



# news release

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## **AXA grows its advice network while also simplifying its operations**

AXA Asia Pacific Holdings (AXA APH) announced today that it will acquire Challenger's Financial Planning business in exchange for AXA Australia's closed annuity portfolio and consideration of \$100 million.

The financial planning business includes Genesys Wealth Advisers and the proprietary platform Synergy. Genesys is a quality advice business and together with the Synergy platform will continue to operate independently under the Genesys brand.

Commenting on this transaction Andrew Penn, Chief Executive Officer of AXA APH said,

"This transaction is a great result for both AXA and Challenger. AXA further grows its distribution business at the same time as simplifying its operations, whilst Challenger gains further scale in its strong annuity business.

"Through AXA Financial Planning, Charter Financial Planning, ipac, Tynan Mackenzie and Monitor Money we have a quality advice network. Genesys will further strengthen this position adding \$12 billion of funds under advice and 350 advisers, consolidating AXA's position as one of the leading operators of advice businesses with approximately 1,600 advisers. This acquisition is consistent with our Ambition 2012 programme and our focus on growing our business through the provision of quality financial advice."

Commenting on the sale of AXA's Australian annuity portfolio, Mr Penn said,

"The sale of our annuity portfolio continues the focus on simplifying our operations and the investment in areas that will best enable us to achieve our Ambition 2012 goals. In September 2007 we closed our annuities to new business, and given Challenger's focus on this market, the sale of our annuity portfolio to Challenger provides a win win scenario.

"The transfer of our annuity portfolio to Challenger will also release approximately \$110 million of regulatory capital making the overall transaction self funding."

Mike Tilley, Challenger's Chief Executive Officer said, "This transaction benefits both Challenger and AXA as it provides scale and efficiency benefits for both parties."

The purchase of the financial planning business involves AXA paying \$150 million to Challenger and is expected to complete on 30 June 2008.

The annuity portfolio transfer, by Scheme of Arrangement, involves transfer of assets and liabilities to Challenger for net consideration of \$50 million, which AXA will record as profit before tax. The transfer will be under Part 9 of the Life Insurance Act and is expected to complete early next year.

The acquisition will be earnings per share neutral in 2008 and accretive from 2009 and is subject to regulatory approval.

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