

25 June 2012

## THE TRUST COMPANY LIMITED 2012 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS

The 2012 financial year has been one of transformation for The Trust Company as we bring to life our vision of being the pre-eminent trustee in the region. Last year I spoke of the then recently acquired Guardian Trust, the largest independent trustee in New Zealand. I am pleased to report that the expansion of our regional footprint covering New Zealand, Singapore, Western Australia and the eastern states of Australia is now a significant source of competitive advantage.

Our Singapore office has shown strong growth over the past 12 months and enabled us to take advantage of the considerable capital flows between Australia and Asia. Our Australian business is demonstrating solid performance with growth initiatives within Personal Client Services starting to gain momentum. Our strategic presence in Perth has also enabled us to develop our Native Title business where our custodial and trustee services have been of benefit to our indigenous community clients.

### Our financial performance

Our regional presence and, in particular the material contribution from Guardian Trust, is a key driver of our 12% increase in net profit after tax (NPAT) to \$12.6 million for the 12 month period ended 29 February 2012 (FY12). Our operating earnings before interest, depreciation, tax and amortisation (EBITDA) increased 14% over the prior year, and earnings per share were up 11%.

In line with our progressive dividend policy, we also recently paid an 18.0c per share final ordinary dividend, bringing total dividends for the year to 35.0 cents, fully franked.

Your directors regard the FY12 financial results as being satisfactory, especially in the context of prevailing market conditions.

### Our businesses

Our Personal Client Services business continues to operate in a challenging and crowded market place. As previously advised, it is in a rebuilding phase but, as you will see from John's presentation shortly, we are making good progress. We are confident about its medium and long term outlook.

Our Corporate Client Services business continues its strong performance with Singapore playing an increasingly important role in helping us develop a significant footprint across the South East Asian region.

ASX RELEASE



We are proud of our deep engagement with the philanthropic sector in Australia and New Zealand. Our approach to Engaged Philanthropy is at the heart of the evolution of our philanthropic service which promotes the generosity of our existing clients and anticipates the needs of future philanthropic organisations. In FY12 we were responsible for over \$40 million of philanthropic distributions and we are the trustees of over \$900 million in charitable funds across Australia and New Zealand.

## Enabling transformation

A critical enabler for the transformation and growth of our business, especially Personal Client Services, is the upgrade of our business systems and processes. We believe this to be vital to support our customer focussed management platform. This staged and modular upgrade is expected to take around three years. John will provide details of progress with this project in his address.

## Our environment

I said in April that our results were positive in context of the prevailing economic climate. However I stand here today 2 months later with the global outlook considerably more pessimistic resulting in continuing market uncertainty. News of Europe dominates our headlines and recovery of the US economy appears to have slowed. Such volatility emphasises the importance of our financially conservative approach.

The current environment is also one of regulatory change and reforms focussed on our sector. Reforms such as the Future of Financial Advice in Australia and the Financial Advisors Act in New Zealand align with our fiduciary responsibility of putting the client needs first, and promoting transparency. We welcome their implementation.

## Outlook

As you know, conditions in investment markets have deteriorated over the first quarter of our 2013 financial year. Every 1% movement in the ASX200 index is estimated to have a corresponding effect on group revenue and pre-tax profit of approximately A\$150,000. Otherwise, Group results for the first quarter ended May 2012 are in line with plan.

Absent adverse investment market conditions, we continue to expect a solid improvement in the underlying performance of our business during FY13 as Corporate Client Services continues to take advantage of higher levels of activity and transaction fees. However, as foreshadowed in our April 2012 release, our FY13 reported results will be reduced by a number of items. These include the restructuring expense arising from the organisational review we implemented in April, expenses associated with our systems upgrade and the absence in FY13 of any insurance recoveries.



As we noted in April, the total estimated impact of those items on reported NPAT is approximately \$2m and it will be felt almost entirely in the first half. Nonetheless, we anticipate maintaining the total dividend paid for FY13 at prior year levels consistent with our progressive dividend policy.

I would like to thank our CEO, John Atkin, his Executive Team and all of our staff at The Trust Company for their commitment, skill and enthusiasm that has enabled us to deliver our FY12 results.

I would also like to thank my Director colleagues for their dedication, guidance and support over the past year.

**END**

**For further information, please contact:**

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**THE  
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COMPANY**

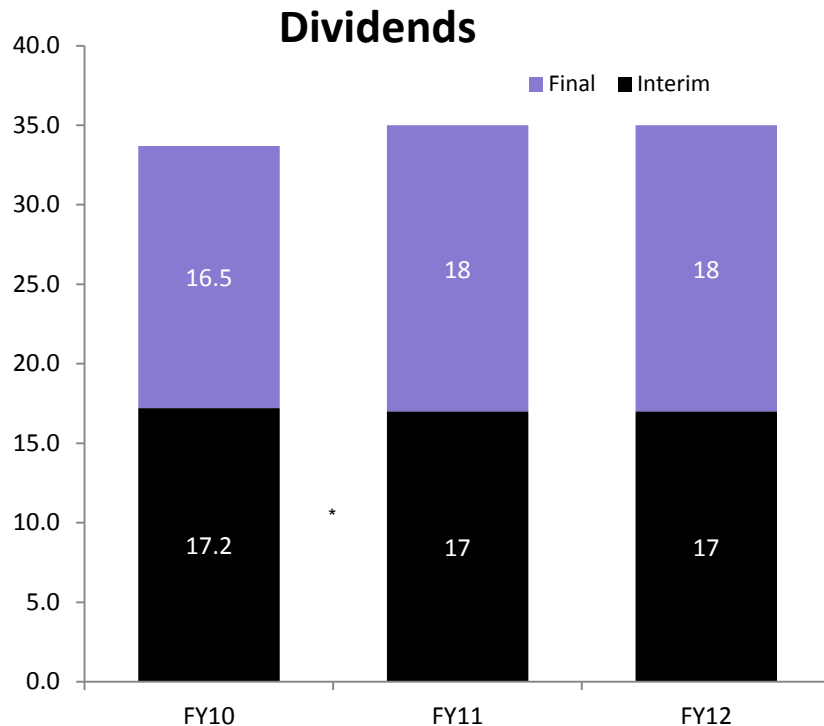
# CHAIRMAN'S ADDRESS

Bruce Corlett AM



# DIVIDEND MAINTAINED

## FY10 – FY12 Dividends Per Share (cents)



- Steady 18 cent fully franked final dividend representing 90% payout ratio for FY12
- Confirmed a progressive dividend policy of at least 80% of reported profits
- Current balance of franking credits after paying the final FY12 dividend is \$5.1m
- Full franking of dividends anticipated for foreseeable future