



Equity Trustees Limited
Half Year Results to
31 December 2008

Equity Trustees



An independent Australian based financial services firm that is increasing its market presence.

Overview



- Year on year profit decline due to investment markets
- Small decline (< 3%) in operating revenue – business units continue to perform well
- Strong growth in Superannuation – driven by acquisition
- Discretionary expenses contained responsibly
- Continued investment for the future – people, processes and systems
- Interim dividend level maintained
- No debt and strong operating cash flows
- Outlook clouded by market but EQT is well placed to respond to improving conditions

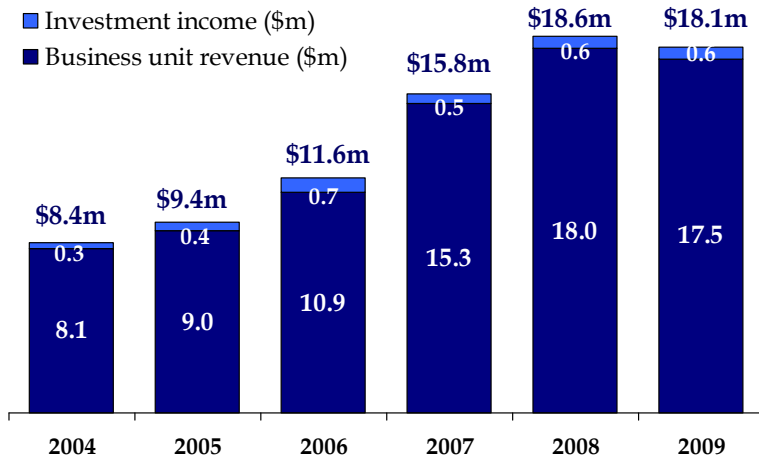
Overview – group results



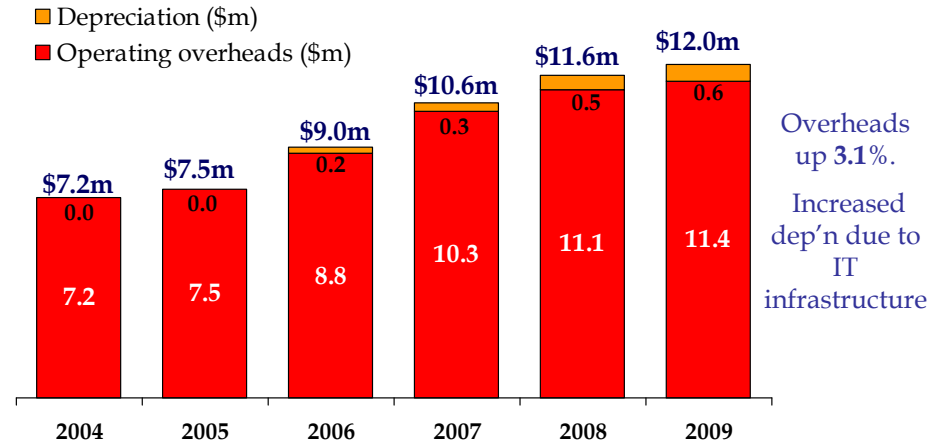
	6 months to 31/12/2008	6 months to 31/12/2007	
Operating revenue	\$18.1m	\$18.6m	(2.6%)
Operating expenses	(\$12.0m)	(\$11.6m)	+ 3.5%
Operating profit (pre-tax)	\$6.1m	\$7.0m	(13.4%)
Income tax expense	(\$1.9m)	(\$2.2m)	
Operating profit (after-tax)	\$4.2m	\$4.8m	(13.5%)
Non operating items (net of tax)	(\$0.1m)	\$0.3m	
Net profit (after-tax)	\$4.1m	\$5.1m	(19.1%)
Earnings per share (basic)	50.86¢	64.48¢	(21.1%)
Dividend per share (interim, fully franked)	50¢	50¢	0%
Operating margin ^(pre-tax, excluding gains on the sale of investments)	33.6%	37.8%	(11.1%)

