

24 November 2014

Company Announcements Office
Australian Securities Exchange Limited

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2014 ANNUAL GENERAL MEETING

In accordance with the requirements of the ASX Listing Rules, Prime Financial Group Ltd (ASX.PFG) is pleased to provide a copy of the presentation to be given by Prime's Chairman, Mr Stuart James, and its Managing Director/CEO, Mr Simon Madder at the Company's Annual General Meeting (which will commence at 10.00am this morning).

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

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

For further information please contact:

Mr Simon Madder,
Managing Director/CEO
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24 November 2014

2014 ANNUAL GENERAL MEETING

Chairman's Address

Introduction

Good morning Ladies and Gentlemen and welcome to the 2014 Annual General Meeting of Prime Financial Group Limited. I am Stuart James, Chairman of the Company, and I will be chairing our meeting today.

The board of directors of Prime, Mr Simon Madder, Mr Peter Madder and I, are delighted to welcome our shareholders to this Annual General Meeting. I would also like to welcome members of our executive team who are in attendance as well as our auditors.

The agenda for this meeting will comprise of my brief address, followed by the Managing Director/CEO, Mr Simon Madder's presentation on the business and the 2014 performance. The formal business of the meeting will then be conducted which will include the adoption of the Annual Financial Statements and the Remuneration Report, followed by the re-election of directors and the approval of a prior issue of shares. We have then allowed time for questions.

On behalf of the Directors and shareholders, I would like to thank Simon Madder, the executive management team, our investees and all other staff for their continued support and contributions to Prime during the financial year.

I want to acknowledge and thank my fellow Directors for their valuable contribution to the Board's function during the past 12 months.

In the 12 months from July 2013 to June 2014 (FY2014) the Australian stockmarket increased 13%. The Financial Services sector was more buoyant off the back of this confidence, albeit towards the tail end of the year 'The Future of Financial Advice (FoFA)' reforms were again in focus.

The significant stockmarket improvement (+13%) had a positive impact on Prime's Recurring revenue however New Business revenue fell through lower Investment Brokerage, New Issues and IPO's plus a fall in Licensing Fee revenue.

Separate to the stockmarket environment, the other operational areas to impact Prime have substantially revolved around preparing for the expansion of Prime's Accounting Firm Investment strategy and associated wealth management entities, including completing our first new accounting investment.

Prime's Earnings Before Interest and Tax (EBIT) for the 2014 Financial Year (FY2014) was slightly down 1% on the 2013 Financial Year (FY2013), at \$3.72M. Prime's net profit after tax was \$2.63M for FY2014, compared with \$2.78M in FY2013.

Prime's overall revenue for FY2014 was 14% lower than FY2013 which was substantially due to lower Wealth Management New Business and Licensing Fee Revenue.

Prime's Accounting and Self-Managed Superannuation Revenue was up 8% for the year, reflecting a better business environment for accountants and their clients.

Prime's overheads fell 15% due to the delivery of \$1.3M in expected benefits from internal restructuring in FY2013.

Directors confirmed a final dividend of 0.40 cents per share (CPS), which, when added to the interim dividend of 0.40 CPS, equates to a full-year dividend of 0.80 CPS. This represents a dividend payout ratio of approximately 54%. Directors have increased the full-year dividend compared to FY2013 by 0.05 CPS.

In closing, I would like to thank our shareholders for their continued support of Prime during the year, in particular those shareholders who have been able to attend today's meeting. I assure you that the Board and Management are working hard to realise Prime's potential and grow our business and service offerings in the Wealth Management sector.

Stuart James
Chairman

Annual General Meeting 24 November 2014

Helping Clients Protect Assets and Build Wealth



- **Directors:**
 - Stuart James - Chairman
 - Simon Madder - Managing Director/CEO
 - Peter Madder - Executive Director
- **Company Secretary:**
 - Campbell Kennedy
- **Auditors:**
 - William Buck Audit (VIC) Pty Ltd
- **Share Registry:**
 - Computershare Investor Services

- **Chairman's Address – Stuart James**
- **Managing Director/CEO's Presentation – Simon Madder**
- **Business of the Meeting**

Managing Director/CEO's Presentation

Simon Madder

Helping Clients Protect Assets and Build Wealth



- **What is the opportunity for Prime?**

Clients

- Estimated that only 20% - 40% of Australians receive Financial Advice. Superannuation asset pools continue to grow and Australians are increasingly becoming more engaged in their financial future.
- The opportunity is to deliver more advice to a growing number of prospective advisory clients including the more affluent market segment.

