

MARKET RELEASE

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SNOWBALL GROUP LIMITED

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Further acquisition activity

Snowball has today announced the acquisition of all of the assets of Yarra Financial Group Pty Ltd, a Melbourne based financial planning business with approximately \$130 million of funds under advice (FUA), and its "sister" accounting business, Yarra Consulting Group Pty Ltd (collectively "Yarra").

This follows the completion of the acquisition of IFP late last year (a \$120 million FUA financial planning business), the licensing and acquisition of a right to revenue from three North Sydney based practices (completed earlier this month and adding \$135 million of FUA), and the recently announced licensing arrangement with Cambrian, the corporate superannuation business.

Yarra is a well established, integrated financial planning and accounting business that will be combined with Snowball's **Outlook Financial Solutions** (financial planning) and **Outlook Tax & Accounting Solutions** (accounting, tax and self-managed superannuation). Yarra will operate under the **Outlook** financial planning and tax agent licenses.

Yarra employs three financial planners and nine accountants, and also offers a specialist self-managed superannuation service. The acquisition will be financed from available cash reserves and a drawdown of \$650,000 from Snowball's banking facility. The transaction is earnings per share accretive to Snowball, with forecast profit (EBITDA) of over \$800,000 for the first full year of operation.

Overall, these latest acquisitions and licensing arrangements, will add around \$450 million of FUA and are forecast to contribute around \$2 million EBITDA per year to Snowball, which represents an additional 20% to our annual EBITDA "run rate", and is in addition to Snowball's 15% organic growth forecast for the 07-08 financial year.

Snowball Managing Director, Tony McDonald, said “these acquisitions are all wholly consistent with our acquisition strategy and, when looked at in aggregate, significantly bolster our advisor numbers and profitability in the run up to the new financial year”.

“They demonstrate our ability to attract a broad range of advisers and to deliver tailored growth and ultimately succession solutions across a number of practices that all “fit the family photo” but have slightly different needs and requirements at any one time”, said McDonald.

“We’ve always said that there is no effective one-size-fits-all template when it comes to helping planners manage their future growth and succession. We have worked closely with the practices involved in this series of transactions to come up with solutions that work for everybody concerned”, added McDonald.

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