June 2014 and 30 June 2015, as set out in Table 4.1a of Section 4.3;
- pro forma historical consolidated cash flow information for the years ended 30 June 2013, 30 June 2014 and 30 June 2015, as set out in Table 4.6 of Section 4.4; and
- pro forma historical consolidated statement of financial position as at 30 June 2015, as set out in Table 4.9 of Section 4.5,

(collectively, the "Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been derived from the audited historical consolidated financial statements of Link Administration Holdings Pty Limited for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 ("Statutory Historical Financial Reports"), after adjusting for the effects of the pro forma adjustments described in Table 4.2a of Section 4.3.1, in Table 4.7a of Section 4.4.2 and in Table 4.9 of Section 4.5.

The Statutory Historical Financial Reports were audited by KPMG in accordance with Australian Auditing Standards. The audit opinions issued to the directors of Link Administration Holdings Pty Limited relating to the Statutory Historical Financial Reports were unqualified.

As stated in Section 4.2 of the Prospectus, the basis of preparation of the Pro Forma Historical Financial Information is the recognition and measurement principles perscribed in Australian Accounting Standards and Link Group's accounting policies applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Table 4.2a of Section 4.3.1, in Table 4.7a of Section 4.4.2 and in Table 4.9 of Section 4.5, as if those events and transactions had occurred as at the date of the Pro Forma Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent Link Group's actual or prospective financial position, financial performance, and/or cash flows.

For the purposes of preparing this report we have performed limited assurance procedures in relation to the Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures performed, anything comes to our attention that causes us to believe that the Pro Forma Historical Financial Information is not prepared or presented fairly, in all material respects, by the Directors in accordance with the stated basis of preparation.

We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion on the Pro Forma Historical Financial Information.

Directors' responsibilities

The Directors are responsible for the preparation of the:

- Historical Financial Information; and
- Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information.

The Directors' responsibility includes establishing and maintaining such internal controls as the Directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusion

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, comprising the:

- pro forma historical consolidated statements of profit or loss for the years ended 30 June 2013, 30 June 2014 and 30 June 2015, as set out in Table 4.1a of Section 4.3;
- pro forma historical consolidated cash flow information for the years ended 30 June 2013, 30 June 2014 and 30 June 2015, as set out in Table 4.6 of Section 4.3; and
- pro forma historical consolidated statement of financial position as at 30 June 2015, as set out in Table 4.9 of Section 4.5,

is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in Table 4.2a of Section 4.3.1, in Table 4.7a of Section 4.4.2 and in Table 4.9 of Section 4.5, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and Link Group's accounting policies.

We have assumed, and relied on representations from certain members of management of Link Group and SaleCo, that all material information concerning the prospects and proposed operations of Link Group has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed Offer, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of Link Group and from time to time, KPMG also provides Link Group with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

Craig Mennie	James Malackey
Authorised Representative	Auhtorised Representative

KPMG Transaction Services
A division of KPMG Financial Advisory Services (Australia) Pty Ltd
Australian Financial Services Licence No. 246901
10 Shelley Street
Sydney NSW 2000

P O Box H67
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ABN: 43 007 363 215
Telephone: +61 2 9335 7000
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DX: 1056 Sydney
www.kpmg.com.au

Financial Services Guide
Dated 30 September 2015

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) (**'KPMG Transaction Services'**), and Craig Mennie and James Malackey as authorised representatives of KPMG Transaction Services (**Authorised Representatives**), authorised representative numbers 404257 and 404261, respectively.

This FSG includes information about:

- KPMG Transaction Services and its Authorised Representatives and how they can be contacted;
- the services KPMG Transaction Services and its Authorised Representatives are authorised to provide;
- how KPMG Transaction Services and its Authorised Representatives are paid;
- any relevant associations or relationships of KPMG Transaction Services and its Authorised Representatives;
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that KPMG Transaction Services has in place.

The distribution of this FSG by the Authorised Representatives has been authorised by KPMG Transaction Services. This FSG forms part of an Investigating Accountant's Report on Pro Forma Historical Financial Information (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Transaction Services and the Authorised Representatives are authorised to provide

KPMG Transaction Services holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representatives are authorised by KPMG Transaction Services to provide financial product advice on KPMG Transaction Services' behalf.

KPMG Transaction Services and the Authorised Representatives' responsibility to you

KPMG Transaction Services has been engaged by Link Administration Holdings Limited (Link Group) and LAH SaleCo Limited (SaleCo) to provide general financial product advice in the form of a Report to be included in the Prospectus (Prospectus) prepared by Link Group and SaleCo in relation to the initial public offering and listing of Link Group (the Offer/Transaction).

You have not engaged KPMG Transaction Services or the Authorised Representatives directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. Neither KPMG Transaction Services nor the Authorised Representatives are acting for any person other than Link Group and SaleCo.

KPMG Transaction Services and the Authorised Representatives are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Transaction Services has been engaged by Link Group and SaleCo, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid by, the client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Link Group and SaleCo have agreed to pay KPMG Transaction Services approximately $0.6 million (excluding GST and disbursements) for preparing the Report. Further amounts may be paid to KPMG Transaction Services in accordance with their normal time-based charge-out-rates.

KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representatives) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representatives) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Transaction Services nor the Authorised Representatives pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representatives are partners in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representatives and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided, and continue to provide, a range of audit, tax and advisory services to Link Group and for which professional fees are received. Over the past two years professional fees of $2.7 million have been received from Link Group. None of those services have related to the transaction or alternatives to the transaction.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of Link Group or SaleCo or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representatives know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Transaction Services or the Authorised Representatives cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Transaction Services has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Transaction Services or the Authorised Representatives using the contact details:

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A division of KPMG Financial Advisory Services (Australia) Pty Ltd
10 Shelley St
Sydney NSW 2000
PO Box H67
Australia Square
NSW 1213

Telephone: (02) 9335 7000
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Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

Private and confidential
The Directors
Link Administration Holdings Limited
LAH SaleCo Limited
Level 12, 680 George Street
Sydney NSW 2000

30 September 2015

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide on Forecast Financial Information

Investigating Accountant's Report on Forecast Financial Information

Introduction

KPMG Financial Advisory Services (Australia) Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by Link Administration Holdings Limited ("Link Group") and LAH SaleCo Limited ("SaleCo") to prepare this report for inclusion in the Prospectus to be dated on or about 30 September 2015 ("Prospectus"), to be issued by Link Group and SaleCo, in respect of the proposed initial public offering of Shares in Link Group and its subsequent listing on the Australian Securities Exchange (the "Offer").

Expressions defined in the Prospectus have the same meaning in this report.

Scope

You have requested KPMG Transaction Services perform a limited assurance engagement in relation to the Forecast Financial Information of Link Group described below and disclosed in Section 4 of the Prospectus.

The Forecast Financial Information of Link Group is presented in Section 4 of the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Forecast Financial Information and Directors' best-estimate assumptions

The Forecast Financial Information of Link Group consists of the:

- pro forma forecast consolidated statement of profit or loss for the year ending 30 June 2016, as set out in Table 4.1a of Section 4.3;
- statutory forecast consolidated statement of profit or loss for the year ending 30 June 2016, as set out in Table 4.1a of Section 4.3;
- pro forma forecast consolidated cash flow information for the year ending 30 June 2016, as set out in Table 4.6 of Section 4.4; and
- statutory forecast consolidated cash flow information for the year ending 30 June 2016, as set out in Table 4.6 of Section 4.4,

(collectively, the "Forecast Financial Information").

The Directors' best-estimate assumptions underlying the Forecast Financial Information are described in Section 4.8 of the Prospectus. As stated in Section 4.2 of the Prospectus, the basis of preparation of the Forecast Financial Information is the recognition and measurement principles prescribed in Australian Accounting Standards and Link Group's accounting policies.

For the purposes of preparing this report we have performed limited assurance procedures in relation to the Forecast Financial Information and the Directors' best-estimate assumptions underlying it in order to state whether, on the basis of the procedures performed, anything has come to our attention that causes us to believe that:

- the Directors' best-estimate assumptions do not provide reasonable grounds for the Forecast Financial Information;
- in all material respects, the Forecast Financial Information is not:
  - prepared on the basis of the Directors' best-estimate assumptions as described in the Prospectus; and
  - presented fairly in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and Link Group's accounting policies;
- the Forecast Financial Information itself is unreasonable.

We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion on the Forecast Financial Information including the Directors' best estimate assumptions on which the Forecast Financial Information is based.

Directors' responsibilities

The Directors are responsible for the preparation of the Forecast Financial Information, including the Directors' best-estimate assumptions on which the Forecast Financial Information is based and the sensitivity of the Forecast Financial Information to changes in key assumptions.

The Directors' responsibility includes establishing and maintaining such internal controls as the Directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusion

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that:

- the Directors' best-estimate assumptions, as described in Section 4.8 of the Prospectus, and used in the preparation of the Forecast Financial Information for the:
  - pro forma forecast consolidated statement of profit or loss for the year ending 30 June 2016, as set out in Table 4.1a of Section 4.3;
  - statutory forecast consolidated statement of profit or loss for the year ending 30 June 2016, as set out in Table 4.1a of Section 4.3;
  - pro forma forecast consolidated cash flow information for the year ending 30 June 2016, as set out in Table 4.6 of Section 4.4; and
  - statutory forecast consolidated cash flow information for the year ending 30 June 2016, as set out in Table 4.6 of Section 4.4,

  do not provide reasonable grounds for the Forecast Financial Information; and
- in all material respects, the Forecast Financial Information is not:
  - prepared on the basis of the Directors' best-estimate assumptions as described in Section 4.8 of the Prospectus; and
  - presented fairly in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and Link Group's accounting policies; and
- the Forecast Financial Information itself is unreasonable.

The Forecast Financial Information has been prepared by Link Group's management and adopted and disclosed by the Directors in order to provide prospective investors with a guide to the potential financial performance and cash flows of Link Group for the year ending 30 June 2016.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material. The Directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future event(s) and/or transaction(s) that management expects to occur and actions that management expects to take and are also subject to uncertainties and contingencies, which are often outside the control of Link Group. Evidence may be available to support the Directors' best-estimate assumptions on which the Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Link Group, which are detailed in the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the risks factors as described in Section 5 of the Prospectus and the sensitivity analysis as described in Section 4.9 of the Prospectus. The sensitivity analysis demonstrates the impact on the Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of Link Group and SaleCo, that all material information concerning the prospects and proposed operations of Link Group has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed Offer, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of Link Group and from time to time, KPMG also provides Link Group with certain other professional services for which normal professional fees are received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

Craig Mennie
Authrorised Representative

James Malackey
Authorised Representative

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Financial Services Guide

Dated 30 September 2015

What is a Financial Services Guide (FSG)?

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- how KPMG Transaction Services and its Authorised Representatives are paid;
- any relevant associations or relationships of KPMG Transaction Services and its Authorised Representatives;
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
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- carbon units;
- Australian carbon credit units; and
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to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representatives are authorised by KPMG Transaction Services to provide financial product advice on KPMG Transaction Services' behalf.

KPMG Transaction Services and the Authorised Representatives' responsibility to you

KPMG Transaction Services has been engaged by Link Administration Holdings Limited (Link Group) and LAH SaleCo Limited (SaleCo) to provide general financial product advice in the form of a Report to be included in the prospectus (Prospectus) prepared by Link Group and SaleCo in relation to the initial public offering and listing of Link Group (the Offer/Transaction).

You have not engaged KPMG Transaction Services or the Authorised Representatives directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. Neither KPMG Transaction Services nor the Authorised Representatives are acting for any person other than Link Group and SaleCo.

KPMG Transaction Services and the Authorised Representatives are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

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As KPMG Transaction Services has been engaged by Link Group and SaleCo, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

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You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid by, the client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Link Group and SaleCo has agreed to pay KPMG Transaction Services approximately $0.8 million (excluding GST and disbursements) for preparing the Report. Further amounts may be paid to KPMG Transaction Services in accordance with their normal time-based charge-out-rates.

KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representatives) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representatives) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Transaction Services nor the Authorised Representatives pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representatives are partners in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representatives and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided, and continue to provide, a range of audit, tax and advisory services to Link Group and for which professional fees are received. Over the past two years professional fees of $2.7 million have been received from Link Group. None of those services have related to the transaction or alternatives to the transaction.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of Link Group and SaleCo or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representatives know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

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Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001

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Craig Mennie and James Malackey
C/O KPMG
PO Box H67
Australia Square
NSW 1213

Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

Section 9

Material Agreements

9. Material Agreements

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

Section 9 contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

9.1 Offer Management Agreement

The Joint Lead Managers, the Company and SaleCo have entered into an Offer Management Agreement dated 30 September 2015 (**OMA**). Under the OMA, the Joint Lead Managers have agreed to arrange, manage and provide Settlement support for the Offer.

9.1.1 Commissions, fees and expenses

The Company must pay to the Joint Lead Managers in equal proportions and in accordance with the OMA a management fee equal to 2% of the gross proceeds of the Offer (but not including proceeds raised from the issue of Shares to employees of the Company). The Company may also elect, in its absolute discretion, to pay the Joint Lead Managers an incentive fee of up to 0.50% of the Offer proceeds (but not including proceeds raised from the issue of Shares to employees of the Company). The Company has agreed to reimburse the Joint Lead Managers for reasonable costs and expenses incurred by the Joint Lead Managers in relation to the Offer. The Company has authorised the Joint Lead Managers to pay any fees or expenses of the Co-Lead Manager, Co-Managers or Brokers out of fees payable to them (and such fees will not be borne by the Company).