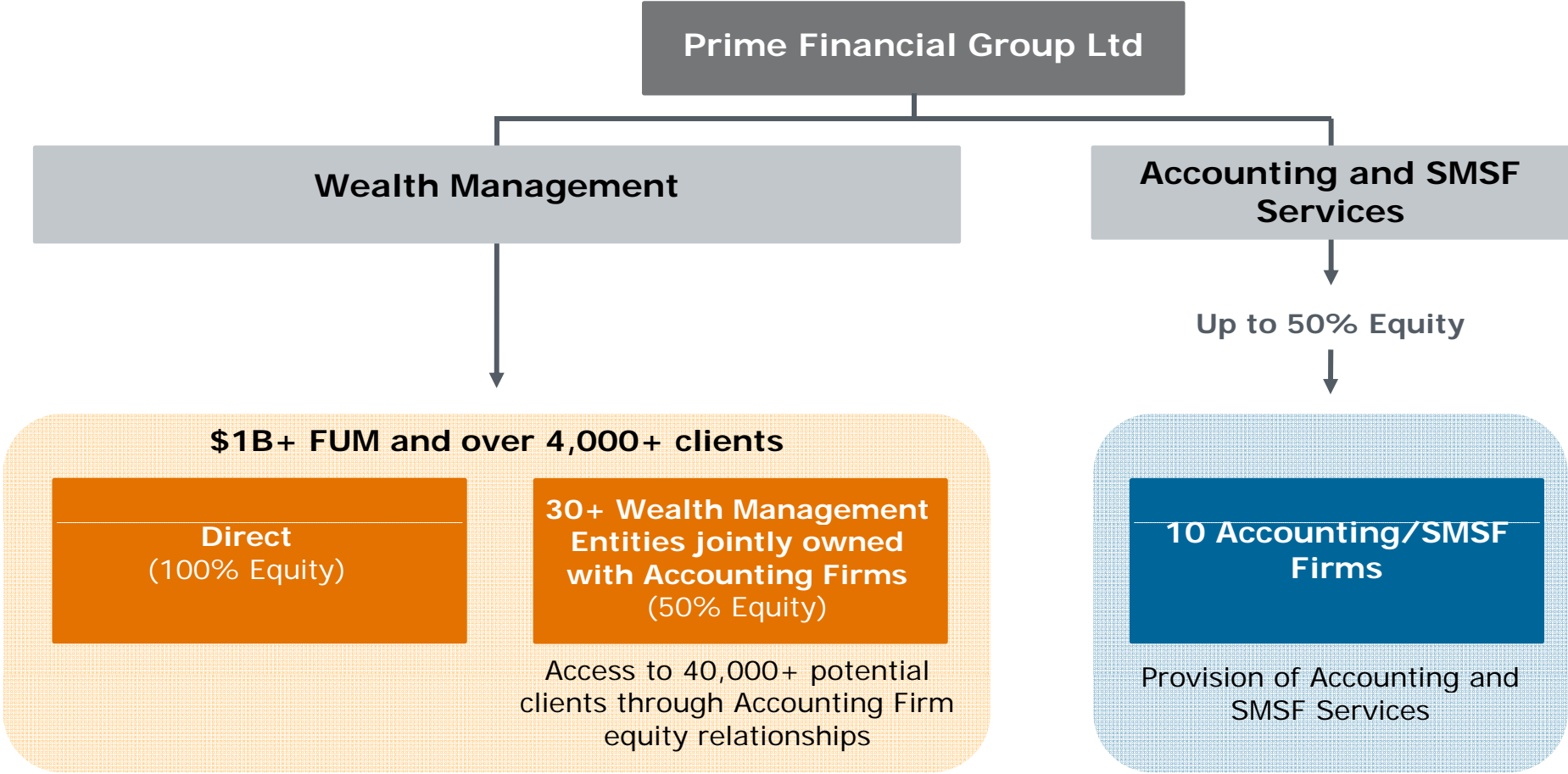
Accountants

- There are up to 2,000 Accounting Firms in Australia that meet Prime's key partner profile - Prime currently partners with 30+ Accounting Firms.
- No one ASX listed or unlisted financial services company typically has more than 20-30 underlying Accounting Investees. The opportunity is to become the 'Premier' partner to Accountants for Growth, Succession and Integrated Wealth Management.

