



Equity Trustees Limited
Full Year Results to
30 June 2008

Equity Trustees



An independent Australian based financial services firm that is increasing its market presence and generating improved returns.

Agenda



- Overview
- Financial results
- Business unit performance
- Outlook

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➔ Overview

- Financial results
- Business unit performance
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Overview



- A record annual result
- Contribution from all business units
- Revenue growth
- Focus on operational efficiency
- Acquired businesses adding value
- Market conditions significantly tougher in '08 and into '09
- Cautious on markets going forward

Overview – group results

	2008	2007	
Operating revenue	\$39.2m	\$32.4m	+ 21.2%
Operating expenses	\$24.9m	\$21.3m	+ 17.2%
Operating profit (pre-tax)	\$14.3m	\$11.1m	+ 28.8%
Profit from sale of investments (pre-tax)	\$0.5m	\$0.7m	
Net profit before tax	\$14.8m	\$11.8m	+ 25.0%
Income tax expense	(\$4.2m)	(\$3.7m)	
Net profit (after-tax)	\$10.6m	\$8.1m	+ 29.7%
Earnings per share (basic)	133.35¢	105.18¢	+ 26.8%
Dividend per share (full-year, fully franked)	110¢	75¢	+ 46.7%
Operating margin (pre-tax, excluding gains on the sale of investments)	36.5%	34.3%	+ 6.2%

In line with
forecast of
approx 30%

Overview – operating results

	2008	2007	
Operating revenue	\$39.2m	\$32.4m	+ 21.2%
Operating expenses	\$24.9m	\$21.3m	+ 17.2%
Operating profit (pre-tax)	\$14.3m	\$11.1m	+ 28.8%
Income tax expense (relating to operating activities)	(\$4.0m)	(\$3.5m)	
Operating profit (after-tax)	\$10.3m	\$7.6m	+ 35.4%
Operating margin (pre-tax, excluding gains on the sale of investments)	36.5%	34.3%	+ 6.2%

