

12 August 2009

ASX Limited
Company Announcements Office
20 Bridge Street
Sydney NSW 2000

Paul Vine
Company Secretary

Phone: 03 9235 1961
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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 Managing Director of Bell Financial Group Ltd at the General Meeting today.

Yours faithfully



Paul Vine
Company Secretary

General Meeting

Bell
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Group

Alastair Provan
Managing Director

12 August 09

Agenda

Welcome

Board of Directors

Amendments to the Transaction

Resolutions

Bell
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Transaction Overview

- **Acquisition of 100% of issued capital of Southern Cross Equities Ltd (SCE)**
- **Total original acquisition price of \$145,800,000**
 - 50% cash, 50% BFG scrip
 - Payable in 4 instalments over 3 years, subject to performance benchmarks

Original Instalment Payment Schedule

■ Cash Component

- First instalment of \$18,225,000 paid on Completion
- Three potential payments of up to \$18,225,000 on each Completion anniversary in 2009, 2010 and 2011 respectively

■ 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
- Subject to performance benchmarks, the A, B and C class shares convert to Ordinary BFG shares on each Completion anniversary in 2009, 2010 and 2011 respectively

Amendments to the Transaction

- **Front office employee costs originally capped at 40% of SCE gross revenue**
- **Front office employee costs cap increased to 50% of SCE gross revenue**
- **Reduced cash and scrip consideration**
 - \$145,800,000 to \$114,800,000
 - original revenue numbers and multiples with 50% allocated for front office employee costs instead of 40%

Amended Payment Schedule

■ Cash Component

- Maximum potential instalments of \$13,058,333 (reduced from \$18,225,000) on the anniversary of Completion in 2009, 2010 and 2011 respectively

■ Scrip Component

- Reduction of number of shares issued at \$1.25 per BFG share:
 - 10,446,681 A class shares in BFG (reduced from 14,580,000)
 - 10,446,681 B class shares in BFG (reduced from 14,580,000)
 - 10,446,681 C class shares in BFG (reduced from 14,580,000)
- A, B and C class shares potentially convert to Ordinary BFG shares on the anniversary of Completion in 2009, 2010 and 2011 respectively

■ Potential to make up any gross revenue shortfall until 30 June 2011

Rationale

- **Successful acquisition**
- **Increased capacity to attract new staff**
- **Long-term benefit to BFG**

General Meeting

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Business of the Meeting

- Consolidation of Shares

General Meeting

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Resolution 1

- Consolidation of A, B and C Class Shares

Resolution 1 - Proxies

■ Consolidation of A, B and C Class Shares

FOR: 125,998,867

AGAINST: 135,500

OPEN: 1,699,941

**OPEN IN FAVOUR
OF CHAIRMAN: 1,685,404**

General Meeting

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Resolution 2

- Amendment to the Terms of the A, B
and C Class Shares

Resolution 2 - Proxies

- **Amendment to the terms of the A, B and C Class shares**

FOR: 126,067,867

AGAINST: 52,500

OPEN: 1,699,941

**OPEN IN FAVOUR
OF CHAIRMAN: 1,685,404**

**BELL FINANCIAL GROUP LTD
GENERAL MEETING, 12 AUGUST 2009
CHAIRMAN'S ADDRESS**

[Slide – Transaction Overview]

It is almost a year since we successfully completed the acquisition of Southern Cross Equities. I'm pleased to present today a positive change to the transaction for your approval.

The original purchase price for Southern Cross was \$145.8 million. Payment was to be half in cash and half in BFG shares, payable in four equal instalments, subject to vesting conditions, including Southern Cross meeting certain performance benchmarks as outlined in the Notice to Shareholders.

The original potential instalment payments are shown on the next slide.

[Slide – Original Instalment Payment Schedule]

The first cash instalment of \$18.225 million was paid on completion. A further three instalments are potentially payable over the three years following completion, subject to the performance benchmarks.

For the scrip element of the consideration, BFG issued 14.58m new ordinary shares at \$1.25 each, plus 14.58m A, B & C Class Shares which potentially convert to ordinary BFG shares on each anniversary of the completion date, again subject to Southern Cross meeting the performance benchmarks.

[Slide – Amendments to the Transaction]

The acquisition agreement between BFG and the Southern Cross vendors contained terms in relation to the percentage of gross revenue available for payment to Southern Cross front office employees. Southern Cross nominated a plan such that the total cost to company of its front office employees would not exceed 40% of Southern Cross's gross revenue.

BFG and the Southern Cross vendors have agreed to vary that plan so that, subject to the passing of the special resolutions outlined in the notice of today's meeting, from 1 July 2009 total front office staff costs will not exceed 50% of Southern Cross's gross revenue. The arrangement will operate from 1 July 2009 and is not retrospective.

This amendment to the acquisition terms will provide Southern Cross with greater flexibility to hire additional experienced front office staff which in turn will result in ongoing benefits for both the Southern Cross vendors and BFG shareholders.

The consideration for the amendment to the agreed gross revenue split is a reduction in the total potential purchase price from \$145.8 million to \$114.8 million. The adjustment was calculated using the original revenue numbers and multiples, but with a 50% allocation for front office employee costs instead of 40%. The reduction is reflected in a reduction in potential cash and share based earn out payments shown on this slide.

[Slide – Amended Payment Schedule]

The reduction in consideration shows three potential cash instalments payable in 2009, 2010 and 2011, subject to the performance benchmarks being met.

For the scrip element of the consideration, the class A, B and C shares potentially convert to ordinary BFG shares on the anniversary of completion in 2009, 2010 and 2011 respectively, again subject to Southern Cross meeting the performance benchmarks.

Any shortfall in gross revenue in one financial year can be made up in subsequent years until 30 June 2011.

[Slide – Rationale for the Proposed Changes]

To date the acquisition of Southern Cross Equities has been an unqualified success. BFG has gained access to a new customer base, a wholesale broking business, an expanded product offering, quality corporate and research departments and a wider distribution network.

The proposed changes will provide Southern Cross with greater flexibility to hire and retain new high quality front office staff.

This initiative is designed to grow Southern Cross's existing revenue base and as a result provide a direct benefit to all BFG shareholders.

I now turn to the business of the General Meeting.