- **How does Prime grow?**
 - More consistently implement Prime's Wealth Management Client Engagement Model with Accounting Firms (More New Leads & New Client Appointments)
 - Increase Funds Under Management (FUM)
 - Deliver more services to existing clients through structured systems and engaging advice
 - Increasingly target the more affluent market segment with Prime's Private Client Family Group approach
 - Offer additional asset class exposure to clients
 - Recruit new Accounting Firms for Wealth Management JV's
 - Acquire more (Now 10, up from 9 at 30 June 2013) non-controlling equity interests of 15% - 50% in Accounting Firms (Acquisition pipeline is continuing to grow)
 - Selectively target tuck-in acquisitions for existing investees
 - Build Prime's brand

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- **Why are we successful and why will we become more successful?**
 - Key roadmap to Growth (Organic & Acquisition)
 - Clear focus on what our ideal Clients and Partners look like and, increasingly how to access them
 - Access to a ready pool of new clients
 - Scalable Operating Model
 - Personalised Service delivered in a repeatable manner
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‘Helping clients Protect Assets & Build Wealth’



FY2014

- EBIT DOWN 1% to \$3.72M compared to FY2013;
- NPAT DOWN 6% to \$2.63M compared to FY2013;
- EPS DOWN 5% to 1.8 CPS;
- Full Year Dividend UP 7% to 0.80 CPS (54% payout ratio) from 0.75 CPS;
- Overheads DOWN 15% (excluding interest) on FY2013;
- New FUM +\$84.4M;
- Lost FUM for FY2014 of approx. \$150M (\$117M 1H2014 and \$33M 2H2014);
- Total FUM 30 June 2014 = \$1.058B (DOWN \$40M from 30 June 2013)

FY2014 – Wealth Management (WM)

- 85% of Revenue;
- Revenue DOWN 14% (including CEM Licensing Fees) compared to FY2013; and
- Revenue DOWN 7% (excluding CEM Licensing Fees)

FY2014 – Accounting & SMSF Services (AS)

- 15% of Revenue; and
 - Revenue UP 8% compared to FY2013
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Key Developments - Operational & Investment Focus FY2014

FY2014

- Reduce the Cost Base – 15% drop and \$1.3M benefit flowed through in FY2014;
- Building the pipeline and recruiting new Accounting Firm Wealth Management JV Partners for Prime's Client Engagement Model;
- Commencing the expansion plan for further investment in Accounting investees (FIRST INVESTMENT MADE - 20% staggered investment in a Melbourne based Accounting & Advisory Firm 'MPR Group' incorporating a 50% investment in Wealth Management);
- FUM;
 - New FUM (+\$84M for FY2014)
 - Reduce lost FUM run rate (\$117M 1H2014 & \$33M 2H2014)
- Increase the full-year Dividend to 0.80 CPS up from 0.75 CPS

Summary Full Year Results

Financial	FY14	FY13	% Change
Earnings Before Interest & Tax (EBIT) (\$M)	3.72	3.74	-1%
Net Profit After Tax (NPAT) (\$M)	2.63	2.78	-6%
Basic & Diluted Earnings (cents per share)	1.8	1.9	-5%
Dividend Paid & Proposed (cents per share) (fully franked)	0.80	0.75	+7%

Operational	FY14	FY13	% Change
Group Operating Margin	29%	30%	-3%
Total FUM (\$B)	1.058	1.098	-4%
Net Debt (\$M)	6.10	5.90	+3%

Summary Profit & Loss

	FY14	1H14	2H14	FY13	% Change FY14 v FY13
Wealth Management – New Business Revenue (\$M)	2.27	1.34	0.93	3.10	-27%
Wealth Management – Recurring Revenue (\$M)	7.63	3.84	3.79	7.51	+2%
Wealth Management – Licensing Revenue (\$M)	0.50	0.20	0.30	1.52	-67%
Total Wealth Management Revenue (\$M)	10.40	5.38	5.02	12.13	-14%
Accounting and SMSF Investees (\$M)	1.83	1.05	0.78	1.69	+8%
Other Revenue (\$M)	0.38	0.17	0.21	0.31	+23%
Total Accounting, SMSF & Other Revenue (\$M)	2.21	1.22	0.99	2.00	+11%
Gross Revenue (\$M)	12.61	6.60	6.01	14.13	-11%
Less Group Overheads (excl. Interest) (\$M)	(7.96)	(4.21)	(3.75)	(9.37)	-15%
Less Non-controlling Interest (\$M)	(0.93)	(0.55)	(0.38)	(1.02)	-9%
Earnings Before Interest & Tax (EBIT) (\$M)	3.72	1.84	1.88	3.74	-1%
Group Operating Margin	29%	28%	30%	30%	-3%
Dividend Paid & Proposed (cents per share) (fully franked)	0.80	0.40	0.40	0.75	+7%