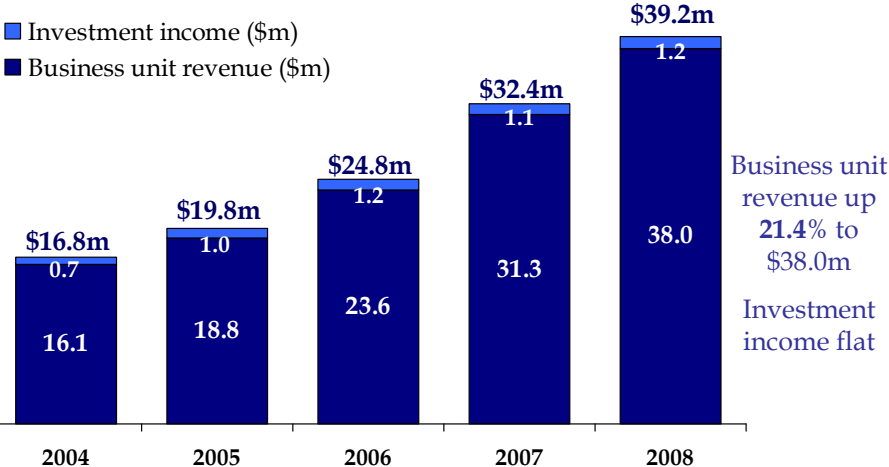
Agenda

- Overview
- ➔ **Financial results**
 - Business unit performance
 - Outlook

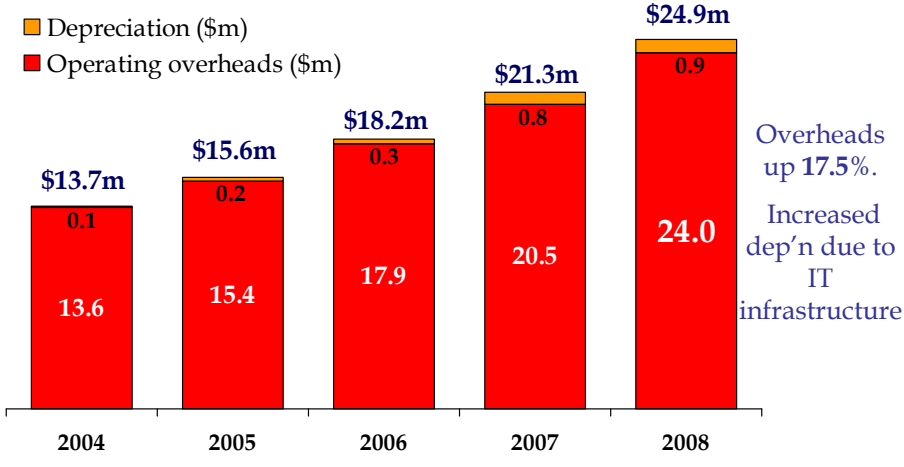
Operating results



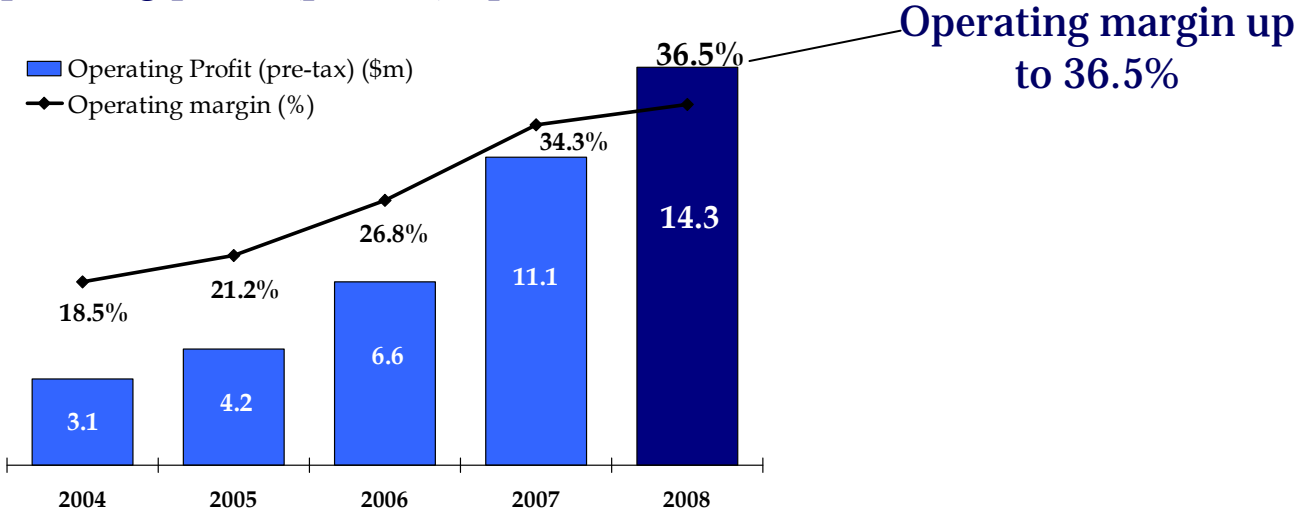
Operating revenue up 21.2% to \$39.2m



Operating expenses up 17.2% to \$24.9m

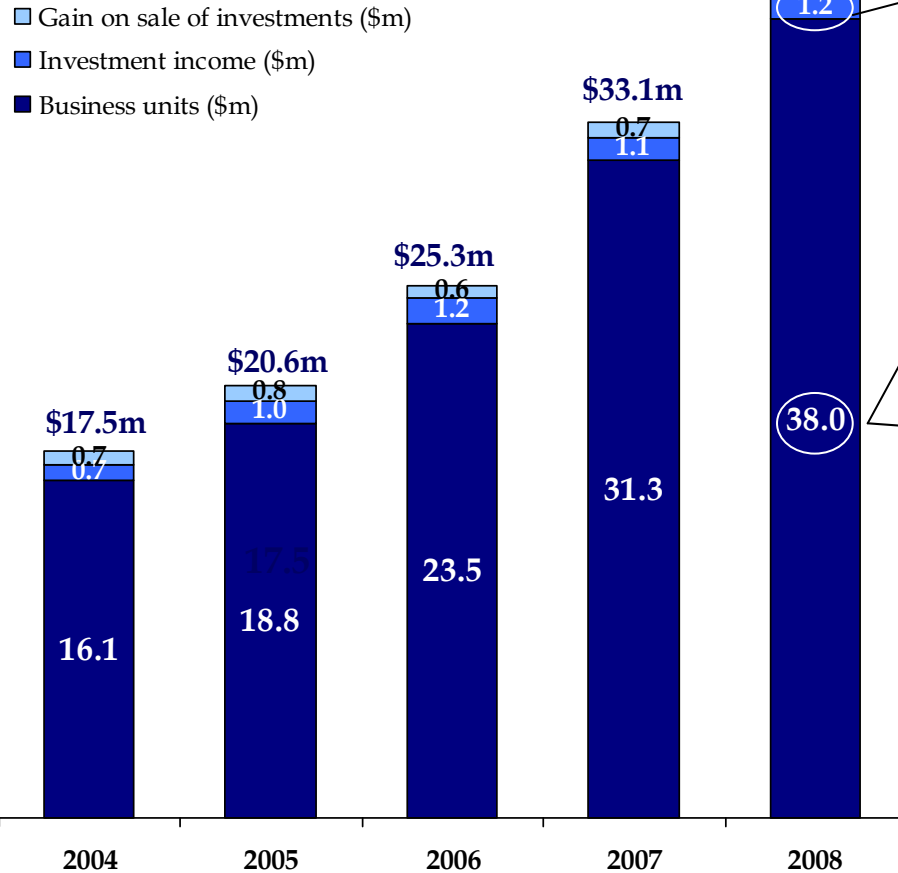


