

27 February 2013

Equity Trustees Strong Half Year Result Delivers 5% Increased Dividend Update on Takeover Offer for Trust Company

Equity Trustees Limited (ASX: EQT) today confirmed a lift in half year revenue of 8.3% and a 13.8% increase in net profit after tax for the six months ending 31 December 2012 compared with the prior corresponding period (pcp).

	6 months to 31 Dec 2012	6 months to 31 Dec 2011	% Change
	\$m	\$m	
Operating Revenue	22.5	20.7	8.3
Operating Expenses	(16.7)	(15.7)	(6.0)
Operating profit before tax	5.8	5.0	15.3
Income Tax Expense	(1.7)	(1.4)	
Operating profit after tax	4.1	3.6	14.1
Non-operating items (net of tax)	0.3	0.3	
Net profit after tax	4.4	3.9	13.8
Earnings Per Share (EPS, cents)	49.32	45.08	9.4
Interim Dividend (DPS, cents)	42	40	5

The Chairman of EQT, Mr Tony Killen, said, "It is particularly pleasing that we achieved both organic revenue growth and improved margins, leading to the enhanced bottom line in this result. Our recent acquisitions and other strategic initiatives, such as our project to drive system and process efficiencies, are contributing to our performance and have been well planned and executed by EQT's team. The restructuring of the business into two focused units – Private Wealth Services and Corporate & Financial Services – is now complete and we expect the implementation of a new strategic growth project in Private Wealth Services will begin to deliver further improvement in performance over the coming periods."

Increased Interim Dividend

"The Board has declared a fully franked interim dividend of 42 cents per share, up 5% on the previous year (40 cents pcp). This represents a payout ratio of 85% of EPS, which is within our policy range of 70% to 90%. Shareholders will be able to reinvest this interim dividend in the Dividend Reinvestment Plan (DRP) at a 2.5% discount. The interim DRP will not be underwritten on this occasion", Mr Killen said.

Outlook for the remainder of 2013

EQT's Managing Director, Mr Robin Burns, said, "We have started the second half on a positive note, underpinned by strong growth in Funds Under Management and Administration (FUMA) in the first half. Over the last 12 months FUMA has grown in excess of 30% to \$28bil. The business is in fundamentally good shape, remains debt free and well positioned to benefit from more buoyant investment markets. The positive momentum demonstrated by the half-year result has continued in early 2013 and we remain confident of a strong result for the full year."

Takeover offer for The Trust Company

Mr Burns added, "On 21 February 2013, EQT announced its intention to make a takeover offer to acquire all of the shares in The Trust Company (ASX: TRU). It is not just our view but also that of market observers and many of the interested shareholders with whom we've now spoken, that this takeover offer makes compelling strategic sense for both EQT and Trust Company.

We believe we have structured a very fair and attractive proposal that recognises the relative performance, strengths and prospects of both companies. Combining them will create a leading trustee, investment and administration services provider in Australasia and unlock synergies estimated at up to \$8m per year. Our offer would see Trust's shareholders receive approximately 59% of these synergy benefits and the upside potential from greater resources dedicated to a private wealth services business growth strategy and improved marketing capabilities.

The market has responded positively to EQT's announcement - increasing EQT's share price from \$16.00 before the transaction was announced, to \$17.40 at the close of trade yesterday. TRU's share price has also increased from \$4.75 to \$5.65 over the same period. This is good news for both EQT and TRU shareholders. As market commentators have noted, it is highly unusual in a takeover offer for the target (TRU) and the bidder (EQT) to both increase in price. We believe this is tacit endorsement of the terms of our proposal to combine the two companies."

Mr Killen said, "Our results today strengthen the rationale for combining Equity Trustees with The Trust Company. The current momentum being experienced in our business will be further enhanced through the increased scale and opportunities provided by combining with The Trust Company. This is something that will add value for both our shareholders and those of The Trust Company."

EQT encourages all shareholders to read the ASX announcement made on 21 February 2013 regarding the takeover offer. This can be found on the ASX's website at:
<http://www.asx.com.au/asxpdf/20130221/pdf/42d4x3sffwg1y0.pdf>

Further details on the offer will be included in EQT's Bidder Statement to TRU shareholders. This will also be available on the ASX website and EQT will keep our shareholders and the market informed on the progress of our offer.

For further information, please contact:

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About Equity Trustees

Equity Trustees is an Australian financial services provider specialising in estates and trusts, philanthropy, wealth management, superannuation, managed funds and corporate trustee services. Its services include responsible entity services for external fund managers, distribution of managed funds and private wealth services comprising estate management, trustee services, legal, financial and taxation advice, personal investment advice, superannuation, aged care financial planning, placement advice and training services. It was established in 1888 and has approximately 190 employees.

This media release was prepared by Equity Trustees Limited and is only provided for information purposes. It does not contain investment recommendations nor provide investment advice.

Appendix 4D – Half Year Report

Name of entity

Equity Trustees Limited

ABN or equivalent company reference

46 004 031 298

Half Year Ended

31 December 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 12		31 Dec 11	
	\$ '000		\$ '000	
Revenue from ordinary activities	22,805	Up 8.3%	From	21,061
Operating profit after tax excluding sale of investments	4,165	Up 14.3%	From	3,644
Profit on sale of investments net of tax	243			228
Profit from ordinary activities after tax attributable to members	4,408	Up 13.8%	From	3,872
Net profit for the period attributable to members	4,408	Up 13.8%	From	3,872

Dividends	Amount per Security	Franked amount per Security
Interim Dividend	42 cents per share	100%
The directors have declared a fully franked interim dividend of 42 cents per share. The directors have also declared that the dividend reinvestment plan (DRP) will operate for this dividend. The share price to be used for the DRP will be calculated based on the volume weighted average price of EQT traded shares on 5 days after record date. A discount of 2.5% will be applied.		
Record date for determining entitlements to the dividend. This is also the last date for the receipt of an election notice for participation in the DRP.	19 March 2013	
Payment date for dividend	17 April 2013	

ASX ADDITIONAL INFORMATION

Additional information required by the ASX, and not shown elsewhere in this report, follows. The information is current as at 31 December 2012.

Net tangible asset backing per share

The net tangible asset backing per share at 31 December 2012 was \$1.85 (2011: \$1.28), which is based on shares on issue of 8,972,347 (2011: 8,617,976).

Control gained or lost over entities during the period

The following entities were acquired during the period:

Half year ended 31 December 2012

There were no entities for which control was gained during the period.

Half year ended 31 December 2011

- EQT Aged Care Services Pty Limited

This entity was incorporated on 20 July 2011 and it acquired the Lifetime Planning and Tender Living Care businesses on 1 August 2011.

The contribution to consolidated profit from ordinary activities since the date on which control was acquired is not material to the understanding of the financial report.

There were no entities where control was lost during the period (Dec 2011: nil).

Audit

A review of the financial statements has been completed with an unqualified conclusion expressed by the auditor. A copy of the review opinion is attached.

Commentary

For additional commentary, refer to the Directors' Report and separate ASX release covering the Announcement of Results and Shareholder Presentation.



Equity Trustees Limited
ABN 46 004 031 298

Consolidated Half Year Financial Report

for the half year ended

31 December 2012

Equity Trustees Limited

ABN 46 004 031 298

Directors' Report

The directors of Equity Trustees Limited submit herewith the financial report for Equity Trustees Limited and its subsidiaries (the Group) for the half year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half year are:

J A (Tony) Killen OAM, Chairman
Robin B O Burns, Managing Director
David F Groves, Deputy Chairman
Alice J M Williams
The Hon Jeffrey G Kennett AC
Anne M O'Donnell
Kevin J Eley

Review of Operations

The directors of Equity Trustees Limited report a net profit after tax for the half year ended 31 December 2012 of \$4,408,188 which is a 13.8% increase on the net profit after tax of \$3,872,306 for the prior corresponding period. The increased profitability has occurred due to better performance in both of the business units and improving equity markets.

The result for the period includes an after tax profit on sale of investments of \$242,501 (2011: \$227,996). This profit arises from the rebalancing of the long term investment portfolio.

The earnings per share (undiluted) for the half year period was 49.32 cents (2011: 45.08 cents), representing a 9.4% increase in comparison to the corresponding prior period. This is based on the weighted average shares on issue during the period of 8,938,313 (2011: 8,589,157).

At 31 December 2012 the investment revaluation reserve contained a net of tax unrealised gain of \$419,710 (June 2012: \$424,466).

Net assets are \$60,796,672 an increase of \$1,320,270 on the position at 30 June 2012 of \$59,476,402. The Company's \$5 million net tangible asset licence requirement has been adequately met throughout the first half of the year.

Subsequent event

On 21 February 2013, Equity Trustees Limited (EQT) announced its intention to make an off-market takeover offer for all of the shares in The Trust Company Limited (TRU). The offer is for 33 EQT shares for every 100 TRU shares and values TRU at \$5.28 per share based on the EQT share price before the offer was announced. Apart from the above there have been no material subsequent events (2011: nil).