Wealth Management Revenue

Wealth Management

Wealth Management Revenue represents 85% of Prime's Revenue

New Business Revenue	FY14	1H14	2H14	FY13	% Change FY14 v FY13
Investment Brokerage (\$'000)	1,419	815	604	1,954	-27%
New Issues & IPO's (\$'000)	345	230	115	511	-32%
Asset Protection & Life Insurance (\$'000)	394	238	156	485	-19%
Other (\$'000)	113	56	57	146	-23%
Total New Business Revenue (\$'000)	2,271	1,339	932	3,096	-27%

Recurring Revenue	FY14	1H14	2H14	FY13	% Change FY14 v FY13
Funds Under Management (FUM) (\$'000)	6,747	3,419	3,328	6,652	+1%
Asset Protection & Life Insurance (\$'000)	483	231	252	484	0%
Other (\$'000)	399	186	213	369	+8%
Total Recurring Revenue	7,629	3,836	3,793	7,505	+2%

Wealth Management Revenue

Wealth Management Licensing Revenue

	FY14	1H14	2H14	FY13	% Change FY14 v FY13
Licensing Revenue (\$'000)	500	200	300	1,520	-67%
Total (\$'000)	500	200	300	1,520	-67%

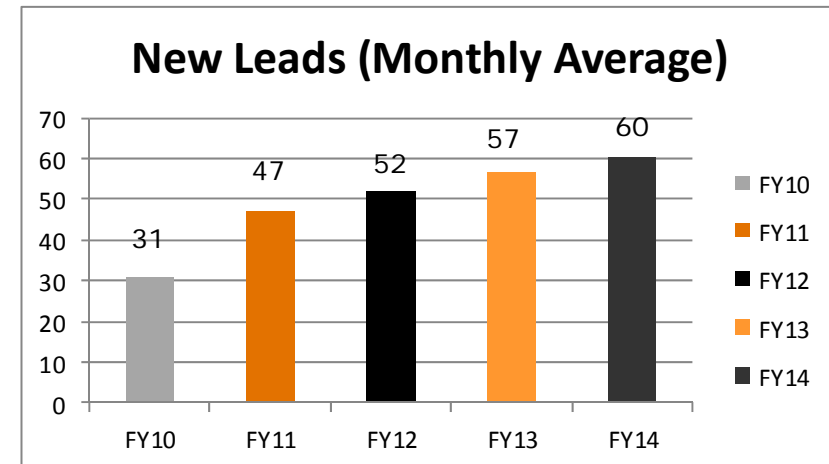
Commentary

As expected licensing revenue was weighted more significantly to 2H2014 but lower than expected due to timing differences.

The pipeline of Wealth Management only JV's with Accounting Firms and combined Accounting Firm Investment and Wealth Management JV's continues to build in a very encouraging manner.

New Business Leads

- Prime's Client Engagement Model (CEM) drives the growth in new leads for Prime's Wealth Management Services. This is driven by:
 - New Client leads
 - Additional Services from Existing Clients
 - Recruiting new Accounting and Advisory investees for this model
- 'New leads' measures client meetings by service line and is a key driver of new FUM, Asset Protection and Life Insurances
- New leads were higher in FY2014 versus FY2013



Key Metrics – FUM Net Inflows and Net Margin

Funds Under Management (FUM)

	1H14	2H14	Total
• Opening FUM (\$M)	1,098	1,077	1,098
• FUM - New (\$M)	38.8	45.6	84.4
• FUM - Outflow (\$M)	(117.1)	(32.9)	(150.0)
• Implied Market Movement (\$M)	57.3	(31.7)	25.6
FUM – Net Inflow (\$M)	(21.0)	(19.0)	(40.0)
• Closing FUM (\$M)	1,077	1,058	1,058

