



Equity Trustees Limited
Half Year Results to
31 December 2007

Equity Trustees



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

Our performance is based upon:

- Well developed revenue streams
- Clear performance indicators
- An established growth strategy

Strategic direction

2004

Recovery

Cultural change.
Improvement in
processes
enabling better
quality business.

2005/06

Organic
Growth

Improvement in
profit margins
through
efficiency gains.

2006/07 →

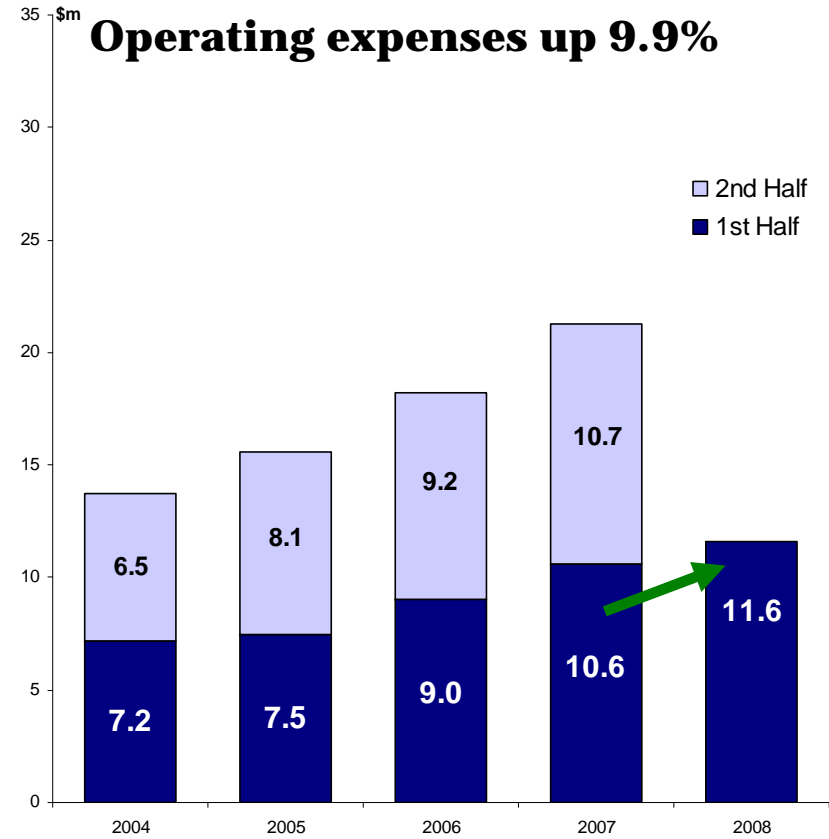
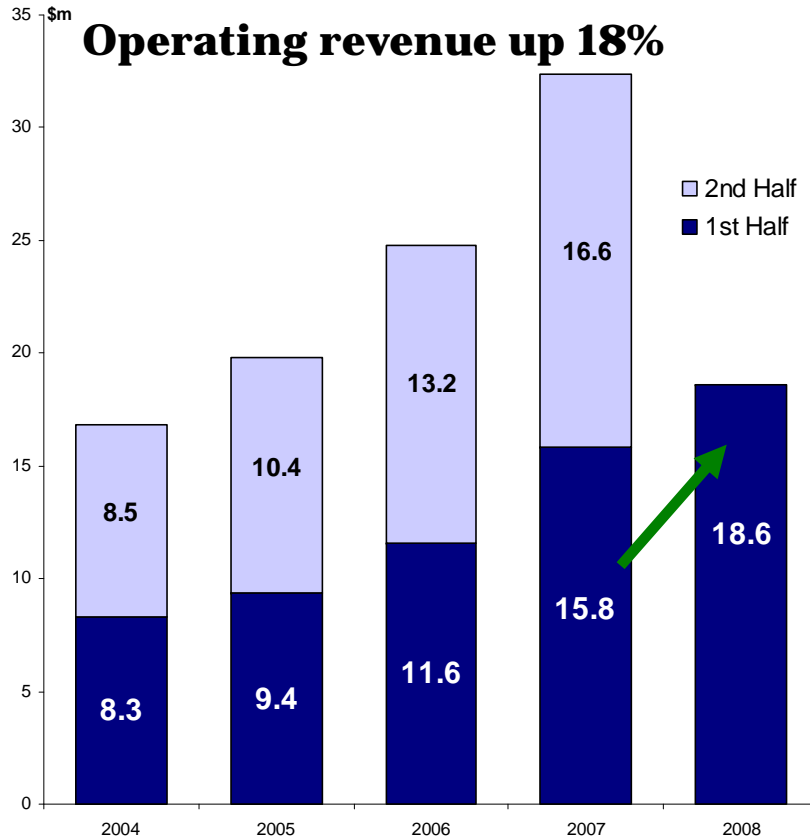
Step
Growth

Development of appropriate
marketing, merger and
acquisition opportunities.

Half year overview

	2008	2007	
Group operating revenue	\$18.6m	\$15.8m	+ 18.0%
Group operating expenses	(\$11.6m)	(\$10.6m)	+ 9.9%
Group operating profit (before-tax)	\$7.0m	\$5.2m	+ 34.1%
Income tax expense	(\$2.2m)	(\$1.6m)	
Group operating profit (after-tax)	\$4.8m	\$3.6m	+ 32.5%
Profit on sale of investments (after-tax)	\$0.2m	\$0.0m	
Net profit (after-tax)	\$5.0m	\$3.6m	+ 39.2%
Earnings per share (basic)	64.48¢	47.35¢	+ 36.2%
Dividend per share (fully-franked)	50¢	30¢	+ 66.7%
Operating margin <small>(Pre-tax, excluding gains on the sale of investments)</small>	37.8%	33.2%	+ 13.7%