Equity Trustees Limited
ABN 46 004 031 298

Directors' Report (cont'd)

Dividends

During the half year period the company paid a fully franked final dividend of 45 cents per share in respect of the financial year ended 30 June 2012.

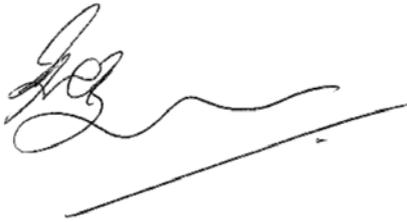
Subsequent to 31 December 2012, the directors have declared a fully franked interim dividend of 42 cents per share in respect of the financial year ending 30 June 2013.

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 3 of the half year report.

Signed in accordance with a resolution of the directors made pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Rob Burns', is written over a solid horizontal line.

Mr Robin B O Burns
Managing Director
Melbourne, 27 February 2013

The Board of Directors
Equity Trustees Limited
Level 2 575 Bourke Street
MELBOURNE VIC 3000

27 February 2013

Dear Board Members

Equity Trustees Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Equity Trustees Limited.

As lead audit partner for the review of the consolidated financial statements of Equity Trustees Limited for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants

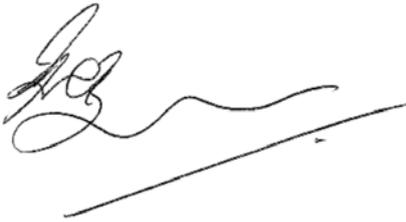
Directors' Declaration

The directors declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Rob Burns', with a long horizontal line extending to the right.

Mr Robin B O Burns
Managing Director
Melbourne, 27 February 2013

Equity Trustees Limited
Condensed Consolidated Statement of Profit or Loss
for the half year ended 31 December 2012

	Consolidated	
	Half year ended 31 Dec 2012	Half year ended 31 Dec 2011
	\$	\$
Continuing operations		
Revenue	22,222,309	20,524,538
Other revenue	582,614	536,397
Total revenue	22,804,923	21,060,935
Employee benefits expenses	11,687,424	10,972,839
Other employment and consulting expenses	595,020	796,274
Audit and tax advice expenses	167,056	176,686
Depreciation and amortisation expenses	543,606	566,057
Management rights amortisation	119,383	115,925
Insurance expenses	272,206	275,020
Legal, consulting and regulatory expenses	486,714	335,703
Marketing expenses	604,394	744,370
Information technology expenses	854,123	742,083
Occupancy expenses	736,762	693,463
Other expenses	571,813	277,763
Total expenses	16,638,501	15,696,183
Net profit before income tax expense	6,166,422	5,364,752
Income tax expense	(1,758,234)	(1,492,446)
Net profit after income tax expense from continuing operations	4,408,188	3,872,306
Arributable to:		
Owners of the parent entity	4,403,442	3,874,090
Profit/(loss) attributable to minority interest	4,746	(1,784)
	4,408,188	3,872,306
Earnings per share		
- Basic (cents per share)	49.32	45.08
- Diluted (cents per share)	48.91	44.74

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Equity Trustees Limited
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half year ended 31 December 2012

	Consolidated	
	Half year ended 31 Dec 2012 \$	Half year ended 31 Dec 2011 \$
Net profit after income tax expense from continuing operations	4,408,188	3,872,306
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Realised (gain)/loss on sale of available-for-sale investments	(344,905)	(325,709)
Increase/(decrease) from revaluation of available-for-sale investments	339,636	(662,812)
Income tax relating to components of other comprehensive income	513	275,940
Total comprehensive income for the period	4,403,432	3,159,725
Total comprehensive income attributable to owners of the parent entity	4,398,686	3,161,509
Total comprehensive income attributable to minority interest	4,746	(1,784)
	4,403,432	3,159,725

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Equity Trustees Limited
Condensed Consolidated Statement of Financial Position
as at 31 December 2012

	Consolidated	
	31 Dec 2012	30-Jun-12
Note	\$	\$
Current assets		
Cash and cash equivalents	7,837,772	9,898,656
Trade and other receivables	5,296,087	4,870,866
Other	3,501,475	2,720,388
Total current assets	16,635,334	17,489,910
Non-current assets		
Trade and other receivables	108,186	108,186
Other financial assets	3,776,880	2,855,198
Property, plant and equipment	1,023,899	909,983
Intangible assets	33,233,947	33,063,017
Deferred tax assets	1,516,045	1,623,706
Goodwill	9,432,878	9,432,878
Total non-current assets	49,091,835	47,992,968
Total assets	65,727,169	65,482,878
Current liabilities		
Trade and other payables	474,298	622,284
Provisions	2,159,202	2,742,754
Other current liabilities	71,241	96,957
Current tax payable	302,550	540,331
Total current liabilities	3,007,291	4,002,326
Non-current liabilities		
Provisions	1,360,581	1,383,953
Other non-current liabilities	377,343	434,401
Deferred tax liabilities - investment revaluation	185,282	185,796
Total non-current liabilities	1,923,206	2,004,150
Total liabilities	4,930,497	6,006,476
Net assets	60,796,672	59,476,402
Equity		
Issued capital	48,281,812	47,481,389
Investment revaluation reserve	419,710	424,466
Other reserves	977,517	846,017
Retained earnings	11,116,597	10,728,240
Equity attributable to owners of the Company	60,795,636	59,480,112
Non-controlling interests	1,036	(3,710)
Total equity	60,796,672	59,476,402

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Equity Trustees Limited
Condensed Consolidated Statement of Changes in Equity
for the half year ended 31 December 2012

	Reserves						Total Equity
	Fully paid ordinary shares	Investment revaluation	Equity settled benefits	Retained earnings	Attributable to owners of the parent	Non-controlling interests	
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	43,489,257	1,354,263	515,502	10,074,585	55,433,607	25	55,433,632
Profit/(loss) for the period	-	-	-	3,874,090	3,874,090	(1,784)	3,872,306
Decrease from revaluation of available for sale investments	-	(662,812)	-	-	(662,812)	-	(662,812)
Related income tax	-	178,227	-	-	178,227	-	178,227
Gain on sale of available for sale investments	-	(325,709)	-	-	(325,709)	-	(325,709)
Related income tax	-	97,713	-	-	97,713	-	97,713
Total comprehensive income for the period	-	(712,581)	-	3,874,090	3,161,509	(1,784)	3,159,725
Shares issued under employee salary sacrifice share plan	27,228	-	-	-	27,228	-	27,228
Shares issued under dividend reinvestment plan	565,146	-	-	-	565,146	-	565,146
Share issue costs	(4,894)	-	-	-	(4,894)	-	(4,894)
Related income tax	1,468	-	-	-	1,468	-	1,468
Provision for executive share entitlements	-	-	139,918	-	139,918	-	139,918
Provision for employee share acquisition plan	-	-	100,000	-	100,000	-	100,000
Payment of dividends	-	-	-	(4,283,738)	(4,283,738)	-	(4,283,738)
Balance at 31 December 2011	44,078,205	641,682	755,420	9,664,937	55,140,244	(1,759)	55,138,485
Balance at 1 July 2012	47,481,389	424,466	846,017	10,728,240	59,480,112	(3,710)	59,476,402
Profit/(loss) for the period	-	-	-	4,403,442	4,403,442	4,746	4,408,188
Increase from revaluation of available for sale investments	-	339,636	-	-	339,636	-	339,636
Related income tax	-	(101,891)	-	-	(101,891)	-	(101,891)
Gain on sale of available for sale investments	-	(344,905)	-	-	(344,905)	-	(344,905)
Related income tax	-	102,404	-	-	102,404	-	102,404
Total comprehensive income for the period	-	(4,756)	-	4,403,442	4,398,686	4,746	4,403,432
Shares issued under employee salary sacrifice share plan	18,695	-	-	-	18,695	-	18,695
Shares issued under dividend reinvestment plan	612,297	-	-	-	612,297	-	612,297
Shares issued under employee share acquisition plan	176,256	-	(176,256)	-	-	-	-
Share issue costs	(6,825)	-	-	-	(6,825)	-	(6,825)
Related income tax	-	-	-	-	-	-	-
Provision for executive share entitlements	-	-	231,185	-	231,185	-	231,185
Provision for employee share acquisition plan	-	-	76,571	-	76,571	-	76,571
Payment of dividends	-	-	-	(4,015,085)	(4,015,085)	-	(4,015,085)
Balance at 31 December 2012	48,281,812	419,710	977,517	11,116,597	60,795,636	1,036	60,796,672

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Equity Trustees Limited
Condensed Consolidated Statement of Cash Flows
for the half year ended 31 December 2012

	Consolidated	
	Half-year ended 31 Dec 2012 \$	Half-year ended 31 Dec 2011 \$
Cash flows from operating activities		
Receipts from customers	25,764,709	24,528,971
Payments to suppliers and employees	(21,324,216)	(19,712,315)
Income tax paid	(1,888,354)	(2,236,421)
Net cash provided by operating activities	2,552,139	2,580,235
Cash flows from investing activities		
Payment for investment securities	(1,000,000)	-
Proceeds on sale of investment securities	417,827	1,025,457
Interest received	175,618	159,641
Dividends received	27,678	42,777
Payment for property, plant and equipment	(305,913)	(219,755)
Payment for intangible assets	(518,948)	(221,130)
Payment for businesses	-	(1,384,589)
Net cash (used in) / provided by investing activities	(1,203,738)	(597,599)
Cash flows from financing activities		
Proceeds from issues of equity securities	-	(25)
Payment for share issue costs	(6,825)	(4,894)
Dividend paid to members of the parent entity (net of shares issued under the dividend reinvestment plan)	(3,402,460)	(3,719,376)
Net cash (used in) / provided by financing activities	(3,409,285)	(3,724,295)
Net (decrease) / increase in cash and cash equivalents	(2,060,884)	(1,741,659)
Cash and cash equivalents at the beginning of the half-year	9,898,656	6,252,593
Cash and cash equivalents at the end of the half-year	7,837,772	4,510,934
Reconciliation of cash		
Cash and Cash Equivalents	7,837,772	4,510,934
	7,837,772	4,510,934

The above statement should be read in conjunction with the accompanying notes to the financial statements.

