

28 June 2010

ASX RELEASE

Outcome of Strategic Review

Further to the ASX release on 2 June 2010, the Board of Everest Financial Group (EFG) has now concluded its strategic review of the business after carefully considering and assessing multiple alternatives to maximise value for shareholders.

As a result of that review, the Board has concluded that:

- EFG will undertake an orderly wind down of operations of the business with a view to returning capital to shareholders.
- As part of that wind down and subject to final agreement on terms, Jeremy Reid will be relinquishing his role as CEO. Jeremy has accepted a consulting role to assist with the wind down.
- The potential transfer of the majority of fund management responsibilities to a third party financial services firm should be explored.
- Further reductions in operating costs are expected to be achieved primarily via the progressive reduction in staff numbers as the wind down proceeds.

In relation to the potential transfer of fund management responsibilities, this morning EFG's subsidiary, Everest Capital Limited (ECL), entered into an exclusivity and implementation agreement (subject to usual fiduciary carve outs) with a financial services firm which has expressed an interest in assuming fund management responsibilities currently undertaken by ECL and related entities. Subject to satisfactory due diligence being carried out by that entity over the next 5 days, the parties would then execute binding long form documentation.

EFG Chairman, Greg Martin, said today: "The strategic review has allowed detailed consideration of various options for the business. We have formed the view that the most appropriate course is an orderly wind down of the business including transitioning most funds management responsibilities to a suitably qualified third party. This will allow EFG to focus its efforts towards minimising its cost structure, defending the previously announced litigation and returning capital to shareholders.

"The timing for the full wind down and capital returns remains uncertain as there are still a number of matters to resolve. We will continue to keep the market informed of any significant developments," Mr Martin said.

Ends.

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