9.1.2 Termination events

A Joint Lead Manager may terminate the OMA, at any time after the date of the OMA and on or before 10.00am AEDT on the date for Settlement under the Offer by notice to the other parties if any of the following events occur:

- the Institutional Offering Memorandum or the pricing disclosure package includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- the Company and SaleCo lodge a supplementary Prospectus that has not been approved by the Joint Lead Managers, or a supplementary Prospectus is required to be lodged with ASIC under the Corporations Act or that the Institutional Offering Memorandum or the pricing disclosure package must be supplemented or amended in a material respect;
- any of the following notifications are made in respect of the Offer:
  - ASIC issuing an order (including an interim order) under section 739 of the Corporations Act;
  - ASIC holding a hearing under section 739(2) of the Corporations Act;
  - an application being made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Prospectus;
  - any person giving a notice under section 733(3) of the Corporations Act or any person who has previously consented to the inclusion of its name in any offer document withdraws that consent; or
  - any person (other than a Joint Lead Manager) giving a notice to an Offeror under section 730;

  unless such notification is not made public and is withdrawn within the earlier of:

  - three Business Days;
  - the Business Day prior to the opening of the Bookbuild; and
  - 5.00pm on the Business Day prior to date of Settlement;
- either the Company, SaleCo or any material Group Member becomes insolvent, or an act occurs or an omission is made which may result in the Company, SaleCo or a material Group Member becoming insolvent;
- the Company or SaleCo withdraws the Prospectus, Institutional Offering Memorandum, the pricing disclosure package or the Offer, any invitations to apply for Shares under the Prospectus, Institutional Offering Memorandum, pricing disclosure package or all or any part of the Offer or indicates that it does not intend to proceed with the Offer or any part of it;
- the Company or SaleCo does not provide an opening certificate or closing certificates as and when required by the OMA;
- any event specified in the timetable is delayed for three or more Business Days without the prior written approval of the Joint Lead Managers;
- the Company is prevented from allotting or issuing the new Shares or SaleCo is prevented from transferring the sale Shares within the time required by the timetable, the offer documents, the Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, under an order of a court of competent jurisdiction or a governmental agency;

- any of the escrow deeds described in Section 7.13:
  - are not, or cease to be, valid, binding and enforceable in accordance with their terms;
  - are varied without the prior written consent of the Joint Lead Managers; or
  - are not performed in accordance with their terms;
- the IPO Implementation Deed:
  - is not, or ceases to be, valid, binding and enforceable in accordance with its terms;
  - is varied without the prior written consent of the Joint Lead Managers; or
  - is not performed in accordance with their terms;
- the Company breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has, or may have, a material adverse effect on the Link Group, or there occurs:
  - an event of default;
  - a review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing; or
  - any other similar event,

  under or with respect to any such debt or financing arrangement or related documentation.

9.1.3 Termination subject to materiality

A Joint Lead Manager may terminate the OMA, at any time after the date of the OMA and on or before 10.00am on the date for Settlement by notice to the other parties, if any of the following events occurs and the Joint Lead Manager has reasonable grounds to believe the event: (a) has or is likely to have a materially adverse effect on the outcome or Settlement of the Offer or on the ability of the Joint Lead Managers to market, promote or settle the Offer; or (b) has or is likely to give rise to a contravention by that Joint Lead Manager of, or that Joint Leader Manager being involved in a contravention of, the Corporations Act or any other applicable law:

- there is an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or SaleCo, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of an the SaleCo from those respectively disclosed in the offer documents;
- that:
  - there is an omission from the Prospectus or any supplementary Prospectus of material required by the Corporations Act to be included; or
  - an offer document contains a statement which is untrue, inaccurate, misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission);
- a statement contained in the Prospectus is or becomes misleading or deceptive, or a matter required to be included is omitted from the Prospectus (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
- there occurs a new circumstance that arises after the Prospectus or any other offer document is lodged, that would have been required to be included in the Prospectus or offer document if it had arisen before the initial distribution or lodgement (as applicable);
- any material information supplied by or on behalf of the Company or SaleCo to the Joint Lead Managers in connection with the Company, SaleCo or the Offer is inaccurate, incomplete, false, misleading or deceptive (including by omission);
- any of the following occurs, which in the opinion of the Joint Lead Managers, acting reasonably, would make it inadvisable to continue the Offer, after the date on which allocations are finalised:
  - any adverse effect on the existing financial markets of Australia, Hong Kong, Japan, the United State of America or the United Kingdom;
  - a general moratorium on commercial banking activities in Australia, the United Kingdom or the United States of America is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect and is sustained for at least three consecutive trading days on which that exchange is open for trading;
- a representation or warranty contained in the OMA on the part of the Company and SaleCo (whether severally or jointly) is breached, becomes not true or correct or is not performed;
- the Company, SaleCo or a director or officer of the Company or SaleCo engages or has engaged in any fraudulent conduct or activity or is charged with an indictable offence;
- a statement in the opening certificate or closing certificates furnished under the OMA is untrue, incorrect or misleading or deceptive (including by way of omission);

- the report of the due diligence committee or verification material or any other information supplied by or on behalf of the Company and SaleCo to the Joint Lead Managers in relation to the Link Group or the Offer is or becomes inaccurate or false or misleading or deceptive or likely to mislead or deceive, including by way of omission;
- the Company or SaleCo, before Completion, commits, is involved in or acquiesces in any activity which breaches any of the following matters:
  - the Corporations Act or any other law to which the Company or SaleCo is subject or any order of any government agency that is binding on it;
  - the Listing Rules (except where compliance has been waived, or as modified, by ASX);
  - its constitution or other constituent documents;
  - any legally binding requirement of ASIC or ASX; or
  - in any material respect, any other undertaking or instrument or authorisation binding on it;
- the Company or SaleCo fails to comply with its obligations under the OMA;
- a change in the Managing Director or Chief Financial Officer occurs, or the Managing Director or Chief Financial Officer dies or becomes permanently incapacitated;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of New Zealand, the United States, the United Kingdom, Hong Kong, the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia, or any State or Territory of Australia, the Reserve Bank of Australia, or any Minister or other Government Agency of Australia or any State or Territory of Australia, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this Agreement); or
- any of the following occurs:
  - the commencement of legal proceedings against the Company, SaleCo or any other Group Member;
  - any regulatory body (including a governmental authority) commences any investigation, claim, inquiry, proceedings or public action against the Company, SaleCo any Group Member; or
  - a governmental agency withdraws, revokes or amends in an adverse manner any authorisation, licence or other approval necessary to the conduct of the Company's business.

9.1.4 Indemnity

Subject to certain exclusions relating to, among other things, fraud, negligence or wilful misconduct by an indemnified party, the Company and SaleCo agree to keep the Joint Lead Managers and certain affiliated parties indemnified from losses suffered in connection with the Offer.

9.1.5 Representations, warranties and undertakings

The OMA contains certain standard representations, warranties and undertakings by the Company and SaleCo to the Joint Lead Managers (as well as common conditions precedent).

The representations and warranties given by the Company include but are not limited to matters such as power and authorisations, compliance with applicable laws and the ASX Listing Rules, financial information, information contained in the Prospectus, the conduct of the Offer and the due diligence process, litigation, material contracts, patents and trademarks, IT systems, encumbrances, licences, insurance, dividends and distributions, title to property, internal controls, tax and labour.

The Company provides undertakings under the OMA which include but are not limited to notifications of breach of any obligation, representation or warranty or undertaking or non-satisfaction of any condition given by it under the OMA and that it will not, during the period following the date of the OMA until 90 days after Shares have been issued under the Offer, issue any Shares or securities without the consent of the Joint Lead Managers, subject to certain exceptions.

These exceptions include:

- the issue of Shares under the Offer; or
- an issue of securities pursuant to an employee share plan, a dividend reinvestment plan, a bonus share plan or as disclosed in the Prospectus.

9.2 IPO Implementation Deed

The Company, SaleCo and each of the Existing Shareholders entered into an IPO Implementation Deed on 28 September 2015 to agree certain matters to facilitate the Offer. The parties have agreed to use their best endeavours to procure that the Offer occurs including by:

- waiving any pre-emption rights they have with respect to the issue and transfer of Shares in connection with the Offer;
- reclassifying as Shares the existing A Shares and Preference Shares in the capital of the Company;
- adopting the new Constitution and terminating the Shareholders Deed relating to shares in the Company; and
- effecting the sale of Shares by certain Existing Shareholders to SaleCo to be sold under the Offer and payment of the proceeds of sale less in the case of certain employee Shareholders the repayment of any outstanding loans to Link Group for the acquisition of the Shares.

9.3 Agreement with AustralianSuper

AustralianSuper Administration and Custody Agreement

Superpartners entered into an Administration and Custody agreement with AustralianSuper Pty Ltd (**AusSuper Trustee**) on 13 December 2011 (**Principal Agreement**) under which Superpartners was appointed as administrator of the AustralianSuper fund (**AusSuper Fund**) and as custodian of the AusSuper Trustee's bank account.

The Principal Agreement was amended as part of the Superpartners Business Combinations by way of variation agreement with effect from 19 December 2014 (**Amending Deed**). The Amending Deed provides that the Principal Agreement will terminate upon transition of the provision of services from Superpartners to Australian Administration Services (a wholly owned subsidiary of the Company) and onto the aaspire platform (**Migration**) with a new administration and custody agreement to replace the existing contracts (**New Agreement**). Under the New Agreement, Australian Administration Services will provide the administrative services and Pacific Custodians Pty Limited (**Pacific Custodians**) (also a wholly owned subsidiary of the Company) will act as custodian of the AusSuper Trustee's bank account, in place of Superpartners.

Under the Amending Deed, all parties commit to doing all things necessary to effect Migration. The migration target date, by which Migration of all Funds (i.e. AustralianSuper, Cbus, HESTA, Hostplus and MTAA Super) must occur is 19 March 2017 which may be delayed in limited circumstances.

The key terms of the Principal Agreement are set out below.

Service and fees

Superpartners is required to provide the AusSuper Trustee with administrative services and custodial services including contact centre operations, eCommerce services, member correspondence and account management.

The AusSuper Trustee must pay a monthly fee for the administration services provided by Superpartners. The fees are based on the membership levels of the AusSuper Fund. The actual membership of the AusSuper Fund is reviewed as at 30 June each year and fee adjustments occur if the actual membership at 30 June each year is more than a certain percentage higher than the actual membership at 30 June of the previous year.

The AusSuper Trustee may by written notice to Superpartners cease certain non-essential superannuation administration services (i.e. services that are not generally accepted as basic superannuation administration services) in which case, fees will be adjusted.

Superpartners is required to meet certain performance standards and if not met, Superpartners must take steps to remedy the deficient service or pay a service credit which is applied towards improvement of the deficient service.

Termination rights of each party

Either party may terminate the administration appointment at any time by giving the other party at least 12 months' written notice, however, such termination will not be effective before the migration date unless such termination is for cause (as set out below).

The AusSuper Trustee may not terminate the Principal Agreement prior to the migration date without the prior written consent of Superpartners, unless there has been a material breach by Superpartners that, in general and subject to certain conditions, is not capable of being remedied or is capable of being remedied but has not been remedied.

Either party may terminate the custodian appointment at any time by giving at least 60 Business Days' notice to the other party or otherwise by notice to the other party in circumstances relating to the solvency of the other party (e.g. the other party becomes insolvent).

In addition, the AusSuper Trustee may immediately terminate the custodian appointment by notice to Superpartners if Superpartners is in breach of a material obligation relating to custodial services that remains unremedied or a failure of Superpartners to meet its obligations in respect of the custodial services results in a breach of any 'relevant requirement' (e.g. a regulatory or licencing condition or standard) which does or may result in the issue of any directive or requirement by a responsible authority.

9. Material Agreements (continued)

The AusSuper Trustee may also terminate the Principal Agreement if a person who operates or manages an APRA regulated superannuation AusSuper Fund has the power (either directly or indirectly) to direct the management or policies of Superpartners or control the membership of Superpartners' board of directors.

Indemnity

Subject to certain exceptions, mutual indemnities are provided by Superpartners and the AusSuper Trustee for any loss suffered or liability incurred by a party to the extent that the loss or liability is caused or contributed to by the fraud, dishonesty or negligent act or omission of the other party or any of its personnel or by any breach of the agreement by the other party.

New Agreement

The summary below sets out certain key differences between the Principal Agreement and the New Agreement.

Service and fees

The AusSuper Trustee pays Australian Administration Services a weekly fee per member for administration services and an annual fee for each pension member, subject to certain agreed discounts. There is no separate fee payable to Pacific Custodians for the provision of the custodial services. Australian Administration Services and Pacific Custodians are required to meet certain performance standards and if these are not met, the AusSuper Trustee may at its discretion reduce the amount of fees payable to Australian Administration Services by way of service credits.

Fees payable by the AusSuper Trustee will be adjusted if a successor fund transfers into the AusSuper Fund or another fund is merged into the AusSuper Fund.

Termination rights of each party

Either Australian Administration Services or the AusSuper Trustee may terminate the agreement without cause, by notice to the other parties by, generally, no less than 12 months prior written notice or for insolvency or unlawfulness of the other party.

Any party may terminate the agreement for a material breach of the agreement (e.g. failure to meet performance standards) by another party where the defaulting party has not remedied the breach or the defaulting party has failed to show cause as to why the breach would not warrant termination of the agreement.

In addition, the AusSuper Trustee may terminate the agreement by giving immediate written notice upon an act or omission by either Australian Administration Services or Pacific Custodians, which when reasonably construed, would be taken to damage the reputation of the AusSuper Trustee or the AusSuper Fund or the AusSuper Trustee is instructed to do so by a responsible authority.

Indemnity

Subject to certain exceptions, Australian Administration Services and Pacific Custodians must indemnify the AusSuper Trustee against any loss suffered or liability incurred by the AusSuper Trustee as a result of, or in connection with, any breach of the terms and conditions of the New Agreement by Australian Administration Services or Pacific Custodians, or fraud, negligence, omission or dishonesty on part of Australian Administration Services or Pacific Custodians or any of their personnel.

Term of agreement with option to renew

At the end of the initial term (i.e. 60 months from Migration and termination of the Principal Agreement less the number of months from 19 December 2014 until Migration and termination of the Principal Agreement), the AusSuper Trustee may in its absolute discretion determine to (a) extend the agreement for a period of five years on the same terms and conditions as the New Agreement (b) extend the agreement, with the terms and period of the agreement to be agreed upon by the parties (c) negotiate an entirely new agreement, which would terminate the New Agreement entirely or (d) terminate the agreement in its entirety without renewal.

9.4 Agreement with REST

REST Administration Agreement

Australian Administration Services is party to an Administration Agreement with Retail Employees Superannuation Pty Limited (**REST Trustee**) under which Australian Administration Services was appointed to administer the Retail Employees Superannuation Trust (**REST**).

Services and fees

Under the terms of the Administration Agreement, Australian Administration Services is required to provide REST with administrative services including data management, client accounting and member communication. REST Trustee pays Australian Administration Services a weekly account keeping fee per member for these services and a one-off set up fee per pension fund member. Australian Administration Services is required to meet certain performance standards and if these are not met, the REST Trustee may at its discretion reduce the amount of fees payable to Australian Administration Services by way of penalty which may be offset against service credits earned by Australian Administration Services.

While the agreement does not permit the REST Trustee to reduce or discontinue "core" services (being the usual day to day administration services provided to the REST Trustee) without the agreement of Australian Administration Services, the REST Trustee may by written notice to Australian Administration Services discontinue certain "non-core" services provided by Australian Administration Services (including services such as payroll services, marketing services and print and mail services), in which case fees will be adjusted.

