FY11 Results
for 12 months ended
30 June 2011

Chris Ryan
Managing Director & CEO

Roger Burrows
Chief Financial Officer

26 August 2011

ABN 86 000 431 827

Disclaimer

Important information

The information in this presentation is general background information about the Perpetual group and its activities current as at 26 August 2011. It is in summary form and is not necessarily complete. It should be read together with the company's full year accounts lodged with ASX on 26 August 2011. The information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account your financial objectives, situation or needs. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.

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All references to dollars, cents or $ in this presentation are to Australian currency, unless otherwise stated. All references to NPAT, UPAT etc. are in relation to Perpetual Limited ordinary shareholders.

Note:

- 1H10 refers to the financial reporting period for the six months ended 31 December 2009
- 2H10 refers to the financial reporting period for the six months ended 30 June 2010
- FY10 refers to the financial reporting period for the twelve months ended 30 June 2010
- 1H11 refers to the financial reporting period for the six months ended 31 December 2010
- 2H11 refers to the financial reporting period for the six months ended 30 June 2011
- FY11 refers to the financial reporting period for the twelve months ending 30 June 2011

Agenda

▪ Group highlights	Chris Ryan
▪ Financials	Roger Burrows
▪ Progress report and next steps	Chris Ryan

FY11 Overview

- **FY11 UPAT & NPAT in line with guidance**
  - FY11 UPAT $72.9m/165.5 cps — FY10: $72.8m/169.3 cps
  - FY11 NPAT $62.0m/140.8 cps — FY10: $90.5m/210.5 cps

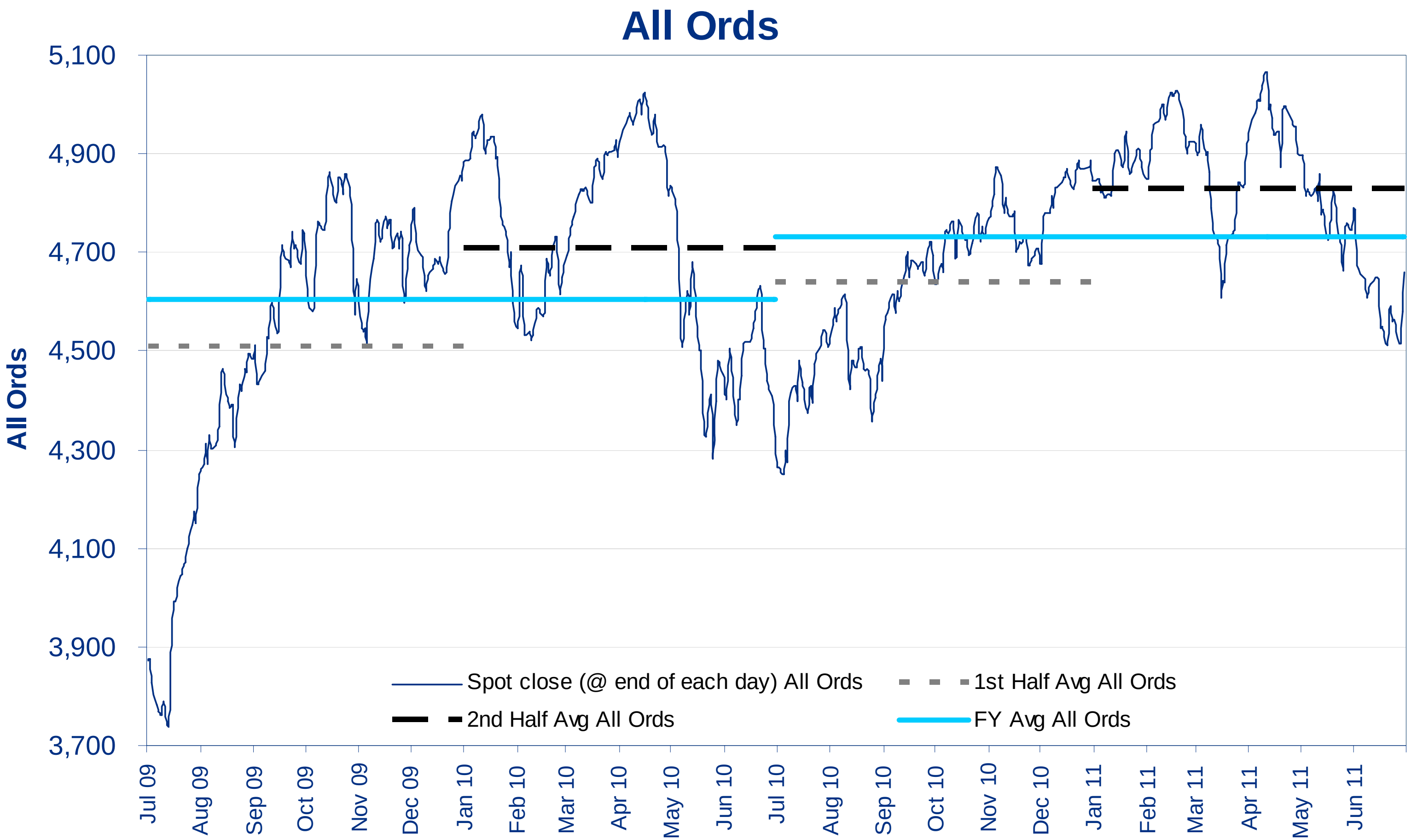
- Investment market linked revenues reflect subdued market conditions during FY11
- Continued investment in Private Wealth
- RMBS issuance increased during year but demand for Mortgage Services fell in 2H11
- Increased discipline in business portfolio management
- Moving toward a more flexible cost base
- Actively managing our capital

