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EQT RELEASE

1 August 2013

Equity Trustees
Unaudited Full Year Operating Result Exceeds Forecast
Lift in Full Year Dividend
Business Progress

Equity Trustees (ASX: EQT) announces that its operating performance for the year to 30 June 2013 has exceeded the full year outlook announced in April. At that time the company anticipated that operating profits for the year were expected to be more than 15% ahead of the prior year. The actual unaudited full year operating profit before tax is an increase of 18% on 2012, summarised as follows:

	12 months to 30 June 2013 $m	**12 months to 30 June 2012 $m**	**% Change**
Operating revenue	46.8	43.0	9
Operating expenses	(33.9)	(32.0)	(6)
Operating profit before tax	**12.9**	**11.0**	**18**
Income tax expense	(3.6)	(3.1)	
Operating profit after tax	**9.3**	**7.9**	**18**
Non-operating items (net of tax)	0.5	0.5	
TRU Acquisition costs (nil tax benefit)	(1.1)	**-**	
Net profit after tax	**8.7**	**8.4**	**3**
Earnings Per Share (cents)	**96.65**	**96.74**	**-**
Dividend per share (full year, fully franked)	92c	85c	8
Operating Margin	27.7%	25.6%	

EQT's Chairman, Mr Tony Killen, said, "We are very pleased that our final result for the year has come in ahead of our earlier expectations. Both our main business units have shown strong progress and momentum during the year and we are in the midst of an exciting development programme for our private wealth unit which we expect will deliver considerable benefits over future periods. Although our bottom line number has been affected by the substantial expenses associated with our bid to take over The Trust Company (ASX:TRU) the strong top line growth means we have still managed to record an increase in net profit after tax compared to the prior period."

Increased dividend and yield

Mr Killen added, "Given the strength of our underlying operating performance it is expected that when the final audited results are confirmed and released on 29 August 2013, we will also announce a final dividend of 50 cps, up 5 cps (11%) on the prior year. Together with the lift in the interim dividend to 42 cps, this will mean that the 2013 full year dividend of 92 cps is up 7 cps (8.2%). This is slightly above the upper limit of the dividend payout range of 90%, but acknowledges that the TRU acquisition expenses are one-off."

Based on the last EQT share price on 31 July of $14.90, this implies a full year fully franked dividend yield of 6.2%. This compares favourably with other financial services companies, and we note that Perpetual, our competitor for the acquisition of TRU, whose last dividends total 90c per share, has an implied yield of only 2.3% on the same basis.

The Trust Company

In regards to the company's takeover offer for TRU Mr Killen said, "We recently released a copy of our letter to TRU concerning a positive step forward on engagement between the two companies. We are

Equity Trustees Limited
AFSL No 240975 ABN 46 004 031 298
Level 2, 575 Bourke Street Melbourne Victoria 3000 Telephone (03) 8623 5000 Facsimile (03) 8623 5200
Email equity@eqt.com.au Website www.eqt.com.au

currently in discussions with TRU on the best practical process to take this forward. We remain convinced that our offer represents a better outcome for TRU shareholders than the competing proposal and we will continue to pursue our offer with the utmost vigour in the interest of both sets of shareholders."

Business progress

EQT's Managing Director, Mr Robin Burns, said, "In terms of the actual business performance, there are a few specific factors I'd like to note. Firstly, we have achieved over $1b in net inflows to the EQT co-branded managed funds in the year. This is a very significant improvement on any previous period. Secondly, we have seen continuing growth in the number of funds for which we act as Responsible Entity and the level of enquiry in this space remains strong."

Mr Burns added, "There have been some important business initiatives or developments in recent months that augur very well for our future success and that deserve reinforcement."

"In June we announced that AON Hewitt had selected EQT to provide an estate planning referral service for its advisers. We are in discussion with a number of other significant external advisory networks to provide a similar service. We have recently been appointed by the wealth business of one of Australia's leading banks to act as trustee for a new product, a very positive relationship development, and we continue to be in positive discussions with a number of local and international organisations, some of whom are currently clients of competing organisations and are looking for improved services and support."

"We initiated a significant IT and administration operational enhancement project just over 12 months ago, called Project Foundation, and I am happy to confirm that this project is on track and on budget. Another major project to generate significant business growth in private wealth services is now in place and we are seeing early positive outcomes. Developments such as the AON Hewitt relationship noted above are a good pointer to our confidence in this project's ability to create revenue and earnings growth, and build a healthy base for EQT for the years ahead."

Mr Burns said, "Possibly the most pleasing aspect of our operating result in the year was the 9% revenue growth. Despite having to absorb significant expense to be ready on time to implement the extensive list of changes arising from FoFA and Stronger Super, and some costs associated with implementing our major projects, we managed to restrict operating expense growth to 6%. Our operating margin will fluctuate as business conditions and competitive pressures change, and as our business mix gradually moves more towards fee-for-service rather than asset-based income, but at a gross operating margin of 27.7% we are in very good shape to cope with any future challenges."

For further information, please contact:

Robin Burns
Managing Director
Equity Trustees Limited

Phone: 61 3 8623 5201
Fax: 61 3 8623 5200
Email: rburns@eqt.com.au

Terry Ryan
Chief Financial Officer
Equity Trustees Limited

Phone: 61 3 8623 5372
Fax: 61 3 8623 5399
Email: tryan@eqt.com.au