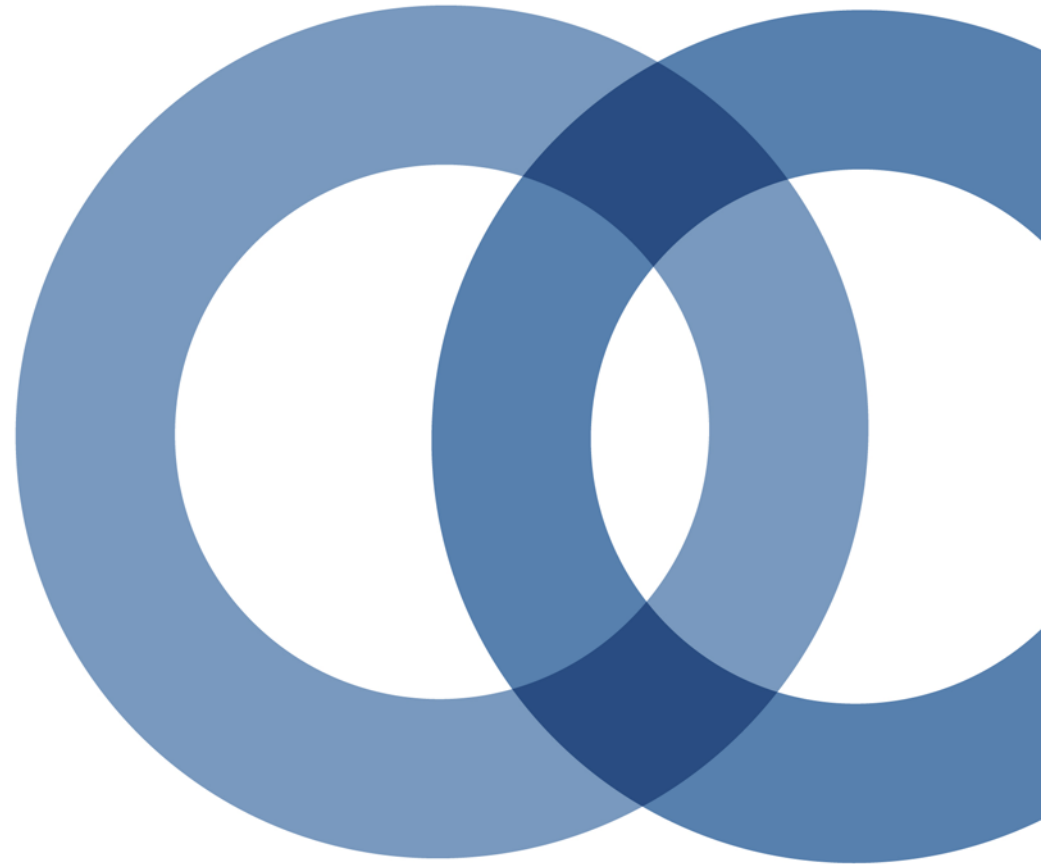




# UBS Financial Services Conference

Sydney 25 June 2008

Roger Burrows  
Chief Financial Officer  
Perpetual Limited

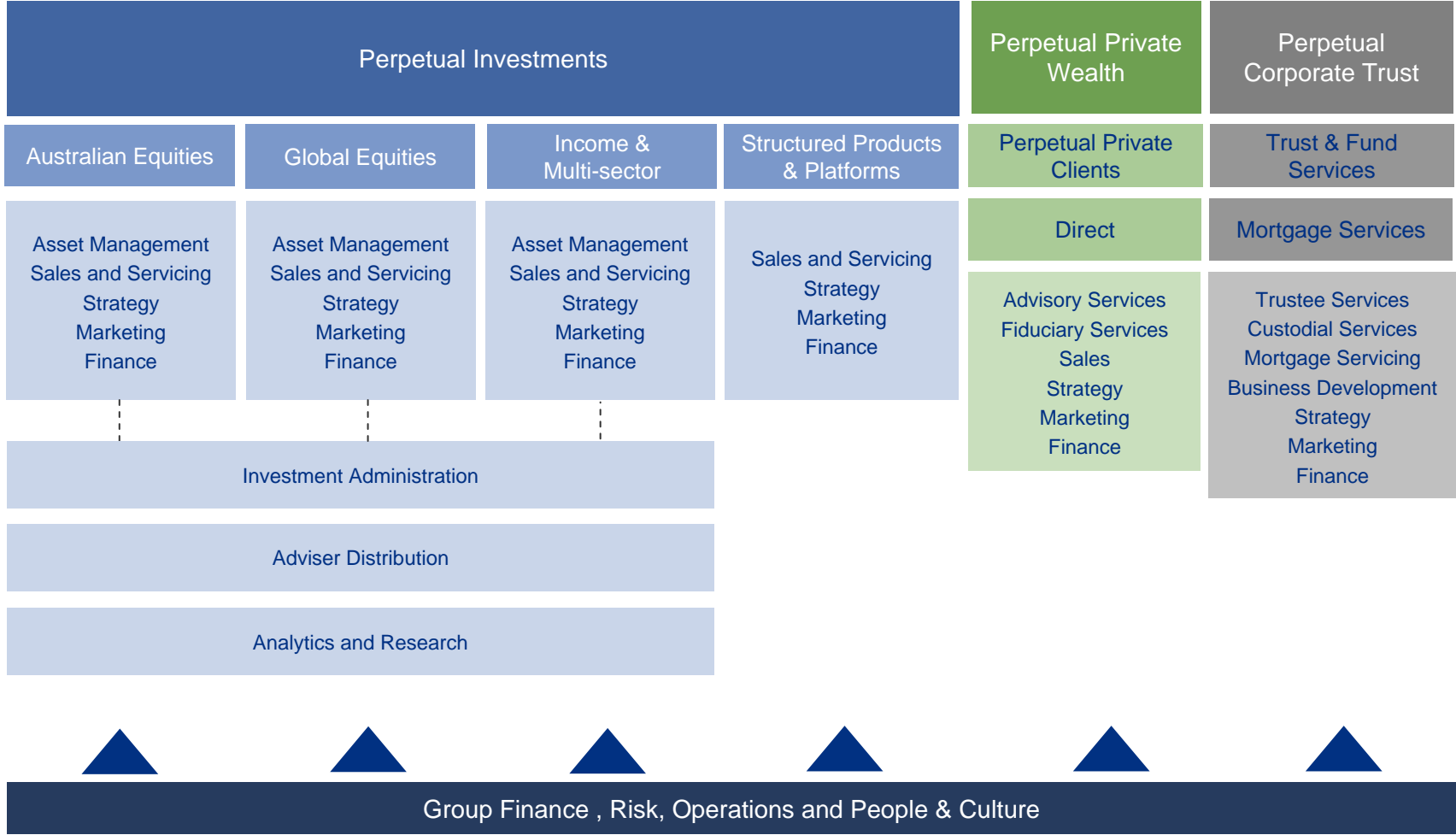


# Perpetual is one of Australia's largest independent wealth managers

- More than 120 years of history
- Top performing manager in Australian equities over long-term
- Quality focused investment style typically favoured in challenging market
  - outstanding investment performance over past six months
- Strong and conservative balance sheet with low gearing
- Key revenue drivers
  - \$32.6 billion funds under management as at 30 April 2008
  - \$8.0 billion in funds under advice as at 30 April 2008
  - \$195.6 billion funds under administration as at 30 April 2008
- Market capitalisation of around \$2 billion
- Approximately 1,200 employees



# Perpetual operates a series of end-to-end business units which participate in three key markets



# Operating environment



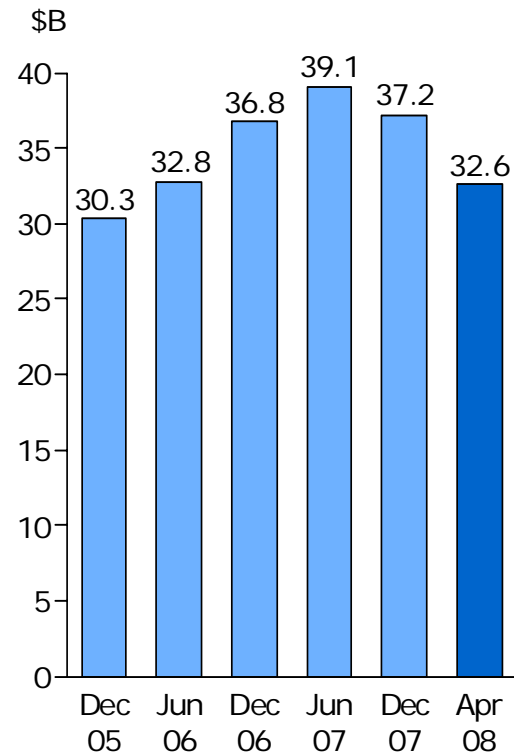