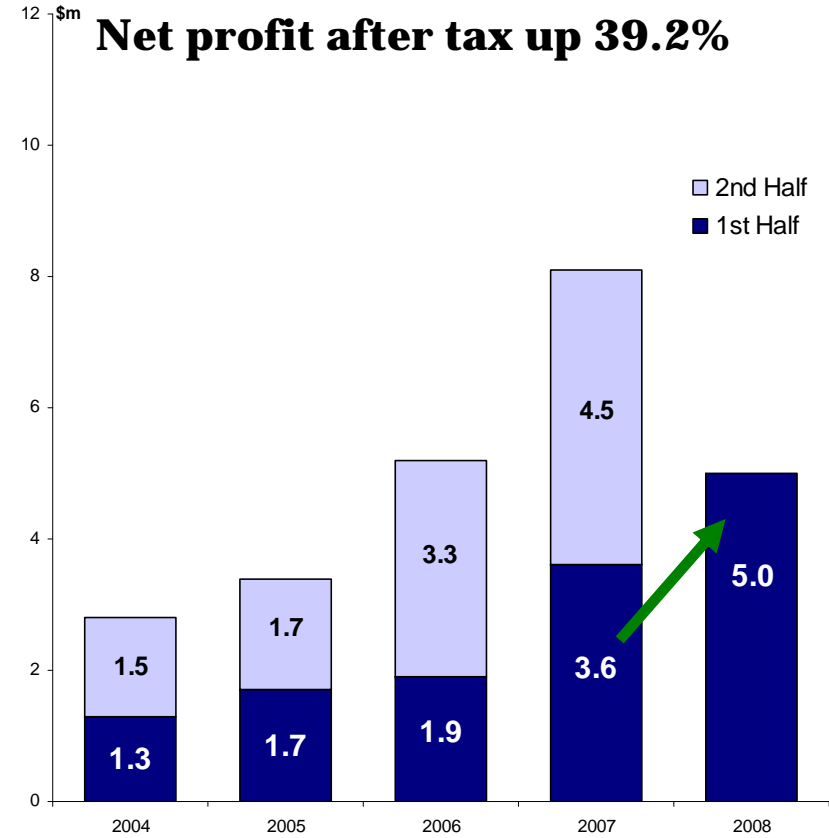
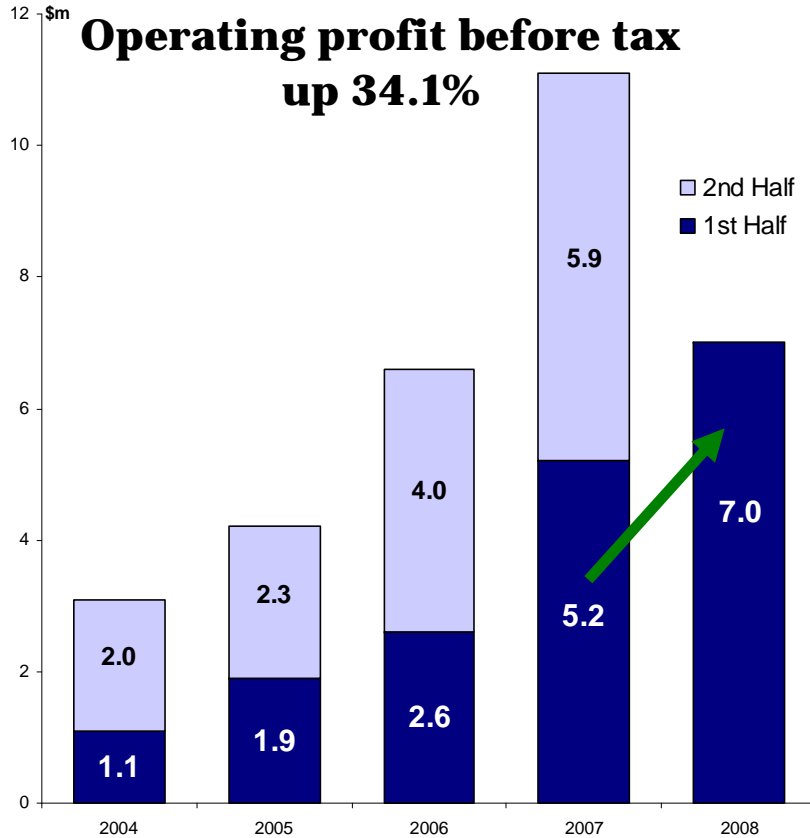
Revenue up, expenses controlled