If Australian Administration Services, the Company or another related body corporate of Australian Administration Services, offers to provide similar services to a comparable superannuation fund at lower fees than those payable by the REST Trustee under the Administration Agreement, then Australian Administration Services must reduce the fees payable by the REST Trustee to match the lower fees offered to the other superannuation fund.

Termination

Either party may terminate the Administration Agreement by giving 30 days' written notice upon the occurrence of a material breach of its obligations under the agreement which if capable of being remedied is not remedied by the defaulting party within 30 days after receiving notice of the default, a change of control of Australian Administration Services (see below) and an adverse event (for example, a party becoming an externally administered body corporate).

In addition, the REST Trustee may terminate the Administration Agreement by giving 30 days' written notice where Australian Administration Services fails to meet certain performance standards under the agreement including an "abatement breach" (i.e. Australian Administration Services fails to meet performance standards for two consecutive quarters resulting in penalties of 4.25% or greater), the insurer's or custodian's contract is cancelled by the REST Trustee due to service failure by Australian Administration Services and a failure to deliver on an agreed strategic plan project.

A change in control of Australian Administration Services means a change in the control of the composition of the board of directors of Australian Administration Services, a change of more than one half of the voting rights attaching to shares in Australian Administration Services or a change of more than one half of the issued share capital of Australian Administration Services, excluding any part of the issued share capital which carries no right to participate beyond a specified amount in the distribution of either profit or capital.

The Administration Agreement commenced on 1 January 2012 and has a term of five years which was extended for a further six months. There is no express option under the terms of the agreement to renew the Administration Agreement.

Indemnity

Australian Administration Services indemnifies REST Trustee against all losses which may be incurred that arise as a result of, or in connection with, any breach of the terms and conditions of the Administration Agreement by Australian Administration Services, or fraud, negligence, omission or dishonesty on part of Australian Administration Services, its officers, employees or agents. There are a number of exceptions to this indemnity.

9.5 Summary of the New Banking Facilities

Description of the New Banking Facilities

The Company has executed a syndicated facility agreement (**New Banking Facilities**) for the provision of revolving credit facilities to Link Group available by way of cash advance, ancillary facilities and letter of credit facilities. The arrangers for the Syndicated Facility Agreement are Westpac, Commonwealth Bank of Australia and National Australia Bank. Please refer to Section 4.5.2 for further details of the New Banking Facilities.

9.6 Agreement with Fujitsu Managed Services

Fujitsu Managed Services Agreement

aaspire is party to a managed services agreement with Fujitsu Australia Limited (**Fujitsu**) under which Fujitsu provides certain core business IT services to aaspire and each Link Group member as requested from time to time (**Existing Fujitsu MSA**).

Link Group currently outsources several key IT functions to Fujitsu under an Existing Fujitsu MSA entered into in 2010, which is due to expire on 30 June 2016. Following the Superpartners Business Combination, Link Group has sought to rationalise certain IT arrangements currently in place. Accordingly, the Existing Fujitsu MSA and existing arrangements in place relating to Superpartners for similar services with other providers are to be terminated and transitioned to a new managed services agreement with Fujitsu (**New Fujitsu MSA**).

The New Fujitsu MSA was signed on 31 July 2015 and will continue for a term of five years following completion of the transition-in of services, which is due to be completed in the first half of 2016. aaspire may extend the term for up to two further one year terms.

Services and fees

Under the terms of the New Fujitsu MSA, Fujitsu is required to provide services including service desk services, asset management, incident management, change and release management, end user services, disaster recovery and business continuity support services.

aaspire is required to pay Fujitsu a monthly charge for "business as usual" services based on monthly baseline volumes in accordance with the New Fujitsu MSA. The charges may fluctuate where volumes increase or decrease from the monthly baseline volumes. Additional charges may be incurred for "out of scope services" and any extra projects ordered by aaspire. Charges are subject to an annual CPI increase in accordance with the terms of the New Fujitsu MSA.

Following the first anniversary of the commencement of the services, aaspire is entitled to, no more than once every 12 months, conduct, or engage a third party to conduct, a benchmarking exercise to measure the charges and Fujitsu's performance of the services against the delivery of similar services in comparable circumstances.

Termination, suspension and disengagement

aaspire has broad rights to terminate a service, work order or the entire New Fujitsu MSA in whole or in part for cause including where Fujitsu is insolvent, unremedied breach of the New Fujitsu MSA by Fujitsu and Fujitsu repeatedly failing to meet the service levels in respect of a service.

aaspire may terminate the New Fujitsu MSA for convenience following the third anniversary of the commencement of the provision of the services by providing 90 days' written notice. Following a termination for convenience, aaspire will be liable to Fujitsu for any charges payable for service provided up to the date of termination plus Fujitsu's demonstrated stranded costs plus any applicable termination fees.

Fujitsu does not have a right to terminate for convenience. Fujitsu's rights to terminate the New Fujitsu MSA, a service or work order are limited to where aaspire is insolvent, there is an unremedied breach of aaspire's obligations under the New Fujitsu MSA with respect to intellectual property rights, confidentiality or privacy, or aaspire fails to pay an amount which is due and payable, and not the subject of a good faith dispute, in excess of $750,000, which is overdue for a period of at least five months.

Indemnification and limitation of liability

Fujitsu provides a broad range of indemnities, which include indemnifying aaspire, its affiliates and their respective officers, directors, employees, agents, successors and assigns, for (amongst other things) all losses arising from any claim against aaspire or its affiliates by any third party arising from any acts or omissions of Fujitsu in connection with the New Fujitsu MSA, Fujitsu's breach of its obligations in respect of confidentiality and privacy and any negligent act or omission of Fujitsu.

Fujitsu's aggregate liability for all claims of loss under the New Fujitsu MSA is limited to the greater of three times the total of all amounts paid or payable by Link Group to Fujitsu under the New Fujitsu MSA in the 12 month period prior to the date on which a claim is made and in the first contract year, the amount equal to three times the projected spend for the first year (as that term is defined in the New Fujitsu MSA). The liability cap does not apply in respect of customary exclusions.

Section 10

Additional Information

10. Additional Information

10.1 Incorporation

The Company was incorporated in Victoria on 28 July 2006 as a proprietary company limited by shares and was converted to a public company limited by shares on 25 September 2015.

SaleCo was incorporated in Victoria on 15 September 2015 as a public company limited by shares.

10.2 Balance date and company tax status

The accounts for the Company will be made up to 30 June annually.

The Company will be subject to tax at the Australian corporate tax rate and relevant overseas corporate tax rates applicable to its overseas entities.

10.3 Capital Structure

The Company's capital structure as at the Propectus Date and immediately following Completion, is set out below:

	Number of Shares as at the Prospectus Date	Number of Shares immediately following Completion
Ordinary shares	251,670,959	366,194,030
Class A Shares	19,412,921	–
Preference Shares	10,220,506	–

10.4 Sale of Shares by SaleCo

SaleCo, a special purpose vehicle, has been established to facilitate the sale of existing Shares by Selling Shareholders.

Each of the Selling Shareholders, the Company and SaleCo has entered into the IPO Implementation Deed under which the Selling Shareholders irrevocably agree to sell some or all of their existing Shares to SaleCo, which will be sold by SaleCo into the Offer, free from encumbrances and third party rights. The Selling Shareholders have agreed to sell 70,100,000 existing Shares to SaleCo (being approximately 25% of their existing Shares).

The existing Shares which SaleCo acquires from the Selling Shareholders will be transferred to successful Applicants at the Final Price. The price payable by SaleCo for these existing Shares is the Final Price. The Company will also issue Shares to successful Applicants under the Offer.

SaleCo has no material assets, liabilities or operations other than its interests in and obligations under the OMA and the IPO Implementation Deed. The directors of SaleCo are John McMurtrie, Cameron Blanks and Michael Carapiet and the sole shareholder of SaleCo is Michael Carapiet. The Company has indemnified SaleCo and each director and the shareholder of SaleCo for any loss which SaleCo or any director or the shareholder of SaleCo may incur as a consequence of the Offer. However, neither the Company nor SaleCo will be responsible for paying any tax incurred by any selling Shareholder as a result of transferring or selling Shares pursuant to the IPO Implementation Deed.

10.5 Corporate structure

A list of the Company's subsidiaries as at the Prospectus Date is set out in Appendix D.

10.6 Description of the syndicate

Citi, Deutsche Bank, Macquarie Capital and UBS are the Joint Lead Managers to the Offer.

CBA Equities is the Co-Lead Manager to the Offer.

The Co-Managers to the Offer are Bell Potter Securities Limited, Deutsche Craigs Limited, Macquarie Equities Limited, UBS Wealth Management Australia Limited and Wilson HTM Corporate Finance Limited.

10.7 Ownership restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 10.7 contains a general description of these laws.

10.7.1 Foreign Acquisitions and Takeovers Act 1975 (Cth) and Commonwealth Government Foreign Investment Policy

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) applies to acquisitions of shares and voting power in a company of 15% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**).

Where a proposed acquisition of a Substantial Interest or Aggregate Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Commonwealth Treasurer and the Commonwealth Treasurer has either stated that there is no objection to the proposed acquisition in terms of Australia's Foreign Investment Policy or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a Substantial Interest or an Aggregate Substantial Interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, have passed.

In addition, in accordance with Australia's Foreign Investment Policy, proposed acquisitions of a direct investment in an Australian company by foreign government investors and their associates must be notified to the Foreign Investment Review Board for prior approval, irrespective of the value of the investment. According to Australia's Foreign Investment Policy, a direct investment will typically include any investment of 10% or more of the shares (or other securities or equivalent interest or voting power) in an Australian company but may also include investment of less than 10% where the investor is building a strategic stake in the target or obtains potential influence or control over the target.

10.7.2 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of relevant interests in issued voting shares in listed companies, and unlisted companies with more than 50 members, if, as a result of the acquisition, the acquirer's (or another party's) voting power in that company would increase from 20% or below to more than 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or together with their associates.

10.8 Australian taxation implications of investing under the Offer

The following comments provide a general summary of Australian tax issues for Australian tax resident investors who acquire Shares under this Prospectus.

The categories of investors considered in this summary are limited to individuals, certain companies, trusts, partnerships and complying superannuation funds, each of whom hold their Shares on capital account.

This summary does not consider the consequences for non-Australian tax resident investors, or Australian tax resident investors who are insurance companies, banks, investors that hold their Shares on revenue account or carry on a business of trading in Shares or investors who are exempt from Australian tax. This summary also does not cover the consequences for Australian tax resident investors who are subject to Division 230 of the Income Tax Assessment Act 1997 (the Taxation of Financial Arrangements or "TOFA" regime).

This summary does not consider the consequences for Eligible Employees applying under the Employee Offer. A general summary of tax implications for Australian resident Eligible Employees will be provided in the letter from the Company to Eligible Employees regarding the Employee Offer. However, as each Eligible Employee's circumstances will be different, it is strongly recommended that Eligible Employees seek professional advice in relation to their specific personal circumstances.

This summary is based on the law in Australia in force at the time of issue of this Prospectus. This summary does not take into account the tax law of countries other than Australia. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal of the Shares will depend upon each investor's specific circumstances.

Investors should obtain their own advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

10.8.1 Dividend on Shares

Individuals and complying superannuation entities

Where a dividend on a Share is distributed, that dividend will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year they derive the dividend, together with any franking credit attached to that dividend if they are a "qualified person" (refer further comments below). Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a "qualified person" or where the investor receives less than $5,000 in franking credits from all sources for the income year. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income in an income year, such investors should be entitled to a tax refund.

Where a dividend paid is unfranked, the investor will generally be taxed at their prevailing tax rate on the dividend received with no tax offset.

Corporate Investors

Corporate investors are required to include both the dividend and associated franking credit in their assessable income subject to being a "qualified person". A tax offset is then allowed up to the amount of the franking credit on the dividend.

An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend received. Such corporate investors can then pass on the benefit of the franking credits to their own investor(s) on the payment of dividends.

Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry forward tax losses.

Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in their assessable income in determining the net income of the trust or partnership. Subject to being a "qualified person", the relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the franking credit received by the trust or partnership.

Shares held at risk

The benefit of franking credits can be denied where an investor is not a "qualified person" in which case the investor will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, an investor must satisfy the holding period rule including, if necessary, the related payment rule.

The holding period rule requires an investor to hold the Shares "at risk" for more than 45 days continuously, in the period beginning the day after the day on which the investor acquires the Shares and ending on the 45th day after the day on which the Shares become ex-dividend. The date the Shares are acquired and disposed of are ignored for the purposes of determining the 45 day period. Any day on which an investor has a materially diminished risk or loss of opportunity for gain (through transactions such as granting options or warrants over Shares or entering into a contract to sell the Shares) will not be counted as a day on which the investor held the Shares "at risk". This holding period rule is subject to certain exceptions. Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where an investor or their associate passes on the benefit of the dividend to another person. The related payment rule requires the investor to have held the Shares at risk for a period commencing on the 45th day before, and ending on the 45th day after the day the Shares become ex-dividend. Practically, this should not impact investors who do not pass the benefit of the dividend to another person. Investors should obtain their own tax advice to determine if these requirements have been satisfied.

Dividend washing rules can apply such that no tax offset is available (nor is an amount required to be included in your assessable income) for a dividend received. Investors should consider the impact of these rules having regard to their own personal circumstances.

10.8.2 Disposal of Shares

The disposal of a Share by an investor will be a capital gains tax (CGT) event. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus any transaction costs). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds from the sale.

A CGT discount may be applied against the capital gain (after reduction of total capital gains by capital losses) where the investor is an individual, complying superannuation entity or trustee, the Shares have been held for more than 12 months and certain other requirements have been met. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses.

Where the investor is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Investors that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the investor in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

10.8.3 Goods and Services Tax (GST)

Investors should not be liable for GST in respect of their investment in Shares. Investors may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by investors in this respect.

10.8.4 Stamp duty

Investors should not be liable for stamp duty in respect of their holding of Shares, unless they acquire, either alone or with an associated/related person, an interest of 90% or more in the Company. Under current stamp duty legislation, no stamp duty would ordinarily be payable by investors on any subsequent transfer of Shares.

Investors should seek their own advice as to the impact of stamp duty in their own particular circumstances.

10.8.5 Tax file numbers (TFN)

Resident investors may, if they choose, notify the Company of their TFN, ABN or a relevant exemption from withholding tax with respect to dividends. In the event the Company is not so notified, tax will automatically be deducted at the highest marginal rate, including, where relevant, the Medicare Levy and Temporary Budget Repair Levy, from unfranked dividends and/or distributions.

Resident investors may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their income tax returns.

10.9 Selling restrictions

This document does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia and New Zealand unless it is accompanied by the Institutional Offering Memorandum as part of the Institutional Offer and then only subject to and to the extent permitted below.