Equity Trustees Limited
Notes to the Condensed Consolidated Financial Statements
for half year ended 31 December 2012

1. Summary of accounting policies

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2012, except for the impact of the Australian Accounting Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standard Board (the AASB) that are relevant to its operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group are amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Equity Trustees Limited
Notes to the Condensed Consolidated Financial Statements
for the half year ended 31 December 2012

	Half year ended 31 Dec 2012		Half year ended 31 Dec 2011	
	Cents per share	\$	Cents per share	\$
2. Dividends				
<u>Recognised amounts</u>				
Fully paid ordinary shares				
Final dividend	45.00	4,015,085	50.00	4,283,738
<u>Unrecognised amounts</u>				
Fully paid ordinary shares				
Interim dividend	42.00	3,768,743	40.00	3,447,455

3. Acquisition of businesses
Half year ended 31 December 2012
There were no business acquisitions during the half year ended 31 December 2012.

Half year ended 31 December 2011

Effective 1 August 2011, the Group acquired 100% of an advisory business specialising in the aged care sector (Aged Care business). This business trades under the names Lifetime Planning, Tender Living Care and Aged Care Pathways.

	Half year ended	
	31 Dec 2012	31 Dec 2011
Consideration	\$	\$
Cash	-	1,384,589

Acquisition-related costs amounting to nil (2011:\$65,960) have been excluded from the consideration transferred and have been recognised as an expense in the period in the income statement.

	Half year ended	
	31 Dec 2012	31 Dec 2011
Assets acquired and liabilities assumed at the date of acquisition	\$	\$
Current assets		
Other current assets	-	10,306
Non-current assets		
Property, plant and equipment	-	7,761
Intangible assets	-	331,953
Deferred tax assets	-	20,664
Current liabilities		
Employee entitlements	-	(131,242)
Non-current liabilities		
Provisions	-	(2,500)
Employee entitlements	-	(12,640)
	-	224,302

No trade receivables were acquired (2011: nil).

Equity Trustees Limited
Notes to the Condensed Consolidated Financial Statements
for the half year ended 31 December 2012

3. Acquisition of businesses (cont'd)

	Half year ended	
	31 Dec 2012	31 Dec 2011
	\$	\$
Goodwill arising on acquisition		
Consideration	-	1,384,589
Less fair value of identifiable net assets acquired	-	(224,302)
Goodwill arising on acquisition	-	1,160,287

2011: Goodwill arose in relation to the acquisition of the Aged Care business because the acquisition results in synergies that cannot be separately recognised from goodwill as they are not capable of being separated. None of the goodwill arising in relation to this acquisition is expected to be tax deductible.

	Half year ended	
	31 Dec 2012	31 Dec 2011
	\$	\$
Net cash outflow arising on acquisition		
Consideration paid in cash	-	1,384,589
less cash and cash equivalent balances acquired	-	-
	-	1,384,589

Impact of acquisition on the results of the Group

2011: The revenue for the period ended 31 December 2011 included \$532,342 in respect of the Aged Care business, this was not considered material to the results.

4. Goodwill

	Half year ended	
	31 Dec 2012	31 Dec 2011
	\$	\$
Gross carrying amount		
Balance at beginning of the interim period	9,432,878	8,272,591
Additional amounts recognised from business combinations occurring during the period (note 3)	-	1,160,287
Balance at end of the interim period	9,432,878	9,432,878
Accumulated impairment losses		
Balance at beginning of the interim period	-	-
Balance at end of the interim period	-	-
Net book value		
At the beginning of the interim period	9,432,878	8,272,591
At the end of the interim period	9,432,878	9,432,878

5. Subsequent events

On 21 February 2013, Equity Trustees Limited (EQT) announced its intention to make an off-market takeover offer for all of the shares in The Trust Company Limited (TRU). The offer is for 33 EQT shares for every 100 TRU shares and values TRU at \$5.28 per share based on the EQT share price before the offer was announced. Apart from the above there have been no material subsequent events (2011: nil).

6. Contingent liabilities and contingent assets

Contingent liabilities exist in respect of certain trust and estate accounts that are overdrawn, however, these contingent liabilities are mitigated by the assets held by these trust and estate accounts which are considered ample to cover any contingent liability. There has been no change to contingent liabilities since the previous corresponding half-year period.
There are no contingent assets (2011: nil).

7. Issuances of equity securities

	Half year ended		Half year ended	
	31 Dec 2012		31 Dec 2011	
	No. of shares	\$	No. of shares	\$
Fully paid ordinary shares				
Opening balance 1 July	8,907,676	47,481,389	8,566,384	43,489,257
Issue of shares under employee salary sacrifice share plan, net of share issue costs	1,562	15,695	2,148	25,657
Issue of shares under employee share plan, net of share issue costs	13,770	174,432	-	-
Issue of shares under dividend reinvestment plan - final dividend, net of share issue costs	49,339	610,296	49,444	561,823
Income tax expense recognised directly in equity	-	-	-	1,468
Closing balance 31 December	8,972,347	48,281,812	8,617,976	44,078,205

Equity Trustees Limited
Notes to the Condensed Consolidated Financial Statements
for the half year ended 31 December 2012

8. Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Information reported to the Group's Managing Director for the purpose of resource allocation and assessment of performance is focused on the categories of services provided to customers. The principal categories of services are Private Wealth Services and Corporate Fiduciary and Financial Services. The Group's reportable segments under AASB 8 are as follows:

Private Wealth Services

The provision of personal asset management services, including wealth management, trust management, estate planning, executorial, taxation, philanthropic services, aged care services and a full service superannuation trustee, administration and investment service to employer superannuation funds.

Corporate Fiduciary and Financial Services

A range of services to Australian managed investment schemes and corporate trusts including management, facilitation of distribution, responsible entity and trustees roles, compliance and risk management.

Information regarding the Group's reportable segments is presented below. The accounting policies of the reportable segments under AASB 8 are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment. There were no discontinued operations (2011: nil).

	Half year ended	
	31 Dec 2012	31 Dec 2011
	\$	\$
Segment revenue		
Private Wealth Services	11,936,809	11,342,944
Corporate Fiduciary and Financial Services	9,921,124	8,790,975
	<u>21,857,933</u>	<u>20,133,919</u>
Investment revenue	541,062	493,456
Other	405,928	433,560
Total revenue per income statement	<u>22,804,923</u>	<u>21,060,935</u>

The revenue reported above represents revenue generated from external customers. There were no inter-segment revenues (2011: nil).

Segment net profit before tax

Private Wealth Services	3,255,533	2,411,146
Corporate Fiduciary and Financial Services	5,611,648	4,728,389
	<u>8,867,181</u>	<u>7,139,535</u>
Other unallocated expenditure	(3,292,690)	(2,568,534)
Investment revenue	541,062	493,456
Other	50,869	300,295
Total net profit before tax per statement of income	<u>6,166,422</u>	<u>5,364,752</u>

Segment profit represents the contribution earned by each segment without the allocation of central administration or support business unit costs, investment portfolio income, or income tax. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Independent Auditor's Review Report to the Members of Equity Trustees Limited

We have reviewed the accompanying half-year financial report of Equity Trustees Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2012, and the condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 4 to 13.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Equity Trustees Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Equity Trustees Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants
27 February 2013



Equity Trustees Limited (EQT)

Half Year Results to 31 December 2012



Contents

- 1. Half Year Results to 31 December 2012**
- 2. Takeover offer for The Trust Company**

Disclaimer

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Where forward looking statements have been used in this presentation the information provided is based upon current expectations of future events and is subject to risk, uncertainty and assumptions that could cause actual outcomes to differ from those forecast.