Thus, improving operating margin

	2004	2005	2006	2007	2008
Half year to December	13.4%	20.3%	23.0%	33.2%	37.8%

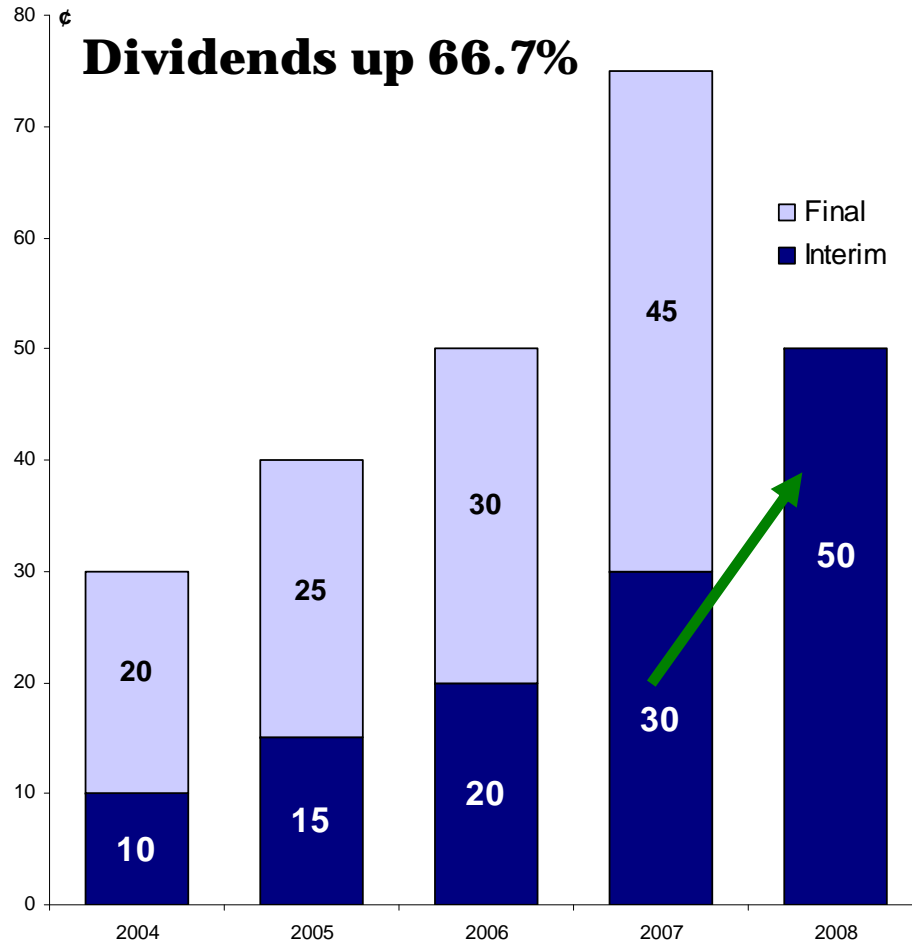
Profitability is up



Thus, earnings per share up 36.2%

	2004	2005	2006	2007	2008
Half year to December	20.80¢	26.73¢	26.83¢	47.35¢	64.48¢

Return to shareholders is up

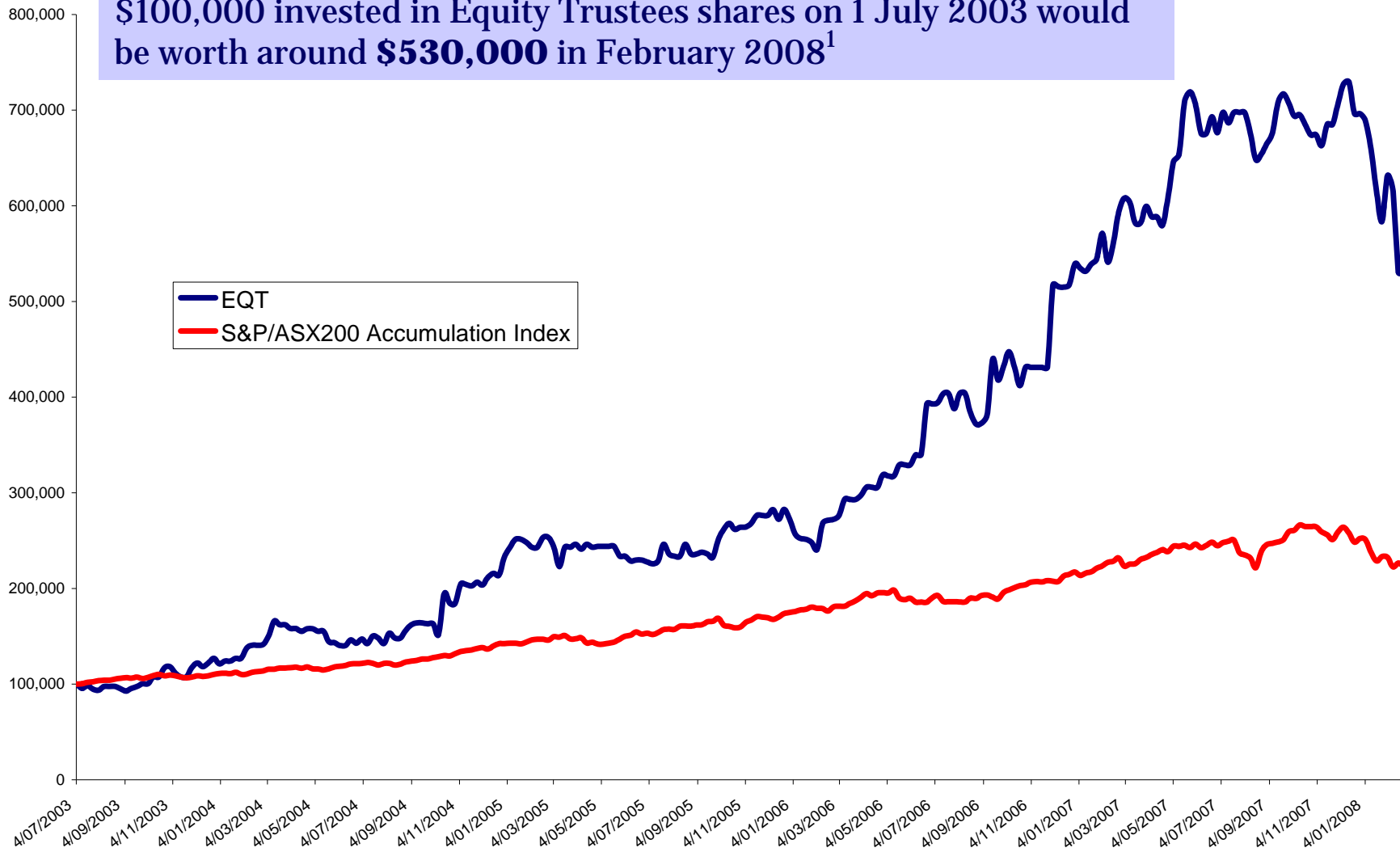


- Dividend payout ratio is at mid-point of stated target range – being **70-90%** of operating profit after tax (incl after-tax gains on sale of investments)
- Dividends remain **fully franked** @ 30% tax rate

Reflected in total shareholder return



\$100,000 invested in Equity Trustees shares on 1 July 2003 would be worth around **\$530,000** in February 2008¹



Note – total shareholder return incorporates movements in the EQT share price plus returns to shareholders in the form of dividends. It is assumed that dividends are reinvested. ¹Measured as at 22 February 2008.

