

Media Release

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WESTPAC GROUP TO MOVE TO 100% OWNERSHIP OF ASCALON CAPITAL MANAGERS

Westpac Group today announced it has reached an in-principle agreement with Kaplan Equity, a private equity investment company, regarding a 50% ownership position in Ascalon Capital Managers. The transaction is expected to complete in October at which point Westpac will own 100%.

Ascalon acts as an incubator for emerging boutique funds management firms and is able to provide support in back office and distribution along with working capital for newly formed boutiques. In exchange for this support, Ascalon would typically look to own a minority equity position and gain Board representation on the respective manager.

Ascalon was founded by St. George Bank in 2000 which became part of the Westpac Group in late 2008 following completion of the Westpac/St. George merger.

Rob Coombe, Chief Executive of BT Financial Group - Westpac's wealth management division - said the move to full ownership was consistent with Westpac's overall objective to increase exposure to wealth management particularly in higher margin products such as alternative assets.

"Ascalon has a compelling business model, a very capable CEO, and a demonstrated track record of identifying talented managers who have set up a boutique business and have the potential to develop into significant participants in the Australian funds management industry."

Andrew Landman, Chief Executive Officer of Ascalon, said Westpac's decision to acquire 100% of Ascalon is a solid endorsement of the Ascalon business model and consistent with a desire expressed by Westpac to look to add more boutiques to the Ascalon stable.

"Asset consultants and potential investors are increasingly demanding that boutiques demonstrate strong financial backing, while at the same time ensuring staff are collectively the majority owner of their individual businesses. The Westpac Group's full purchase of Ascalon sends a strong signal regarding our financial position and business model," Mr Landman said.

He added: "Ascalon's boutique operations are performing strongly, with managers continuing to win mandates despite the tough market conditions."

Sam Kaplan, Director of Kaplan Equity said: "The decision to sell our shareholding in Ascalon reflects our desire to focus our private equity investment on the logistics sector where we have a number of existing interests and are presently reviewing several new opportunities.

“This transaction makes sense for both parties and we wish Andrew and the Ascalon team well going forward,” Mr Kaplan concluded.

Ends.

For Further Information

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