



Equity Trustees Limited
Full Year Results to
30 June 2010

Overview – FY2010



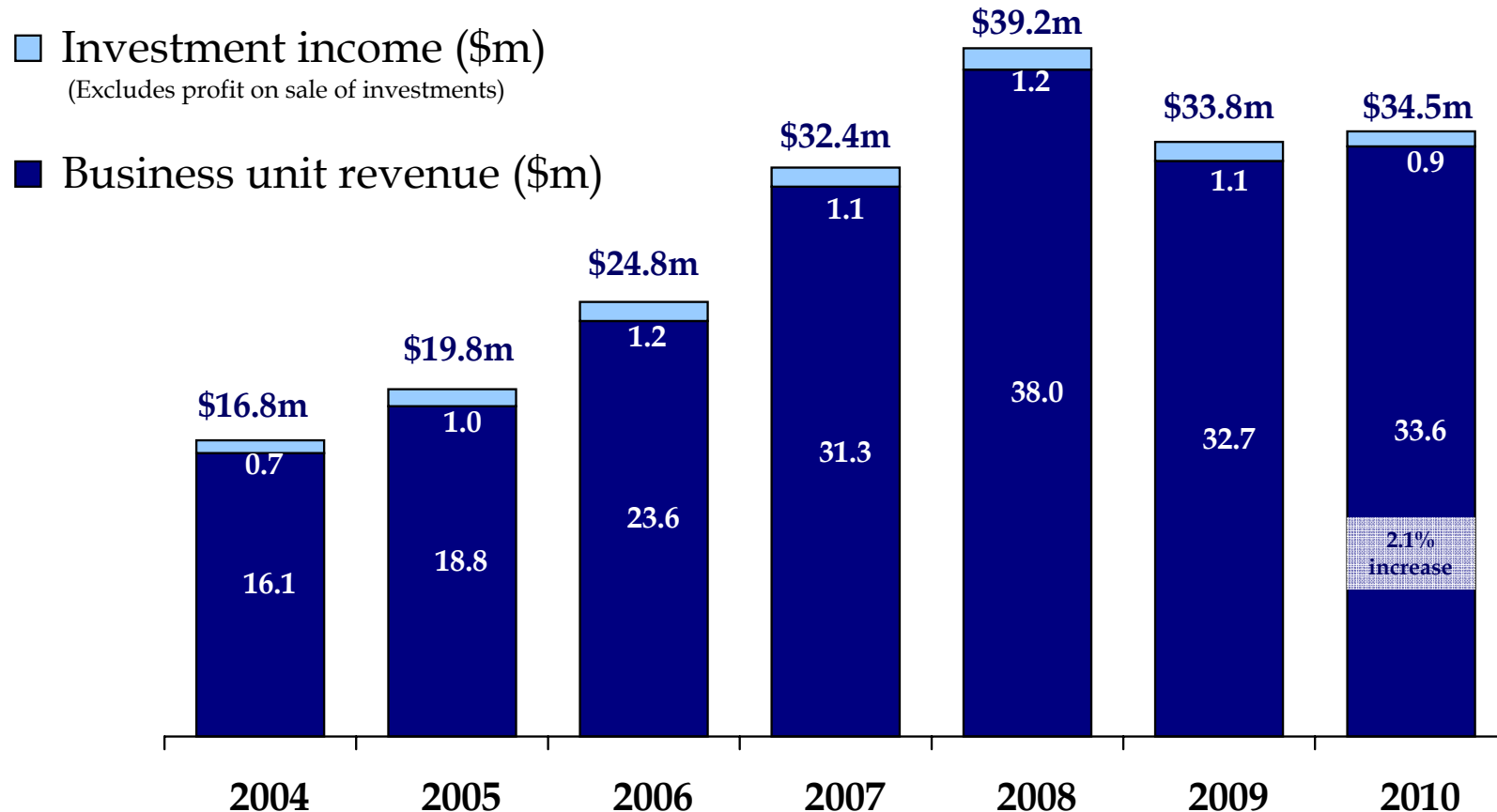
- Volatile markets continue to impact financial performance.
- Underlying profitability levels generally maintained.
- 110¢ full-year, fully franked dividend maintained at 2009 levels.
- New business generation remains positive.
- All business units perform despite difficult environment.
- Discretionary expenditure well managed.
- Investment in people, processes and systems maintained.
- Balance sheet strength – strong net asset base, cash reserves, nil debt.
- No impairment charges.
- Strong cash flow generation from operating activities.
- Professional expertise and staff skills underpin successful year.
- Alert to changing environment and opportunities.

Overview – group results



	2010 \$m	2009 \$m	Change
Operating revenue	34.5	33.8	2.1%
Operating expenses	(23.8)	(22.9)	(4.0%)
Operating profit before tax	10.7	10.9	(1.8%)
Income tax expense	3.2	3.1	
Operating Profit after tax	7.5	7.8	(3.5%)
Net profit from sale of investments (net of tax)	0.5	0.2	
Net profit after-tax	8.0	8.0	
Earnings per share (cents)	96.60¢	98.45¢	(1.9%)
Dividend per share (full-year, fully franked)	110¢	110¢	Maintained
Operating margin (pre-tax, excluding gains on the sale of investments)	31.1%	32.4%	

