

THE TRUST COMPANY CONTINUES TO UNANIMOUSLY RECOMMEND PERPETUAL PROPOSAL

On 21 February 2013, Equity Trustees Limited (ASX: EQT) ("EQT") announced an intention to make a takeover offer ("EQT Offer") for 100% of The Trust Company Limited (ASX:TRU) ("The Trust Company"). Under that EQT Offer, shareholders in The Trust Company would receive 33 EQT shares for every 100 shares in The Trust Company. At that time, the TRU Board announced that it believed the EQT Offer materially undervalued The Trust Company. On 19 April 2013, the Board of The Trust Company issued its target's statement, recommending that shareholders reject the EQT offer.

Following announcement of the EQT Offer, The Trust Company received approaches from a number of parties, expressing interest in The Trust Company. The Trust Company held discussions with EQT and those interested parties, and undertook a process with the objective of maximising value for its shareholders.

As a result of this process, on 7 May 2013, The Trust Company entered a Scheme Implementation Agreement ("SIA") with Perpetual Limited (ASX:PPT) ("Perpetual") under which Perpetual would acquire 100% of The Trust Company ("Perpetual Proposal"). Under the Perpetual Proposal, to be effected by a Scheme of Arrangement ("Scheme"), shareholders in The Trust Company will receive:

- 0.1495 Perpetual shares for each share held in The Trust Company (or the cash equivalent, subject to an agreed aggregate); and
- a 22 cent special dividend per share (expected to be fully franked) paid by The Trust Company.

The SIA contains a number of exclusivity provisions and a break fee, consistent with market practice.

The Board of The Trust Company unanimously recommended the Perpetual Proposal, in the absence of a superior proposal, subject to an independent expert opining that the Scheme is in the best interests of shareholders.

On 14 May 2013, Equity Trustees Limited (ASX: EQT) ("EQT") announced a revised proposal ("Revised EQT Proposal"), whereby it would increase its offer to:

- 37 EQT shares for every 100 shares held in The Trust Company; and
- a special dividend of 22 cents per share (expected to be fully franked) paid by The Trust Company.

The Revised EQT Proposal is subject to the completion of satisfactory due diligence.

After careful consideration, and after having taken advice from Flagstaff Partners and King & Wood Mallesons, the Board of The Trust Company has unanimously

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determined that the Perpetual Proposal is superior to the Revised EQT Proposal. Key factors in reaching this determination included:

- The Perpetual Proposal represents a higher value to shareholders in The Trust Company than the Revised EQT Proposal. At closing share prices on 16 May 2013, the Perpetual Proposal represents a value per share in The Trust Company of \$6.81, which is 30 cents, or 4.6% higher, than the value per share in The Trust Company of the Revised EQT Proposal. The Board has considered other approaches to assessing the relative value of the Perpetual Proposal and the Revised EQT Proposal, all of which support the same conclusion;
- The value of the Perpetual Proposal is more certain for shareholders in The Trust Company as a much larger proportion of the value of the Revised EQT Proposal is contingent on future synergies being achieved. Shareholders in The Trust Company are more exposed to a loss of value in the Revised EQT Proposal than the Perpetual Proposal if those synergies are not achieved; and
- The Perpetual Proposal includes a limited cash alternative and Perpetual is a far more liquid stock than EQT. As part of the Revised EQT Proposal, EQT note that it is assessing the possibility of including a cash component but has provided no details as to likelihood, potential quantum, or funding of this cash component. Accordingly, it will be easier for shareholders in The Trust Company to realise value for their shares in The Trust Company under the Perpetual Proposal.

Accordingly, the Directors of The Trust Company continue to unanimously recommend the Perpetual Proposal and, pursuant to its obligations under the SIA, The Trust Company does not intend to offer due diligence access to EQT.

As previously announced, Shareholders in the Trust Company will have the opportunity to vote on the Perpetual Proposal at a Scheme meeting, which will be held in the coming months. Shareholders in The Trust Company will receive a scheme booklet providing an overview of the proposed transaction in advance of the Scheme meeting.

ENDS

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