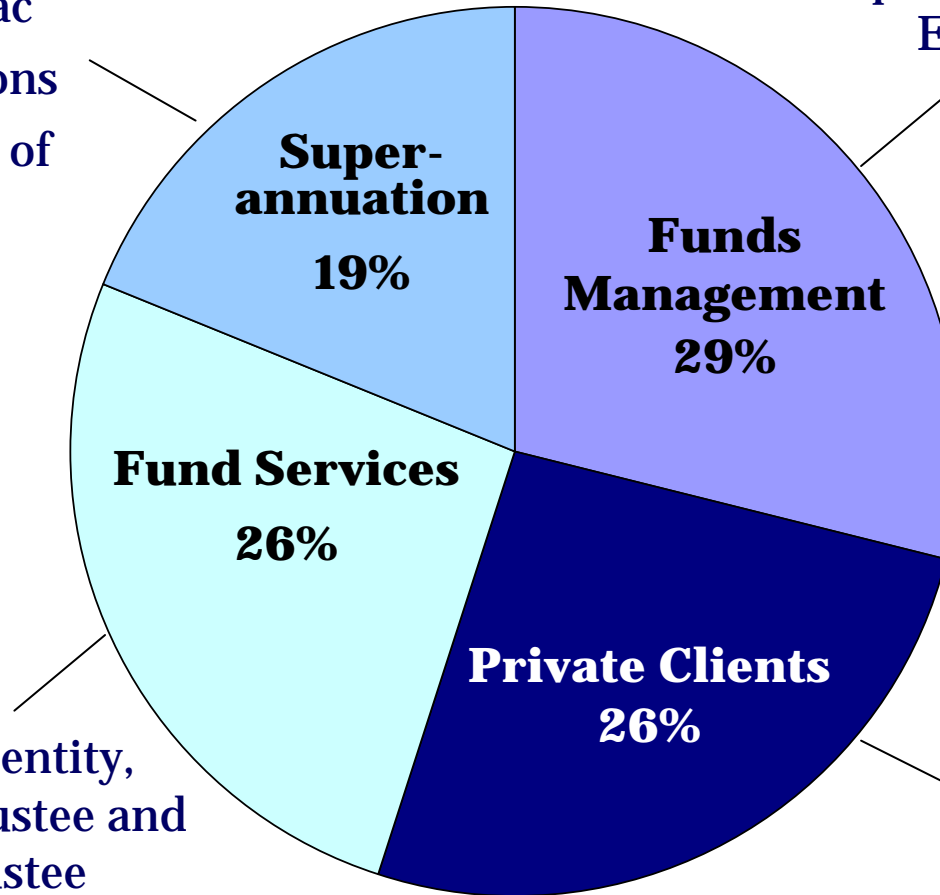
Well diversified revenue streams



Corporate superannuation:

- Wealthpac
- Templetons
- Freedom of Choice

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



Responsible entity, corporate trustee and specialist trustee appointments

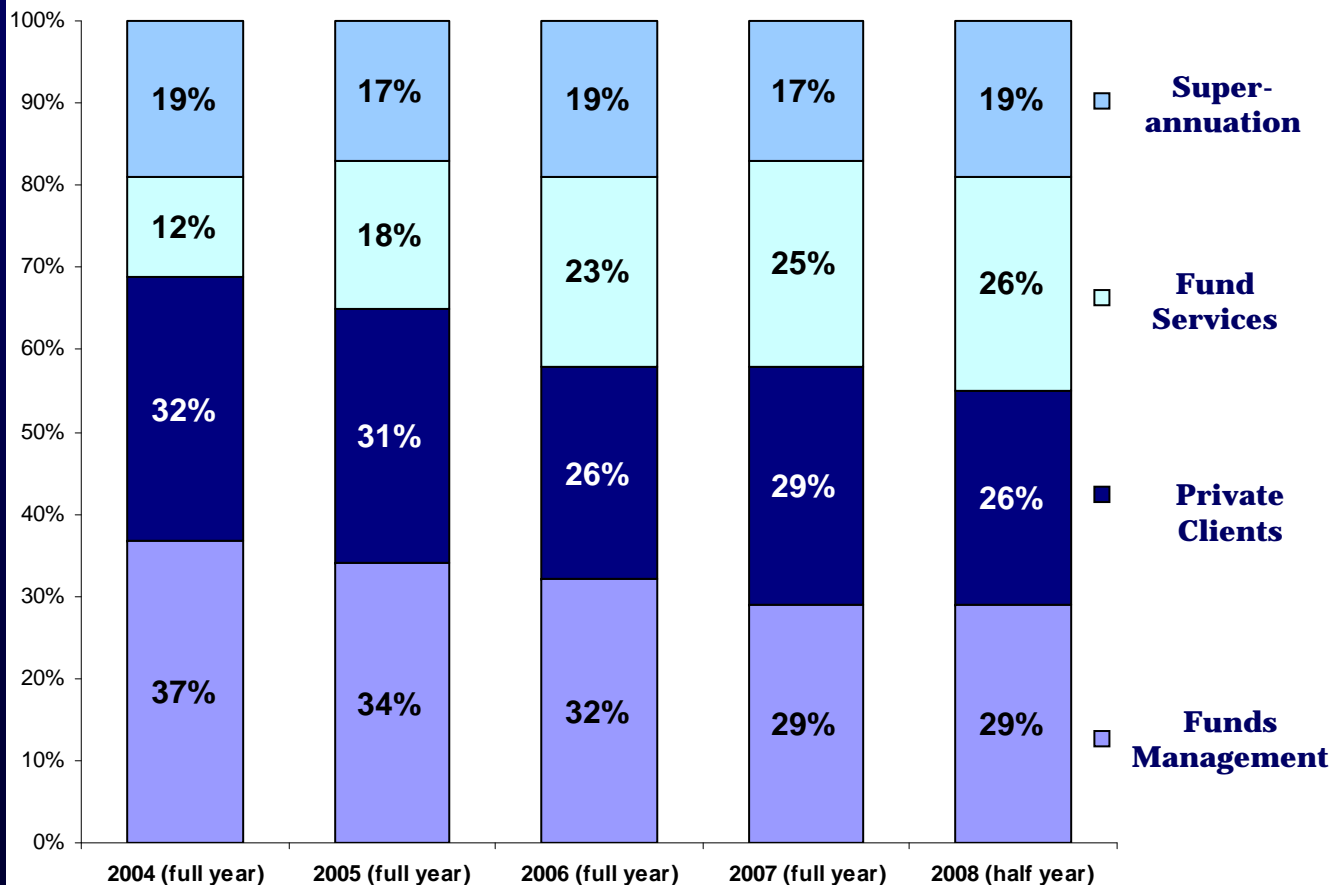
Wealth management solutions – asset management, trusts, estates, generational planning, tax & philanthropy

Percentages refer to proportion of 2008 first half operating revenue contributed by business unit