Operating results

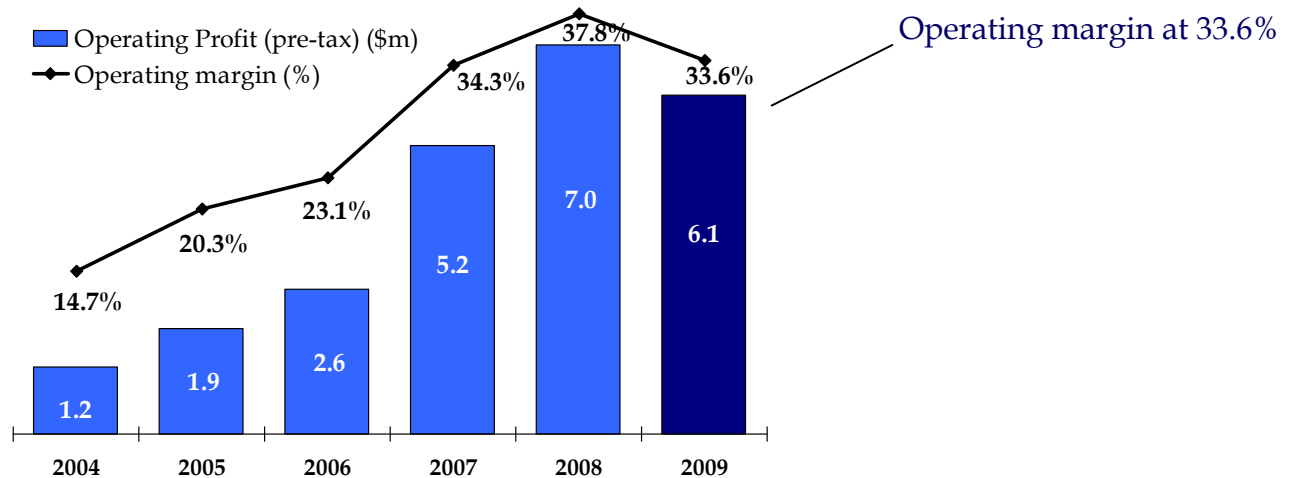
Operating revenue down 2.6% to \$18.1m



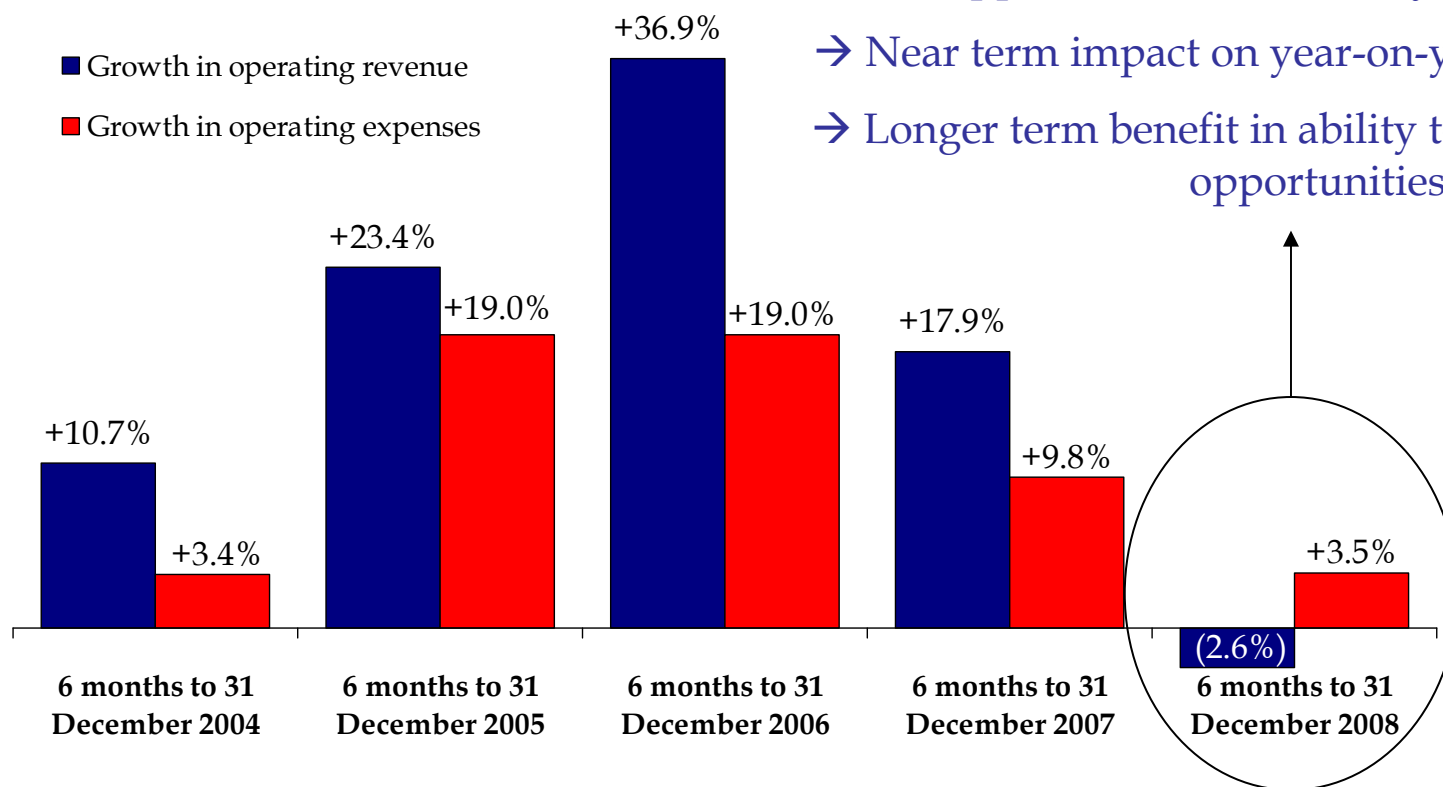
Operating expenses up 3.9% to \$12.0m



Operating profit (pre-tax) down 13.4% to \$6.1m



Operating revenue & expense variance

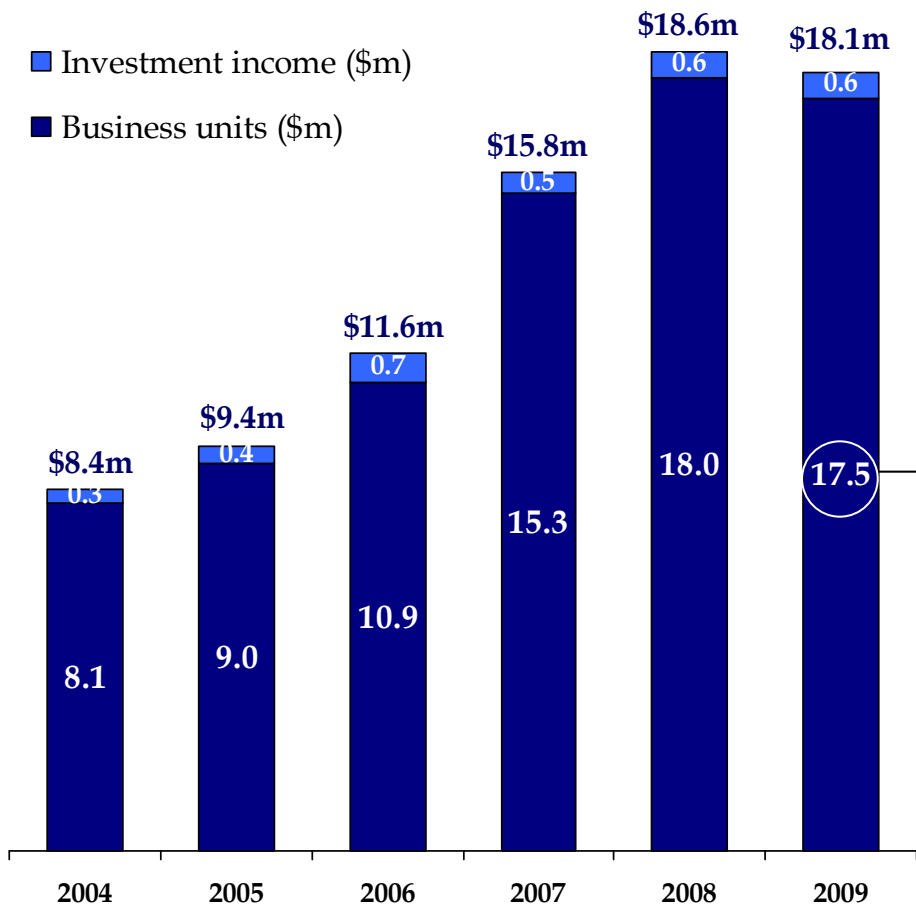


Strategic decision to maintain investment in people, process and systems while maintaining a responsible approach to discretionary expenditure.

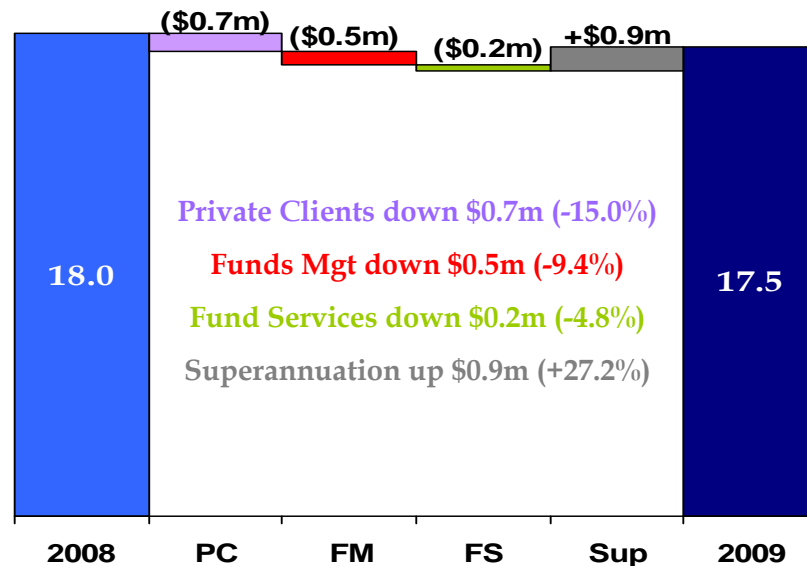
- Near term impact on year-on-year operating profit
- Longer term benefit in ability to respond to market opportunities