10.9.1 China

Each person acquiring Shares will be required to confirm or by his/her/its acquisition of Shares will be deemed to confirm that he/she/it is aware of the restrictions on the placing of the Shares described in this Prospectus. Save as mentioned above, no action has been taken in any jurisdiction other than Australia to permit a placing or the general distribution of this Prospectus. Accordingly, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in relation to the Shares in any jurisdiction or, in any circumstance in which such an offer or invitation is not authorised, or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Prospectus and the offering of the Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under any applicable laws, rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities as an exemption therefrom.

The information in this Prospectus does not constitute a public offer of the Shares, whether by way of sale or subscription, in the People's Republic of China (**PRC**), excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to qualified domestic institutional investors.

Prospective investors for the Shares should consult their financial advisers and take legal advice as appropriate, to inform themselves of, and to observe the applicable laws, rules and regulations of any relevant jurisdictions.

10.9.2 European Economic Area (Belgium, Denmark, Germany and Netherlands)

In relation to each Member State of the European Economic Area (each, a Relevant Member State), no offer of the Shares may be made to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of Applicants; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Shares shall require the Company, SaleCo or Applicants to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any Share or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any such financial intermediary, it will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Applicants has been obtained to each such proposed offer or resale.

The Company, SaleCo, Applicants and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This Prospectus has been prepared on the basis that any offer of Shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Shares. Accordingly, any person making or intending to make an offer in that Relevant Member State of Shares which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Company, SaleCo or any of the lead managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. None of the Company, SaleCo or the Applicants has authorised, nor do they authorise, the making of any offer of Shares in circumstances in which an obligation arises for the Company, SaleCo or the Applicants to publish a prospectus for such offer.

For the purpose of the above provisions, the expression an offer to the public in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe the Shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

10.9.3 France

The Shares are not offered or sold, and will not be offered or sold, directly or indirectly, to the public in France.

Offers and sales of Shares will be made in France only to qualified investors (investisseurs qualifiés) in accordance with Articles L.411-2 II and D.411-1 of the Code monétaire et financier.

As required by Article 211-3 of the General Regulation of the Autorité des marchés financiers, the investors are informed that: (a) the offer of the Shares does not require a prospectus to be submitted to the Autorité des marchés financiers for approval; (b) they must participate in the offering on their own account, in the conditions set out in articles D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the Code monétaire et financier; and (c) the direct or indirect offer or sale, to the public in France, of the Shares can only be made in accordance with articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the Code monétaire et financier.

10.9.4 Hong Kong

Each Applicant has represented and agreed that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Shares other than: (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- it has not issued or had in its possession for the purpose of issue, and will not issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

10.9.5 Ireland

This Prospectus is only directed at, and being distributed to, in Ireland: (a) persons who are "professional clients" as defined in Schedule 2 of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended); or (b) any other person to whom it may otherwise be lawfully communicated (all such persons together being referred to as relevant persons). This Prospectus must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will only be engaged in with such persons. While the Company and SaleCo are permitted to market its Shares to relevant persons in Ireland, the Company and SaleCo are not supervised or authorised by the Central Bank of Ireland.

10.9.6 Italy

This Prospectus has not been submitted to the Commissione Nazionale per le Società e la Borsa, the Italian Securities Exchange Commission, (**CONSOB**) for clearance and will not be subject to formal review or clearance by CONSOB. The Shares may not be offered, sold or delivered, directly or indirectly in the Republic of Italy or to a resident of the Republic of Italy, unless such offer, sale or delivery of Shares or distribution of copies of this Prospectus or other documents relating to the Offer in the Republic of Italy are:

(a) made only to qualified investors (investitori qualificati), as defined in Article 100 of Legislative Decree No.58 of February 24, 1998, as amended (Unified Financial Act), as implemented by Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No.11971 of May 14, 1999, as amended (Regulation on Issuers) but excluding management companies and financial intermediaries authorised to manage individual portfolios on behalf of third parties and fiduciary companies managing portfolio investments regulated by Article 60, paragraph 4, of Legislative Decree No.415 of July 23, 1996; or

(b) in other circumstances which are exempt from the rules on public offers pursuant to the Unified Financial Act and its implementing CONSOB regulations, including the Regulation on Issuers.

Any such offer, sale or delivery of the Shares or distribution of copies of this Prospectus or any other document relating to the Offer in the Republic of Italy must be in compliance with the selling restrictions under (a) and (b) above and must be:

- made by soggetti abilitati (including investment firms, banks or financial intermediaries, as defined by Article 1, first paragraph, letter r) of the Unified Financial Act), to the extent duly authorised to engage in the placement and/or underwriting and/or purchase of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Unified Financial Act, CONSOB Regulation No.16190 of October 29, 2007, as amended, Legislative Decree No.385 of September 1, 1993, as amended (the Italian Banking Act) and any other applicable laws and regulations; and
- in compliance with any other applicable requirements or limitations which may be imposed by CONSOB, the Bank of Italy or any other Italian regulatory authority. Any investor purchasing the Shares is solely responsible for ensuring that any offer or resale of the Shares it purchased occurs in compliance with applicable laws and regulations. In accordance with Article 100-bis of the Unified Financial Act, any subsequent resale on the secondary market in the Republic of Italy of the Shares (which were part of an offer made pursuant to an exemption from the obligation to publish a prospectus) constitutes a distinct and autonomous offer that must be made in compliance with the public offer and prospectus requirement rules provided under the Unified Financial Act and Regulation on Issuers.

10.9.7 Kuwait

The Shares have not been licensed for offering in Kuwait. Unless all necessary approvals from the Kuwait Capital Market Authority required by Law No.7 of 2010 on the Establishment of the Capital Market Authority and the Regulation of Securities Trading Activities, its Executive Regulations and the various resolutions issued pursuant thereto or in connection therewith, have been given in relation to the marketing and sale of the Shares, these may not be marketed, offered for sale, or sold in Kuwait. Neither this Prospectus (including any related document) nor any of the information contained therein is intended to lead to the conclusion of any contract of any nature whatsoever within Kuwait.

10.9.8 Malaysia

The Shares may not be offered or sold, directly or indirectly, nor may any document or material in connection therewith be distributed in Malaysia, other than to persons listed in both paragraph 10, Part 2 of Schedule 5 and Part 1 of Schedule 6 of the Capital Markets And Services Act 2007.

10.9.9 New Zealand

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the contents of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

10.9.10 Norway

In Norway, the Offer is only available to persons who represent for the benefit of the Joint Lead Managers, the Company and SaleCo that they meet the requirements of being "professional investors" in accordance with Sections 10-2, 10-3 and/or 10-4, cf. Section 7-1 of the Norwegian Securities Trading Regulations (in Norwegian: Verdipapirforskriften).

10.9.11 Qatar

This Prospectus has not been, and will not be:

- lodged or registered with, or reviewed or approved by, the Qatar Central Bank (**QCB**), the Qatar Financial Centre (**QFC**) Authority, QFC Regulatory Authority or any other authority in the State of Qatar (**Qatar**); or
- authorised or licensed for distribution in Qatar,

and the information contained in this document does not, and is not intended to, constitute a public offer or other invitation in respect of securities in Qatar or the QFC.

The Shares have not been, and will not be:

- registered with the QCB, QFC Authority, QFC Regulatory Authority or any other governmental authority in Qatar; or
- authorised or licensed for offering, marketing, issue or sale, directly or indirectly, in Qatar.

Accordingly, the Shares are not being, and will not be, offered, issued or sold in Qatar, and this document is not being, and will not be, distributed in Qatar.

The offering, marketing, issue and sale of the Shares and distribution of this document is being made in, and is subject to the laws, regulations and rules of, jurisdictions outside Qatar and the QFC.

Recipients of this document must abide by this restriction and not distribute this document in breach of this restriction.

This Prospectus is being sent/issued to a limited number of institutional and/or sophisticated investors: (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

10.9.12 Singapore

This Prospectus or any other offering material relating to the Shares has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than to an institutional investor, as defined in section 4(A)(1) of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), in accordance with and pursuant to section 274 of the SFA.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. Investors should note there are certain on-sale restrictions (set out in, among others, sections 257 and 276 of the SFA) applicable to all investors who acquire the Shares pursuant to the exemptions in section 274 of the SFA. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore or to consult their own professional advisers as to such on-sale restrictions, and to comply accordingly.

The contents of this Prospectus have not been reviewed by any regulatory authority in Singapore. In the event of any doubt about any of the contents of this Prospectus or as to your legal rights and obligations in connection with the Offer, please obtain appropriate professional advice.

10.9.13 South Africa

This document does not in any way constitute:

- an "offer to the public" in South Africa as contemplated in the Companies Act 71 of 2008 and will only be capable of acceptance by the specific persons or categories of persons to whom it is directly addressed or issued in South Africa; or
- an offer to acquire any, or a distribution, of the Shares to any person in South Africa to whom it is unlawful to make or accept such offer, distribution or solicitation in that jurisdiction.

10.9.14 Sweden

This Prospectus will not be filed with, examined by or approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen). Shares may therefore be offered to investors in Sweden only in such a manner that an exemption from the Swedish prospectus requirement according to the Swedish Financial Instruments Trading Act (1991:980) will apply (e.g. if the offer is made only to qualified investors, as defined in the Prospectus Directive, in Sweden).

10.9.15 Switzerland

The Shares will not be offered, directly or indirectly, to the public in Switzerland and this Prospectus does not constitute a public offering prospectus as that term is understood pursuant to art. 652a of the Swiss Federal Code of Obligations. The Company has not applied for a listing of the Shares being offered pursuant to this Prospectus on the SIX Swiss Exchange or on any other regulated securities market, and consequently, the information presented in this Prospectus does not necessarily comply with the information standards set out in the relevant listing rules. Neither this Prospectus nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland.

10.9.16 United Arab Emirates (excluding Dubai)

This Prospectus is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (**UAE**). The Shares have not been and will not be registered under Federal Law No.4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange. The promotion of the Shares and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No.8 of 1984 (as amended) or otherwise.

In relation to its use in the UAE, this Prospectus is strictly private and confidential and is being distributed to a limited number of persons and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The Shares may not be offered or sold directly or indirectly to the public in the UAE.

10.9.17 United Kingdom

This Prospectus does not constitute a prospectus for the purpose of the prospectus rules issued by the Financial Conduct Authority (**FCA**) pursuant to section 84 of the Financial Services and Markets Act 2000 (as amended) (**FSMA**) and has not been approved by or filed with the FCA. The information contained in this Prospectus is only being made, supplied or directed at:

- persons in the United Kingdom who are qualified investors within the meaning of section 86(7) of the FSMA; or
- no more than 150 persons in the United Kingdom (other than those qualified investors in paragraph (a) above) within the meaning of section 86(1)(b) of the FSMA,

and the Shares are not otherwise being offered or sold and will not otherwise be offered or sold to the public in the United Kingdom (within the meaning of section 102B of the FSMA), save in circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of FSMA) being made available to the public before the offer is made.

In addition, in the United Kingdom no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Shares except in circumstances in which section 21(1) of the FSMA does not apply to the Company or SaleCo (as applicable) and this document is made, supplied or directed at:

- qualified investors in the United Kingdom who are: (a) persons having professional experience in matters relating to investments who fall within the definition of investment professionals in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended) (**FPO**); or (b) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in article 49 of the FPO;
- persons whom the Company reasonably believes are the Company's creditors or members or persons entitled to specific investments issued by the Company in the United Kingdom under article 43 of the FPO; or
- persons who fall within any other exemption to the FPO (all such persons being Relevant Persons).

Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Each United Kingdom recipient is deemed to confirm, represent and warrant to the Company and SaleCo that they are a Relevant Person.

10.10 Interests of experts and advisers

Other than as set out below or as otherwise disclosed in this Prospectus, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- has or had at any time during the two years preceding the Prospectus Date, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Rothschild Australia Limited has acted as financial adviser in relation to the Offer. The Company has paid, or agreed to pay, the financial adviser a fee of up to 0.45% of the gross proceeds of the Offer for its services.

Citi, Deutsche Bank, Macquarie Capital and UBS have acted as Joint Lead Managers to the Offer and the fees payable to the Joint Lead Managers pursuant to the OMA are described in Section 9.1. Each Joint Lead Manager and its affiliates are full service financial institutions engaged in various activities which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services.

Affiliates of certain of the Joint Lead Managers are lenders under Link Group's existing debt facilities and, as a result, will receive a portion of the net proceeds from this offering. Certain of the Joint Lead Managers and/or their affiliates are also Link Group clients. In addition, affiliates of Macquarie Capital hold an aggregate interest in the Company's existing Shares of approximately 8.4% (immediately preceding the offering) and are expected to own approximately 2.5% of the issued share capital immediately following the offering. Macquarie Capital will provide corporate advisory services to the Company and SaleCo in managing the offering of the new and existing Shares, and as an affiliate of an existing shareholder, will receive customary fees in each of these capacities.

The Joint Lead Managers or their affiliates from time to time may in the future perform other investment banking and financial advisory services for Link Group, its shareholders or their respective affiliates. Further, in the ordinary course of their trading, brokerage and financing activities, the Joint Lead Managers and their affiliates may act as a market maker or buy or sell debt or equity securities in Link Group or associated derivatives as principal or agent. Customary fees and commissions are expected to be paid for any such services in the future.

Macquarie Capital is also entitled to a work fee of 0.173% of the gross proceeds of the Offer.

KPMG Transaction Services has acted as the Company's Investigating Accountant in relation to the Financial Information and provided the Investigating Accountant's Report in Section 8. The Company has paid or agreed to pay an amount of approximately $1.4 million (plus disbursements and goods and services tax (**GST**)) in respect of these services up until the Prospectus Date. Further amounts may be paid to KPMG Transaction Services in accordance with time-based charges.

DLA Piper Australia has acted as the Australian joint legal adviser to the Company and SaleCo in relation to the Offer. The Company has paid or agreed to pay an amount of approximately $1.4 million (plus disbursements and GST) in respect of these services up until the Prospectus Date. Further amounts may be paid to DLA Piper Australia in accordance with its normal time-based charges.

Allen & Overy has acted as the Australian joint legal adviser to the Company and SaleCo in relation to the Offer. The Company has paid or agreed to pay an amount of approximately $0.4 million (plus disbursements and GST) in respect of these services up until the Prospectus Date. Further amounts may be paid to Allen & Overy in accordance with its normal time-based charges.

