

20 April 2010

ASX RELEASE

Business Update

Outlook for 2010 and cost focus

As a consequence of the reduction in Assets under Management following capital returns and deleveraging in Everest Financial Group's underlying funds, it is expected that the operating result for the 2010 calendar year will be lower than 2009 and likely result in an operating loss for the year to December 2010. Cost saving initiatives implemented in 2009 and earlier this year will further reduce operating expenses within the business. Other initiatives are currently being reviewed to enhance efficiency and better manage operating expenses during the course of the year. These initiatives will not be at the expense of Everest's ability to comply with its statutory and regulatory obligations.

Option grant to Jeremy Reid

Following Everest's reduced revenue in 2009 and the continuing trend into 2010, your Board determined to pay no cash bonuses to senior executives for calendar year 2009. The Board did, however, issue key staff members with options that vest over 5 years, subject to achieving rigorous performance hurdles. Details of these hurdles and the value that would need to be created for shareholders before the options could vest were detailed in a statement to the ASX on 29 March 2010.

The Board has been informed by Everest's CEO, Jeremy Reid that he has elected not to take up the option package offered to him (which was to be subject to shareholder approval at the Everest 2010 Annual General Meeting). No cash equivalent arrangement or payment will be made to Mr Reid by way of compensation for this election. As a consequence, shareholders will not be asked to consider a resolution awarding options to Mr Reid at this year's Annual General Meeting.

Annual General Meeting (AGM)

The Notice of Annual General Meeting will be dispatched on 22 April 2010. The 2010 Everest Financial Group AGM will be held at 10am on 24 May 2010 at the Treasury Room, InterContinental Hotel, 117 Macquarie Street, Sydney NSW 2000.

Ends.

For further information please visit our website www.everest.com.au