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Media Release

Perpetual delivers increased returns to shareholders

- NPAT of \$66 million, up 2% on 1H16
- Fully franked interim dividend of 130 cents per share, up 4% on 1H16
- All business divisions - Perpetual Investments, Perpetual Private and Perpetual Corporate Trust increased PBT on 1H16
- Disciplined approach to Lead & Grow initiatives continues

Perpetual Limited (Perpetual) has delivered solid results for the six months to 31 December 2016 with statutory net profit after tax (NPAT) of \$66 million, up 2% and revenue of \$252.4 million, up 5% on 1H16.

The Board has determined to pay a fully franked interim dividend of 130 cents per share, up 4% on 1H16.

Perpetual's Chief Executive Officer and Managing Director Geoff Lloyd said Perpetual's strength and diversity had allowed the business to deliver a solid result for the first half and increase returns to shareholders.

"We continue to lead in our core businesses of Australian equities asset management, professional financial advice to high net worth clients, as well as debt markets and managed funds services," Mr Lloyd said. "Based on these strong franchises we're making good progress on our strategic extensions."

"In Perpetual Investments we remain true to our value investing style, and are pleased with progress on our new multi-asset offer, which has recently garnered a number of important asset consultant and researcher upgrades. In Perpetual Private, we are growing in our targeted high net worth segments, and Perpetual Corporate Trust's credentials in data and analytics have provided a platform to diversify into new and growing markets," he added.

Commenting on market conditions Mr Lloyd said: "We believe the external environment will remain challenging, globally and locally, with political and social change continuing to give rise to new pressures and opportunities for financial services providers and partners.

"At Perpetual we have a strong brand and market position, a disciplined approach to growth based on our clear Lead and Grow strategy, and deeply held values."

Business Unit overview

Perpetual Investments

In 1H17, Perpetual Investment's profit before tax was \$58.8 million, which was \$1.6 million or 3% higher than 1H16, supported by positive markets.

"In these challenging times we have maintained our margins - testament to our disciplined approach to managing the business through market cycles. Our focus remains on continuing to deliver long-term investment performance for our clients.

“Pleasingly, we continue to see good progress in our Lead & Grow initiatives including a number of recent consultant and research house upgrades for our multi-asset business, which is critical to our go-to-market strategy.

“Our brand is strong and over the half we struck seven new retail distribution arrangements while also initiating four new funds with more incubations to follow,” he added.

Perpetual Private

Perpetual Private’s profit before tax was \$18.7 million, which was 9% higher than 1H16. This increase was driven by higher markets, investment outperformance, net inflows and growth in new high net worth clients.

“Our Perpetual Private strategy remains on track with growth in high net worth clients. Investment management for private clients and not-for-profits continues to perform well with net inflows of \$200 million and our managed accounts service passing through \$2 billion of funds under management during the half,” said Mr Lloyd.

“Our accountancy business Fordham continues to grow and is now a leading referral source of clients who are also seeking comprehensive financial advice.”

Perpetual Corporate Trust

Perpetual Corporate Trust’s profit before tax was \$16.8 million, which was \$0.2 million or 1% higher than 1H16, with strong performance in our Debt Markets and Managed Funds businesses.

“Perpetual Corporate Trust is an increasingly diverse business that continues to provide clients with market leading products and services,” Mr Lloyd said.

“I’m pleased with the way we are initiating and developing a range of products and services utilising our strength in data and analytics – a true extension of what is already a market leading business.”

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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