



DKN FINANCIAL GROUP LIMITED

A leading financial services solutions provider to wealth management practices

Presented by:

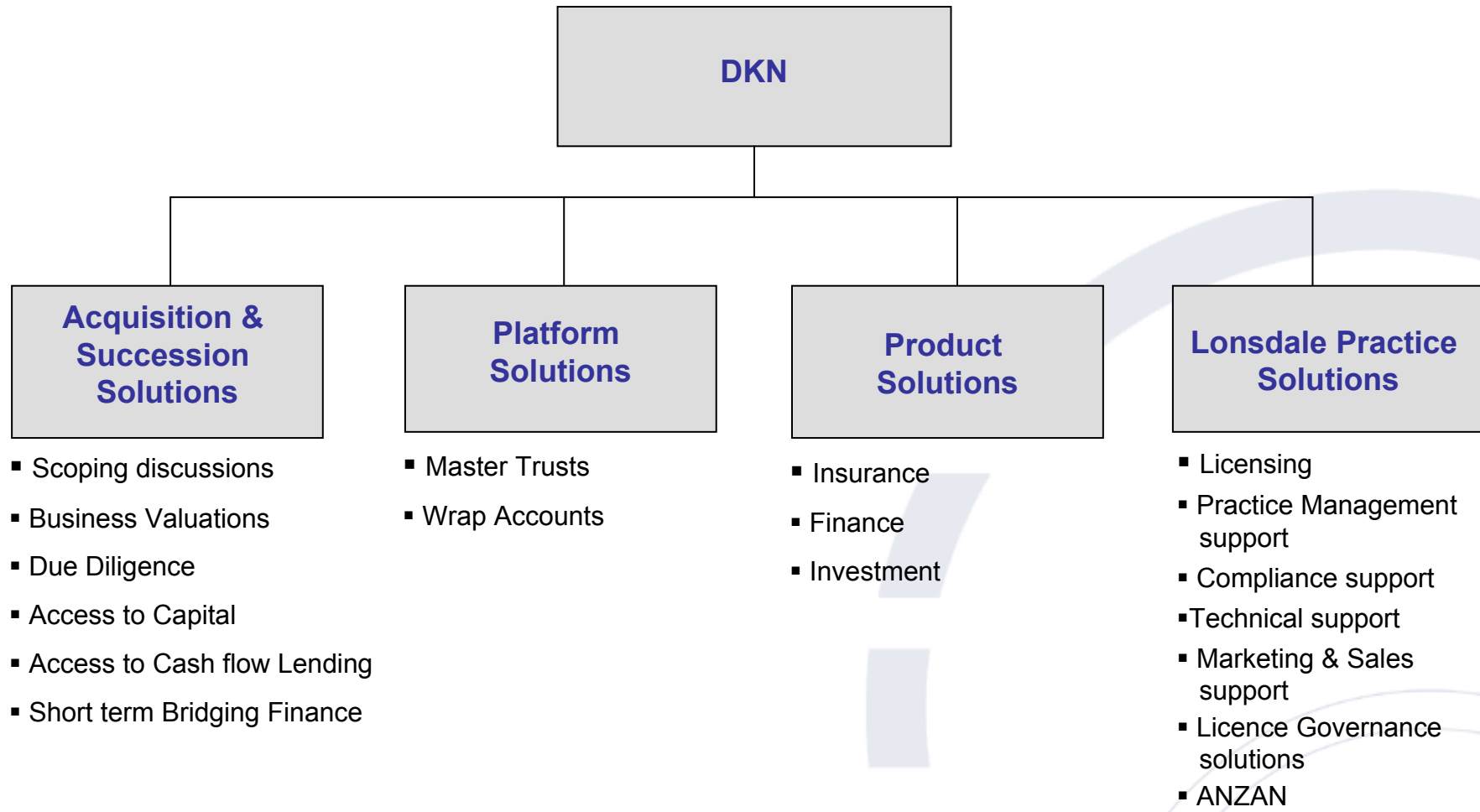
Phil Butterworth – Chief Executive Officer

HY December 2008

DKN Proven Business Model

DKN is a distributor and provider of financial products and services to financial planning and accounting practices.

