

Chairman's Address to Shareholders
General Meeting – 12 February 2010

As Snowball shareholders you should have received the Explanatory Memorandum and Notice of Meeting in early January 2010. I hope you have all had a chance to review the memorandum as it provides detailed information on Officium Capital and the reasons why the Directors believe the acquisition of Officium Capital is beneficial to Snowball. Importantly, it also includes the Independent Expert's Report, which concludes that the transaction is fair and reasonable to the non-associated shareholders of Snowball. I intend to provide a brief overview of the key terms of the transaction and its strategic importance to Snowball. Following Tony's address, I will open the floor for any questions.

Snowball entered into a Share Purchase Agreement with Officium Group Pty Ltd (Officium Group) on the 18th of December 2009 to acquire Officium Capital Ltd (Officium Capital), for a total upfront consideration of \$6.5 million, to be paid in cash. Up to \$2.5 million of this upfront price may be repaid by Officium Group if certain performance hurdles relating to net inflows are not met by 31 March 2011. The cash payment for the acquisition will be funded by an existing debt facility provided by St George Bank.

Under the ASX Listing Rules, the price paid for the acquisition of Officium Capital is considered to be "significant" from a value perspective and because the seller is a related party of Snowball, shareholder approval is required in relation to the transaction.

Officium Capital is a portfolio construction and fund-of-funds management business, and as at 31 December 2009, has \$465m in funds under management (FUM), a 5% increase on FUM of \$440m as at 31 October 2009, as presented to shareholders in the Explanatory Memorandum. Officium Capital is the responsible entity of 14 managed investment schemes and manages funds both directly as well as together with other specialist fund managers. Officium Capital's key personnel include John Nunan, whom you know as an existing Director and the Officium Group representative on the Snowball Board.

Snowball's strategy has consistently been to achieve growth both organically and through acquisitions of advice and accounting businesses, and to expand Snowball's participation in the wealth management value chain by pursuing selective vertical integration opportunities. Officium Capital is the first step in this expansion of Snowball's capability across the value chain and is an important strategic acquisition in the context of the current environment.

The proposed acquisition of Officium Capital is consistent with Snowball's long term strategy and with our FY10 strategic initiatives and, in particular, our objective to enhance our internal portfolio construction, fund-of-funds management, and investment research capabilities.

The Directors believe the proposed acquisition will provide significant benefits for clients and Snowball Shareholders and positions Snowball well to continue to grow its business in the proposed new regulatory environment. In summary, the Directors of Snowball believe that the acquisition of Officium Capital will:

- assist Snowball to capitalise on the opportunities presented in the new environment;
- provide for greater efficiency in the management of client portfolios; and
- add incremental margin across the value chain, further diversifying Snowball's revenue streams.

In conjunction with the proposed acquisition, Officium Group, who is Snowball's majority shareholder, intends to distribute the shares it holds in Snowball to the underlying Officium Group shareholders, who are predominantly practice owners and senior advisers in Western Pacific Financial Group (WPF), one of Snowball's adviser groups. The distribution will take place by a capital return which must first be approved by Officium Group shareholders. Further, before the capital returns or distributions can take place, the bank debt held by Officium Group must be repaid and the Officium Group board must resolve to conduct the distributions. While the distribution is conditional on predominantly these items, it is Officium Group's current intention that the distribution occurs.

If the distribution occurs, Snowball's share register should become more liquid, as the one major shareholder will become approximately 21 individual shareholders. If the distributions occur, the individual OGPL shareholders will also enter into certain security arrangements with respect to their Snowball shares, for the benefit of ensuring sufficient assets are available for any future clawback payment or warranty claim.

The Snowball shares will also be held in escrow for a period of two years from the date of the distribution, with the ability to sell down proportions of each shareholding in sales processes managed by Snowball, to ensure that any subsequent dealings in these shares in the short term are managed appropriately. Tony will discuss the potential distribution and our process regarding these shares in further detail.

Completion of the acquisition of Officium Capital is conditional upon a number of events occurring, including the requirement of Officium Group shareholders to approve the distribution of the

Snowball shares. Completion is expected to take place by the end of February 2010. The Effective Date of the acquisition will be 1 February 2010.

The Directors consider that the acquisition of Officium Capital is in the best interests of all Snowball shareholders. Accordingly, all of the Directors entitled to make a recommendation in respect of the resolutions unanimously recommend that you vote in favour of the resolution to approve the transaction at today's General Meeting.

Quentin Jones
Chairman