Operating profit (pre-tax) up 28.8% to \$14.3m

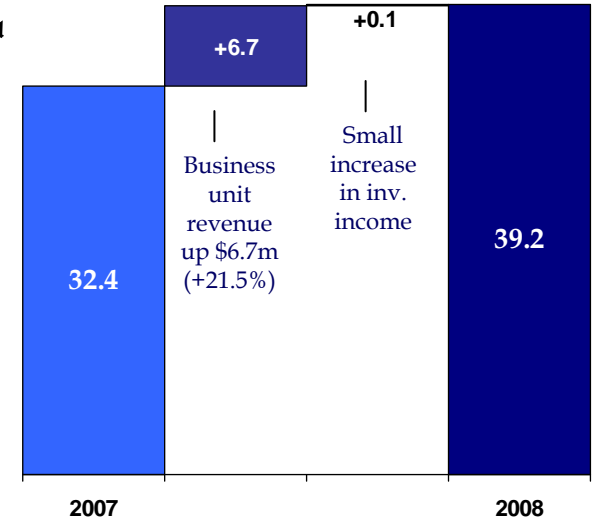


Revenue

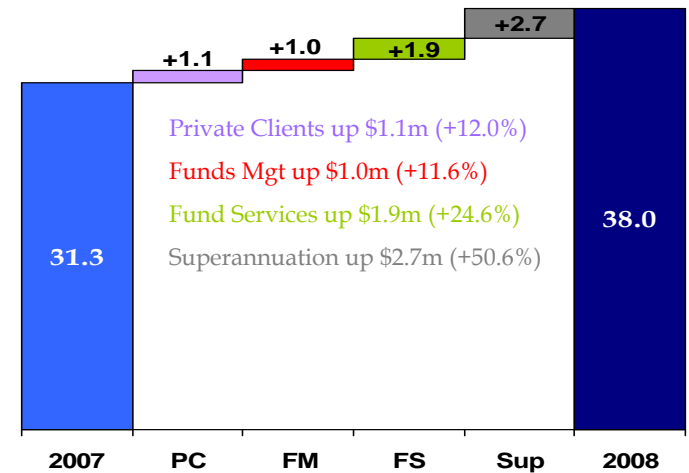
Group revenue up 19.9% to \$39.7m



Operating revenue up 21.2% to \$39.2m



Business unit revenue up 21.4% to \$38.0m



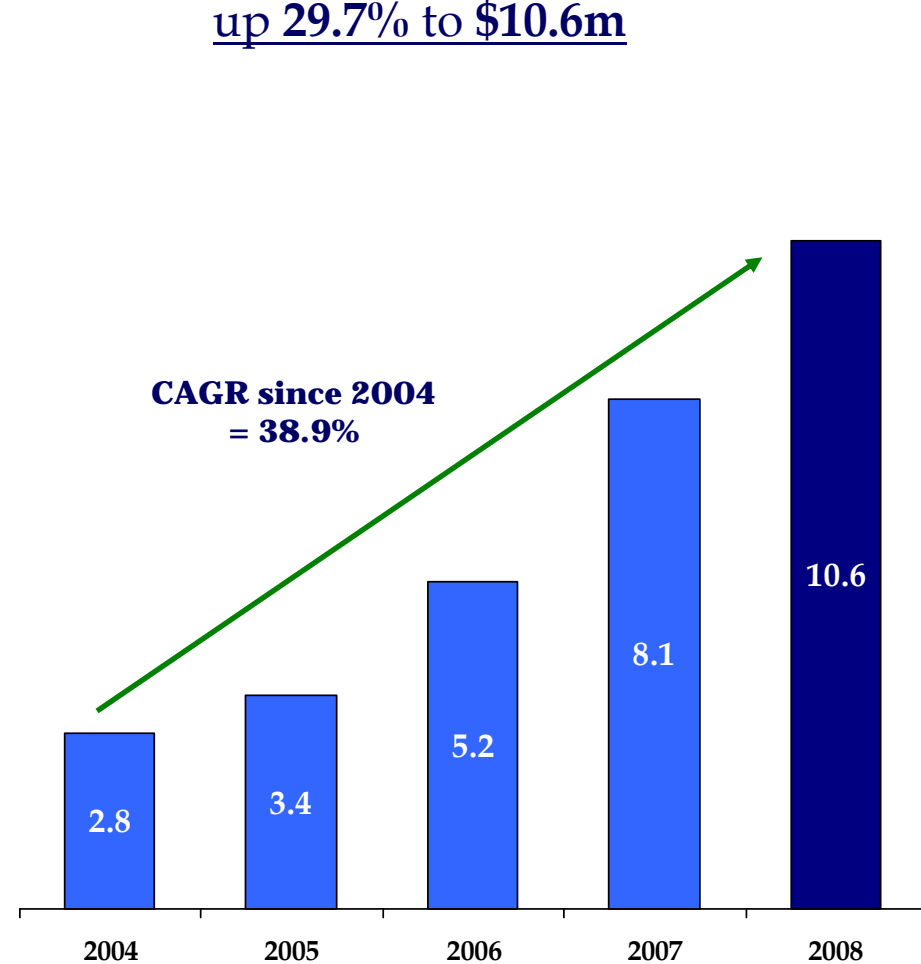
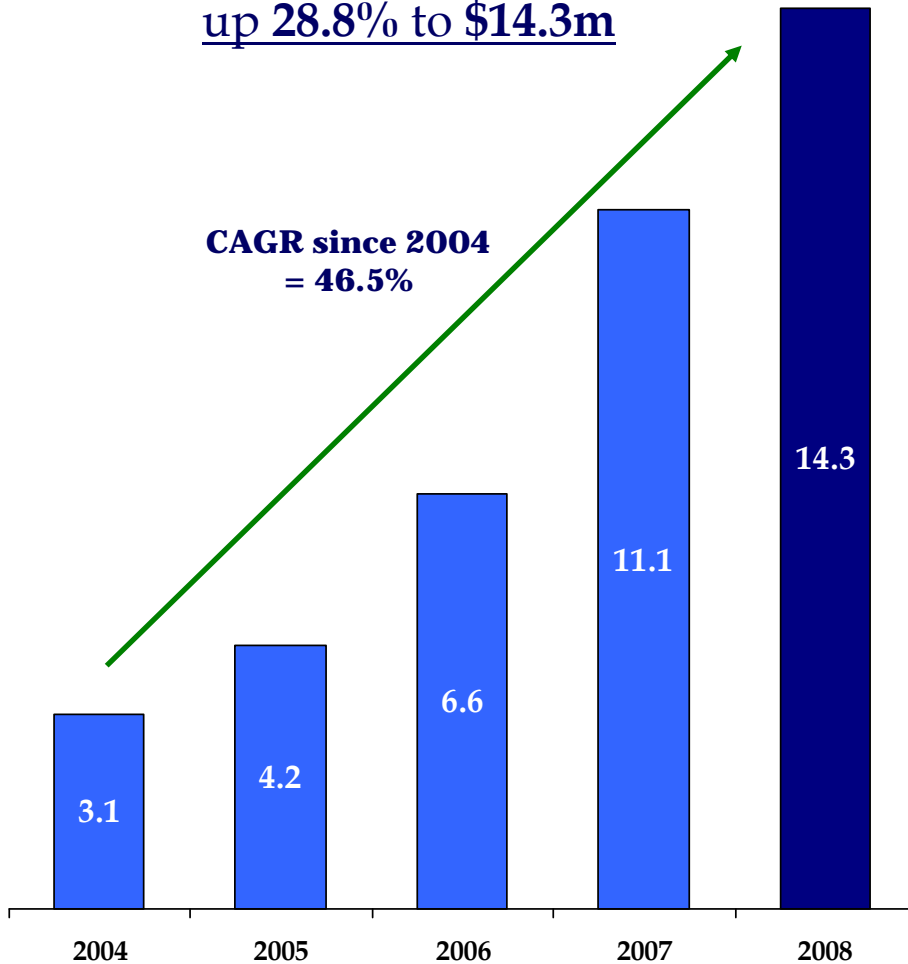
Profitability

