2010 Financial Year - Half Year Results Presentation

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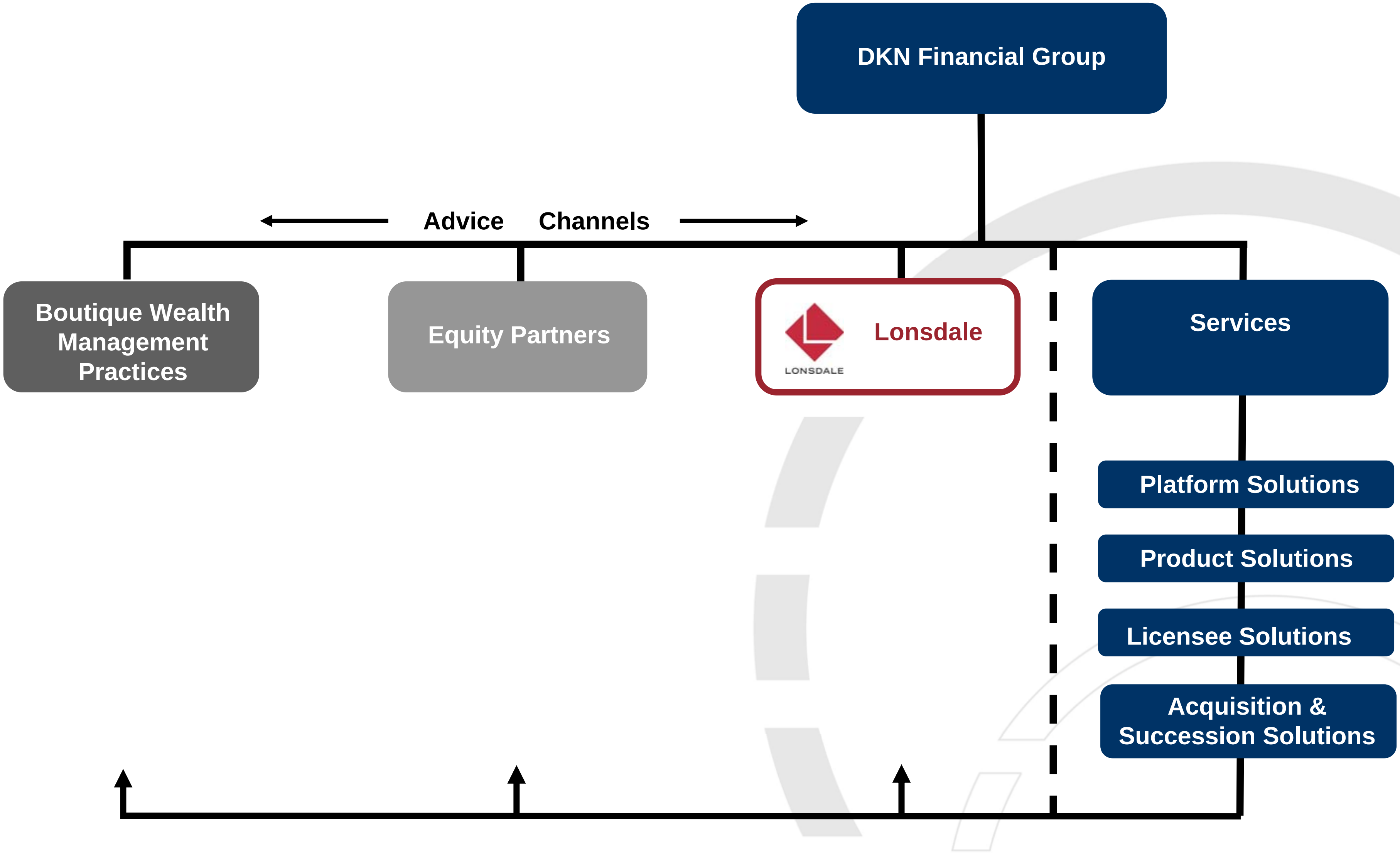
DKN Financial Group

A leading financial services solutions provider to wealth management practices

DKN Service Offer



DKN Profit Drivers – Recurring Revenue

Distribution (Platform / Product)

- HY Recurring Revenue of $9m
- $7.75b in FUA, up 13.5% from end June
- Positive Platform net inflows $306m
- Product net outflows $12m impacted by CMT outflows of ($30m)

Lonsdale Financial Group

- HY Recurring Revenue of $3.6m
- 108 practices through Lonsdale Dealer License
- 6 New Lonsdale Associates

Acquisition & Succession

- HY Recurring Revenue of $513k
- 7 minority equity positions in Wealth Management Practices
- 1 new minority investment in the BMG Group. A Victorian regional based accounting and financial planning practice which is a long term Lonsdale Associate.
- One equity position is struggling to recover from the last 12 months – this practice is under review