Consistent business unit contribution



Contribution reflects share of operating revenue



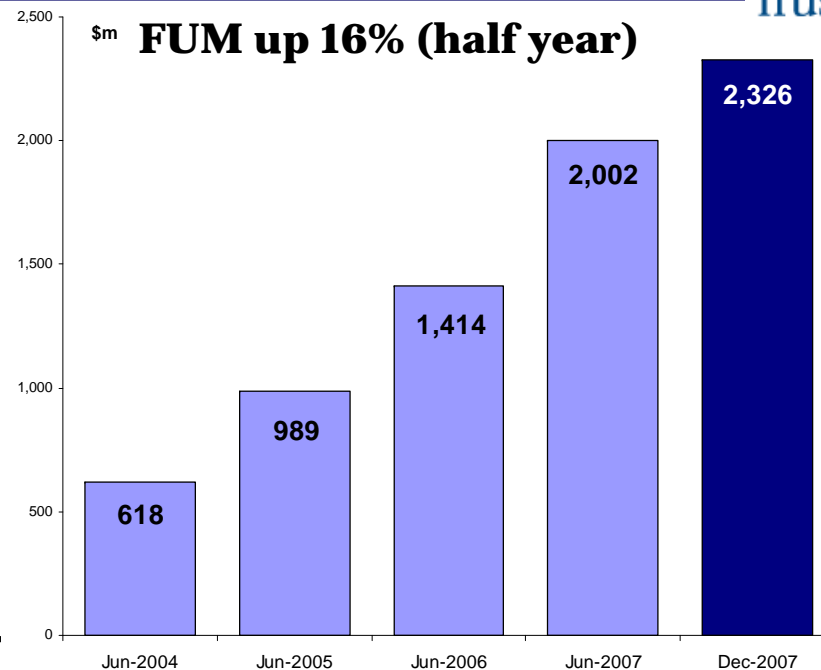
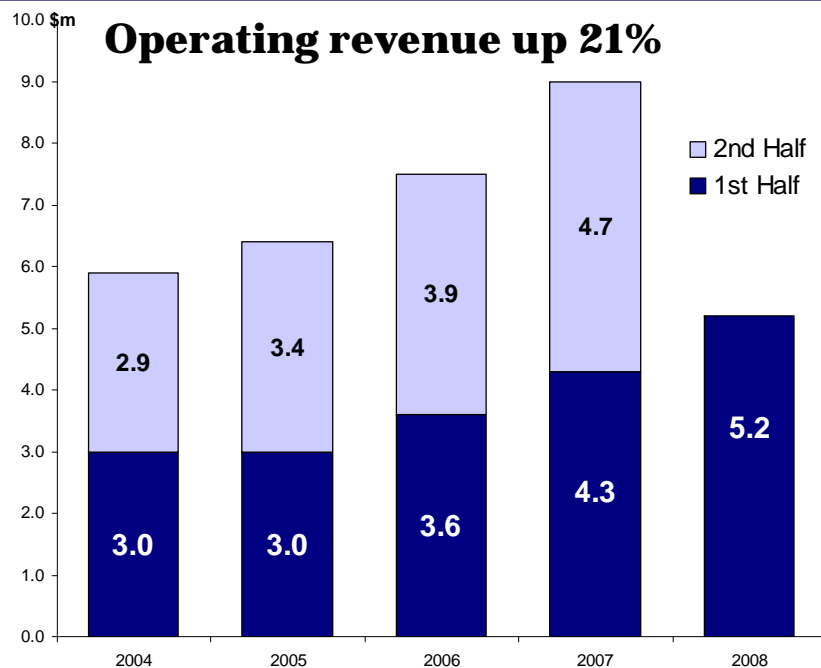
Acquisition benefit not reflected in half year revenue result

