

Release

16 May 2007

Equity Trustees finalises transfer of Freedom of Choice

Equity Trustees Limited (ASX: EQT) today announced that it has successfully concluded negotiations with Australian Unity Investments (AUI) for the transfer of the Freedom of Choice Superannuation Masterfund (the Fund) and Freedom of Choice Portfolio Service (IDPS).

The arrangement remains subject to regulatory approval. If approved, the transfer of the businesses is expected to be completed by 30 June 2007.

The Fund and IDPS add approximately \$150m in funds under management to Equity Trustees' corporate superannuation business (Equity Trustees Superannuation Limited), which already manages in excess of \$450m.

There are approximately 5,500 members across both the Fund and IDPS.

Equity Trustees has also entered into an agreement to pay approximately \$5m for various assets, including the management rights and goodwill. This consideration is made up of an initial payment of \$2.5m and deferred payments totalling \$2.5m. The deferred payments are subject to conditions agreed between the parties.

The acquisition will be settled entirely in cash and will be funded by Equity Trustees' existing cash reserves. Equity Trustees expects the first full year of operation of the Fund and IDPS to be EPS positive.

Equity Trustees' Managing Director, Peter Williams, confirmed that the Freedom of Choice business is an important addition to the company's existing superannuation platforms.

"We have built our superannuation business in a manner that enables us to grow quickly without sacrificing our level of service to members.

"When we started negotiations for the purchase of the Wealthpac master trust in 2003, the business had just over \$100m in FUM. With the addition of the Templeton master trust and the proposed addition of Freedom of Choice we are now over 6 times that size yet we are still able to provide consistently high levels of service," added Mr Williams.

Mr David Bryant, head of AUI, confirmed that negotiations with Equity Trustees had proceeded smoothly.

"Given the significant ongoing investment required to manage a business such as Freedom of Choice, we made a strategic decision to seek a company with the necessary infrastructure and experience to take it to the next level.

“Our primary obligation is to ensure that members’ interests are protected and Equity Trustees has provided us with ample evidence of their capacity to meet our requirements,” Mr Bryant said.

About Equity Trustees Limited.

Equity Trustees is a publicly listed company that provides a range of financial services to corporate and private clients. Its businesses include funds management, private client wealth management, responsible entity appointments and corporate & DIY superannuation.

The company manages in excess of \$3b across its funds management, private client and superannuation businesses and has in excess of \$12b under responsible entity administration.

Equity Trustees employs over 130 people across its Melbourne, Sydney and Brisbane offices.

About Australian Unity Investments

Australian Unity Investments is the funds management arm of financial services, health and retirement living services provider Australian Unity. It currently has over \$5.4 billion in funds under management.

Its approach to product development is to use its established in-house expertise in property and mortgages while also forming joint ventures and strategic alliances with other organisations with specialist expertise.

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This Media Release was jointly prepared by Equity Trustees Limited and Australian Unity Investments and is only provided for information purposes.