- **Financial strength provides platform for capital management initiatives that are expected to contribute to improving shareholder returns**
  - FY11 fully franked dividends of 185 cps — FY10: 210 cps
  - FY11 payout ratio on NPAT 131.4% — FY10: 99.8%
  - FY11 final fully franked dividend of 90 cps

  - Today announcing off-market share buy-back for up to approximately $70m

Perpetual

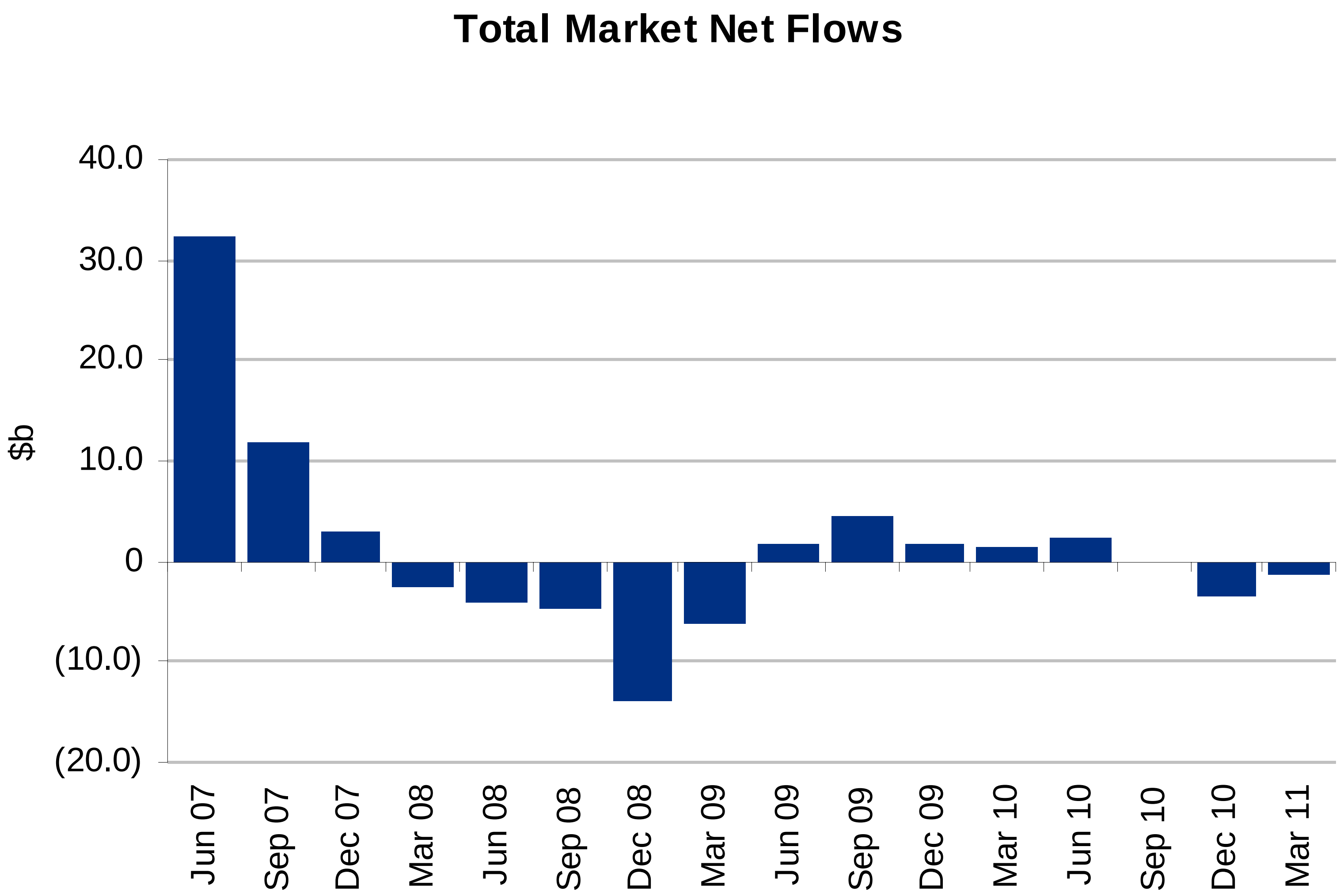
Subdued contribution from equity markets with FY11 average All Ords +2.7% versus +14.1% in FY10



