

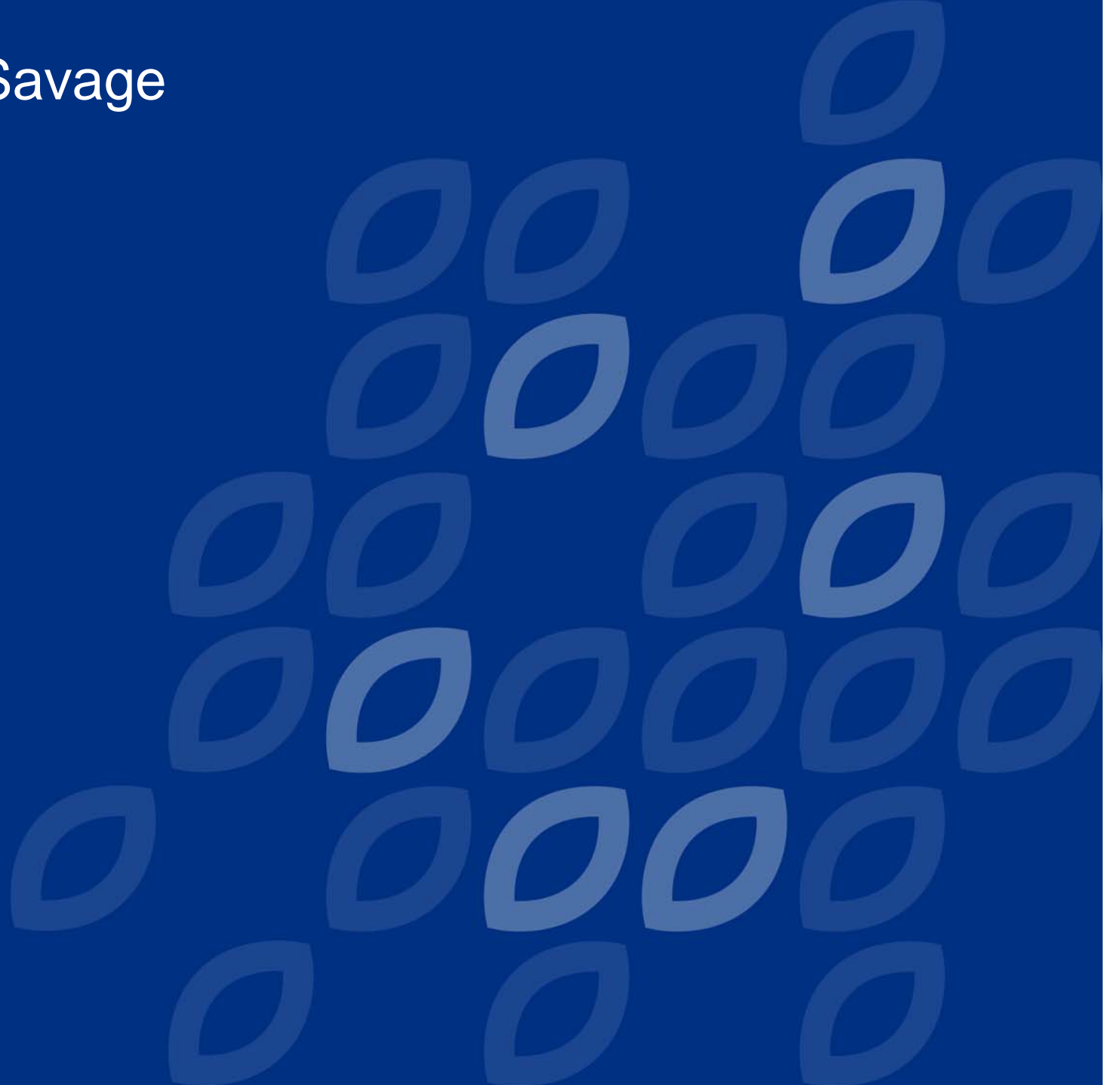
Perpetual 

2008 Annual General Meeting

The Westin Sydney
28 October 2008



Mr Robert Savage
Chairman

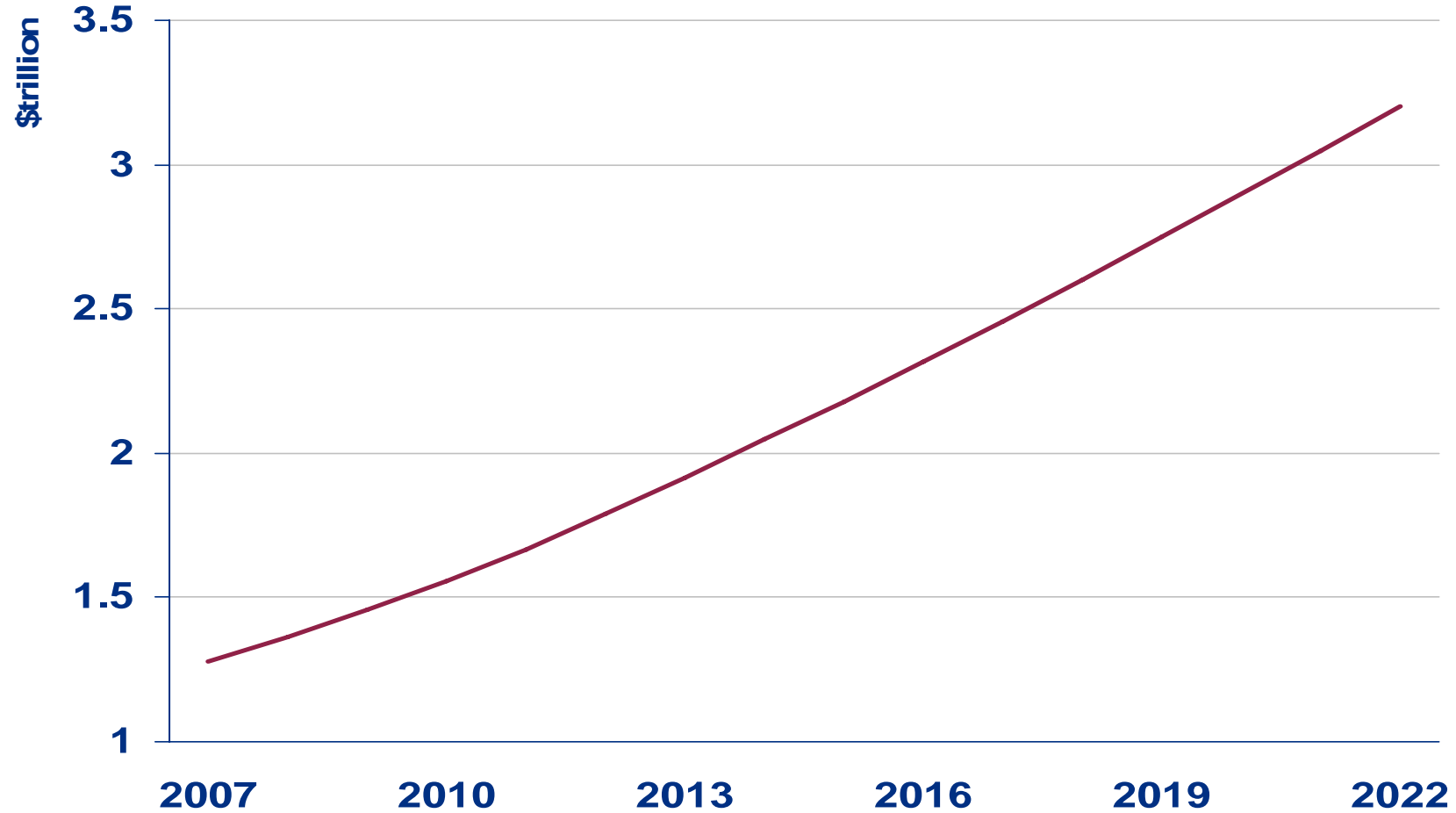


Perpetual is in a strong financial position

	June 2008 \$M
Cash holdings	183.1
Investments at market value	77.0
Liquid assets	260.1
Net assets	314.4
Key financial ratios	
Debt / equity ratio	12.5%
EBITDA Interest cover (times)	69

The Australian funds management industry is underpinned by mandatory superannuation

