

# ACQUISITION OF THE TRUST COMPANY

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Perpetual 

# DISCLAIMER

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# STRATEGICALLY ATTRACTIVE AND FINANCIALLY COMPELLING ACQUISITION

## Perpetual to acquire 100% of the ordinary shares in The Trust Company through a Scheme of Arrangement

- Accelerates growth, delivers significant strategic benefits for Perpetual and contributes to the Transformation 2015 corporate vision and strategy
- Provides complementary businesses to Corporate Trust, economies of scale to Perpetual Private and Perpetual Investments
  - Builds on core competencies and capabilities
  - Provides additional capability, skills and talent
  - Adds scale and supports momentum
- EPS accretive on UPAT basis from FY14
- Due diligence analysis confirms meaningful synergies
- Represents compelling opportunity for The Trust Company shareholders to join the Perpetual growth journey
- Leverage the shared heritage, long standing client relationships and talented teams

# OFFER SUMMARY

- The Trust Company shareholders will receive:
  - 0.1495 Perpetual shares for each The Trust Company share, equivalent to \$6.17 per share<sup>1</sup> (Scheme Consideration); and
  - a special dividend of \$0.22 per The Trust Company share, expected to be fully franked
- Equivalent to a total implied value of \$6.39 will be received by The Trust Company's shareholders, which represents a 34.5% premium to The Trust Company's undisturbed closing share price<sup>2</sup>
- The Trust Company's shareholders can elect to receive the Scheme Consideration wholly in Perpetual shares or in cash at an equivalent value, subject to a maximum cash component of \$60 million<sup>3</sup>
- Transaction is unanimously recommended by the Board of Directors of The Trust Company in the absence of a superior offer

Conditions of Scheme include:

- Approval of The Trust Company's shareholders
- No material adverse change in the circumstances of The Trust Company
- Court, ACCC and other regulatory approvals

1. Based on the closing share price on 6 May 2013 for Perpetual of \$41.27.

2. The closing share price on 20 February 2013, the day immediately prior to the Equity Trustees Limited announcement of its intention to make a takeover offer for The Trust Company, was \$4.75.

3. The equivalent cash value will be calculated with reference to the exchange ratio of 0.1495 Perpetual shares for each The Trust Company share and the volume weighted average price of Perpetual shares over the 10 business days ending on (and including) the last business day before the Scheme Meeting.

# OVERVIEW OF THE TRUST COMPANY

The Trust Company's origins date back to 1885 with a heritage and client service culture consistent with Perpetual's



## Personal Client Services

- Provides advice and expertise in estate planning and administration, lifestyle assist, financial planning, executor assist, personal / charitable trusts, wealth management, and health & personal injury services
- Investment Management
- Operates in Australia and New Zealand

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FY13 Revenue: A\$50.4m  
FY13 FUA/FUM: A\$5.9bn<sup>1</sup>

## Corporate Client Services

- Provides services including corporate trustee, debt and capital markets trustee, property and infrastructure custody, superannuation compliance and trustee
- Operates in Australia, New Zealand and Singapore

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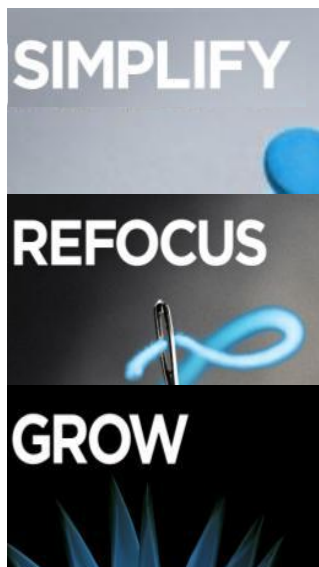
FY13 Revenue: A\$34.6m  
FY13 FUA: A\$162.4bn

Note: FY13 relates to the year ended 28 Feb 2013.

1. Includes A\$1.3bn of FUM relating to investment management

# ACCELERATE TRANSFORMATION 2015

- The acquisition of The Trust Company contributes to Perpetual's Transformation 2015 strategy refocusing on areas of competitive advantage and leveraging core businesses for new growth
- The enhanced IT and Perpetual Private platform capabilities, and efficiencies created through Transformation 2015, will be leveraged in the integration process
- Existing in-house Transformation 2015 project management and integration capabilities will be applied