All Ords refers to S&P/ASX All Ordinaries Price Index

At 30 June 2011 a 1% movement in the All Ordinaries Index changes annualised revenue by approx $2.0m-$2.5m

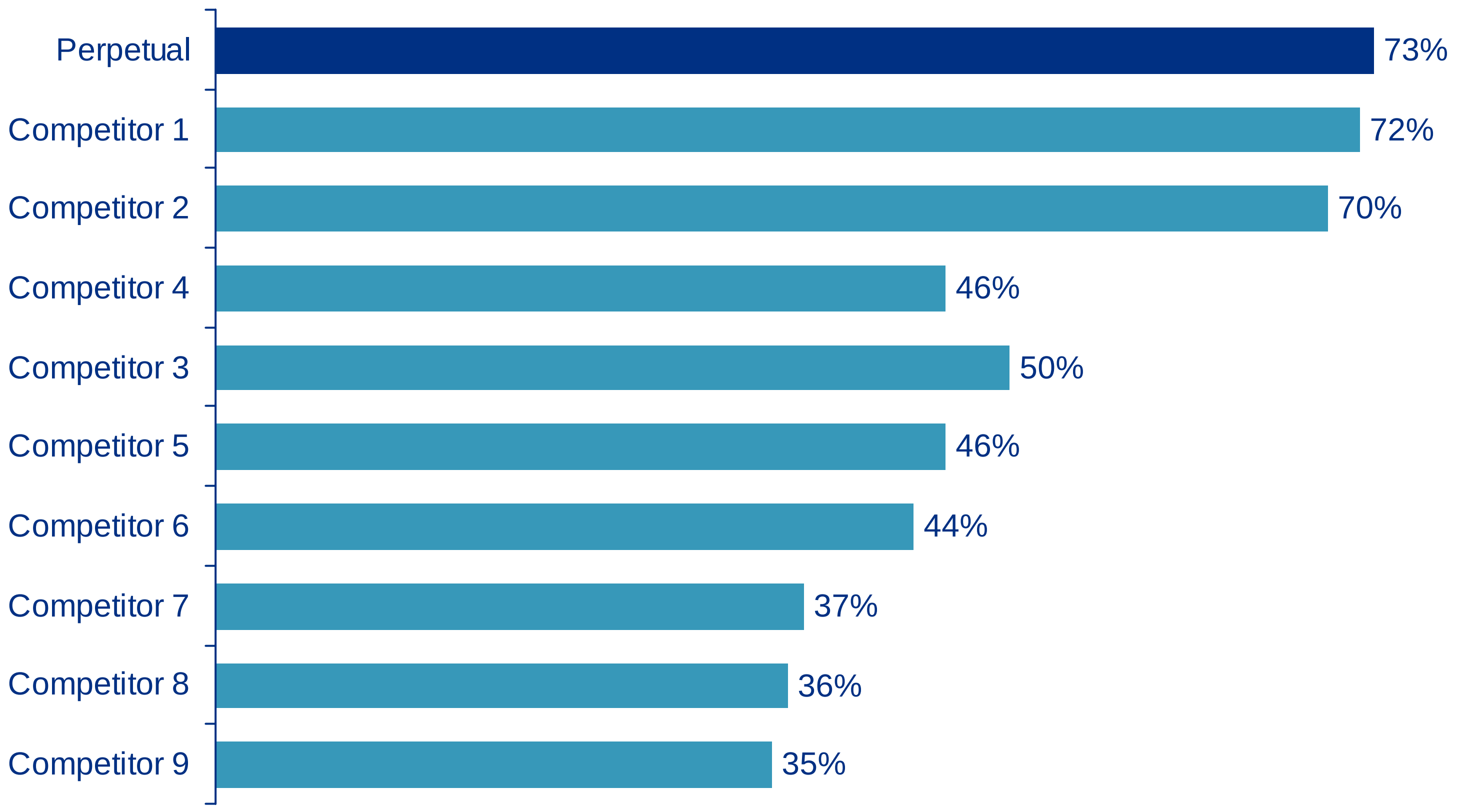
Industry inflows fall away in FY11



Source: Plan for Life March 2011

Our brand equity among advisers remains in number one place

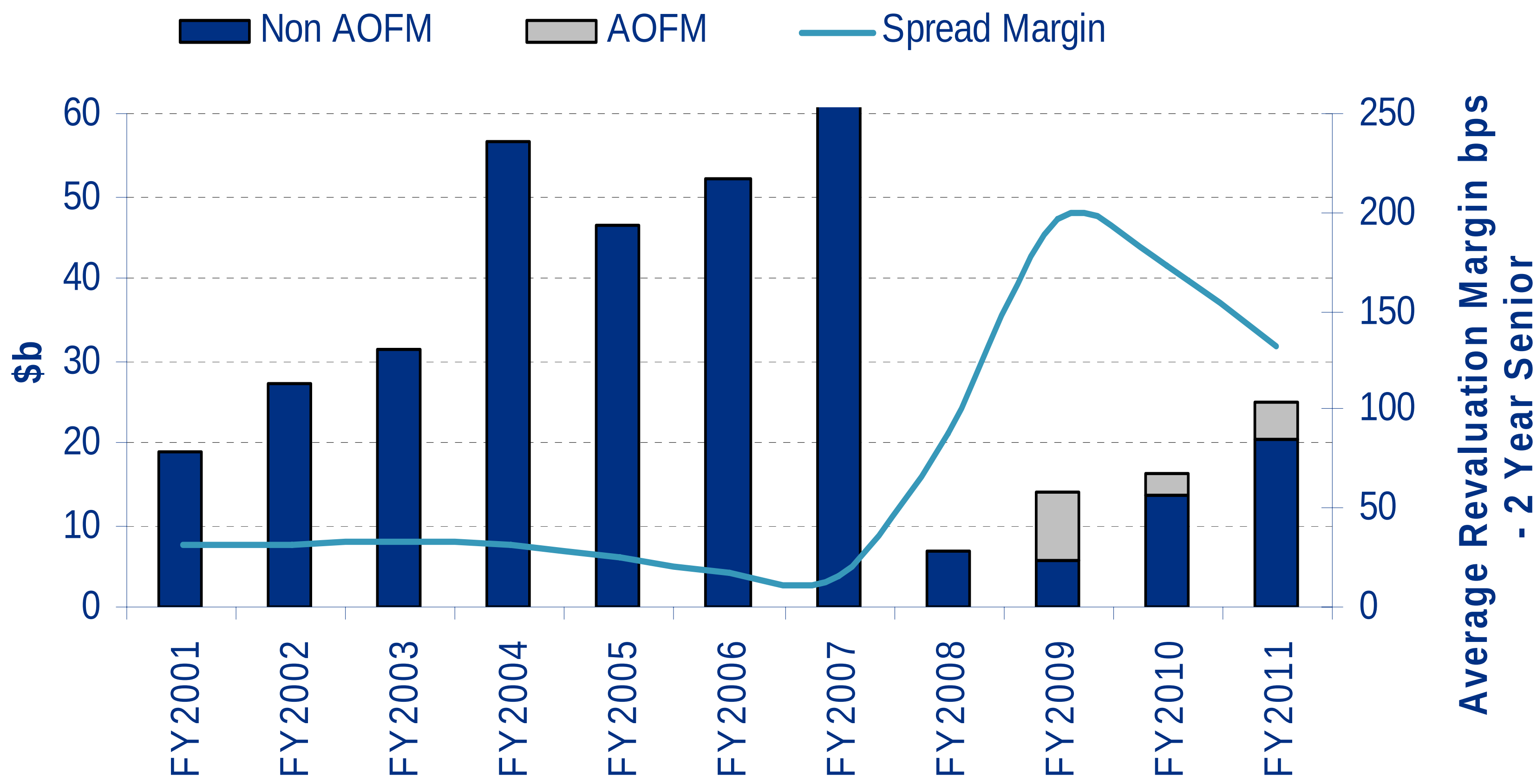
Fund manager brand equity June 2011
(as judged by advisers)



