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EQT RELEASE

28 August 2014

Equity Trustees Full Year Results
Profit and Dividend Increase
Acquisition of ANZ Trustees Limited

Equity Trustees Limited (ASX: EQT) today confirmed its full year financial results and final dividend.

Operating profit before tax and net profit after tax are both ahead of the prior year by 12%. The results are summarised as follows:

	12 months to 30 June 2014 $m	**12 months to 30 June 2013 $m**	**% Change**
Operating revenue	53.3	46.8	14
Operating expenses	(38.9)	(33.9)	(15)
Operating profit before tax	**14.4**	**12.9**	**12**
Income tax expense	(4.0)	(3.6)	
Operating profit after tax	**10.4**	**9.3**	**11**
Non-operating items (net of tax)	(0.7)	(0.6)	
Net profit after tax	**9.7**	**8.7**	**12**
Earnings Per Share (cents)	**88.64**	**87.58***	**1**
Dividend per share (full year, fully franked)	94c	92c	2
Operating Margin	27.1%	27.7%	

*The 2013 EPS has been restated due to the rights issue in April/May 2014. The previously reported EPS was 96.65 cps

EQT's Chairman, Mr Tony Killen, said, "The 2014 year has been a very important and successful one for Equity Trustees. Profit is up 12% over the prior year, notwithstanding major non-operating initiatives that were undertaken during the year, firstly in relation to the takeover offer for Trust Company and then the successful acquisition of ANZ Trustees Limited, (now known as Equity Trustees Wealth Services Limited (ETWSL)). The increase in operating result reflected organic growth in both of our main revenue business units, and we are confident that the company is on a solid and sensible strategic growth path for the future."

"We are delighted to have completed, on 4 July, the acquisition of ETWSL. The acquisition price was approximately $150m, with some adjustments for licence requirements, and was funded by a very successful capital raising at $17.00 per share."

Managing Director, Robin Burns, commented that: "The integration project is still in its early stages, however, we are pleased with the progress to date. The business we acquired is a very close fit with our long-term strategic plan and came across with a high-quality team and client base. Additionally, there is a 5-year referral agreement in place with the ANZ Bank and we see this as a positive opportunity for both parties to develop attractive solutions for our respective clients' financial advice and product needs."

Mr Killen noted that as a result of the transaction, Equity Trustees had almost doubled its market capitalisation, to approx. $400m, and was now well into the largest 300 companies on the ASX with a prospect of inclusion in the index in future. Since the acquisition, the share price has returned well above the capital raising price of $17.00. In addition, the number of shareholders has increased by 30% to approximately 2,400 and institutional representation on the register has grown materially. This augurs well for increased trading volume in EQT shares.

Mr Killen confirmed that the full year dividend would increase from 92 to 94 cps. The final fully franked dividend of 48 cps is payable to all shareholders, including the new shares issued as part of the major capital raising in April/May 2014.

He said, "As a result of the one-off non-operating costs of $0.7m (after tax), the reported earnings per share decreased to 88.64 cps. However, after taking into account the underlying profit and the prospects of enhanced profits arising from the ETWSL acquisition, the Board supports a lift in the 2014 full year dividend."

He added, "Based on the last traded share price, the dividend yield is approximately 4.3%, which we believe compares well with other companies in our sector. The company will again be offering the dividend reinvestment plan (DRP) - an attractive avenue for shareholders to continue to invest in the company at a discount of 2.5%."

Business progress

Mr Burns said, "We are very pleased with the 14% revenue growth, reflecting good growth initiatives by both of the business units. Trustee & Wealth Services (TWS) revenue was up 12.7% and FUM/A lifted 31%. Corporate Trustee Services (CTS) revenue was up 14.6% and FUM/A lifted 21%."

"In relation to expenses, we continue to invest in new strategies and to meet regulatory requirements, which pushed the expense increase above our long term target, however, we are very happy to maintain margins at around 27%, while adding 12% to the operating profit before tax."

Mr Burns added, "In TWS we have expanded the number of partnerships providing estate planning referrals and we are in discussion with a number of other advisory networks to provide a similar service. We continue to win new business in the RSE space, an area which we targeted during the year."

Mr Burns noted, "With the acquisition of ETWSL and a continuation of organically driven revenue initiatives, the Group is in a good position to drive further profit growth. The balance sheet remains debt-free. Given the company's record, initiatives under way and the opportunities ahead in our industry sector, I am confident that Equity Trustees will continue to perform well on behalf of all our stakeholders."

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Equity Trustees Limited (EQT)

Full Year Results to 30 June 2014

Overview – FY2014

- Operating profit and net profit after tax – both up 12%.
- Revenue growth of 14% - all organic, operating margin at 27%.
- Successful acquisition of ANZ Trustees – effective 4 July 2014.
- Both Business Units grew revenue strongly.
- Full year dividend increased by 2% to 94¢ per share, fully franked – on increased capital.
- Business restructuring completed in Trustee & Wealth Services (TWS).
- Major business development and growth project continues in TWS. Further distribution partnerships in place.
- Net inflows to co-branded funds positive, but significantly reduced from 2013.
- Back office infrastructure project completed – improved efficiency and enhanced capacity for growth.
- Debt-free balance sheet.
- $160m of new capital raised at $17.00 per share

Overview – group results

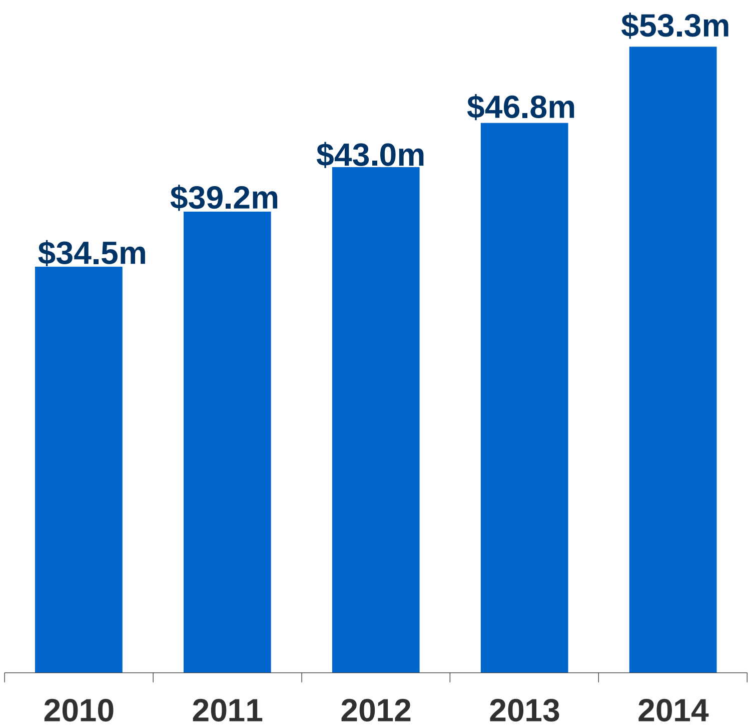
	2014 $m	2013 $m	Change
Operating revenue	53.3	46.8	14 %
Operating expenses	(38.9)	(33.9)	(15 %)
Operating profit before tax	**14.4**	**12.9**	**12 %**
Income tax expense	(4.0)	(3.6)	
Operating profit after tax	**10.4**	**9.3**	**11 %**
Non-operating items *(net of tax)*	(0.7)	(0.6)	
Net profit after tax	**9.7**	**8.7**	**12 %**