Operating profit before tax
up 28.8% to \$14.3m

Net profit after tax
up 29.7% to \$10.6m

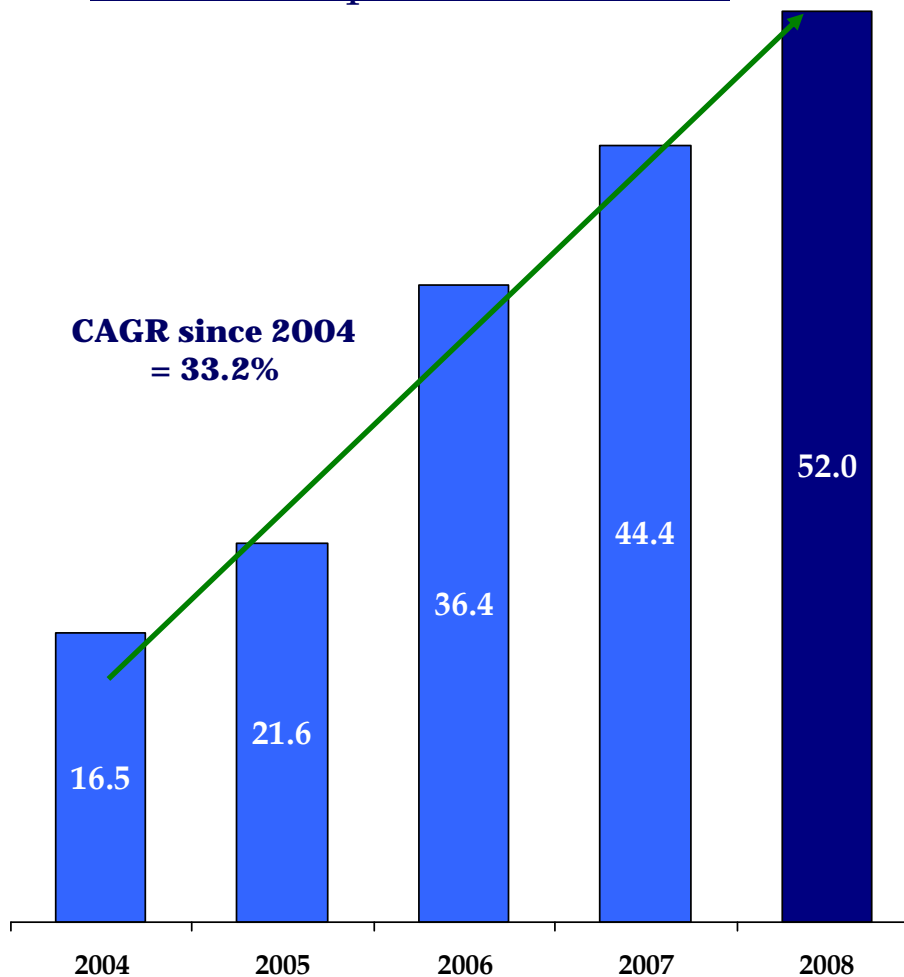
CAGR since 2004
= 46.5%

CAGR since 2004
= 38.9%



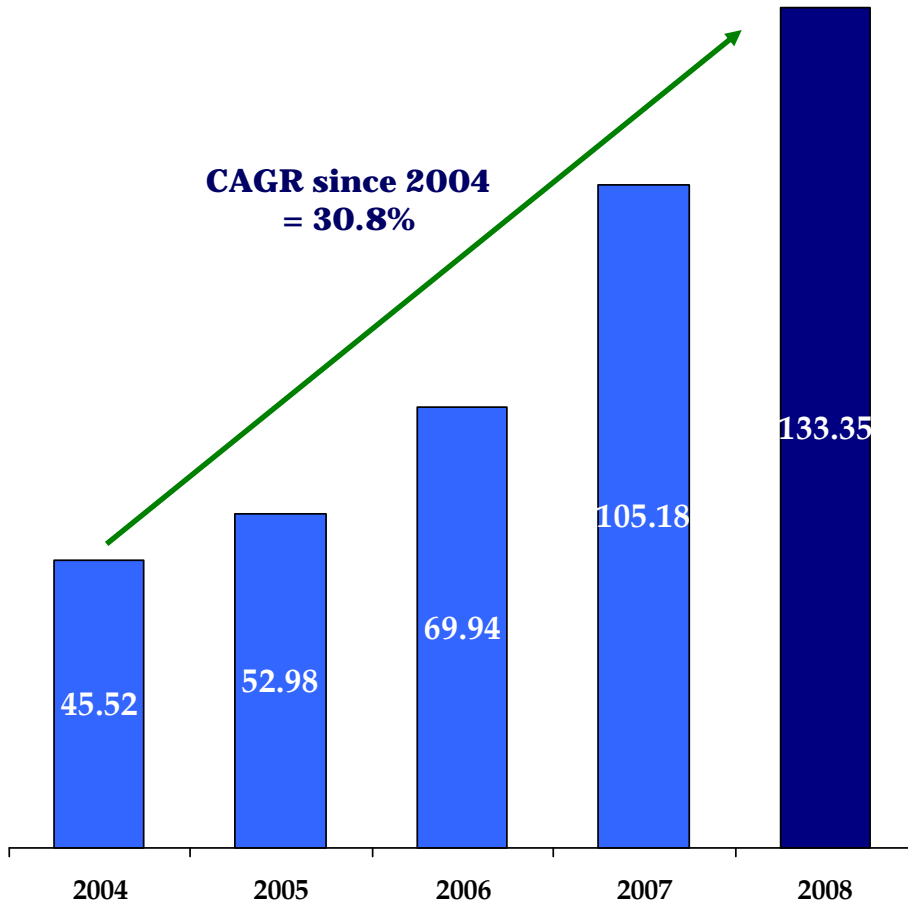
Net assets

Net assets up 17.0% to \$52.0m

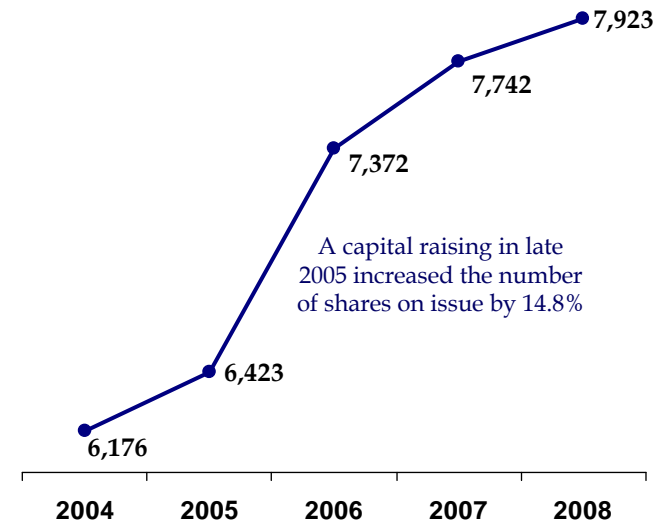


Earnings per share

Earnings per share
up **26.8%** to **133.35¢** per share



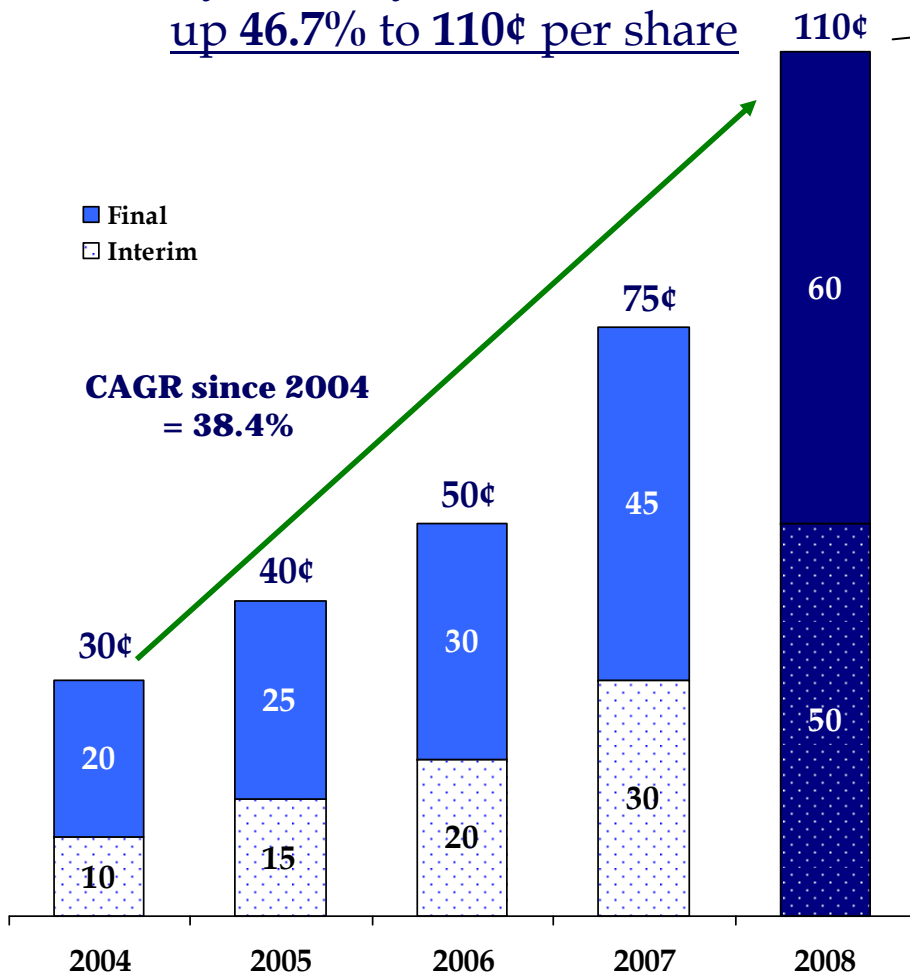
Weighted average shares on issue ('000)



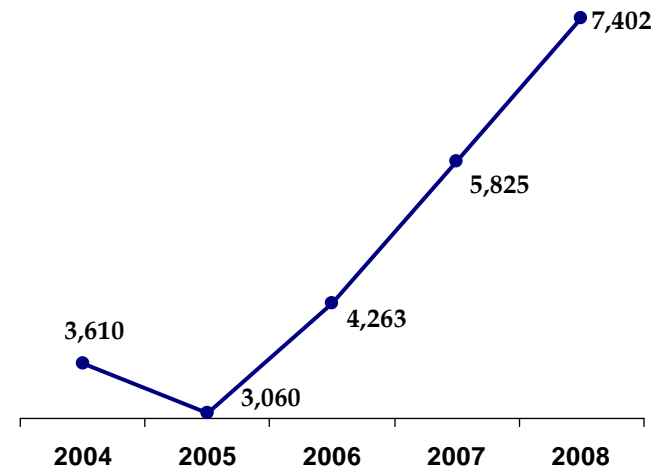
Returns to shareholders

Full-year, fully-franked dividend up 46.7% to 110¢ per share

Dividend payout ratio is within the range of 70-90% of operating profit after tax (including gains on the sale of investments).



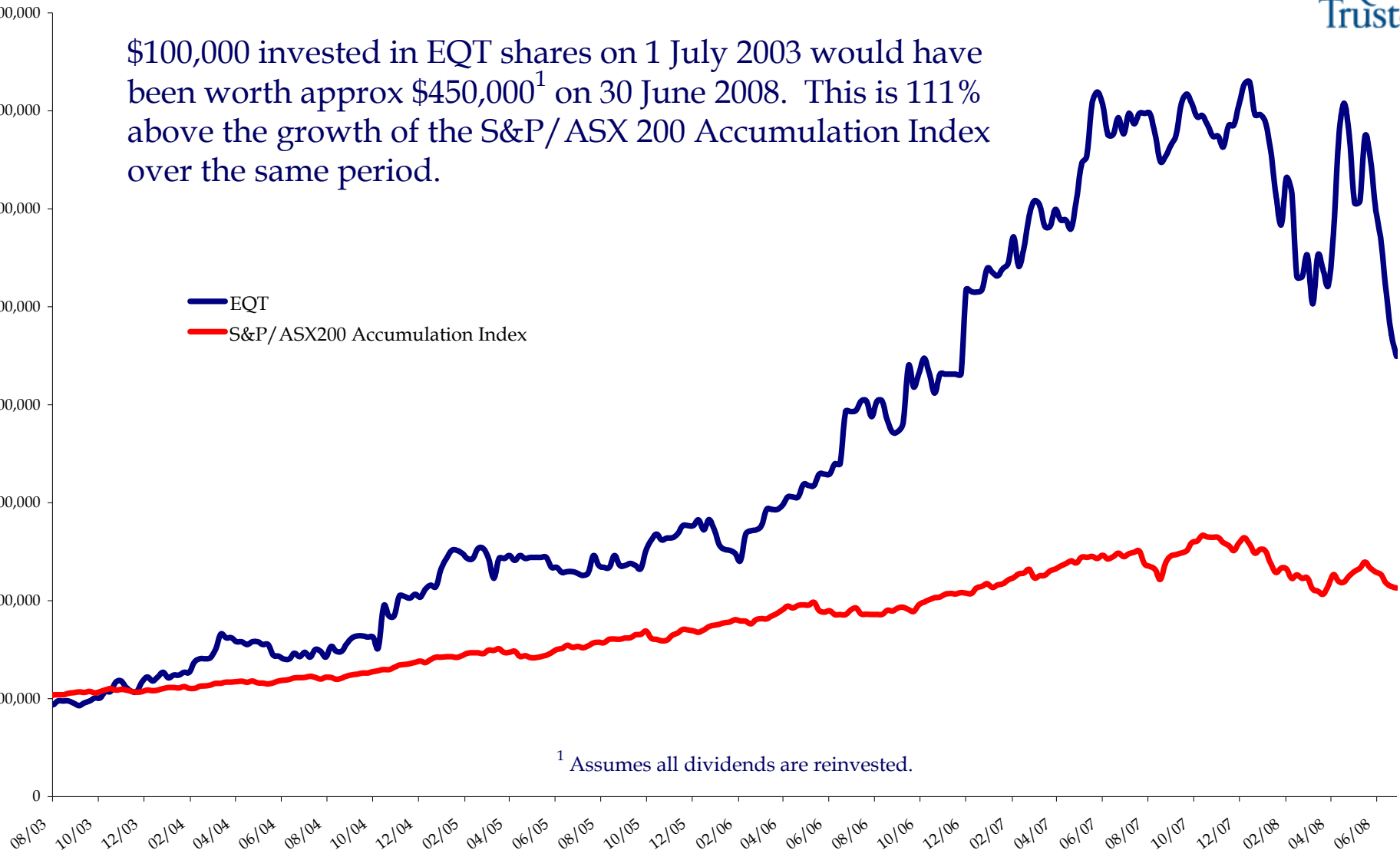
Franking credit balance (\$'000)