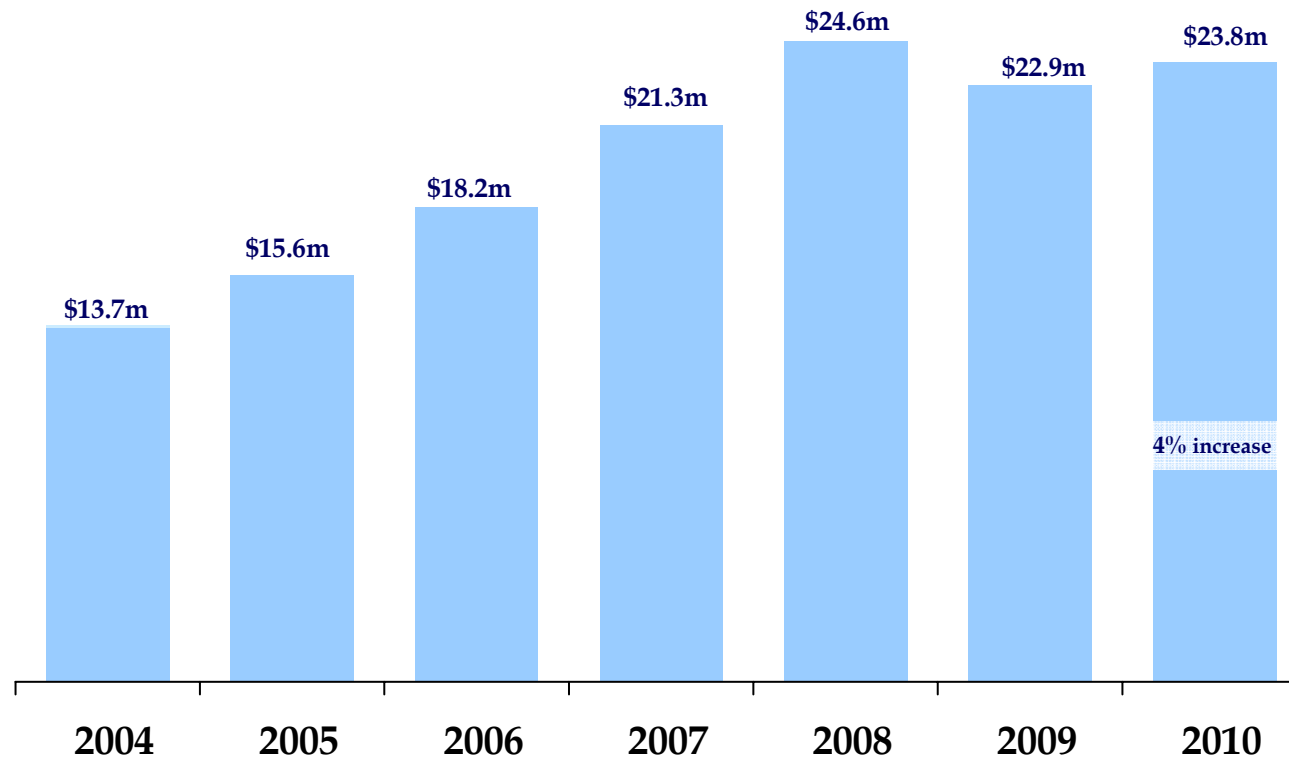
Operating Revenue



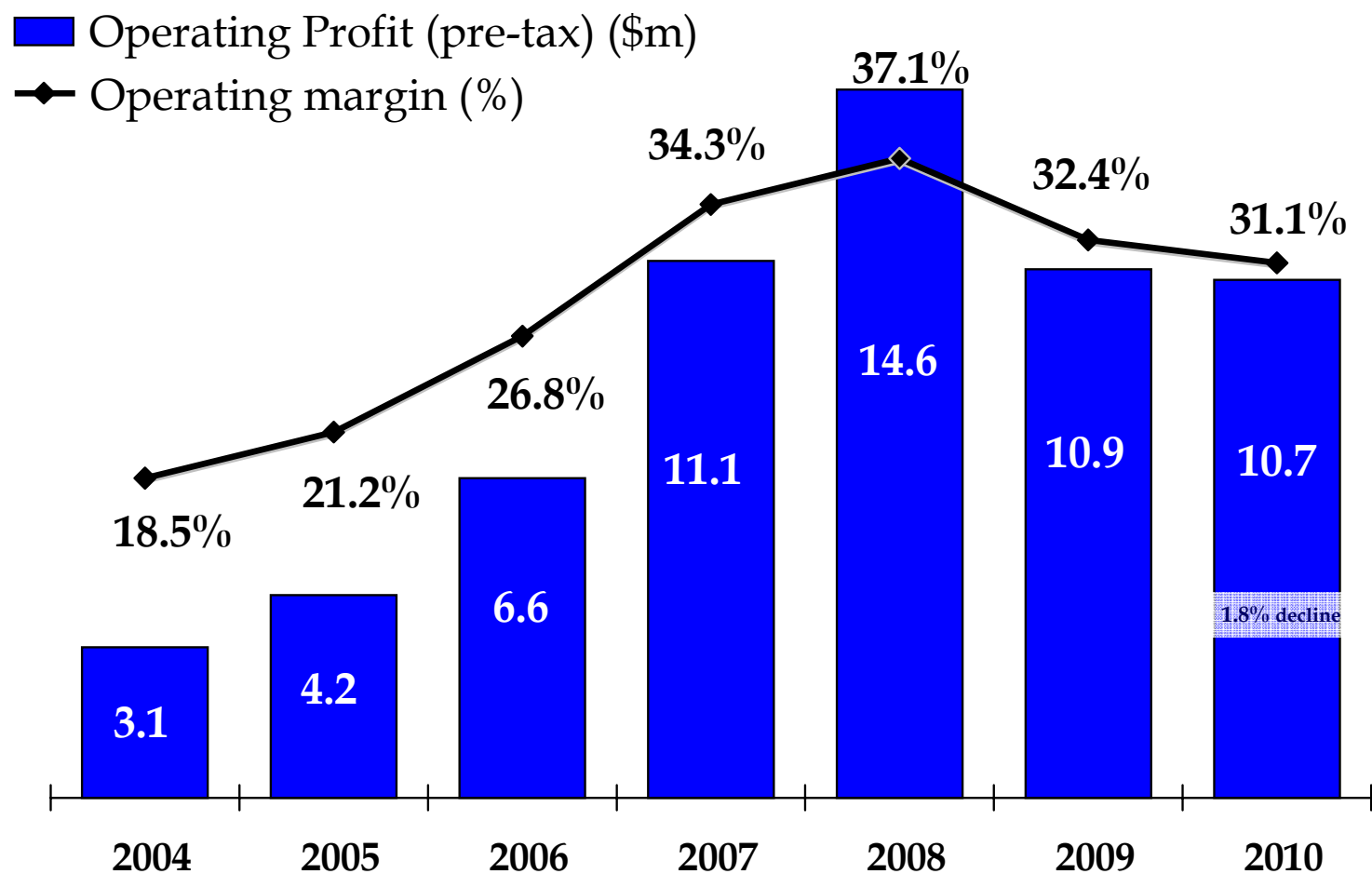
Operating Expenses



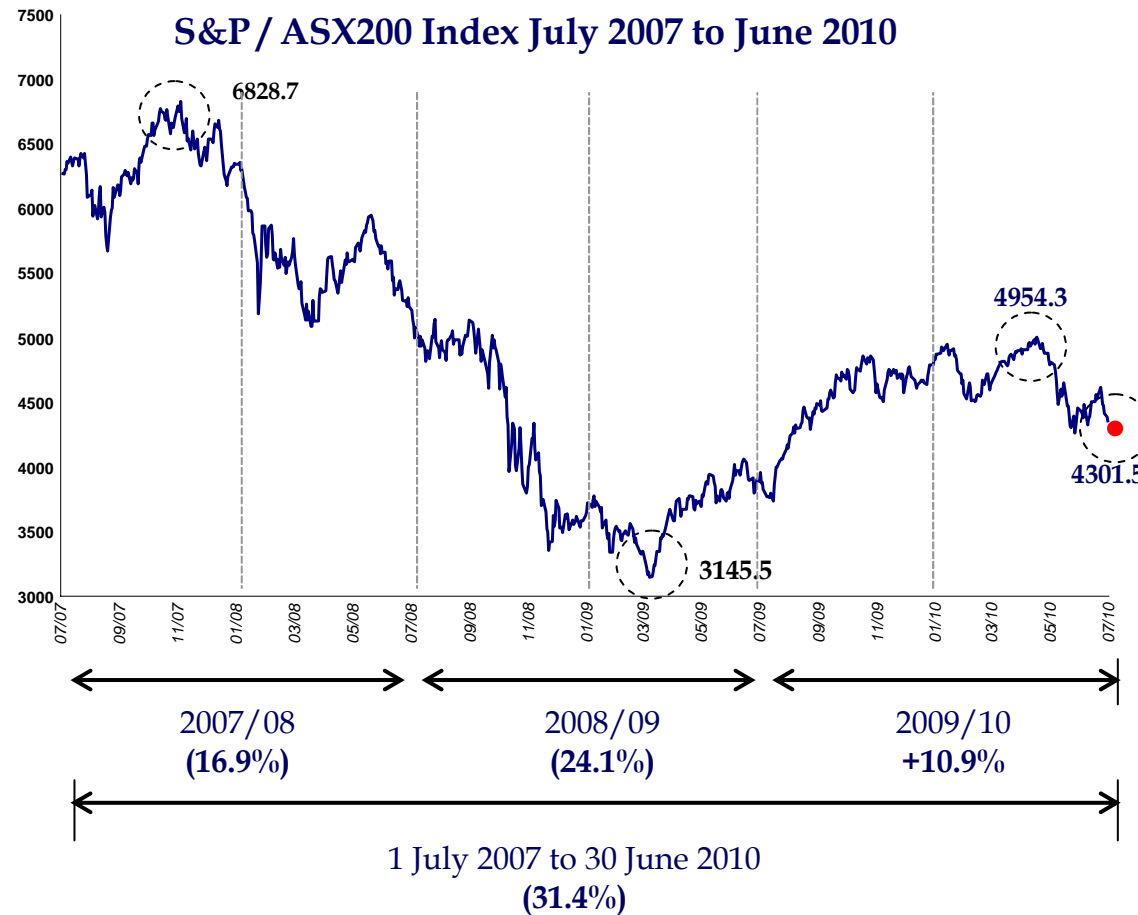
Operating costs, including depreciation (\$m)



Operating margin



Revenue recovering



	FY 2008	FY 2009	FY 2010
S&P/ASX200 Year on year	(16.9%)	(24.1%)	+10.9%
EQT operating revenue year on year	+21.2%	(13.7%)	+2.1%

Change in EQT Operating Revenue

2006/7 to 2009/10
+6.8%

Note: The relationship between the ASX 200 and EQT operating revenue is not direct. Around 50% of revenue is impacted by EQT's exposure to equity markets

