

ASX / MEDIA RELEASE

RESULTS IN LINE WITH GUIDANCE AS TRUST POSITIONS FOR GROWTH

28 April 2010

Trust Company Limited ('Trust' or 'the Company') today announced that its financial result for the year ended 28 February 2010 (FY10) was in line with market guidance. This marks the completion of a year in which it carried out a detailed review of its business and worked towards achieving its vision of being Australia's pre-eminent trustee.

Operating earnings before interest, tax, depreciation and amortisation (EBITDA) were \$15.7m (cf. mid-year guidance towards the top end of a \$13m to \$16m range) and reported net profit after tax (NPAT) was \$10.9m (cf. mid-year guidance in range of \$10m to \$11m).

Following 12 months of market volatility and a decline in asset prices against the prior period, Trust experienced only a marginal decline in operating revenue of 1%. A decline in asset linked fee revenue and in its structured finance business was largely off-set by strong growth in the Responsible Entity services area, which posted a 48% increase in revenue, and Estates and Trusts, which was up 27% reflecting improved inventory management.

A close review of the business led to tighter management controls, the recognition of a number of expenses and provisions and greater investment in staff development and rewards through revised Long Term Incentive (LTI) and Short Term Incentive (STI) programs. These improvements resulted in a 6% increase in costs. As a result of these movements in revenue and costs, overall operating EBITDA was \$15.7m, down 16% on last year.

Commenting on this result, Trust's Chief Executive Officer (CEO), John Atkin said: "I am pleased to announce that Trust has delivered a solid financial performance in line with market guidance. This is particularly pleasing given the management changes we implemented, the detailed review of the business we carried out during the year and the effort involved in addressing a number of legacy issues identified by that review."

Reported NPAT for FY10 was down 47% to \$10.9m (down 25% on a normalised basis), principally reflecting the absence of the \$13.9m after tax contribution that was received on the sale of our interest in the BNYTA joint venture in the prior period.

"Some of the fall in our reported NPAT also reflects the costs associated with the strategic review and a transformation program that we initiated during the year. The review has allowed us to develop a clear vision and direction for the business as we enter a new period of growth and opportunity. This reaffirmed vision is timely in light of the growing demand for professional and independent trustee services, an attribute we have built our business on for 125 years," John Atkin explained.

The Board has declared a final dividend of 16.5 cents per share, which brings the total dividend for the year to 33.7 cents per share, fully franked. This reflects a payout ratio of 100%, which is in line with our current dividend policy to return 100% of reported NPAT to shareholders.

Summary of FY10 Results

- Trust delivered a full year result in line with market guidance
- Balance sheet remains very strong with zero interest bearing debt
- Net Tangible Assets (NTA) of \$73.5m includes \$39.5m in cash
- Operating revenue down only 1% or \$0.7m to \$54.7m
- Operating EBITDA down 16% to \$15.7m
- Operating NPAT down 25% to \$11.7m due to lower operating EBITDA and lower investment income
- Reported NPAT down 47% to \$10.9m due largely to the FY09 sale of the BNYTA joint venture (which contributed a one-off \$13.9m profit after tax to the FY09 result)

Outlook

Trust's earnings guidance for financial year 2011 (FY11) is based on continuing improvement in investment market levels when compared to FY10.

In particular:

- Operating EBITDA (excluding investment income) is expected to be in the range of \$15.7m to \$18.7m (pcp: \$15.7m)
- Interest and dividend income from Trust's investment portfolio is expected to be in the range of \$2.8m to \$3.4m (after tax) (pcp: \$2.2m)
- The net significant expense after tax is expected to be in the range of \$1.1m to \$1.5m (pcp: \$0.8m) and primarily relates to the expected cost of the strategic plan initiatives

Based on the above, reported NPAT is expected to be in the range of \$11.5m to \$13.7m (pcp: \$10.9m).

This financial outlook assumes a continuing improvement in investment market levels. We have assumed an opening ASX200 index of 4700, and total investment market returns of 8.5% during the year. At a group level, the sensitivity of revenue to market movement will vary with the ASX200 index. At around current market levels, a 1 percent movement in the ASX200 index will impact our revenue by about \$100,000.

For FY11, Trust will maintain the suspension of its dividend reinvestment plan and continue to target a dividend payout of 100% of reported NPAT (fully franked) pending the outcome of a review of dividend policy once regulatory capital requirements are clarified.

Corporate Objective, Strategic Plan and Driving Change

Trust's corporate objective is to create long term wealth for our shareholders through caring for the wealth and wellbeing of our clients. Our vision is to be Australia's pre-eminent trustee and our strategic goals are to:

- be the trustee of choice
- build enduring client relationships
- instil a high performance team culture
- achieve consistent growth in shareholder distributions
- be admired and valued in the community

Trust's strategic plan for the next five years is to refine, transform and grow the business while achieving consistent growth in shareholder distributions. For FY11, Trust's key priorities focus on:

- improving the management of our client relationships and the quality of our service delivery and pricing
- completing the implementation of a new performance framework for our people
- re-launching our brand through a new visual identity
- tightening our internal controls and management information reporting as a preliminary step to enabling greater efficiencies in our business through improved processes and technology

Commenting on the Company's longer term positioning and prospects, John Atkin said: "Trust has a deep embedded client base, annuity-style revenues and skilled and experienced staff. The external drivers of growth for our businesses are strong, both within Australia with our ageing population, and in the region, where we are the only company licensed to provide trustee services in both Australia and Singapore. In the initial years of our plan, we will focus on managing for performance as we strengthen our client relationships and instil a high performance culture among our staff. At the same time, we will be positioning the company for the longer term growth we expect in its key markets."

ENDS

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About Trust Company Limited

Trust Company Limited is one of Australia's longest serving financial services companies with over 125 years of experience.

Trust provides a wide range of financial services including:

- Personal Services offering Wealth Transfer Planning, Trust Lifestyle Care, Health & Personal Injury services, Funds Management, Financial Planning, Estates & Trusts administration and Philanthropy services to intermediaries and the wider retail market
- Corporate Services offering Property & Infrastructure Custody, Responsible Entity services, Superannuation Compliance & Trustee services, Structured Finance Trustee services and REIT Trustee services to institutions

Trust has offices in Sydney, Melbourne, Brisbane, Townsville and Singapore, with over 240 employees and a market capitalisation of approximately \$200 million.