- Provide services to a strong network of approximately 300 financial planning / accounting practices
- Lonsdale licensing solution to over 100 practices the balance operate through their own license
- Although impacted we are well positioned as the market stabilises
- Continued positive net flows with FUA scale
- Robust and sticky recurring revenue stream
- Positioned to leverage off proven model through our strong and long standing planning and accounting network



DKN Profits Drivers – Recurring Income

FUA (Platform / Product):

- Approximately \$6.6b in FUA
- Consistent positive net flows

Equity Positions:

- 6 minority equity positions in Financial Planning Practices
- Pipeline of opportunities

Lonsdale Practice Solutions:

- 100 practices through Lonsdale Dealers licence
- Expanding services through the broader DKN network
- ANZAN business solutions for accountants

2008 Half Year - Financials

Adverse markets impacted strong operational delivery

- Net Profit After Tax Before Non-Recurring Items of \$3.4m, down 5% on pcp
- One-off integration expenses (tax affected) of \$300k
- Non-cash impairment charge to the value of \$17.7m
- Reported Net Loss After Tax of \$14.6m
- Operating Expense to net Operating Revenue 60%
- ROI from equity positions 9% (annualised)
- Net debt of \$8m as at end December

2008 Half Year - FUA & Relationships

Significant market downturn has impacted FUA and revenue

- End December 08 FUA of \$6.6b Vs End December 07 of \$8.99b
- FUA down 18% compared to June 2008 and 26% compared to pcp (All Ordinaries down 31% to June 2008 and 43% to pcp)
- Positive net Platform flows \$202m for the December half despite volatile market conditions
- Net outflows in Products of \$73m for the December half due to flight to cash
- The Lonsdale network and self licenced network continues to grow and remains committed with 10 additional firms joining the Lonsdale / DKN network
- Focus on cost control without damaging the model



Operations Comparison

	HY Dec 08	HY Dec 07	08 / 07 Change	FY June 08
FUA (\$b)	6.63	8.99	26%	8.06
Revenue (\$m)	12.42	9.00	38%	24.91
Operating Costs (\$m)	7.51	4.15	80%	11.57
NPAT before non-recurring items (\$m)	3.40	3.57	(5%)	8.67
One-off expenses (tax affected) (\$m)	0.30			
Impairment charges (\$m)	(17.74)			
Reported NPAT (\$m)	(14.65)			

Condensed Balance Sheet Dec 2008

	Dec 08 \$m	June 08 \$m
Current Assets	11.32	21.73
Non-Current Assets:		
Investments	9.51	14.68
Intangible Assets	135.69	146.93
Other	3.63	5.36
Total Assets	160.15	188.70
Current Liabilities	6.65	8.51
Non-current Liabilities	12.26	14.26
Total Liabilities	18.91	22.77
Net Assets	141.24	165.93

2008 Half Year Impairment

As a result of recent market conditions, directors have prudently reviewed the balance sheet and recognised the impairment of assets to date to the value of \$17.74 million. This non-cash impairment charge is made up of the following components:

- Platform Acquisition \$9.05m
- Lonsdale Wrap \$3.06m
- Equity Partners \$5.63m

2008 Half Year - Segment Revenue



Division	HY 2008 Revenue contribution
Platform	\$7.75m
Lonsdale	\$4.03m
Product	\$1.04m
Equity & Loans (After tax)	\$462k

Closing FUA reduced from \$6.6b as at June 08 to \$5.5b comprising

- Net inflows of \$202m driven by existing core clients committed to DKN and 10 new financial planning practices drawn to DKN group
- All Ordinaries Index down 31% from June 08 to December 08.
- Enhanced service offer through Lonsdale practice solutions assisted in securing additional platform relationships – 10 for the half
- Maintaining positive Net inflows indicating relevant offer to market