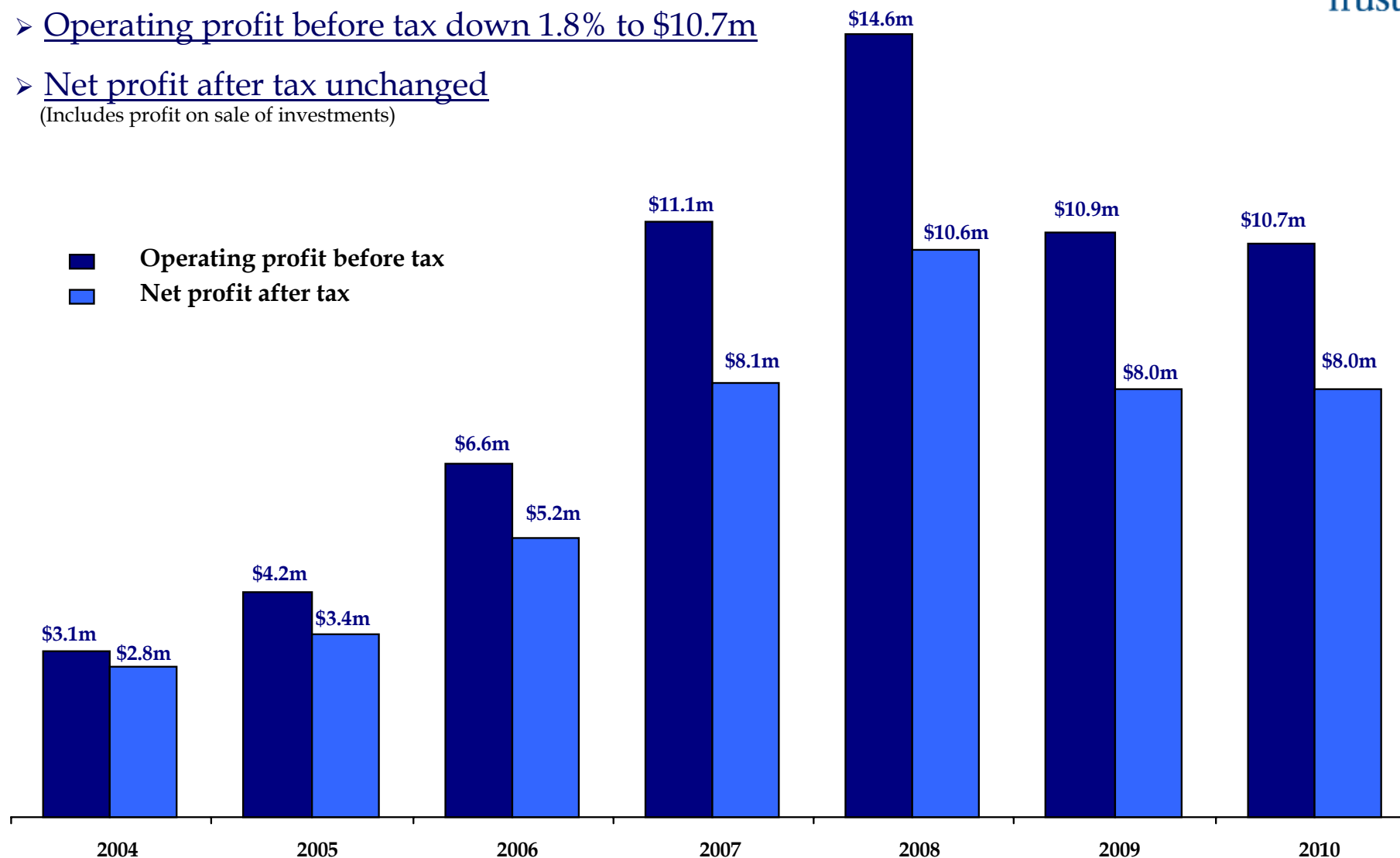
Profitability



➤ Operating profit before tax down 1.8% to \$10.7m

➤ Net profit after tax unchanged

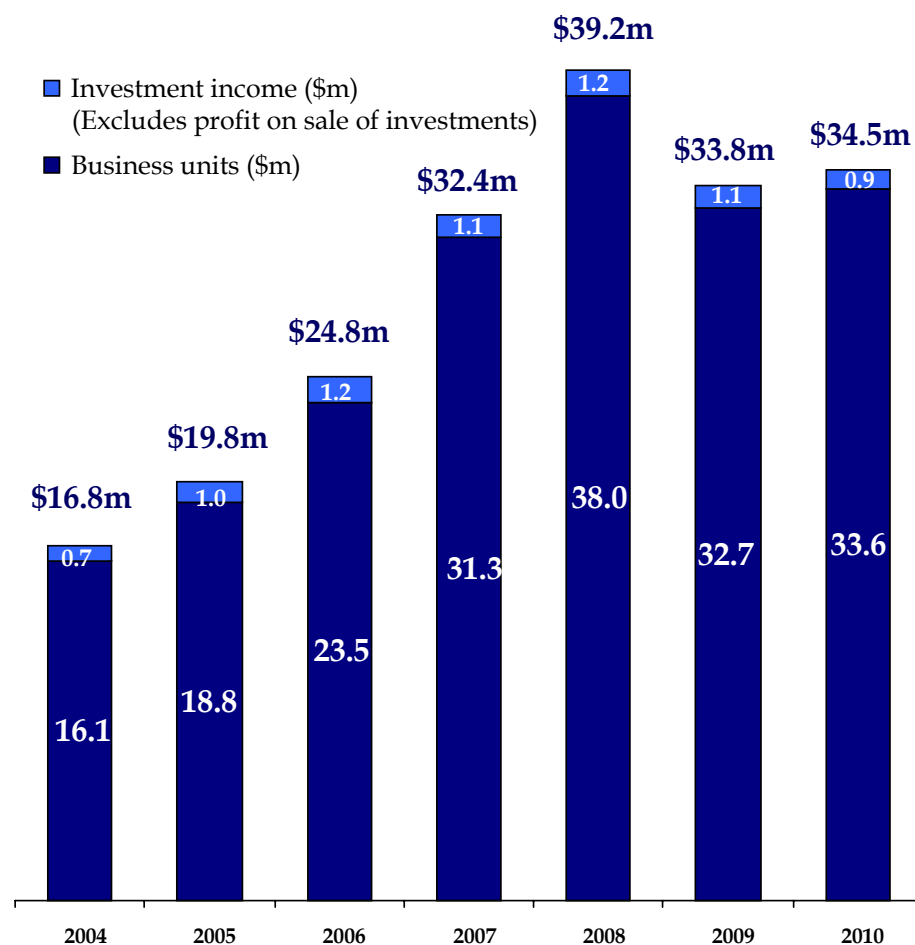
(Includes profit on sale of investments)



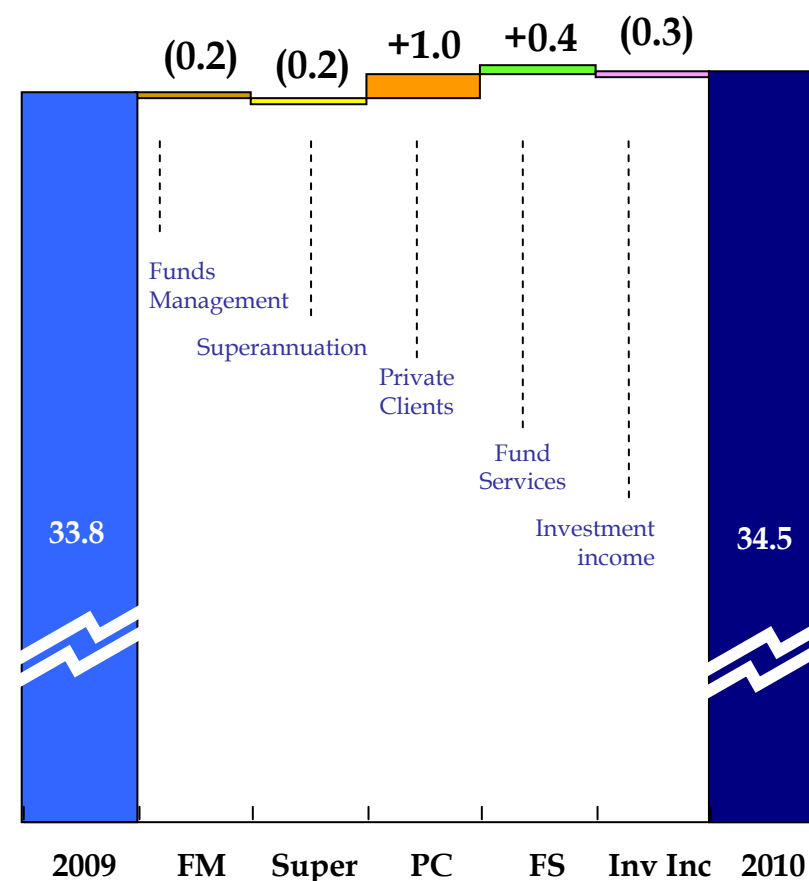
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Operating revenue - change

