

26 February 2008

Equity Trustees confirms strong first half result

Equity Trustees Limited (ASX: EQT) today confirmed its first half financial results, which are in line with the company's previous guidance. **Net profit after tax increased 39%** based on a **33% increase in after-tax operating profit**. **Operating revenue increased by 18%** while expenses continued to be well managed.

The company also announced a **66.7% increase in interim dividend to 50 cents per share**.

In summary:

	31 Dec 07	31 Dec 06	Increase
	<i>\$m</i>	<i>\$m</i>	
Operating Revenue	18.6	15.8	18.0%
Expenses	<u>11.6</u>	<u>10.6</u>	9.9%
Operating Profit before Tax	7.0	5.2	34.1%
Income Tax Expense	<u>2.2</u>	<u>1.6</u>	
Operating Profit after Tax	4.8	3.6	32.5%
Profit on Sale of Investments (net of tax)	<u>0.2</u>	<u>0.0</u>	
Net Profit after Tax	5.0	3.6	39.2%
Operating Margin	37.8%	33.2%	13.7%
Earnings Per Share (cents)	64.48	47.35	36.2%
Dividend Per Share (cents)	50	30	66.7%

Equity Trustees' Managing Director, Mr Peter Williams, confirmed that the result is based largely on organic growth, with the full-year benefit from recent acquisitions yet to be realised.

"Our organic growth profile remains strong, with contribution from all business units. Our Fund Services and Superannuation business units recorded increases in operating revenue in excess of 30%, while Funds Management was up by over 20%."

"Our Private Client unit was slightly down on last year but this result does not take account of some significant work that is being undertaken in our Estates area, the revenue from which will not be recorded until the second half of the year."

"Recent acquisitions including Freedom of Choice and Mutual Benefit Consulting are being integrated successfully."

Mr Tony Killen, Equity Trustees' Chairman, added that the company remains cautiously optimistic about the company's full-year result.

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“Subject to there being no further significant market corrections we forecast full-year earnings after tax (inclusive of investment gains) to increase by approximately 30%.”

“We are mindful of the impact of market volatility but we are well diversified across a range of services and are pleased with the manner in which our business has performed in recent markets.”

“Our investment in our people, systems and processes provides us with a strong foundation from which to respond to challenges. The recent out-performance by our in-house Private Client asset management team (reflected in the EQT Flagship Fund) is one example of the manner in which our business has performed favourably in recent market conditions.”

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