



ASX Announcement

Perpetual delivers solid increase in full year profit and dividend

24 August 2010

Financial Highlights

- Net Profit After Tax* up 140% to \$90.5 million
- FY10 EPS on a diluted basis of 210.5 cents per share, up from 89.4 cents per share in FY09
- Return on Equity based on NPAT up from 12.5% to 27.9%
- Underlying Profit After Tax up 11% to \$72.8 million
- Final dividend declared of 105 cents per share for the six months to 30 June 2010, bringing total FY10 dividend payments to 210 cents per share, up 110% on FY09
- Operating cash flow up to \$152.6 million from \$62.7 million in FY09
- Total equity up to \$361.0 million from \$290.0 million at the end of FY09

Operating Highlights

- Strong comparative investment performance in actively managed funds
- \$1.2 billion funds flow turnaround (\$600 million net inflow) into Perpetual Investments' higher margin active equities investment funds
- Management initiatives and strong cost control enhance operating leverage to improving equity markets, driving stronger financial performance
- 7% increase in average Group funds under management (FUM)
- 17% increase in average Group funds under advice (FUA), driven by strategic acquisitions

Perpetual Limited (Perpetual) today announced a full year profit (Net Profit After Tax*) of \$90.5 million for the 12 months to June 30, 2010, an increase of 140% on the prior year, driven by its continued ability to leverage improving market conditions in Perpetual Investments, which supported the ongoing implementation of the Company's growth strategy.

The result is up \$52.8 million on the prior year and includes a \$20.3 million recovery from Perpetual's Exact Market Cash Fund (EMCF) portfolio, more than reversing the loss incurred in FY09. The company's second half Underlying Profit After Tax increased by 49% compared to the second half of FY09.

Group average funds under management and funds under advice, which are the company's key profit drivers, increased 7% and 17% respectively on the prior year. Group FUM revenue margin increased from 75 bps in FY09 to 76 bps in FY10. Excluding performance fees, the increase was from 72 bps to 76 bps.

Investments in building the capacity of the Private Wealth and Mortgage Services businesses, in conjunction with acquisition, integration and operating costs related to recently acquired businesses contributed to an increase in Group expenses in FY10 of \$41.7 million or 15%. The new businesses are expected to make a stronger contribution to Group profit in the current financial year.

* Attributable to Perpetual Limited ordinary equity holders

The Perpetual Board has declared a final dividend of 105 cents per share, bringing the total FY10 dividend to 210 cents per share, an increase of 110% on the prior year. This is at the upper end of the Board's target dividend pay-out range, which is 80-100% of NPAT on an annualised basis.

Commenting on the result, Perpetual Chairman Bob Savage AM said: "Stronger profits, higher earnings per share, and increased funds under management and advice have produced a positive result for the company and its shareholders.

"We have been able to pursue our growth objectives while at the same time maintaining much of the cost savings from last year. This has ensured the company was able to capture the benefits of its operating leverage to improving equity market conditions and translate these into a stronger operational performance. The investments we made during the year also position us well for further progress," Mr Savage said.

"We continue with our search for a new CEO, which is progressing well, and we will update the market in due course on that process," Mr Savage said.

Perpetual Chief Executive Officer, David Deverall, said: "It was pleasing to see that Perpetual Investments' managed funds have continued to deliver above benchmark returns for our clients. This has supported the renewed net inflows we saw into our higher margin active equity strategies.

"Over the past 12 months, we have recorded a \$1.2 billion turnaround in flows for active management equity funds, offsetting net outflows of lower margin cash and quantitative strategy funds," Mr Deverall said.

The move towards higher fee products contributed to a 22% improvement in Perpetual Investments' full-year profit contribution before tax, from \$59.0 million in the prior year to \$72.1 million in FY10.

In Private Wealth, funds under advice increased by 22% in FY10, helped by the acquisition of Grosvenor Financial Services and Fordham Business Advisors. Both of these acquisitions contributed to higher profits in FY10. Private Wealth profit before tax increased by 12% to \$32.6 million, from \$29.1 million in the prior year.

