

10 May 2013

**THE TRUST COMPANY SHAREHOLDER LETTER
RE PERPETUAL MERGER**

In accordance with ASX Listing Rule 3.17, the attached correspondence was today sent to shareholders of The Trust Company Limited (ASX:TRU).

ENDS

For further information, please contact:

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Group Company Secretary and Risk Officer
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www.thetrustcompany.com.au

ASX
PERPETUAL
MERGER



**THE
TRUST
COMPANY**

The Trust Company Limited
ABN 59 004 027 749



THE
TRUST
COMPANY

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10 May 2013

Dear fellow shareholder

THE TRUST COMPANY AGREES TO MERGE WITH PERPETUAL LIMITED

On 7 May 2013, The Trust Company Limited ("The Trust Company") entered into an agreement with Perpetual Limited ("Perpetual") whereby 100% of the shares in The Trust Company would be acquired by Perpetual ("Perpetual Proposal").

The Perpetual Proposal is to be effected by a Scheme of Arrangement ("Scheme") which, if implemented, will result in shareholders receiving:

(a) **Scheme Consideration:**

- (i) 0.1495 Perpetual shares for each share held in The Trust Company ("Scrip Consideration"); or
- (ii) the cash equivalent of the Scrip Consideration, subject to an aggregate cap of \$60 million ("Cash Alternative"); and

- (b) **Special Dividend:** a 22 cent special dividend per share (expected to be fully franked) paid by The Trust Company.

Together, this represents a value per share in The Trust Company of \$6.56, based on Perpetual's closing share price on 8 May 2013. Depending on your tax position, you may be able to realise further value through the franking credits associated with the Special Dividend.

After giving careful consideration to the proposal from Perpetual and evaluating interest from several other parties, the Board decided to recommend unanimously that shareholders support the Perpetual Proposal, in the absence of a superior proposal.

A combination of Perpetual and The Trust Company not only creates significant value for shareholders of both companies but will also provide substantial benefits for clients and staff of the combined group. Perpetual's fiduciary heritage and commitment to service quality will also ensure the high standards that our clients rely upon are maintained.

Perpetual Chairman Peter Scott said: "The Trust Company represents a compelling growth opportunity and further progresses Perpetual's vision of becoming Australia's largest independent wealth manager of choice. Like Perpetual, The Trust Company has a longstanding history of acting as a fiduciary in the Australian market and we believe that the combination of these two businesses will provide substantial benefits for all shareholders, clients and staff."

The transaction remains subject to a number of important conditions which will be outlined in detail in the Scheme Booklet, which is currently expected to be sent to shareholders in late June. You will then have the opportunity to vote on the proposal at a Scheme Meeting, which is likely to be held in July 2013.

The takeover offer from Equity Trustees will remain open until 7pm (Melbourne time) on 5 June 2013 (unless further extended or withdrawn). Based on Equity Trustees' closing share price on 8 May 2013, the value of the Equity Trustees offer is \$5.41, which is 18% lower than the value of the Perpetual Proposal. In light of the Perpetual Proposal, and for the reasons previously outlined in the Target's Statement sent to you on 19 April 2013, your Board continues to advise shareholders reject the offer from Equity Trustees by taking no action in relation to that offer.

Your Board will continue to keep you updated on developments as they occur. In the meantime, if you have any queries in relation to the Perpetual Proposal or Equity Trustees' offer, please contact The Trust Company Shareholder Information Line on 1800 505 206 (Toll Free) or +612 8256 3354 (callers outside Australia).

Thank you again for your ongoing support for The Trust Company.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bruce Corlett', with a horizontal line underneath.

Bruce Corlett AM
Chairman
The Trust Company Limited