

26 October 2007

Chairman's Address – 2007 AGM

The Directors are pleased to report that Prime Financial Group Ltd (“Prime”) has had an excellent year exceeding forecast earnings expectations highlighted by the Prime Development Fund Ltd (formerly Prime Financial Group Ltd) and AVFM Ltd merger, acquisitions and substantial organic growth across core operating activities.

At the 2006 Annual General Meeting held on 20 December 2006 where shareholders voted to approve the merger with Prime Development Fund Ltd (formerly Prime Financial Group Ltd), Directors forecast an 80% increase on the 2006 financial result for the 2007 financial year. This would have resulted in net profit after tax of \$3,427,677.

Record Profit and Sustained Strong Growth

Prime's performance has exceeded expectations with a 169% increase in net profit after tax from the previous year up to \$5,118,484 from \$1,904,265. Prime's basic earnings per share also exceeded expectations with a 96% increase from the previous year up to 4.7 cents from 2.4 cents per share.

The result has been achieved for a number of reasons, including:

- Strong organic growth in revenue and fund flow across the main service lines (Financial Advice and Funds Management) along with cost control;
- Legislated superannuation changes
- A highly successful merger and commencement of integration;
- Clear leadership and direction; and
- Continuing good economic and market conditions to 30 June 2007.

The final dividend of 1.8 cents per share when added to the interim dividend equates to a fully franked dividend of 2.3 cents per share for the 2007 financial year, a 53% increase over the previous financial year.

The Directors are very confident that in the 2008 financial year Prime will maintain its momentum and is well positioned to experience sustained organic growth across its four key operating areas:

- Financial Advice
- Funds Management
- Corporate Advisory; and
- Finance

Furthermore, Prime will continue to establish, grow and acquire equity interests in businesses within the financial services and advisory sector that fit the integration and growth profile of the group.



