



ASX Announcement

Transformation 2015 Update: Perpetual to sell PLMS to First Mortgage Services

12 July 2012

Perpetual Limited ('Perpetual') today provided a first major update on the implementation of its Transformation 2015 strategy, which was announced on 25 June 2012. The strategy aims to significantly simplify the Company's corporate structure, refocus its operational activities and capture new opportunities for growth.

The Company has reached an agreement to sell its mortgage processing business (trading as Perpetual Lenders Mortgage Services or 'PLMS') to FAF International Property Services (Australia) Pty Limited, an affiliate of First Mortgage Services ('FMS'), subject to a limited number of conditions. FMS is an Australian subsidiary of US-based First American Financial Corporation (NYSE: FAF).

Perpetual flagged its intention to sell PLMS as part of the Transformation 2015 announcement on 25 June 2012. PLMS is a leading business process outsourcing provider to banks and non-banks in Australia. As at 31 May 2012, the business employed around 280 FTEs nationally.

Perpetual CEO and Managing Director Geoff Lloyd indicated the sale agreement was a milestone on the Company's three year path towards its vision of becoming Australia's largest independent wealth manager of choice.

"The sale allows us to refocus our Corporate Trust business on corporate fiduciary services, in line with the objectives of Transformation 2015. While PLMS is competitively well positioned, Perpetual ultimately was not its natural owner. PLMS fits better within a company that can add scale and technological innovation in this particular business activity, such as FMS," he said.

"FMS is a recognised and respected leader in this field, and is committed to developing PLMS, which will improve its service proposition to clients and provide a longer term future for the people that work in the business. A sale also gives us the best opportunity to maximise PLMS' value for our shareholders," Mr Lloyd concluded.

"This acquisition will increase FMS' reach in Australia and greatly enhance our capabilities as the mortgage industry moves to electronic conveyancing," said Tony Lee, CEO for the Asia Pacific region of FAF International. "We have the scale, experience and systems in place to address these changes and are backed by a parent whose core real estate settlement business includes mortgage processing."

Terms of the sale were not disclosed and the transaction is not expected to be material to Perpetual's net profit after tax. The PLMS business, previously reported in the Corporate Trust business segment, will be classified as a discontinued operation in Perpetual's 2012 fiscal year financial statements. Both Perpetual and FMS will work together to ensure a smooth transition of the business for its clients upon completion of the sale. Completion is expected to occur before 30 September 2012.

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About Perpetual

Perpetual is an independent financial services group operating in funds management, financial advisory and trustee services. Our origin as a trustee company, coupled with our strong track record of investment performance, has created our reputation as one of the strongest brands in financial services in Australia. For further information, go to www.perpetual.com.au.