

18 September 2008

Australian Securities Exchange Limited
Company Announcements Office
20 Bridge Street
Sydney NSW 2000

Paul Vine
Company Secretary

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Dear Sir or Madam

Bell Financial Group Ltd – General Meeting

Please find attached the presentation materials that will be addressed by the Executive Chairman of Bell Financial Group Ltd at the General Meeting today.

Yours faithfully



Paul Vine
Company Secretary

GENERAL MEETING, 18TH SEPTEMBER 2008

CHAIRMAN'S ADDRESS

[Slide 3 – Transaction Overview]

Today marks a significant milestone for both BFG and Southern Cross and I'm delighted to be able to present this transaction for your approval.

In July this year, BFG signed a Heads of Agreement to acquire 100% of the issued share capital of Southern Cross. The agreement was subject to due diligence by both parties and this has now been completed.

The purchase price is \$145.8 million. It was derived from the normalised audited earnings of Southern Cross for the 2008 financial year. Payment will be half in cash and half in BFG shares, payable in four equal installments, subject to vesting conditions, including Southern Cross meeting certain performance benchmarks as outlined in the Notice to Shareholders.

Completion of the transaction will be as soon as practicable after shareholders have approved the resolutions at today's meeting.

[Slide 4 – Instalment Payment Schedule]

This slide outlines the payment schedule over the next three years.

The first cash instalment of \$18.225 million will be paid on completion. A further three instalments will be paid over the next three years subject to Southern Cross meeting the performance benchmarks.

For the scrip element of the consideration, BFG will issue new shares at \$1.25 each. The class A, B and C shares will convert to ordinary BFG shares on each anniversary of completion over the next three years, again subject to Southern Cross meeting the performance benchmarks.

[Slide 5 – Acquisition Rationale]

Southern Cross is one of Australia's largest independent institutional stockbrokers. They have been extremely successful since being founded by Brent Potts and Peter Gray in 1999. Southern Cross specialises in small, medium and large cap companies, in basic materials, health, property, technology and banking sectors. Southern Cross has 59 employees, including 30 advisors and 14 researchers all based in Sydney. After the acquisition BFG will end up with 320 advisors plus about the same number of support staff, spread throughout Australia. In a better market environment, this will be the bricks and mortar of a fantastic business.

This transaction is a terrific growth opportunity for BFG. It combines two highly complementary businesses and strengthens BFG in the institutional market and in the research and corporate advisory areas, especially in the resources and energy sectors where Southern Cross is particularly strong.

Importantly, the transaction is expected to be significantly accretive to BFG's earnings per share. On an historic basis, the combined business shows an EPS accretion of four cents a share, equivalent to an increase of 33%, on a normalised proforma basis for the twelve months to 30 June 2008.

I now turn to the business of the General Meeting.

General Meeting

Bell
Financial
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Colin Bell
Executive Chairman

18 September 08

Agenda

Welcome

Board of Directors

Acquisition Overview

Resolutions

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Southern Cross Equities

Transaction Overview

- **Heads of Agreement signed 7 July 2008**
- **Acquire 100% of issued capital of Southern Cross Equities Ltd (SCE)**
- **Total acquisition price of \$145,800,000**
 - 50% cash, 50% BFG scrip
 - Payable in 4 instalments over 3 years, subject to performance benchmarks
- **Completion as soon as practicable after shareholder approval**

Instalment Payment Schedule

■ Cash Component

- First instalment of \$18,225,000 payable upon Completion
- Three further payments on each Completion anniversary in 2009, 2010 and 2011 respectively
- To be financed from existing cash and future cash flows

■ Scrip Component

- Shares issued on Completion at \$1.25 per BFG share:
 - 14,580,000 Ordinary shares in BFG
 - 14,580,000 A class shares in BFG
 - 14,580,000 B class shares in BFG
 - 14,580,000 C class shares in BFG
- The A, B and C class shares convert to Ordinary BFG shares on each Completion anniversary in 2009, 2010 and 2011 respectively

Acquisition Rationale

- **Combines two highly complementary businesses**
 - Expands BFG's institutional and high net worth broking businesses
 - Enhances BFG's corporate advisory and research capabilities
 - Immediate synergies upon completion
 - Strong resources and energy sector capabilities
 - 30 advisers added to BFG's existing team of 290 advisers

- **Expected to be significantly accretive to BFG's earnings per share⁽¹⁾**
 - Combined business shows an EPS accretion of 33%, on a normalised proforma basis for the 12 months to 30 June 2008
 - Implied proforma EPS of the merged entities of 16 cents (assuming no synergies)
 - Implied proforma dividend per share of 10 cents (based on a 60% payout ratio)

(1) *Assumes total scrip consideration issued upon completion and cash consideration paid in four instalments*



General Meeting

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Resolution 1

- Issue of New Classes of Shares

Resolution 1

■ Issue of New Classes of Shares

FOR:	127,185,944
AGAINST:	370,168
OPEN:	295,400
OPEN IN FAVOUR OF CHAIRMAN:	290,400

General Meeting

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Resolution 2

- Issue of shares equal to greater than **15% of BFG's share capital**

Resolution 2

- **Issue of shares equal to greater than 15% of BFG's share capital**

FOR: 127,146,344

AGAINST: 370,668

OPEN: 334,500

**OPEN IN FAVOUR
OF CHAIRMAN: 329,500**