Total shareholder return

\$100,000 invested in EQT shares on 1 July 2003 would have been worth approx \$450,000¹ on 30 June 2008. This is 111% above the growth of the S&P/ASX 200 Accumulation Index over the same period.

— EQT
— S&P/ASX200 Accumulation Index



¹ Assumes all dividends are reinvested.

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- ➔ **Business unit performance**
- Outlook

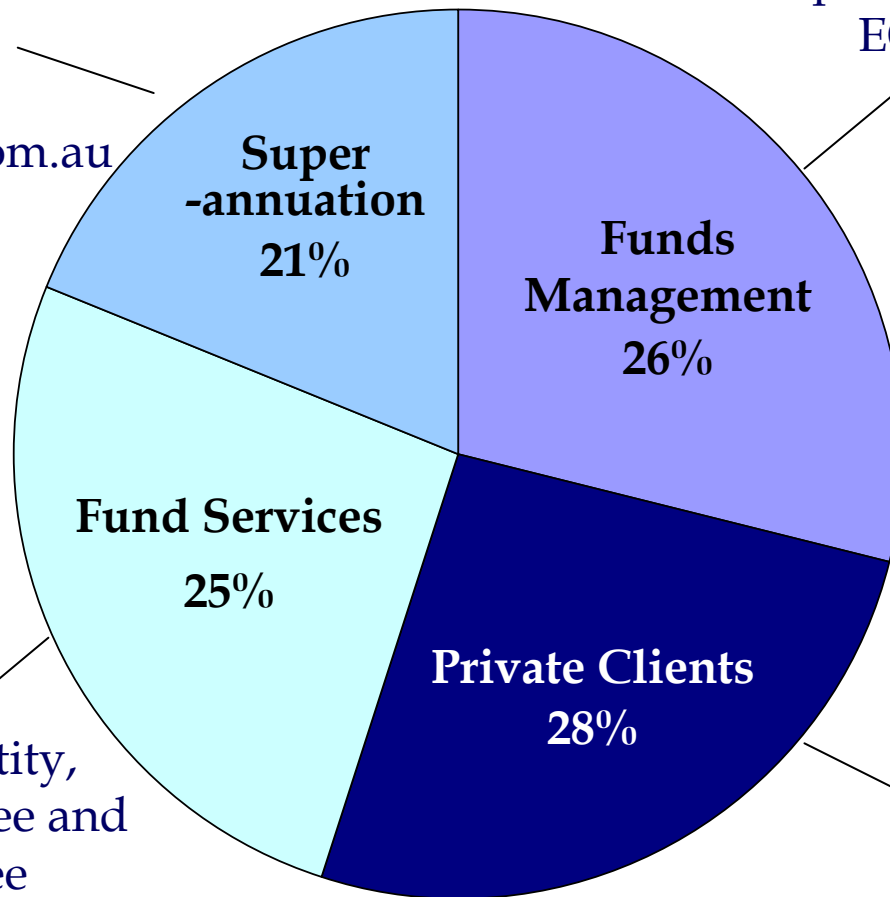
Four business units – sources of revenue



Corporate superannuation:

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

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



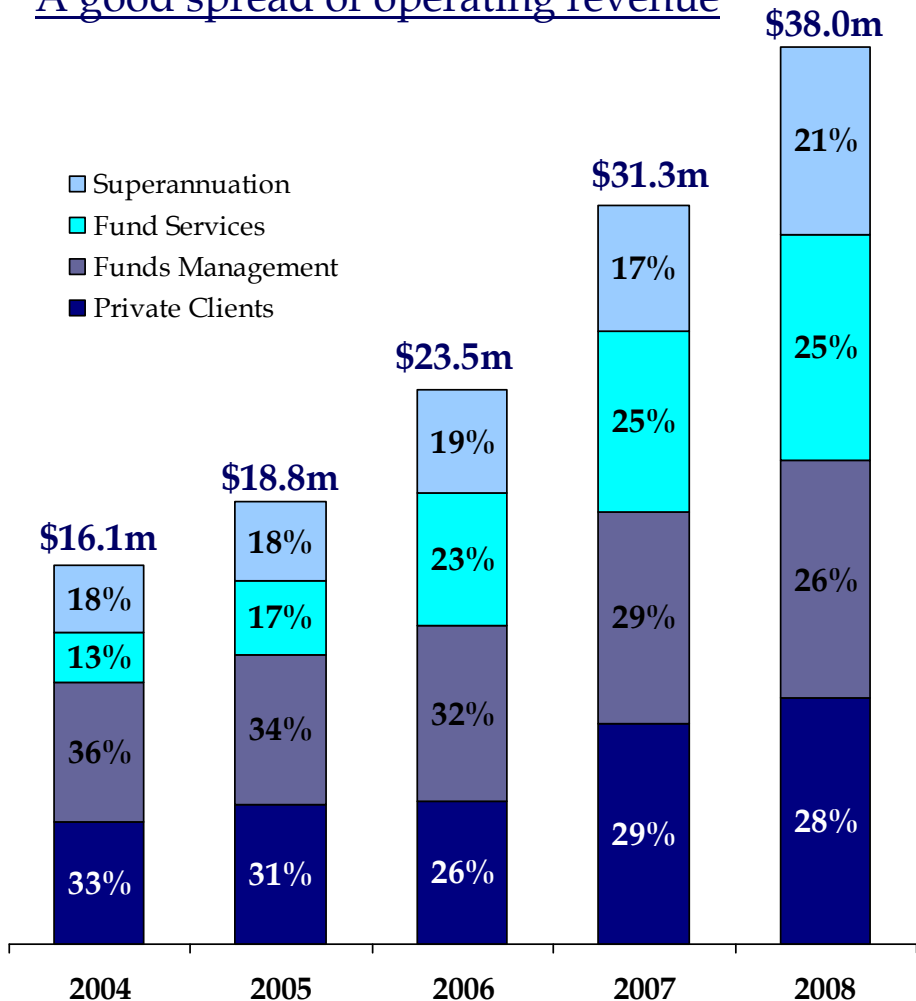
Responsible entity, corporate trustee and specialist trustee appointments

