

**Count Financial Limited  
Commonwealth Bank of Australia  
to acquire Count Financial Ltd  
30 August 2011**

---

**Count** 

# Offer summary

---

- Commonwealth Bank of Australia (“CBA”) has made an offer to acquire 100% of the shares of Count Financial Ltd (“Count”) via a Scheme of Arrangement (“the Offer”)
- Scheme Implementation Deed entered into between Count and CBA on 30 August 2011
- Count shareholders will have the choice of receiving **A\$1.40 cash** per Count share, or **A\$1.40 in CBA shares**, based on the volume weighted average price (“VWAP”) of CBA shares on the ASX in the 5 Business Day period ending on the day before the Scheme Meeting
  - In addition, Count shareholders will receive the fully franked dividend of A\$0.04 per Count share declared on 15 August 2011, in relation to Count’s second half 2011 results, before the Offer becomes effective
- Offer consideration implies an equity value for Count of A\$373 million<sup>1</sup> and a P/E multiple of 14.6x Count’s FY11 normalised net profit after tax of A\$25.6 million

<sup>1</sup> Based on 262.2 million shares outstanding as at 29 August 2011 plus additional 2.9 million shares issued under LFSS and approximately A\$1.9 million in value of share options.

---

# Board recommendation

---

## Recommendation

- Count's Directors unanimously recommend that Count shareholders vote in favour of the transaction
  - In the absence of a superior proposal emerging; and
  - Subject to the findings of an Independent Expert that the Offer is in the best interest of Count shareholders
- As a Scheme, the transaction is subject to Court approval
- Subject to these conditions, each Director of Count who holds Count shares intends to vote their shares in favour of the Offer
- Other Lambert Family members who in aggregate hold approximately 20% of Count shares have also indicated to Count that they will vote in favour of the Scheme, subject to no superior proposal being recommended by the Count Board

# Transaction highlights

---

## Highlights

- CBA recognises the unique and independent nature of the Count business and intends to operate Count as a standalone business within CBA's Wealth Management division
- Intention to maintain and invest in the Count brand and franchise, with the support and resources of CBA, Australia's largest bank
- Appropriate and confidential retention arrangements for Count franchisees
- Builds on CBA's longstanding relationship with Count, including as a platform provider and corporate banker
- Total transaction offer value represents a large premium to current market price
- Flexibility of purchase consideration (100% cash or 100% CBA shares)
- Offers Count shareholders value certainty at a time when volatile market conditions and impact of FOFA regulations continue to result in value uncertainty

# Positive for franchisees and advisers

---

## Overview

- **Autonomy:** CBA understands the unique and non-aligned nature of the Count business. CBA intends to have Count operate as a standalone business in its wealth management division. Barry Lambert to become Non-Executive Chairman of Count
- **Separate APL:** Count will retain an open architecture APL
- **Investment in brand, systems and infrastructure:** CBA intends to maintain and invest in Count's brand, systems and accountant-based operating model and franchise. CBA can help the Count network extend its reach into the SME and high growth SMSF sectors

# Positive for franchisees and advisers (cont'd)

---

## Overview

- **Navigating regulatory change:** CBA's support will be valuable during this time of regulatory change, including the proposed FOFA reforms. Count has already flagged its intention to become IDPS operator and RSE for its platform offerings and CBA has already been working with Count in this transition process
- **Continuity for clients:** Maintaining Count's brand and autonomous accountant-based operating model will ensure continuity of the Count client proposition while providing an expanded range of products and services
- **Retention arrangements:** CBA will offer Count franchisees attractive (confidential) retention arrangements – outside of scheme

# What has changed and what won't change

---

## Changed

Implications of FOFA reforms:

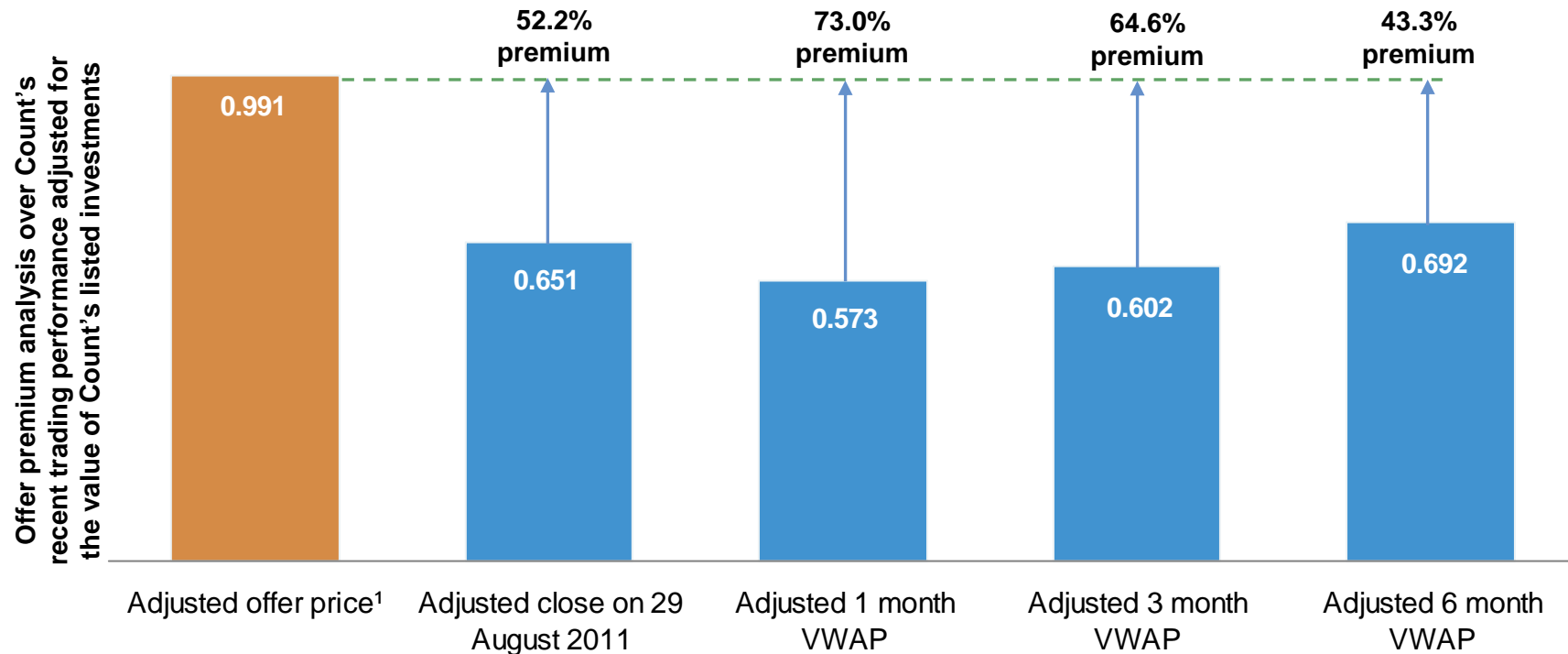
- The end of a level playing field for mid-sized, non-aligned advisory networks
- Industry consolidation has commenced as reforms favour large, vertically integrated businesses like fund managers, banks and platform owners
- Count was moving towards vertical integration, but CBA will accelerate and enhance these plans

## Unchanged

- CBA recognises the unique, independent nature of the Count business and it will remain a standalone business
- Count will remain a Champion of Accountant-Based Advice with high advice standards and integrity
- Count will have the support of Australia's largest bank, which is also one of the world's highest rated banks, with more than 10 million customers
- Current APL to remain

# Attractive premium for Count shareholders

The adjusted offer consideration of A\$0.991<sup>1</sup> per share represents a highly attractive premium



Note: VWAP represents volume weighted average share price in the relevant period up to and including 29 August 2011 (the trading day prior to Count's announcement of the offer)

<sup>1</sup> For the purposes of calculating these premia both the offer price and Count share prices have been adjusted to exclude the value of the listed equity investments held by Count dollar for dollar at their market value over the respective periods, primarily being Mortgage Choice, Centrepoint Alliance, Countplus and DKN Holdings.



# Conditions and process

---

## Conditions

- Scheme of Arrangement
- Conditions include:
  - Approval by Count shareholders
  - ACCC clearance
  - Australian Court approvals
  - No material adverse change in Count
- Scheme is expected to be implemented by December 2011

## Indicative timeline

<b>30 Aug 2011</b>	■ Date of announcement
<b>30 Sep 2011</b>	■ Lodge draft Scheme Booklet with ASIC
<b>17 Oct 2011</b>	■ First Court Date
<b>Oct 2011</b>	■ Register and dispatch of Scheme Booklet
<b>21 Nov 2011</b>	■ Scheme Meeting Date
<b>23 Nov 2011</b>	■ Second Court Date
<b>1 Dec 2011</b>	■ Record Date
<b>7 Dec 2011</b>	■ Implementation Date

Note: Dates subject to change

# Contact details

---

■ **For further information please contact:**

Barry Lambert

Founder, Executive Chairman

Phone: (02) 8272 0222

Email: [barry.lambert@count.com.au](mailto:barry.lambert@count.com.au)

Andrew Gale

Managing Director, CEO

Phone: (02) 8272 0215

Email: [andrew.gale@count.com.au](mailto:andrew.gale@count.com.au)

■ **For media interviews or inquiries please contact:**

Anna Fenech

Honner Media

Phone: (02) 8248 3740

Mobile: 0417 454 811

Email: [anna@honnermedia.com.au](mailto:anna@honnermedia.com.au)

■ **For Analyst inquiries please contact:**

[Analysts.Media@count.com.au](mailto:Analysts.Media@count.com.au)

# Disclaimer

---

- The Offer described in this arrangement is conditional and may not complete. It is subject to conditions and contingencies referred to in this presentation, and in the Scheme Implementation Deed in respect of the Offer.
- This presentation is not investment or financial product advice and is as of a general nature only. It was prepared without taking into account the objectives, financial situation or needs of any particular investor or prospective investor ('Investors'). Investors should seek their own advice. Before any Investor makes any decision on the basis of this presentation, the Investor should consider the Investor's particular needs, objectives and financial circumstances.
- The information in this presentation is of a summary nature. More detailed information is contained in the copy Scheme Implementation Deed which has been publicly released on ASX's announcements platform.