Earnings per share *(cents)*	**88.64¢**	**87.58¢ ***	
Dividend per share *(full-year, fully franked)*	**94¢**	**92¢**	
Operating margin *(pre-tax, excluding non-operating items)*	**27.1%**	**27.7%**	

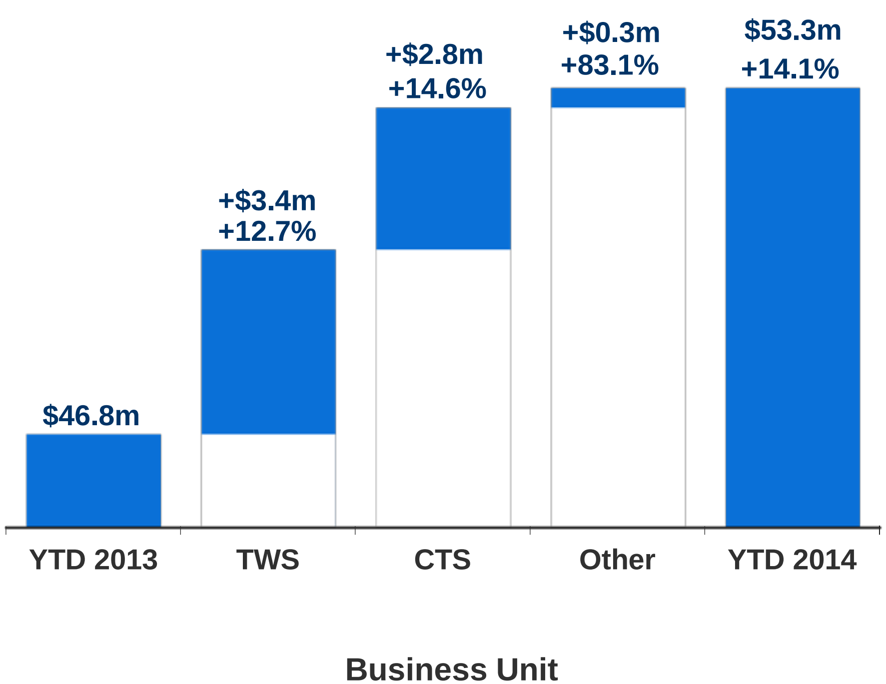
* 2013 EPS has been restated to reflect a Rights issue in April/May 2014. The previously reported EPS was 96.65 cps

Operating revenue – change

Operating revenue up 14.1% to $53.3m (Excludes profit on sale of investments)

