

ASX Announcement

26 February 2015

Perpetual delivers strong results and returns for 1H15

- Strong results:
 - UPAT of \$62.1 million, up 30%
 - NPAT of \$58.6 million, up 76%
 - Fully franked interim dividend of 115 cents per share, up 44%
- Successful launch of Perpetual Global Share Fund and listing of Perpetual Equity Investment Company
- The Trust Company integration to complete early and deliver forecast synergy benefits
- Strong results in Perpetual Private and Perpetual Corporate Trust

Perpetual Limited (Perpetual) has delivered strong results for the six months to 31 December 2014 with underlying profit after tax (UPAT) of \$62.1 million, up 30% on the prior corresponding period, and statutory net profit after tax (NPAT) of \$58.6 million, up 76% on 1H14.

The Board has determined to pay a fully franked interim dividend of 115 cents per share, up 44% on 1H14.

Perpetual's Chief Executive Officer and Managing Director Geoff Lloyd said the strong results for the first half are a reflection of the focused delivery of the company's Transformation 2015 strategy.

"Through our Transformation 2015 program, we've created a strong platform for growth in each of our businesses," Mr Lloyd said.

"During the half we were pleased to launch two new growth initiatives – Perpetual Equity Investment Company and the Perpetual Global Share Fund.

"Raising over \$250 million, our first listed investment company was the largest capital raising for a LIC since the global financial crisis. Our new Global Share Fund received its first research house rating as well as earning the right to bring in-house our externally managed global equities funds," Mr Lloyd said.

Commenting further Mr Lloyd noted the integration of The Trust Company is ahead of schedule and expected to deliver the forecast synergy benefits of \$18m-\$20 million before tax.

"Our strong results and revenue growth in Perpetual Private and Perpetual Corporate Trust's Fund Services business clearly demonstrate The Trust Company was a good fit for Perpetual," he said.

Business Unit Overview

Perpetual Investments

In 1H15, profit before tax for the Perpetual Investments was \$60.3 million, \$4.1 million or 7% higher than 1H14, and \$2.9 million or 5% above 2H14. The solid result was driven by positive net flows of \$1.6 billion in the half and higher performance fees. The profit margin on revenue (calculated as profit before tax divided by revenue) in 1H15 remains around 51%.

“Our value driven investment philosophy continues to produce strong and reliable performance for clients and we are pleased to report six consecutive periods of positive net inflows,” Mr Lloyd said.

Perpetual Private

“The steady and disciplined turnaround of Perpetual Private over the past five years is now evident in our results,” Mr Lloyd said.

Profit before tax of \$18.9 million was up strongly on the prior corresponding period and up 16% on the last half. Perpetual reported an increase in net new clients, strong revenue growth and continued tight cost management.

“With the right business model in place, The Trust Company has been an important accelerator for our Perpetual Private growth strategy,” Mr Lloyd said.

Perpetual Corporate Trust

In 1H15, profit before tax was \$14.3 million, up \$3.3 million or 30% on 1H14 and down 3% on 2H14. The Trust Company has diversified and strengthened the business, with strong momentum in Fund Services.

“Securitisation remains a key earnings driver for Perpetual Corporate Trust, while Fund Services represents a significant growth area.

“The demand for Fund Services has increased in line with international capital flows into property and infrastructure investments, supported by the Managed Investments Trusts regime. This is an area where we have a compelling client offer,” Mr Lloyd said.

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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