

26 February 2009

ASX RELEASE

2008 Full Year Earnings

- Earnings before interest tax depreciation & amortisation (**EBITDA**) of \$16.5 million¹, down 46% from \$30.4 million in 2007
- Net management fees of \$29.0² million down 9% from \$31.7 million in 2007
- No performance fees earned in 2008, compared with \$8.2 million in 2007
- Assets under Management (**AUM**) of \$1.8 billion at 31 December 2008 compared with \$3.0 billion at 31 December 2009.
- Non-cash write down of the value of EFG's intangible assets by \$324 million to a carrying value of zero
- Net statutory loss after tax of \$305.6 million
- Implementation of cost management initiatives
- No borrowings and a cash balance of \$15.8 million
- No dividend has been declared for the year to 31 December 2008

Everest Financial Group (**EFG**) announces a full year EBITDA of \$16.5 million compared with \$30.4 million for the full year 2007.

2008 proved to be an exceptionally challenging year for financial markets which has negatively affected Everest's assets under management and fund performance. This has resulted not only in lower management fee revenues but also zero performance fees compared with \$8.2 million in 2007.

During the year EFG announced the non-cash write down of intangible assets of \$324 million to a carrying value of zero. The write down of the intangible assets was in recognition of redemption requests received in our wholesale funds, restructuring of the listed trust and the cessation of our relationship with Babcock & Brown Limited. While the write down is a 'non cash' item, it eliminates the current years profit and our ability to pay a dividend.

Chief Executive Officer, Jeremy Reid, said: "Everest has not been immune from the continuing local and international market dislocations and the 2008 full year result reflect investor redemptions in response to liquidity needs and the general negative performance across our funds."

"We do however remain focused on managing investors' money for the long term and believe the current downturn will ultimately lead to opportunities as markets regain stability over the medium term."

¹ See Appendix one

² Includes share of net profits of joint venture accounted for using the equity method



Summary of 2008 Financial Results

	Year ended 31 December 2008	Year ended 31 December 2007	% Change
	\$m	\$m	
Net management fees	\$29.0	\$31.7	-8.5%
Net performance fees	\$0.0	\$8.2	-100%
EBITDA³	\$16.5	30.4	-45.7%
EBITDA margin	54%	72%	-
Cash NPAT³	\$12.4	\$21.5	-42.3%
Net (loss)/profit after tax	\$(305.6)	\$16.0	n/a
Cash EPS³	5.0 cents	8.9 cents	-43.8%
EPS	(122.4) cents	6.6 cents	n/a
DPS (Fully Franked)	0.0 cents	3.0 cents	n/a
AUM (at year end)	\$1.8 billion	\$3.0 billion	-40.0%

First Half 2009 Outlook

The investment funds managed by Everest have the objective of generating attractive risk-adjusted absolute returns over the medium-to-long term. However, in the short-term, the significant declines suffered by global equity and credit markets will continue to impact Everest's earnings for the first half of 2009.

On the 30 January 2009 the Board of Everest Babcock & Brown Alternative Investment Trust (EBI), announced that it had successfully completed the EBI Exchange Offer. We are pleased to report 27% by value of EBI Unitholders took part in the EBI Exchange Offer to invest in the Everest Alternative Investment Trust (EAIT), to be managed by Everest. This represents approximately \$270 million of gross funds under management, based on EBI's NTA at 31 December 2008.

Following the appointment of Permanent Investment Management Limited as responsible entity of the Alternative Investment Trust (formerly Everest Babcock & Brown Alternative Investment Trust) Everest was removed as the investment manager of the Trust on 23 February 2009 reducing billable AUM by approximately \$700 million to \$1.1 billion.

Our products are being reviewed as a result of market volatility and Everest remains confident in the long term industry fundamentals and its ability to access capacity with some of the world's leading investors. During 2008 Everest implemented cost management initiatives in response to the reduction in AUM and slowing potential for growth in the current market. This has required a reduction in headcount during 2008, which will be reflected in Everest's 2009 financial results. Recognising the continued market uncertainty, the focus on the first half of 2009 is on development of distribution channels with targeted products and managing overheads.

At year end, Everest has \$15.8 million in cash and no borrowings on its balance sheet.

³ See Appendix One



Ends.

Appendix One: Breakdown of EBITDA and Cash NPAT for EFG

	2008	2007
	\$'000	\$'000
Statutory NPAT	(305,585)	16,038
Amortisation of intangibles	2,167	2,600
Impairment of intangibles	324,226	-
Equity settled share based expenses – employee option plan	1,363	2,143
Non-cash tax benefit	(9,747)	689
Cash NPAT	12,424	21,470
Tax expense	4,503	9,129
Interest	(756)	(545)
Depreciation	353	296
EBITDA	16,524	30,350
Average number of shares on issue	249,582,858	242,491,992
EPS	(122.4) cents	6.6 cents
Cash EPS	5.0 cents	8.9 cents

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

Jeremy Reid
Chief Executive Officer
T +61 2 8001 9100

Trevor Gerber
Chairman
T +61 2 8001 9100