23 July 2013

OUTCOME OF ERNST & YOUNG SYNERGIES ASSESSMENT
THE TRUST COMPANY BOARD CONTINUES TO RECOMMEND PERPETUAL SCHEME
FURTHER EVALUATION OF EQUITY TRUSTEES' REVISED OFFER PROPOSED

Background

On 7 May 2013, The Trust Company Limited ("The Trust Company") entered into a binding Scheme Implementation Agreement ("SIA") with Perpetual Limited ("Perpetual") to implement a proposal from Perpetual to acquire 100% of the shares in The Trust Company. The SIA remains in place.

On 21 June 2013, Equity Trustees Limited ("Equity Trustees") increased its takeover offer for The Trust Company. At this time, Equity Trustees revised its estimate of the synergies it believed were possible from a combination with The Trust Company.

On 27 June 2013, The Trust Company announced that it had engaged Ernst & Young ("EY") to assist it with the assessment of potential synergies and implementation costs estimated by Equity Trustees from combining Equity Trustees and The Trust Company and the potential synergies and implementation costs estimated by Perpetual in relation to its proposed scheme:

- On 7 May 2013, Perpetual announced estimated synergies of at least $15 million per annum
- On 21 June 2013, Equity Trustees announced it had increased its estimate of expected cost savings from $8 million to $11 million per annum, with potential total synergies of $15 million per annum (including revenue synergies)

EY synergies assessment

EY's assessment involved access to The Trust Company's management and financial information, as well as presentations by Equity Trustees and Perpetual respectively to representatives of EY, The Trust Company and The Trust Company's financial advisers. Information deemed commercially sensitive by Equity Trustees was presented to EY only. EY then completed its fact-based assessment on the basis of the synergies and implementation costs presented to it by Equity Trustees and Perpetual.

The key findings from the EY synergies assessment were as follows:

In relation to the potential synergies estimates and implementation costs presented by Perpetual:

- $14.0m of synergies claimed by Perpetual were supportable
- The implementation costs of two times synergies announced by Perpetual appeared conservative but are based on recent successful delivery of cost reduction programs by Perpetual

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In relation to the potential synergies estimates and implementation costs presented by Equity Trustees:

- $7.5m of synergies claimed by Equity Trustees were supportable
- The implementation costs of one times synergies announced by Equity Trustees were likely to be insufficient given the scale, complexity and duration of the integration. With reference to the likely complexity of the required change to the business, the quantum of and time to realise the synergies, implementation costs of 1.5 times the total synergies targeted may be a more appropriate estimate

A summary of EY's synergies assessment process and its key findings is set out in the Appendix. EY makes no representation as to whether the synergies and implementation costs identified by Equity Trustees and Perpetual will be achieved.

Proposed next steps

Having taken advice from its financial adviser and, as required under the SIA, its legal adviser, King & Wood Mallesons, the Board of The Trust Company has concluded that to fully evaluate the Equity Trustees proposal, so that we can provide our shareholders with sufficient information to make a fully informed decision, the Board of The Trust Company needs to undertake further enquiry of Equity Trustees. This is because:

- Under the Equity Trustees proposal, The Trust Company shareholders would effectively acquire 62% of Equity Trustees, and hence a level of further evaluation is essential
- Having regard to the findings of the full EY report, the Board of The Trust Company needs to better assess the more likely level of implementation costs, as well as whether there are additional areas of potential synergies not identified by Equity Trustees, which could be clarified by further enquiry
- A number of areas affecting Equity Trustees' ability to realise synergies have been identified, which could also be clarified by further assessment. These areas include technology dependencies, execution capability and the adequacy of Equity Trustees' capital position

The Trust Company is requesting that Equity Trustees provides The Trust Company with the opportunity to undertake this assessment. It is anticipated that this assessment could be completed on an expedited basis, assuming availability of relevant information and personnel from Equity Trustees.

At this stage, the Board of The Trust Company continues to believe the Perpetual scheme to be superior, and, accordingly, continues to recommend the Perpetual scheme. The Trust Company advises shareholders to take no action in relation to the revised Equity Trustees offer until after The Trust Company has completed its evaluation of the revised Equity Trustees offer.