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

Percentages refer to proportion of 2008 revenue attributable to business units

Business unit summary

A good spread of operating revenue



Revenue growth from all business units

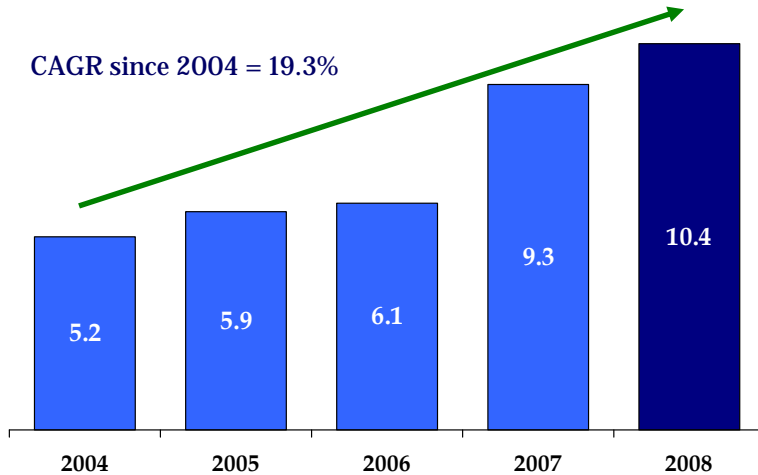
	Revenue 2008 vs 2007	FUM 2008 vs 2007
Private Clients	+12.0%	(10.5%)
Funds Mgt	+11.6%	+18.2%
Fund Services	+24.6%	+1.5%
Superannuation	+50.6%	(3.2%)
All BU's	+21.4%	+2.2%

Private Clients

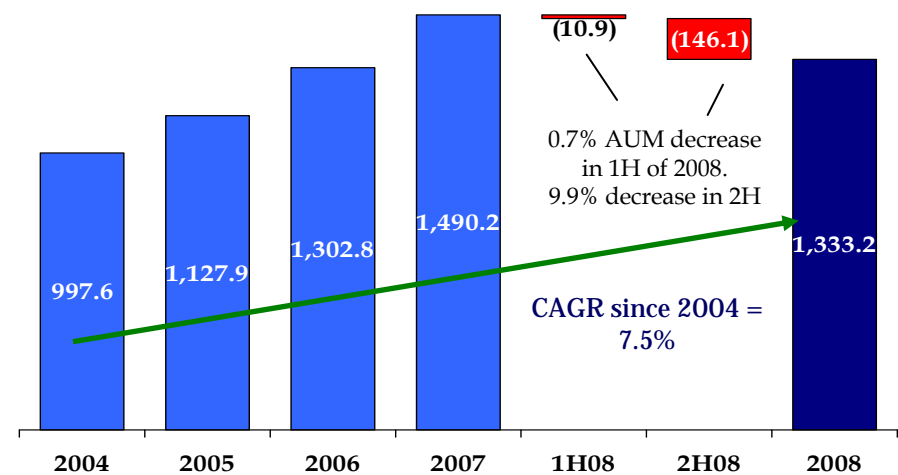


Operating revenue up 12.0% to \$10.4m

CAGR since 2004 = 19.3%



AUM down 10.5% to \$1,333m



<p>2008 highlights</p>	<ul style="list-style-type: none"> • Strong 2H in Trusts & Estates • Significant increase in Portfolio Manager client numbers • Consistent year in Philanthropy – increasing inquiry for PPF’s and EQT Foundation
<p>2009 outlook</p>	<ul style="list-style-type: none"> • Ongoing sales focus • Expansion of service offering to Eastern Seaboard (NSW & Qld) • Broadening of Portfolio Manager client base

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 qual and quant research

	3-year	5-year
Total net return ¹	10.58%	15.61%
Return vs Index ²	+1.88%	+1.31%
Ranking ³	7 of 152	11 of 111

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	7.28%	11.85%
Return vs Index ⁴	+1.43%	+1.55%
Ranking ⁵	3 of 146	1 of 101

¹ Total per annum compound return net of ongoing fees and expenses assuming the reinvestment of all distributions - as at 31/7/2008.

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 27/8/2008.

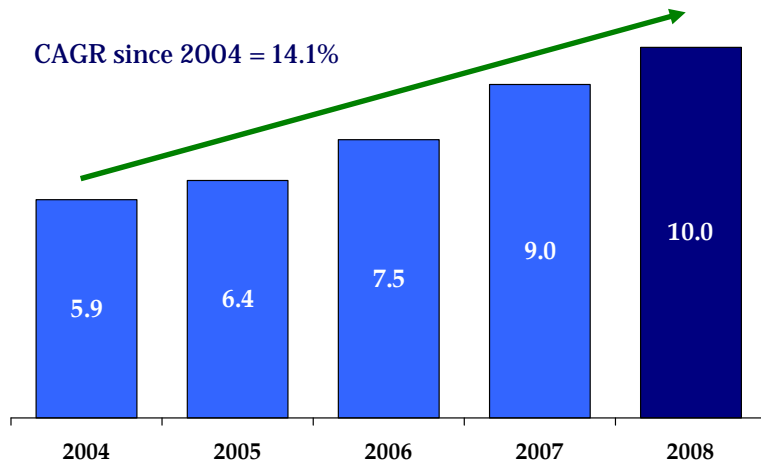
⁴ Measures total net return against a weighted index of Australian and international shares, property, fixed interest and cash indices.

⁵ Ranking of Multisector Growth Funds (retail funds open to new investors only) - as measured by Morningstar Research at 27/8/2008

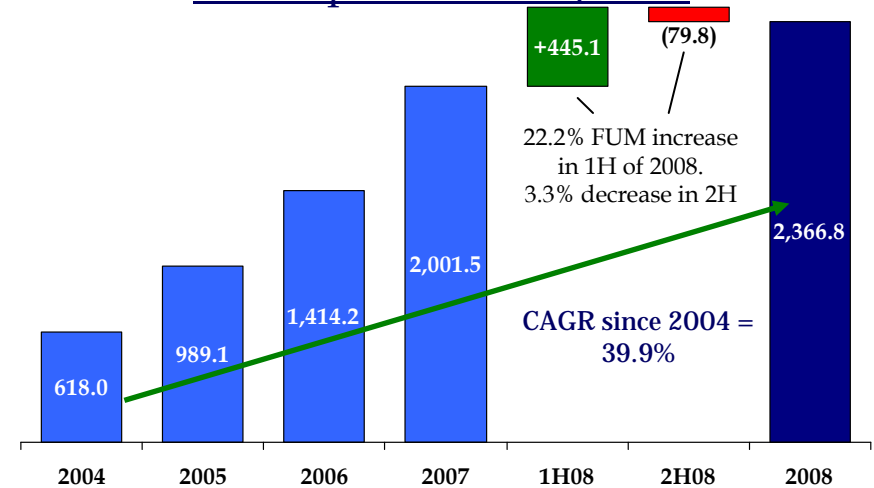
EQT Flagship Fund is also known as Common Fund No.2. EQT Charitable Balanced Fund is also known as Common Fund No.5. Past performance is not indicative of future performance