FUA reduced from \$1.50b as at June 08 to \$1.16b comprising

All Ordinaries Index down 31% from June 08 to December 08

Net outflows of \$73m due to:

- Flight to cash following the Government guarantee on bank deposits
- Low confidence leading to reluctance to invest
- CMT withdrawals

FUA



Providers	Dec 2007 (\$b's)	Dec 2008 (\$b's)	HY % Change	*June 2007 (\$b's)	June 2008 (\$b's)
Platforms	7.499	5.467	(26%)	7.484	6.593
Product	1.500	1.166	(22%)	1.429	1.467
TOTAL FUA	8.999	6.633	(26%)	8.913	8.060

*FUA includes DKN, Lonsdale & Wrap

FUA – Net Flows



	HY Dec 2007 (\$b's)	HY Dec 2008 (\$b's)
Platform Net Flows	.531	.202
Product Net Flows	.009	(.073)
Total Net Flows	.540	.129

- 100 Associated practices
- Over 23 years delivering Dealer Solutions into the accounting space
- Attracted 6 additional firms under the Lonsdale Dealer structure in the December half
- Have secured 3 additional firms since the 1st of January
- Acquired ANZAN accounting practice solutions business on the 1st of September 2008
- 95% of network firms utilizing the Wrap Account platform as their primary platform
- New practices attracted by strong accounting and financial planning network and service culture

Equity & Loans

	Carrying Value \$M (pre Adjustment)	Profit Share \$M HY Dec 2008
All Practices	14.68m	660k*

All equity partners remain profitable throughout the half, although the fall in markets has resulted in impairment charges of \$5.6m

- Upfront income has fallen by \$3.9m across the firms when compared to their half year position as at Dec 2007
- During the current market difficulties, client relationships have become a crucial focus, enhancing the long term value of these businesses
- All practices are confident that the businesses are well positioned for growth once the market stabilises
- DKN remains firmly committed to assisting financial planning and accounting firms with either internal succession strategies or acquisition plans

* Pre tax



Equity & Loans Consolidated P&L

	HY Dec 2007		HY Dec 2008	
	Total (\$m)	*DKN (\$m)	Total (\$m)	*DKN (\$m)
Income				
Ongoing Income	5.22	1.77	8.19	2.49
Upfront Income	4.68	1.66	0.79	0.26
Other Income	0.37	.13	0.62	0.16
Total Income	10.27	3.56	9.59	2.91
Expenses				
Employment	4.42	1.59	4.8	1.48
Occupancy	0.48	0.15	0.53	0.15
Operations	0.32	0.10	0.48	0.12
Other Expenses	1.22	0.41	1.51	0.46
Total Expenses	6.44	2.25	7.32	2.21
Earnings Before Tax	3.83	1.31	2.27	0.66

* Pretax

Capital Structure End December 2008

	Shares Held (m)	%
Zurich Financial Services Ltd	44	31%
Select Managed Funds Ltd (AWM)	25	18%
Remainder of Top 20 Shareholders	43.5	32.5%
Other Shareholders	25.5	18.5%
Total Shares on Issue	138	100%
Practice Shares	4.5	
Options	4.6	

Note: since June shares bought through buy-back @ 4.5m

Strategy Influences

- Access to distribution and scale is highly valued
- Well managed principal owned professional practices drive inflows and are profitable
- The mandated nature of growth in our industry
- Consolidation and succession within financial planning and accounting
- The volatile markets and impact on advice

Our focus in this current market environment is based on three fundamentals:

1. Staying focused on our core business while managing capital and costs without damaging our service model;
2. Retain our current financial planning / accounting client relationships through existing and new initiatives;
3. Establish new financial planning / accounting client relationships.

This approach will see DKN well positioned in a consolidating sector and set to grow as the market stabilises.

Summary – DKN a Proven Model

DKN's core focus is to deliver consistent results through exposure to wealth management

- Although impacted we are well positioned as the market stabilises
- Continued positive net flows with FUA scale
- Robust and sticky recurring revenue stream
- Positioned to leverage off proven model through our strong and long standing planning and accounting network

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