The Board of The Trust Company will continue to keep you updated on developments as they occur. In the meantime, if you have any queries in relation to the revised Equity Trustees offer or the Perpetual scheme, please contact The Trust Company Shareholder Information Line on 1800 505 206 (within Australia) or +61 2 8256 3354 (outside Australia).

ENDS

For further information, please contact:

For media enquiries:
Angus Urquhart
Hintons
Tel: +61 3 9600 1979
aurquhart@hintons.com.au

For shareholder enquiries:
Geoffrey Stirton
Group Company Secretary and Risk Officer
Tel: +61 2 8295 8100
www.thetrustcompany.com.au

Appendix: Summary of key findings from EY's synergies assessment

On 27 June 2013, The Trust Company announced that it had engaged Ernst & Young ("EY") to assist it in the assessment of synergies identified by Equity Trustees and Perpetual in their separate offers.

EY completed an objective and fact based assessment of the identified synergies, costs to achieve and ability to implement, as presented by each party, using a defined risk assessment framework. The assessment was designed to consider whether those identified synergies and implementation costs were "supportable" based on the information provided by Equity Trustees and Perpetual. The synergies assessment did not constitute an audit in accordance with generally accepted auditing standards, or a review, examination or other assurance engagement in accordance with auditing and assurance standards issued by the Australian Auditing and Assurance Standards Board.

For an identified synergy to be considered supportable under this risk assessment framework, management of both Equity Trustees and Perpetual were required to; articulate a valid supporting rationale, provide evidence that the quantum and timing of savings and implementation costs are based on assumptions with appropriately detailed calculations, demonstrate an appropriate level of implementation planning, and provide evidence of their capability to deliver. Synergies for which either management team were unable to provide the required supporting evidence were considered not supportable.

Information to support EY's assessment was obtained from documents provided by The Trust Company and separate presentations from the management of Equity Trustees and Perpetual with the following key objectives:

- Understand The Trust Company's operating model and cost base
- Understand the basis of Equity Trustees' identified synergies
- Understand the basis of Perpetual's identified synergies
- Assess the risk and supportability of the quantum of synergies, costs to achieve and capability to deliver the presented synergies

With respect to Equity Trustees, information deemed commercially sensitive information was presented by Equity Trustees to EY only.

EY relied on information provided by The Trust Company, Equity Trustees and Perpetual for the purposes of the assessment of synergies and implementation costs.

EY have completed their assessment and found:

In relation to the potential synergies estimates and implementation costs presented by Perpetual:

- $14.0m of synergies claimed by Perpetual were supportable
    - The implementation costs of two times synergies announced by Perpetual appeared conservative but are based on recent successful delivery of cost reduction programs by Perpetual
    - Management has demonstrated capability in implementing transformation programs, with strong evidence of achieving significant costs savings

In relation to the potential synergies estimates and implementation costs presented by Equity Trustees:

- $7.5m of synergies claimed by Equity Trustees were supportable
    - The implementation costs of one times synergies announced by Equity Trustees were likely to be insufficient given the scale, complexity and duration of the integration. With reference to the likely complexity of the required change to the business, the quantum of and time to realise the synergies, implementation costs of 1.5 times the total synergies targeted may be a more appropriate estimate
    - Management has some capability in implementing transformation programs, with limited experience in delivering the size and complexity of the proposed integration

Stakeholders should be aware of the material risks and uncertainties in relation to the synergies and implementation costs identified by Equity Trustees and Perpetual and the inherent uncertainty relating to forward looking financial information. EY expressed no opinion as to whether the presented synergies and implementation costs will be achieved in either case.

The summary prepared by EY has been prepared in good faith and reflects the information provided to EY by The Trust Company, Equity Trustees and Perpetual. EY accepts no responsibility whatsoever for any losses by any person acting or refraining from action as a result of reliance on the summary other than parties who have been authorised to use and rely upon the summary.