➤ Operating revenue up 2.1% to \$34.5m



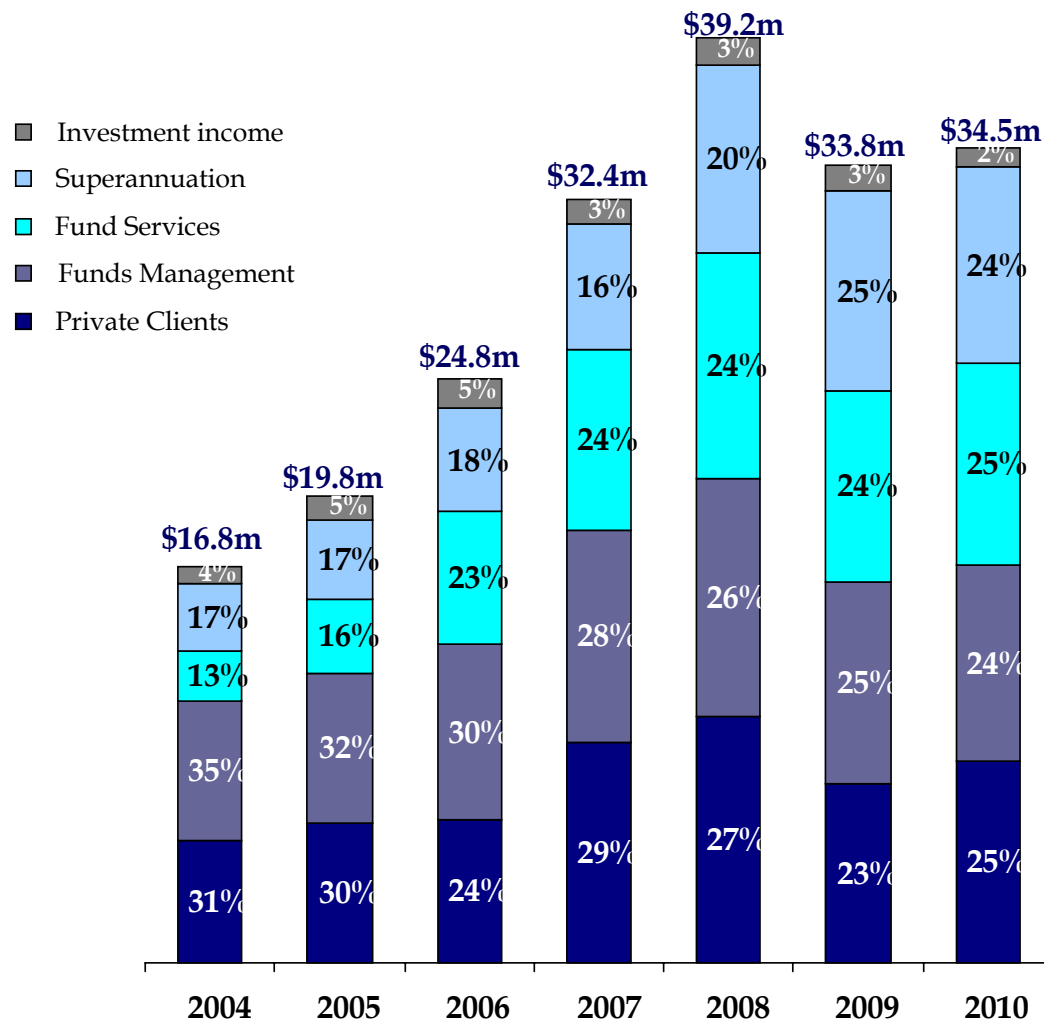
Variance - 2010 vs 2009 (\$m)