Source: Wealth Insights Adviser Brand Tracking 2011

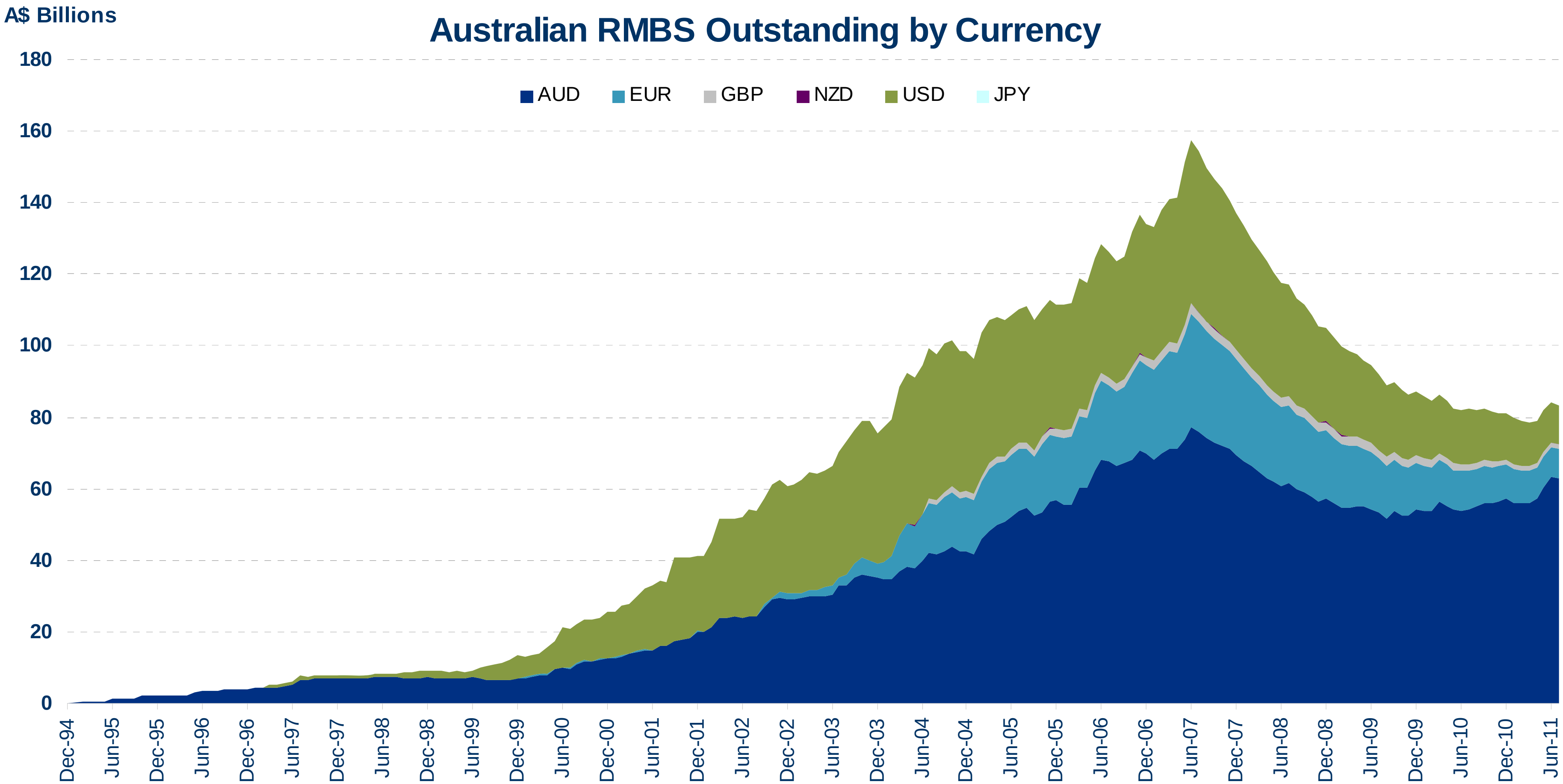
FY11 saw largest volume of RMBS issued since GFC

RMBS issuance v average revaluation margin – 2 year Senior RMBS



Source: www.aofm.gov.au, S&P, Macquarie Bank and Perpetual

Corporate Trust margin reduced as margin on back book higher than new business driven by change in business mix



Source: Macquarie Debt Markets Research