Operating revenue - composition

Group revenue down 2.6% to \$18.1m



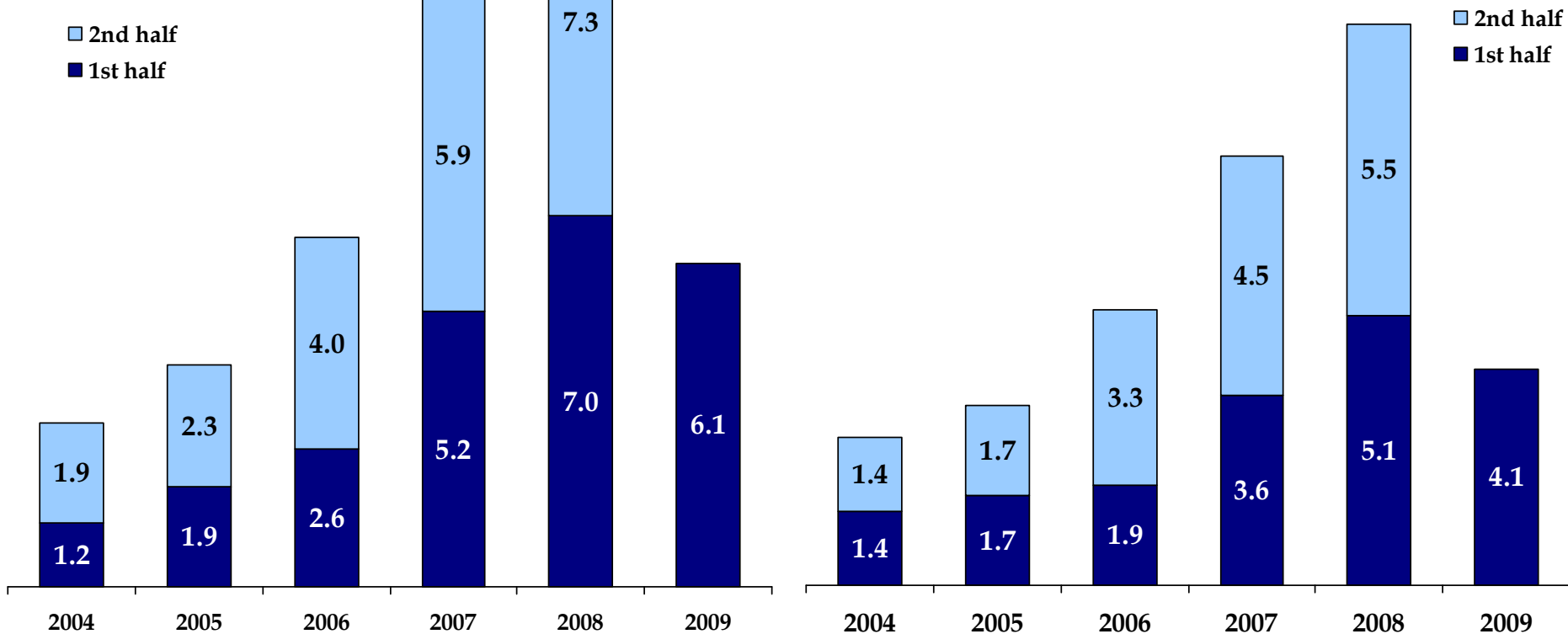
Business unit revenue down 2.6% to \$17.5m



Profitability

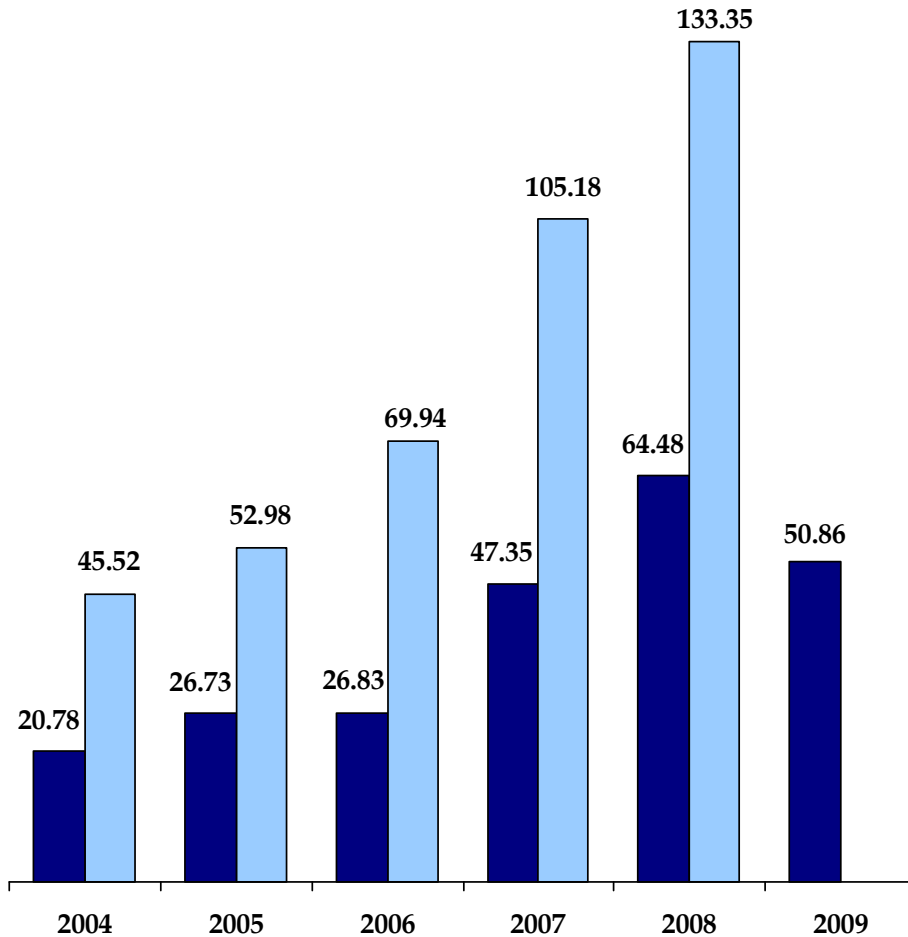
Operating profit before tax
down 13.4% to \$6.1m