Mr Christopher Newman
Chairman

Company Overview

Annual General Meeting - 26 October 2007

financial advice

funds management

corporate advisory

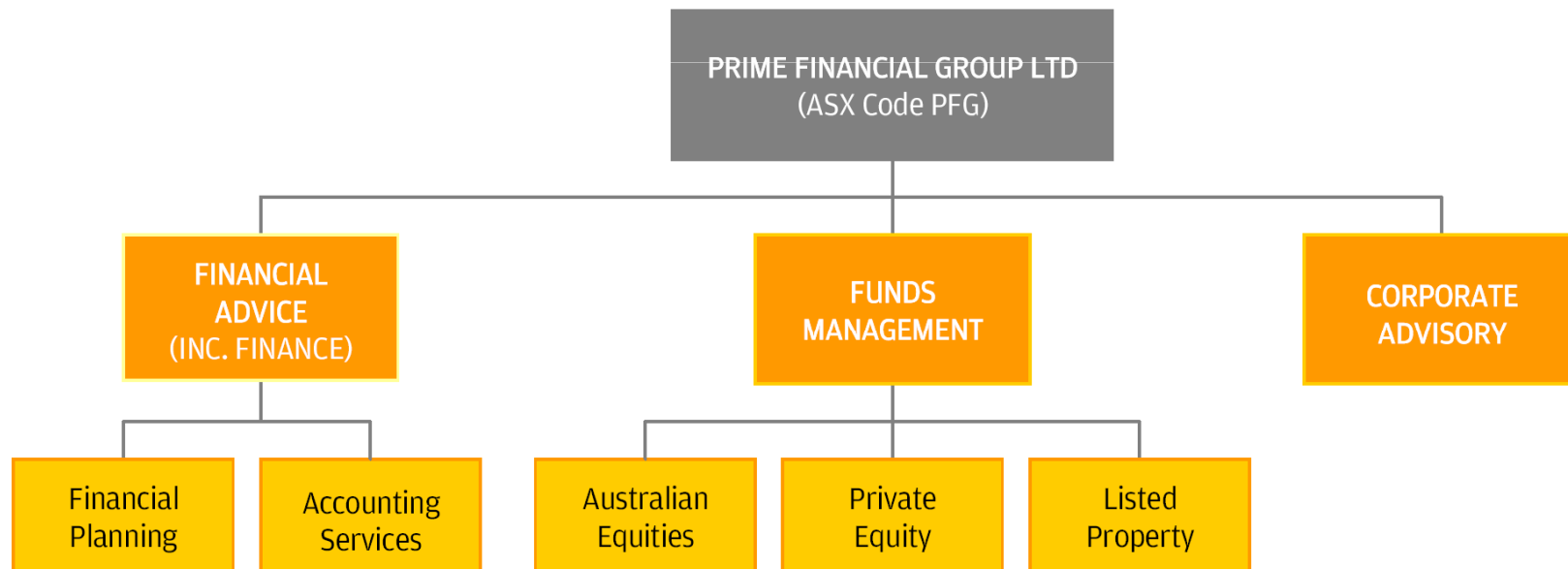
finance



today's presentation

- Prime overview
- Financial highlights for 2007
- Investments & operations
- Co-investment acquisition model (50/50 equity ownership)
- 'Integrated financial advice' offering for clients
- Organic growth & distribution
- Funds management manufacturing capabilities
- Prime opportunities
- Looking forward (2008)

- Merger of AVFM Ltd and Prime Development Fund Ltd (1 January 2007) created Prime Financial Group Ltd (PFG)
- A national diversified financial services & advisory group operating across Financial Advice, Funds Management, Corporate Advisory and Finance



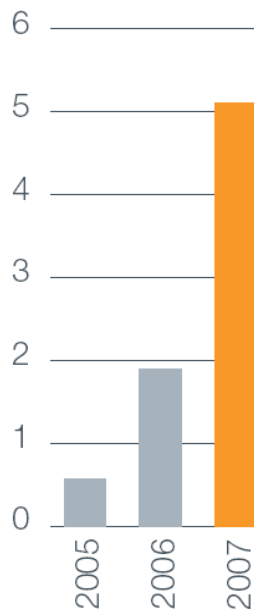
Prime's operations extend to five states and capital cities throughout Australia including **Melbourne, Sydney, Brisbane, Perth and Hobart**



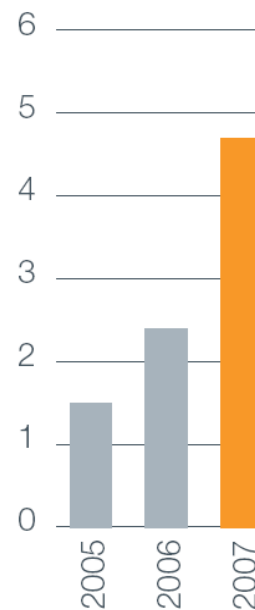
record profit & sustained strong growth

Prime's performance exceeded expectations with a **169% increase** in net profit after tax from the previous year **up to \$5,118,484** from \$1,904,265