Continued strong RE inflow – domestic & international

Cyclical impacts in 1st half. Positive 2nd half forecast

Strong net inflows. Well diversified across asset classes

Funds Management

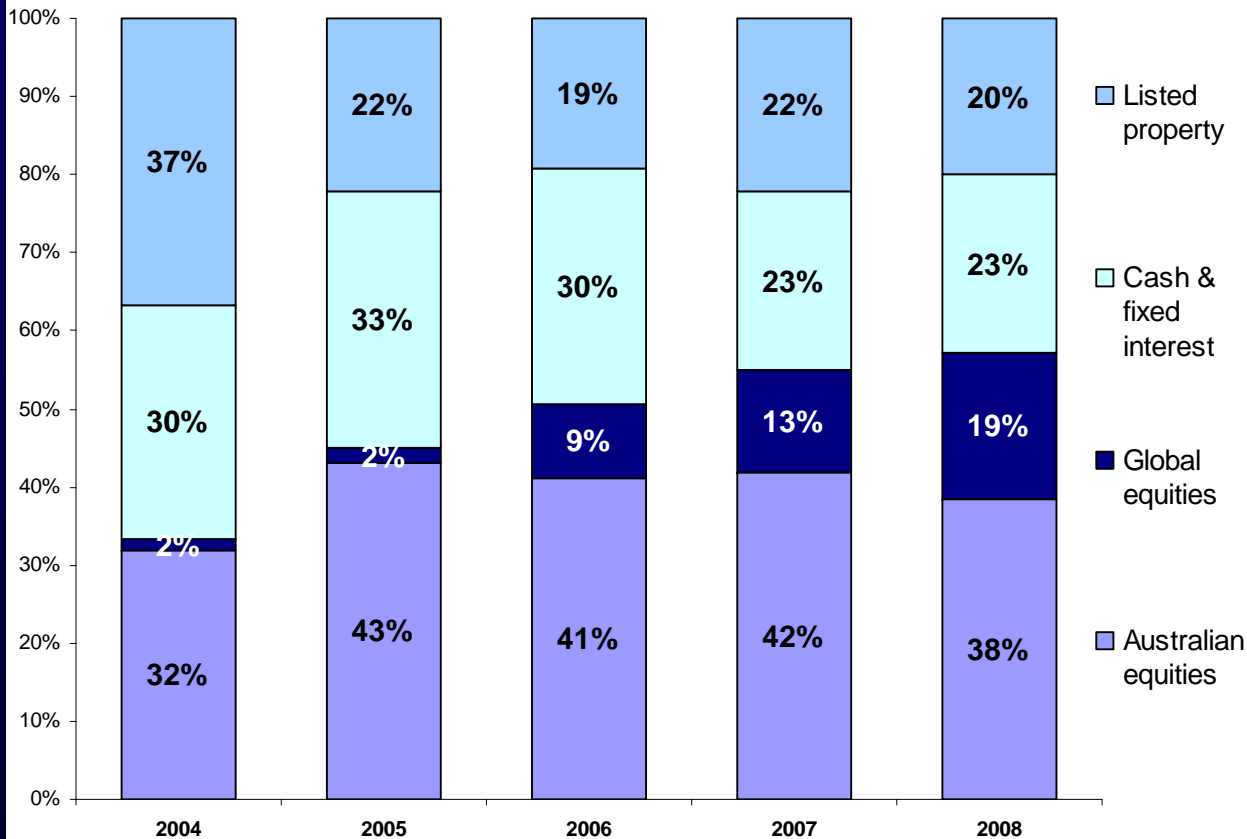


- Strong net FUM inflows – average of \$44m per month (up 18.5%)
- Growth predominantly through IDPS + ongoing inflow from Private Client business unit
- Pending acquisition of Holdfast Fund Services* will boost revenue
- Benefitting from diversity in asset classes and quality of investment management relationships

* Subject to satisfactory completion of due diligence

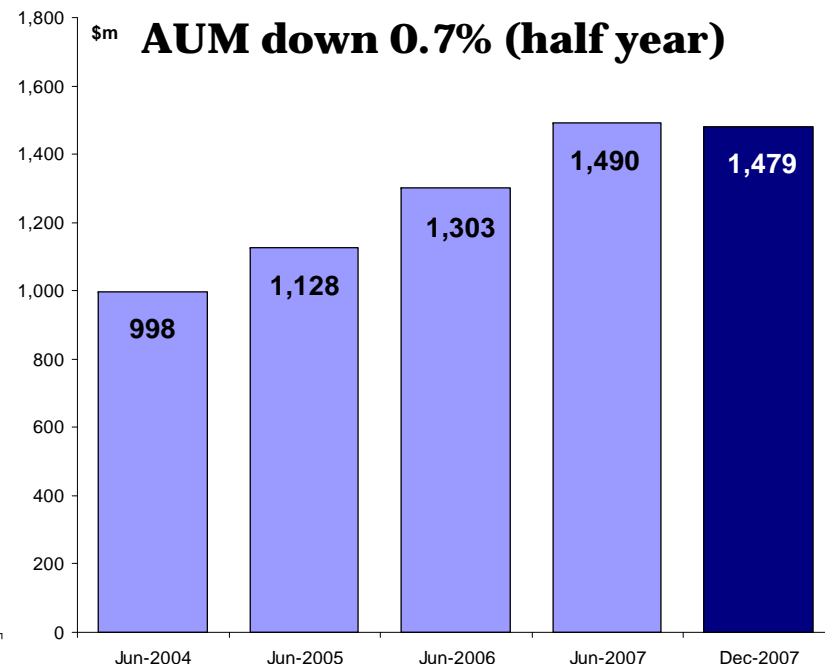
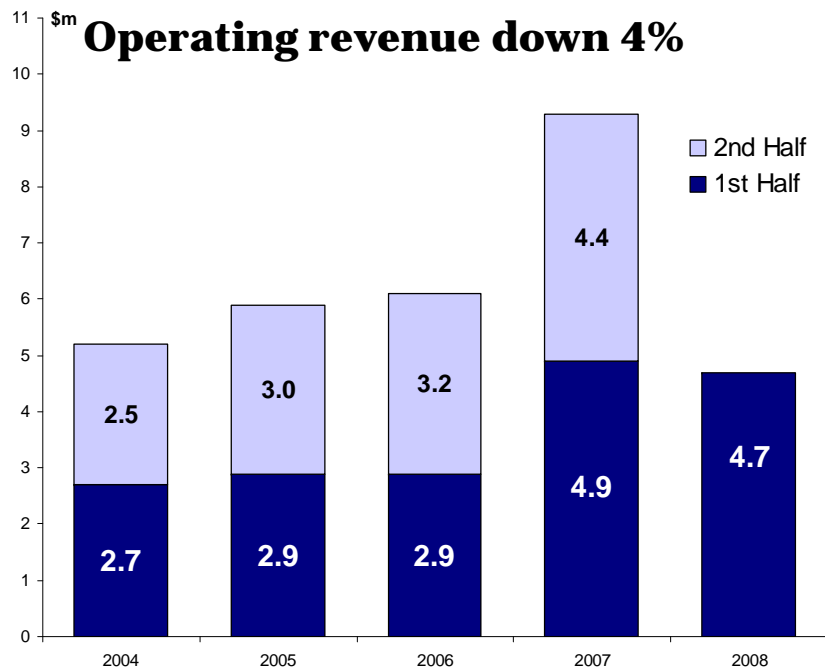
Asset class diversity

EQT co-branded funds by asset class



- Diversified across major asset classes
- Growth in global equities
- Ongoing relationships with well credentialed investment managers

Private Clients



- Strong growth in Portfolio Management – new clients – benefit of investment in systems and capabilities. Reduction in non-revenue producing assets
- Trusts and Philanthropy steady – mature markets
- Significant work being undertaken in Estates will be recorded in 2nd half - good 2nd half performance forecast
- All services supported by in-house asset management capability delivering top quartile performance

Asset management capability



EQT Flagship Fund

Australian equity fund seeking franked income streams

- A concentrated portfolio of S&P/ASX200 stocks
- Style neutral, tax effective with longer term focus
- Mix of qualitative and quantitative research methods
- **# 2 ranked Australian Equity Large Blend** retail investment trust on 3 year performance*

	1-year	3-year
Total net return ¹	6.35%	17.80%
Return vs Index ²	+4.82%	+1.95%

EQT Charitable Balanced Fund

A balanced fund exclusively for charitable investors

- Fund of funds model investing predominantly in EQT co-branded funds
- Exposure to Australian & international equities, property, fixed interest and cash
- **# 1 Multisector Growth** investment trust on 3-year and 5-year performance*

