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Equity Trustees confirms half-year result – maintains interim dividend

Equity Trustees Limited (ASX: EQT) today confirmed its 2009 half year financial results, which are in line with the company's previous guidance.

In summary:

	6 months to 31/12/2008	6 months to 31/12/2007	Variance
	\$m	\$m	
Operating revenue	18.1	18.6	(2.6%)
Operating expenses	(12.0)	(11.6)	+3.5%
Operating profit before tax	6.1	7.0	(13.4%)
Income tax expense	(1.9)	(2.2)	
Operating profit after tax	4.2	4.8	(13.5%)
Non-operating items (net of tax)	(0.1)	0.3	
Net profit after tax	4.1	5.1	(19.1%)

The result reflects earnings per share of 50.86¢ (2008: 64.48¢). **The Board today declared an interim, fully-franked dividend of 50¢ per share – maintaining the same level as the previous year.**

Equity Trustees' Chairman, Mr Tony Killen, confirmed that the company is pleased to have recorded only a small first-half decline in operating revenue in very difficult market conditions.

"All of our business units have been exposed to the extreme market volatility of the last eighteen months, which intensified towards the end of 2008. Declining asset values directly impact our revenue, however we have worked extremely hard to win new business and to integrate the bolt-on acquisitions made in 2007 and in 2008. These factors have produced a good result relative to the market."

"Management and staff have also worked very hard to contain discretionary expenses. We continue to maintain our investment in people, systems and processes with a view to being well positioned to benefit from any market recovery."

"It is also important to note that we remain **debt-free** and have produced strong operating cash flows for the half-year. Aside from the relative strength of our operating performance, the Board has taken our strong cash flows and balance sheet into account in maintaining the interim dividend at the same level as last year."

Mr Peter Williams, Equity Trustees' Managing Director, added that the company's four business units have performed well over the period despite adverse trading conditions.

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“Our Superannuation business unit recorded a strong year-on-year gain in revenue boosted by our recent acquisitions, all of which have been successfully integrated.”

“We recorded positive net inflows into our EQT managed funds and improved margins in our Private Client business unit. We are seeing good ongoing demand for our Fund Services expertise, especially responsible entity appointments.”

“Our business is heavily focused on sales opportunities and our ability to enter new markets through the provision of creative client solutions is improving. This is aided by our strong brand, reflecting 121 years of stability.”

In commenting on the outlook Mr Killen noted that markets continue to be depressed and affected by high volatility.

“At current market levels the Board expects the company’s second-half performance will be significantly lower than the first-half. As a result we will not be in a position to match last year’s full-year dividend.”

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