"We are particularly pleased with the progress we have made at Private Wealth. Perpetual has grown its presence and capabilities in the high net worth advice sector and the business is being positioned as the leading provider of wealth management services to financially successful Australians and their families," Mr Deverall said.

"As we continue to integrate the businesses acquired during the year, Private Wealth will be well placed to capture the opportunities created by the continued growth and development of financial advice in Australia and target increasing returns as a result."

Corporate Trust revenues increased by 9% over the prior year, to \$87.5 million, with second half revenues increasing by 17% over the prior corresponding period. A significant proportion of this revenue growth was attributable to an increase in demand for Perpetual Lenders Mortgage Services (PLMS).

Volumes for PLMS increased by almost 104,000 units over the previous year, requiring a significant investment in the business' longer term support capacity. Together with one-off expenses, this resulted in an 11% decline in the profit before tax of the Corporate Trust division, to \$32.3 million.

While Residential Mortgage Backed Securities (RMBS) activity in Australia remained subdued, market conditions are improving. Corporate Trust funds under administration (FUA) reduced in line with the continued run-off of securitisation FUA.

Mr Deverall said: "This is a solid result for Perpetual, demonstrating the positive impact of cost control measures on our operating leverage and our continued ability to generate strong investment performance.

“The continued execution of our growth strategy and our increased financial strength have reinforced our market position, allowing us to target and capture future growth opportunities in the evolving financial services sector,” he concluded.

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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.

Full Year to 30 June 2010

Summary Group financial information

Period ended	30/6/09 2H09	31/12/09 1H10	30/6/10 2H10	30/6/09 FY09	30/6/10 FY10	FY09-FY10 change
Operating revenue (\$m)	180.5	200.1	226.2	375.1	426.3	+14%
Net Profit After Tax ¹ (\$m)	23.5	49.2	41.3	37.7	90.5	+140%
Underlying Profit After Tax (\$m)	24.1	36.4	36.4	65.7	72.8	+11%
Return on Equity (% based on NPAT)	17.2	30.9	23.4	12.5	27.9	+123%
Dividend per share (cents)	60	105	105	100	210	+110%
Total equity (\$m)	290.0	347.5	361.0	290.0	361.0	+24%
Net cashflow from operations	53.3	65.6	87.0	62.7	152.6	+143%

- Management initiatives and strong cost control enhance operating leverage to improving equity markets, driving stronger financial performance and higher dividend
- Financial strength continues to improve
- Market position reinforced – targeting future growth opportunities

Movement in funds

		FY09	FY10	FY09-FY10 change
Perpetual Group Funds under Management (\$b)	At end of period	26.2	26.9	+3%
	Period average	26.5	28.4	+7%
Private Wealth Funds under Advice (\$b)	At end of period	6.8	8.3	+22%
	Period average	6.9	8.1	+17%
Corporate Trust Funds under Administration (\$b)	At end of period	241.4	210.5	-13%

- Market decline in last quarter limits period end Group FUM growth
- Private Wealth FUA benefits from improved markets, acquisitions and better net flows
- Corporate Trust FUA reduction in line with continued run-off of securitization FUA

Business unit performance

Perpetual Investments financial summary

For the period ended	30/6/09 2H09	31/12/09 1H10	30/6/10 2H10	30/6/09 FY09	30/6/10 FY10	FY09-FY10 change
Revenues (\$m)	97.6	105.9	111.0	203.0	216.9	+7%
Profit Before Tax (\$m)	23.3	36.9	35.2	59.0	72.1	+22%

- Higher margin active equity strategies return to net inflow of \$0.6b in FY10, against a \$0.6b net outflow in FY09
- Continued above benchmark returns of managed funds is supporting inflows

Annualised returns	Outperformance of benchmarks by main funds ²				
	Industrial Share Fund	Australian Share Fund	Small Companies Fund	Concentrated Equity Fund	International Share Fund
1 year	+0.07%	+5.90%	+14.64%	+2.80%	-0.36%
3 years	+4.07%	+4.13%	+6.13%	+5.83%	+2.43%
5 years	+2.57%	+2.53%	+4.17%	+3.76%	+1.20%
7 years	+2.40%	+2.66%	+2.49%	+2.68%	N/A
10 years	+4.46%	+4.21%	+8.28%	+5.06%	N/A