Operating revenue - composition



➤ An even spread of revenue across business units

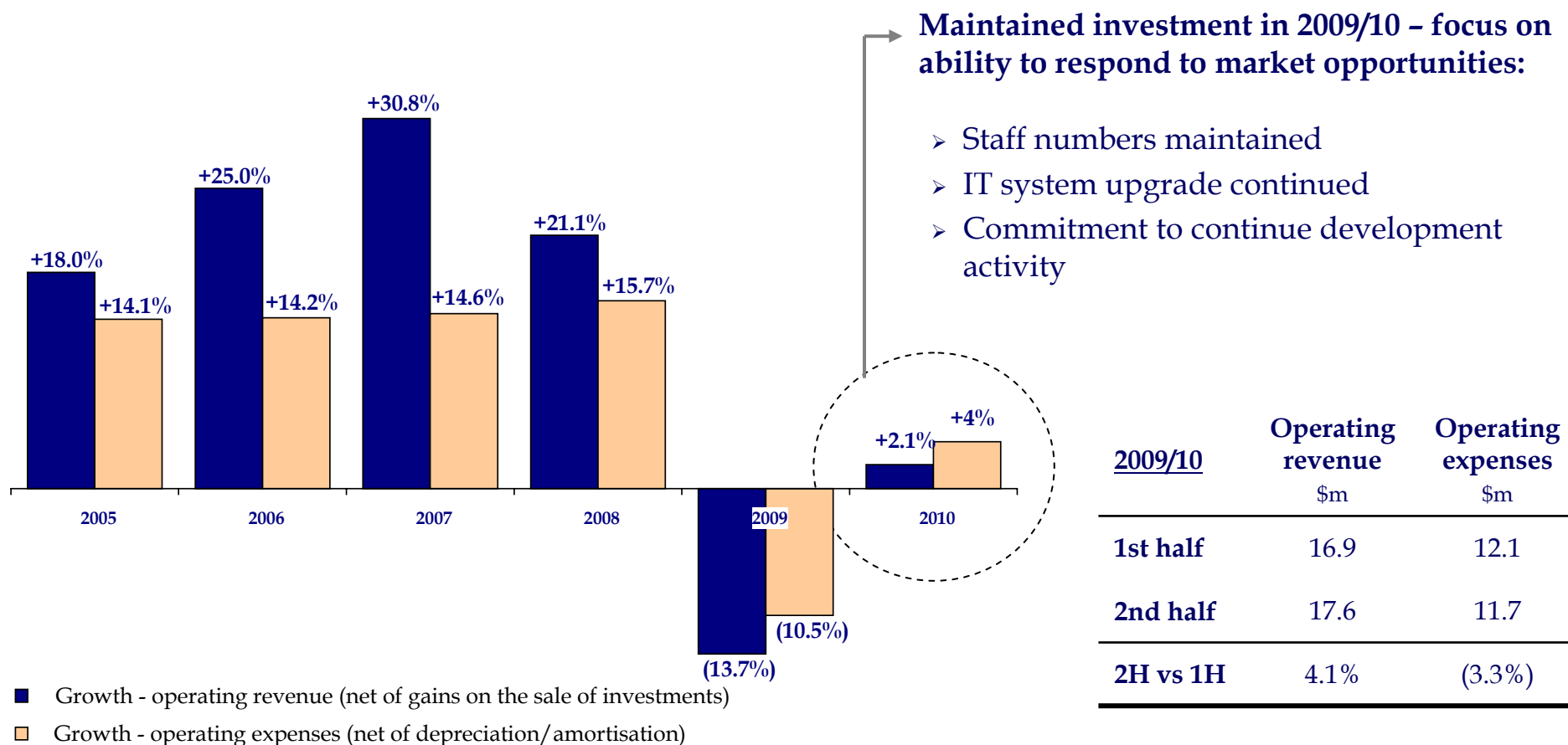


Expense management



Focus on responsible approach to costs

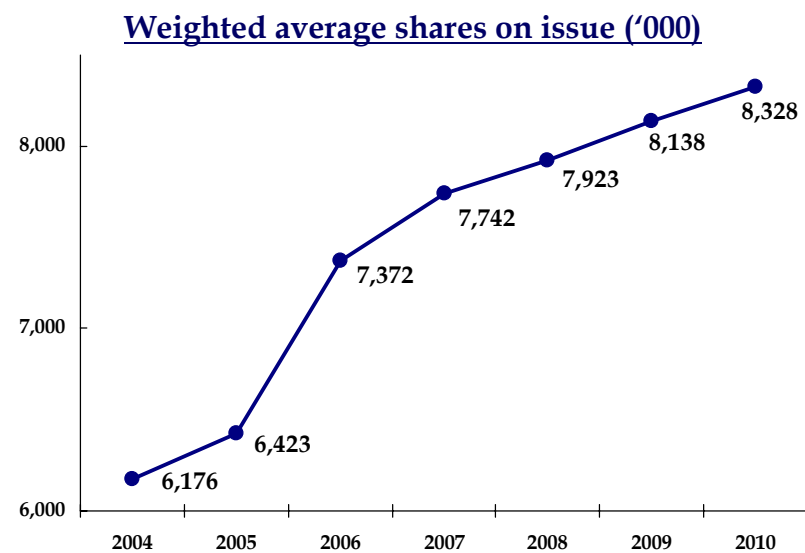
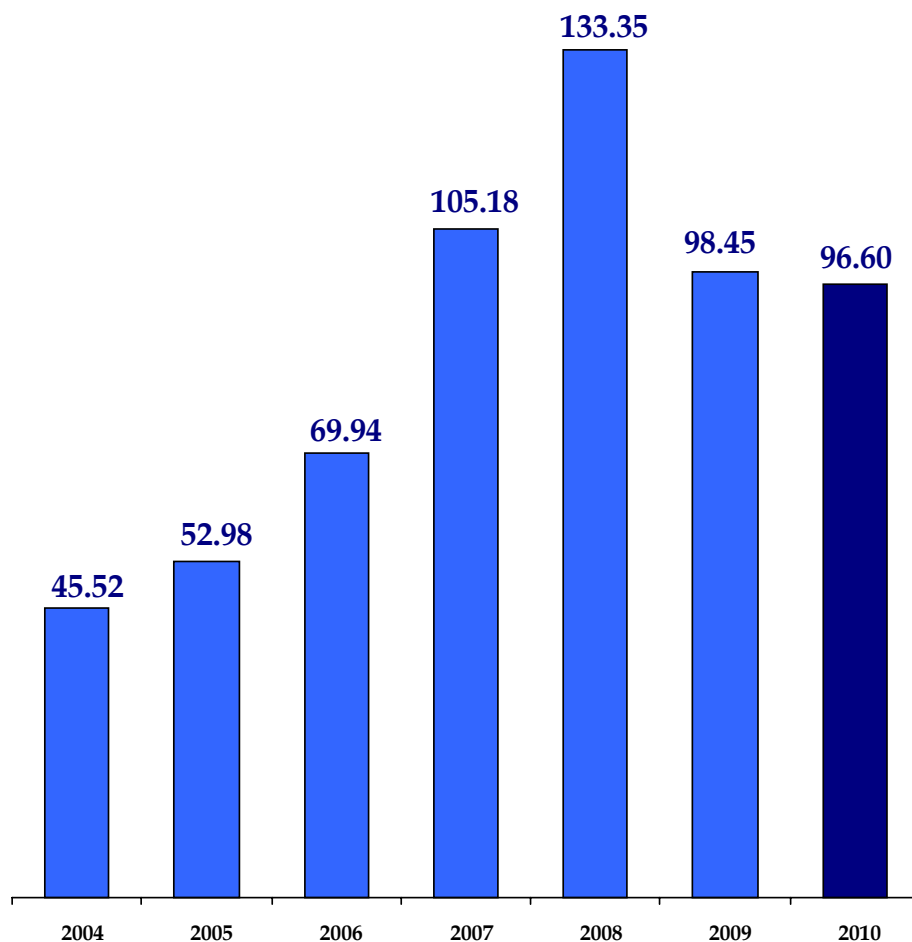
- Investment in people, systems & processes continued



Reported Earnings per Share



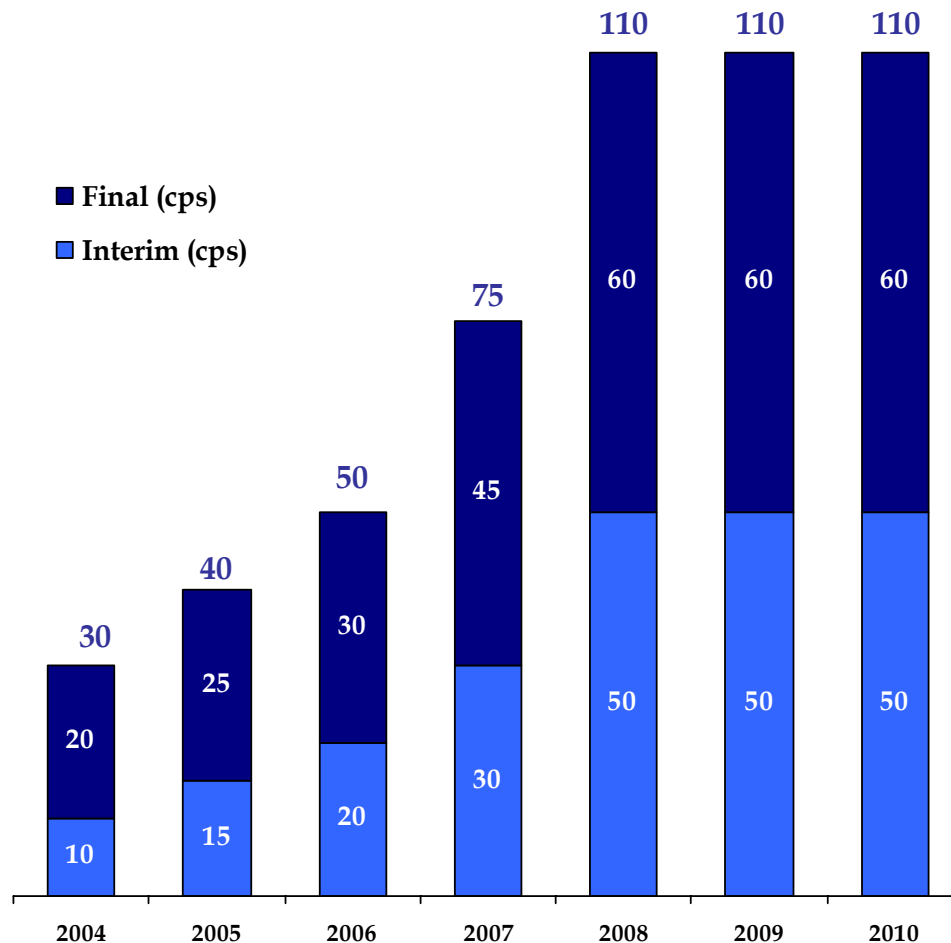
- Reported Earnings per Share down 1.9% to 96.6¢ per share



