

22 June 2016

Company Announcements Office
Australian Securities Exchange Limited

Prime Financial Group Ltd
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Market Update

Profit

Prime Financial Group Limited (Prime) are pleased to confirm that their unaudited forecast Profit is expected to be in the following range, for the year ending 30 June 2016;

Consolidated Entity

Profit Before Income Tax	\$5.75m to \$5.95m
Profit After Income Tax	\$4.40m to \$4.60m

Members of the Parent Company

Profit Before Income Tax	\$3.80m to \$3.95m
Profit After Income Tax	\$3.00m to \$3.20m

The forecast Profit includes a profit on the restructure of the Company's portfolio of investments in Accounting Firms and Wealth Management businesses of \$463k. This profit includes the net impact of the restructure costs and the sale of Prime's interest in our Essendon based Accounting Firm to its accountant shareholders. Prime has retained a 50% shareholding in the Essendon Firms Wealth Management Joint Venture (JV) after the divestment.

The forecast Profit will result in an increase of Profit after Income Tax and Earnings per Share for members of the parent company of between 11% and 18% over underlying earnings achieved in the 2015 financial year.

Funding & Debt

Group debt has reduced from \$7.4m to approximately \$2.4m (down 68%) over the previous corresponding period, whilst debt facilities have also been renewed providing continued funding for growth.

Prime also have access to additional funding through its jointly owned, but controlled entity, Prime Accounting & Wealth Management (PWM), which was established to invest in Accounting & Wealth Management businesses. Investments currently held through PWM total \$8m, with all investments being made in the past 16 months, including those which formed part of the restructuring of the Company's portfolio of investments in Accounting Firms.

Operations

Consolidated Group revenue will increase by approximately 8%, representing a solid improvement for the group.

Prime has a clear target operating model supporting Accounting Firm partners to grow and address operational challenges, this is achieved via Prime's co-investment equity model and through the provision of the following services;

- Wealth Management Operations & Client Advice
- Funds Management
- Accountant Licensing
- Acquisition identification, deal structuring and funding support
- Marketing & Digital Strategy and Implementation
- Outsourced Labour through a Global Resourcing Model

Prime continues to search for new acquisition opportunities for Prime and for existing partners, some of which have completed transactions or are in the process of undertaking transactions. The continued growth of Prime's Accounting and Wealth Management partners provides increased scale and profitability to the group plus provides the ability to leverage the value of a shared services model.

During the year, Prime increased equity in an existing Accounting Firm investment to 40% and have also established, or agreed to establish, two new Wealth Management JV's with Accounting Firms to deliver advice to their clients. This will take the number of Wealth Management JV's with Accounting Firms to 35.

As part of continuing support for Accounting Firms Prime are rolling out a Limited Licensing service for Accountants from 1 July 2016, this is expected to increase the integration of services with existing partners, and will form part of Prime's future offering to new JV Partners.

Dividend

Prime will maintain its current dividend structure with the final dividend expected to be 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 fully franked.

Board

At Prime's Annual General Meeting in November, Mr Paul Cowan, who joined the board of Prime on 12th November 2015 as an Independent Director, will be appointed as Independent Chairman taking over from Mr Peter Madder, who undertook the role in an interim capacity during the transition period. Mr Peter Madder will remain as Chief Financial Officer and a Director of the company.

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

Prime

Prime Financial Group Limited (Prime) is an Integrated Wealth Management Firm for business owners and family groups. Prime's goal is to become the Premier Partner to Accountants for Growth, Succession and Integrated Wealth Management and to deliver personalised advice to clients for a secure financial future.