Funds Management

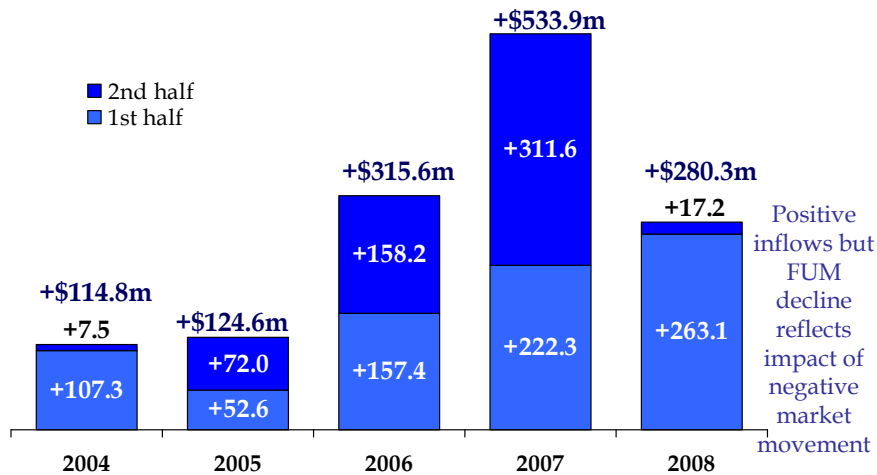
Operating revenue up 11.6% to \$10.0m



FUM up 18.2% to \$2,367m



Net inflows lower in 2H but positive (+\$17.2m)

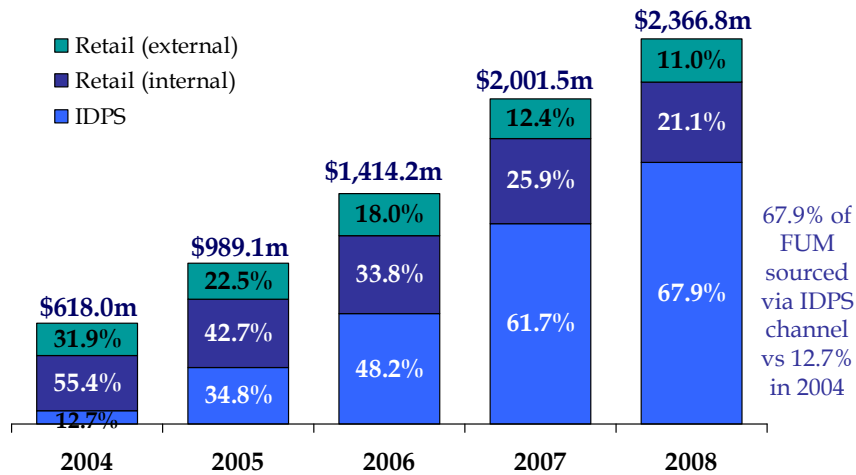


2008 highlights	<ul style="list-style-type: none"> • Positive net inflows in 2H despite market volatility • Increasing penetration into IDPS (platform) market • Increasing diversification of managers
2009 outlook	<ul style="list-style-type: none"> • Leverage market volatility with breadth of investment offering • Ongoing expansion into NSW and Queensland advisor markets • Continued top-down & bottom-up approach to IDPS market

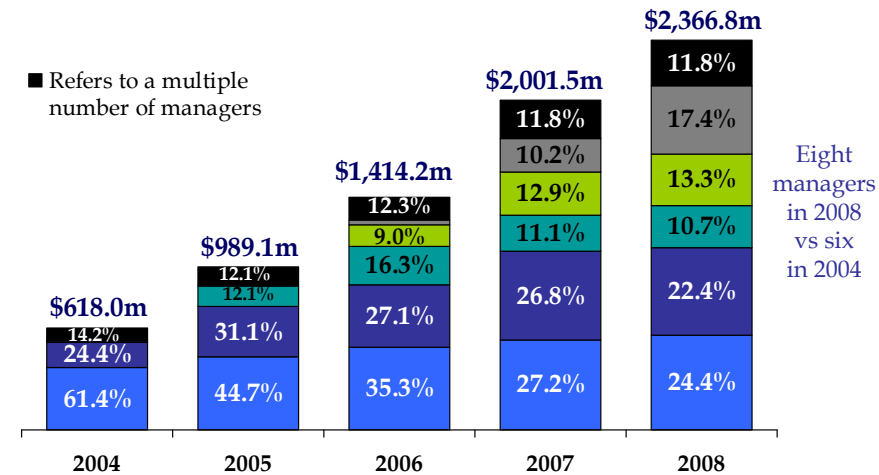
Funds Management - FUM



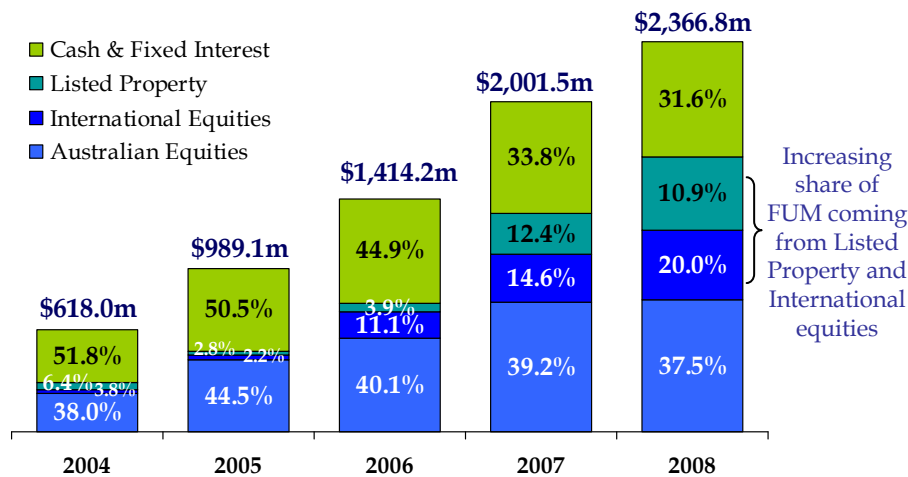
Increasing share from platform (IDPS) source