Perpetual Investments delivers improved financial performance in challenging environment

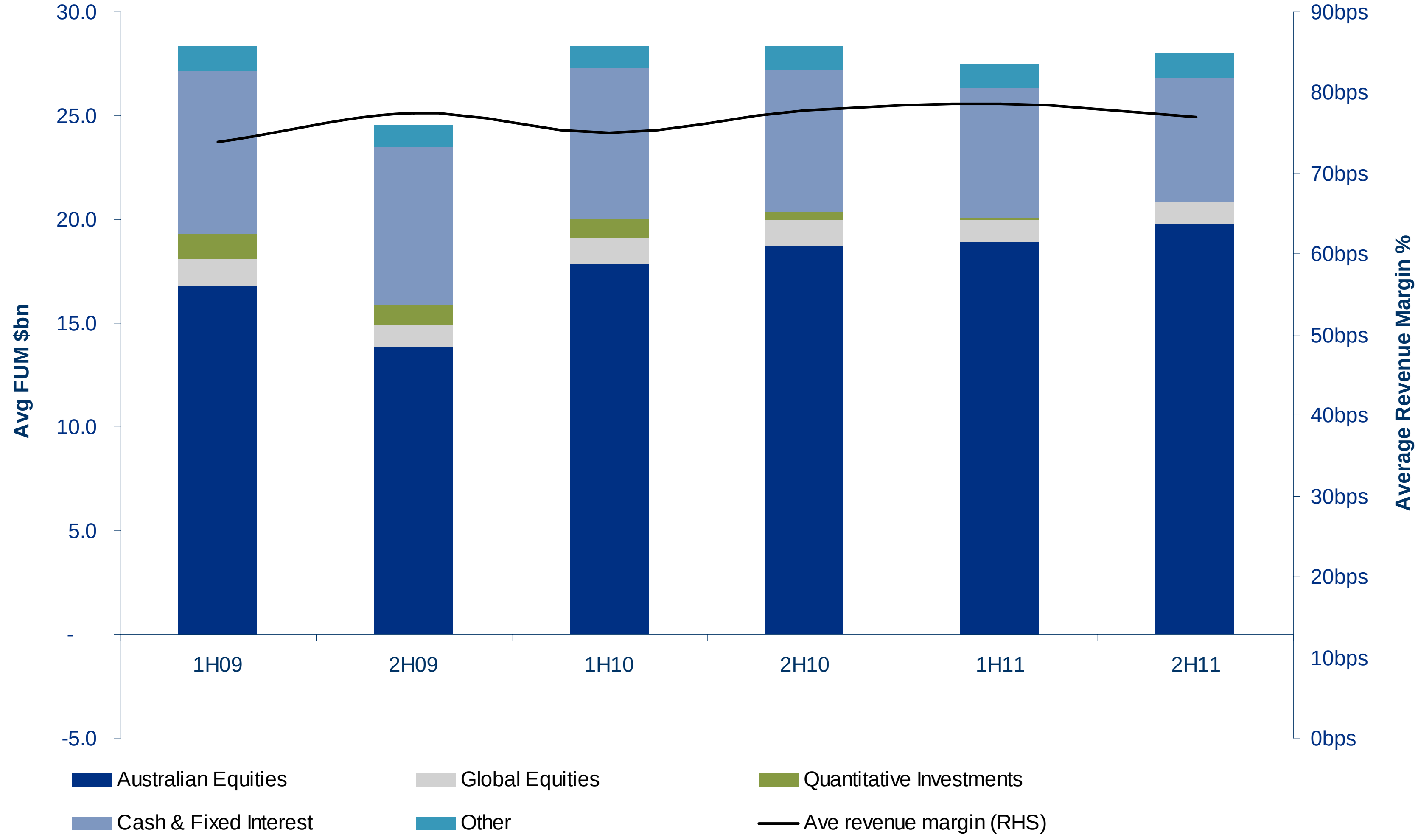
	FY10 $m	FY11 $m	FY11 v FY10
Revenue	227.7	225.0	(1%)
Operating expenses	(128.0)	(131.0)	2%
EBITDA[1]	99.7	94.0	(6%)
Depreciation, amortisation and equity remuneration	(30.9)	(20.7)	(33%)
Profit before tax	**68.8**	**73.3**	7%
Margin on revenue	30%	33%	+300 bps
Closing FUM ($b)	26.9	27.2	1%
Average FUM ($b)	28.4	27.8	(2%)
Average FUM revenue margin (bps)	76 bps	78 bps	+2 bps