10.11 Consents to be named and disclaimers of responsibility

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in this Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent:

- Rothschild Australia Limited has consented to being named in the Prospectus as financial adviser to the Company in relation to the Offer;
- each of Citi, Deutsche Bank, Macquarie Capital and UBS has consented to being named in the Prospectus as Joint Lead Manager to the Offer;
- CBA Equities has consented to being named in the Prospectus as a Co-Lead Manager to the Offer;
- each of Bell Potter Securities Limited, Deutsche Craigs Limited, Macquarie Equities Limited, UBS Wealth Management Australia Limited and Wilson HTM Corporate Finance Limited has consented to being named in the Prospectus as a Co-Manager;
- KPMG Transaction Services has consented to being named in the Prospectus as the Company's Investigating Accountant and to the inclusion of its Investigating Accountant's Report in Section 8;
- KPMG has given its written consent to be named in the Prospectus as the Independent Auditor to Link Group in the form and context in which it is named in this Prospectus;

- DLA Piper Australia has consented to being named in the Corporate directory of this Prospectus as the Australian joint legal adviser to the Company and SaleCo in relation to the Offer;
- Allen & Overy has consented to being named in the Corporate directory of this Prospectus as the Australian joint legal adviser to the Company and SaleCo in relation to the Offer;
- Link Market Services Limited has consented to being named in the Corporate directory and elsewhere in this Prospectus as the Share Registry for the Company; and
- Rice Warner has consented to being named in this Prospectus in relation to the inclusion of statements made by it or based on statements made by it.

No entity or person referred to above has made or has purported to make any statement or representation that is included in this Prospectus or any statement on which a statement made in the Prospectus is based, except as stated above. None of the entities or persons referred to above has authorised or caused the issue of the Prospectus, does not make any offer of Shares and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statement in, or omission from, this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described above.

10.12 Regulatory relief

10.12.1 ASIC exemptions, modifications and relief

The Company has obtained the following exemption, modification and relief from ASIC in relation to the Offer:

- relief under section 741(1)(a) of the Corporations Act from the application of section 707(3) of the Corporations Act to permit the "on-sale" of certain Shares offered other than under this Prospectus;
- an exemption from the pre-prospectus advertising and publicity rules in section 734(2) of the Corporations Act to permit the Company to provide Shareholders and employees with certain information relating to the Offer;
- a modification of Chapter 6 of the Corporations Act so that the voluntary escrow arrangements described in Section 7.13 do not give rise to a relevant interest for the Company in respect of escrowed Shares held by Escrowed Shareholders; and
- relief for any breach of the short selling restrictions in section 1020B(2) of the Corporations Act as a result of a sale of Shares traded on a conditional and deferred settlement basis.

10.12.2 ASX confirmations and waivers

The Company has obtained a confirmation from ASX in relation to the Offer that there may be conditional and deferred settlement trading of the Shares subject to certain conditions to be approved by the ASX.

10.13 Legal proceedings

So far as the Directors are aware, at the Prospectus Date, there is no current, pending or threatened litigation with which the Company is directly or indirectly involved which the Company believes is likely to have a material adverse impact on the business or financial results of the Company.

10.14 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications and bids under this Prospectus are governed by the laws applicable in New South Wales, Australia and each Applicant and bidder submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

10.15 Statement of Directors and SaleCo directors

The issue of this Prospectus is authorised by each Director and each director of SaleCo who consents to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

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Section 11

Glossary

11. Glossary

Term	Meaning
A&NZ	Australia and New Zealand
aaspire	aaspire Pty Limited (ACN 125 151 779)
acquired amortisation	comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets that were acquired as part of Business Combinations
AEDT	Australian Eastern Daylight Time
Allotment Date	the date on which the Shares are allotted under the Offer
American Stock Transfer or **AST**	American Stock Transfer & Trust Company, LLC
Applicant	a person who submits an Application
Application	an application for Shares under this Prospectus
Application Form	the application forms attached to or accompanying this Prospectus (including the electronic form provided by an online application facility)
Application Monies	the amount of money accompanying an Application Form submitted by an Applicant
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the securities exchange it operates as the context requires
ASX Corporate Governance Principles and Recommendations	the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the Prospectus Date
ASX Listing Rules	the official listing rules of ASX as amended or waived from time to time
ASX Settlement Operating Rules	the operating rules of ASX Settlement Pty Limited (ACN 008 504 532)
ATO	the Australian Taxation Office
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements adopted by the Australian Accounting Standards Board
Australian Accounting Standards Board or **AASB**	Australian Accounting Standards Board
Australian Administration Services	Australian Administration Services Pty Limited (ACN 003 429 114)
Australian Financial Services Licence or **AFSL**	a licence for a business in Australia that is involved in the provision of financial services, as defined in s761A of the Corporations Act
Board	the board of Directors

11. Glossary (continued)

Term	Meaning
Broker	any ASX participating organisation selected by the Joint Lead Managers and Link Group to act as a broker for the Offer
Broker Firm Offer	the offer of Shares under this Prospectus to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation from their Broker provided that such clients are not in the United States as described in Section 7.9
Business Combination	as defined in Section 3.10.4
Business Day	has the meaning given in the ASX Listing Rules
CAGR	compound annual growth rate
CHESS	Clearing House Electronic Subregister System operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules
Citi	Citigroup Global Markets Australia Pty Limited (ACN 003 114832)
Closing Date	the date on which the Offer is expected to close, being 20 October 2015 in respect of the Retail Offer and 23 October 2015 in respect of the Institutional Offer (these dates may be varied without notice)
Co-Lead Manager	CBA Equities Limited (ABN 76 003 485 952) (AFSL 238817)
Co-Managers	each of Bell Potter Securities Limited, Deutsche Craigs Limited, Macquarie Equities Limited, UBS Wealth Management Australia Limited and Wilson HTM Corporate Finance Limited
Company	Link Administration Holdings Limited (ACN 120 964 098)
Completion	the completion of the Offer, being the date on which Shares are issued or transferred to successful Applicants in accordance with the terms of the Offer
Constitution	the constitution of the Company
Corporate Markets	Link Group's Corporate Markets division
Corporations Act	Corporations Act 2001 (Cth)
CST	CST Trust Company
defined benefit fund	superannuation fund where retirement benefits are calculated by a predetermined formula, usually a combination of average salary over a certain number of years prior to retirement, the number of years of employment and age
defined contribution fund	superannuation fund where retirement benefits are dependent on the money contributed by the member and his/her employer, and the investment return generated by the fund
Deutsche Bank	Deutsche Bank AG, Sydney Branch
Director(s)	the director(s) (including any alternate director(s)) of the Company as at the Prospectus Date
EBIT	earnings before interest and tax
EBITA	earnings before interest, tax and after adding back acquired amortisation
EBITDA	earnings before interest, tax, depreciation and amortisation

Term	Meaning
Eligible Employees	permanent, fixed term and casual employees of Link Group as at the Prospectus Date who are based in Australia, New Zealand, Hong Kong, South Africa, the United Kingdom, France, Germany and Papua New Guinea who will have been employed by Link Group for at least 12 months as at 23 October 2015 (provided that they remain so employed and have not given, or been given, notice to terminate their employment as at 20 October 2015)
Employee Final Price	the price per Share that successful Applicants under the Employee Offer will pay for Shares, representing a 10% discount to the Final Price, denominated in Australian dollars
Employee Offer	The offer of up to $10 million worth of Shares to Eligible Employees under this Prospectus at the Employee Final Price
ERF	Eligible Rollover Fund
Escrow Period	the periods for which Shares are subject to voluntary escrow arrangements as set out in Section 7.13
Escrowed Shares	the number of shares which are the subject of the voluntary escrow arrangements as set out in Section 7.13
Escrowed Shareholders	the holders of Escrowed Shares as set out in Section 7.13
EST	employee share trust
Existing Banking Facilities	the senior facilities agreement dated 21 June 2013 between, among others, the Company, Westpac (as agent and security trustee) and certain other financial institutions, as amended on 4 December 2014.
Existing Shareholders	the Shareholders as at the Prospectus Date
Exposure Period	the seven day period after the Prospectus Date, which may be extended by ASIC by up to a further seven days, during which an Application must not be accepted
Final Price	the price per Share that successful Applicants under the Offer (other than the Employee Offer) will pay for Shares as determined by the bookbuild and the process set out in Section 7.8.2, denominated in Australian dollars
Financial Information	the financial information of Link Group contained in Section 4 of this Prospectus
Forecast Financial Information	Statutory Forecast Financial Information and Pro Forma Forecast Financial Information
FTE	full time equivalent employee(s)
FuM	funds under management by an asset manager
Fund Administration	Link Group's Fund Administration division
FY	financial year ended/ending 30 June (as applicable)
FY2016 Release	the date which is 10 trading days after the date at which the full year results for FY2016 are released to ASX by the Company
GESB	the Western Australian Government Employees Superannuation Board

11. Glossary (continued)

Term	Meaning
Gross Revenue	the aggregate segment revenue before elimination of intercompany revenue and recharges such as IDDS recharges for IT support, client related project development and communication services on-charged by Fund Administration or Corporate Markets to their clients
GSA	Global Share Alliance, of which Link Group is a member
GST	goods and services tax
Historical Financial Information	Statutory Historical Financial Information and Pro Forma Historical Financial Information
ICG Shareholders	Intermediate Capital Group plc, Intermediate Capital Investments Limited, ICAP Belco 2007, Intermediate Capital Asia Pacific 2008 GP Limited acting in its capacity as general partner of the Intermediate Capital Asia Pacific Fund 2008 Limited Partnership (2008 Fund) on behalf of the limited partners in the 2008 Fund
IDDS	Link Group's Information, Digital & Data Services division
IFRS	International Financial Reporting Standards
Indicative Price Range	the indicative price range for the Offer being: – $5.41 to $6.37 per Share for the Institutional Offer, Broker Firm Offer and Priority Offer; and – $4.87 to $5.73 per Share for the Employee Offer.
Institutional Investors	investors who are (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act; or (b) institutional investors in certain other jurisdictions, as agreed by the Company and the Joint Lead Managers, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one with which the Company is willing in its discretion to comply), in either case provided that if such investors are in the United States, they are either a QIB or an Eligible US Fund Manager
Institutional Offer	the invitation of Institutional Investors under this Prospectus (or the Institutional Offering Memorandum, as the case may be) to acquire Shares as described in Section 7.8
Institutional Offering Memorandum	the offering memorandum under which the Institutional Offer will be made in certain jurisdictions outside Australia and New Zealand which consists of this Prospectus and an offer document "wrap"
Investigating Accountant	KPMG Financial Advisory Services (Australia) Pty Limited (of which KPMG Transaction services is a division) (**KPMG Transaction Services**)
Investigating Accountant's Reports	the reports provided by the Investigating Accountant which is presented in Section 8
IPO	initial public offering
IPO Implementation Deed	the deed between the Company, SaleCo and the Existing Shareholders dated 28 September 2015 as described in Section 9.2
Joint Lead Managers	Citigroup Global Markets Australia Pty Limited, Deutsche Bank AG, Sydney Branch, Macquarie Capital (Australia) Limited and UBS AG, Australian Branch

11. Glossary (continued)

Term	Meaning
KPMG Transaction Services	KPMG Financial Advisory Services (Australia) Pty Ltd (ACN 007 363 215)
Link Group	Company and its subsidiaries
Link Market Services Ltd (New Zealand)	Link Market Services Limited (New Zealand company number 1582925)
Link MS Services	Link MS Services Pty Limited (ACN 108 557 035)
Macquarie Capital	Macquarie Capital (Australia) Limited (ACN 123 199 548)
Macquarie Entities	Bond Street Custodians Limited on behalf of Macquarie Corporate Holdings Pty Limited, Macquarie Life Limited and Macquarie Investment Management Limited as responsible entity or investment manager for a number of funds and mandates.
Macquarie Shareholder	Bond Street Custodians Limited on behalf of Macquarie Corporate Holdings Pty Limited
Mid-Point Final Price	an assumption that the Final Price is set at $5.89 per Share, being the mid-point of the Indicative Price Range
Money Solutions	Money Solutions Pty Limited ACN 105 811 836 or the business operated by Money Solutions Pty Limited, as the context requires
New Banking Facilities	as defined in Section 9.5.1
NPAT	net profit/(loss) after tax
NPATA	net profit/(loss) after tax and after adding back tax effected acquired amortisation
NPBT	net profit/(loss) before tax
Offer	the offer under this Prospectus of 84,889,644 Shares to be issued by the Company and of 70,100,000 Shares to be sold by SaleCo based on the Mid-Point Final Price
Offer Management Agreement or **OMA**	the offer management agreement between the Joint Lead Managers, the Company and SaleCo dated on or about the Prospectus Date
Offer Period	the period during which investors may subscribe for Shares under the Offer
Official List	the official list of entities that ASX has admitted to and not removed from listing
Operating EBITDA	is earnings before interest, tax, depreciation and amortisation and significant items
PEP	Pacific Equity Partners Pty Limited

11. Glossary (continued)

Term	Meaning
PEP Shareholders	Pacific Equity Partners Fund III GP (Jersey) Limited in its capacity as general partner of Pacific Equity Partners Fund III L.P, Pacific Equity Partners Fund III GP (Jersey) Limited in its capacity as general partner of Pacific Equity Partners Supplementary Fund III L.P., Pacific Equity Partners (Jersey) Limited in its capacity as general partner of Pacific Equity Partners Fund II L.P, Pacific Equity Partners (Jersey) Limited in its capacity as general partner of Pacific Equity Partners Supplementary Fund II L..P, Pacific Equity Partners (Jersey) Limited in its capacity as general partner of Pacific Equity Partners Fund II (NQP) L.P, Pacific Equity Partners Fund II (Australasia) Pty Limited ACN 106 318 370 as trustee for Pacific Equity Partners Fund II (Australasia) Unit Trust, Pacific Equity Partners Fund II (Australasia) Pty Limited ACN 106 318 370 as trustee for Pacific Equity Partners Supplementary Fund II (Australasia) Unit Trust, PEP Investment Pty Limited ACN 083 026 984, PEP Co-Investment Pty Limited ACN 083 026 859, Pacific Equity Partners Fund III (Australasia) Pty Limited ACN 117 565 410 (acting as trustee for Pacific Equity Partners Fund III (Australasia)), Pacific Equity Partners Fund III (Australasia) Pty Limited ACN 117 565 410 (acting as trustee for Pacific Equity Partners Supplementary Fund III (Australasia)), Eagle Co-Investment Pty Limited ACN 119 182 688 (acting as trustee for Pacific Equity Partners Fund III Co-Investment Trust A)
PEXA	Property Exchange Australia Limited, in which Link Group holds an approximate 11% stake
Priority Offer	the offer of Shares to investors in Australia and New Zealand nominated by the Company as described in Section 7.4
Pro Forma Forecast Cash Flows	pro forma forecast consolidated cash flow information for FY2016
Pro Forma Forecast Financial Information	Pro Forma Forecast Results and Pro Forma Forecast Cash Flows
Pro Forma Forecast Results	pro forma forecast consolidated statement of profit or loss for FY2016
Pro Forma Historical Cash Flows	pro forma historical consolidated cash flow information for FY2013, FY2014 and FY2015
Pro Forma Historical Financial Information	Pro Forma Historical Results, the Pro Forma Historical Cash Flows and the Pro Forma Statement of Financial Position
Pro Forma Historical Results	pro forma historical consolidated statements of profit or loss for FY2013, FY2014 and FY2015
Pro Forma Historical Statement of Financial Position	pro forma historical consolidated statement of financial position as at 30 June 2015
Prospectus	this document dated 30 September 2015 and any replacement or supplementary prospectus in relation to this document
Prospectus Date	the date on which a copy of this Prospectus was lodged with ASIC, being 30 September 2015
Recurring Revenue	revenue arising from contracted core administration services, stakeholder engagement services, share registry services and shareholder management and analytics services that are unrelated to corporate actions. Recurring Revenue is expressed as a percentage of total revenue
Relevant Member State	a Member State in the European Economic Area
REST	Retail Employees Superannuation Trust
Retail Offer	the Broker Firm Offer, Priority Offer and Employee Offer