Net profit after tax
down 19.1% to \$4.1m

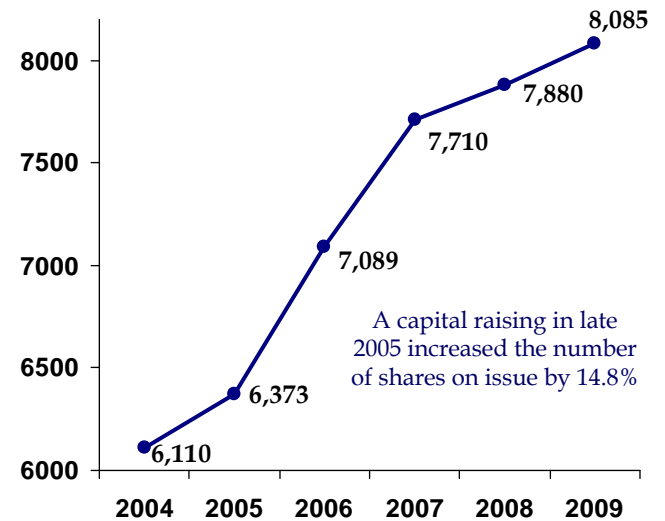


Earnings per share

Earnings per share down 21.1% to 50.86¢ per share

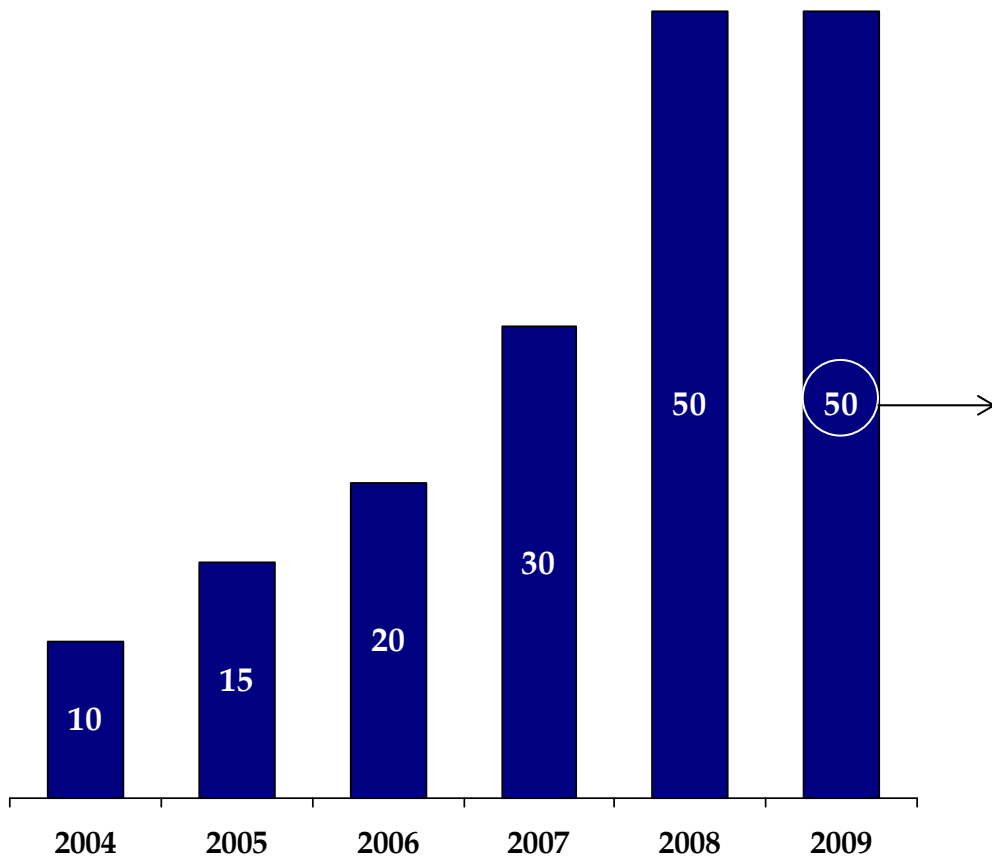


Weighted average shares on issue ('000)



Returns to shareholders

Interim, fully-franked dividend maintained at 50¢ per share

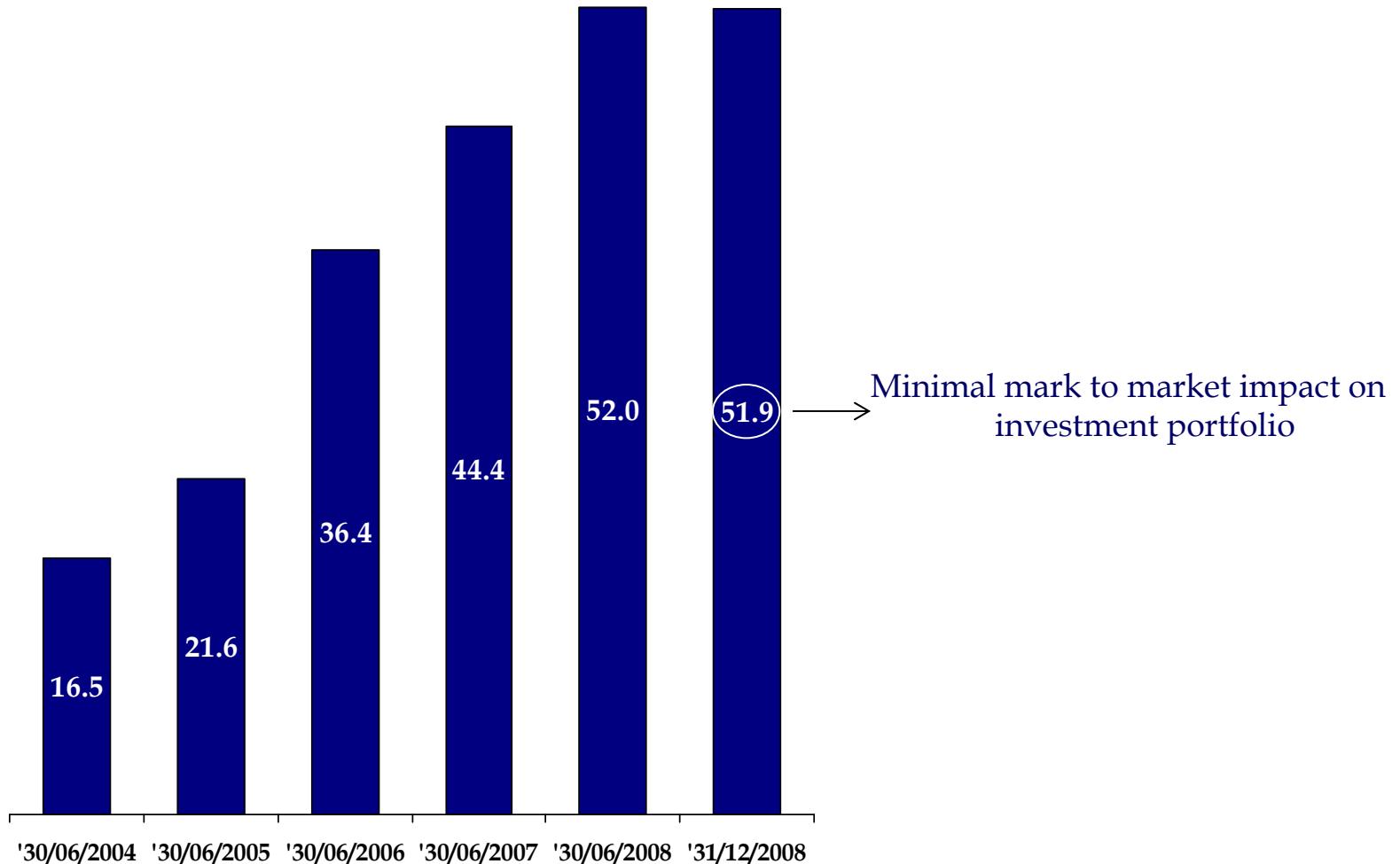


Board has maintained dividend level in reflection of:

- Confidence in longer term prospects
- Ongoing strong cash flow generation of business
- Strong balance sheet - nil debt
- High level of franking credits