Commentary

- FUM decreased by (\$40.0M) substantially because of Outflow's related to the previously stated restructuring. Market movements and New FUM almost offset this loss

Wealth Management Net Margin

	FY13	FY14	% Change
• New Business Revenue (\$M)	3.10	2.27	-27%
• Recurring Revenue (\$M)	7.51	7.63	+2%
• Total (\$M)	10.61	9.90	-7%
• Average FUM	1.050B	1.078B	+3%
Annualised Net Margin	1.01%	0.92%	-9%

Commentary

- Annualised Net Margin for FY2014 was 9% lower than FY2013 mainly due to new business revenue being 27% lower than FY2013

Accounting and SMSF Services Investees

Accounting and SMSF Services Revenue

Prime's now 10 (up from 9) Accounting and SMSF Investees represent 15% of Prime's Revenue

	FY13	FY14	% Change FY13 v FY14
Accounting and SMSF Revenue (\$M)	1.69	1.83	+8%
Total	1.69	1.83	+8%

Note

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

Commentary

Underlying Accounting and SMSF Services Revenue was up over the previous period as the portfolio of investees substantially enjoyed a better business environment.

With the addition of a new Accounting Investee, plus others over time as part of Prime's expansion plan, this Revenue line is expected to increase.

Summary Balance Sheet

	30/06/13	30/06/14
Current Assets		
Cash	0.7	0.3
Other current assets	3.8	4.4
Non Current Assets		
Receivables	5.4	4.0
Plant & Equipment	1.3	1.1
Investments	61.9	62.4
Total Assets	73.1	72.2
Current Liabilities		
Payables/Provisions	2.3	2.9
Non Current Liabilities		
Borrowings	7.7	7.5
Total Liabilities	10.0	10.4
Equity	63.1	61.8

FY2015

The plan for FY2015 is to;

- Build Prime's presence by communicating the difference and distinct value Prime offers clients' in all key markets.
 - Provide clients with an increasingly diversified advisory offering across asset classes.
 - Recruit:
 - New Accounting Firms and Financial Advisory Groups for Wealth Management;
 - New Accounting Firms (Investees) for investment; and
 - New Team members that reflect our culture and commitment.
 - Secure new clients for Wealth Management services.
 - Retain existing clients and expand the Wealth Management services provided to them.
 - Deliver integrated advice to clients using Prime's Client Engagement Model.
 - Diversify revenue streams; and
 - Invest in our people, processes and systems.
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Business of the Meeting

- Consideration of Financial Statements
 - Note: There is no requirement for shareholders to approve these statements
- Adoption of the Remuneration Report
- Re-Election of Director – Peter Madder
- Approve a Prior Issue of Shares

Resolution 1

- To consider and, if thought fit, to pass (with or without modification) the following as a non-binding ordinary resolution:

“That the Remuneration Report for the year ended 30 June 2014 forming part of the Director’s Report be adopted by the members.”

Proxy Votes received prior to meeting

	Proxy Votes	% of Votes
• For	36,355,462	92.6%
• Against	1,514,877	3.9%
• Open	809,053	2.1%
• Abstain	550,000	1.4%

- Note: A voting exclusion applies to this resolution for directors and executives who were key management personnel (KMP) during the disclosure period.

Resolution 2: Re-Election of Director – Peter Madder

- To consider and, if thought fit, to pass (with or without modification) the following as an ordinary resolution:

“That Mr. Peter Madder, a Director retiring by rotation in accordance with the Company’s Constitution, and offering himself for re-election, be re-elected as a Director of the Company.”

Proxy Votes received prior to meeting

	Proxy Votes	% of Votes
• For	71,505,352	98.8%
• Against	36,701	0%
• Open	809,053	1.1%
• Abstain	81,630	0.1%

Resolution 3: Approve a Prior Issue of Shares

- To consider and, if thought fit, to pass (with or without modification) the following as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders approve and authorize the Company’s prior issue of 3,850,000 Shares at an issue price of \$0.13 per Share.”

Proxy Votes received prior to meeting

	Proxy Votes	% of Votes
• For	59,967,866	96.4%
• Against	1,353,470	2.2%
• Open	809,053	1.3%
• Abstain	52,347	0.1%

Thank you

Helping Clients Build Wealth and Protect Assets