1H 2013 Financial Results



Overview – HY to 31 Dec 2012



- ✓ Revenue +8%
- ✓ Expenses +6%
- ✓ Operating margins +6%
- ✓ Profit before tax +15%
- ✓ EPS +9%
- ✓ Interim Dividend +5%

- *Organic growth drives increase in the revenue of both Business Units*
- *Margin improvement through cost control*
- *FUM continues to increase - favourable market conditions for defensive assets*
- *Debt-free balance sheet*

Overview – HY group results



	Half Year 31 Dec 2012 \$m	Half Year 31 Dec 2011 \$m	Change
Operating revenue	22.5	20.7	8 %
Operating expenses	(16.7)	(15.7)	(6 %)
Operating profit before tax	5.8	5.0	15 %
Income tax expense	(1.7)	(1.4)	
Operating profit after tax	4.1	3.6	14 %
Non-operating items <i>(net of tax)</i>	0.3	0.3	
Net profit after tax	4.4	3.9	14 %
Earnings per share <i>(cents)</i>	49.32¢	45.08¢	9 %
Dividend per share <i>(half-year, fully franked)</i>	42¢	40¢	5 %
Operating margin <i>(pre-tax, excluding gains on the sale of investments, including non-recurring costs)</i>	25.7%	24.3%	6 %

Progress of key internal initiatives

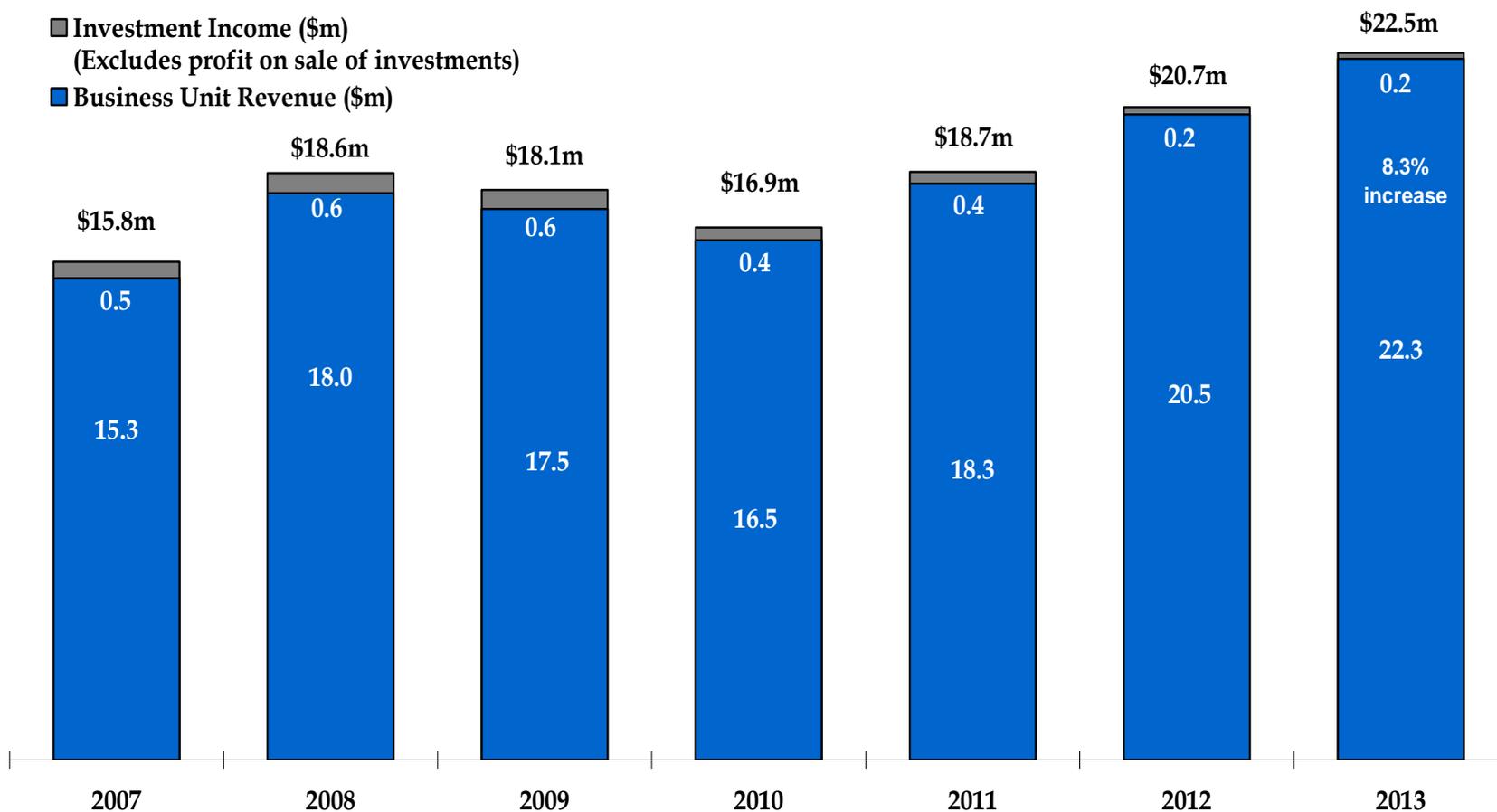


Initiative	Status
1 Restructuring	<ul style="list-style-type: none">• Private Wealth Services Business Unit created• Single group-wide administration and IT support unit formed
2 Private Wealth Services	<ul style="list-style-type: none">• Strategic Business Development Project underway
3 Project “Foundation” <i>(IT/Admin efficiency)</i>	<ul style="list-style-type: none">• Achieving timetable and results