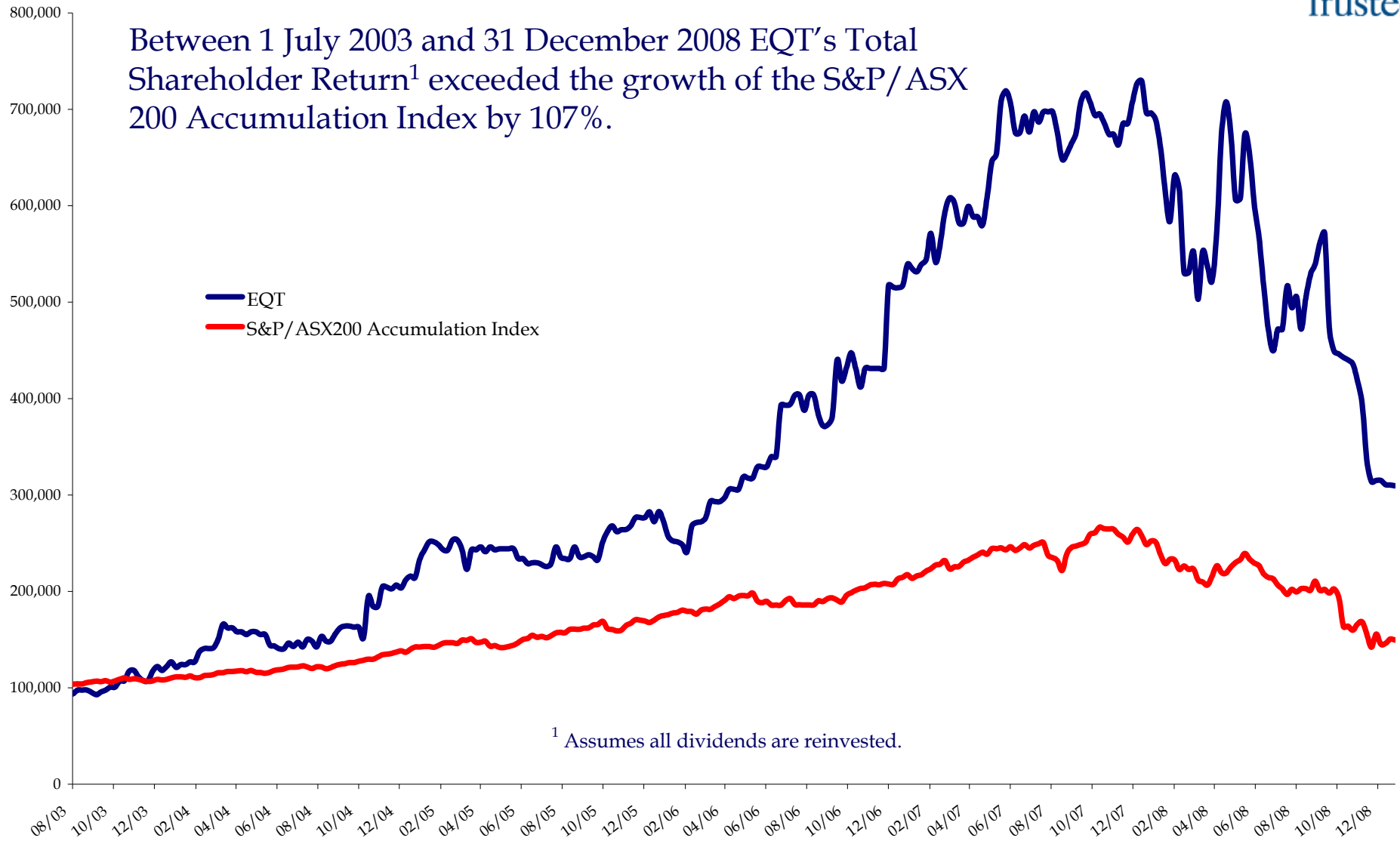
Balance sheet

Net asset base of \$51.9m – remains strong



Total shareholder return

Between 1 July 2003 and 31 December 2008 EQT's Total Shareholder Return¹ exceeded the growth of the S&P/ASX 200 Accumulation Index by 107%.

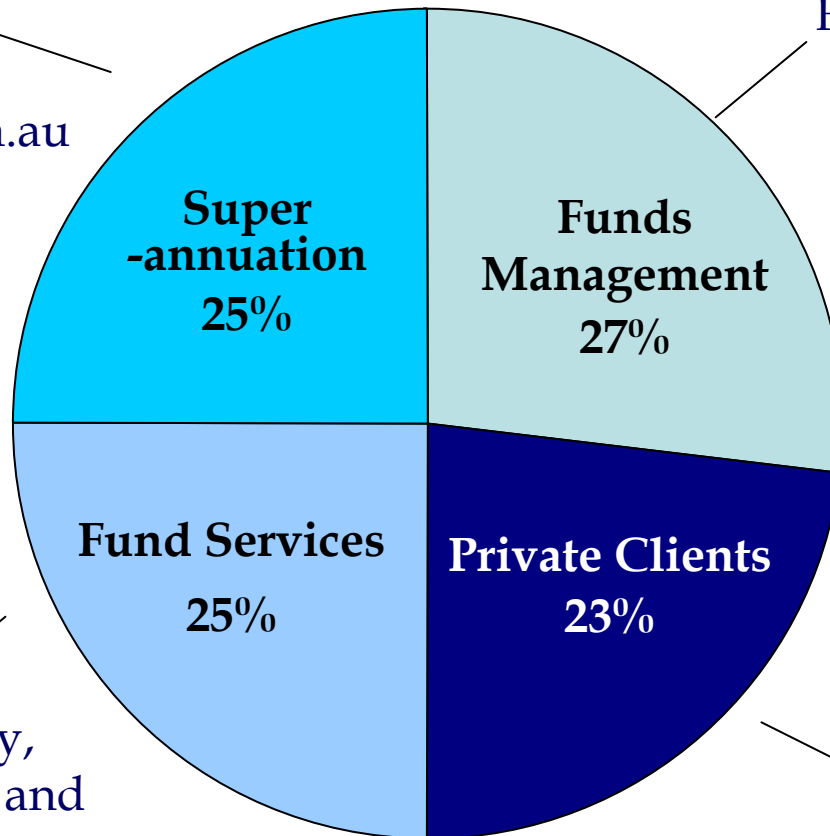


Four business units – sources of revenue

Corporate superannuation:

- Wealthpac
- Templetons
- www.super.com.au
- Freedom of Choice

Sales & marketing + product management for EQT co-branded funds managed by external specialists



Responsible entity, corporate trustee and specialist trustee appointments

Wealth management solutions – asset management, trusts, estates, generational planning, tax & philanthropy

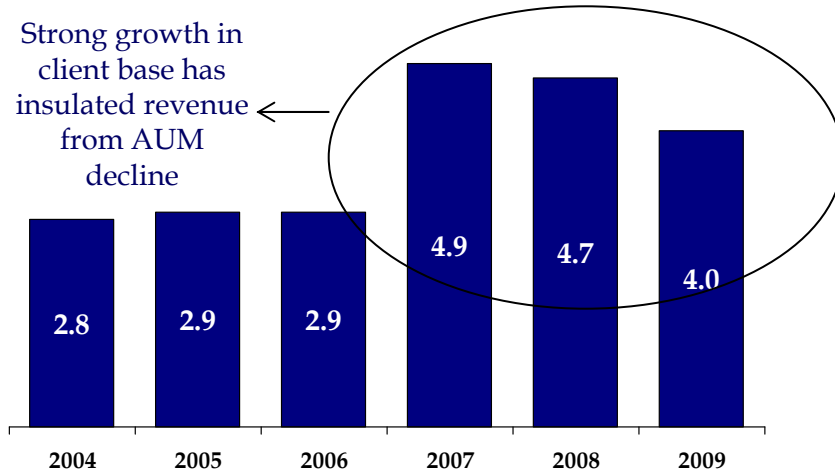
Percentages refer to proportion of 1st half 2009 revenue attributable to business units