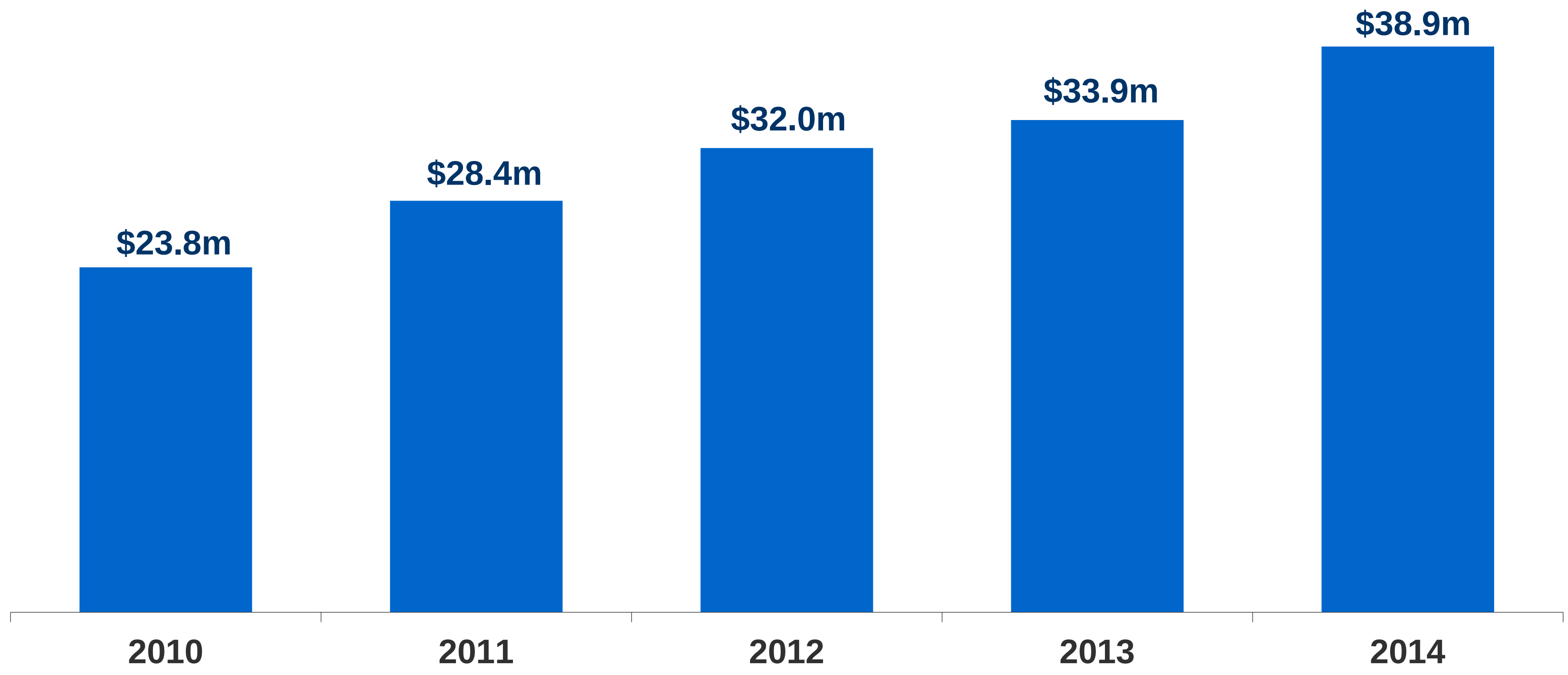


Operating revenue movement compared to prior year

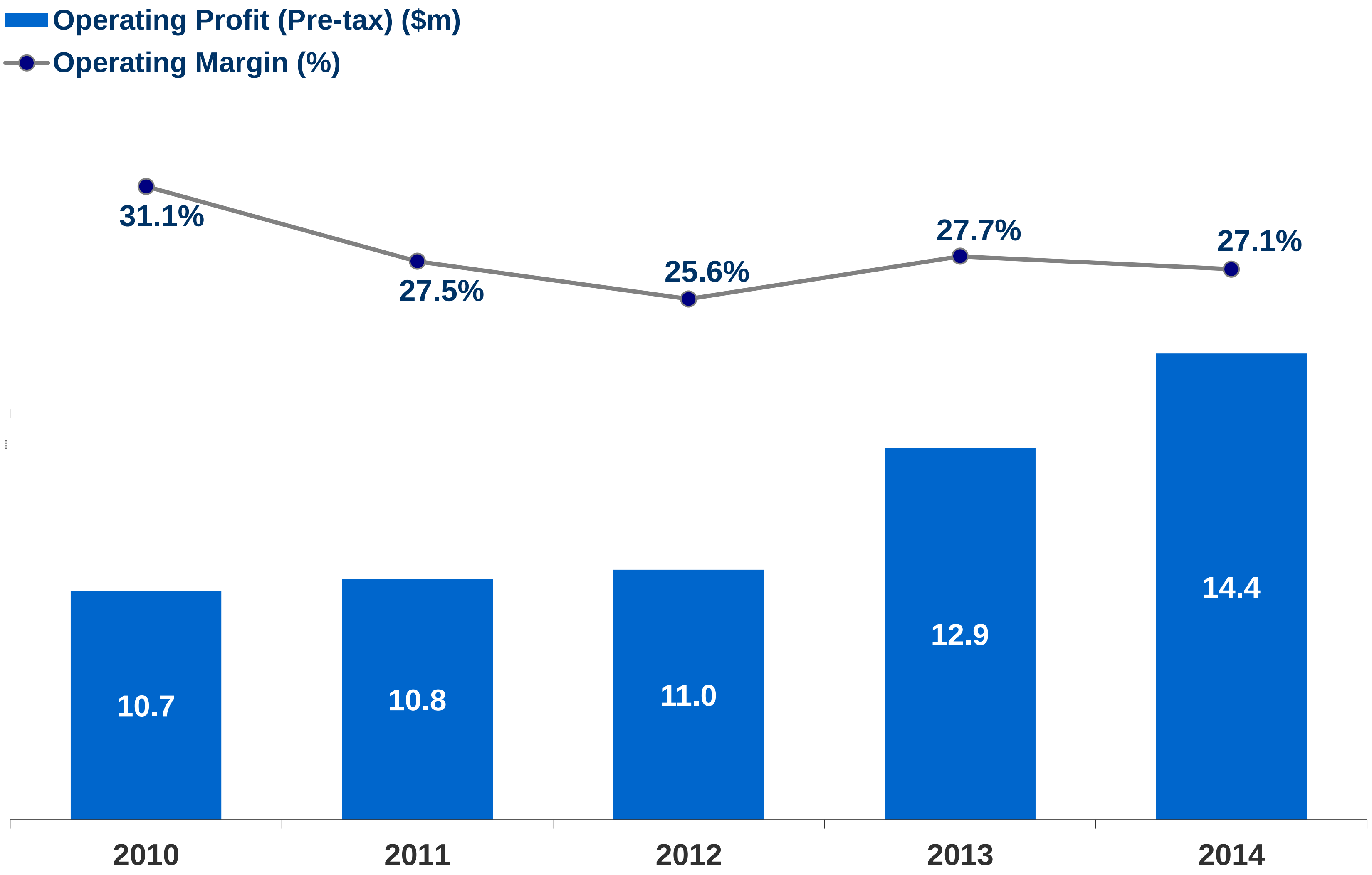


Expenses

Operating costs ($m)