HY Revenue



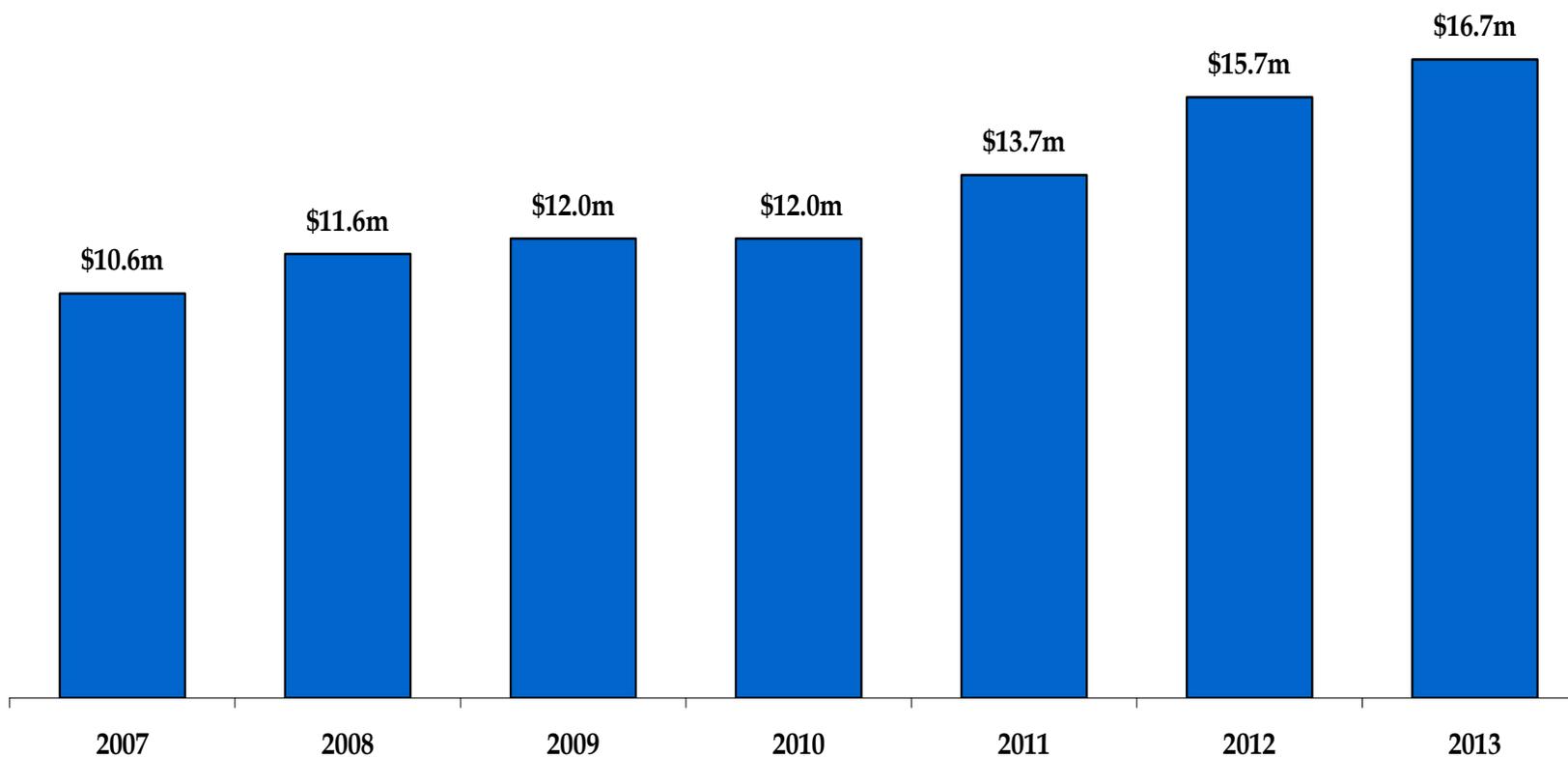
Revenue increased 8.3%



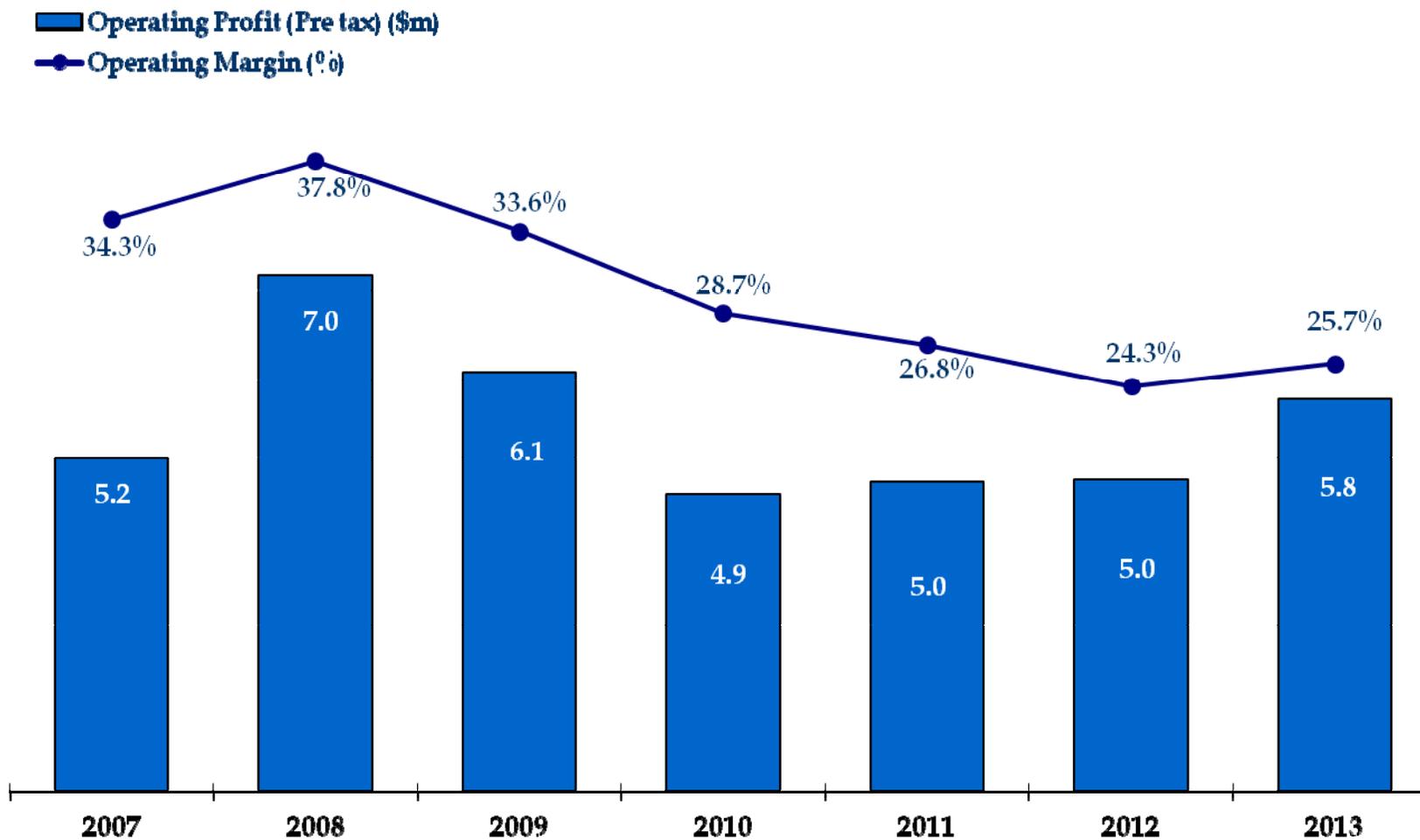
HY Expenses



Operating costs increased 6%



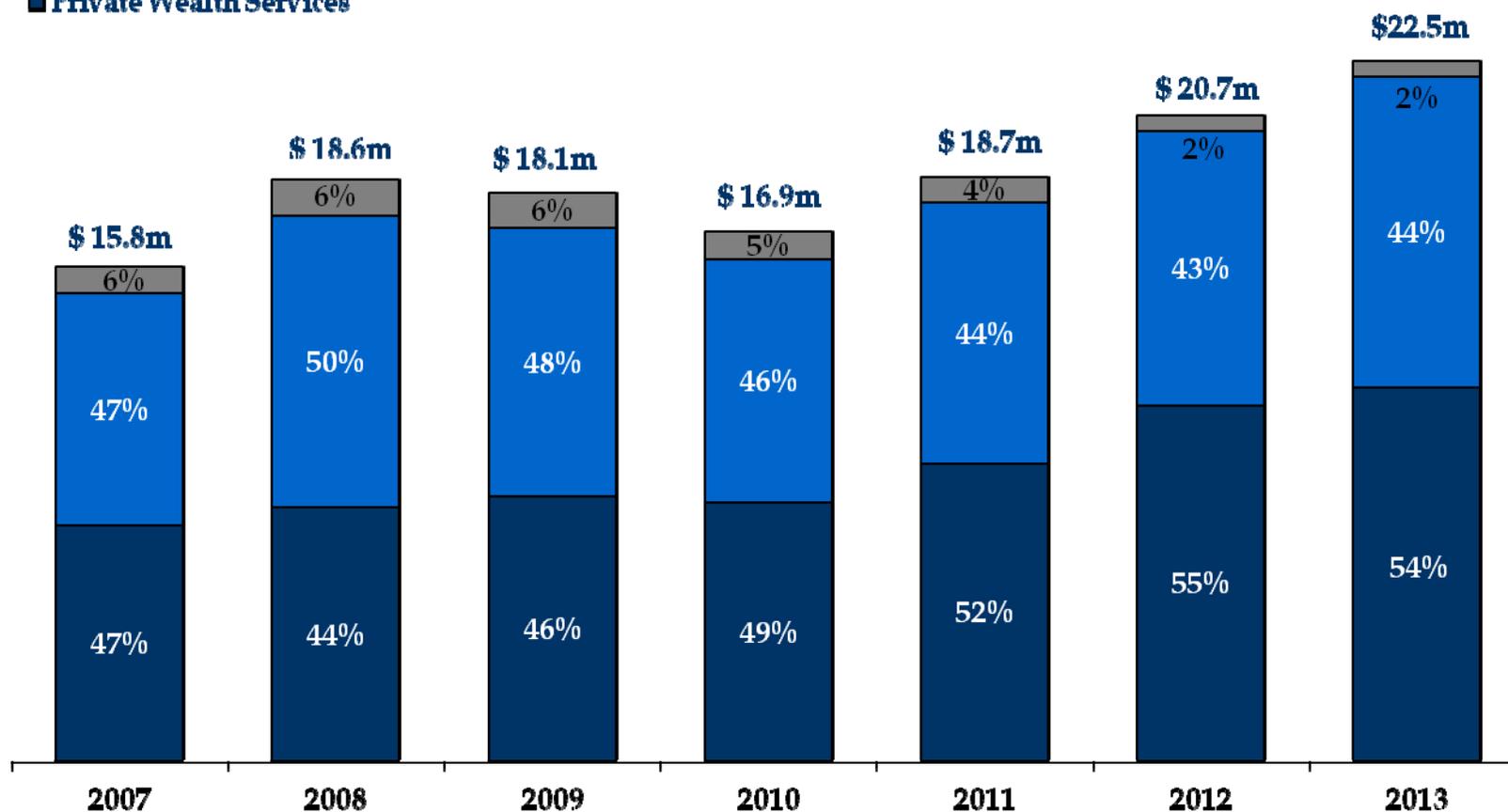
HY Operating margin



HY Operating revenue – composition