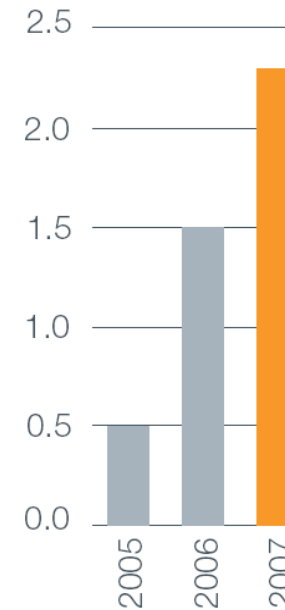
Net Profit After Tax
\$5.12M



Basic Earnings Per Share
4.7 cents per share



Dividend Per Share
2.3 cents per share



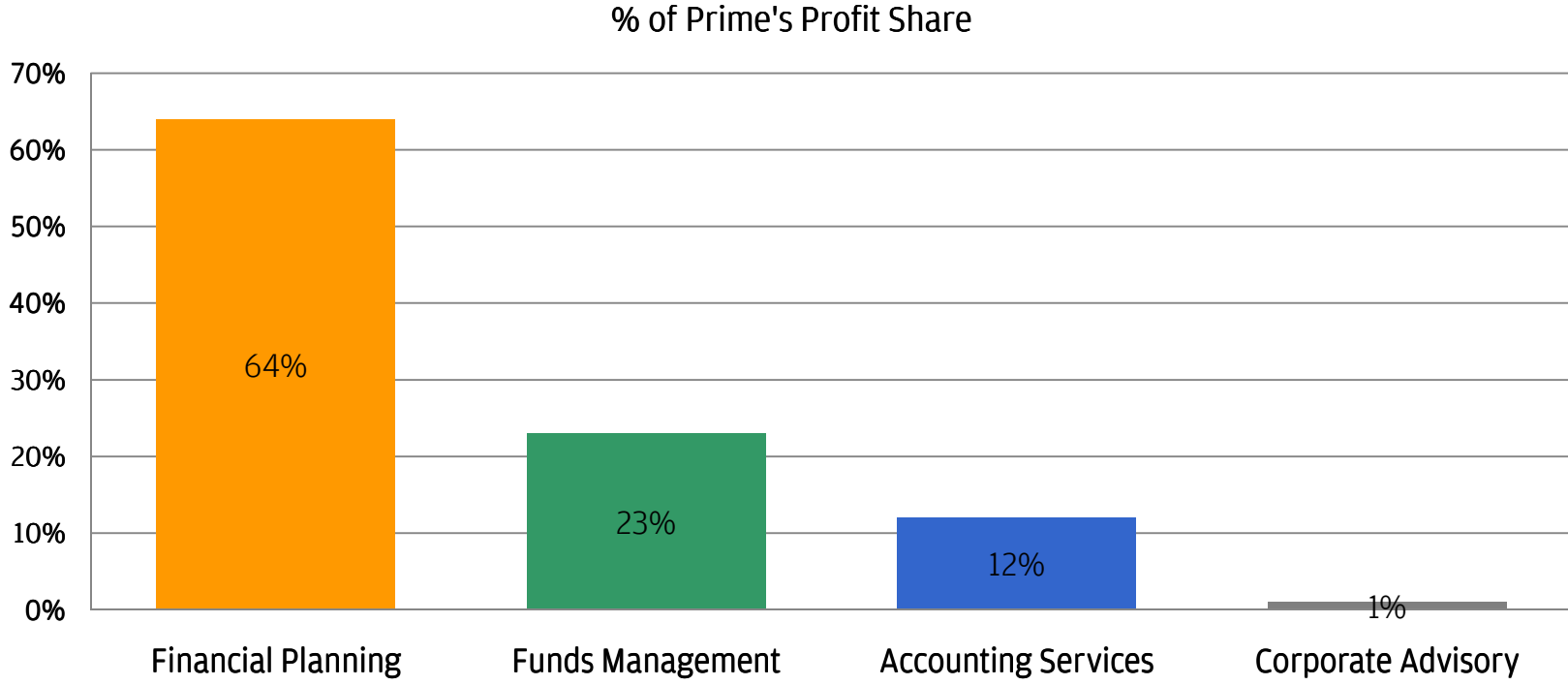
financial information

Financials (historical = 2005, 2006 & 2007)

	2005	2006	2007	% Increase
Earnings before interest & tax (EBIT) (\$M)	0.60	2.51	7.49	199%
Net profit after tax (\$M)	0.57	1.90	5.12	169%
Dividend paid (\$M)	0.39	1.27	3.11	145%
Basic earnings (cents per share)	1.5	2.4	4.7	96%
Diluted earnings (cents per share)	0.9	2.1	4.5	114%
Dividend paid (cents per share) (fully franked)	0.5	1.5	2.3	53%

*Note: Earnings before interest and tax is calculated on the pre-income tax share of profits from associates

Profit contribution by Service Line



investments & operations

- Prime currently has investments in **44 financial services & advisory businesses nationally**, combining **over 200 staff** and **31 financial advisers**
- Funds under advice exceed **\$3b**
- **Diversified revenue streams** across financial advice, funds management, corporate advisory and finance
- **60% of the group's revenue is generated on an ongoing basis** - asset based management fees & advisory fees
- Prime has **scale, distribution, imbedded organic growth, manufacturing capabilities and integrated client offering**

successful co-investment model

Financial services distribution model (co-investment)

- **Invest in existing financial planning businesses** (up to 50% equity) assisting these businesses to grow by acquisition or service expansion
- **Provide financial planning services to accounting firm clients** (50/50 equity relationship)

Prime provides the infrastructure and the accountant provides the client (this model has been successfully in place for seven years)

Transactions

- Currently **considering a number of transactions** (5 - 10 for 2008)
- **Each transaction provides Prime with an additional 1,000 - 5,000 clients** to deliver financial services products & services (growing distribution)

Accountable business partners

- As Prime only purchases up to 50% of the business, the **existing owners/investee principals are incentivised to grow the business** and have a vested interest in its future success

integrated financial advice

Financial Planning

Investment Advice inc. Direct Equities

Wealth Protection & Life Insurance

SMSF & Superannuation Advice

Estate Planning & Asset Protection Advice

Business Succession Planning

Finance

Corporate Advisory

Accounting & Business Services Advice

Taxation Planning & Advice

Business Consulting

Audit & Assurance Services

SMSF Administration & Compliance Services

Prime can provide **integrated financial advice, products and services** for our clients' individual, business and investment needs

What does “integrated financial advice” mean?

