

Commonwealth Bank

Commonwealth Bank of Australia
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COMMONWEALTH BANK ANNOUNCES WARWICK NEGUS AS CEO OF COLONIAL FIRST STATE GLOBAL ASSET MANAGEMENT AND THE ACQUISITION OF MINORITY STAKE IN 452 CAPITAL

26 May, 2005: The Commonwealth Bank today announced that Warwick Negus has been appointed Chief Executive Officer of Colonial First State Global Asset Management (CFS GAM) and will formally take up this role on 1 June 2005.

The formation of CFS GAM was announced in February 2005 and consists of the funds management teams from Colonial First State and First State International, with a sole focus on investment management.

"We selected Warwick Negus to lead this new business due to his breadth of industry experience coupled with his global expertise," said Stuart Grimshaw, Group Executive Wealth Management, Commonwealth Bank. "He has been involved in the domestic and international funds management business for over 17 years and has a depth of experience that will be invaluable in continuing to build a leading asset management business."

The Bank also announced today that its wholly owned subsidiary, the Colonial Mutual Life Assurance Society Limited, has reached agreement with the shareholders in 452 Capital Pty Ltd to acquire a minority shareholding of 30%. Peter Morgan will maintain his current shareholding, continuing as the largest single shareholder, and both he and the staff will retain control of the company.

In December 2002, Colonial First State and 452 Capital Pty Ltd formed an alliance which gave retail investors exclusive access to 452 Capital Pty Ltd as a single manager through Colonial First State retail funds.^^

"We have been extremely pleased with the strategic alliance and the strong results it has produced over the last two-plus years. Taking a minority shareholding in 452 Capital Pty Ltd is a natural extension of the existing relationship and will lock-in the current successful exclusive distribution arrangement. It will also provide the Bank a share in the future success of that company," said Stuart Grimshaw.

"It is no secret we have wanted to cement this relationship with one of the country's leading boutique Australian equities managers for some time and I'm delighted we have been able to reach an agreement."

- Ends -

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EDITORS' NOTES:

Warwick Negus

Warwick Negus is the co-founder and CEO of 452 Capital Pty Ltd. He has had a long and distinguished career in the funds management industry working both in Australia and around the world, encompassing a range of fund management roles.

He began his working career in 1981 when he was recruited by the BHP Company Limited as a graduate trainee in their Sydney office. In 1986, whilst completing his postgraduate studies he worked with the Commonwealth Bank of Australia in the International Lending Division.

In 1987, upon graduation, he moved to BT Australia Limited into the Investment Management group where he assumed responsibility for investment in the South East Asian markets. Apart from developing a portfolio management team, Warwick also developed BT's approach for investing in the Asian markets.

In 1993 Warwick joined Goldman Sachs to establish an investment team based in Hong Kong and focused on the Asian markets. In 1996 he was promoted to Managing Director and assumed the role of Chief Investment Officer of Global Emerging Markets. Warwick moved to London where he assumed the additional responsibility of Global Equities overseeing the investment of in excess of US\$50 billion with clients based around the world.

In 1999, Warwick moved back to Australia as Managing Director in Goldman Sachs Sydney based Investment Banking Division where he worked until September 2002.

Colonial First State/ 452 Capital Alliance

The funds offered as a result of the alliance have performed well.^

The Wholesale CFS 452 Australian Share Fund has provided a return to investors over 12 months of 19.69% (after fees and taxes to 30 April 2005). Its performance since inception on 16 January 2003 has been 20.53% pa, 3.35% above index.

The Wholesale CFS 452 Geared Australian Share Fund is now just over a year old and has provided an return to investors over 12 months (and since inception) of 33.51% (after fees and taxes on 30 April), out performing the index by 11.32%.

452 Capital Pty Ltd

452 Capital is an independent fund management company focused on the management of assets invested in the Australian sharemarket. The company was founded in 2002 by Peter Morgan and Warwick Negus and is based in Sydney, Australia.

The fundamental investment philosophy underpinning 452 Capital's active bottom-up approach to portfolio management is the belief that the share prices of listed companies often fail to reflect their fair valuation.

Colonial First State Global Asset Management

- CFS GAM will incorporate the investment management teams of Colonial First State and First State International later this year, with a target date of 1 July.
- CFS GAM will have more than \$88.9b in FUM (on 31 Dec 04 numbers)
- It will have 140 Investment professionals globally and be the largest fund manager in Australia.

^These funds are available through Colonial First State – FirstChoice Investments, FirstChoice Personal Super, FirstChoice Employer Super (only the CFS 452 Australian Share Fund), FirstChoice Pension, FirstChoice Wholesale Investments, FirstChoice Wholesale Personal Super and FirstChoice Wholesale Pension are issued by Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence Number 232468. Product Disclosure Statements (PDSs) describing the features and fees for the new options will be available at colonialfirststate.com.au or by calling 1300 360 645. This is not financial product advice and does not take into account any person's individual needs, financial circumstances or objectives. You should read the relevant PDS and consider talking with a financial adviser before deciding whether to acquire or continue to hold options in FirstChoice.