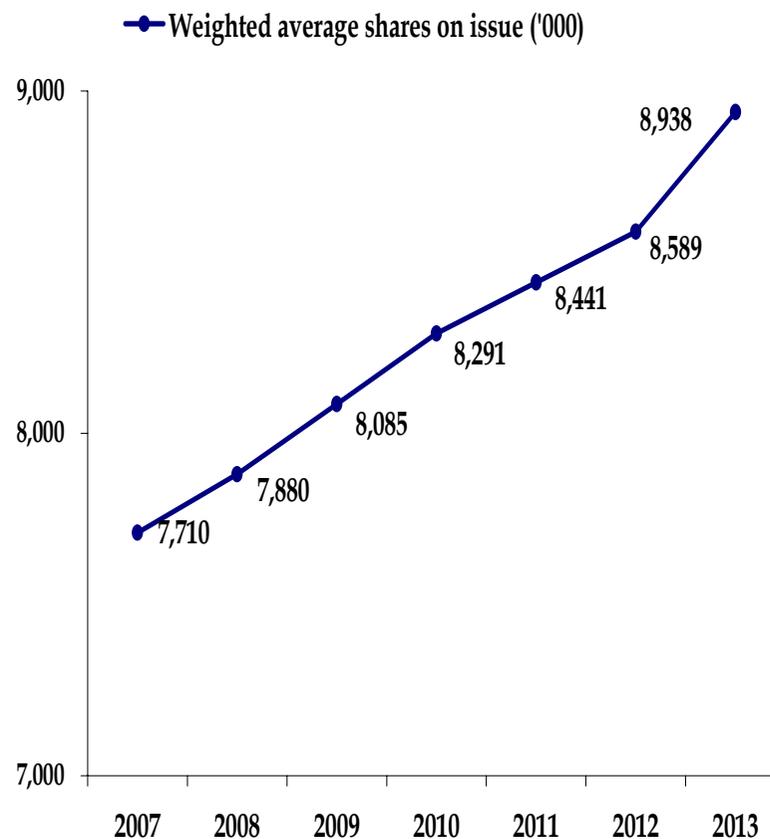
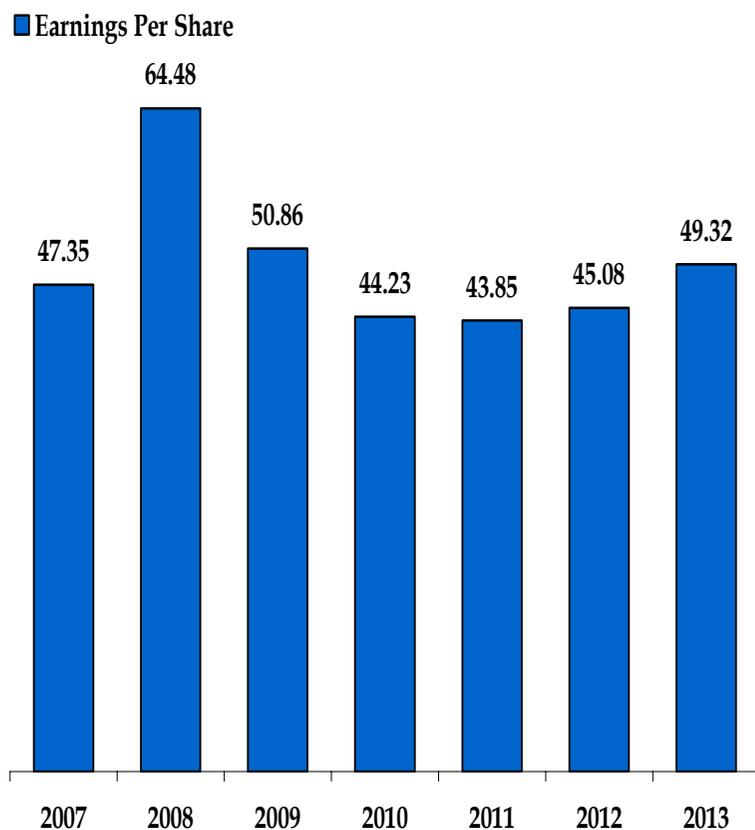
- Investment Income & Other
- Corporate Fiduciary & Financial Services
- Private Wealth Services



HY Reported earnings per share



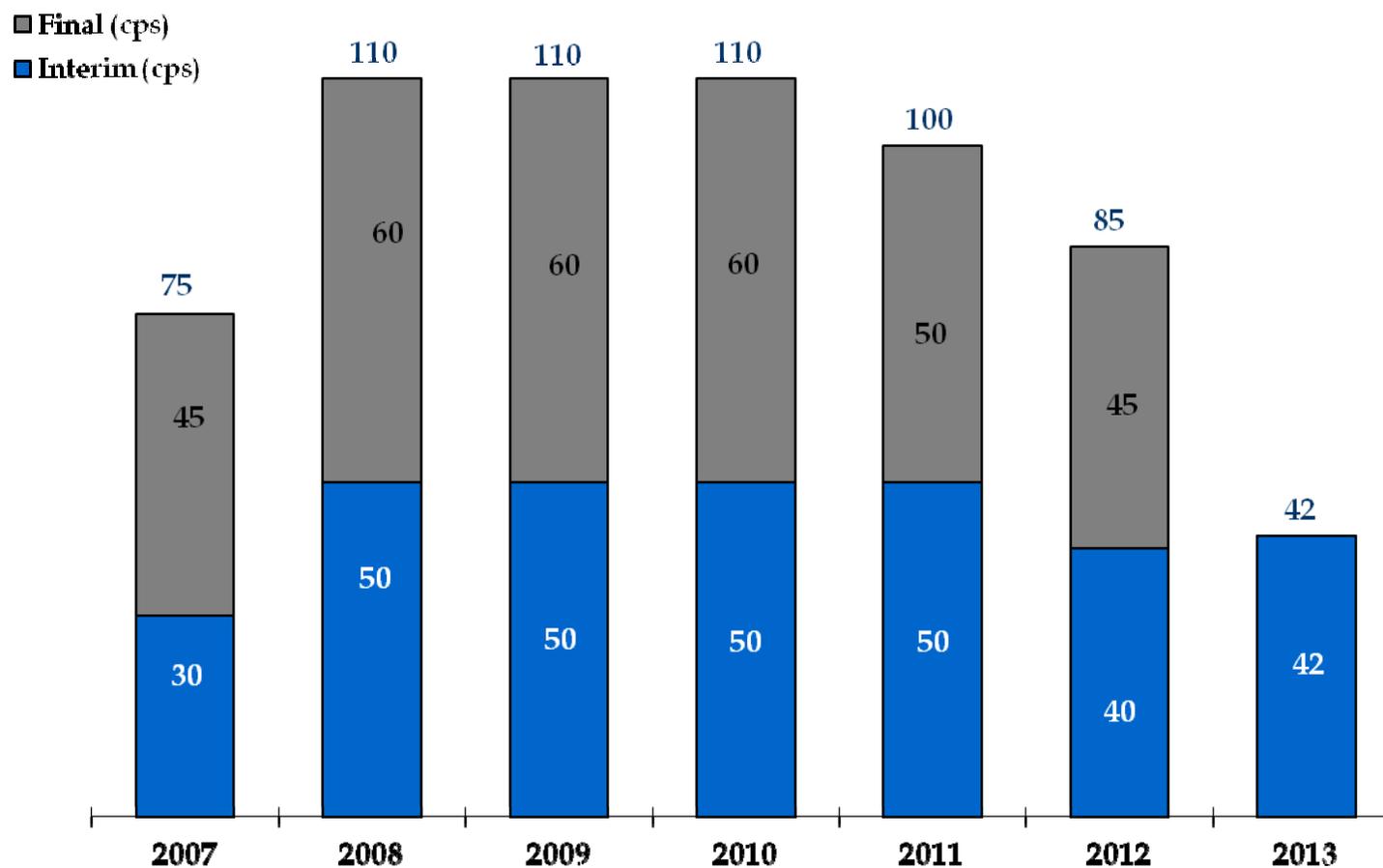
Reported earnings per share at 49.3¢ per share