Private Clients

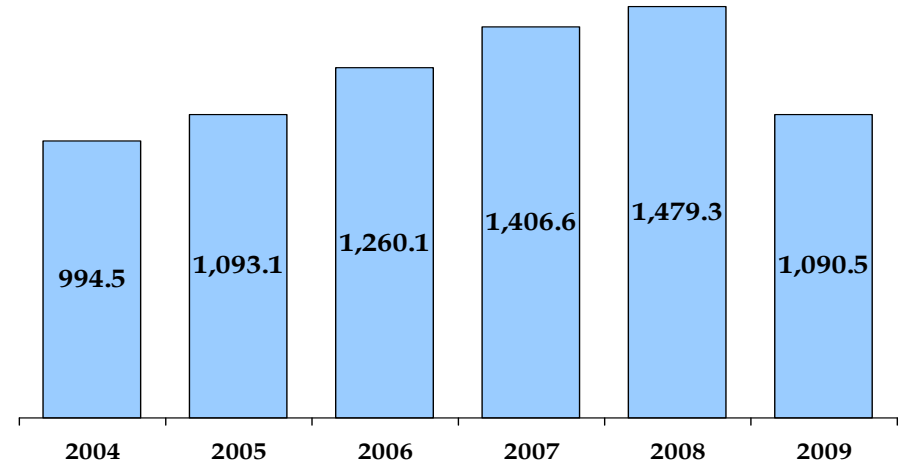


Operating revenue down 15.0% to \$4.0m

Strong growth in client base has insulated revenue from AUM decline



AUM down 26.3% to \$1,091m



<p>1st half performance</p>	<ul style="list-style-type: none"> • Exposed to market conditions • Margin enhancement • Strong client retention • Slower estate/trust business
<p>2nd half outlook</p>	<ul style="list-style-type: none"> • New distribution channels for trusts & estates • Product expansion in wealth management • Introducing asset management capability to institutional clients

In-house asset management capability



EQT Flagship Fund

- Australian equities team incubated in 2003.
- Concentrated large cap fund generating a tax effective income stream
- Mix of qualitative and quantitative research

	3-year	5-year
Total net return ¹	-2.87%	9.21%
Return vs Index ²	+3.83%	+3.37%
Ranking ³	5 of 153	3 of 108

EQT Charitable Balanced Fund

- In-house fund of funds model for tax-exempt investors
- Invests predominantly in EQT co-branded funds
- Exposure to key asset classes

	3-year	5-year
Total net return ¹	-2.37%	6.77%
Return vs Index ²	+4.33%	+0.93%
Ranking ⁴	10 of 150	1 of 122

¹ Total per annum compound return net of ongoing fees and expenses assuming the reinvestment of all distributions - as at 31/1/2009.

² Measures total net return against the S&P/ASX 300 Accumulation Index.

³ Ranking of Australian Large Cap Blended Funds (retail funds open to new investors only) - as measured by Morningstar Research at 25/2/2009.

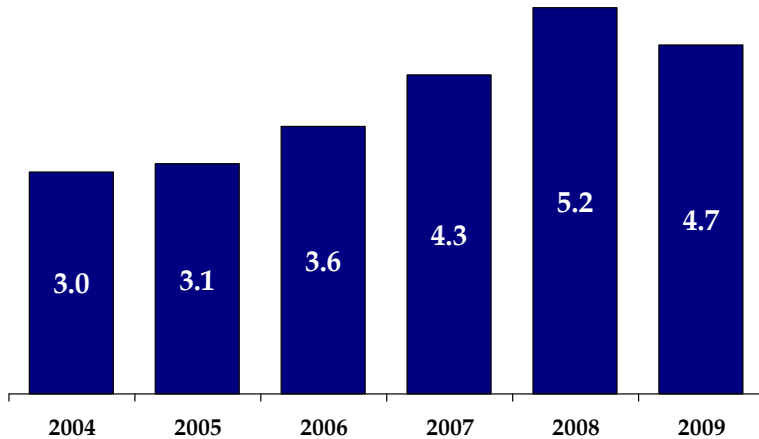
⁴ Ranking of Multisector Growth Funds (retail funds open to new investors only) - as measured by Morningstar Research at 25/2/2009.

EQT Flagship Fund is also known as Common Fund No.2. EQT Charitable Balanced Fund is also known as Common Fund No.5. Past performance is not indicative of future performance