11. Glossary (continued)

Term	Meaning
Rice Warner	Rice Warner Pty Ltd (AFSL 239 191)
Rothschild Australia Limited	Rothschild Australia Limited (ACN 008 591 768)
SaleCo	LAH SaleCo Limited (ACN 608 234 082)
Selling Shareholders	Existing Shareholders who elect to sell Shares to SaleCo
Settlement	the settlement in respect of the Shares the subject of the Offer occurring under the Offer Management Agreement
Share	a fully paid ordinary share in the capital of the Company
Share Registry	Link Market Services Limited (ABN 54 083 214 537)
Shareholder(s)	a registered holder(s) of a Share
SMSF	self-managed superannuation fund(s)
Statutory Forecast Cash Flows	statutory forecast consolidated cash flow information for FY2016
Statutory Forecast Financial Information	Statutory Forecast Results and Statutory Forecast Cash Flows
Statutory Forecast Results	statutory forecast consolidated statement of profit or loss for FY2016
Statutory Historical Cash Flows	statutory historical consolidated cash flow information for FY2013, FY2014 and FY2015
Statutory Historical Financial Information	Statutory Historical Results, Statutory Historical Cash Flows and Statutory Historical Statement of Financial Position
Statutory Historical Results	statutory historical consolidated statements of profit or loss for FY2013, FY2014 and FY2015
Statutory Historical Statement of Financial Position	statutory historical consolidated statement of financial position as at 30 June 2015
Substantial Interest	voting power in a company of 15% or more by a single foreign person and its associates
Superannuation Guarantee	the official term for compulsory superannuation contributions made by employers on behalf of their employees in Australia
Superpartners	Superpartners Pty Ltd (ABN 57 078 907 883) or the business conducted by Superpartners Pty Ltd (ABN 57 078 907 883), as the context requires
UBS	UBS AG, Australian Branch
USM	Unclaimed Super Monies, as defined by and recognised by the ATO
US Securities Act	United States Securities Act of 1993
Westpac	Westpac Banking Corporation

Appendix A

Significant Accounting Policies

Appendix A: Significant Accounting Policies

Basis of preparation

The principal accounting policies adopted in the preparation of the Financial Information included in Section 4 of this Prospectus are set out below. These accounting policies are consistent with the last statutory general purpose financial statements of Link Group for the year ended 30 June 2015 which were audited in line with Australian Auditing Standards.

(a) Basis of measurement

The Financial Information has been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value; and
- non-derivative financial instruments at fair value through profit or loss are measured at fair value.

(b) Functional and presentation currency

The Financial Information is presented in Australian dollars, which is Link Group's functional currency.

(c) Use of estimates and judgements

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Link Group assesses the fair value of its assets on a regular basis. As far as possible observable market data is used and assessed for compliance with IFRS. Each fair valued amount is then categorised into the different levels of the fair value hierarchy based on its inputs.

Significant accounting policies

(a) Basis of consolidation

(i) Business Combinations

All Business Combinations are accounted for by applying the acquisition method. For every Business Combination, Link Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Measuring goodwill

Link Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by Link Group to the previous owners of the acquiree and equity interests issued by Link Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the Business Combination.

Transaction costs

Transaction costs that Link Group incurs in connection with a Business Combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when Link Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed on acquisition when necessary to align them with the policies adopted by Link Group.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at foreign exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and presented in equity in the Foreign Currency Translation Reserve.

(c) Financial Instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, interest-bearing loans and borrowings, and trade and other payables. A financial instrument is recognised if Link Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if Link Group's contractual rights to the cash flows from the financial assets expire or if Link Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if Link Group's obligations specified in the contract expire or are discharged or cancelled.

Accounting for any gains and losses through profit or loss on initial recognition or subsequent measurement are recognised in 'gains or losses on financial assets held at fair value through profit and loss'.

Measurement

Non-derivative financial instruments are recognised initially at fair value less, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Financial assets at fair value through profit or loss

Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in 'gains or losses on financial assets held at fair value through profit and loss'.

Other

Other non-derivative financial instruments are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables and interest-bearing loans and borrowings are classified as financial liabilities. Trade and other receivables and cash and cash equivalents are classified as loans and receivables.

Cash and cash equivalents comprise cash balances and call deposits.

(ii) Derivative financial instruments

Link Group holds derivative financial instruments to hedge its interest rate risk exposures.

Derivatives are recognised at fair value. Transaction costs attributable to the derivative are recognised in profit or loss when incurred.

Hedging

On entering into a hedging relationship, Link Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. Hedges that are expected to be highly effective in achieving offsetting changes in fair value or cash flows are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Appendix A: Significant Accounting Policies (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any changes in the fair value of the derivative financial instrument are recognised directly in equity. To the extent that the hedge is ineffective, changes in fair value are recognised in profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively.

The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs, when it is then transferred to profit or loss.

When the hedged item subsequently results in a non-financial asset or liability, the amount previously recognised as other comprehensive income in equity is transferred to the carrying amount of the asset when it is recognised.

(iii) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

(d) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment from the date it is ready for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that Link Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

- office equipment 3 – 8 years
- fixtures and fittings 2 – 10 years
- leased plant and equipment 3 – 10 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(e) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and joint controlled entities. Goodwill represents the excess of the cost of the acquisition over Link Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment losses.

(ii) Software

Link Group has developed in-house software applications to meet business and client needs and enable operational efficiencies to be achieved. Software that is capitalised is classified as an intangible asset by Link Group.

Development expenditure is capitalised only if development costs are directly attributable, can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and Link Group intends to and has sufficient resources to complete development and to use or sell the asset. Other software development costs are expensed as incurred.

Capitalised software development costs are amortised on a straight line basis from the date they are held ready for use, over the period during which the related benefits are expected to be realised. The expenditure capitalised includes the costs of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised software is stated at cost less accumulated amortisation and impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by Link Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(v) Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite from the date they are available for use. Intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. The estimated useful lives for the current and comparative periods are as follows:

- software 2 – 9 years
- client lists 3 – 20 years
- brand names 5 – 10 years

(f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs less provision for doubtful debts. Trade receivables are generally due after 14 to 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off when identified. A provision for doubtful debts is established when there is objective evidence that Link Group will not be able to collect all amounts due according to the original terms of receivables.

(g) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of Link Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill and any other intangible assets with indefinite lives acquired in a Business Combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

(h) Employee benefits

(i) Long-term employee benefits

Link Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

(ii) Short-term benefits

Liabilities for employee benefits for wages, salaries, and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company wholly expects to pay as at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if Link Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(i) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

(j) Provisions

A provision is recognised if, as a result of a past event, Link Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is treated as a finance expense.

(i) Restructuring

A provision for restructuring is recognised when Link Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

(ii) Self-insurance

Link Group self-insures for processing errors associated with the handling of administration activities for clients. Incidents that may give rise to a claim are measured at the cost that Link Group expects to incur in settling the claim, which may or may not have been reported.

(iii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by Link Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, Link Group recognises any impairment loss on the assets associated with that contract.

(k) Revenue

Revenue is earned from rendering of services to customers outside Link Group. Revenue is recognised on an accruals basis in the period in which it is earned, to the extent that it is probable that the economic benefits will flow to Link Group and the revenue can be reliably measured.

(l) Expenses

(i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(ii) Finance expense

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Ancillary costs incurred in connection with the arrangement of borrowings are netted against the relevant borrowings and amortised over their life.

(m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a Business Combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. The measurement of deferred tax reflects the tax consequences that would follow the manner in which Link Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a tax consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax consolidated group is Link Administration Holdings Pty Limited.

(ii) Tax funding and tax sharing agreements

The tax-consolidated group has entered into a tax sharing agreement that requires wholly-owned subsidiaries to make contributions to the head entity for current tax liabilities. Under the tax funding agreement, the subsidiaries reimburse Link Administration Holdings Pty Ltd for their portion of Link Group's current tax liability and recognise this payment as an inter-entity payable/receivable in their financial statements. Link Administration Holdings Pty Ltd reimburses the subsidiaries for any deferred tax asset arising from unused tax losses and/or tax credits.

(n) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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Appendix B

Management's discussion and analysis of the Statutory Historical Results and Statutory Historical Cash Flows

Appendix B: Management's discussion and analysis of the Statutory Historical Results and Statutory Historical Cash Flows

Management's discussion and analysis of the Statutory Historical Results

Set out below is a discussion of the key factors that affected Link Group's Statutory Historical Results for FY2013, FY2014 and FY2015. The discussion of these factors is intended to provide a brief summary only and does not detail all the factors that affected Link Group's Statutory Historical Results. The discussion and analysis of the Statutory Historical Results below are directed only towards those statutory Statement of profit or loss line items impacted by significant items reclassifications and pro forma adjustments, being Link Group's statutory operating cost base. This discussion should be read in conjunction with Section 4.7, which sets out management's discussion and analysis of the Pro Forma Historical Financial Information.

Management's discussion and analysis: Statutory Historical Results for FY2014 compared to FY2013

Table B.1: Summary Statutory Historical Results for FY2014 compared to FY2013.

			Change	
$ million	**FY2013**	**FY2014**	**$ million**	**%**
Revenue	**365.1**	**410.4**	**45.3**	**12%**
Employee expenses	(148.7)	(192.3)	(43.6)	29%
IT expenses	(17.9)	(28.2)	(10.3)	58%
Occupancy expenses	(12.7)	(14.1)	(1.4)	11%
Other expenses	(59.2)	(66.7)	(7.5)	13%
Net acquisition and capital management related (expenses)/income	7.1	(33.9)	(41.0)	(577%)
Total operating expenses	**(231.4)**	**(335.2)**	**(103.8)**	**45%**
EBITDA	**133.7**	**75.2**	**(58.5)**	**(44%)**
Depreciation	(6.6)	(7.1)	(0.5)	8%
Amortisation	(15.2)	(23.7)	(8.5)	56%
Acquired amortisation	(14.2)	(19.8)	(5.6)	39%
EBIT	**97.7**	**24.6**	**(73.1)**	**(75%)**

Operating expenses

Total operating expenses increased $103.8 million (45%) from $231.4 million in FY2013 to $335.2 million in FY2014. The increase was mainly the result of an increase in employee expenses of $43.6 million (29%) from $148.7 million in FY2013 to $192.3 million in FY2014 reflecting additional headcount and related costs arising from FuturePlus, the superannuation administration assets of Russell Investments, Synchronised Software and registrar services GmbH Business Combinations. In addition, there were increases in employee costs associated with Business Combinations, integration costs, client migration costs and IT business transformation costs of $9.9 million and a $10.5 million tax equalisation payment to management shareholders associated with an equity raising and refinancing of debt facilities conducted in FY2014.

Appendix B: Management's discussion and analysis of the Statutory Historical Results and Statutory Historical Cash Flows (continued)

IT expenses similarly increased $10.3 million (58%) from $17.9 million in FY2013 to $28.2 million in FY2014 reflecting the impact of the Business Combinations and additional IT costs associated with client migrations and duplicate IT costs incurred from outsourcing certain development and testing functions to a third party offshore provider.

Other expenses increased $7.5 million (13%) from $59.2 million in FY2013 to $66.7 million in FY2014 mainly as a result of increased professional and consulting costs and print and mail expenses following the impact of Business Combinations and increased costs relating to client migrations, legal claims and capital structure changes.

Net acquisition and capital management related expenses increased $41.0 million from $7.1 million (credit) in FY2013 to $33.9 million in FY2014. This is a result of an increase in Business Combination costs of $14.2 million due to a bargain purchase gain on consolidation being recognised in FY2013 ($9.2 million) with no bargain gain in FY2014 and increased professional adviser costs and integration costs associated with Business Combinations of $5.0 million as a result of the Business Combinations with registrar services GmbH, Capital Precision and GESB in FY2014. In addition Link Group incurred $8.2 million of advisory fees related to an equity raise and the refinancing of debt facilities as well as a termination payment in respect of an investment services agreement of $20.0 million.

Acquired amortisation

Acquired amortisation increased $5.6 million due to assets identified as a result of Business Combinations completed in FY2014 and the full year impact of Business Combinations completed in FY2013.

Management's discussion and analysis: Statutory Historical Results for FY2015 compared to FY2014

Table B.2: Summary Statutory Historical Results for FY2015 compared to FY2014.

$ million	FY2014	FY2015	Change $ million	%
Revenue	**410.4**	**588.3**	**177.9**	**43%**
Employee expenses	(192.3)	(300.5)	(108.2)	56%
IT expenses	(28.2)	(56.1)	(27.9)	99%
Occupancy expenses	(14.1)	(32.7)	(18.6)	132%
Other expenses	(66.7)	(90.9)	(24.2)	36%
Net acquisition and capital management related (expenses)/income	(33.9)	4.3	38.2	(113%)
Total operating expenses	**(335.2)**	**(475.9)**	**(140.7)**	**42%**
EBITDA	**75.2**	**112.4**	**37.2**	**49%**
Depreciation	(7.1)	(9.9)	(2.8)	39%
Amortisation	(23.7)	(22.1)	1.6	(7%)
Acquired amortisation	(19.8)	(28.2)	(8.4)	42%
EBIT	**24.6**	**52.2**	**27.6**	**112%**

Appendix B: Management's discussion and analysis of the Statutory Historical Results and Statutory Historical Cash Flows (continued)

Operating expenses

Total operating expenses increased $140.7 million (42%) from $335.2 million in FY2014 to $475.9 million in FY2015. This was mostly driven by increases in employee expenses of $108.2 million, IT expenses of $27.9 million and occupancy expenses of $18.6 million reflecting additional FTE and support costs for Superpartners and the GESB client win. Growth in operating expenses occurred in both Fund Administration and IDDS.