Returns to shareholders



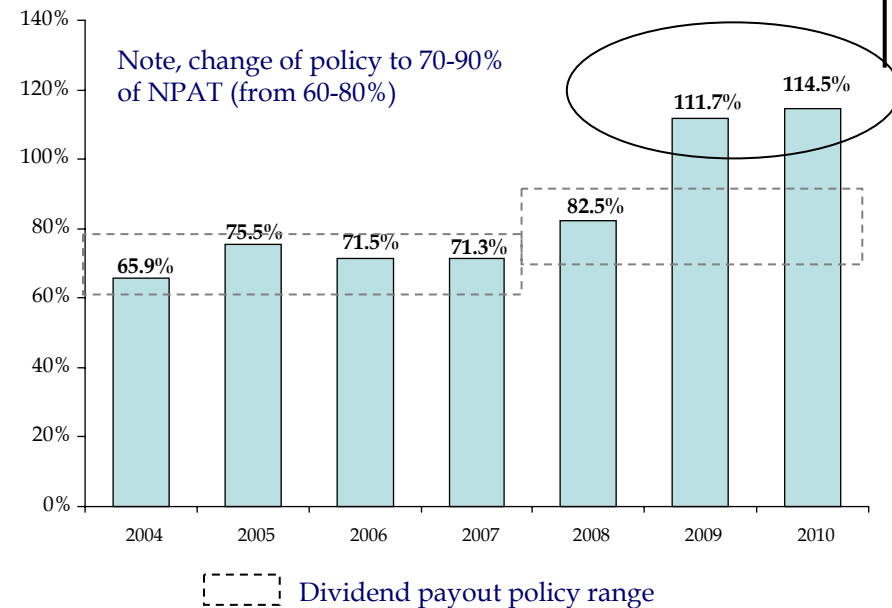
➤ Full-year, fully-franked dividend maintained



Decision to maintain dividend at the same level as the prior year. This reflects:

- Confidence in the prospects of the business
- Strong cash flow
- Strong balance sheet – nil debt
- Surplus franking credits
- Shareholder support in difficult times

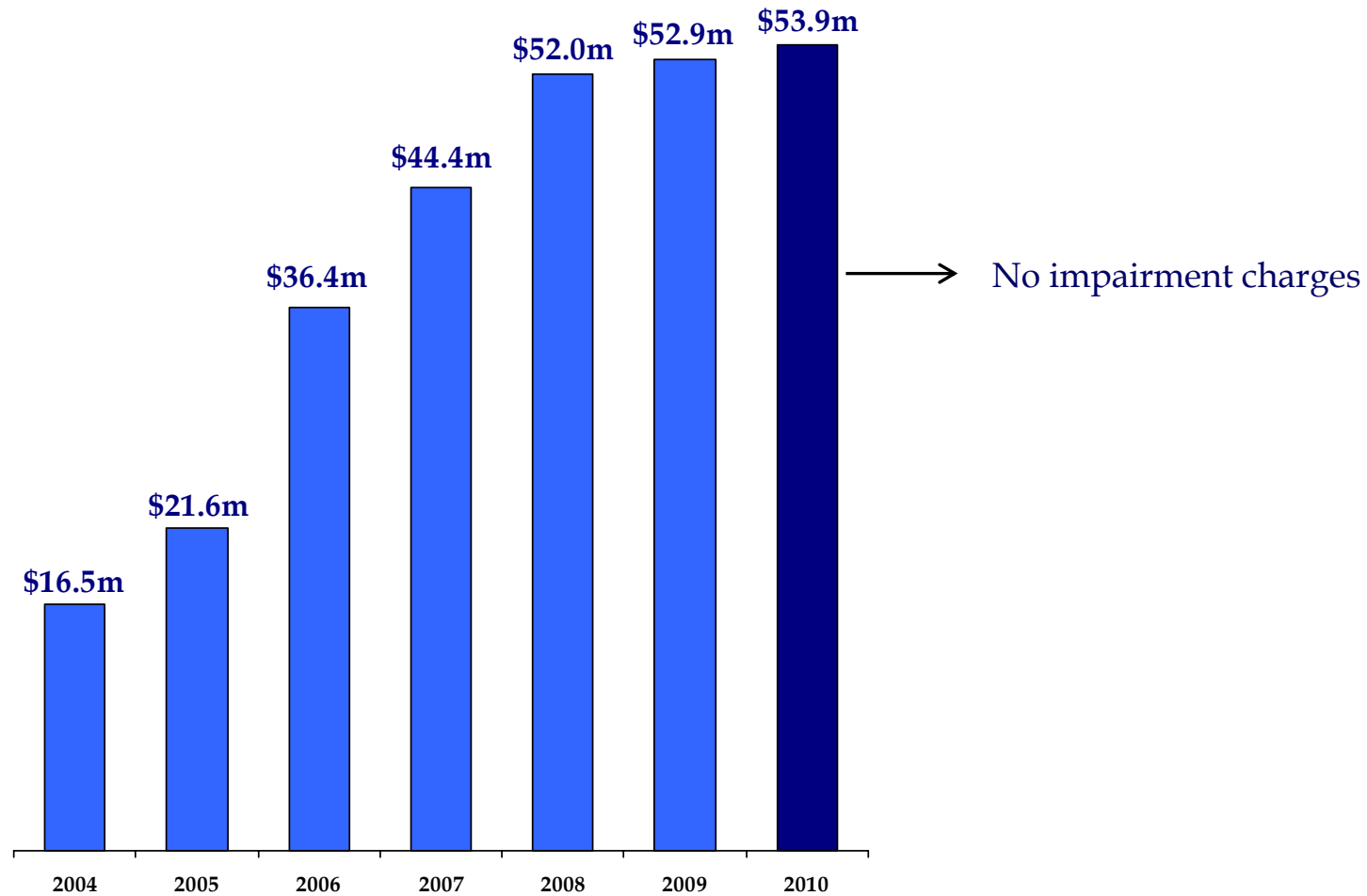
Full-year dividend as percentage of NPAT



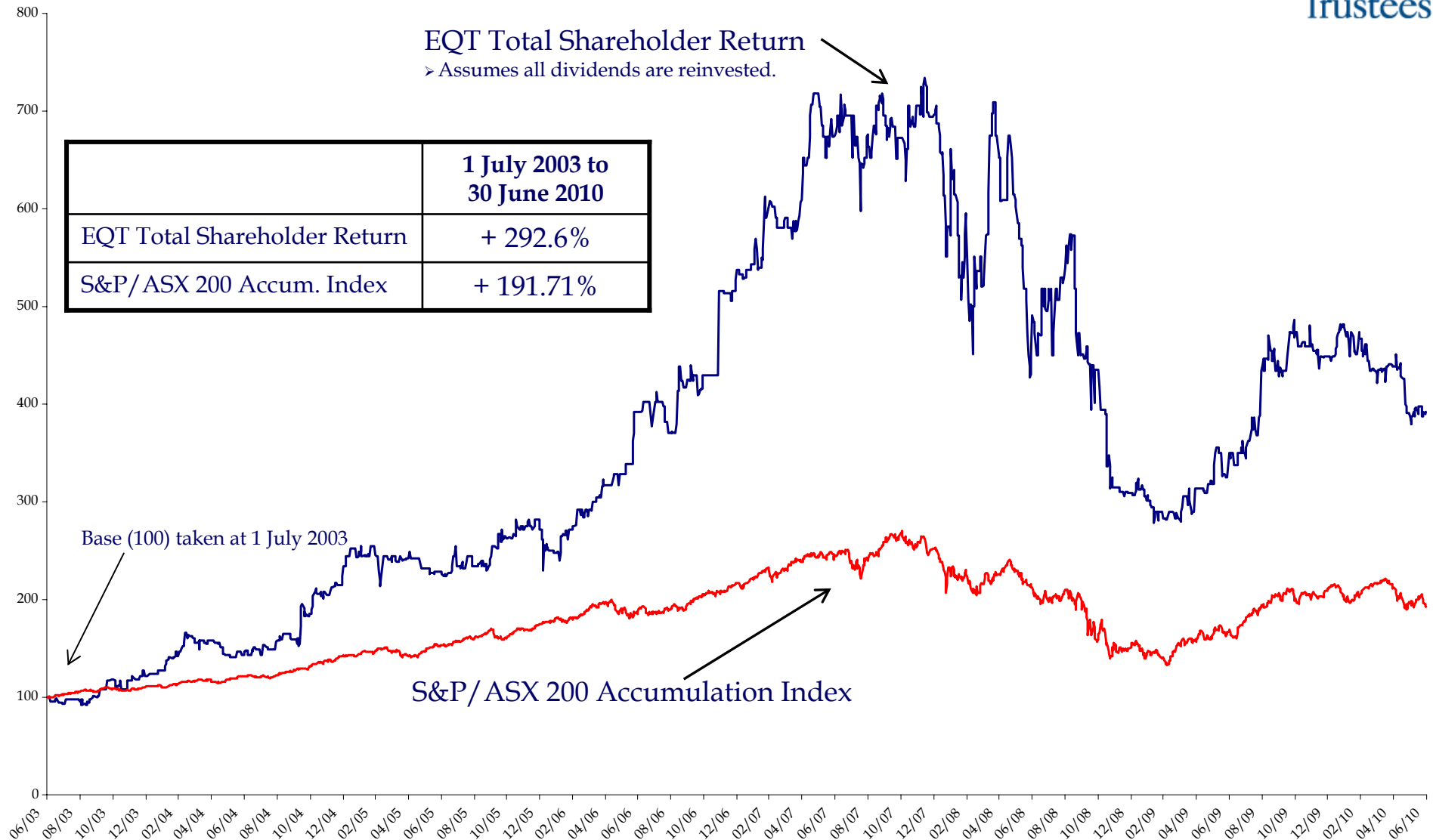
Net asset base



- Strong net asset base. Nil debt.



