

## **DKN forms equity partnership with key Lonsdale Practice**

Leading financial services provider, DKN Financial Group Limited (DKN) today announced a minority investment in the regional based accounting and financial planning companies, BMG Partners Pty. Ltd. and BMG Financial Planning Pty. Ltd., a long term Lonsdale Financial Group associate.

This is the first equity investment made by DKN in a Lonsdale practice since the merger of DKN and Lonsdale Financial Group in November 2007. It is the seventh equity investment undertaken by DKN since it launched its Acquisition and Succession strategy in May 2005.

Commenting on the arrangement, DKN's Chief Executive Officer Phil Butterworth said: "DKN is extremely pleased to be involved with the BMG Group and to demonstrate the value it can offer to the Lonsdale dealer group network as well as to its self licensed network."

"We look forward to increasing the number of Lonsdale practices we have equity in and will continue to back these practices enabling them to build greater scale by acquiring further accounting and / or financial planning practices that will fit with their business".

"DKN and its shareholders benefit through ongoing profit contribution from the minority investments as well as support for DKN's products and services and the Lonsdale dealer group offering," he said.

Licensed through DKN's Lonsdale network, the BMG business is based in Wodonga and is DKN's first regional investment. Established in 1975, BMG is a multi-award winning financial service provider offering specialist accounting, taxation and financial planning services. The business focuses on providing its clients access to a range of quality holistic services and advice. The principals of the BMG Group and their families have long histories in the Albury-Wodonga area and the business joined the Lonsdale network in the late 1980s when it commenced its financial planning operations. This 20 plus year association with Lonsdale now extends through to DKN.

The equity participation by DKN was part of the group's internal succession planning process and provides strong benefits for both parties. Stephen Mamouny, CEO of BMG commented, "When developing our succession plans, it was important to all our stakeholders that we retain the culture we have developed within our business as well as the control over our business operations. As a long standing Associate of Lonsdale, we were pleased when the 2008 merger between DKN and Lonsdale meant that we were able to enter into an equity relationship with a partner that has a proven history and can deliver our succession requirements, but most importantly, understands our business."

DKN's strategy fills a niche in the market for non-institutionally aligned advisers who have a need for succession funding or an equity partner to expand their business but don't want to sell to a major financial institution. DKN is able to assist by providing equity participation, strategic advice and general support to the group.

DKN has purchased a 32% interest in BMG Partners Pty. Ltd. and BMG Financial Planning Pty. Ltd.

**Phil Butterworth**  
**Chief Executive Officer**

21 January, 2010