Prime's financial services cater to the full range of issues impacting a client's financial situation - in the one location (unique value proposition for clients)

Prime's financial planning service is the main contributor to the group's earnings (64%)

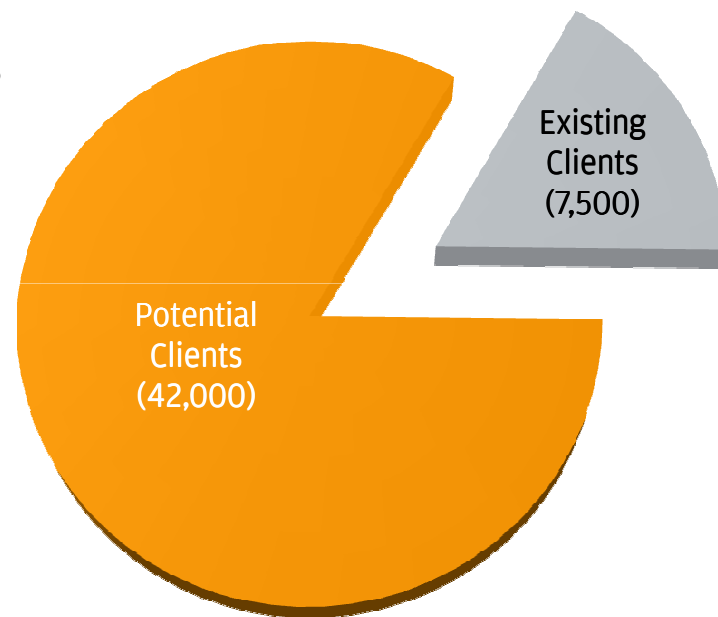
Strong growth is expected to continue due to:

- Scalable referral systems in place to drive organic growth across the Group
- Historic organic growth from existing investees
- Continued superannuation fund inflows and exposure to mandated superannuation
- Providing additional products & services to existing clients
- Growth via ownership in distribution and access to a pool of new clients

strong organic growth

Ownership in distribution

Access to an additional client base through Prime's distribution network (revenue growth driver)



Cross-referral opportunities via complimentary products & services

Provision of additional products & services to existing clients, inc. 3,500 existing SMSF clients

Growth will be supported by a focus on staff training & education (assist with cross-referral skills) and increased marketing & business development activities (existing & potential clients)

effective distribution model

One of Prime's key competitive advantages is **ownership in both distribution and product providers**

The ability to **cross sell products & services** to clients allows Prime to keep a larger percentage of the **margin in-house**, providing **protection against margin compression**

Armytage Private Ltd (APL) focuses on 3 main asset classes:

Australian Equities

- Over 90% of the operations focus
- Highly successful 2007 financial year for the new pooled fund with an annual return to unit holders of 34.89%, inclusive of 8.91 cent distribution per unit

Private Equity

- CERES Corporate Investment Fund recently closed having filled its allocation (now investing)

Listed Property

- Launch of Armytage Property Funds Management Limited (APFM) on 30 April 07

APL provides scope to capitalise on Prime's distribution and is expected to be a growth avenue for Prime

Future growth area for Prime

- **New and increased opportunities** to flow from the merged Group's network
- **Access to a number of clients requiring** succession, acquisition/growth and divestment opportunities and **advice**
- Will also **build on our already successful 'integrated financial advice' model** for clients

- **Increased funds under advice from distribution**
 - Growing asset based income streams
- **Providing complimentary products & services to clients (no additional overhead)**
 - Financial planning advice
 - Funds management products
 - Direct equities service
 - Corporate advisory services
- **Significant DIY/SMSF exposure**
 - Packaged products & services combined with new direct equities service
- **Further investments using co-investment model (50/50)**
- **Continued integration of business providing scale and margin benefits**
 - Client service offering, marketing & business development and back office synergies

A focused strategy...

Continue to **establish, grow and invest in businesses within the financial services and advisory sector**, firmly aligning the interests of Prime and investee company shareholders

2008 guidance

- First quarter **earnings are in-line with budgets**
- Analysts forecasts range from **\$7.0M - \$7.6M NPAT** for 2008
- Targeting **margin expansion**
- **Acquisition pipeline has doubled** in past two months
- **Capacity to make further investments of \$15.0 - \$20.0M** (EPS accretive transactions)

This guidance is subject to economic and political conditions remaining steady for the 2007/08 financial year

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