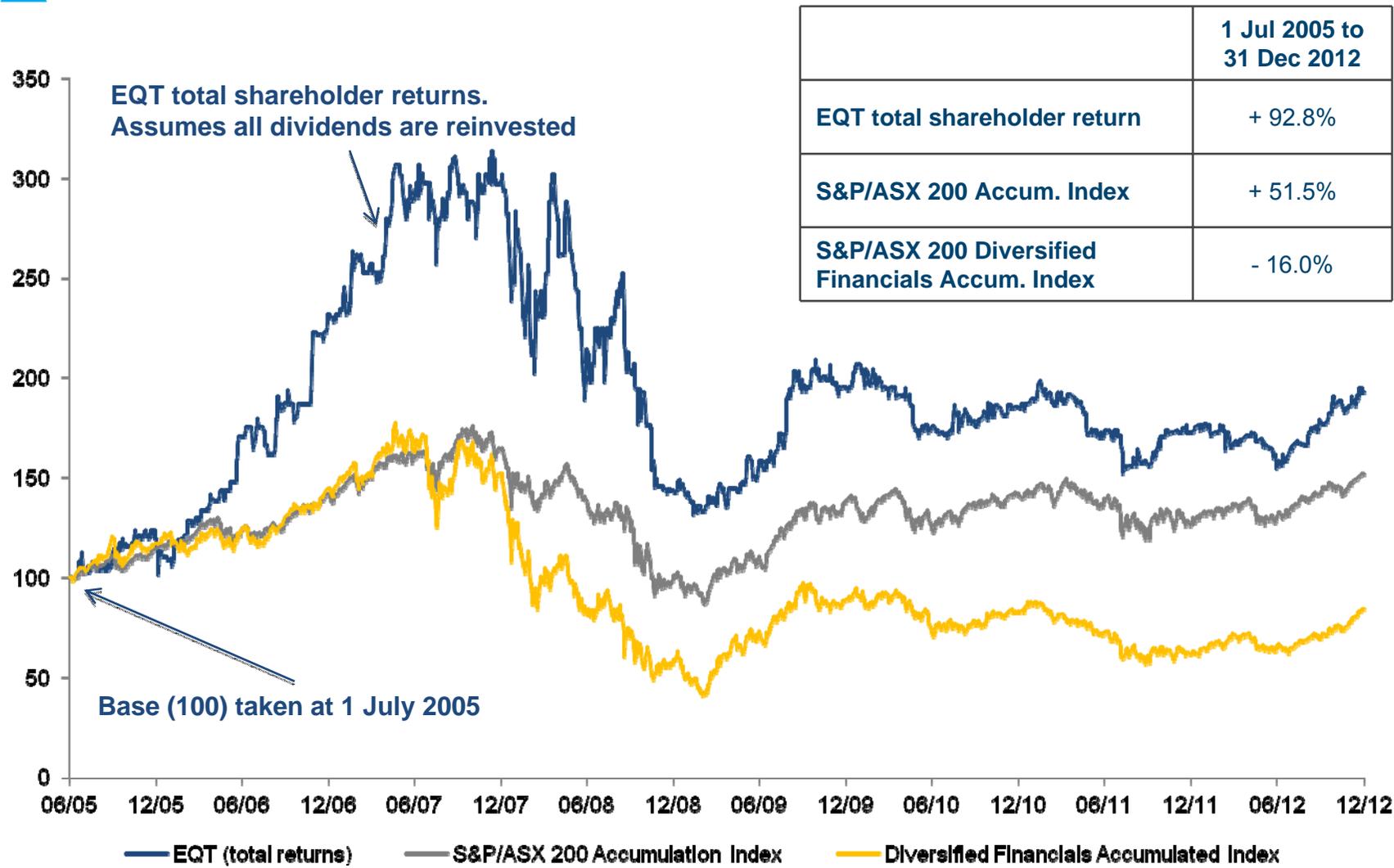
Returns to shareholders



Increased fully-franked interim dividend



Sustained shareholder return



Source: IRESS

Business units - HY operations & performance

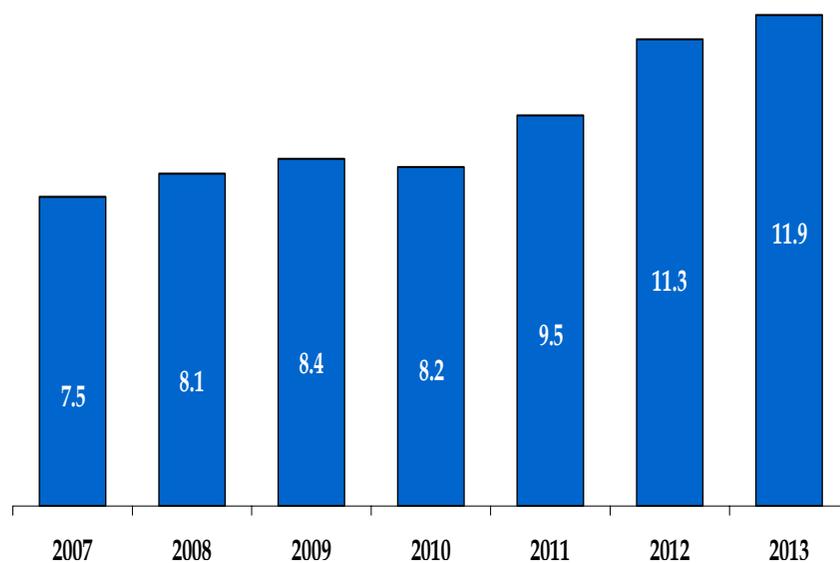


Business unit	Key services	Target market / channel	HY Revenue 31 Dec 12 vs 31 Dec 11	HY FUM/FUA 31 Dec 12 vs 31 Dec 11
Private Wealth Services (PWS)	<ul style="list-style-type: none"> • Trusts & Estates • Philanthropy • Wealth Management • Aged Care and placement • Asset Management • Portfolio Services <ul style="list-style-type: none"> • Employer Services • WRAP (Personal) 	<ul style="list-style-type: none"> • Private clients • Aged Care clients and facilities • Business to business referrals • Small-medium size corporates • Members 	\$11.9m + 5.2%	\$2,434m + 5.7%
Corporate Fiduciary & Fund Services (CFFS)	<ul style="list-style-type: none"> • Distribution • Product management for EQT co-branded funds (managed by external specialists) • Responsible Entity 	<ul style="list-style-type: none"> • Platforms/IDPS • Financial planners • Investment managers 	\$9.9m + 12.9%	\$25,529m + 35.0%

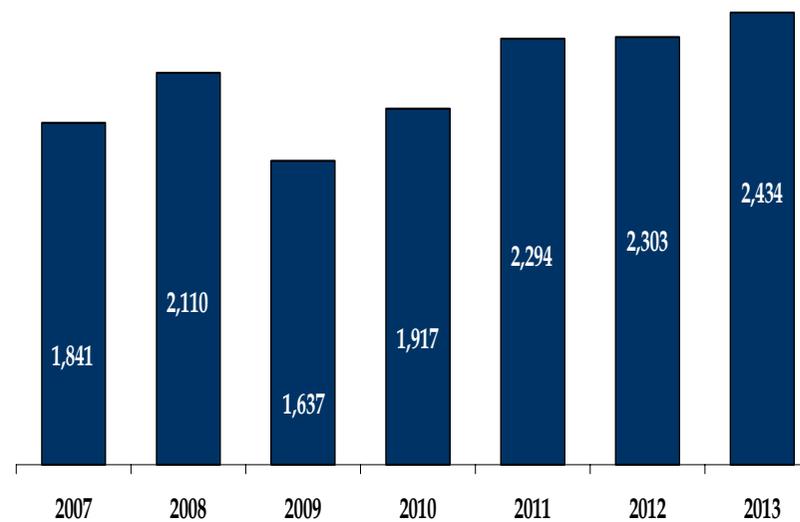
Business unit HY overview – PWS



Operating revenue up 5.2% to \$11.9m



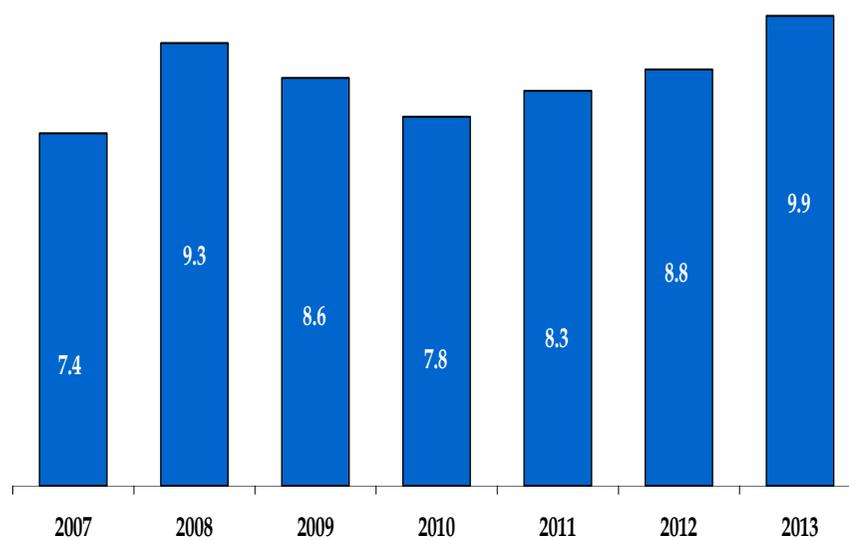
FUM at 31 December 2012 up 5.7% to \$2,434m



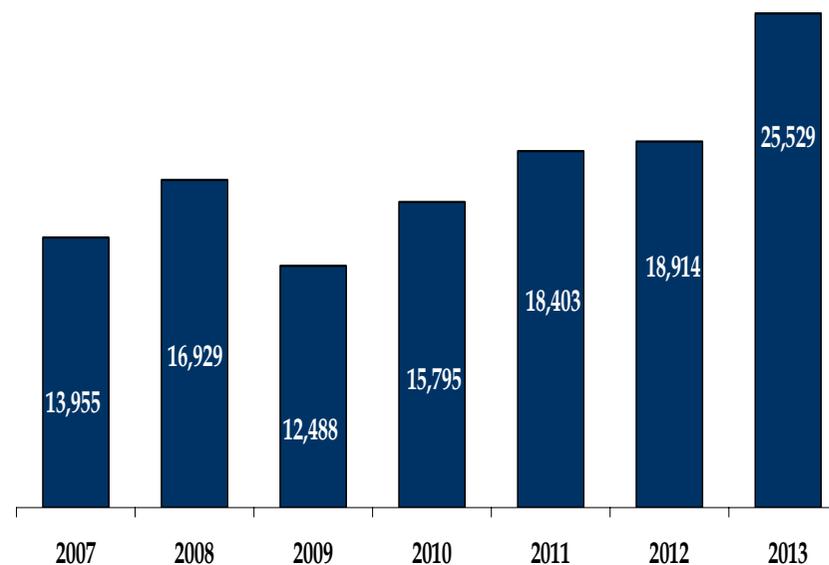
Business unit HY overview – CFFS



Operating revenue up 12.9% to \$9.9m



FUM at 31 December 2012 up 35.0% to \$25,529m



Business HY update and summary



- Business continues to perform well
- Positive momentum in revenue and operating margin in January – augurs well for full year in absence of any adverse external factors
- Potential regulatory changes being monitored – CAMAC review of philanthropy fees, portability; ACNC governance standards
- Capital standards – planned capital increase process under way
- On track to achieve compliance with MySuper, Superstream, FoFA
- Project Foundation implementation to continue – on track to achieve main objectives
- Roll-out of PWS organic growth strategic development plan – significant task in consolidating different client-facing models
- Expanding to new location in Kew for Aged Care and other PWS client-facing staff (as well as some support) – focus on improved cross-selling and brand perception
- Announced intention to launch offer for Trust Company – resolve long-standing question on how to bring these two similar companies together to maximise benefits for shareholders and other stakeholders