Employee expenses also include additional redundancy costs of $13.8 million primarily relating to the integration of Superpartners.

IT expenses also increased in FY2015 following the absorption of significant Superpartners IT expenses as Link Group supported the legacy Superpartners technology platform prior to the migration onto Link Group's proprietary platform. IT expenses also increased as a result of an offshore outsourcing agreement entered into in FY2015, albeit this initiative had a net operating expense benefit arising from a reduction in employee expenses.

$7.4 million of the $18.6 million of occupancy expenses increase is due to onerous lease costs in relation to a lease agreement which became surplus to requirements as a result of the integration of Superpartners.

Other expenses increased $24.2 million (36%) from $66.7 million in FY2014 to $90.9 million in FY2015 from higher print and mail expenses (separately recharged to clients), professional and consulting expenses and other expenses reflecting growth related to the Superpartners and GESB client tender wins.

Net acquisition and capital management related expenses decreased $38.2 million (113%) from $33.9 million in FY2014 to $4.3 million (credit) in FY2015. This is a result of a gain on consolidation being recognised in FY2015 ($10.3 million) with no gain on consolidation recognised in FY2014 and no expenses incurred in relation to refinancing of debt facilities and equity raise in FY2015 which were $28.3 million of costs in FY2014.

Acquired amortisation

Acquired amortisation increased $8.4 million due to assets identified as a result of Business Combinations completed in FY2015 and the full year impact of Business Combinations completed in FY2014.

Statutory Historical Cash Flows

The table below presents the statutory historical consolidated cash flow information for FY2013, FY2014 and FY2015 (**Statutory Historical Cash Flows**). Statutory net free cash flow presented in table B.3 is reconciled to pro forma net free cash flow (presented in table 4.6) in table 4.7a.

Appendix B: Management's discussion and analysis of the Statutory Historical Results and Statutory Historical Cash Flows (continued)

Table B.3: Summary Statutory Historical Cash Flows for FY2013, FY2014 and FY2015

$ million	Note	FY2013	FY2014	FY2015
EBITDA		**133.7**	**75.2**	**112.4**
Non-cash items in EBITDA		(12.0)	(3.1)	(13.0)
Changes in working capital		5.0	4.0	(16.1)
Cash flows from operating activities before interest received, dividend received, borrowing costs paid and income tax paid		**126.7**	**76.1**	**83.3**
Capital expenditure		(15.8)	(20.2)	(35.1)
Net free cash flow		**110.9**	**55.9**	**48.2**
Tax		(0.6)	(0.8)	(0.6)
Interest		0.7	0.5	0.6
Dividends received		0.2	0.3	0.3
Borrowing costs paid		(16.7)	(48.0)	(49.0)
Acquisition of subsidiary net of cash acquired	1	(29.1)	(31.8)	(146.3)
Proceeds from equity buy-back of associates		–	0.4	–
Dividends from equity accounted investee		0.6	0.4	1.2
Payments for investments	1	(24.4)	(0.7)	(3.1)
Net cash after operating and investing activities		**41.6**	**(23.8)**	**(148.7)**
Proceeds from borrowings		382.3	340.9	194.7
Repayment of borrowings		(375.1)	(42.0)	(44.9)
Payment of transaction costs relating to equity raising, borrowings and other financing costs		(21.7)	(22.1)	–
Return of share capital		–	(138.7)	–
Proceeds from the issue of shares and conversion of partly paid shares		–	57.1	2.8
Acquisition of non controlling interests		(5.9)	(5.3)	–
Repurchase of subsidiary's redeemable preference shares		(0.5)		
Dividends paid to non-controlling interests		(0.2)	–	–
Dividends paid		–	(169.5)	–
Net cash flow		**20.5**	**(3.4)**	**3.9**

1. Acquisition of subsidiary net of cash acquired and payments for investments represents purchase consideration for Business Combinations. The main Business Combinations that these costs relate to are FuturePlus, Synchronised Software, the superannuation administration assets of Russell Investments in FY2013, registrar services GmbH, Capital Precision and GESB in FY2014 and the European assets of D.F. King, Superpartners and the remaining 50% of Link Market Services Ltd (New Zealand) in FY2015.

Appendix B: Management's discussion and analysis of the Statutory Historical Results and Statutory Historical Cash Flows (continued)

Table B.4: Summary Statutory Historical Cash Flows for FY2014 compared to FY2013[1]

$ million	FY2013	FY2014	Change $ million	%
EBITDA	**133.7**	**75.2**	**(58.5)**	**(44%)**
Non-cash items in EBITDA	(12.0)	(3.1)	8.9	(74%)
Changes in working capital	5.0	4.0	(1.0)	(20%)
Capital Expenditure	(15.8)	(20.2)	(4.4)	28%
Net free cash flow	**110.9**	**55.9**	**(55.0)**	**(50%)**

Net free cash flow

Net free cash flow decreased by $55.0 million (50%) from $110.9 million in FY2013 to $55.9 million in FY2014. The decrease in EBITDA of $58.5 million was partially offset by a reduction in non-cash items within EBITDA of $8.9 million, FY2013 having included $9.2 million of non-cash bargain purchase gain with no equivalent gain in FY2014.

The working capital movement was $1.0 million lower in FY2014 than in FY2013. The FY2014 working capital inflow was the net result of a $14.2 million outflow from lower creditors and provisions driven by the timing of payments, offset by additional year-end accruals in relation to Business Combinations, subsequent integration and client migration activities and IT offshoring project costs. In addition the movement was also offset by a reclassification of capital structure cash flows included within the working capital movement which is disclosed below statutory net free cash flow in the statutory financial statements but included as an expense in EBITDA.

Capital expenditure increased $4.4 million from $15.8 million in FY2013 to $20.2 million in FY2014 mainly reflecting investment in platforms following the Business Combination with Synchronised Software.

1. Statutory historical cash flows have been presented before cash flows associated with financing and income tax expense because of the significant changes to the capital structure that have occurred during the historical period (see comments in Table 4.2a, note 3) and because Link Group's funding structure (under the New Banking Facilities) following Completion will be materially different to that in place during the historical period prior to Completion (see Section 4.5.2). As a result, the historical net finance cash flow and income tax cash flow recorded under the funding structure in place during the period prior to the Completion was significantly different from that which would have resulted under the New Banking Facilities and intended debt structure that will be in place following the Completion and is not representative of what such financing cash flow and income tax cash flow would have been if the New Banking Facilities had been in place during the historical period.

Appendix B: Management's discussion and analysis of the Statutory Historical Results and Statutory Historical Cash Flows (continued)

Table B.5: Summary Statutary Historical Cash Flows for FY2015 compared to FY2014

$ million	FY2014	FY2015	Change $ million	Change %
EBITDA	75.2	112.4	37.2	49%
Non-cash items in EBITDA	(3.1)	(13.0)	(9.9)	319%
Changes in working capital	4.0	(16.1)	(20.1)	(503%)
Capital Expenditure	(20.2)	(35.1)	(14.9)	74%
Net free cash flow	**55.9**	**48.2**	**(7.7)**	**(14%)**

Net free cash flow

Net free cash flow decreased by $7.7 million (14%) from $55.9 million in FY2014 to $48.2 million in FY2015. The increase in EBITDA of $37.2 million was offset by an increase in non-cash items within EBITDA of $9.9 million with FY2015 containing $10.3 million of non-cash gain on consolidation with no equivalent gain made in FY2014 as well as a cash outflow from working capital movements (FY2014 having been an inflow) and increased capital expenditure.

In FY2015 there was a $20.1 million change in the working capital movement, FY2015 having a working capital outflow of $16.1 million in FY2015 compared to $4.0 million of inflow in FY2014. The FY2015 outflow represents an increase in debtors relating to the Business Combination with Superpartners which, along with Link Market Services Ltd (New Zealand), was fully reflected in working capital as at 30 June 2015, partially offset by provisions established for announced initiatives (primarily integration related) which are forecast to have a cash outflow in FY2016. Accordingly the cash outflow in FY2015 is lower than the costs expensed in relation to integration costs.

In addition, Link Group invested an additional $14.9 million in capital expenditure compared to FY2014, mainly reflecting Superpartners capital expenditure ($9.2 million) and additional investment in Corporate Markets.

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Appendix C

Reconciliation of historical and forecast statutory to pro forma results

Appendix C: Reconciliation of historical and forecast statutory to pro forma results

Table C.1: Reconciliation of Statutory Forecast Results to Pro Forma Forecast Results for FY2016

		Significant items reclassification[1]		
$ million	Statutory forecast results	Business Combination costs	Integration costs	IT business transformation
Revenue	**750.0**	**–**	**–**	**–**
Employee expenses	(363.8)	–	4.3	–
IT expenses	(77.5)	–	–	4.5
Occupancy expenses	(35.1)	–	–	–
Other expenses	(133.2)	0.7	1.3	
Net acquisition and capital management related expenses	–	–	–	–
Total operating expenses	**(609.6)**	**0.7**	**5.6**	**4.5**
EBITDA	**140.4**	**0.7**	**5.6**	**4.5**
Significant Items	–	(0.7)	(5.6)	(4.5)
EBITDA after Significant Items	**140.4**	**–**	**–**	**–**
Depreciation	(11.3)	–	–	–
Amortisation before acquired amortisation	(24.4)	–	–	–
EBITA	**104.7**	**–**	**–**	**–**
Acquired amortisation	(29.6)			
EBIT	**75.1**	**–**	**–**	**–**
Net finance expense	(37.3)	–	–	4.1
Discount unwind	–	–	–	(4.1)
Share of NPAT of equity accounted investments	–			
NPBT	**37.8**	**–**	**–**	**–**
Income tax expense	(9.0)	–	–	–
Income tax on Significant Items	(1.3)	–	–	–
NPAT	**27.5**	**–**	**–**	**–**
Significant Items after tax		0.7	3.9	3.2
Add back acquired amortisation (after tax)	20.7			
NPATA	**48.2**	**0.7**	**3.9**	**3.2**

1. A summary and description of significant items is presented in table 4.2b in Section 4 and the notes accompanying table 4.2b.
2. A summary of pro forma adjustments is presented in table 4.2a in Section 4 and the notes accompanying table 4.2a. Net finance expense is presented in table 4.3 in Section 4.

Appendix C: Reconciliation of historical and forecast statutory to pro forma results (continued)

				Pro forma Adjustments[2]			
Client migration costs	Discount unwind	Significant items	Statutory showing significant items	Offer transaction costs	Net finance expense	Total pro forma adjustments	Pro forma forecast results
–	**–**	**–**	**750.0**	**–**	**–**	**–**	**750.0**
6.3	–	**10.6**	(353.2)	–	–	–	(353.2)
0.8	–	**5.3**	(72.2)	–	–	–	(72.2)
–	–	–	(35.1)	–	–	–	(35.1)
0.1	–	**2.1**	(131.1)	22.8	–	22.8	(108.3)
–	–	–	–			–	–
7.2	**–**	**18.0**	**(591.6)**	**22.8**	**–**	**22.8**	**(568.8)**
7.2	**–**	**18.0**	**158.4**	**22.8**	**–**	**22.8**	**181.2**
(7.2)	–	**(18.0)**	(18.0)			–	(18.0)
–	**–**	–	**140.4**	**22.8**	**–**	**22.8**	**163.2**
–	–	–	(11.3)	–	–	–	(11.3)
–	–	–	(24.4)	–	–	–	(24.4)
–	**–**	–	**104.7**	**22.8**	**–**	**22.8**	**127.5**
		–	(29.6)			–	(29.6)
–	**–**	–	**75.1**	**22.8**		**22.8**	**97.9**
–	4.1	**4.1**	(33.2)		21.1	21.1	(12.1)
–	(4.1)	**(4.1)**	(4.1)	–	–	–	(4.1)
		–	–			–	–
–	**–**	–	**37.8**	**22.8**	**21.1**	**43.9**	**81.7**
–	–	–	(9.0)	(6.0)	(6.3)	(12.3)	(21.3)
–	–	–	(1.3)			–	(1.3)
–	**–**	–	**27.5**	**16.8**	**14.8**	**31.6**	**59.1**
5.0	2.9	**15.7**	15.7	–	–	**–**	15.7
		–	20.7	–	–	**–**	20.7
5.0	**2.9**	**15.7**	**63.9**	**16.8**	**14.8**	**31.6**	**95.5**

Appendix C: Reconciliation of historical and forecast statutory to pro forma results (continued)

Table C.2: Reconciliation of Statutory Historical Results to Pro Forma Historical Results for FY2015

		Significant items reclassifications[1]				
$ million	Statutory historical results	Business Combination costs	Bargain purchase gain and gain on consolidation	Integration costs	Client migration costs	IT business transformation
Revenue	**588.3**	**–**	**–**	**–**	**–**	**–**
Employee expenses	(300.5)	–	–	14.3	6.7	3.0
IT expenses	(56.1)	–	–	0.1	1.3	–
Occupancy expenses	(32.7)	–	–	7.5	–	–
Other expenses	(90.9)	0.7	–	2.0	0.2	0.1
Net acquisition and capital management related expenses	4.3	6.0	(10.3)	–	–	–
Total operating expenses	**(475.9)**	**6.6**	**(10.3)**	**23.9**	**8.2**	**3.1**
EBITDA	**112.4**	**6.6**	**(10.3)**	**23.9**	**8.2**	**3.1**
Significant Items		(6.6)	10.3	(23.9)	(8.2)	(3.1)
EBITDA after Significant Items	**112.4**	**–**	**–**	**–**	**–**	**–**
Depreciation	(9.9)					
Amortisation before acquired amortisation	(22.1)					–
EBITA	**80.4**	**–**	**–**	**–**	**–**	**–**
Acquired amortisation	(28.2)					
EBIT	**52.2**	**–**	**–**	**–**	**–**	**–**
Net finance expense	(52.4)					
Gain on assets held at fair value	3.4					
Share of NPAT of equity accounted investments	0.8					
NPBT	**4.0**					
Income tax expense	(0.7)					
Income tax on Significant Items						
NPAT	**3.3**					
Significant Items after tax						
Add back acquired amortisation (after tax)	19.8					
NPATA	**23.1**					

1. A summary and description of significant items is presented in table 4.2b in Section 4 and the notes accompanying table 4.2b.
2. A summary of pro forma adjustments is presented in table 4.2a in Section 4 and the notes accompanying table 4.2a.