Half Year Overview 2010

DKN Financial Group

DKN well positioned after strong HY performance:

- Underlying profit after tax of $3.87m, compared to pcp of $3.09m up 25%
- FUA of $7.75b up 16.8% compared to pcp
- Positive Platform net inflows $306m
- Net cash of $2.62m as at end December
- Operating Expense to net Operating Revenue 56%
- Expected un-franked interim dividend of 2 cents*
- Pre tax ROCV from equity positions 12.7% (annualised)
- Retained quality team and expanded quality community of wealth management practices

(*Tax – DKN has claimed significant deductions post the Lonsdale transaction. This has resulted in no tax payments for 2008, 2009 and 2010. These claims are yet to assessed by the tax office. Note that this affects cash only and not NPAT – income tax has been provided in full and presented as a deferred provision for tax).

Half Year – Underlying Profit

	HY 2010	HY 2009	10 / 09 Change	FY June 09
FUA ($b)	7.75	6.63	16.8%	6.83
Revenue ($m)	13.53	12.42	9%	24.14
Operating Costs ($m)	7.58	7.28	4%	15.32
Underlying profit post tax ($m)	**3.87**	**3.09**	25%	**6.19**

- Due to full accrual of employee bonuses and higher Partner Plan expense due to FUA growth these variable costs have increased Operating Costs by 8% compared to pcp.

- The average FUA in the 09HY was $7.6b 10% higher than the average FUA in the 10HY of $7.25b. Thus although the closing FUA is 16.8% higher than a year ago, the revenue for the half-year rose only 9%

HY Segment Contributions

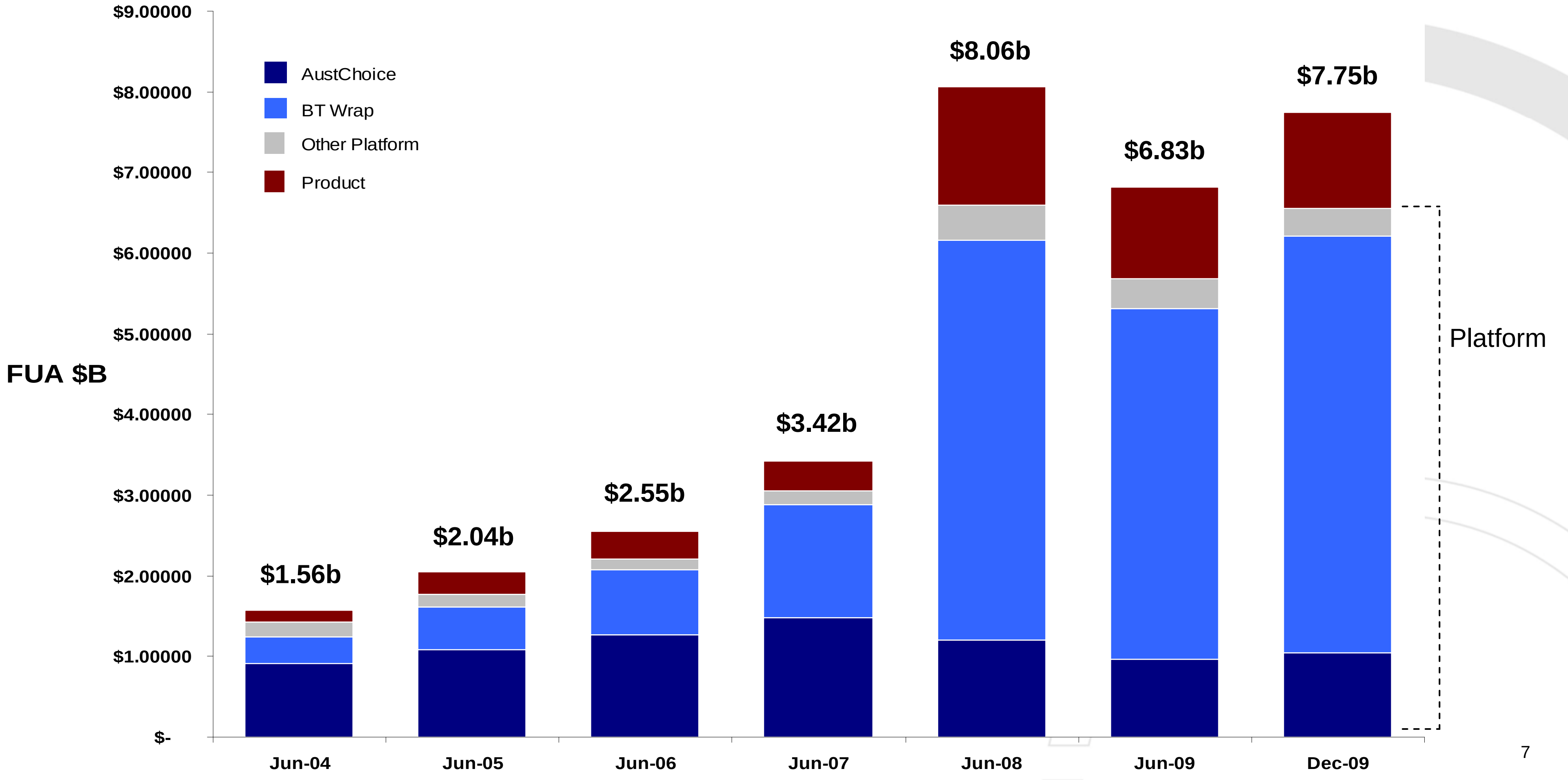
Division ($m)	HY 2010 Net Contribution	HY 2009 Net contribution
Platform	6.80	6.40
Lonsdale*	.054	(.569)
Product	.417	.685
Acquisition & Succession	.401	.400