# Operating environment impacted by current market conditions but long-term fundamentals strong

- Global credit crisis heavily impacted share market volatility over past nine months
  - strong influence on investor sentiment
- Equity market continues to have sound long-term fundamentals
  - supported by mandated superannuation inflows
  - forecast superannuation growth in low double digit rates
- Securitisation market remains challenging
- Lower absolute market levels will have bearing on industry over short to medium-term
- Repricing of risk will generate significant opportunities

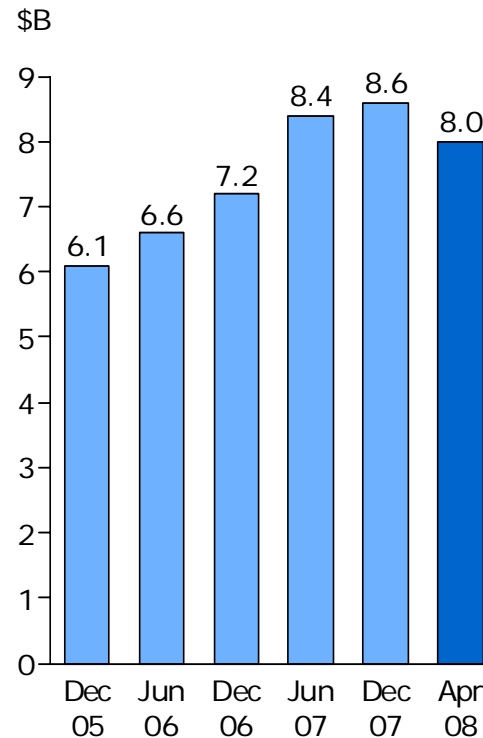


# Current market conditions have impacted key revenue drivers

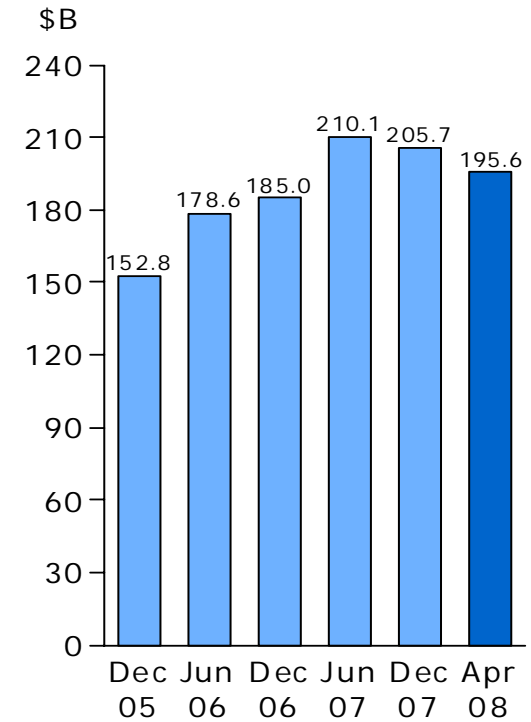
Perpetual Investments  
FUM



Perpetual Private Wealth  
FUA<sup>(1)</sup>



Perpetual Corporate Trust  
FUA



<sup>(1)</sup> Excludes externally advised 'do-it-yourself' (DIY) and Investor Directed Portfolio Service (IDPS) funds under administration



