

14 February 2008

Company Announcements Office  
Australian Securities Exchange Limited

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## **FINANCIAL PLANNING, DIRECT EQUITIES & SELF-MANAGED SUPERANNUATION FUND (SMSF) ENTITY INVESTMENT**

Prime Financial Group Ltd (Prime) is pleased to announce the consolidation of its financial planning and direct equities advisory operations with the acquisition of the remaining 51% equity (currently 49% owned) in specialist financial planning, direct equities and SMSF advisory business, Carroll Pike & Piercy Pty Ltd (CPP). A foundation investment for Prime since December 2004, CPP has approximately \$650.0M in Funds Under Management (FUM) with 65% of its income generated on an ongoing basis.

Trialled in conjunction with CPP since July 2007, Prime's new direct equities service has met expectations and confirmed the substantial growth potential of this strategic direction and latest investment. The acquisition of the remaining 51% equity in CPP will not only consolidate Prime's financial planning, direct equities & SMSF service, but provide further scale benefits and allow Prime to leverage off the expertise, systems and processes of the CPP team.

As well as providing direct equities & SMSF services to CPP clients, this service will continue to be expanded to new and existing clients of Prime's financial planning & accounting firm investees (50 / 50 equity structure) which includes 3,500 SMSF clients and the potential 42,000 clients of the group.

With SMSF's continuing to grow in popularity, Prime is also well positioned to capitalise on this growth and provide both new and existing clients with a unique 'integrated service' for their SMSF, covering their investments, financial planning, accounting, tax and compliance needs in the one service.

The CPP acquisition involves the payment of initial consideration (including cash and shares in Prime) with a deferred payment to August 2011 based on the performance of the investment. The investment will be EPS accretive and contribute to earnings for the second half of the 2008 financial year.

### **Prime Financial Group Ltd (Prime)**

Prime is a 'National Diversified Financial Services and Advisory Group' operating across:

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

Prime has over 200 staff employed across the group, 31 licensed advisers, and an existing client base of \$3.0b of funds under advice.

Prime's overall strategy is to 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. Prime will build upon existing key operational activities, deliver further value added services, and capitalise upon aggregation opportunities as and when they become available.

For more information on this announcement please contact Simon Madder (Managing Director/CEO) or Campbell Kennedy (CFO & Company Secretary) on 03 9827 6999.

**Simon Madder (Managing Director/CEO)**