*Lonsdale no longer receives an internal platform fee which has also been reflected in the HY 2009 result for comparative purposes

FUA Update

Six Months to December 2009:

- Platform FUA up 15%
- Product FUA up 4%
- Net positive inflows $294m



FUA – Net Flows

	HY 2010 ($m’s)	FY June 2009 ($m’s)	FY June 2008 ($m’s)
Platform Net Flows	306	348	936
Product Net Flows	(12)	(46)	55
Total Net Flows	294	302	991

Note: That despite the dramatic loss of investor confidence in the market during the GFC, DKN has not produced a month of negative FUA flows.

FUA Asset Composition

- Markets for the HY 2010:
  - Australian S&P ASX 300 up 25.7%*
  - Australian Listed Property up 24.3%*
  - International up 10.1%*

*Source Lonsec

- Approximately 73% of DKN (BT) Platform assets allocated to market
  - Australian shares 43%
  - International Shares 14%
  - Property 4%
  - Fixed Interest 9%
  - Diversified 12%
  - Cash 18%

As at 31 December 2009

Lonsdale

- Attracted 6 new Practices representing 24 new Authorised Representatives
- Practice Solutions clients grew from 33 to 39
- ANZAN relaunched as Catalyst for Accountants focusing on practice and strategic development for accounting firms
- Catalyst for Financial Planners – new module launched and implemented – Growing Referrals. In first half of 2010 a new Succession Planning module to be launched

Acquisition & Succession

	Carrying Value	Profit Contribution HY 2010	Profit Contribution HY 2009
All Practices*	10.5m	670k	509k

- First half operating results demonstrate revenue streams are recovering
- Return on carrying value (pre tax) from the investments is 12.7% (up from 9% for the corresponding period last year)
- DKN remains committed to assisting financial planning and accounting businesses with either internal succession strategies or acquisition plans illustrated by a new investment being made by the group in January 2010
- DKN maintains a watchful eye on one of the underperforming equity investments and will continue to monitor it's investment in this business

* Pre tax

Condensed Balance Sheet HY 2010

DKN Financial Group

	HY 2010 $m	June 2009 $m
Current Assets	18.00	18.19
Non-Current Assets:		
Investments	10.53	10.40
Intangible Assets	135.07	135.07
Other	2.81	3.22
Total Assets	**166.41**	**166.88**
Current Liabilities	15.34	8.37
Non-current Liabilities	5.65	14.26
Total Liabilities	**20.99**	**22.63**
Net Assets	**145.42**	**144.25**

Debt is all current with view to reduce or refinance later in November 2010 when current facility expires

Net cash of $2.62m – positive impact due to tax claim related to Lonsdale transaction

Capital Structure HY 2010

	Shares Held (m)	%
Zurich	44	31%
IOOF	26	19%
Remainder of Top 20 Shareholders	43	30%
Other Shareholders	29	20%
Total Shares on Issue	**142**	**100%**
Options	9.5	