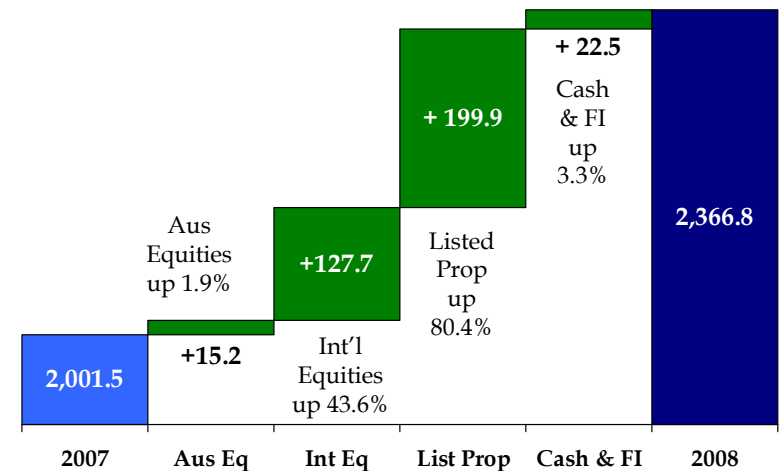
Diversity of managers



Diversified across major asset classes



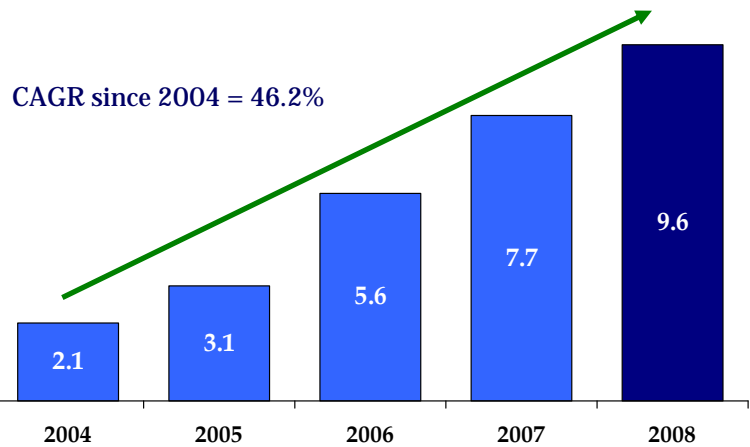
FUM growth by asset class



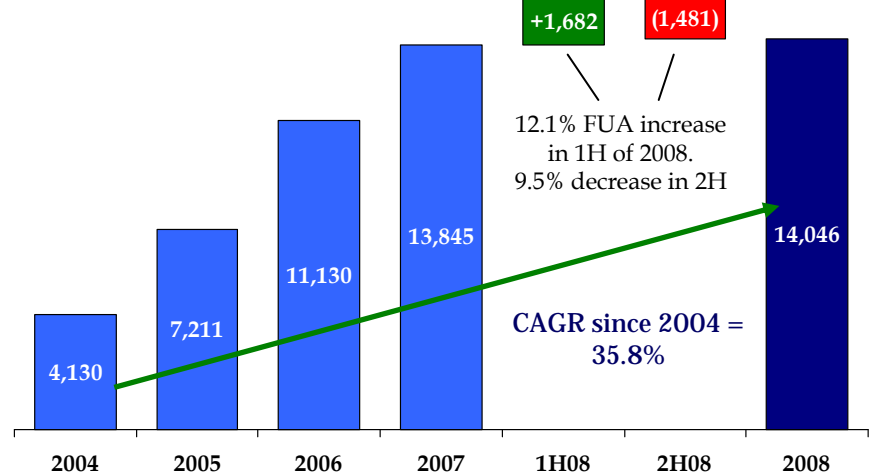
Fund Services



Operating revenue up 24.6% to \$9.6m



FUA up 1.5% to \$14,046m



Growth in managers and funds

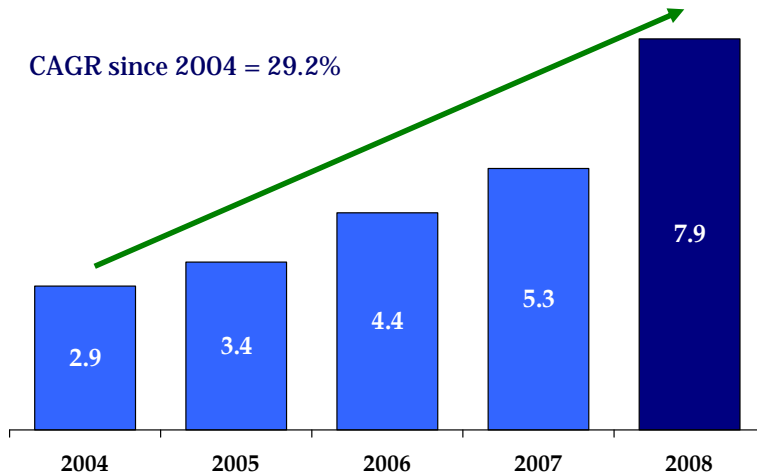
	Managers	Funds
2004	8	≈ 30
2005	14	≈ 50
2006	19	> 75
2007	27	> 100
2008	32	> 150

2008 highlights	<ul style="list-style-type: none"> Scalability of model enabling ongoing expansion of services to domestic and global managers Increasing diversification of managers
2009 outlook	<ul style="list-style-type: none"> Leverage strong referral network for ongoing growth in RE business Push to increase quality RSE appointments

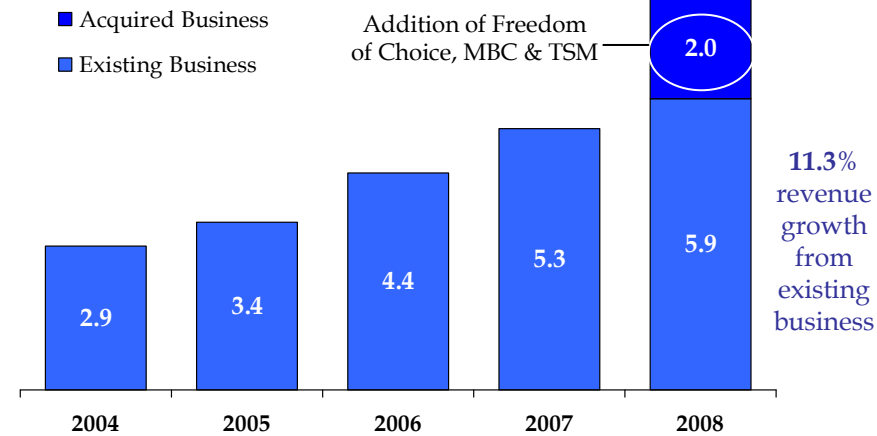
Superannuation

Operating revenue up 50.6% to \$7.9m

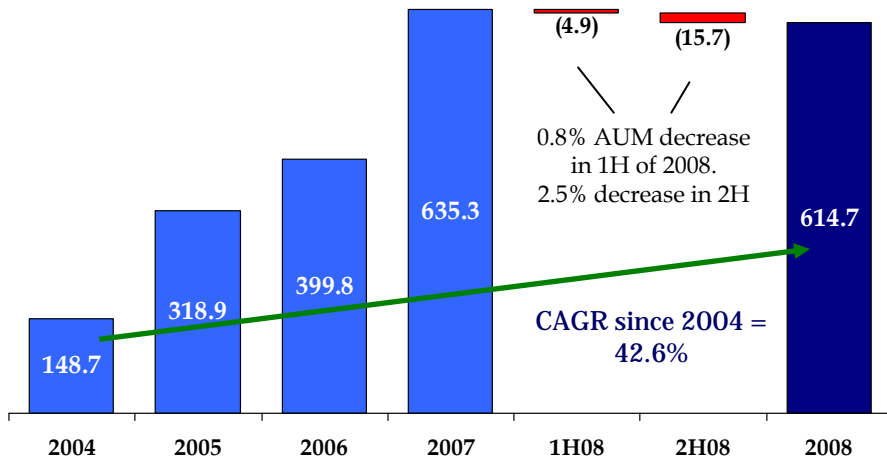
CAGR since 2004 = 29.2%



Existing & acquired businesses



FUM down 3.2% to \$615m



<p>2008 highlights</p>	<ul style="list-style-type: none"> • Integration of acquired businesses while still growing revenue from existing businesses • Improved brand presence in Victoria & Queensland resulting from acquisitions
<p>2009 outlook</p>	<ul style="list-style-type: none"> • Improving distribution for Freedom of Choice model • Ongoing integration of acquired businesses • Continue to look for "bolt-on" expansion opportunities

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➔ Outlook

Information technology upgrade

- Contract signed to upgrade to Garradin system
- 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
- Expected completion in mid-latter half of 2009 (calendar year)
- Stage 1 – launch of ‘Talisman’ system - completed in July 2008

Acquisitions update



- Recent acquisitions all successfully integrated
- Exploratory merger discussions with Trust Company ceased in May 2008.
- EQT remains open to opportunities that are in the best interests of shareholders
- Continuing to seek bolt-on acquisitions – focus on fit with superannuation and private client business units
- Ongoing discussions with a range of parties regarding strategic opportunities
- Solid cash reserves provide scope to pursue the right opportunities

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 reserves and no debt

Outlook for 2009:

- Performance will be impacted by market volatility but EQT is well positioned to take advantage of opportunities
- Overall, EQT is taking a cautious approach

Summary



- Record profitability achieved in 2008
- Contribution from all business units
- Ongoing improvement in efficiency may slow
- Will continue to assess acquisitions / strategic opportunities
- Impact of market volatility evident in 2H and into 2009
- Business on solid platform - cautious about 2009