(1) EBITDA represents earnings before interest, taxation, depreciation, amortisation of intangible assets, equity remuneration expense and significant items

Key themes:

- Continued to deliver award winning active returns for our clients
- Improved revenue margin from changes in mix of FUM
- Renewed focus on marketing and distribution
- Implemented strategic outsourcing for Global Equities – improved ratings

FY11 average FUM margin +2 bps to 78 bps as FUM from lower margin products such as cash declined



In FY11 Perpetual Investments' strong record of outperformance continued

Excess/(under) performance p.a. – gross as at end June 2011									
Period	Industrial Share Fund	Australian Share Fund	Smaller Companies Fund	Concentrated Equity Fund	International Share Fund	Diversified Income Fund	Share Plus Fund	Ethical Share Fund	Global Resources Fund
1 year	-0.41%	+3.17%	+14.72%	+1.79%	-3.54%	+4.07%	+5.36%	+0.33%	+23.39%
3 years	+2.60%	+3.88%	+9.71%	+4.80%	+1.32%	+1.08%	+4.07%	+11.24%	+6.72%
5 years	+2.59%	+2.49%	+7.44%	+3.55%	+0.65%	-0.49%	+3.42%	+4.86%	N/A
7 years	+1.85%	+2.58%	+4.15%	+2.46%	N/A	N/A	+2.59%	+3.75%	N/A
10 years	+3.59%	+3.80%	+6.87%	+4.60%	N/A	N/A	N/A	N/A	N/A

Perpetual Investments' FUM up 1% in FY11 – Equities FUM up 4% offset by Cash & Fixed Interest down 10%

	FY10 $b	Net flows $b	Other [1] $b	FY11 $b
Institutional	8.1	(0.1)	0.7	8.7
Intermediary (master fund and wrap)	12.9	(1.2)	0.9	12.6
Retail	5.9	(0.5)	0.5	5.9
All channels	**26.9**	**(1.8)**	**2.1**	**27.2**
Australian equities	17.5	(0.6)	1.8	18.7
Global equities	1.4	(0.2)	(0.2) [2]	1.0
Equities	18.9	(0.8)	1.6	19.7
Cash & fixed interest	6.7	(0.9)	0.2	6.0
Other	1.3	(0.1)	0.3 [2]	1.5
All asset classes	**26.9**	**(1.8)**	**2.1**	**27.2**

[1] Includes reinvestments, distributions, income and asset growth

[2] $0.2b of FUM was transferred from Global equities to Other

Perpetual

FUM as at end of July 2011

- End of July FUM was $25.4b versus $27.2b at end of June 2011. This decline is mainly attributable as follows:
  - c$700m due to the decline in equity markets
  - c$500m due to outflows in the cash asset class from the institutional segment, and
  - c$400m due to outflows in the concentrated equities asset class from the institutional segment
- In July, in consultation with a number of institutional clients, c$2.8b of FUM from the Concentrated Equities strategy was reallocated within Perpetual's Australian equity active strategy product range
  - Demonstrates Perpetual's ability to work constructively with clients
  - Demonstrates clients' faith and conviction in Perpetual's team and the breadth of our product range
- As at end of July, FUM in the three largest equity strategies was:
  - Industrials c$6.4b
  - Australian Shares c$6.1b
  - Concentrated c$2.5b
  - Other c$2.5b
  - Total Australian equities c$17.5b
- Perpetual Investments will continue to report FUM monthly until September 2011 – thereafter quarterly