## Key financials

	Half Year Actual Dec 2007 \$m	Half Year Forecast Jun 2008 \$m	Full Year Forecast Jun 2008 \$m
Operating profit after tax	79.3	50.7 - 60.7	130 - 140
EMCF	(12.8)	(13.4)	(26.2*)
Sale of investments	21.1		
Net profit after tax	<b>87.6</b>		

\* EMCF mark-to-market losses as at 30 April 2008



# Responding to market conditions with review of cost base and strategic priorities

- Exited Direct Property and Infrastructure
- Downsized Perpetual Corporate Trust to match business volumes
- Focused on reducing discretionary spending
- Re-engineering key processes to create efficiencies across group



- However, strong optimism around future growth potential
- Continuing to invest in business
  - organic growth
  - reviewing inorganic opportunities





# Perpetual Investments

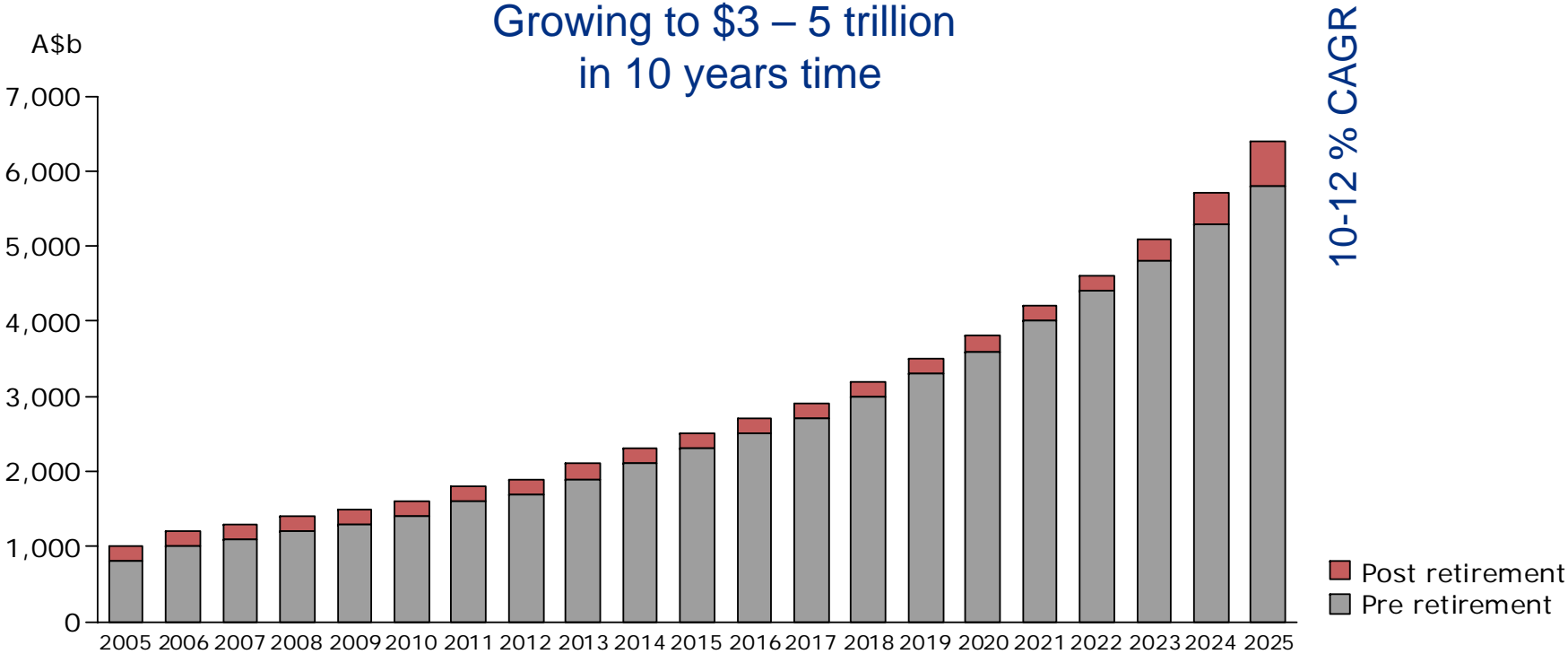


# Australia's wealth management industry has a high rate of underlying asset growth

Over \$1 trillion today



Growing to \$3 – 5 trillion in 10 years time



Source: Trowbridge Deloitte July 2006 superannuation projections (2003-2025)

# Investment management continues to be our engine room

## Australian Equities

- Highly awarded, stable and experienced team
- Strong track record of success
- Represented in shelf space on all major platforms
- Boutique culture in a publicly-listed company – ‘best of both worlds’
- Growing AEQ by:
  - continuing investment in development of new products
  - maximising revenue margins through product/channel innovation