	3-year	5-year
Total net return ¹	12.59%	14.93%
Return vs Index ³	+3.12%	+3.72%

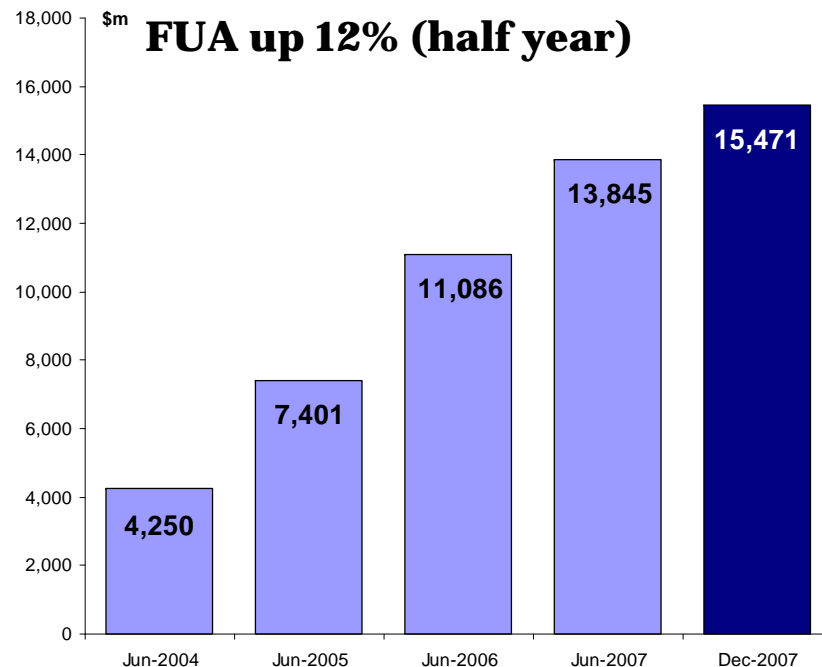
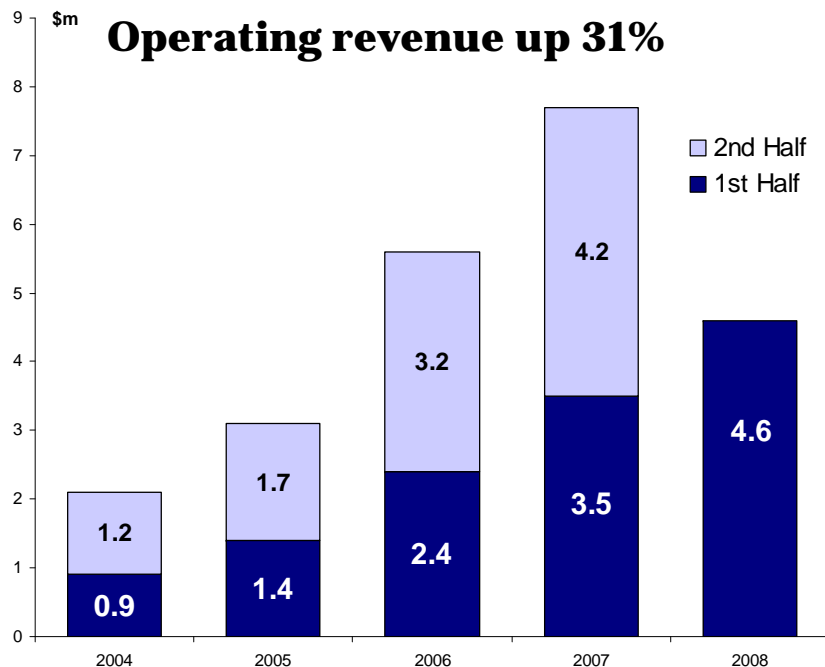
* Ranked by Morningstar Research at 15/2/2008. Published in *The Australian Financial Review* 20/2/2008.

¹ Total return net of ongoing fees and expenses assuming the reinvestment of all distributions – as at 31/1/2008.

² Measures total net return against the S&P/ASX 300 Accumulation Index. ³ Multisector growth market index – as measured by Morningstar Research at 22/2/2008.

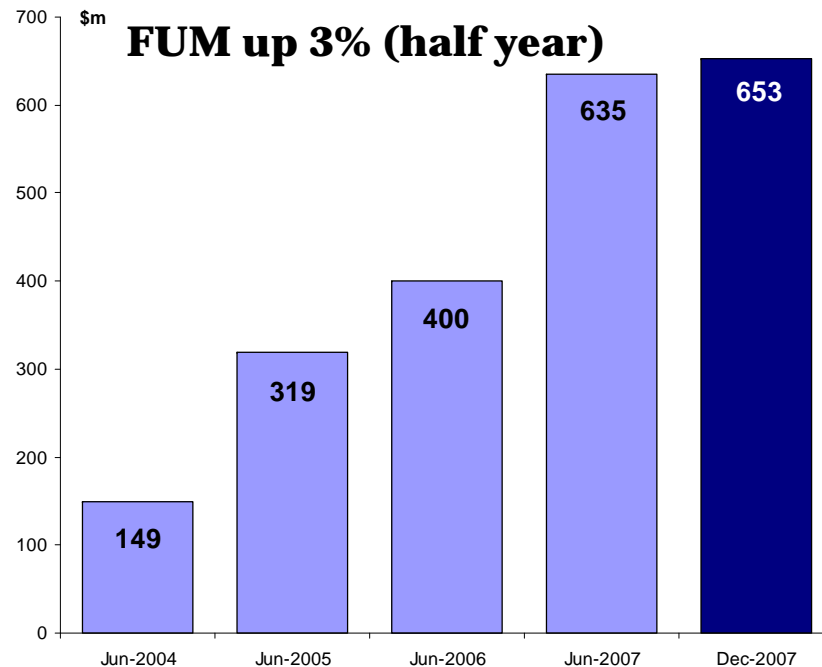
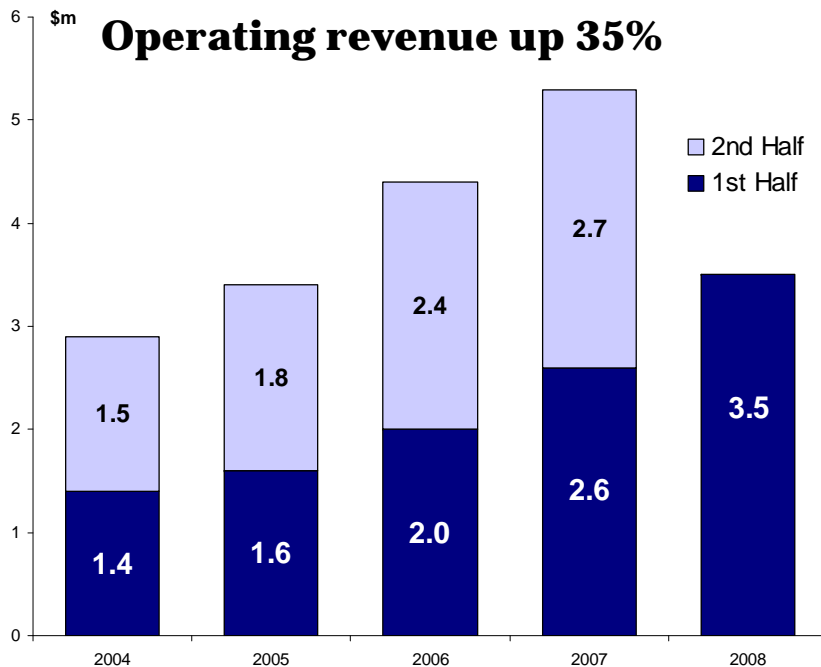
EQT Flagship Fund is also known as Common Fund No.2. EQT Charitable Balanced Fund is also known as Common Fund No.5. Past performance is not indicative of future performance

