

ASX Announcement

19 December 2011

Austock Securities enters an Exclusivity Agreement with Intersuisse

Austock Group Limited (“AGL”) is today pleased to announce that it has agreed with Intersuisse Holdings Pty Ltd (“Intersuisse”) for it to acquire the Austock Securities businesses (“ASL”). Intersuisse is 46% owned by Phillip Brokerage Pte Ltd, a part of the Phillip Group of companies (“Phillip”). AGL has entered into exclusivity arrangements to 17 January 2012 to allow Intersuisse to complete due diligence and finalise the transaction terms and structure.

Intersuisse is a full service Australian stockbroking, corporate advisory and funds management firm with offices in Sydney and Melbourne. Through its affiliation with Phillip, Intersuisse has broad distribution capabilities and strong ties with local and foreign institutions.

Phillip is a Singaporean-based capital markets and financial services organisation offering a broad range of services to retail, corporate and institutional customers. These include advisory services to funds managers, hedge funds and unit trusts, insurance planning, investment research, and broking in bonds, securities, futures, foreign exchange, precious metals and commodities.

Phillip has a global presence, with affiliate offices in 12 countries including Singapore, Malaysia, Hong Kong, Japan, Indonesia, Thailand, Sri Lanka, the United Kingdom, France, China, the United States, as well as in Australia. It has more than 3,200 sales staff in Asia and Europe servicing more than 780,000 clients worldwide. Assets under management and custody worldwide total more than USD18 billion. Further information about Phillip can be found at www.phillip.com.sg.

Under the proposed terms of the transaction, Intersuisse will retain ASL’s existing national presence, with the merged entity having offices in Sydney, Melbourne, Perth, Adelaide and the Gold Coast. It is proposed that Intersuisse will employ ASL’s existing staff and some AGL staff, and applicable employee entitlements and major supplier contracts associated with the ASL business will transfer to Intersuisse.

Following the transaction, the merged securities business will be rebranded to reflect its greater scale in Australia and the global reach of Phillip.

AGL will retain the core investment management businesses of Austock Property and Austock Life, which are profitable, and a small support team.

Paul Masi, Managing Director of AGL said, “This represents an exciting opportunity for all stakeholders of the Austock Group. From a shareholder’s perspective, the merging of Intersuisse and the ASL business will leave a new Austock Group with a capitalised, focused and more structured investment management business, comprising Austock Property and Austock Life. For transferring ASL employees, there are significant opportunities in being associated with a global group such as Phillip. At a time when global banks and Australian brokers are scaling back operations, we are collectively creating a new significant player in the Australian market with substantial global resources, presence and reach”.

Trading Update

The group continues to experience difficult trading conditions in the first half of 2012. Several capital markets transactions have been terminated or deferred until improvement in market conditions is evident. Consequently, Corporate Finance fee income is below budget in the current half, although the pipeline remains strong. Brokerage income remains depressed, particularly in the Institutional area. At this time, the performance of the group is expected to be within a 15% variance to the prior year comparative after adjusting for one-off gains associated with the sale of shares in Newreg Pty Limited. Accounting adjustments that may be required as a result of completion of the proposed sale of the ASL business have not been taken into account as the ultimate structure of the transaction has yet to be finalised.

Further information will be provided to the market when appropriate.

For further information please contact:

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About Austock Group:

Austock Group is an independent, publicly listed diversified investment and financial services group. It has a culture and track record of being prepared to invest to build sustainable returns for its clients and shareholders. Founded in 1991, the company now comprises corporate and securities, private wealth and investment management businesses. Austock has offices in Melbourne, Sydney, Perth, Adelaide and the Gold Coast, along with international affiliations. Austock is a Pooled Development Fund that invests in and develops financial services businesses under a tax-efficient structure.

Austock Property

Austock Property Funds Management Limited (Austock Property) is a property funds management business built around non-traditional and niche sub-sectors of the property market. Austock Property offers a mix of listed property, wholesale property and unlisted retail property funds to investors. Current market conditions require a conservative approach and Austock Property aims to ensure investments are secured with long-term cash flows, viable tenants, minimal risk and value growth. Our experienced property team currently manages real estate assets of approximately \$555 million.

Austock Property has a successful track record in managing real estate assets and is the Responsible Entity (RE) for the ASX listed Australian Education Trust (ASX:AEU), The Australian Social Infrastructure Fund (ASX:AZF) the unlisted Austock Childcare Fund and the wholesale CIB Fund.

The Funds collectively represent over 5,000 institutional and retail Unitholders and own in excess of 400 properties across Australia & New Zealand.

Austock Life

Austock Life is one of the leading specialist issuer of insurance bonds. Its core Imputation Bond product offers investors an expansive investment menu and strategy-based avenues for incorporating "tax-paid" lump sums into financial plans to meet life-event objectives. These include education funding, home ownership and estate planning as an accessible alternative to superannuation.

Austock Life operates as a registered life insurance company under the Life Insurance Act 1995 and also holds an Australian Financial Services License under the Corporations Act. As an emerging financial products provider, the company's business strategy is to use its life office structure to design, manufacture and distribute creative "tax-paid" investment products.