## Global Equities

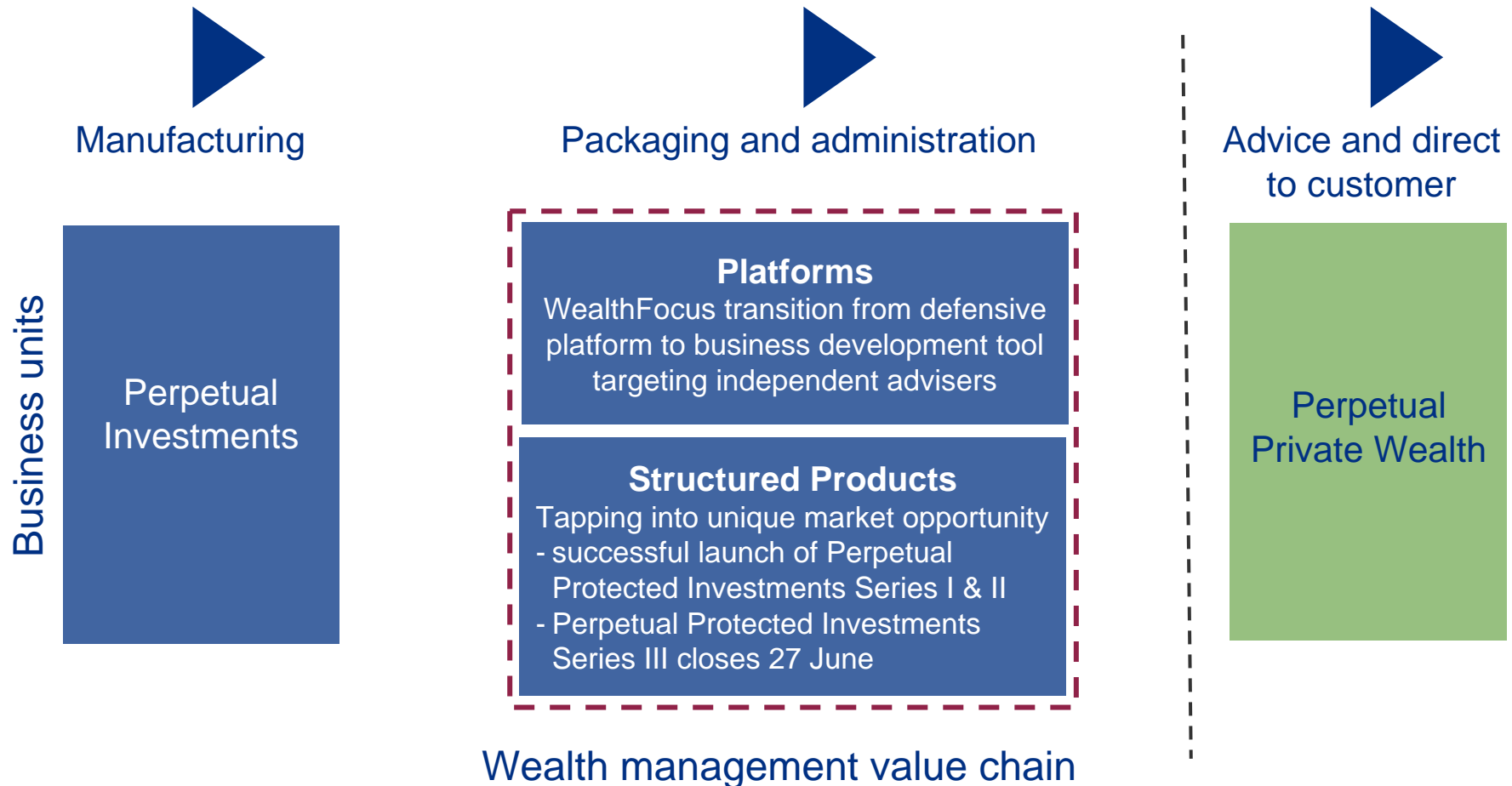
- Stable team - quality focus
- High conviction portfolio
- Increasing levels of awareness in target markets
  - focused institutional sales strategy in Australia, Europe, North America, Asia
  - marketing to retail investors in Australia
- Strong position to capitalise when performance kicks in – expected September 2008
- Recognition by consultants

## Income & Multi-sector

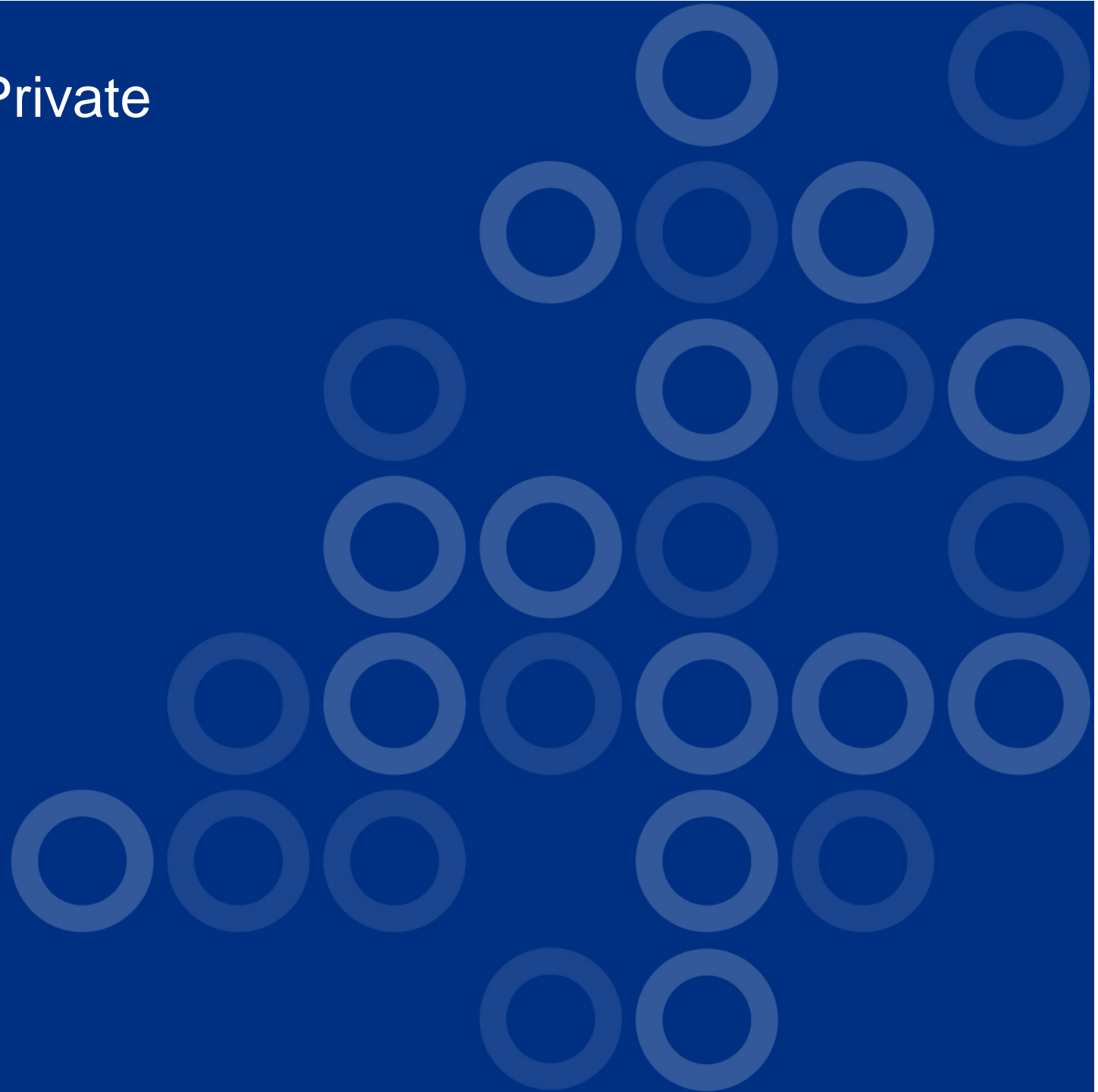
- Shifting focus:
  - growing capabilities in credit and alternative investments
  - exiting infrastructure and direct property
  - targeting credit in retail channel