Superannuation assets are expected to more than double in the next 15 years



Source: Trowbridge Deloitte super model

Our strategy is focussed on our core competencies

Grow our core businesses

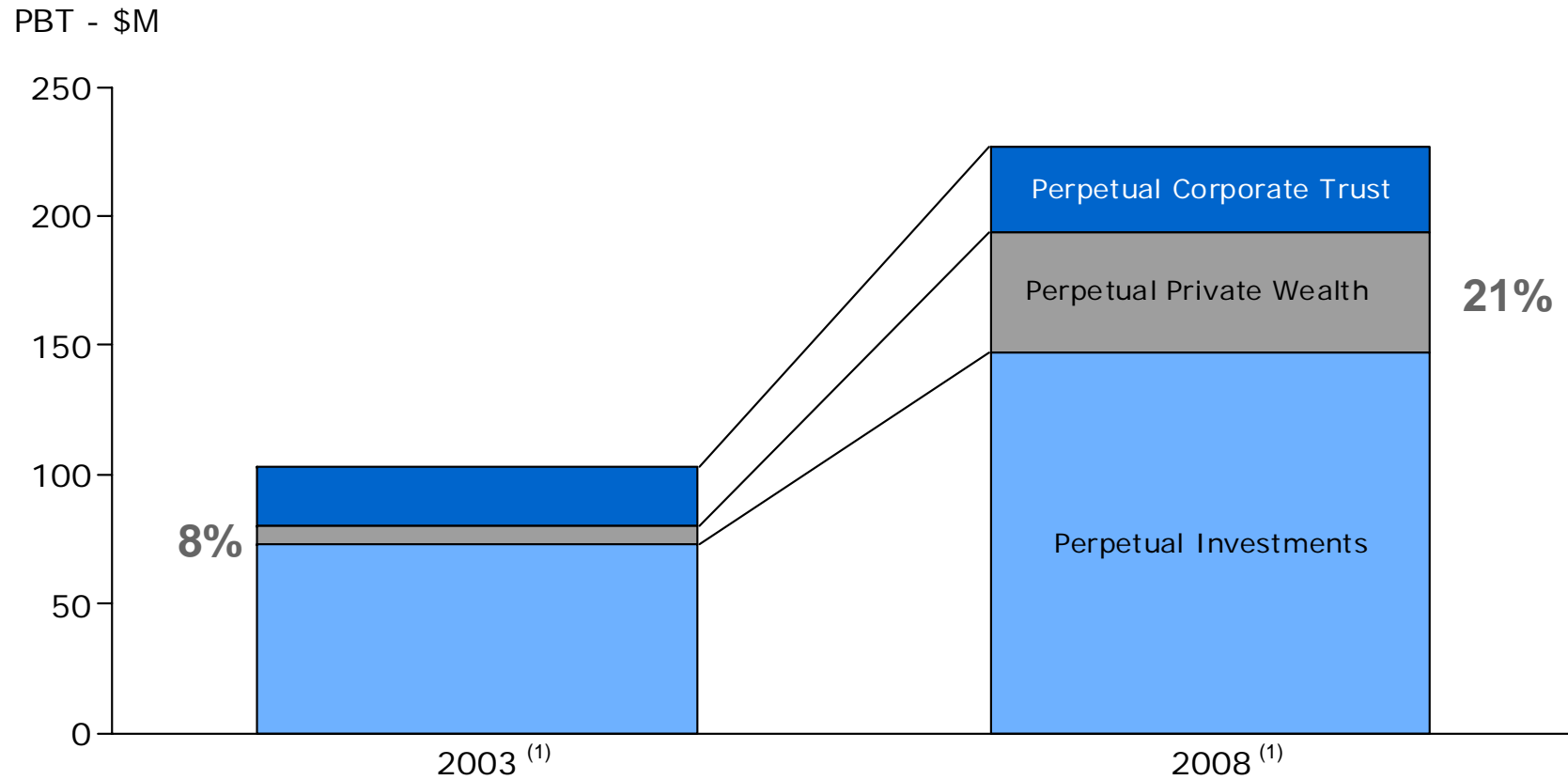


Expand into adjacent businesses



Leadership in a broader portfolio underpinned by superannuation growth

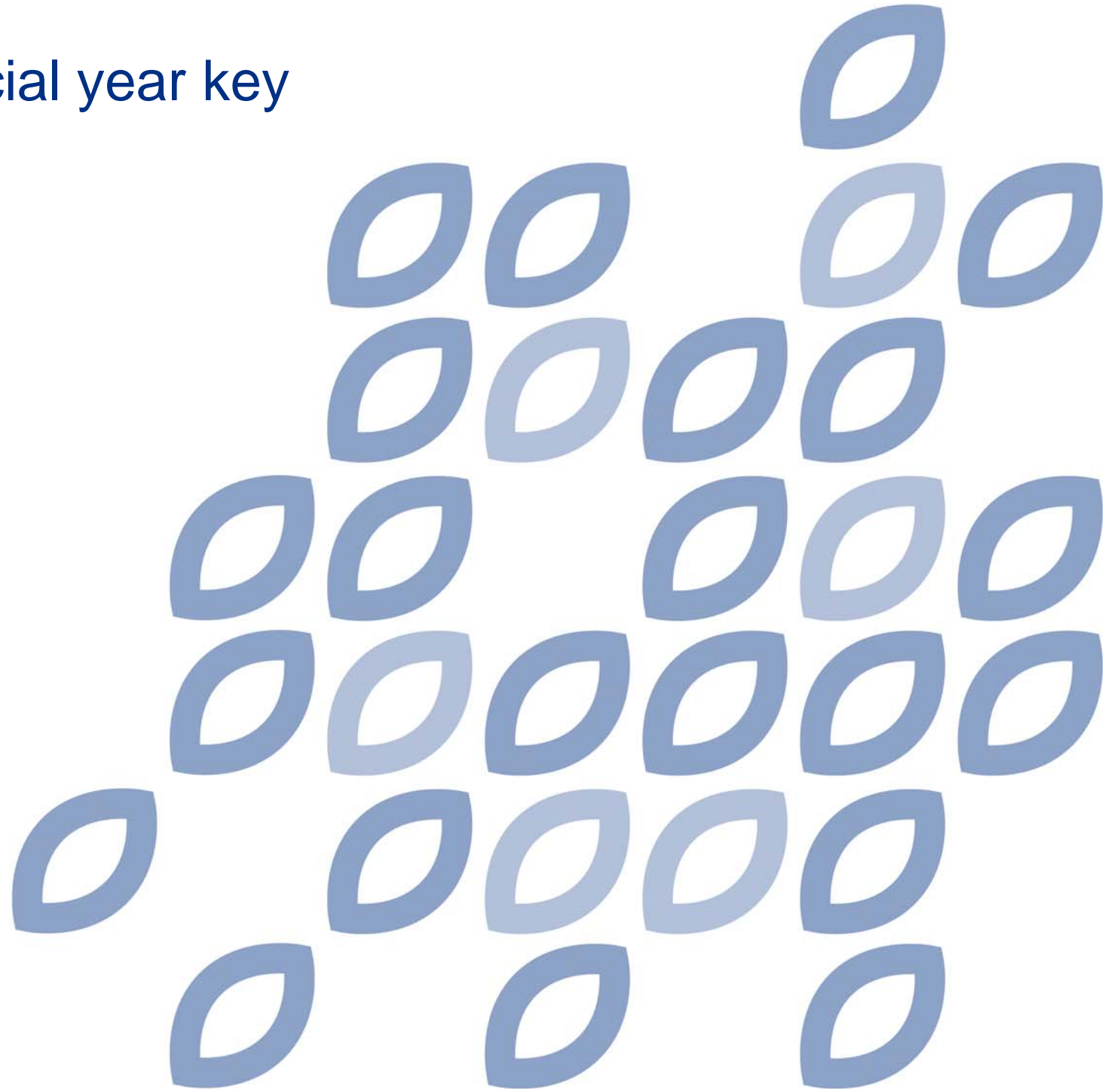
Sources of profit are changing



(1) Excludes Group and Support Services and restructure costs



2008 financial year key results



2008 financial year result in line with May forecast

	June 2008 \$M	June 2007 \$M	Change %
Operating profit after tax	133.5	145.3	(8)
Gain on sale of investments	21.1	36.8	(43)
EMCF losses	(25.8)	-	~
Net profit after tax	128.8	182.1	(29)
Total dividend per share	330¢	360¢	(8)

Outlook to 31 December 2008

“The prolonged and volatile nature of this crisis is making the task of providing guidance even more difficult this financial year. As such, any profit guidance must be considered in the context of these difficult and rapidly changing market conditions.

Based on our most recent announcements to the market, analyst reports on Perpetual in the past few weeks are forecasting an EBITDA range of between \$174 – 205 million and an OPAT range of between \$97– 118 million for the full year to 30 June 2009. We are of the view that our outlook is in line with market consensus.

I would again caution that our outlook is given under the strict proviso that it is subject to prevailing market conditions and this is even more important in the context of these extraordinary times.”



Chief Executive Officer and Managing Director's address to shareholders

Mr David Deverall
Chief Executive Officer and
Managing Director

Perpetual Investments operating profit before tax down 3 per cent

	June 2008 \$M	June 2007 ⁽¹⁾ \$M	Change %
Total revenues ⁽²⁾	294.5	282.0	4
Operating expenses ⁽²⁾	126.6	110.8	14
Amortisation and depreciation	0.8	1.6	(50)
Equity remuneration amortisation	20.1	17.4	16
Operating profit before tax	147.0	152.2	(3)
Funds under management (billions)	30.3	39.1	(22)