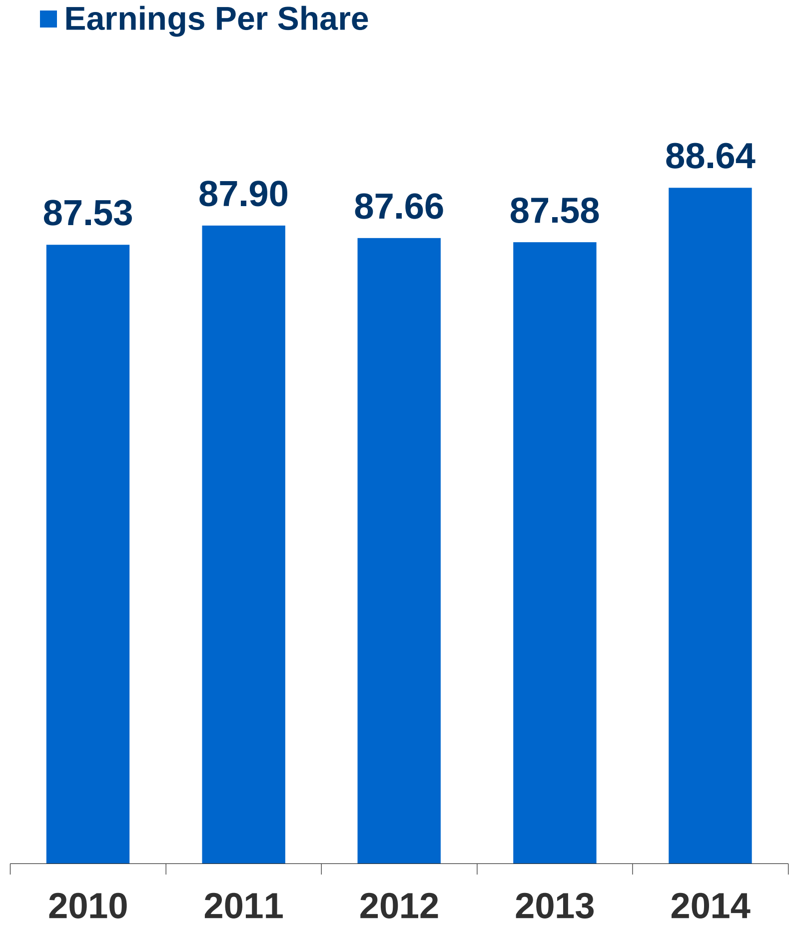


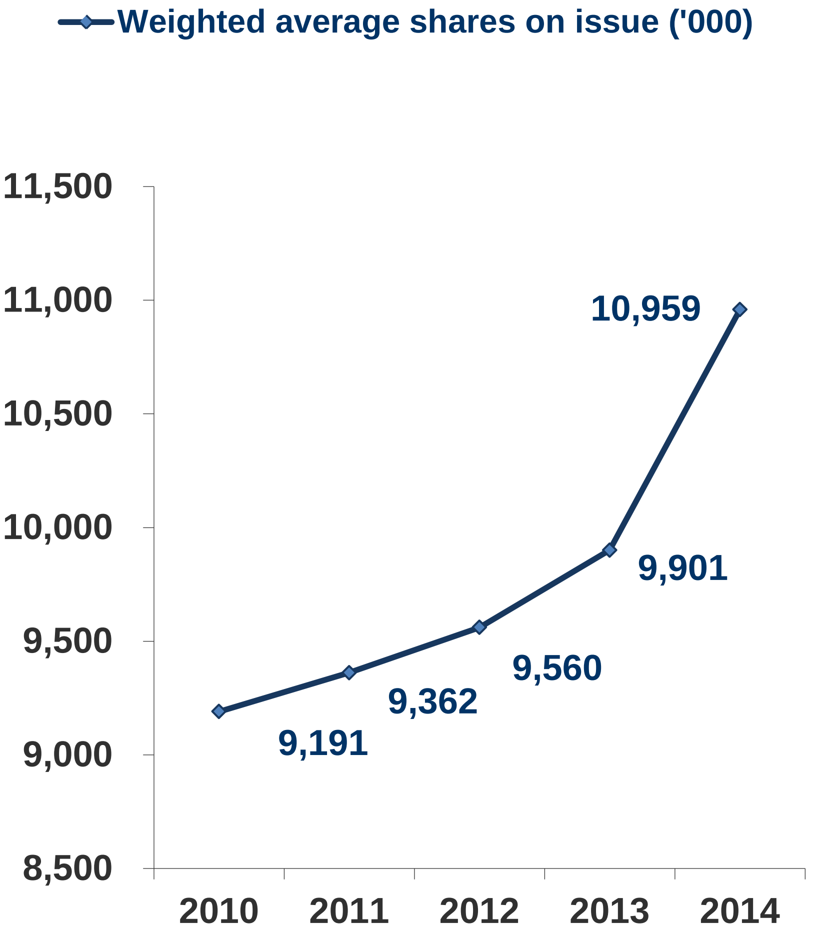
Operating margin



Reported earnings per share

Reported earnings per share at 88.64¢ per share



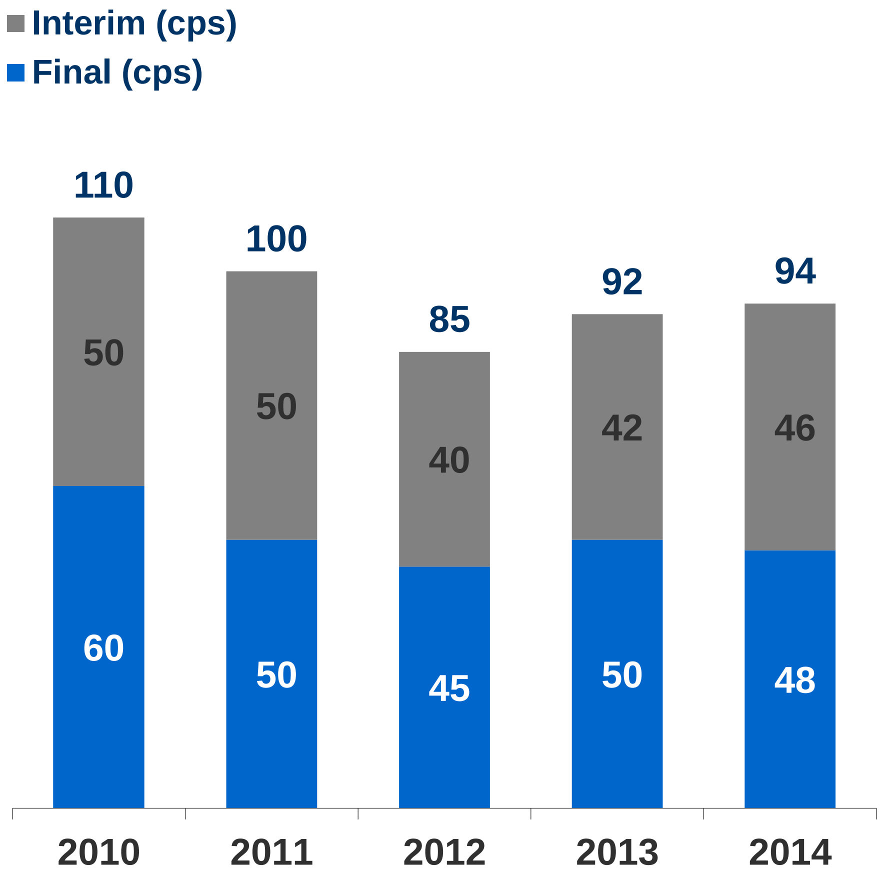


Note: 2010 to 2013 EPS and Weighted average shares on issue have been restated to reflect the Rights issue in April/May 2014.

