

28 February 2011

ASX RELEASE

2010 Full Year Earnings

- Everest Financial Group (EFG or Group) recorded a loss before interest, tax, depreciation & amortisation (**EBITDA**) of \$8.3 million and a net loss after tax (**NPAT**) of \$5.6 million
- Assets under Management (**AUM**) of \$126 million at 31 December 2010
- No borrowings and a cash balance of \$21.5 million
- No dividend has been declared for the year ended 31 December 2010

As at 31 December 2010, the Group had approximately \$21.5 million of cash on deposit and no borrowings.

As at 31 December 2010, AUM was approximately \$126 million. AUM represents funds which are yet to be transitioned to One Investment Group (OIG). Everest Capital Limited (ECL), a wholly owned subsidiary of EFG, currently has a fee sharing agreement with OIG for the provision of responsible entity/trustee and funds management services.

Summary of full year 2010 financial results

	Year ended 31 December 2010	Year ended 31 December 2009
	\$m	\$m
Net management fees	3.6	8.1
EBITDA	(8.3)	0.4
Net profit/(loss) after tax	(5.6)	3.1
EPS	(2.28) cents	1.3 cents
AUM (at period end)	\$126 million	\$460 million



General Update

The Group has recorded a consolidated loss after tax of \$5.6 million for the financial year just ended. The loss was in part due to ECL entering into a fee sharing agreement with OIG in August 2010 as part of the transition of its funds management activities to OIG. This has significantly reduced the revenue of the Group.

The results of the Group were further impacted by significant one-off expenses including:

- LJK litigation settlement of net \$1 million;
- Expenses of \$2.7 million in relation to the management of various litigation matters, the ASIC investigation and advices on capital management initiatives;
- Termination payments to various employees of \$0.9 million;
- Accelerated amortisation of employee share grants of \$0.8 million;
- Impairment charges for fixed assets and financial assets of \$0.9 million;
- Recognition of contractual expenses in relation to the subleasing of all remaining office spaces to various third parties of \$0.8 million.

As part of the wind-down strategy of the Group, ECL has transitioned a majority of its trustee, responsible entity and management functions in respect of various investments trust to OIG. It is expected that all transitions to OIG will be completed by 31 March 2011. However it should be noted that some aspects of the outstanding transitions are not directly within the control of Everest.

Ends.

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

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