Sustained shareholder return



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Business units – operations & performance



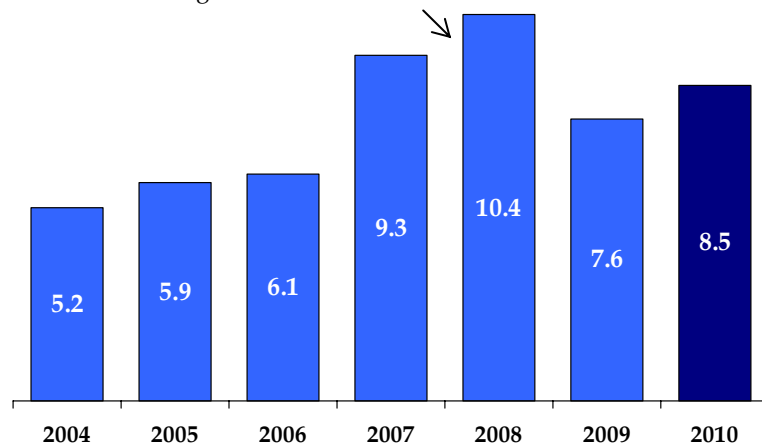
Business unit	Key services	Target market / channel	2010 Revenue vs 2009	2010 FUM vs 2009
Private Clients	<ul style="list-style-type: none"> ➤ Wealth Management ➤ Asset Management ➤ Trusts & Estates ➤ Philanthropy 	<ul style="list-style-type: none"> ➤ Private investors ➤ Business to business referrals 	\$8.5m +12.6%	\$1,261m +13.5%
Funds Management	<ul style="list-style-type: none"> ➤ Distribution ➤ Product management for EQT co-branded funds (managed by external specialists) 	<ul style="list-style-type: none"> ➤ Platforms/IDPS ➤ Financial planners 	\$8.3m (2.3%)	\$2,176m +12.3%
Fund Services	<ul style="list-style-type: none"> ➤ Responsible entity ➤ RSE 	<ul style="list-style-type: none"> ➤ Investment managers ➤ Superannuation funds 	\$8.5m +4.8%	\$14,452m +28.9%
Superannuation	Full service master trusts – <ul style="list-style-type: none"> ➤ Wealthpac ➤ Freedom of Choice 	<ul style="list-style-type: none"> ➤ Small-medium size corporates ➤ Members 	\$8.3m (1.8%)	\$624m +10.4%

Business unit overview - Private Clients

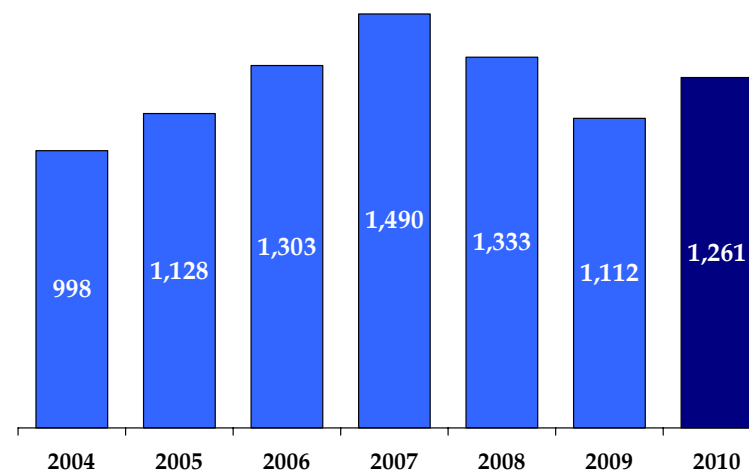


Operating revenue up 12.6% to \$8.5m

Significant one-off estates boost



AUM up 13.5% to \$1,261m

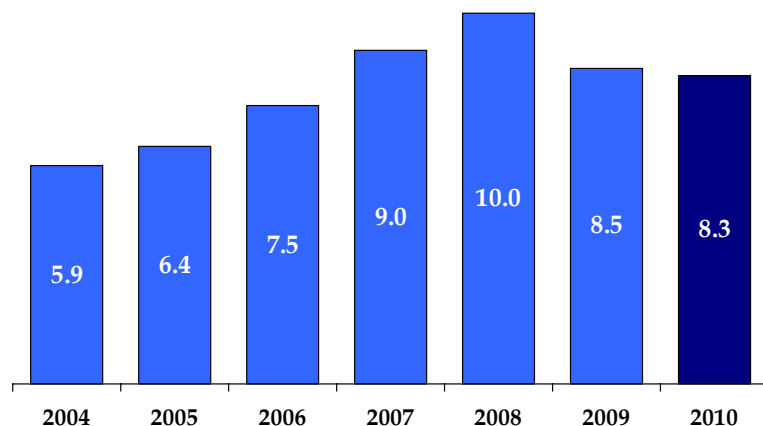


2010 highlights	<ul style="list-style-type: none"> Significant increase in Wealth Management client numbers Consistent year in Philanthropy, Trusts & Tax Benefits of reorganisation of business unit - improved service to clients
2011 outlook	<ul style="list-style-type: none"> Upgraded sales resources and marketing focus including new BDM Changes to trustee company regulation allow interstate expansion Targeted sales performance, pricing refinement and communication programmes

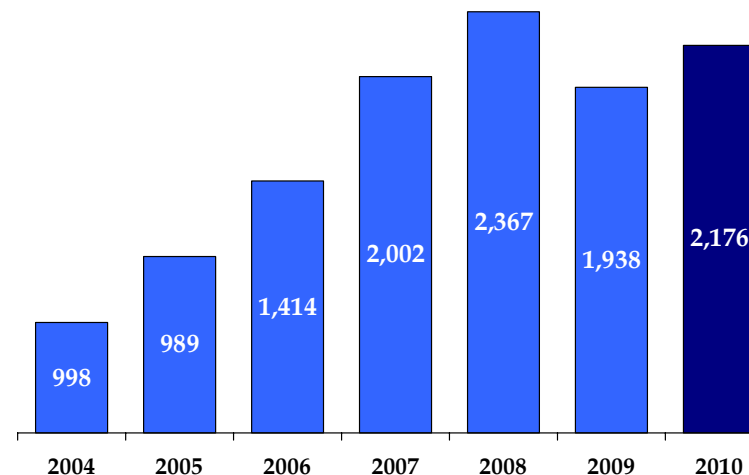
Business unit overview – Funds Management



