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Perpetual Limited 2008 Annual General Meeting

- **Strong business with high levels of governance, a strong balance sheet and no net debt**
- **Outlook in line with current market consensus**
- **Performance of equity above benchmark**
- **Capital in Monthly Income and Mortgage Funds is safe and distributions continue**

At its Annual General Meeting today, Perpetual Limited (Perpetual) advised shareholders its aim was to grow long-term value for shareholders by continuing to invest in strategic priorities; protect and sustain its business in the current market; and maintain appropriate internal risk controls.

Speaking at the company's Annual General Meeting, Perpetual's Chairman, Mr Robert Savage said the core of Perpetual's business was robust and the long-term fundamentals of its industry were strong.

"We have net assets of \$314 million of which cash holdings represent \$183 million and liquid assets of \$260 million. Even more importantly, we have a debt to equity ratio of 12.5 per cent and an interest cover of 69 times," he said. "This will provide us with the basis to weather the period and position us well to capitalise on opportunities which may evolve once this current crisis abates."

"From an industry perspective, we must remember the underlying driver of growth for our industry, and therefore of Perpetual's business, is Australia's compulsory superannuation regime."

Mr Savage said Perpetual delivered total shareholder returns in excess of 30 per cent per annum in the decade up to 2007.

"The fundamental impetus for that success has been driven largely by virtue of the industries we have elected to operate in and their inherent relationship with the financial markets. Perpetual always has, and always will, be subjected to the cyclical nature of the market. As shareholders, we must be cognisant of its ongoing and defining influence, both positive and negative, on the performance of our business."

Based on the most recent announcements to the market at the end of September, analyst reports on Perpetual in the past few weeks have forecasted 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.

"This consensus is based on market conditions and funds under management as at the end of September," he said. "Whilst we are of the view that our outlook is in line current consensus, I must once again caution that conditions are changing rapidly and we expect that the volatility of the market in the near-term could affect both market consensus and our outlook prior to the end of the first half at 31 December. As always, should our outlook diverge materially from consensus, we will advise the market."

The performances of Perpetual's leading Australian equities funds have been above their respective benchmarks.

"Our conservative investment style has performed well in the current market environment. I am also very pleased to report that our International Share Fund now sits in the top performance quartile of global equities funds in Australia over one and three year periods. This augurs well for the future growth prospects of this business."

Perpetual's Chief Executive Officer, Mr David Deverall said Perpetual was always reluctant to make predictions about the direction of the stock market. However, the current environment is clearly one of increased uncertainty and warranted some comment.

"The financial climate is without precedent in recent times with the scale of financial rescues and government intervention surpassing even the most pessimistic forecasts six months ago. While we do not want to be complacent given the magnitude of events we feel the environment is becoming increasingly attractive for investing in equities on a three to five year view. This view is supported by our equities teams who are finding opportunities to buy high quality companies at prices not seen in years."

Mr Deverall said investors typically sought what they perceived to be safe havens in cash and other defensive assets when markets declined and the current environment had been no exception.

"Regrettably last week, we saw a significant increase in redemptions in our mortgage funds and had to take the unprecedented step of changing withdrawals from our Monthly Income and Mortgage Funds to a quarterly basis," he said. "It is important to note the distinction between the Monthly Income and Mortgages Fund and the vast majority of our funds which invest in highly liquid securities whether they are cash, fixed income or equities."

"As the Chief Executive Officer of Perpetual and also as the Chairman of our peak industry body, the Investment and Financial Services Association of Australia (IFSA), I am working closely with Government to ensure a satisfactory outcome to this issue."

Mr Deverall added: "Conservative fund managers like Perpetual have never had any need to seek Government support. All funds we manage follow a prudent investment philosophy that emphasises the preservation of capital and almost all have no debt."

To view the addresses to shareholders delivered today at Perpetual's 2008 Annual General Meeting, please go to: [Perpetual | Shareholder Centre - AGM](#)

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