

News Release 12 April 2013

Pepper Australia Pty Limited ("Pepper") and Joint Lead Managers, Commonwealth Bank of Australia and National Australia Bank today confirmed that the Pepper Residential Securities Trust No. 10 ("PRS10") A\$350 million non-conforming RMBS issue has priced.

Transaction details are as follows: Class of Notes

Preliminary Ratings S&P/Fitch

Issue Amount (A\$Million)

WAL

(Years) 1.

Issue Margin (over 30 Day BBSW)

A-1

AAA(sf)/AAAsf

245.00

2.3

+1.20%

A-2

AAA(sf)/AAAsf

38.85

2.3

+1.65%

AA(sf)/NR

18.20

3.8

+2.40%

C

A(sf)/NR

17.15

3.8

Undisclosed

D

BBB(sf)/NR

12.25

3.8

Undisclosed

E

BB(sf)/NR

8.05

3.8

Undisclosed

F

B(sf)/NR

5.60

3.0

Undisclosed

G

Not Rated

4.90

4.0

Undisclosed

The estimated WAL for each Note Class is based on full amortisation with a constant CPR of 20% p.a. for the first 18 months and 25% p.a. thereafter, the Stepdown Criteria being met from the earliest possible date and the Trust Manager Call Option being exercised at the earliest possible date. All tranches were priced at par.

Settlement Date: Thursday, 18 April 2013

Clean Up Call: Any Payment Date occurring:

After the date which is four years after the Settlement Date; or When the aggregate Invested Amount of the Notes outstanding is less than 25% of the aggregate initial Invested Amount of the Notes. The transaction is Pepper's first issue for 2013. "This deal is a continuation of the long history of non-conforming issuance by Pepper which dates back to 2003. Our track record and commitment to always call our term deals at the first available date, continues to attract strong support from investors," said Pepper's Group Treasurer, Todd Lawler.

"The issue was extremely well supported by a total of 14 domestic investors, many of whom are repeat buyers. We were particularly pleased with the significant reduction in issue margins across all tranches since the A\$300 million PRS9 issue in May 2012", added Lawler.

"The PRS10 issue was well supported by investors across the entire capital structure. The transaction demonstrates that there is genuine investor demand for Australian non-conforming RMBS paper from quality issuers with strong servicing and asset performance history. This is a strong endorsement of Pepper's business model, the credit quality of the underlying loan collateral and our expertise as a specialist mortgage servicer", said Pepper's Group Managing Director & CEO, Patrick Tuttle.

"PRS10 is also a pure non-conforming RMBS issue, with no related rating dependency on mortgage insurers. This distinguishes the deal from more recent non-conforming issues which have comprised a mixture of both non-conforming and LMI-insured mortgage collateral", added Tuttle.

"This transaction conclusively demonstrates that there is significant demand from institutional investors for quality non-conforming RMBS across the rating spectrum" said Rob Verlander, Head of Debt Markets Securitisation at Commonwealth Bank of Australia.

"We are particularly happy with the pricing and composition of the final book. The transaction was oversubscribed and bids were scaled", said Sarah Samson, Director, Securitisation, at National Australia Bank.

Pepper is a diversified financial services business whose core business is the provision of home loans to consumers who do not fit traditional lending criteria. PRS10 is the tenth public issue of residential mortgage-backed securities backed by Pepper-originated mortgages, increasing its total Australian non-conforming RMBS issuance to in excess of A\$3.0 billion.

ENDS

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About Pepper Investment Management – Key Facts

Pepper Investment Management Limited was launched as a standalone business to manage a series of credit and fixed income funds for the wholesale market place. The management team and investment committee offer over 80 years of combined investment experience in credit and securitised assets and adopt a conservative and consistent approach to investing. Our investment approach requires a detailed and thorough initial due diligence and ongoing monitoring process of all assets. About Pepper – Key Facts

Pepper Australia Group ("Pepper") is Australia's largest non-bank residential mortgage lender (as measured by total assets under management), a leading provider of specialty residential mortgage financing and a highly experienced third-party loan servicer and asset manager. The Group currently has approximately A\$5.0 Billion of loan and lease assets under management (comprising residential mortgages, commercial mortgages, equipment leases, small business loans and car loans). Since establishing itself as a specialist residential mortgage lender in the Australian market in March 2001, Pepper has originated more than A\$3.8 billion of specialist residential mortgages in Australia. In 2011 Pepper acquired GE Capital's Australian and New Zealand mortgage lending businesses, which comprised a portfolio of approximately A\$5.0 billion of Australian and New Zealand residential mortgages. This transaction was one of the largest whole loan transactions in Australian history. In June 2012 Pepper also announced the acquisition of GE Capital's Irish mortgage assets and business platform as part of a servicing-led business strategy to participate in future balance sheet deleveraging and asset management opportunities in select European markets. Pepper's current wholesale funding partners include Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation. In addition to lending and servicing its own mortgage portfolio, Pepper provides third party servicing of various types of mortgages, leases and unsecured loan products. Pepper is jointly led by Executive Chairman, Mike

Culhane, and Managing Director & CEO, Patrick Tuttle. Mike and Patrick are focused on ensuring Pepper continues to leverage its core credit underwriting and loan servicing expertise both in its home market of Australia and other under-served markets in Europe and Asia. Pepper is ranked by S&P as a "STRONG" Residential Loan Servicer and is included on S&P's Global Select Servicer List.