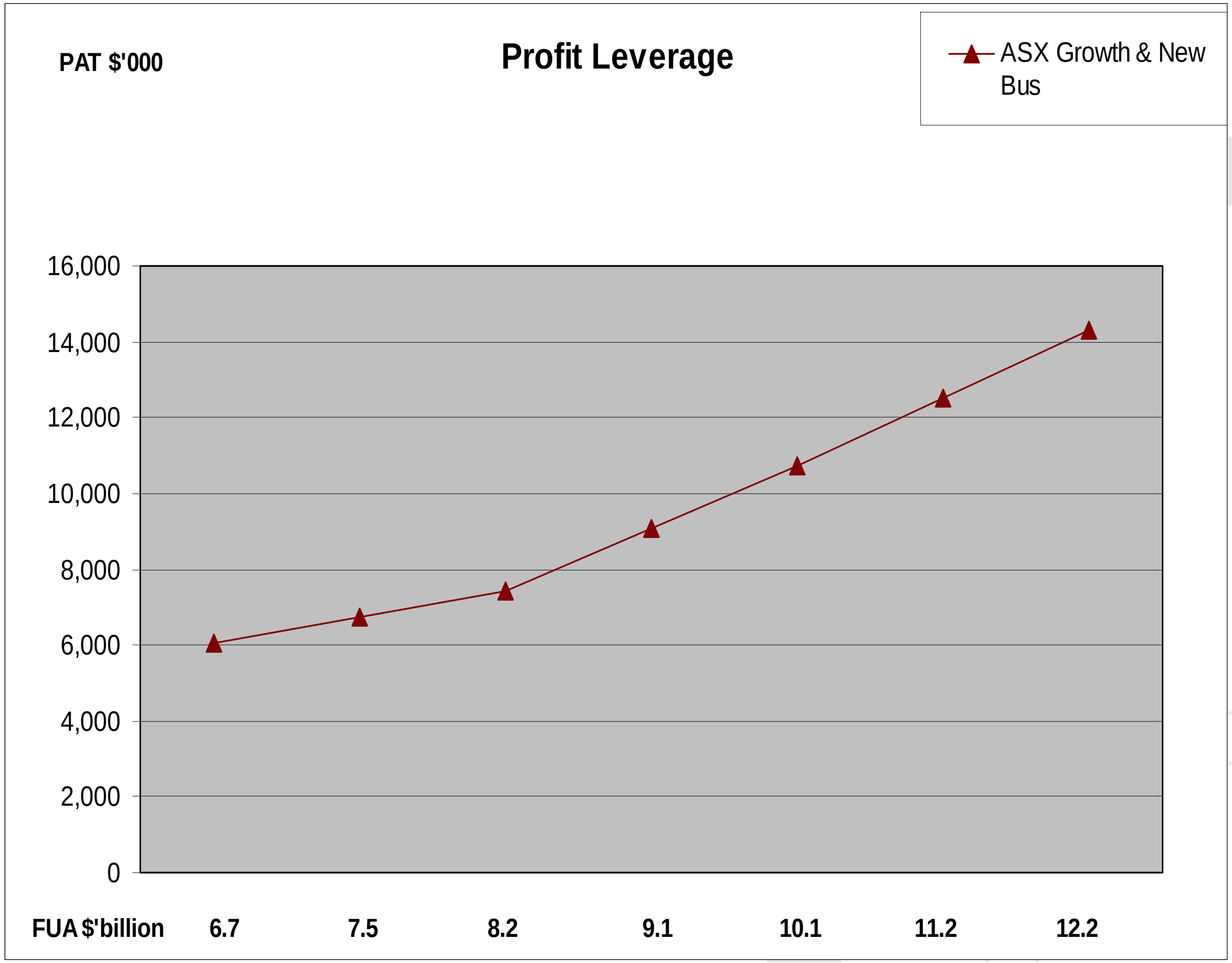
Sector Confidence Barriers – DKN Well Positioned

- Henry Tax Review
- The Joint Parliamentary Inquiry into the Australian Financial Services System (Ripoll)
- Superannuation (Cooper Review)
- Industry focus on Fees vs. Commissions
- Unstable markets

DKN advocates fee for service and continued commercial reviews to ensure advice structures provide adequate investor protection and greater professionalism in the industry.

Relationships and FUA Scale Drives Profit

The following table is not a forecast it represents the correlation of FUA to NPAT.



Source: Internal modelling

DKN Long Term Sustainable Strategies

DKN Financial Group

- Review strategic transactions to increase scale, diversify offer while protecting and enhancing current business model and the Lonsdale Community
- Retain and develop business with quality wealth management practices
- To facilitate solutions for the acquisition and succession issues of quality practices
- To leverage our position of scale with selected core suppliers
- Deliver quality services to drive efficiency though our community of practices
- Respond positively to legislative changes
- Achieve a low fixed cost base through recurring margins
  - Target 40% Expense to Net Revenue

2010 Guidance

Guidance based on:

- Current levels of net flows
- Market volatility i.e. market down since end December 2009
- No impairments

	FY 2010 Guidance	Guidance Update
1. FUA	$8.2 billion	$8 billion
2. Underlying profit after tax	At least $7m	At least $7.5m

DKN a Scalable Proven Model

- DKN's core focus is to deliver **scalable** results through exposure to wealth management
- **Quality** and growing community of wealth management practices
- Positive **net flows** with FUA scale
- Robust and sticky **recurring** revenue stream
- **Committed** team and quality reputation in the wealth management sector

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