

ASX Announcement

**28 August 2014**

## **Perpetual delivers strong results and returns in 2014**

- Strong results:
  - UPAT of \$104.1 million, up 37%
  - NPAT of \$81.6 million, up 34%
  - Fully franked dividend of 175 cents per share, up 35%
  - FUM of \$29.8 billion, up 18%
- “Simplify and Refocus” phases of Transformation 2015 strategy delivered on plan, now in “Growth” phase
- The Trust Company integration on track, synergy benefits increased from \$15 million to \$18-20 million before tax
- Launch of new Perpetual Global Share Fund

Perpetual Limited (Perpetual) has delivered strong results for the 12 months to 30 June 2014 with underlying profit after tax (UPAT) of \$104.1 million, up 37%, and statutory net profit after tax (NPAT) of \$81.6 million, up 34% on FY13.

The Board has determined to pay a fully franked final dividend of 95 cents per share, taking FY14 fully franked dividend to 175 cents per share, up 35% on last year.

Perpetual’s Chief Executive Officer and Managing Director, Geoff Lloyd, said 2014 was a strong year for Perpetual, its clients and shareholders.

“Our Transformation 2015 (T15) strategy to simplify, refocus and grow Perpetual is delivering strong operational and financial results, and this is underpinned by our ongoing investment outperformance,” Mr Lloyd said.

“We have now completed the first two phases of T15 on plan, with annualised savings of \$50 million pre-tax to date. Since launching the strategy in 2012, NPAT has increased threefold and UPAT is up 59%.

“Our attention is now on growth,” he said

A key growth initiative was the acquisition of The Trust Company, which completed in December 2013.

“The Trust Company integration is on track,” Mr Lloyd said, “Expected pre-tax annualised savings have increased from \$15 million to \$18-20 million, and positive client feedback is reflected in high retention rates.

“Today we are also announcing a new growth initiative - the launch of the Perpetual Global Share Fund to meet increasing demand from clients for global equities exposure.

“Global equities is a natural and logical extension of our highly regarded and successful Australian equities investment business and our launch follows an incubation period of three and a half years in which the fund has outperformed its benchmark significantly,” Mr Lloyd said.

“We look forward to offering clients access to global equities through Perpetual’s proven, value-oriented investment philosophy and process,” Mr Lloyd said.

## **Business Unit Overview**

### **Perpetual Investments**

In FY14, Perpetual Investments delivered profit before tax of \$113.6 million, up 30% on FY13, driven by equity market gains, a return to positive net inflows and a continued focus on expenses. The business improved its profit margin on revenues from 45% in FY13 to 51% in FY14.

“We are pleased to report a full year of positive net inflows, particularly given the continued outstanding performance of our asset management team now supported by a reinvigorated sales and distribution strategy,” Mr Lloyd said.

“It was rewarding to be named Fund Manager of the Year again in 2014 and it’s an exciting time as we expand into global equities,” he said.

### **Perpetual Private**

Perpetual Private’s profit before tax increased by 135% to \$21.6 million and reflects a solid performance from the core business and the acquisition of The Trust Company.

Total revenue of \$143.8 million was up 24% on FY13 and the cost-to-income ratio improved from 92% in FY13 to 85% in FY14.

“This is a strong result for Perpetual Private which now has a scalable business with strong foundations for growth after a number of years of significant investment and organisational change.

“With our trusted independent brand, high levels of client advocacy and awarded range of advisory services, Perpetual Private is well placed to meet the needs of high net worth individuals and families seeking professional, quality advice built around client needs,” Mr Lloyd said.

### **Perpetual Corporate Trust**

Perpetual Corporate Trust’s profit before tax was \$25.7 million, a 40% increase on the previous year. This reflects improved securitisation markets, notably the higher-margin RMBS non-bank and asset backed securities market. The Trust Company acquisition has diversified and strengthened the business.

“During the year Perpetual Corporate Trust experienced good deal flow, with 36 new transactions in 2H14, including a significant uplift through The Trust Company acquisition,” Mr Lloyd said.

## **Outlook**

“Our T15 strategy is now firmly in the growth phase and has good momentum. We will continue to examine both organic and inorganic opportunities with discipline.

“With our deep fiduciary heritage, trusted independent brand and solid investment track record, we look forward to continue helping protect and grow the investments and retirement savings of our clients,” Mr Lloyd said.

## **For further information, please contact:**

Investors and analysts:

Neil Wesley  
GM Investor Relations and Corporate Finance  
Perpetual Limited  
Tel: +61 (02) 9229 3449  
Tel: +61 (0)145 775 569

Media:

Kylie Smith  
GM Marketing and Communications  
Perpetual Limited  
Tel: +61 (02) 9229 3550

## **Note to editors:**

See accompanying media release on the launch of the Perpetual Global Share Fund

## **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](http://www.perpetual.com.au)