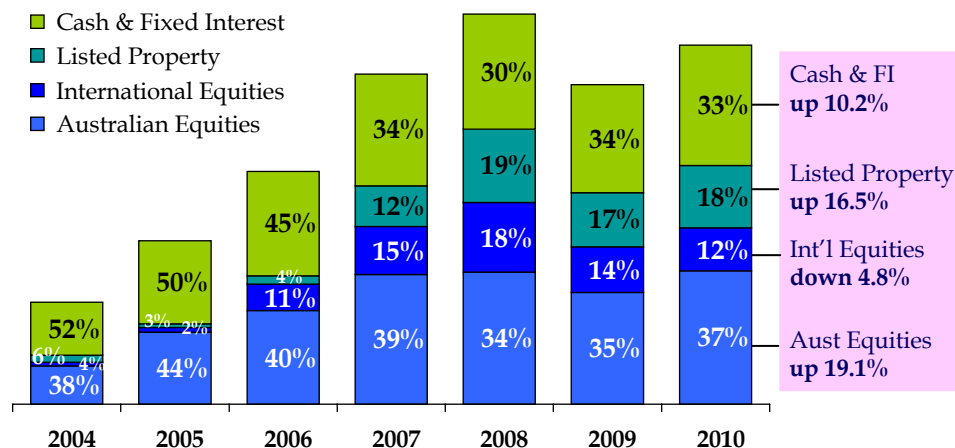
Operating revenue down 2.3% to \$8.3m



FUM up 12.3% to \$2,176m



Diversified across major asset classes



2010 highlights

- Strong increase in flows into the EQT co-branded funds
- FUM increase not wholly reflected in revenue due to changes in asset mix and timing of flows
- EQT co-branded funds perform well vs. their peers across major asset classes

2011 outlook

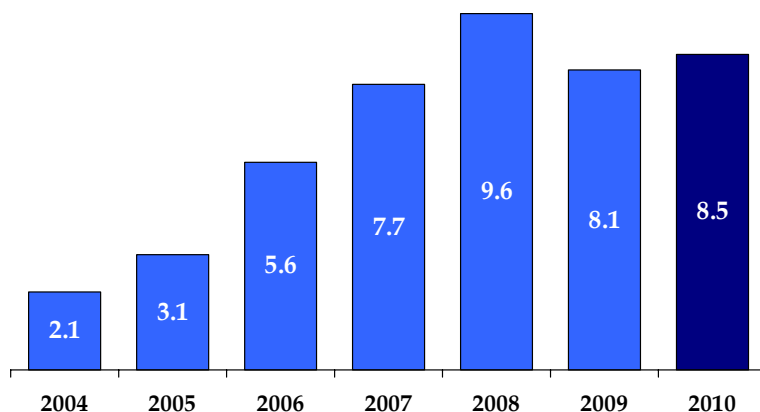
- New BDM in Sydney
- Ongoing expansion into NSW and Queensland advisor markets
- Continued top-down & bottom-up approach to IDPS market

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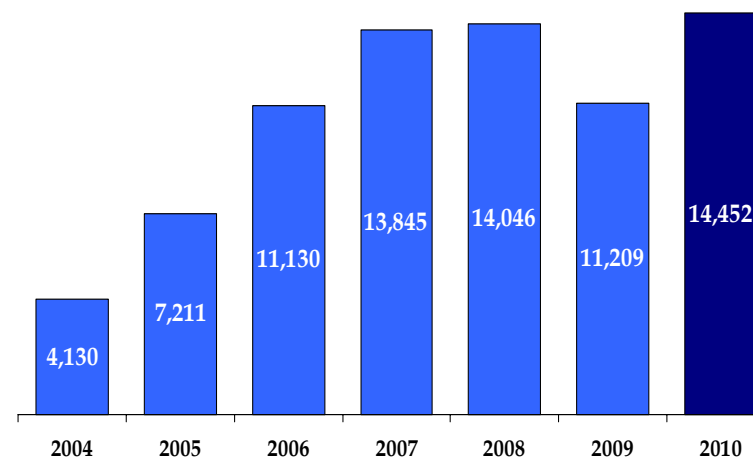
Business unit overview - Fund Services



Operating revenue up 4.8% to \$8.5m



FUA up 28.9% to \$14,452m



2010 highlights

- Activity from domestic and global investment managers despite market downturn
- No exposure as RE to 'toxic' assets/funds
- Diversification of managers (42)
- Net growth in FUA primarily placed in lower margin, defensive assets

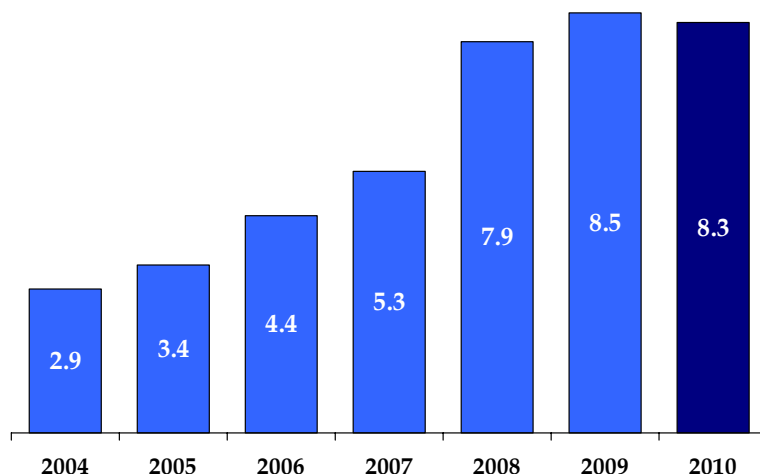
2011 outlook

- Leverage strong referral network for ongoing growth in RE business
- Resources devoted to quality appointments

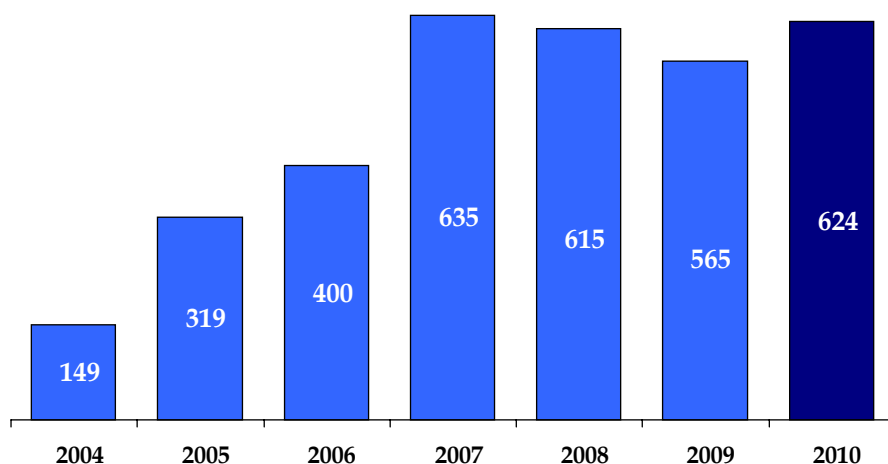
Business unit overview - Superannuation



Operating revenue down 1.8% to \$8.3m



FUM up 10.4% to \$624m



2010 highlights

- The EquitySuper brand was launched and the integration of the Templeton's brand was completed
- The Freedom of Choice Master Fund was rated 5 stars by Heron Partnership
- Continued strong investment performance

2011 outlook

- Product development activity is underway as a response to Cooper review outcomes
- Continue to look for "bolt-on" expansion opportunities
- Focus on member retention

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Business update



Regulatory changes

- Trustee companies have now commenced the transition to national Trustee Companies legislation during 2010 (from the previous state based legislation).
- The Cooper, Ripoll and Henry reviews each contain recommendations which affect EQT's operation, products and services. All business units well positioned to respond positively to changes and potential opportunities.

Acquisitions

- In the past few months there have been signs of increased activity in the market for potential acquisition opportunities. We will continue to consider suitable bolt-on business acquisition opportunities, subject of course to our discipline in requiring a near term accretive impact on earnings per share.
- Likely that acquisition activity in the financial services market will increase in the aftermath of the global financial crisis. Our balance sheet strength places us well to respond when appropriate to do so.

Summary



Current results and activities

- Business has diversified revenue streams, all making solid contributions to NPAT.
- Despite continuing volatility, underlying margins remain healthy and revenue has held up well.
- Tight expenditure control through a difficult period but future growth requires continued investment.
- New business generation good in most target sectors.
- No debt, cash flow positive, highly skilled and experienced staff, strong internal processes.

Looking ahead

- Demographic opportunity in private wealth management, good leverage to funds management industry.
- A market recovery and sustained return to equities will flow into revenue improvement.
- Focus on business development and sales/marketing culture, but maintain management discipline and "client first" ethos.
- Monitoring many environmental changes for opportunities and challenges.
- Strategic direction well established, valid and regularly reviewed. Consider sensible acquisitions



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