

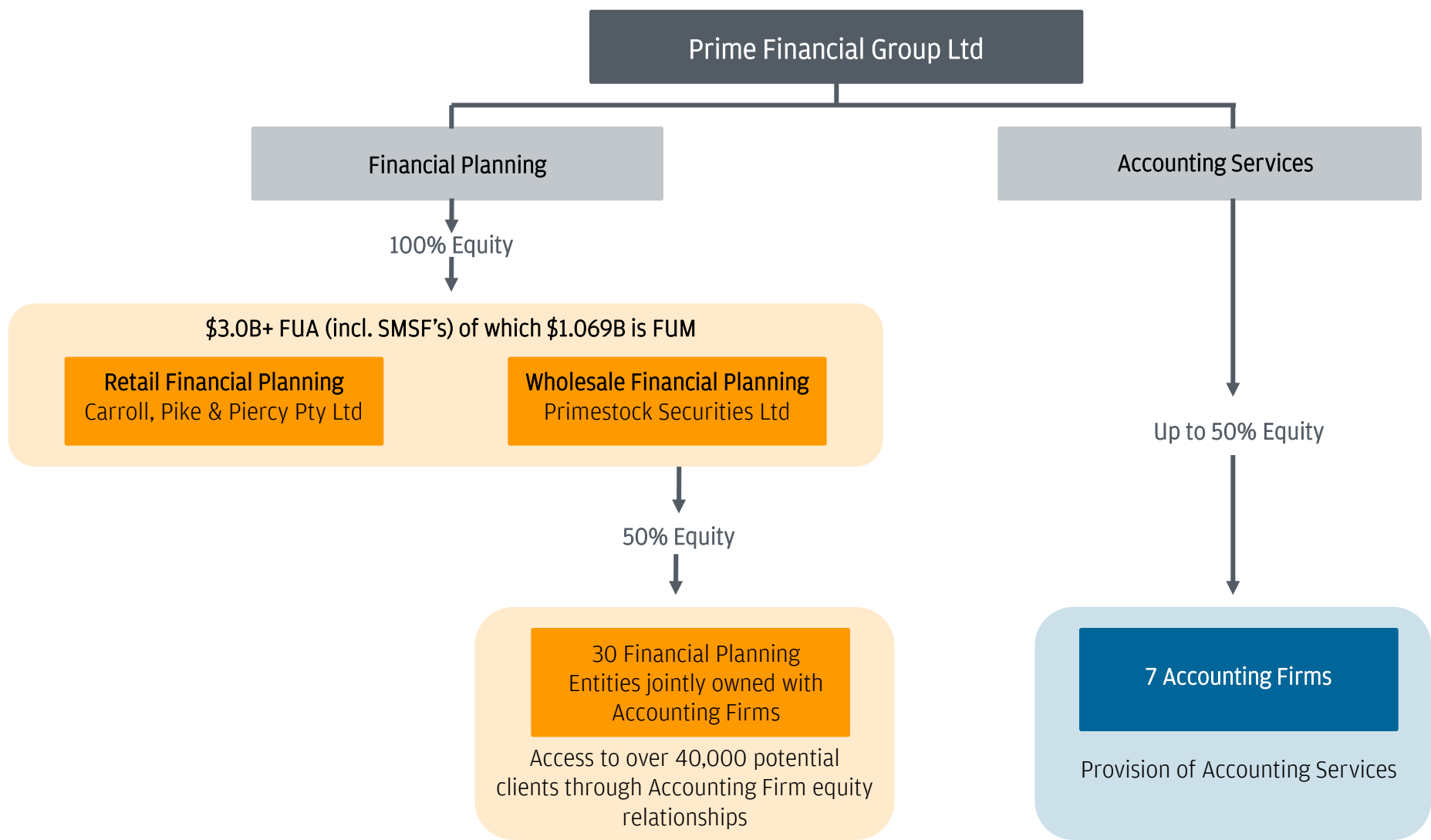
Half-Year Results Presentation 2011

18 February 2011

National Financial Services & Advisory Group



Structure Chart



Financial

- 1H11 NPAT up 9% to \$2.02M compared to 1H10
- 1H11 EBIT up 4% to \$2.82M compared to 1H10
- 1H11 EPS up 6% to 1.25cps compared to 1H10
- Interim dividend of 0.75cps (60% payout ratio)
- Financial Planning (FP) = 79% of revenue
- Accounting Services (AS) Investees = 21% of revenue
- 1H11 operating margin of 45% compared to 43% in 1H10
- New FUM for 1H11 of \$56.2M
- Total FUM at 31 December 2010 of \$1.069B, up \$44M from 30 June 2010
- Net debt of \$5.5M at 31 December 2010 compared to \$5.0M at 30 June 2010
- Expect to grow Full Year EBIT above FY10's \$5.36M

