



PEPPER EXERCISES CALL OPTION ON PEPPER RESIDENTIAL SECURITIES TRUST NO.8 (“PRS8”) TRANSACTION

14 January 2014

Pepper Australia Pty Limited (“Pepper”) has today announced that it has exercised its call option (“the call”) on the Pepper Residential Securities Trust No.8 (“PRS8”). The call was exercised and refinancing completed on 10 January 2014. The total loan portfolio held within PRS8 at the call date was approximately \$108.5 million. This is the eighth call option exercised by Pepper.

The exercise of the call enabled PRS8 to fully repay the following notes initially purchased by investors on 23 December 2010:

Class of Notes

Current Standard & Poor’s Rating

Note Balance

At Issue Date (\$’000)

Note Balance

At Call Date (\$’000)

Class A1 Notes:

AAA

26,000

-

Class A2 Notes:

AAA

78,000

-

Class A3 Notes:

AAA

97,500

46,882

Class B Notes:

Non-Rated

24,700

24,700

Class C Notes:

Non-Rated

11,700

11,700

Class D Notes:

Non-Rated

9,100

9,100

Class E Notes:

Non-Rated

6,500

6,500

Class F Notes:

Non-Rated

6,500

6,500

Class L Notes:

Non-Rated

3,500

-

Pepper's ability to complete the PRS8 call once again demonstrates its capacity and commitment to refinance high quality residential mortgage assets in accordance with investor expectations.

"Fixed income investors need comfort that RMBS issuers have the financial capacity, and indeed intention, to fund call options on all RMBS issues which they sponsor", said Pepper's Co-Group Chief Executive Officer, Patrick Tuttle. "Pepper's capacity and desire to complete the call demonstrates our ongoing commitment to satisfying the intended refinancing obligations for all RMBS transactions in which we retain an underlying beneficial interest. This is the only tangible way in which we can give our programme investors genuine confidence in the expected weighted average lives of securities which we issue into the market", said Tuttle.

"We genuinely believe that investors will view our calling of the PRS8 transaction in a favourable light, and that it will further enhance Pepper's reputation as a programmatic issuer and servicer of high quality mortgage-backed securities", added Tuttle.

ABOUT PEPPER

Pepper is a diversified, global financial services business with specialist experience in Lending, Advisory and Asset Management across residential and commercial property sectors.

Pepper's combined business activities in Australia, New Zealand, Europe and Asia include:

Origination and servicing of consumer finance assets (home loans, car loans, equipment leases), and commercial assets (small-balance commercial loans, equipment finance and mezzanine debt);

Acquiring whole loan portfolios across a range of consumer and commercial asset classes on an opportunistic basis (e.g. residential mortgages, auto loans, equipment leases);

Providing third-party asset management and loan servicing to external parties on a fee-for-service basis;

Providing tenant representation and strategic advisory services to the corporate real estate (CRE) sector.

Pepper has been operating in Australia since early 2001 and has completed 13 publicly rated issues of residential mortgage-backed securities (RMBS) for a total value of \$4.4 billion since inception. Pepper also currently manages and services a combined asset portfolio of approximately \$14.3 billion.

For further information please contact:

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