Perpetual Private Wealth continuing to invest in people, capability and technology

	FY10 $m	FY11 $m	FY11 v FY10
Market related revenue	73.5	79.1	8%
Non-market related revenue	27.3	37.1	36%
Total revenues	100.8	116.2	15%
Operating expenses	(77.4)	(94.4)	(22%)
EBITDA [(1)]	23.4	21.8	(7%)
Depreciation, amortisation and equity remuneration	(6.0)	(8.5)	(42%)
Profit before tax	**17.4**	**13.3**	(24%)
Margin on revenue	17%	11%	(600 bps)
Closing FUA ($b)	8.3	8.7	5%
Average FUA ($b)	8.1	8.7	7%

(1) EBITDA represents earnings before interest, taxation, depreciation, amortisation of intangible assets, equity remuneration expense and significant items

Key themes:

- Average FUA +7%
- Fordham & Grosvenor acquisitions now BAU
- Increase in non-market FUA driven by acquisitions
- Investment in people and capability to take business forward
- $1.9m investment in new platform project
- In discussions with potential acquisitions

Perpetual Private Wealth FUA benefited from improved investment market conditions – average FUA per client c$1.3m

	FY10 $b	Net flows $b	Other [1] $b	FY11 $b
Financial advisory:				
▪ Superannuation	3.3	(0.1)	0.3	3.5
▪ Non-superannuation	2.2	-	-	2.2
	5.5	**(0.1)**	**0.3**	**5.7**
Fiduciary services:				
▪ Philanthropic	1.1	-	0.1	1.2
▪ Trusts and estates	1.7	-	0.1	1.8
	2.8	**-**	**0.2**	**3.0**
Total funds under advice	**8.3**	**(0.1)**	**0.5**	**8.7**

[1] Includes reinvestments, distributions, income and asset growth

Corporate Trust FY11 profit broadly unchanged

	FY10 $m	FY11 $m	FY11 v FY10
Trust and Fund Services	55.6	54.5	(2%)
Mortgage Services	31.9	42.7	34%
Total revenues	87.5	97.2	11%
Operating expenses	(58.5)	(68.1)	(16%)
EBITDA[(1)]	29.0	29.1	0%
Depreciation, amortisation and equity remuneration	(3.9)	(3.8)	3%
Profit before tax	**25.1**	**25.3**	1%
Margin on revenue	29%	26%	(300 bps)
Closing FUA ($b)	210.5	205.8	(2%)
PLMS matters ('000s)	199	240	21%

(1) EBITDA represents earnings before interest, taxation, depreciation, amortisation of intangible assets, equity remuneration expense and significant items

Key themes:

- FY11 RMBS issuance up but new business written on finer margins than back book due to client mix
- PLMS volumes down in 2H11 due to softness in housing finance market
- PLMS will transition out a major bank contract during 2H12
- Exploring new asset classes and product extensions for revenue expansion

Financials

Roger Burrows
Chief Financial Officer

FY11 profit before tax broadly unchanged from prior year

	FY10 $m	FY11 $m	FY11 v FY10
Operating revenue	426.3	448.7	5%
Operating expenses	(274.3)	(305.5)	(11%)
EBITDA [1]	152.0	143.2	(6%)
Depreciation & amortisation	(14.7)	(15.7)	(7%)
Equity remuneration	(26.8)	(18.5)	31%
EBIT	110.5	109.0	(1%)
Interest expense	(2.8)	(3.6)	(29%)
UPBT	**107.7**	**105.4**	(2%)

(1) EBITDA represents earnings before interest, taxation, depreciation, amortisation of intangible assets, equity remuneration expense and significant items

Key themes:

- Full year's contribution from Fordham & Grosvenor – acquired in FY10
- Continued investment in Private Wealth
- Equity remuneration lower in FY11

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NPAT reflects a number of significant items

	FY10 $m	FY11 $m	FY11 v FY10
UPBT	107.7	105.4	(2%)
Tax expense	(34.9)	(32.5)	7%
UPAT	**72.8**	**72.9**	0%
EMCF gains	20.3	9.8	(52%)
Gain/(loss) on sale/impairment of investments	(2.6)	3.5	
Private equity proposal response costs	-	(3.1)	
Impairment of intangible assets	-	(14.7)	
Restructuring expenses	-	(6.4)	
NPAT to Perpetual ordinary shareholders	**90.5**	**62.0**	(31%)

Key themes:

- Lower tax rate in FY11 as over provided in prior years
- Majority of EMCF unrealised losses now recovered. From FY12 will be reported in UPAT
- Costs associated with response to KKR proposal that did not proceed
- Impairment relates to smartsuper – sold in 1H12 at carrying value
- Restructuring costs expected to deliver annual savings of $9m before tax