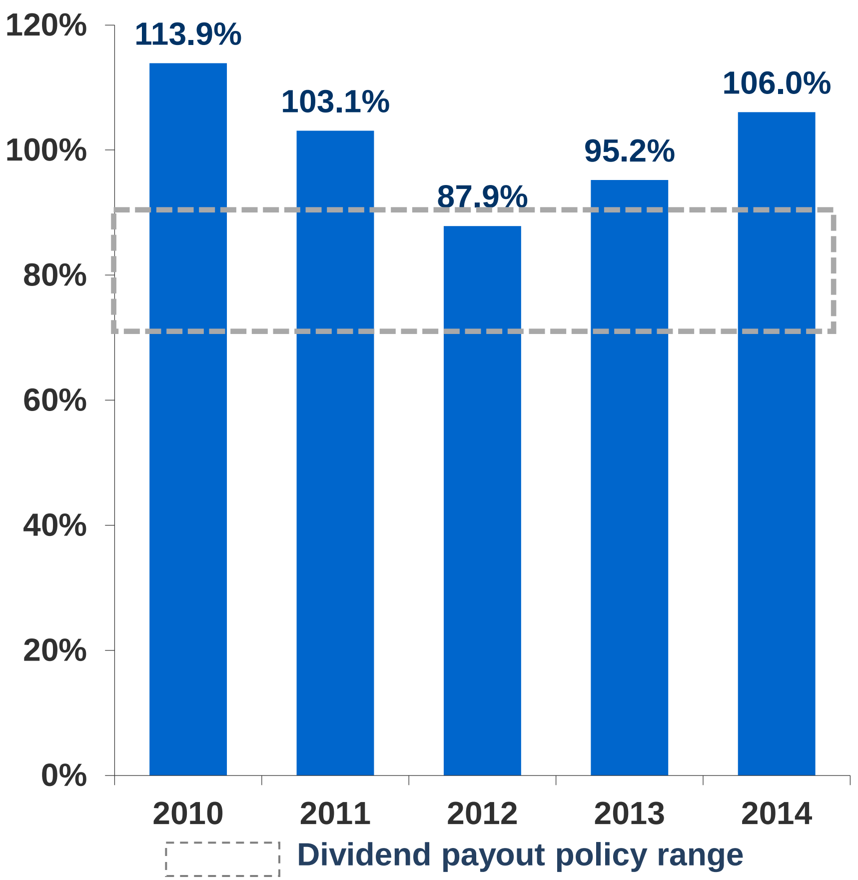
Returns to shareholders

Full-year, fully-franked dividend

Reflecting a current yield of approximately 4.3% before franking credits

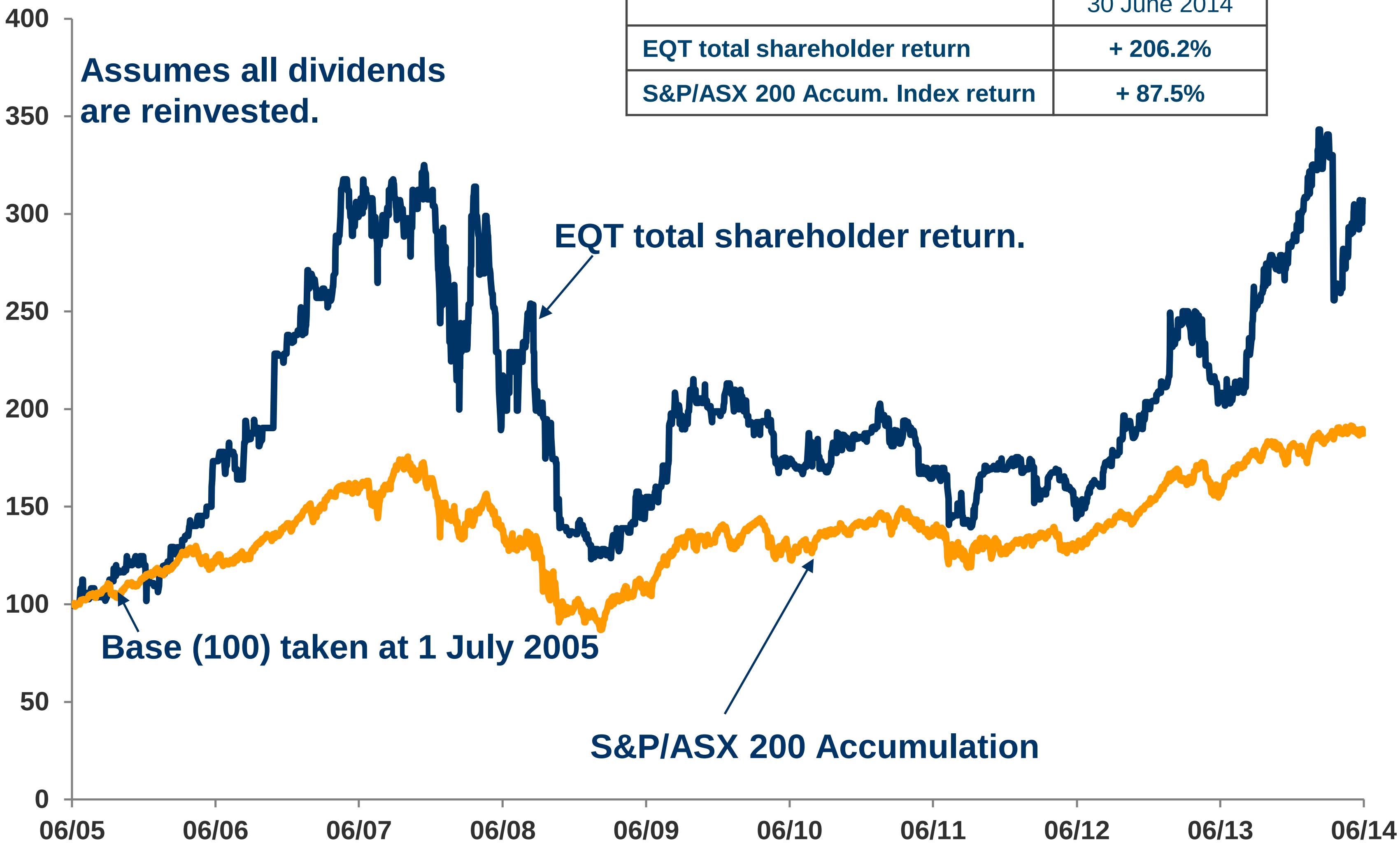


Full-year dividend as percentage of Reported EPS



Sustained shareholder return

	1 July 2005 to 30 June 2014
EQT total shareholder return	**+ 206.2%**
S&P/ASX 200 Accum. Index return	**+ 87.5%**

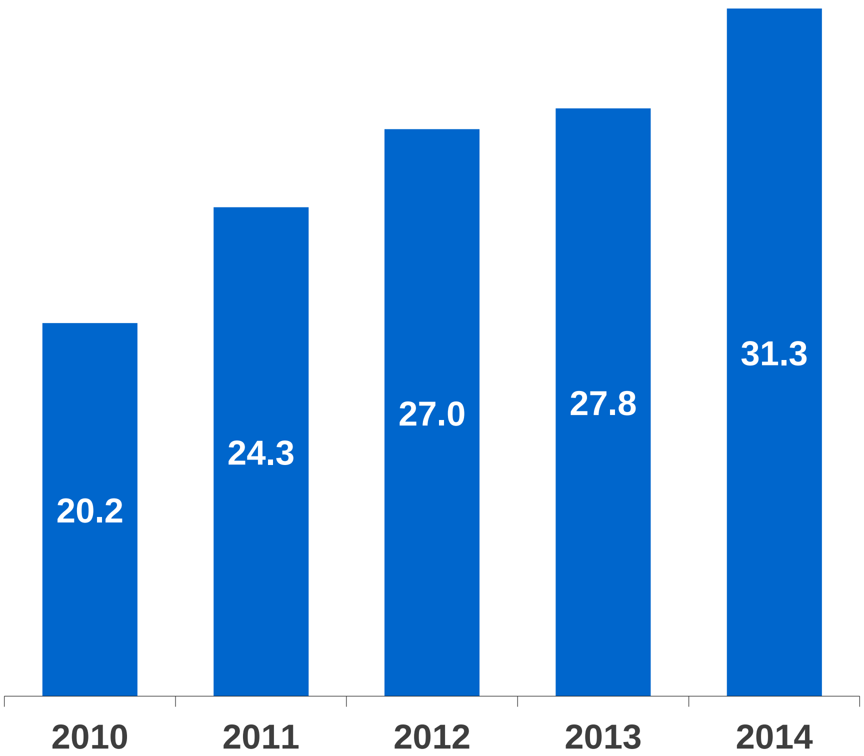


Business units – operations & performance

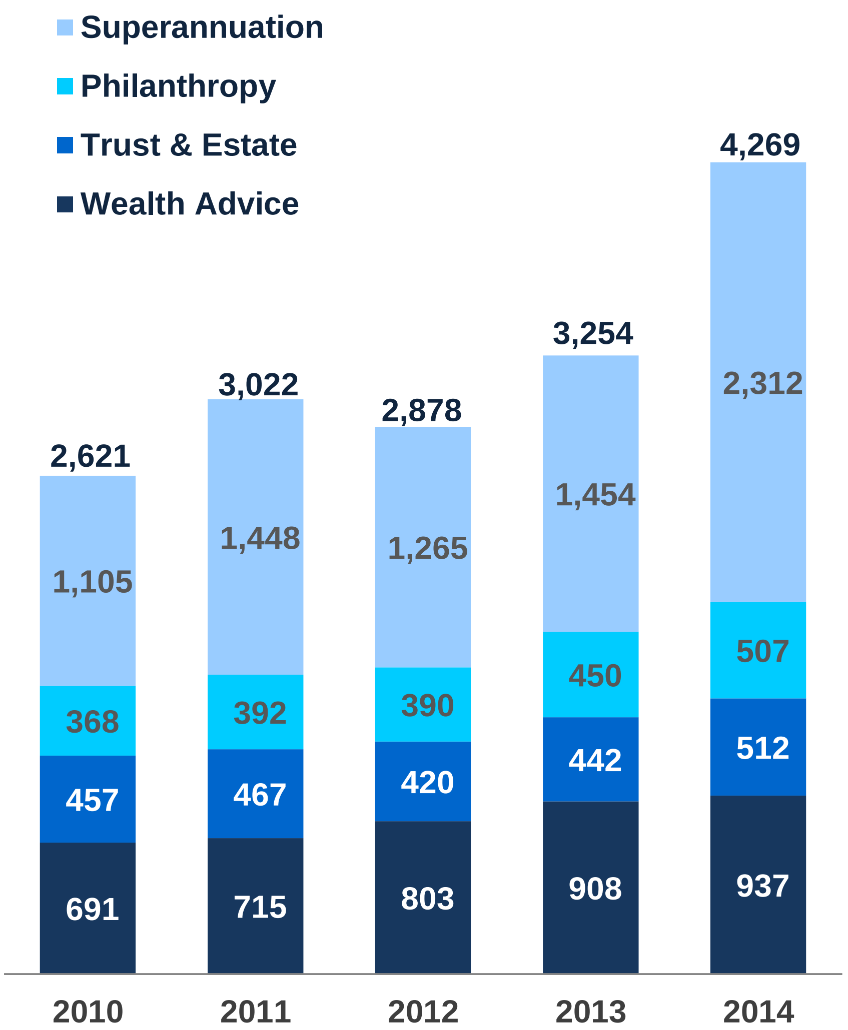
Business unit	Key services	Target market / channel	Revenue 2014 vs 2013	FUM/FUA 2014 vs 2013
Trustee & Wealth Services (TWS)	• Personal Estates & Trusts • Philanthropy • Wealth management • Asset management • Aged care advisory services • Employer and personal superannuation	• Private clients • Business to business referrals • Small-medium size corporates • Members • External distribution via planning networks	$31.3m + 12.7%	$4.3b + 31.2%
Corporate Trustee Services (CTS)	• Distribution • Product management for EQT co-branded funds (managed by external specialists) • Responsible entity	• Platforms/IDPS • Financial planners • Investment managers	$21.3m + 14.6%	$35.2b + 21.3%

