

Treasury Group Limited

ASX Release

The Directors of Treasury Group Ltd are pleased to announce the establishment of a new funds management business in partnership with Mr Tim Ryan. The business will focus on Australian Equities, it will be based in Sydney and comes about, after six months of careful planning.

Mr Ryan has a long and distinguished track record in the Australian sharemarket. Most recently, Tim worked with Credit Suisse Asset Management. During his time with Credit Suisse, Tim presided as Head of Equities and then Chief Investment Officer. In his period at Credit Suisse when total funds under management grew from around \$1bln to over \$18 bln, Tim's funds achieved consistently strong investment performance. Tim has an excellent reputation within the industry and we are pleased and very excited to have reached agreement with such a high calibre, well regarded investment manager.

Treasury Group is fully committed to building the business with Tim and we are confident that the new business will become a successful and respected participant within the Australian funds management industry. We expect the business to become fully operational in the first quarter of 2003.

Treasury Group Limited through its initial stake of 19.9% and a series of call options is entitled to ownership of up to 49 % of the business. Under the terms of that arrangement, Treasury Group Limited will issue 100,000 ordinary fully paid shares to Tim Ryan and executives of the new business for no cash consideration. The shares will be under escrow for a period 3 years for Tim Ryan and 1 year for other executives.

In addition Treasury Group Limited will issue Tim Ryan and executives 1,250,001 options to subscribe for ordinary shares in Treasury Group Limited. Each option will entitle the holder to subscribe for 1 ordinary share in Treasury Group Limited upon the payment of the exercise price of \$5.75. The options will be issued for no cash consideration. Vesting will occur in three tranches and will be subject to achieving various funds under management targets. The last date for the exercising of the options will occur on the 31 March 2008.

No shareholder approval is required or will be sought in relation to any aspect of this proposed transaction.

For further information you may contact the following at Treasury Group:

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