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Company Announcements Office  
Australian Securities Exchange Limited

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### **First Two Transactions Under New Funding Arrangement**

Prime Financial Group Ltd (**Prime**) announces that it will transfer two of Prime's existing investments in accounting firms (and associated wealth management entities) to its subsidiary Prime Accounting & Wealth Management Pty Ltd (**PWM**).

As disclosed to the market on 2 October 2014, PWM has access to funding from a financial institution (via preference shares) and is otherwise a subsidiary of Prime established for the purpose of pursuing investment opportunities in accounting firms and their associated wealth management entities.

The proposal to transfer two of Prime's existing investments in the accounting and wealth management sector will unlock capital for Prime and enable it to reduce external debt while retaining an economic interest (albeit reduced) in the entities and the relationship benefits of Prime's successful Integrated Wealth Management Model.

Prime and PWM have entered into separate share sale agreements for each accounting firm and associated wealth management entity investment, and each transaction includes the following conditions precedent:

- Prime obtaining all necessary third party consents to the transfer of shares in each of the accounting and wealth management entity;
- Certain contractual arrangements for the benefit of Prime, which are to be transferred to PWM, being renewed and assigned; and
- Final approval of the funding provider in PWM.

Assuming the conditions precedent are satisfied, the transfer of interests will be completed and the transfer will carry an effective date of 1 July 2015.

The transfer of interest in each accounting firm and associated wealth management entity is an independent transaction and completion under any one share sale agreement is not interdependent upon completion occurring under any other share sale agreement.

Given Prime's role as seller and also controller of PWM, Prime has agreed to provide certain warranties, representations and undertakings for the benefit of PWM and the decision as to whether PWM enforces any of those rights (in the case of a breach of undertaking) will be made by PWM's funding provider and shareholder. PWM will have the right to 'put' an investment back to Prime (at cost) if the earnings of the underlying accounting and wealth management entities for the financial year ending 30 June 2016 underperform forecasts by 20%. If PWM exercise a put option, Prime will reacquire the investment at cost.

On completion of each transaction, Prime will (after allowance for Prime's requirement to contribute capital to PWM) receive approximately \$3.6m in sale proceeds. After covering the costs of the transactions, the balance sale proceeds will be applied to pay down external debt.

Prime has applied for and obtained a waiver from the ASX from the technical approval requirements of ASX Listing Rule 10.1, in so far as they apply to the transactions.

For more information on this announcement, please contact **Peter Madder (CFO & Company Secretary)** on (03) 9827 6999.

**Prime**

Prime is an Integrated Wealth Management Group providing Financial & Retirement Planning, Investment Advice, Life Insurance, Asset Protection Advice incorporating Legal Services, Superannuation including Self-Managed Superannuation and Accounting Services.