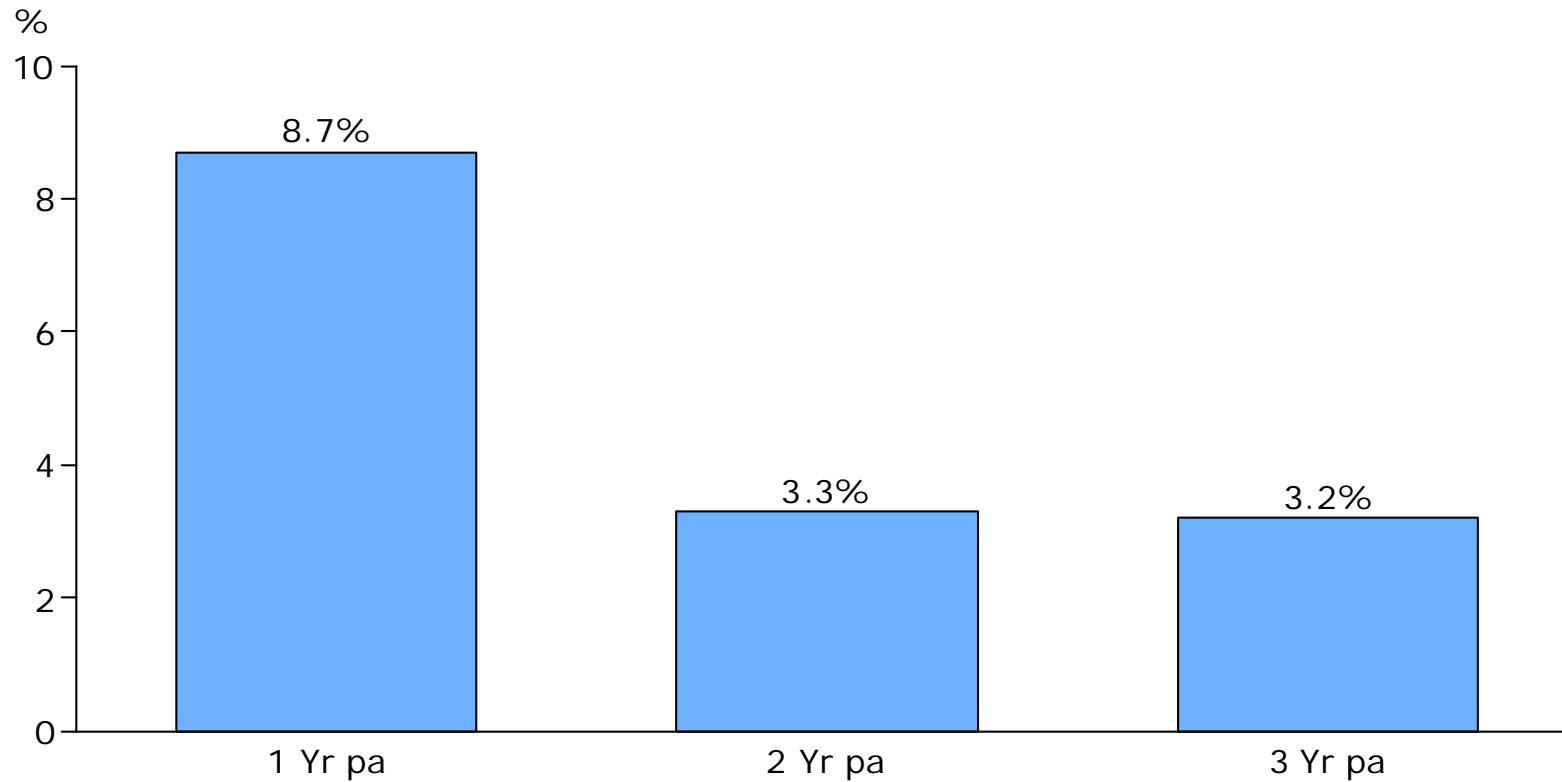
⁽¹⁾ Prior year amounts have been restated to reflect the restructure in September 2007

⁽²⁾ Excludes structured investments income and distributions (net to nil)

Australian equities – excellent one year performance against benchmark

Fund	12 months to 30 Sep 2008	12 months to 30 Sep 2007
Australian Share Fund	5.2%	(1.9%)
Industrial Share Fund	2.6%	1.7%
Concentrated Equity Fund	7.7%	0.3%
Smaller Companies Fund	11.2%	2.1%

Global equities - significant improvement in investment performance relative to benchmark⁽¹⁾



⁽¹⁾ As at 30 September 2008



EMCF update

Year ended 30 June 2008	\$M
Mark-to-market position	(19.5)
Write-downs and hedging	(6.3)
EMCF position after tax	(25.8)

Quarter ended at 30 September 2008	\$M
Mark-to-market position	(4.8)
Write-downs and hedging	(2.0)
EMCF position after tax	(6.8)

- Managed downside risk by hedging parts of portfolio relating US and European banks
- Limited impact of unprecedented market volatility on EMCF
- Expect to recover majority of unrealised losses over 12 – 24 month period

