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Media Release

Perpetual delivers solid results

- NPAT of \$64.4 million, up 10% on 1H15
- Fully franked interim dividend of 125 cents per share, up 9% on 1H15
- Strong investment outperformance from Perpetual Investments
- Perpetual Private strategy on track with five consecutive halves of positive net flows and net client growth
- Perpetual Corporate Trust benefitting from growth in securitised assets and inbound capital flows into real assets

Perpetual Limited (Perpetual) has delivered solid results for the six months to 31 December 2015 with statutory net profit after tax (NPAT) of \$64.4 million, up 10% on the same period last year and underlying profit after tax (UPAT) of \$63.6 million, up 2% on 1H15.

The Board has determined to pay a fully franked interim dividend of 125 cents per share, up 9% on 1H15.

Perpetual's Chief Executive Officer and Managing Director Geoff Lloyd said the results for the first half were solid despite a backdrop of volatile equity markets and low investor confidence.

"We have delivered a solid financial result, with continued investment outperformance and growth in funds under management, net new private clients and growth in securitised assets," said Mr Lloyd.

"Importantly we continue to invest in our strategic Lead & Grow initiatives while also increasing our dividend to shareholders.

"We are operating in a volatile and challenging external environment and it has been critical to focus on what we can control - our client focus, prudent expense management and disciplined implementation of our investment program," he said.

Business Unit overview

Perpetual Investments

In 1H16, Perpetual Investment's profit before tax was \$57.2 million, which was \$3.1 million or 5% lower than 1H15, driven largely by the decline in equity markets which offset the positive net inflows in the period and outperformance of the funds.

"Our team in Perpetual Investments continues to deliver superior investment performance for clients across all asset classes. This is critical for maintaining leadership in Australian equities and also as we extend into new asset classes including global equities and multi asset strategies.

"100% of our funds are in the first or second quartile of the performance tables over five years, and 87% are in the first or second quartile over three years¹.

¹ Mercer survey for period ending December 2015

“Our strength as an active value manager has been highlighted by our outperformance in these difficult market conditions,” Mr Lloyd said.

Perpetual Private

Perpetual Private’s profit before tax was \$17.2 million, which was \$1.7 million or 9% lower than 1H15. This was due to the decline in equity markets and investment in Lead & Grow initiatives, partially offset by the growth in new clients for the period.

“Our Perpetual Private growth strategy remains on track. In the first half we delivered a strong result with growth in high net worth clients as well as not-for-profit and philanthropy. We have delivered five consecutive halves of positive net flows and net client growth.

“During the half we also acquired medical education and advice business Fintuition as part of our focus on meeting the specific advice needs of medical specialists,” he said.

Perpetual Corporate Trust

Perpetual Corporate Trust’s profit before tax was \$16.6 million, which was \$2.3 million or 16% higher than 1H15 reflecting growth in both the underlying Trust and Fund Services businesses.

“Perpetual Corporate Trust continues to be well positioned to benefit from growth in securitised assets, inbound capital flows into real assets, and increasing requirements in data services which we can now fulfil via ABS Perpetual Data Services,” Mr Lloyd said.

“It is a strong business with an increasingly diverse offering for our clients,” Mr Lloyd added.

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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