Takeover Offer for The Trust Company



EQT announced the offer on 21 February

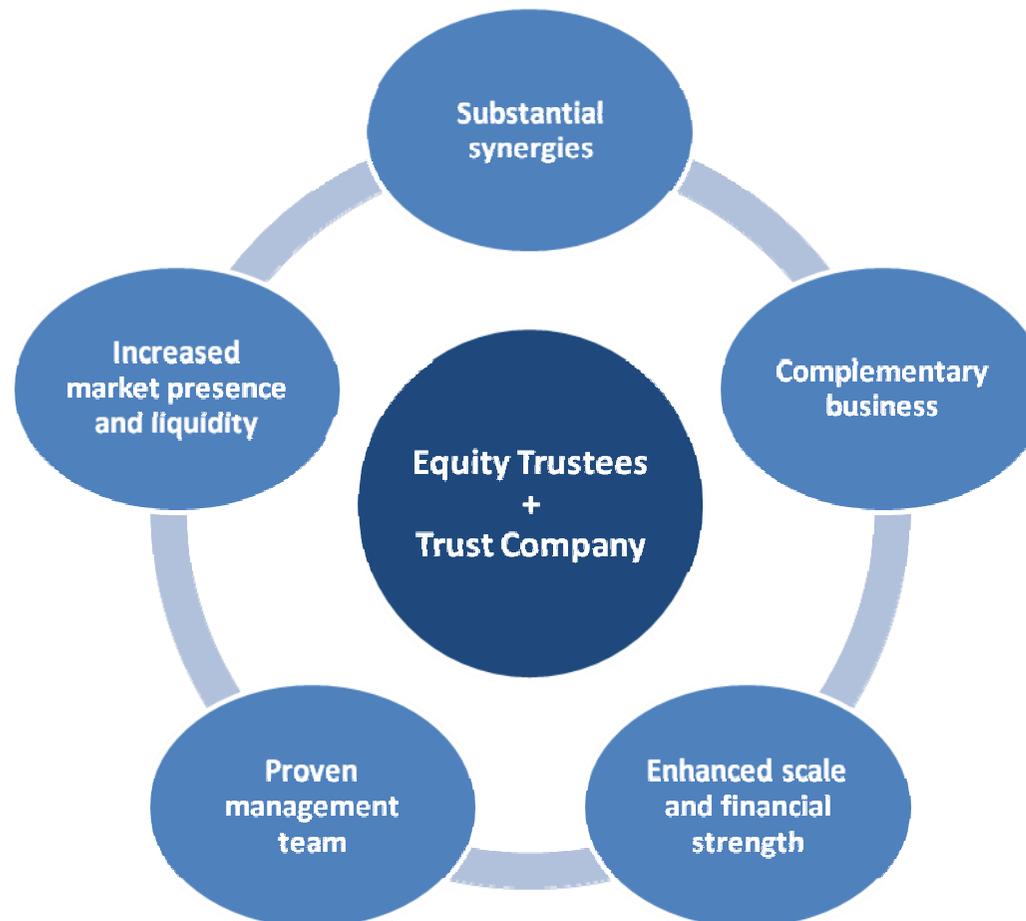


- EQT announced the intention to make a formal takeover offer for all of The Trust Company (“TRU”)
- The Offer comprises:
 - 33 EQT shares for every 100 TRU shares
 - TRU shareholders retain up to 17 cents dividends per share
 - TRU shareholders may qualify for EQT’s FY13 final dividend
- The combination is widely recognised as the best available corporate opportunity for both companies
 - Subsequent increase in the share price of both TRU and EQT

EQT + TRU = a value adding combination



Creation of a leading Australasian private and corporate trustee services provider – fulfilling a long-standing corporate opportunity for consolidation and efficiency gains.



Note: Refer to ASX announcement on 21 February 2013 for further information and detailed Offer Conditions.

Key benefits – for EQT shareholders



Benefits are expected to increase earnings and dividends for all shareholders

1. Cost synergies of up to \$8m p.a. is estimated
2. Opportunity to increase revenues by marketing the wide range of existing and new products/services across a larger network (particularly PWS)
3. Current key initiatives within EQT (e.g. Project Foundation) could be leveraged across a larger platform providing more benefits
4. EQT's systems platform to be implemented within the Combined Group and will deliver savings
5. Larger scale is likely to lead to increased profile within the investment community and improve liquidity
6. Increased resources and expertise leads to greater depth in key areas such as risk management, compliance and regulatory monitoring
7. Greater funding base for future growth initiatives and acquisitions

EQT has a strong track record of delivering



EQT has delivered on our key initiatives.

- Successfully restructured operations into two key business units
- Implemented a single, group-wide systems structure for all support operations
- Acquired and integrated aged care advisory business
- Proven ability to efficiently manage integrations
- Maintained revenue growth and operating margins while implementing initiatives
- Achieved key objectives in Project Foundation

This has resulted in superior share price performance



Share price	Share Price Performance		
	EQT	TRU	EQT's Out-performance
1 Year	19%	(7%)	26%
2 Years	(4%)	(25%)	21%
3 Years	(12%)	(27%)	15%
4 Years	28%	19%	9%
5 Years	(35%)	(47%)	12%
10 Years	219%	2%	217%

Source: IRESS (as at 20 February 2013 – prior to Offer announcement)

EQT has consistently outperformed TRU up to announcement of the offer



Source: IRESS (as at 20 February 2013 – prior to Offer announcement)
CAGR: Compound Annual Growth Rate – of share price performance (excludes dividends)

EQT has the right team to deliver



The Offer ensures that the best team is in place to integrate the two companies.

- **Board**

- All the current EQT Board remain
- Intention to extend an invitation for up to 2 TRU directors to join the Board
- Led by EQT's Chairman, Mr Tony Killen OAM



- **Management**

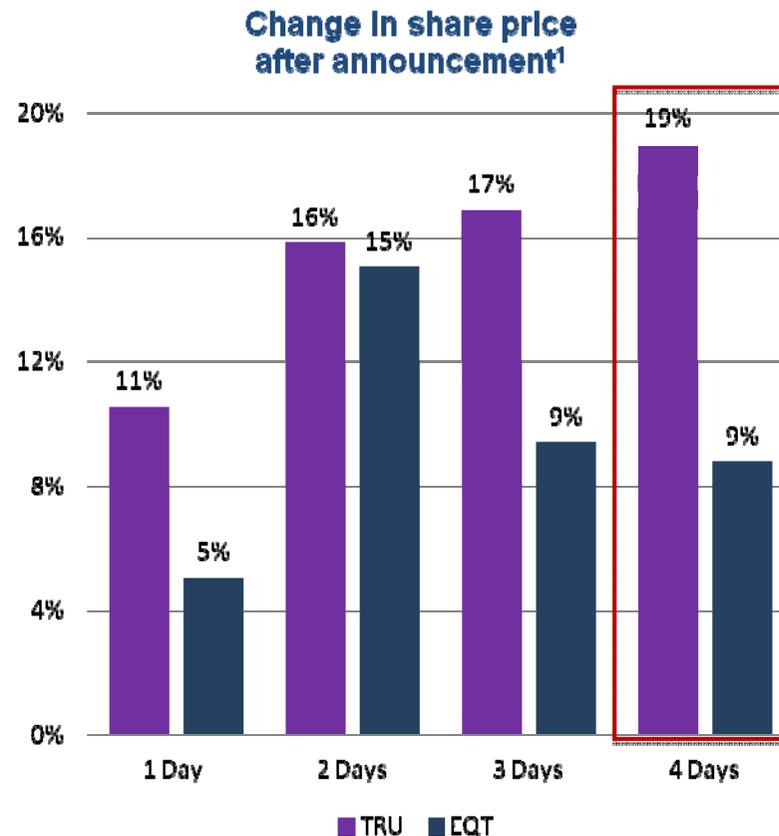
- Best available personnel from each company
- Led by EQT's MD & CEO, Mr Robin Burns



Change in share prices since announcement



- Shareholders of **both** EQT and TRU have benefited from the takeover offer to date
 - EQT share price +9%
 - TRU share price +19%
- It is uncommon for the share price of **both** companies involved in a takeover to increase
 - A strong sign of confidence in the deal
- TRU shares have traded above \$5 per share for the first time since October 2012



Source: IRESS

1. Change calculated as closing share price against EQT and TRU share price on 20 February 2013 – prior to the Offer announcement