

**South Yarra Office**  
Level 17, Como Office Tower  
644 Chapel Street  
PO Box 6105  
South Yarra VIC 3141

Tel 03 9827 6999  
Fax 03 9827 9100  
enquiries@primefinancial.com.au  
www.primfinancial.com.au

26 August 2011

### **Prime Financial Group Ltd - Share Buy-Back**

Prime Financial Group Ltd (Prime) today announces that it intends to undertake an on market share buy-back program of up to 16,000,000 shares, being approximately 10% of the company's issued share capital, over the following twelve month period.

The Directors of Prime believe that the current share price is not reflective of the underlying intrinsic value of the Prime business and will seek to use free operational cash flow generated over the twelve month period to deploy into the buy-back. Prime's operational cash flow is underpinned by strong recurring cash flow from over \$1.0B of Funds Under Management (FUM) we manage for clients and our Investments in Accounting Firms. The Directors of Prime are confident that the introduction of the buy-back will not impede Prime's business strategy of pursuing internal organic growth activities and considering acquisitions, nor effect the future payment of dividends to shareholders.

Mr Simon Madder, Managing Director & CEO of Prime commented: "At the current share price Prime is trading at a valuation materially below its listed peers and underlying intrinsic value. Based on our ability to generate free cash and our comfortable gearing level, it makes sense to activate a buy-back. Prime's business is sound and we have built a very strong platform for future growth. We have been active in developing organic growth activities throughout the past financial year and have considered a number of acquisition opportunities to date. However, we have a very strict acquisition criterion and will only make an acquisition if it fits with our financial and operational metrics and does not bring to the business material risk".

#### **Prime**

Prime is a National Financial Services and Advisory Group, delivering Wealth Management Services, including:

- Financial Planning;
- Investment Advice;
- Asset Protection & Life Insurance;
- Superannuation, including Self Managed Superannuation; and
- Accounting Services.

For more information on this announcement please contact Simon Madder (Managing Director/CEO) on 03 9827 6999.

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

# Appendix 3C

## Announcement of buy-back (*except* minimum holding buy-back)

*Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN
Prime Financial Group Ltd	70 009 487 674

We (the entity) give ASX the following information.

### Information about buy-back

1	Type of buy-back	On market
2	+Class of shares which is the subject of the buy-back ( <i>eg, ordinary/preference</i> )	Ordinary
3	Voting rights ( <i>eg, one for one</i> )	One for one
4	Fully paid/partly paid ( <i>and if partly paid, details of how much has been paid and how much is outstanding</i> )	Fully paid
5	Number of shares in the +class on issue	164,482,874
6	Whether shareholder approval is required for buy-back	No
7	Reason for buy-back	Ongoing capital management strategy

+ See chapter 19 for defined terms.

## Appendix 3C Announcement of buy-back

---

8	Any other information material to a shareholder's decision whether to accept the offer ( <i>e.g. details of any proposed takeover bid</i> )	None
---	---	------

### On-market buy-back

9	Name of broker who will act on the company's behalf	To be confirmed
10	Deleted 30/9/2001.	
11	If the company intends to buy back a maximum number of shares - that number  <small>Note: This requires a figure to be included, not a percentage.</small>	Up to 16,000,000 shares (sixteen million shares)
12	If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention	12 September 11 to 11 September 2012
13	If the company intends to buy back shares if conditions are met - those conditions	Not applicable

### Employee share scheme buy-back

14	Number of shares proposed to be bought back	Not applicable
15	Price to be offered for shares	

---

<sup>+</sup> See chapter 19 for defined terms.

**Selective buy-back**

- 16 Name of person or description of class of person whose shares are proposed to be bought back Not applicable
- 17 Number of shares proposed to be bought back
- 18 Price to be offered for shares

**Equal access scheme**

- 19 Percentage of shares proposed to be bought back Not applicable
- 20 Total number of shares proposed to be bought back if all offers are accepted
- 21 Price to be offered for shares
- 22 \*Record date for participation in offer
- Cross reference: Appendix 7A, clause 9.

**Compliance statement**

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here: ..... Date: 26/8/11  
(Company secretary)

Print name: Campbell Kennedy

---

<sup>+</sup> See chapter 19 for defined terms.