Fund Services



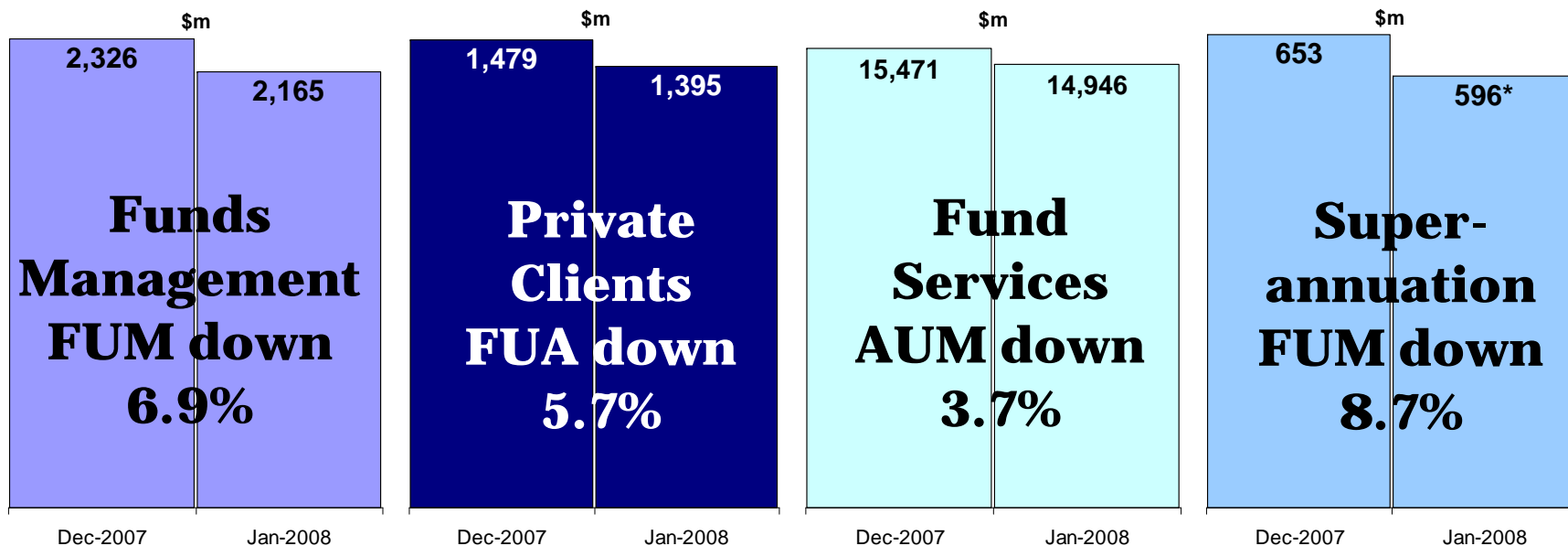
- Ongoing growth – demand for highly specialised skill set
- 35+ managers
- 130+ funds
- New clients - both domestic and internationally based
- Conservative approach to growth – strategically avoiding exposure to some asset classes and products

Superannuation



- **Benefit of acquisitions:**
 - Freedom of Choice
 - Templetons Superannuation Management
 - MBC
- **New businesses successfully integrated.**
- **Acquisitions open new distribution channels**
- **Investment in people and resources to improve reach**

Impact of January volatility



S&P/ASX200 Accumulation Index	Down 11.3%
S&P/ASX200 Financial ex Prop Trusts Accum.	Down 12.6%
S&P/ASX200 Property Trusts Accumulation	Down 14.7%
S&P/ASX Small Ords Accumulation	Down 14.5%
MSCI World Index ex Australia	Down 8.7%

* Excludes \$45.4m of new FUM through acquisition

Support services



- Continuing to invest in business
- Right people, right systems to match business requirements
- Marketing activity lifting profile
- IT projects delivering scale & efficiency
- Process improvement in all business lines
- Acquisition activity remains part of growth strategy (to complement organic growth)

Outlook



- Market movements will affect performance. A cautious approach to business and risk management ensures that we are relatively well placed in volatile markets
- All business units have well established revenue streams
- Investment in people, systems and processes provides solid foundation
- Appropriate acquisition opportunities will continue to be pursued

Forecast

Assuming no further significant market corrections:

- Post-tax earnings (inclusive of investment gains) forecast to increase by around 30%

Summary



- Strong first half performance with solid base for full year result
- Margin growth reflects efficiency
- Acquisitions (in superannuation business unit) proceeding well with revenue benefit to follow
- Cautious about market volatility but well positioned to meet challenges
- Forecasting strong full-year profit increase – assuming no further significant market corrections