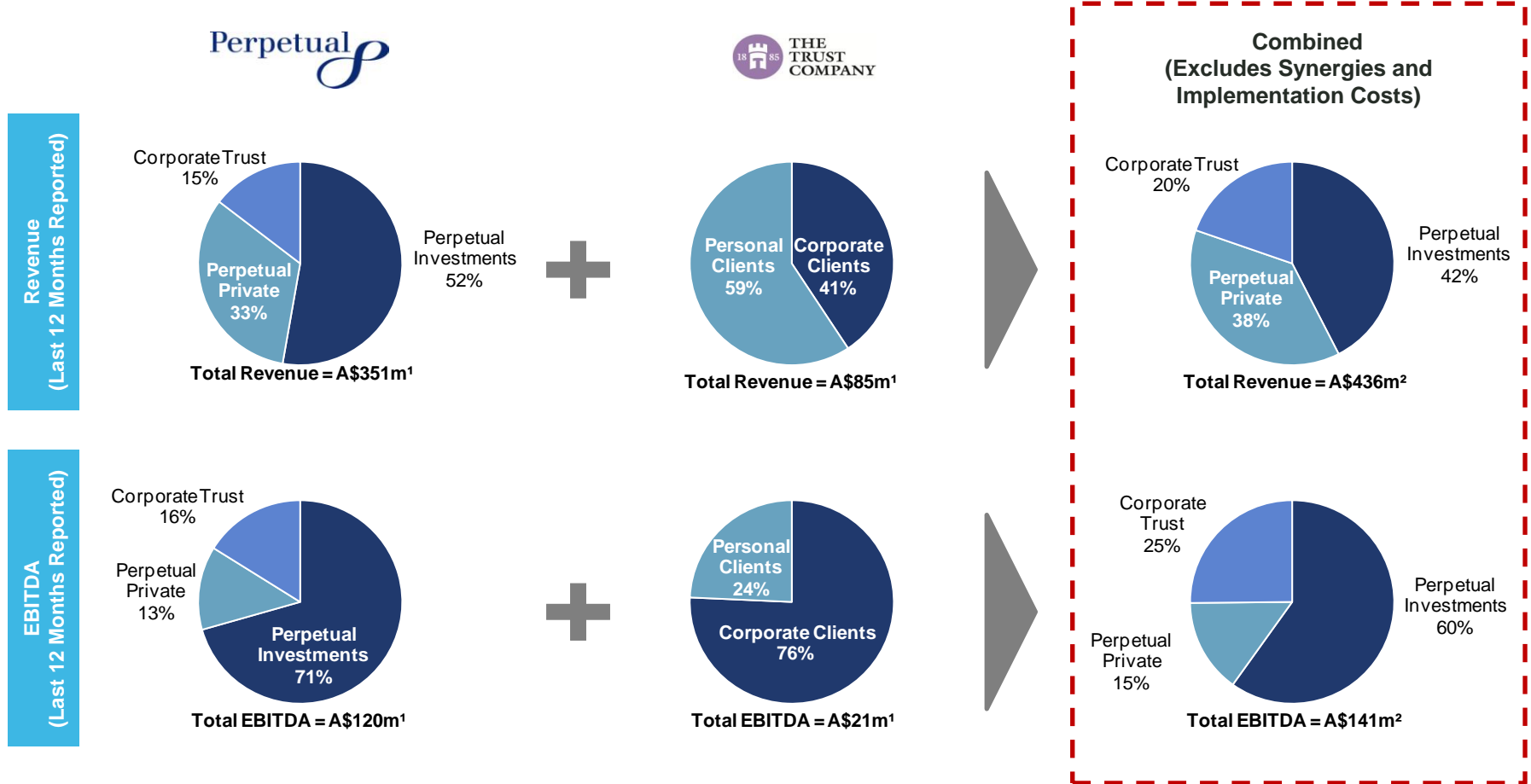
- ✓ We have developed expertise in process and organisation simplification, which will be leveraged in the integration of process.
- ✓ Where appropriate, we will simplify structures and realise synergies.

- ✓ Acquisition supports our focus on areas of substantial competitive advantage and will expand our product suite and client offering.
- ✓ Positions Perpetual to capture and leverage future opportunities by providing greater scale in core businesses.

- ✓ The Trust Company is a complementary business and will add scale in areas including financial advice, philanthropy, trusts and estates, trust services and investment management.
- ✓ Acquisition will provide new capabilities in fund services.
- ✓ Broader reach and distribution achieved through acquisition.

# COMPLEMENTARY BUSINESS MIX

Complementary businesses to Corporate Trust, economies of scale to Perpetual Private and Perpetual Investments



Source: Data reflects last 12 months financials ending 31-Dec-2012 for Perpetual and 28-Feb-2013 for The Trust Company (as reported); Analysis excludes potential synergies and implementation costs. Percentages shown subject to rounding.

1. Perpetual business mix excludes group support services and The Trust Company business mix excludes unallocated revenue and EBITDA.
2. The Trust Company Corporate Clients division allocated to Perpetual Corporate Trust; The Trust Company Personal Clients division allocated to Perpetual Private.

# KEY BUSINESS METRICS

Enhancing capability in Corporate Trust and delivering economies of scale in Perpetual Private and Perpetual Investments

	Perpetual <sup>1</sup>	The Trust Company <sup>2</sup>	Combined	Change
<b>Perpetual Investments FUM \$b</b>	26.0	1.3	27.3	+5%
<b>Perpetual Private FUA \$b</b>	8.8	4.6	13.4	+52%
<b>Corporate Trust FUA \$b</b>	298.4 <sup>3</sup>	162.4 <sup>4</sup>	460.8	+54%

1. Figures as at 31 Dec 2012 for 1H13 closing balances, other than Perpetual Investments which is at 31 Mar 2013.

2. Figures as at 28 Feb 2013 for FY13 closing balances.

3. Includes \$248.5bn of securitisation assets and \$49.9bn of other FUA.

4. Includes Funds under Administration and Supervision.



# MEANINGFUL SYNERGIES EXPECTED TO BE EPS ACCRETIVE FROM FY14

- Significant expense synergies expected at both the corporate and business unit levels through the rationalisation of administrative and technology costs including:
  - Removing duplicate support infrastructure
  - Consolidating and migrating IT systems and platforms
  - Centralising and consolidating shared services functions
- Synergies of at least \$15m p.a. (pre-tax) achieved by the end of the 2nd year post-acquisition
- Implementation costs expected to be ~200% of fully phased cost synergies achieved, including one-off IT related costs
- EPS accretive on a UPAT basis from FY14

# TIMELINE AND EXPECTED NEXT STEPS

Key events	Indicative Date
Transaction announced	7 May 2013
Seek regulatory approvals	Ongoing
First Court hearing to obtain orders convening Scheme meeting	June
The Trust Company dispatches Scheme Booklet to The Trust Company's shareholders	June
The Trust Company Scheme meeting for shareholders to consider and approve Scheme	July
Second Court hearing to approve Scheme	July/August
Scheme becomes effective	August

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