Appendix C: Reconciliation of historical and forecast statutory to pro forma results (continued)

			Pro forma Adjustments[2]				
	Significant items	Statutory showing significant items	Incremental public company costs	Settlement of legal claims	Employee liabilities	Total pro forma adjustments	Pro forma historical results
	–	588.3		–	–	–	588.3
	24.0	(276.5)	(1.1)	–	2.8	1.7	(274.8)
	1.4	(54.7)	–	–	–	–	(54.7)
	7.5	(25.2)	–	–	–	–	(25.2)
	3.0	(87.9)	(1.4)	3.8	–	2.4	(85.6)
	(4.3)	–	–	–	–	–	–
	31.5	(444.4)	(2.5)	3.8	2.8	4.1	(440.3)
	31.5	143.9	(2.5)	3.8	2.8	4.1	148.0
	(31.5)	(31.5)				–	(31.5)
	–	112.4	(2.5)	3.8	2.8	4.1	116.5
	–	(9.8)		–	–	–	(9.9)
	–	(22.1)		–	–	–	(22.1)
	–	80.4	(2.5)	3.8	2.8	4.1	84.5
	–	(28.2)				–	(28.2)
	–	52.2	(2.5)	3.8	2.8	4.1	56.3

Appendix C: Reconciliation of historical and forecast statutory to pro forma results (continued)

Table C.3: Reconciliation of Statutory Historical Results to Pro Forma Historical Results for FY2014

		Significant items[1]		
$ million	Statutory historical results	Business Combination costs	Integration costs	Client migration costs
Revenue	**410.4**	**–**	**–**	**–**
Employee expenses	(192.3)	0.6	2.4	8.0
IT expenses	(28.2)	0.4	–	0.2
Occupancy expenses	(14.1)	(0.4)	–	–
Other expenses	(66.7)	0.1	0.1	1.4
Net acquisition and capital management related expenses	(33.9)	5.3	0.2	–
Total operating expenses	**(335.2)**	**6.0**	**2.7**	**9.6**
EBITDA	**75.2**	**6.0**	**2.7**	**9.6**
Significant Items		(6.0)	(2.7)	(9.6)
EBITDA after Significant Items	**75.2**	**–**	**–**	**–**
Depreciation	(7.1)	–	–	–
Amortisation before acquired amortisation	(23.7)	–	–	–
EBITA	**44.4**	**–**	**–**	**–**
Acquired amortisation	(19.8)			
EBIT	**24.6**	**–**	**–**	**–**
Net finance expense	(60.0)			
Share of NPAT of equity accounted investments	0.4			
NPBT	**(35.0)**			
Income tax expense	9.8			
Income tax on Significant Items				
NPAT	**(25.2)**			
Significant Items after tax				
Add back acquired amortisation (after tax)	13.9			
NPATA	**(11.3)**			

1. A summary and description of significant items is presented in table 4.2b in Section 4 and the notes accompanying table 4.2b.
2. A summary of pro forma adjustments is presented in table 4.2a in Section 4 and the notes accompanying table 4.2a.

Appendix C: Reconciliation of historical and forecast statutory to pro forma results (continued)

			Pro forma Adjustments[2]				
IT business transformation	Significant items	Statutory showing significant items	Incremental public company costs	Change in capital structure and advisory fees	Settlement of legal claims	Total pro forma adjustments	Pro forma historical results
–	–	410.4	–	–	–	–	410.4
2.0	**13.0**	(179.3)	(1.1)	10.5	–	9.4	(169.9)
2.5	**3.1**	(25.1)	–	–	–	–	(25.1)
0.4	–	(14.1)	–	–	–	–	(14.1)
0.1	**1.7**	(65.0)	(1.4)	1.3	1.3	1.2	(63.8)
0.1	**5.6**	(28.3)	–	28.3	–	28.3	(0.0)
5.1	**23.4**	**(311.8)**	**(2.5)**	**40.1**	**1.3**	**38.9**	**(272.9)**
5.1	**23.4**	**98.6**	**(2.5)**	**40.1**	**1.3**	**38.9**	**137.5**
						–	–
(5.1)	**(23.4)**	(23.4)	–	–	–	–	(23.4)
–	–	**75.2**	**(2.5)**	**40.1**	**1.3**	**38.9**	**114.1**
–	–	(7.1)	–	–	–	–	(7.1)
–	–	(23.7)	–	–	–	–	(23.7)
–	–	**44.4**	**(2.5)**	**40.1**	**1.3**	**38.9**	**83.3**
	–	(19.8)	–	–	–	–	(19.8)
–	–	**24.5**	**(2.5)**	**40.1**	**1.3**	**38.9**	**63.5**

Appendix C: Reconciliation of historical and forecast statutory to pro forma results (continued)

Table C.4: Reconciliation of Statutory Historical Results to Pro Forma Historical Results for FY2013

		Significant items reclassifications[1]		
$ million	Statutory historical results	Bargain purchase gain and gain on consolidation	Business Combination costs	Integration costs
Revenue	**365.1**	**–**		**–**
Employee expenses	(148.7)	–	0.1	1.8
IT expenses	(17.9)	–	(0.2)	–
Occupancy expenses	(12.7)	–	–	–
Other expenses	(59.2)	–	0.4	–
Net acquisition and capital management related expenses	7.1	(9.2)	1.6	–
Total operating expenses	**(231.4)**	**(9.2)**	**1.9**	**1.8**
EBITDA	**133.7**	**(9.2)**	**1.9**	**1.8**
Significant Items		9.2	(1.9)	(1.8)
EBITDA after Significant Items	**133.7**	**–**	**–**	**–**
Depreciation	(6.6)	–	–	–
Amortisation before acquired amortisation	(15.2)	–	–	–
EBITA	**111.9**	**–**	**–**	**–**
Acquired amortisation	(14.2)			
EBIT	**97.7**	**–**	**–**	**–**
Net finance expense	(37.1)			
Share of NPAT of equity accounted investments	0.6			
NPBT	**61.2**			
Income tax expense	(11.0)			
Income tax on Significant Items				
NPAT	**50.2**			
Significant Items after tax				
Add back acquired amortisation (after tax)	9.9			
NPATA	**60.1**			

1. A summary and description of significant items is presented in table 4.2b in Section 4 and the notes accompanying table 4.2b.
2. A summary of pro forma adjustments is presented in table 4.2a in Section 4 and the notes accompanying table 4.2a.

Appendix C: Reconciliation of historical and forecast statutory to pro forma results (continued)

			Pro Forma adjustments[2]			
Client migration costs	Significant items	Statutory showing significant items	Incremental public company costs	Change in capital structure and advisory fees	Total pro forma adjustments	FY2013 Pro Forma historical results
–	**–**	**365.1**		**–**	**–**	**365.1**
1.1	**3.0**	(145.7)	(1.1)	–	(1.1)	(146.8)
–	**(0.2)**	(18.1)	–	–	–	(18.1)
–	–	(12.7)	–	–	–	(12.7)
–	**0.4**	(58.8)	(1.4)	2.5	1.1	(57.7)
–	**(7.6)**	(0.5)	–	0.5	0.5	**–**
1.1	**(4.4)**	**(235.8)**	**(2.5)**	**3.0**	**0.5**	**(235.3)**
1.1	**(4.4)**	**129.3**	**(2.5)**	**3.0**	**0.5**	**129.8**
(1.1)	**4.4**	4.4				4.4
–	–	**133.7**	**(2.5)**	**3.0**	**0.5**	**134.2**
–	–	(6.6)		–	–	(6.6)
–	–	(15.2)		–	–	(15.2)
–	–	**111.9**	**(2.5)**	**3.0**	**0.5**	**112.4**
	–	(14.2)			–	(14.2)
–	–	**97.7**	**(2.5)**	**3.0**	**0.5**	**98.2**

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Appendix D

List of subsidiaries

Appendix D: List of subsidiaries

Company Subsidiary	Country of Incorporation	Principal Place of Business	Principal Business	Percentage held by the Company
AAS Superannuation Services Pty Limited ACN 078 028 798	Australia	NSW	Dormant	100%
aaspire Pty Limited ACN 125 151 779	Australia	NSW	IDDS	100%
Accrued Holdings Pty Limited ACN 120 019 632	Australia	Victoria	IDDS	51%
Atune Financial Solutions Pty Limited ACN 092 987 329	Australia	NSW	IDDS	100%
Australian Administration Services Pty Limited ACN 003 429 114	Australia	NSW	Fund Administration	100%
Company Matters Pty Limited ACN 128 178 736	Australia	NSW	Corporate Markets	100%
Complete Corporate Solutions Pty Limited ACN 087 003 432	Australia	NSW	Dormant	100%
Corporate File Pty Limited ACN 075 345 783	Australia	Victoria	Corporate Markets	100%
D.F. King Limited CN 9288591	United Kingdom	London	Corporate Markets	100%
Empirics Marketing Pty Limited ACN 115 085 820	Australia	Victoria	IDDS	51%
FuturePlus Financial Services Pty Limited ACN 080 972 630	Australia	NSW	Fund Administration	100%
FuturePlus Legal Services Pty Limited ACN 147 570 143	Australia	NSW	Dormant	100%
Link Administration Pty Limited ACN 121 124 838	Australia	NSW	Borrowing Entity	100%
Link Administration Resource Service Pty Limited ACN 602 996 912	Australia	NSW	Service entity	100%
Link Administration Services Pty Limited ACN 121 425 107	Australia	NSW	Service entity	100%
Link Administration Support Services Pty Limited ACN 168 207 565	Australia	NSW	Service entity	100%
Link Business Services Pty Limited ACN 136 882 767	Australia	NSW	Service entity	100%
Link Digicom Pty Limited ACN 052 506 117	Australia	NSW	IDDS	100%
Link Infrastructure Services Pty Limited ACN 155 944 997	Australia	NSW	IDDS	100%
Link Intime India Private Limited	India	Mumbai	Corporate Markets	100%
Link Investor Services Pty Limited	South Africa	Johannesburg	Corporate Markets	88.90%
Link Market Services (EMEA) Limited CN 8733801	United Kingdom	London	Corporate Markets	100%
Link Market Services (Germany) GmbH	Germany	Frankfurt	Corporate Markets	100%

Appendix D: List of subsidiaries (continued)

Company Subsidiary	Country of Incorporation	Principal Place of Business	Principal Business	Percentage held by the Company
Link Market Services (South Africa) Proprietary Limited	South Africa	Johannesburg	Corporate Markets	88.90%
Link Market Services Group Pty Limited ACN 115 770 959	Australia	NSW	Corporate Markets	100%
Link Market Services Holdings Pty Limited ACN 115 748 224	Australia	NSW	Corporate Markets	100%
Link Market Services Limited CN 1582925	New Zealand	Auckland	Corporate Markets	100%
Link Market Services Limited ACN 083 214 537	Australia	NSW	Corporate Markets	100%
Link MS Services Pty Limited ACN 108 557 035	Australia	NSW	Service entity	100%
Link Property Pty Limited ACN 161 999 337	Australia	NSW	Property	100%
Link Share Plans Pty Limited ACN 094 377 849	Australia	NSW	Dormant	100%
Link Super Pty Limited ACN 146 993 660	Australia	NSW	Fund Administration	100%
Money Solutions Pty Limited ACN 105 811 836	Australia	NSW	Fund Administration and AFS Licensee	100%
Open Briefing Pty Limited ACN 107 885 389	Australia	Victoria	Dormant	100%
Orient Capital Limited CN 5900686	United Kingdom	London	Corporate Markets	100%
Orient Capital Pty Limited ACN 010 142 453	Australia	NSW	Corporate Markets	100%
P.S.I. Superannuation Management Pty Limited ACN 003 422 320	Australia	NSW	Fund Administration	100%
Pacific Custodians (New Zealand) Limited	New Zealand	Auckland	Corporate Markets	100%
Pacific Custodians (Nominees) (RF) Pty Limited	South Africa	Johannesburg	Corporate Markets	89.90%
Pacific Custodians Pty Limited ACN 009 682 866	Australia	NSW	AFS Licensee	100%
PNG Registries CN 1-49112	Papua New Guinea	Port Moresby	Corporate Markets	100%
Primary Superannuation Services Pty Ltd ACN 081 690 735	Australia	Victoria	Fund Administration	100%
registrar services GmbH	Germany	Frankfurt	Corporate Markets	100%
Superpartners Pty Ltd ACN 078 907 883	Australia	Victoria	Fund Administration	100%
Synchronised Software Pty Limited ACN 007 407 963	Australia	Victoria	IDDS	100%
The Australian Superannuation Group (WA) Pty Ltd ACN 082 510 236	Australia	WA	Fund Administration	100%
The Superannuation Clearing House Pty Ltd ACN 086 576 721	Australia	NSW	Fund Administration	100%

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Corporate Directory

Corporate Directory

Company's registered office

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Level 12, 680 George Street

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Joint Lead Managers

Citigroup Global Markets Australia Pty Limited

Level 23, Citigroup Centre, 2 Park Street

Sydney, NSW, 2000, Australia

Deutsche Bank AG, Sydney Branch

Level 16, Deutsche Bank Place, Corner Hunter and Phillip Streets

Sydney, NSW, 2000, Australia

Macquarie Capital (Australia) Limited

50 Martin Place

Sydney, NSW, 2000, Australia

UBS AG, Australian Branch

Level 16, Chifley Tower, 2 Chifley Square

Sydney, NSW, 2000, Australia

Co-Lead Manager

CBA Equities Limited

Ground Level Tower 1

201 Sussex Street

Sydney, NSW, 2000, Australia

Co-Managers

Bell Potter Securities Limited

Level 38, Aurora Place, 88 Phillip Street

Sydney, NSW, 2000, Australia

Deutsche Craigs Limited

Level 36, Vero Centre, 48 Shortland Street

Auckland 1140, New Zealand

Macquarie Equities Limited

1 Shelley Street

Sydney, NSW 2000, Australia

UBS Wealth Management Australia Limited

Level 16, The Chifley Tower

2 Chifley Square

Sydney, NSW, 2000, Australia

Wilson HTM Corporate Finance Limited

Level 14, 99 Elizabeth Street

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Australian Joint Legal Advisers

DLA Piper Australia

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Sydney, NSW, 2000, Australia

Allen & Overy

Level 25, 85 Castlereagh Street

Sydney, NSW, 2000, Australia

Investigating Accountant

KPMG Financial Advisory Services (Australia) Pty Limited
(of which KPMG Transaction Services is a division)

10 Shelley Street

Sydney, NSW, 2000, Australia

Independent Auditor

KPMG

10 Shelley Street

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Share Registry

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