Perpetual Private Wealth operating profit before tax up 8 per cent

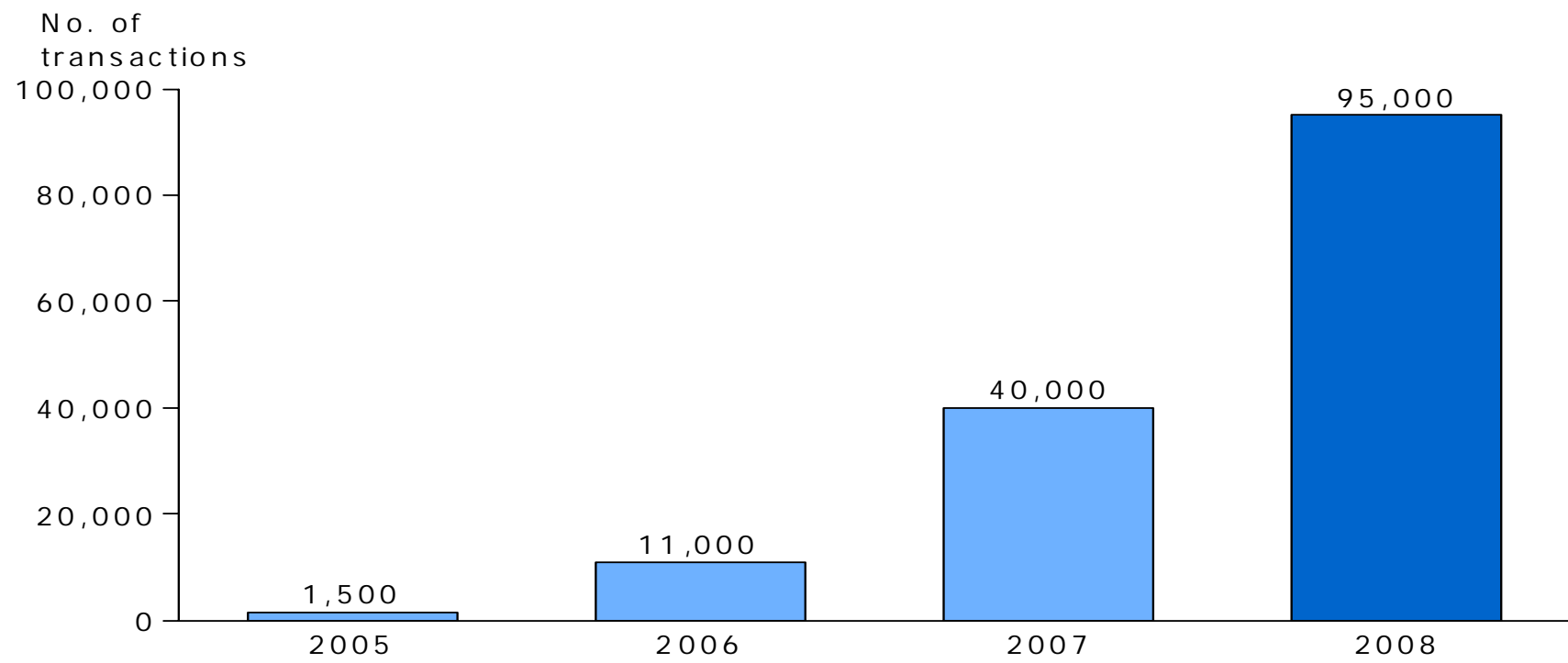
	June 2008 \$M	June 2007 ⁽¹⁾ \$M	Change %
Total revenues	104.9	98.8	6
Operating expenses	55.3	54.0	2
Amortisation and depreciation	0.6	0.5	20
Equity remuneration amortisation	2.6	1.5	73
Operating profit before tax	46.4	42.8	8
Funds under advice (billions)	7.7	8.4	(8)

⁽¹⁾ Prior year amounts have been restated to reflect the restructure in September 2007

Perpetual Corporate Trust operating profit before tax down 17 per cent

	June 2008 \$M	June 2007 \$M	Change %
Total revenues	84.2	68.9	22
Operating expenses	47.8	31.0	54
Restructuring costs	3.9	-	~
Amortisation and depreciation	2.0	1.2	67
Equity remuneration amortisation	1.0	1.0	-
Operating profit before tax	29.5	35.7	(17)
Funds under administration (billions)	210.1	222.9	(6)

