

Monday, 23 February 2004

## HOMELOANS LIMITED ANNOUNCES STRATEGIC ALLIANCE

Homeloans Limited (HOM) is pleased to announce that it has entered into a heads of agreement with Mortgage Asset Services Pty Ltd (MAS) to establish a joint venture for MAS to originate new home loans for the group. MAS was recently established as a home loan marketing vehicle by Brett Hartley, the former Head of Marketing for Origin Mortgage Management, the ANZ Bank's wholesale lending arm and Troy Phillips, formerly the Head of Sales for Homeside Australia, owned by the National Australia Bank.

As part of the exclusive arrangement, Homeloans Ltd will issue to MAS up to a total of 2.75 Million options exercisable on the 30 June 2007 subject to the following conditions:

- New mortgage origination volumes of \$600 Million in the first 12 months and total new funds under management introduced by MAS to be maintained at a minimum of \$960 Million after 2 years;
  - 1 Million options exercisable at 45 cents subject to MAS still originating at least \$50 Million per month at that time.
- New mortgage originations of \$900 Million in the first 12 months and total new funds under management introduced by MAS to be maintained at a minimum of \$1.4 Billion after 2 years;
  - 1 Million additional options exercisable at 50 cents subject to MAS still originating at least \$50 Million per month at that time.
- Originations of \$1.2 Billion in the first 12 months and total new funds under management introduced by MAS to be maintained at a minimum of \$1.9 Billion after 2 years;
  - 750,000 additional options exercisable at 55 cents subject to MAS still originating at least \$50 Million per month at that time.

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