Summary Profit & Loss

	1H10	1H11	% Change
Financial Planning - New Business Revenue (\$M)	1.74	1.63	- 6%
Financial Planning - Recurring Income (\$M)	3.65	3.66	0%
Total Financial Planning Revenue (\$M)	5.39	5.29	- 2%
Accounting Services Investees (\$M)	1.27	1.42	+ 12%
Gross Financial Planning & Accounting Services Revenue (\$M)	6.66	6.71	+ 1%
Less Group Overheads (excl. Interest) (\$M)	(3.96)	(3.89)	- 2%
Earnings Before Interest & Tax (EBIT) (\$M)	2.70	2.82	+ 4%
Net Profit After Tax (NPAT) (\$M)	1.86	2.02	+ 9%
Group Operating Margin	43%	45%	+ 5%
Basic & Diluted Earnings (cents per share)	1.18	1.25	+ 6%
Dividend Paid & Proposed (cents per share) (fully franked)	0.75	0.75	0%

Financial Planning Revenue

Financial Planning Revenue represents 79% of Prime's Gross Revenue

New Business Revenue

	1H10 (\$'000)	1H11 (\$'000)	% Change
▪ Investment Brokerage	1,190	1,349	+ 13%
▪ New Issues & IPO's	243	0	N/A
▪ Life Insurance	174	215	+ 24%
▪ Other	137	62	- 55%
Total New Business Revenue	1,744	1,626	- 7%

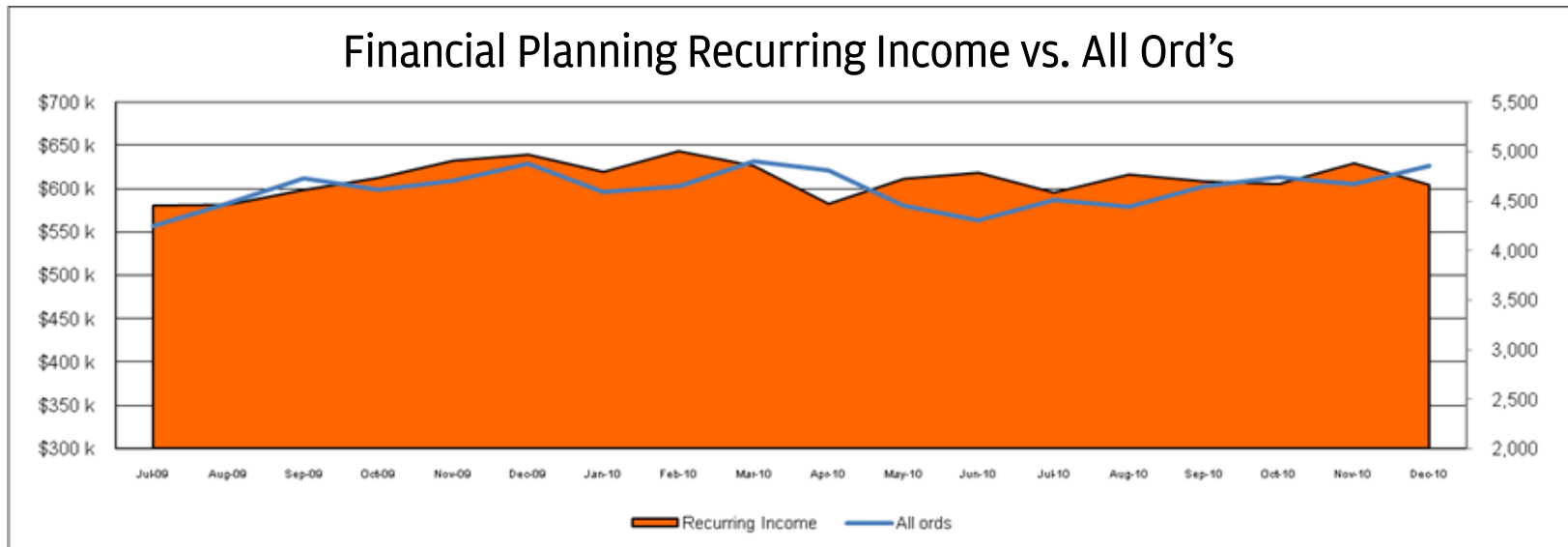
Recurring Income

	1H10 (\$'000)	1H11 (\$'000)	% Change
▪ Funds Under Management (FUM)	3,264	3,275	+ 0.3%
▪ Life Insurance	197	201	+ 2.0%
▪ Other	187	188	+ 0.5%
Total Recurring Income	3,648	3,664	+ 0.4%

Financial Planning Revenue

Funds Under Management (FUM)