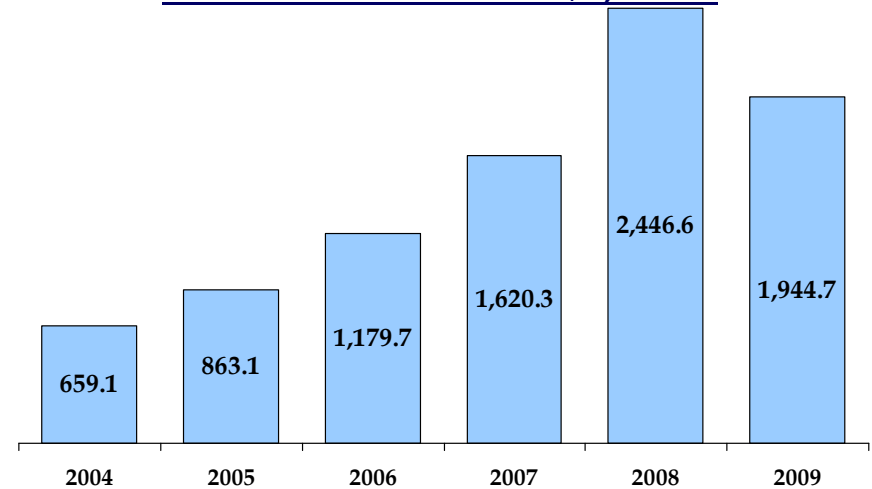
Funds Management



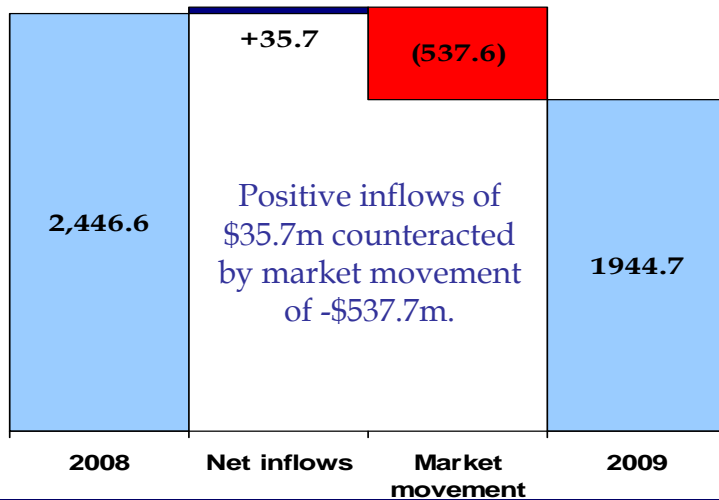
Operating revenue down 9.4% to \$4.7m



FUM down 20.5% to \$1,945m



Positive net FUM inflows

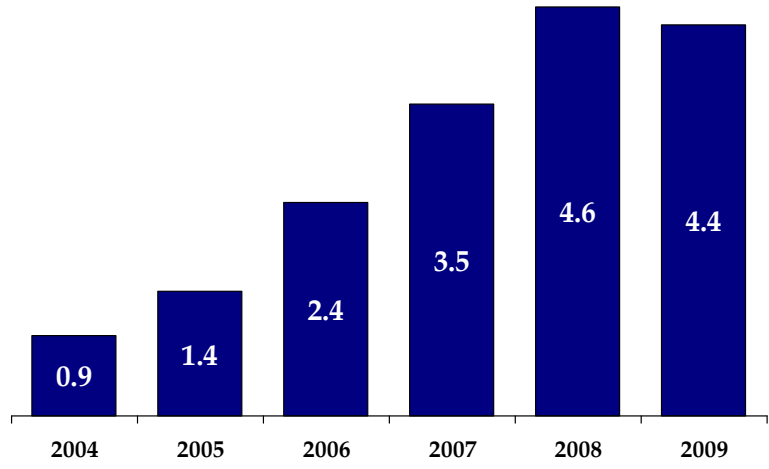


<p>1st half performance</p>	<ul style="list-style-type: none"> • Positive net inflows for ½ year • #6 on Morningstar tables for annual net retail flows (to Sept '08) • EQT Mortgage Income Fund remained open to applications & redemptions • Improving margin – positive impact from Holdfast Fund Services acquisition
<p>2nd half outlook</p>	<ul style="list-style-type: none"> • Focus on key funds. Ongoing push – platforms & planners

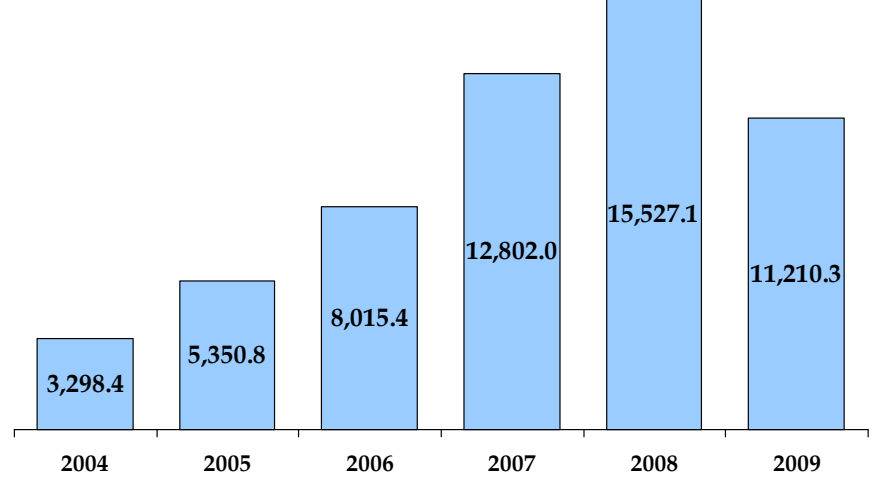
Fund Services



Operating revenue down 4.8% to \$4.4m



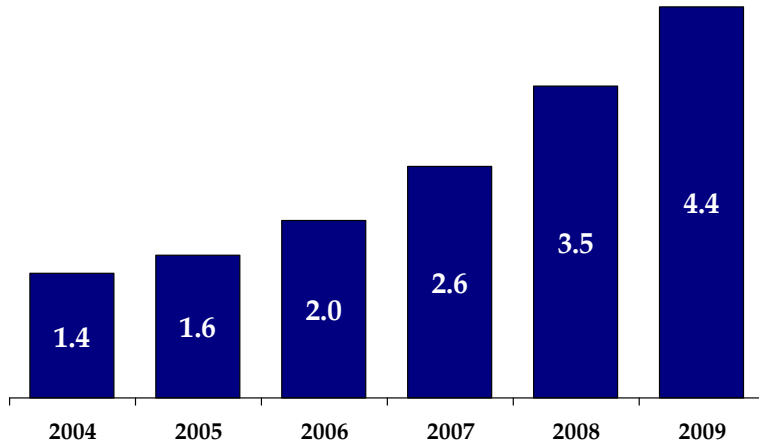
FUA down 27.8% to \$11,210m



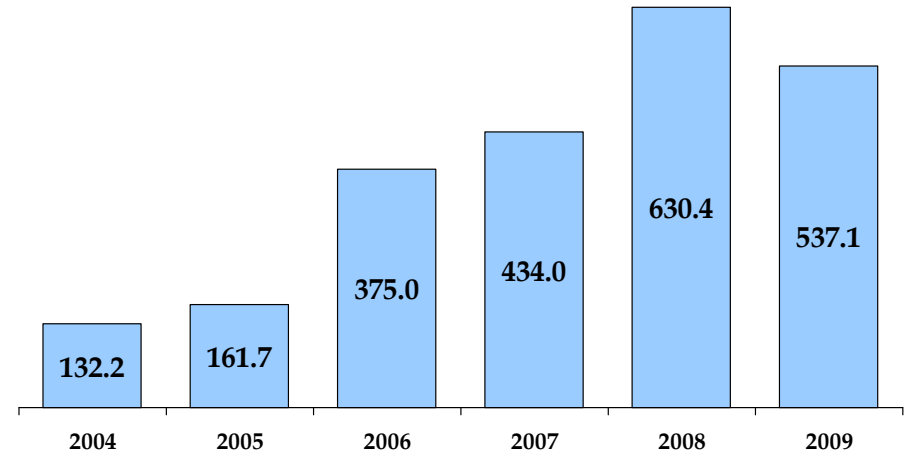
<p>1st half performance</p>	<ul style="list-style-type: none"> • Exposure to markets affecting FUA but revenue holding up well – flow on from work done in prior periods • Strong demand from global & domestic managers • Pipeline of future revenue building
<p>2nd half outlook</p>	<ul style="list-style-type: none"> • Continue to leverage strong referral network for ongoing growth in RE business • Leverage strong skill-set in highly specialised field