# Enhanced packaging and administration capabilities and opportunities



# Perpetual Private Wealth



# Australia's HNW market is large, growing and highly fragmented with opportunity for unconstrained growth

## HNW market size

- The HNW market size is estimated to be approximately \$385 billion<sup>1</sup>
- Around 355,000 households have more than \$500,000 investable assets in Australia

## HNW market growth

- The HNW market has historical growth (2003-05) of 10.4 per cent
- The HNW market has forecast growth<sup>2</sup> (2006-12) of 10.9 per cent



Our vision is to be the adviser of choice for financially successful Australians

## Perpetual Private Wealth



Our traditional Perpetual Private Clients offering is the foundation upon which we are growing the absolute potential of our Private Wealth business

Scalable and integrated operational and technology support



# Our full range of services provides us with our point of difference

Business	Comprehensive advice <sup>1</sup>	Range of products/ services <sup>2</sup>	Fiduciary services <sup>3</sup>
Perpetual Private Wealth			
Independent financial advisers			
Investment banks			
Brokers			
Trust companies			
Regional banks			
National private banks ie Big Four			

- Strong capabilities / competitive advantage
- Weakness / no capabilities

(1) Includes investment, structure, tax and risk management advice  
 (2) Includes investments, insurance, finance, custody and DIY services  
 (3) Covers trust management, estate administration/planning and philanthropy



# We are accelerating growth by expanding adviser teams and improving support capabilities

Adviser growth & enhance offering

## Organic growth

- Aggressively recruiting HNW advisers
- Developing on-boarding, training and development programs to build and retain staff in war for talent

+

## Inorganic growth

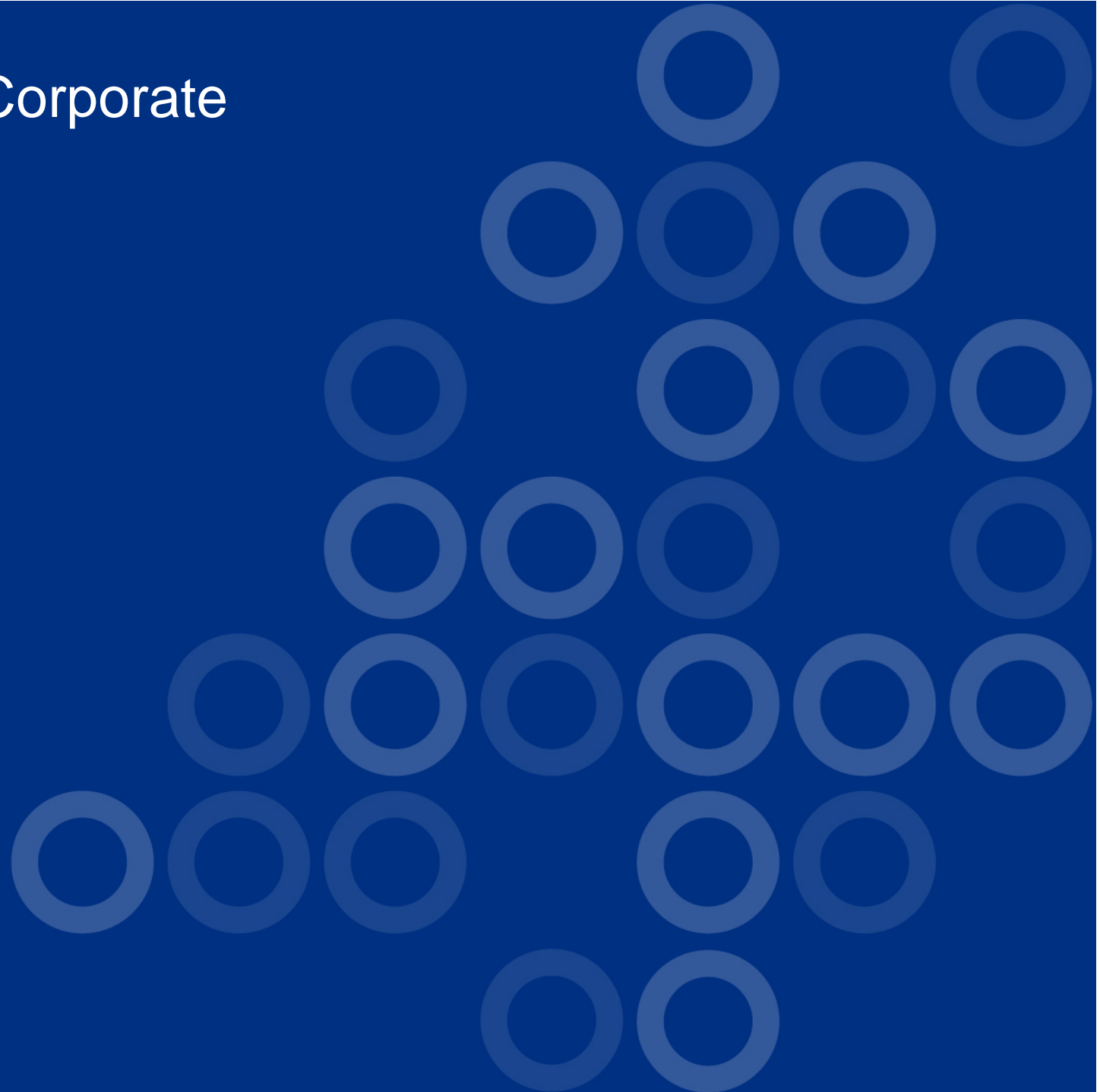
- Acquiring to increase HNW advisers and clients
- Acquiring and partnering to access new and differentiated capabilities