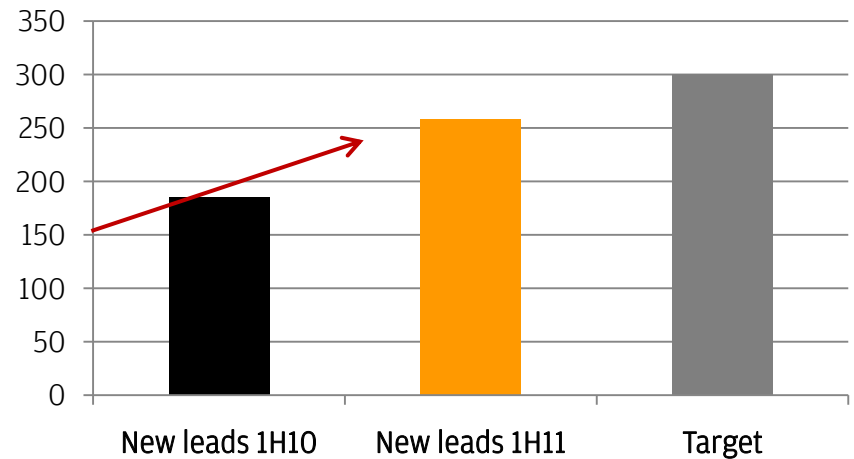
	1H11
■ FUM - New (\$M)	56.2
■ FUM - Outflow (\$M)	(28.5)
FUM - Net Inflow (\$M)	27.7



Financial Planning – Key New Business Metrics

New Leads – Upward Trend

- 1H10 - Average 31 per month (186 for half)
- 1H11 - Average 43 per month (258 for half)
- Target - 50 per month (300 for half)



Work in Progress (WIP)

	FUM	Life Insurance Income
▪ WIP - As at 31 December 2010	\$43 M	\$233,000

Financial Planning – Key New Business Metrics & Opportunities

Net Margin

	1H11
▪ Financial Planning Revenue Annualised	\$10.6M
▪ FUM	\$1.069B
Annualised Net Margin	0.99%

Note - Annualised Net Margin: Calculated by adding Financial Planning New Business Revenue to Recurring Income and dividing by FUM

Opportunities for Improvement in 2nd Half +

- Current investment in Business Development & Marketing = Growth in New Leads & WIP
 - 4th Quarter = Our largest individual New Business seminar for the year
- New Issues & IPO's - Signs of increased activity + a larger opportunity/distribution base = better potential for revenue
- Life Insurance - 2H11 expected to exceed 1H11
- Fee Accretion - Increasing new client fees by 25% (on average) whilst remaining competitively priced vs. our peers (75% of our Retail Competitors total cost)

Accounting Services Investees

Prime's 7 Accounting Services Investees represent 21% of the Prime's Gross Revenue. Where Prime invests in Accounting Firms the corresponding Financial Planning growth is more substantial.

Outline

- Improvements in the 7 Accounting Service Investees are continuing
- More proactive involvement from Prime in the development & direction of these Investees
- Acquisition & Consolidation opportunities are available and are being actively pursued as a component of Prime's overall growth strategy

Accounting Services Investees

	1H10 (\$'000)	1H11 (\$'000)	% Change
Total	1.27	1.42	+ 12%

Note - Prime's Accounting Service Investees Revenue is Prime's profit from its equity (up to 50% in Accounting Firms).

Summary Balance Sheet

	30/06/2010	31/12/2010
Current Assets		
Cash	1.4	0.8
Other current assets	4.9	4.7
Non Current Assets		
Receivables	1.8	1.8
Plant & Equipment	0.9	1.3
Investments	68.8	70.4
Total Assets	77.8	79.0
Current Liabilities		
Payables/Provisions	3.1	4.0
Borrowings	1.3	0.3
Non Current Liabilities		
Borrowings	6.1	7.0
Total Liabilities	10.5	11.3
Equity	67.3	67.7

FY2011 Targets & Longer Term

FY2011

- Exceed FY 2010 EBIT of \$5.36M
 - On target, 1H11 = \$2.82M
- Build New Financial Planning FUM by \$80.0M - \$100.0M + for year
 - On target with \$56.2M in 1H11
- Maintain Gross FP FUM Margin at 1.00% (approx)
 - On target at 0.99%
- Actively pursue Acquisition & Consolidation Opportunities in combination with the Organic Growth Plan

Longer Term

- Target \$1.5B - 2.0B FUM
 - \$2.0B FUM = operating margin of circa 60%

Summary

- 20 Advisers in VIC, NSW, WA & QLD & \$1.069B in FUM
- Scalable centralised system
- Vertically integrated business (Financial Planning, Investment Advice, Self Managed Super & Accounting Services)
- Financial Planning productive capacity for growth
- Growing new leads, run rate increasing
- Building distribution capability
- New legislation ready
- Opportunity to undertake accretive acquisitions

Simon Madder

Managing Director / CEO

Prime Financial Group Ltd

Level 17, Como Office Tower

644 Chapel Street

South Yarra VIC 3141

Tel 03 9827 6999

Fax 03 9827 9100

simonm@primefinancial.com.au