

3 July, 2015

Shareholder Update

Integration of ANZ Trustees

At the time of acquiring ANZ Trustees in July 2014, we stated that our goals from the acquisition included achieving annualised cost synergies of \$4m (pre-tax), comprising \$1m within 12 months of acquisition and a further \$3m within 18 months of acquisition. We also stated that integration costs of up to \$5m would be incurred to complete the integration.

We are now pleased to report the integration project is essentially complete. Annualised cost synergies of \$4m pa have been realised, and integration costs have been lower than the \$5m anticipated. Revenue synergies have also begun to flow.

Equity Trustees' Chairman, Mr Tony Killen, said "We are pleased with the outcome of the integration project, which has been achieved within budget and ahead of time."

He added, "It is important to note that during the 2016 financial year, the Group will continue to invest in resources and systems to underpin its medium to longer term strategic growth initiatives".

Corporate Restructure

We advise that the Group has commenced a staged corporate restructure which, subject to shareholder approval, will include a new, non-operating holding company.

The establishment of the new holding company, together with implementation of a number of other stages of the restructure project will deliver considerable benefits, including more efficient capital usage, licensing and business structures and greater funding flexibility. Further information in relation to the restructure will be provided to shareholders prior to the Annual General Meeting later this year, at which time shareholders will be asked to approve implementation of the new holding company arrangements.

Regulatory Capital Requirement

In the context of the more efficient capital and funding structure the company is seeking to achieve through the above restructure, ASIC has provided relief to allow the Group to hold a reduced level of Net Tangible Assets (NTA) for regulatory purposes. This relief will apply from 1 July 2015 until 31 December 2015. The minimum level of NTA required during this period is \$32m, and is already accommodated within the Group's existing and projected NTA. At 1 January 2016, we expect that additional capital of \$15m to \$20m will be required and we do not anticipate any difficulty raising this by debt, equity, guarantee or a combination of these.

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Trusted since 1888, Equity Trustees Limited helps with the financial and emotional challenges of preserving, growing and transitioning wealth between generations. It provides a range of financial services to corporate and private clients including Wealth and Asset Management, Estate Planning and Administration, Philanthropy, Superannuation, Aged Care Advice and Placement.

Equity Trustees is a publicly-listed company on the Australian Stock Exchange (ASX: EQT) with offices in Melbourne, Sydney, Brisbane and Perth.

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