Superannuation

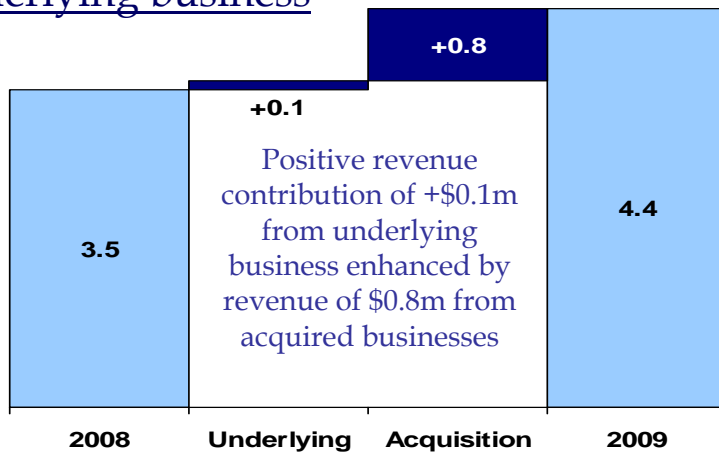
Operating revenue up 27.2% to \$4.4m



FUM down 14.8% to \$537m



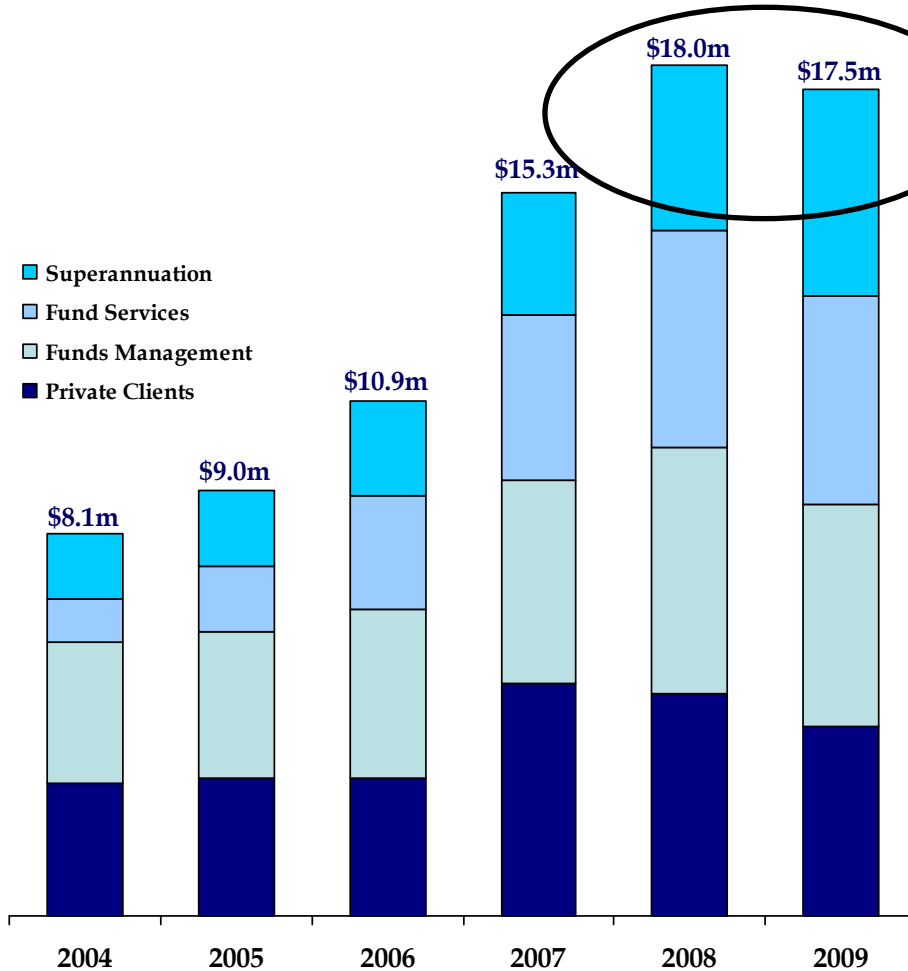
Revenue growth driven by acquisition and by underlying business



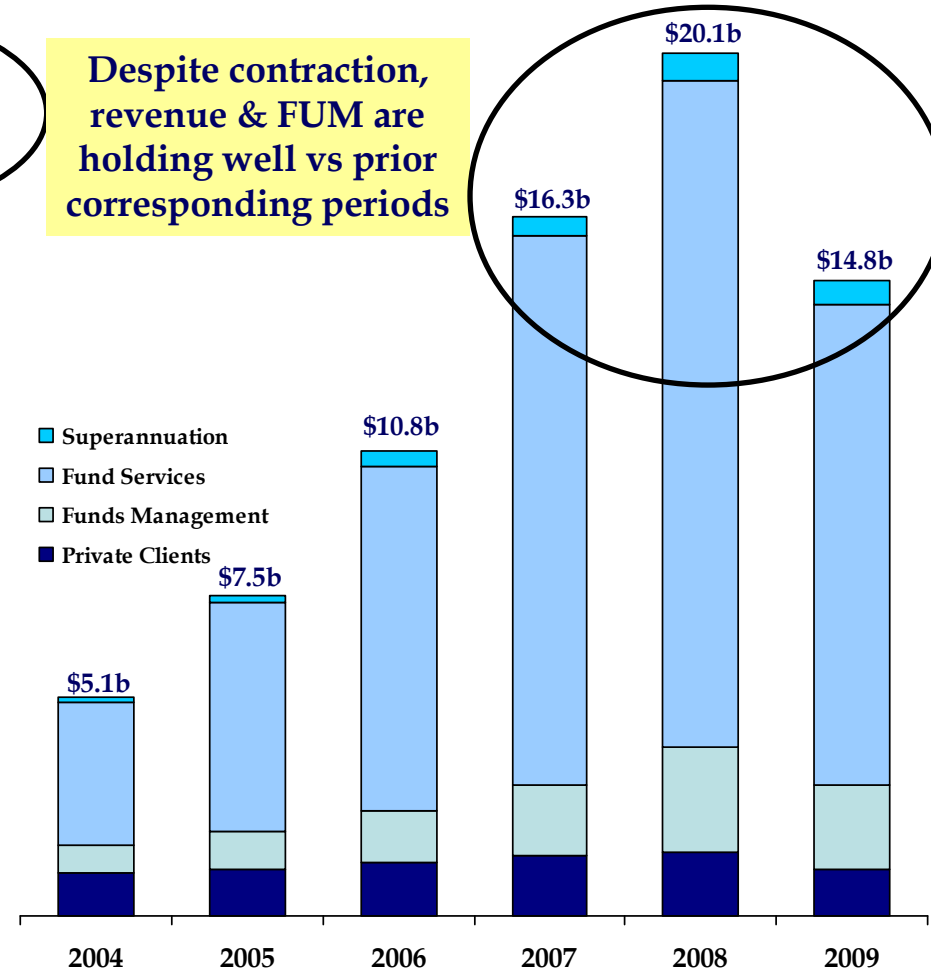
1st half performance	<ul style="list-style-type: none"> • Acquisitions performing well – revenue & bottom-line positive • Improved brand presence in Victoria & Queensland resulting from acquisitions
2nd half outlook	<ul style="list-style-type: none"> • Ongoing expansion of distribution network for Freedom of Choice acquisition • Leverage cross-sell opportunities with Private Client services

Revenue & FUM comparison

Business unit operating revenue



Funds under management



Despite contraction, revenue & FUM are holding well vs prior corresponding periods

Information technology upgrade



- Upgrade to Garradin system proceeding as planned
- Further integrates key services – asset management, unit registry, fiduciary accounting and tax
- Builds on provision for specialised trust & estate requirements
- Improvement to on-line component for clients
- Will create efficiencies in scale and processes
- Stage one completed in July 2008
- Stage two in mid-latter half of 2009 (calendar year)

Outlook



Company base is solid:

- Business units established and performing well
- Good relationships with key clients
- Active sales & marketing culture
- Investment in people and systems
- Strong cash flow and no debt

Outlook for 2nd half of 2009:

- Performance will continue to be impacted by market volatility
- Ongoing investment in people, processes and systems provides platform that is responding to opportunities

Summary

- 1st half revenue held up well in market environment
- Responsible approach to discretionary cost containment
- Net asset base remains strong
- Maintaining investment in people, processes and systems
- Systems upgrade proceeding to plan
- Business remains on solid platform but markets will continue to impact upon performance in 2nd half
- Expect lower final dividend compared to prior year



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