Productivity & business scalability

- Improving productivity of advisers and support staff and reducing time to positively contribute for new starters
- Scalable organisation and highly efficient sales and service model that supports our client value proposition
- Efficient dealer services and product/service delivery

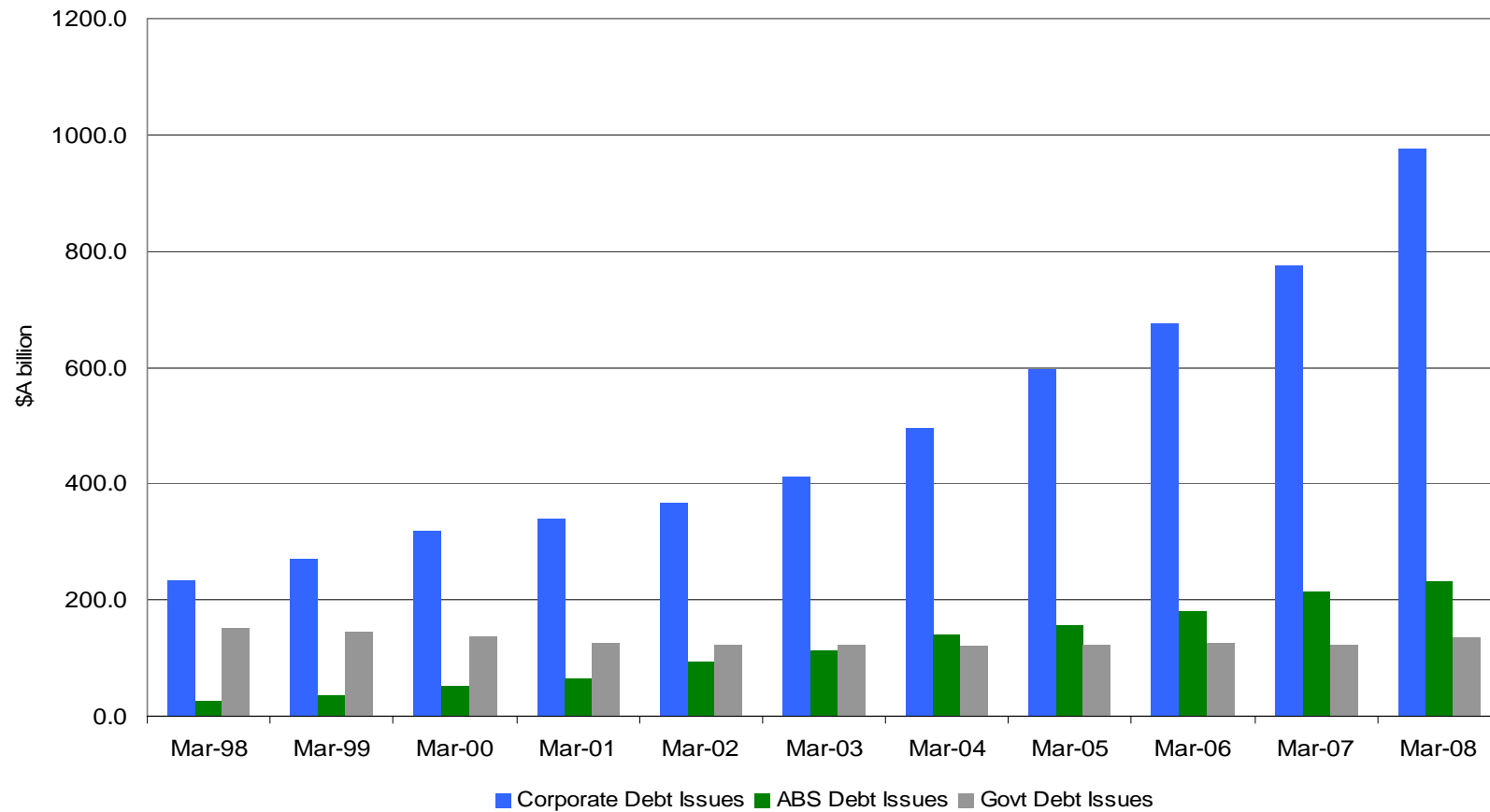


# Perpetual Corporate Trust



# Australian RMBS driven by high quality securities

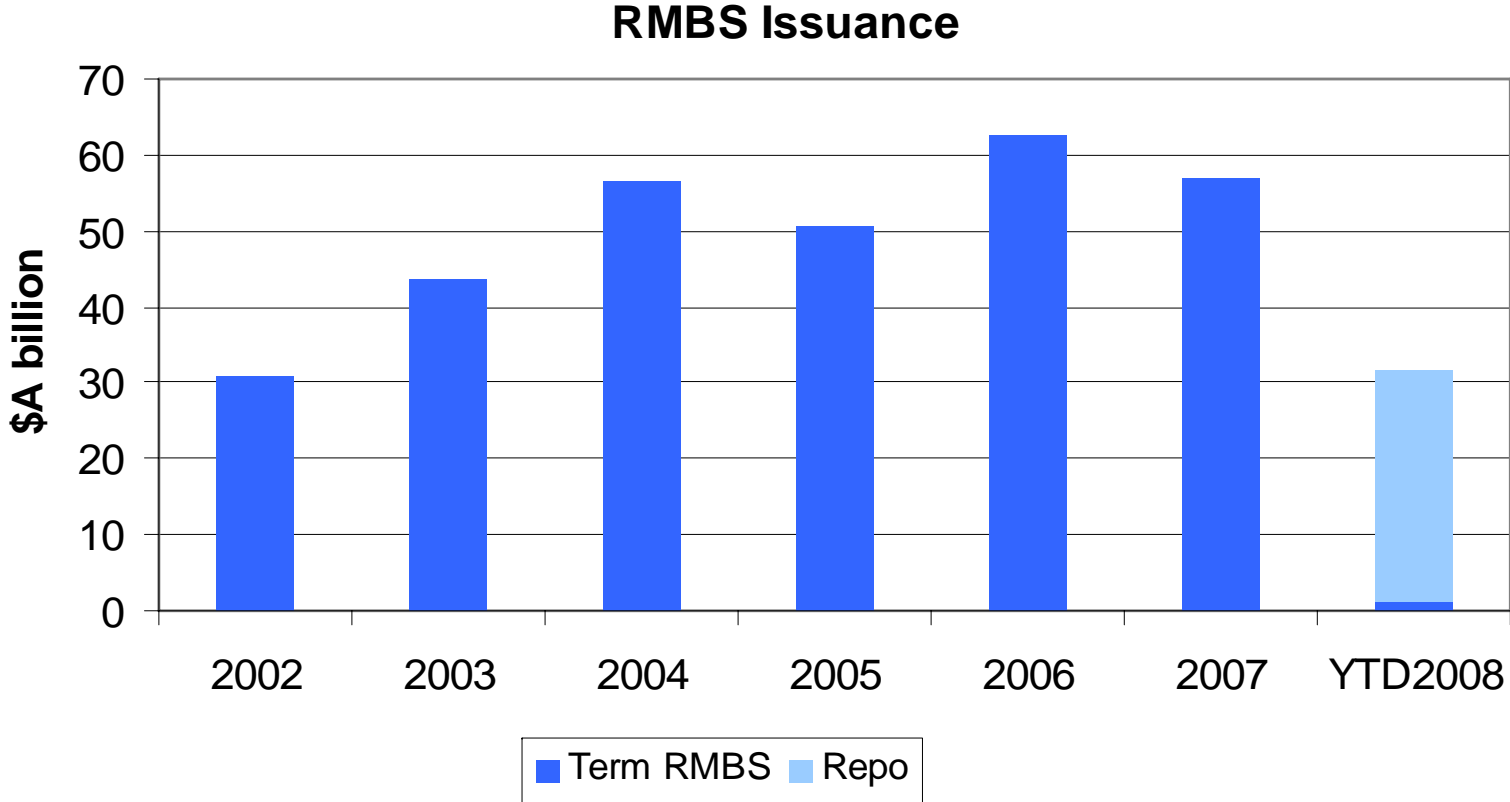
Australian debt securities outstanding



Source: Reserve Bank of Australia



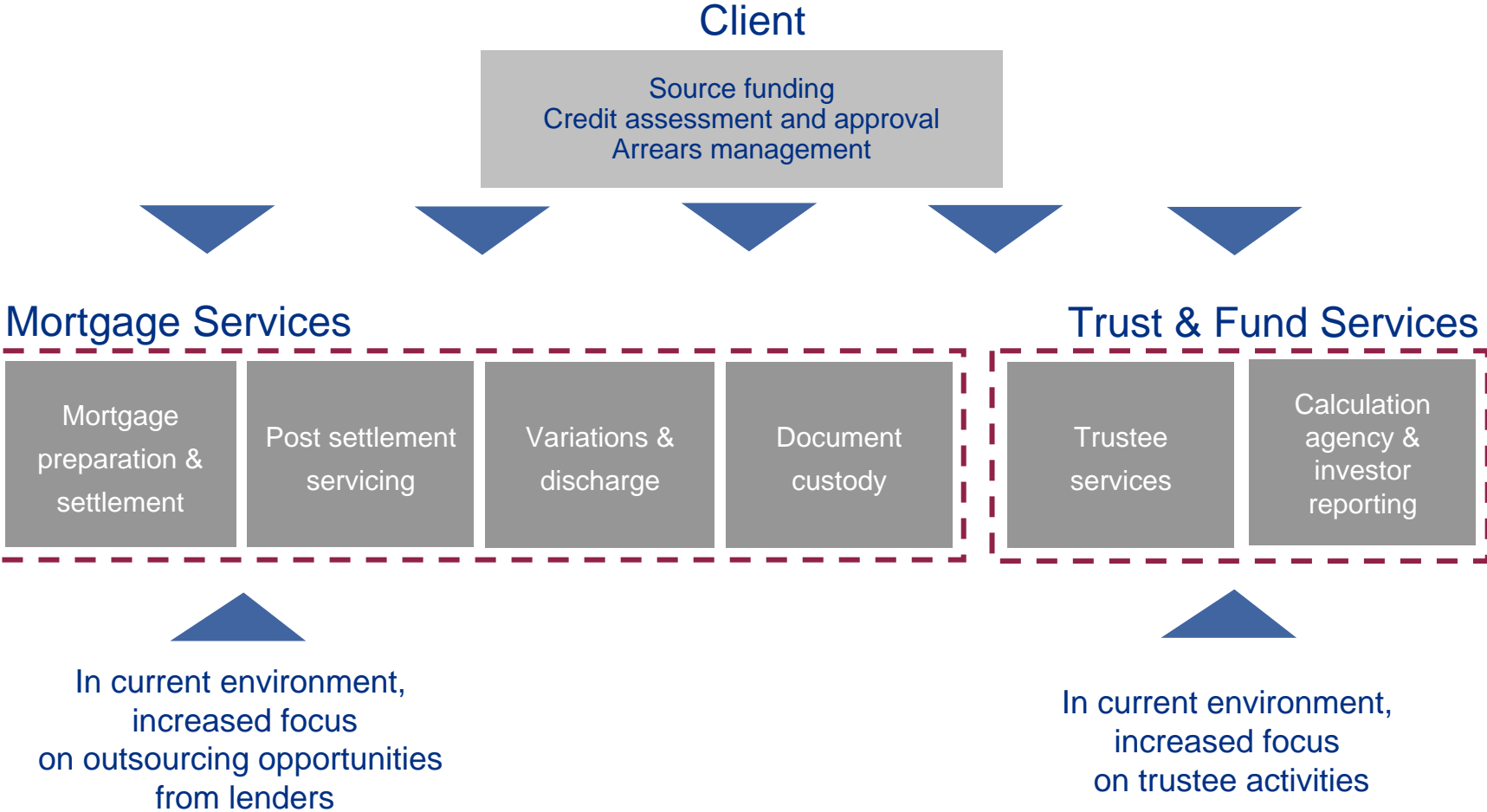
# RMBS issuance has declined significantly