Perpetual

Financial strength provides flexibility – continued to de-risk balance sheet

	FY10 $m	FY11 $m
Total equity	361.0	376.1
Less: Intangibles [1]	(189.5)	(175.2)
Net tangible assets	**171.5**	**200.9**
Net tangible assets per share	$3.95	$4.50
Corporate debt	$45.0m	$45.0m
Corporate debt to capital ratio	11.1%	10.7%
Interest coverage	48x	40x
Cash & Liquid investments	$237m	$274m
EMCF assets	$1.2b	$0.9b
PPI loans	$189m	$151m
Risk-based capital coverage ratio	1.50x	1.82x
Cash flow from operations	$152.6m	$114.5m

(1) Intangibles comprise intangible assets plus deferred tax assets less deferred tax liabilities

Key themes:

- Interest coverage impacted by acceleration of interest discount unwind for Private Wealth earn-out payments
- Improved liquidity position
- EMCF and PPI assets continue to run-off
- Robust risk-based capital coverage
- Cash flow from operations lower in FY11 due to lower EMCF recoveries, lower EBITDA, one-off restructuring costs and private equity response costs
- Cash flow from operations higher in 2H v 1H due to seasonality

Conservative methodology used to calculate risk based capital
Improved coverage ratio reflects decrease in risk and improved liquidity

As at end of	2H10 $m	1H11 $m	2H11 $m
Liquid assets	212	204	242
Risk based capital	141	148	133
Coverage ratio	1.50x	1.38x	1.82x

Liquid assets = cash + 50% of liquid investments

FY11 final dividend of 90 cents per share fully franked
FY11 dividend payout ratio 96% of NPAT after adjusting for one-offs

	1H10	2H10	1H11	2H11	FY10	FY11
UPAT EPS	85.1	84.1	93.9	71.8	169.3	165.5
UPAT ROE (annualised)	22.9%	20.6%	22.6%	17.4%	22.4%	20.1%
NPAT EPS	115.0	95.6	80.1	60.8	210.5	140.8
Dividend declared (cps)	105.0	105.0	95.0	90.0	210.0	185.0
Dividend payout ratio	91%	110%	119%	148%	100%	131%
NPAT ROE (annualised)	30.9%	23.4%	19.3%	14.7%	27.9%	17.1%

Key themes:

- Applying dividend policy of 80-100% of annual statutory NPAT would result in FY11 dividends in range of 113-141 cps
- Actual FY11 dividend payout ratio on statutory NPAT is 131%
- FY11 dividends will deliver 44 cps above the 80-100% policy – resulting in distributing an additional c$19.7m to shareholders
- Record date is 6 September 2011, ex-dividend date 31 August 2011
- FY11 final dividend payable 27 September 2011
- DRP in respect of FY11 final dividend will be satisfied by acquiring existing shares. There will be no discount applicable to the Average Market Price

Perpetual

Off-market buy-back announced

- As outlined in May, Perpetual will actively manage its capital
- In FY11 reduced seed funding by $7m
- Continued to reduce exposure to capital guaranteed products such as EMCF
- Strong financial position supports FY11 final dividend that was over and above the dividend policy by 44 cps – distributing c$19.7m of fully franked dividends to shareholders
- Today announcing an additional capital management initiative through an off-market share buy-back for up to approximately $70m
- The Buy-Back Price for each share sold into the off-market buy-back is expected to comprise:
  - A capital component of $9.22 and
  - The balance of the consideration will be in the form of a fully franked dividend
  - Tender discount range of 6% to 10%
- Ex-entitlement date 31 August 2011
- Record date 6 September 2011
- Provides shareholders with the choice whether or not to participate in the buy-back
- Further information will be found in the Off-market Buy-Back Booklet due out 9 September 2011

Progress report and next steps

Update on May objectives

- **Portfolio review**
  - Closed Dublin office and entered into strategic outsourcing with Wellington Management Company, LLP to manage global equities – variabilising cost – will deliver annual savings of $7m after tax (based on current level of FUM)
  - Sold smartsuper to sharpen focus on core activities
- **Cost & efficiency drive**
  - Richard Vahtrick appointed Group Executive Operations
  - Implemented restructure that will deliver annualised savings of $9m before tax
- **Distribution focus**
  - Appointed Brian Henderson as Group Executive Marketing & Communications
  - Appointing Wellington Management has already resulted in improved product ratings
- **Active capital management**
  - FY11 fully franked final dividend of 90 cps – 44 cps paid beyond policy
  - Announced off-market buy-back for up to approximately $70m

Next steps

- Complete portfolio review and remove remaining distractions
- Focus on opportunities by refining growth plans
- Ensuring the best talent is focused on the best opportunities
- Complete process to select external provider of platform administration services for Private Wealth clients
- Sharpen focus in communications both internally and externally
- Company now better positioned to weather difficult market conditions and benefit from turnaround of sentiment
- Next market update – Annual General Meeting 3 November 2011