Mortgage Services continues to develop new revenue streams



Chairman's address to shareholders on the Remuneration Report



Perpetual has five core principles of remuneration

- Variable pay or 'at risk' forms a significant part of overall remuneration
- Variable pay or 'at risk' is linked to shareholder wealth creation
- Short-term incentive payments are uncapped. This is variable and 'at risk'
- Short-term incentive payments are made out of realised profits
- Increased equity participation within the organisation



Perpetual's remuneration structure (excluding asset managers)

Base
(‘fixed’)

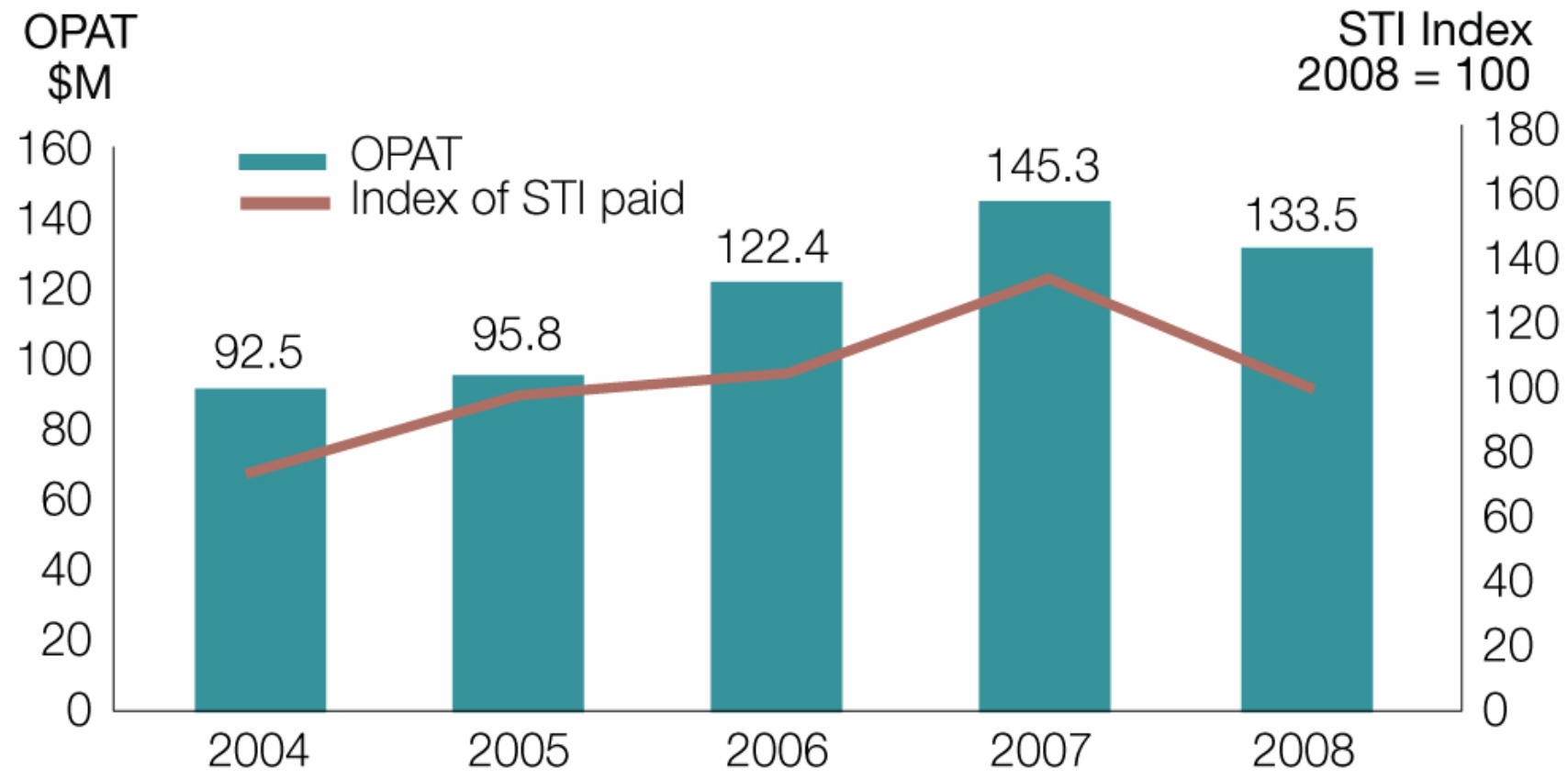
- Set around a median market range and benchmarked against companies of similar size and complexity
- Reviewed on an annual basis

Short-term
incentive
(‘at risk’)

- Short-term cash bonuses determined by annual performance review
- Funded from Profit Participation Pool
 - higher profits = bigger pool
 - lower profits = smaller pool



Short-term incentives and operating profits (OPAT) are highly correlated



Notes:

- 1. 2005 and 2006 balances have been restated to include the results of our global equities business
- 2. Index of STI paid represents STI paid as a proportion of 2008. STI 2008 is 100

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(‘fixed’)

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Long-term
incentive
(‘at risk’)

- Share-based long-term incentives
- Subject to performance hurdles and vesting restrictions over three years

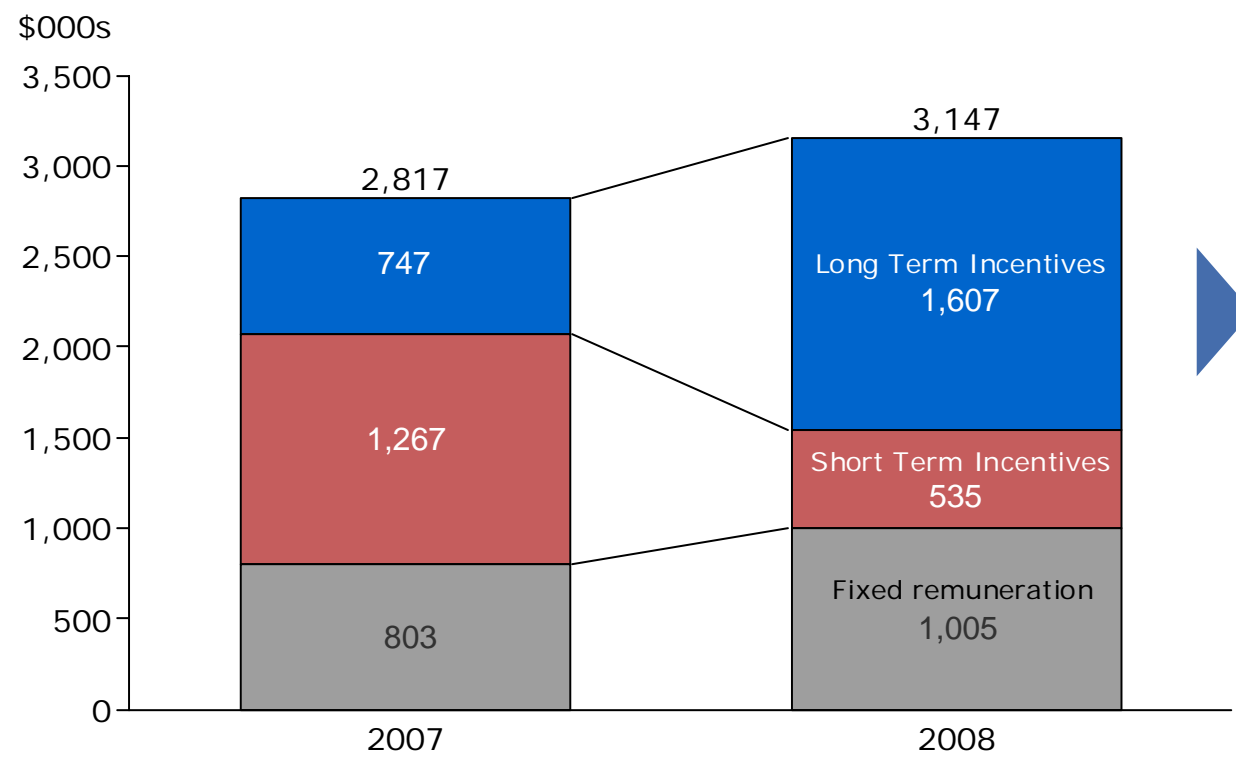


Why re-test LTI hurdles

- Not always sufficient time for strategic benefits to flow through to the business
- Allows employees every opportunity to build wealth for our shareholders
- Reinforces the alignment between the interests of our employees with those of our shareholders – both shareholders and employees benefit



Managing Director's remuneration – actual versus provisioning



- LTIs provisioned under accounting standards
- Only paid once onerous hurdles are exceeded

Asset management remuneration

- Asset management remuneration structure is multi-year
 - shares vest over many years
- Shares in Australian equities and global equities asset management team structure vest based on performance
 - poor performance = no shares
- Plans have substantial non-compete clauses
 - represent a career commitment by the asset managers to Perpetual



We have one of the most enduring and reputable brands in the Australian financial services industry

- One of the longest serving, experienced and most awarded fund management teams who are also fully engaged owners of the business
- Professionalism and integrity which is consistent with our trustee heritage
- A clear commitment to creating long-term wealth rather than short-term speculation
- A prudent investment philosophy
- A proven track record of excellent long-term returns over multiple market cycles
- A strong business that has high levels of governance, healthy levels of profitability and a strong balance sheet with no net debt





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