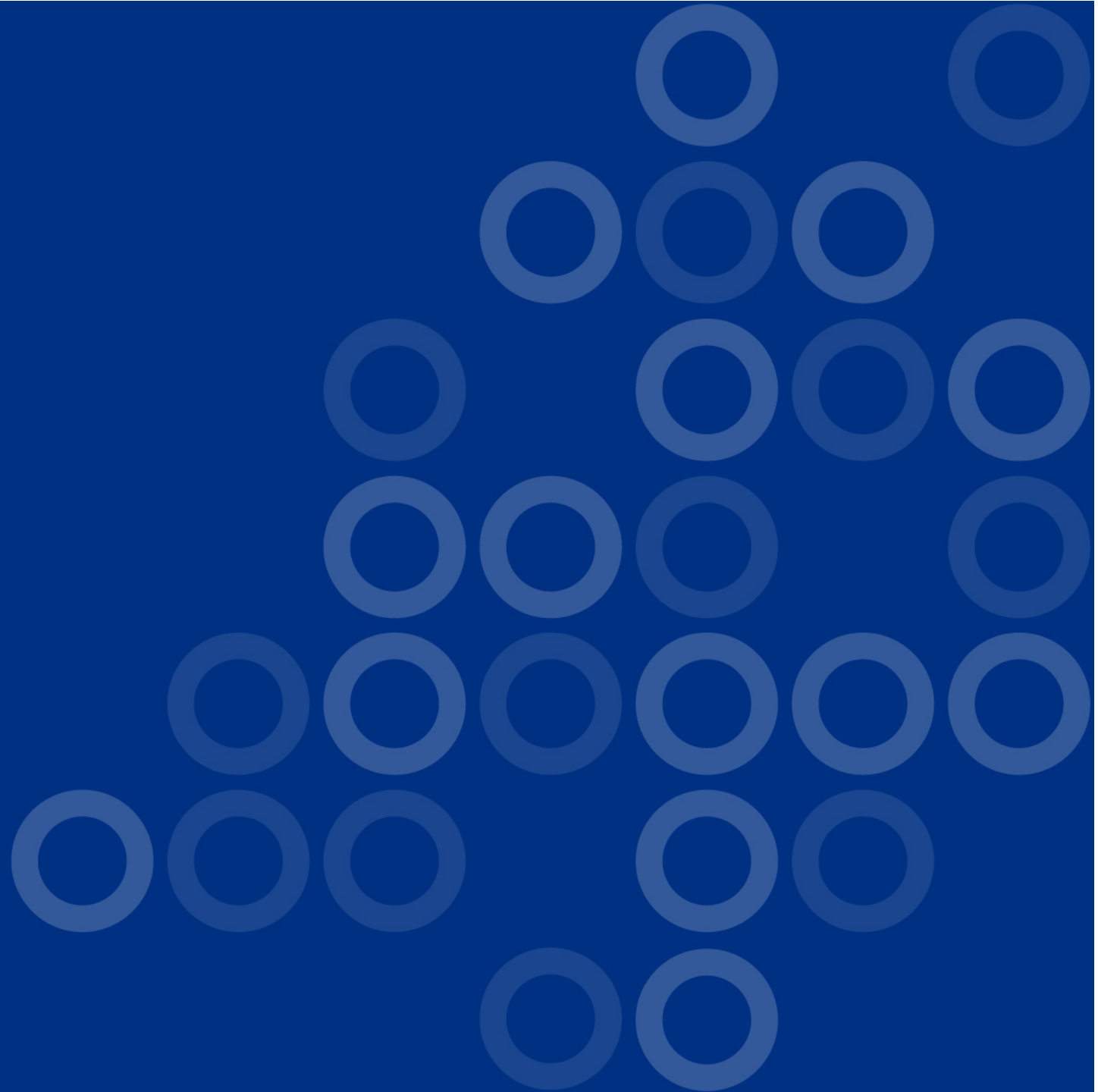
Note: YTD 2008 includes ~\$30bn of “repo” deals

Source data: S&P Ratings Direct & Perpetual; based on calendar year

# We have adjusted our strategy and our cost base to market conditions



# Summary



# Summary

- Current market conditions remain challenging
- Repositioned cost base but continuing to invest in business
- Clear strategy to grow business and build shareholder value





Perpetual

Questions

Roger Burrows  
Chief Financial Officer  
Perpetual Limited

