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Equity Trustees record run continues

Equity Trustees Limited (ASX: EQT) today announced a record first half after-tax profit.

Net profit before tax for the half year to 31 December 2006 was \$5,245,529 (2005: \$2,657,720). After-tax profit was \$3,649,521 (2005: \$1,902,232), an **increase of 92%**.

After adjusting for a one-off legal expense in the prior corresponding half year of \$478,443, the underlying half year increase in after-tax profit was **53%**.

The result continues the company's record run of profitability that commenced in the 2005 financial year. The record half-year result is confirmation that Equity Trustees has maintained its focus on its core revenue streams combined with strong operating controls.

The result places the company in a favourable position to undertake the next stage of its business strategy, namely step growth through careful acquisition.

Revenue for the half year was **up 36.9%** to \$15,802,836 (2005: \$11,541,612).

Earnings per share were 47.35 cents (2005: 26.83 cents), and the company has declared a fully-franked dividend of 30 cents per share (2005: 20 cents per share)

Equity Trustees' Chairman, Mr Philip Molyneux AM, commented on the importance of the result in the context of the Group's goals.

"Once again Equity Trustees has been able to deliver an outstanding return for all our stakeholders."

"Our Managing Director, Peter Williams, and his management team have successfully grown revenue in the businesses' core streams while maintaining a sensible approach to costs."

"Due to the strength of the half-year result, I am pleased to announce an interim fully franked dividend of 30 cents per share, which is 50% higher than that paid in respect of the same period last year. This increased dividend is further evidence of Equity Trustees' ability to generate superior returns for its stakeholders."

Peter Williams, confirmed that the interim result is consistent with the full year forecast that the company provided the market in early December 2006.

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"The half-year result is pleasing and falls within our forecast range."

"The very strong growth in the Private Clients business unit is partially attributable to recent changes updating the legislation dealing with ongoing trusts. In addition to this our staff in this business unit have been working very hard to ensure that we achieve growth in our wealth management services as well as in our traditional trustee services. Proposed changes to superannuation legislation may also provide an opportunity for our DIY superannuation service."

"Our Funds Management business continues to generate revenue growth despite margin pressure within the industry. This reflects our strong relationships with a number of leading boutique and global investment managers."

"We are also seeing a strong demand for our highly specialised Responsible Entity services from existing clients as well as from new clients entering the Australian market."

"Our Wealthpac superannuation master-trust business continues to make an important contribution to our Group profit. We have recently established Equity Trustees Superannuation Limited, which encompasses our existing master trusts and any additional Superannuation business we are able to acquire."

"We have also recently announced that we are negotiating with Australian Unity in respect of acquiring the Freedom of Choice Master Trust. This is a very exciting development and bodes well for our Superannuation business playing an important role in Equity Trustees' growth."

The Group confirmed its full year forecast for operating profit before tax to exceed \$9.5m, (assuming no profit or loss from the sale of investments), an increase in excess of 45% on the prior year.

The record date for the dividend payment is 16 March 2007 with payment on 14 April 2007. The company will again operate the dividend reinvestment plan (DRP) for this dividend, including a 2.5% discount. We also advise that any shortfall in take-up of the DRP will be underwritten at the DRP share price.

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