¹ Attributable to Perpetual Limited ordinary equity holders

² Gross as at end June 2010

Private Wealth financial summary

For the period ended	30/6/09 2H09	31/12/09 1H10	30/6/10 2H10	30/6/09 FY09	30/6/10 FY10	FY09-FY10 change
Revenues (\$m)	40.7	47.4	64.2	85.7	111.6	+30%
Profit Before Tax (\$m)	11.7	14.5	18.1	29.1	32.6	+12%

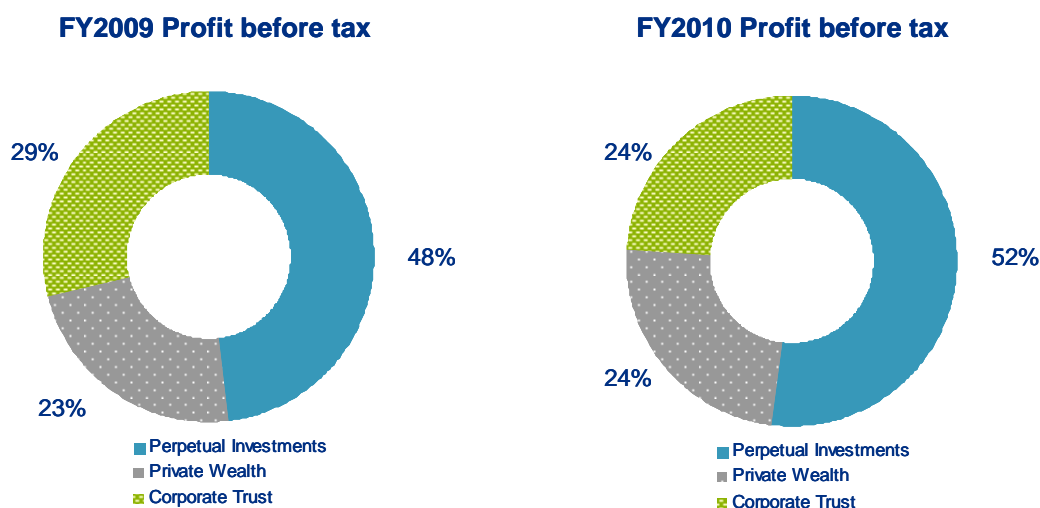
- Acquisition of Grosvenor and Fordham advice businesses boosts funds under advice and improves positioning in expanding market – stronger contribution expected in current financial year as integration continues
- Growing presence and capability in high net worth advice sector as strategy to grow through organic and inorganic initiatives continues

Corporate Trust financial summary

For the period ended	30/6/09 2H09	31/12/09 1H10	30/6/10 2H10	30/6/09 FY09	30/6/10 FY10	FY09-FY10 change
Revenues (\$m)	39.3	41.6	45.9	80.3	87.5	+9%
Profit Before Tax (\$m)	16.1	17.8	14.5	36.1	32.3	-11%

- Major revenue impact from increase in demand for Mortgage Services
- Significant initial investment in capacity lowers before tax profit – focus now shifting from growth to profitability

Profit Before Tax contribution by business



2010 Final Dividend details

- Final dividend: 105 cents per share, fully franked
- Ex-dividend date: 1 September 2010
- Record date: 7 September 2010
- Dividend payable: 28 September 2010
- DRP³ operational for FY10 final dividend, met by issuing new shares to DRP participants
- Issue price: Average Market Price less 2.5% discount
- Pricing period: 10 trading days commencing 8 September 2010 and ending 21 September 2010
- DRP application forms must be received by 5:00pm AEST 7 September 2010

³ Further information is contained within the Group's financial statements for the 12 months ended 30 June 2010 and the Management's Discussion and Analysis (available at <http://shareholders.perpetual.com.au>).