Business unit overview – TWS

Operating revenue up 12.7% to $31.3m



FUM/FUA at 30 June 2014 up 31.2% to $4.3b

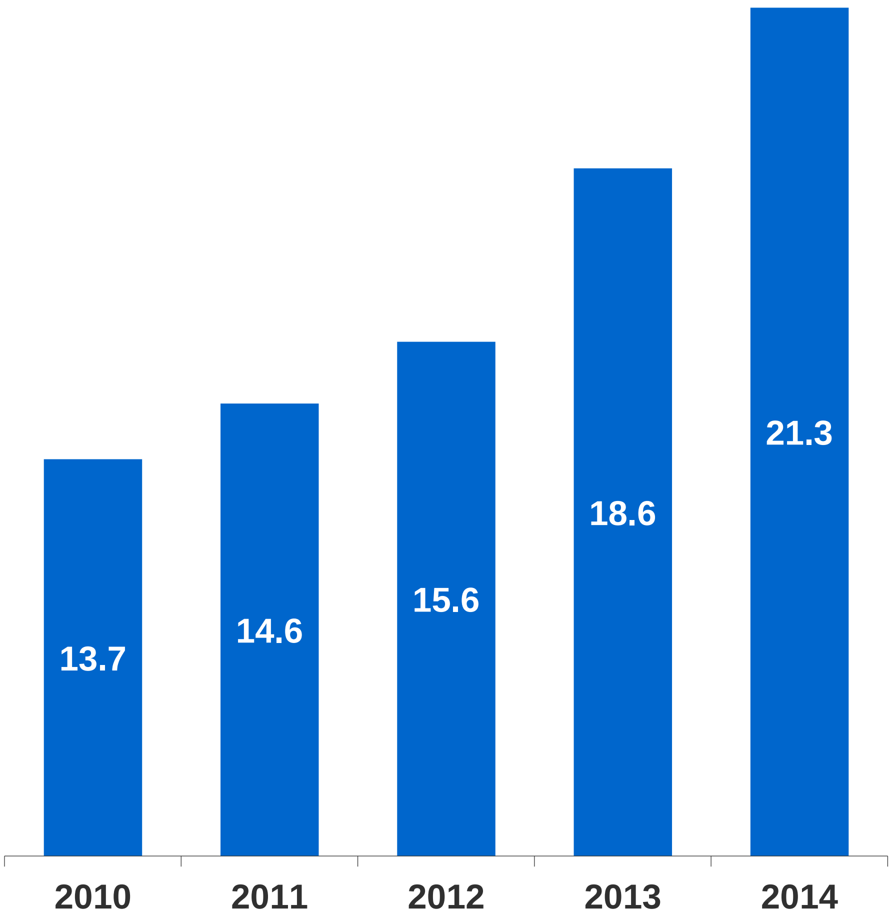


Business unit overview – TWS

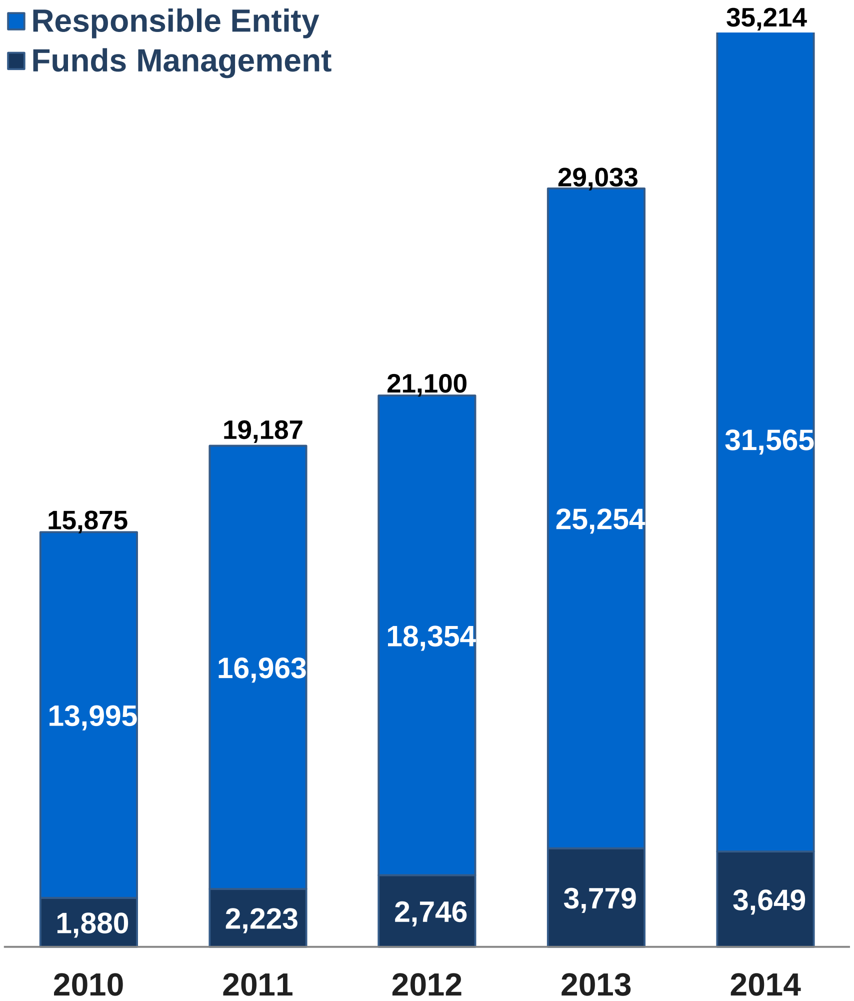
2014 highlights	• Revenue up 12.7% to $31.3m • FUM up 31.2% to $4.3b • Organic growth continues across all business lines. • Additional external partners in place to provide referrals for estate planning services, with approx one third recording EQT as Executor – provides growth in Will Bank • Successful MySuper authorisation for Superannuation mastertrust business • A new Superannuation Trustee Office established to dedicate management to new corporate RSE business initiatives • Philanthropy business strong • EQT appointed to VCAT panel as a recommended service provider. • Development and growth projects continue to improve distribution, cross-sell, revenue per client. • Asset management team – New focus on consistency of investment strategy across all funds under EQT's fiduciary responsibility • Completed acquisition of ANZ Trustees – effective date of 4 July 2014
2015 outlook	• The integration of ANZ Trustees is the main priority in 2015 – refer to later slide • Continue with organic growth initiatives for existing business, focussing on cross-selling strategies.

Business unit overview – CTS

Operating revenue up 14.6% to $21.3m

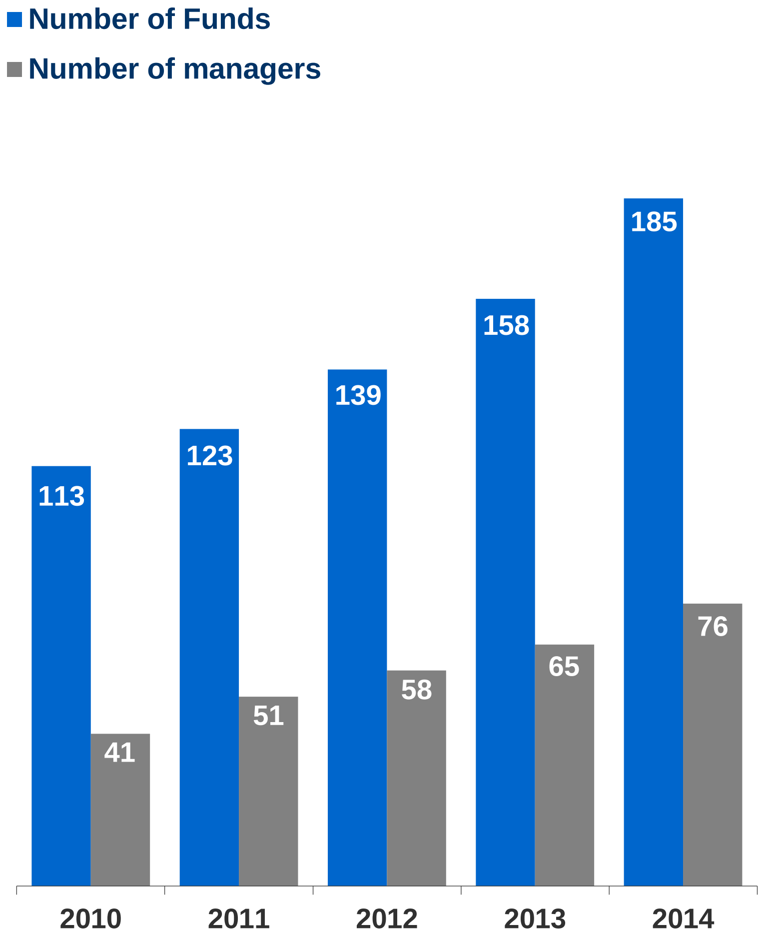


FUM/FUA at 30 June 2014 up 21.3% to $35.2b

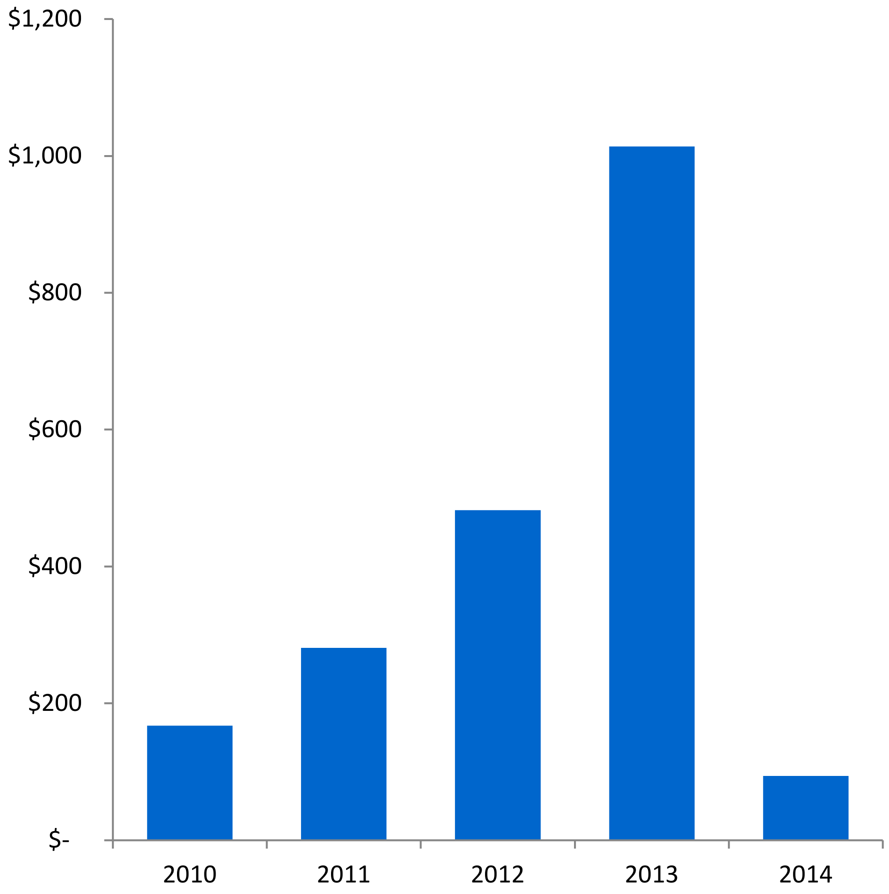


Business unit overview – CTS

Responsible Entity Business



Net flows for funds distributed by EQT ($m)



Business unit overview – CTS

2014 highlights	**Business Unit:** • Revenue up by 14 .6% to $21.3m • FUM increased from $29b to $35b **Corporate Trustee Services:** • Added a net 27 funds to 185 funds, servicing 76 managers - net increase of 11. • Expanded service offering to include wider trustee roles. • Foundation member of ASX sponsored mFunds settlement service - 25 funds admitted at launch. **Funds Distribution:** • During challenging conditions, Co-branded funds generated net inflows of $100m. • Inflows skewed towards income producing (defensive) assets. • PIMCO named as Professional Planner/Zenith Fund Awards 2013 – Global & Diversified Fixed Interest (Winner) • SGH ICE named as 2014 Morningstar Fund Manager of the Year – Undiscovered Manager.
2015 outlook	• New RE opportunities are strong – Australia seen as an attractive market by global operators. • Well positioned to benefit from flows into growth asset classes. • Defensive asset funds still likely to perform strongly. • Strong partnerships with investment managers and service providers.

Business update and summary

The environment

- Overall wealth industry growth – but outcomes from FSI, publicity re advice model problems, MySuper, FoFA all yet to be experienced. Increased business complexity and costs.
- Impending wealth transition and need for advice post-retirement are positive trends. Problems elsewhere may enhance benefits of an ‘independent’ brand. “Trustee” brings positive values.
- Role of ACNC under review. No other expected outcomes from CAMAC review of philanthropy roles.
- Industry, market, government focus on superannuation – regime, model, investing, costs, scale, tax.
- Consolidation drive abated, but advice industry under the microscope.
- Investors re-balanced or directed flows to growth assets.
- EQT’s business model and brand naturally aligned to the higher wealth clients with more complex needs. Focus has been on accessing external distribution and on cross-sell.
- Australia attractive for fund managers due to market size (but more competitive than appears).
- Changes in model for aged care funding just implemented – outcome uncertain.

Acquisition of ANZ Trustees Limited

Acquisition of ANZ Trustees Limited

- *10 April 2014 – Announced acquisition and capital raising*
- *3:4 capital raising at $17.00 per share – Approx 50% via placement and insto entitlement – approx 50% via retail entitlement*
- *4 July 2014 – Completion Date*
- *Acquisition cost of $1.8m (after tax)expensed to P&L, and $5.1m (after tax) of share issue costs charged against share capital*
- *As per Retail Entitlement Offer Booklet:*
  - *2014 BAU EBIT = $11.2m on FUM of $2.7b*
  - *Revenue - 73% of $23.3m is enduring*
  - *45,000 Will Bank*
  - *280 Charitable Trusts*
  - *Integration to take approx 18 months at one-off cost of approx $5m*
  - *Expense synergy savings of $4m, with $1m in first year*
  - *Revenue synergy benefit of $2m, after first year*
  - *5 year referral agreement with ANZ to provide further EQT revenue opportunities*
- *EQT's Reported EPS to be impacted by one-off costs during initial 18 month period, but then positive*

Directions

- Acquisition of ANZ Trustees enables EQT to enter ASX300 – Inclusion in index possible
- Market Capitalisation now approximately $400m
- Share Register contains a much broader spread of institutions
- Only remaining independent listed trustee company
- Trustee Wealth Services provides significant growth opportunity – using existing growth initiatives across expanded Business Unit. Significant increase in Will bank and philanthropic clients
- Continuing growth in RE roles. Exploring other potential trustee roles.
- Increasing capital to meet new ASIC requirements at 1 July 2015. A review of a new structure for licenced subsidiaries is underway – to achieve an efficient capital structure for the future. The DRP will operate for the next two dividends – we will assess need to underwrite the 2015 interim dividend in April 2015.
- Business mix changing – TWS now dominant activity. Reduces vulnerability to large clients. Acquisition diversifies TWS revenue, increases margin and long-term FUM.
- Administration and IT efficiency project completed.

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