

27 May 2008 (MR 08 – 16)

Perpetual outlook for 2008 financial year

The Chairman of Perpetual Limited (Perpetual), Mr Robert Savage, today provided an operating profit after tax outlook for the company of between \$130 – 140 million for the 2008 financial year.

This result is premised on the All Ordinaries Index remaining at its current level. Any sizeable movements in the market between now and the end of the 2008 financial year will ultimately have a bearing on Perpetual's performance.

In his Letter, Mr Savage said the global credit crisis and the decline in share markets continued to drive market volatility and negatively impact investor sentiment in the second half of the 2008 financial year.

Funds under management in Perpetual Investments were \$32.6 billion at 30 April 2008, a decrease of 17 per cent since 30 June 2007. Contributing to the result was negative asset growth in line with the decline in the All Ordinaries Index and outflows from Perpetual's lower margin institutional business. Perpetual has outperformed the market across most of its equity funds since November 2007.

Funds under advice in Perpetual Private Clients were \$8.0 billion at 30 April 2008, a decrease of 5 per cent since 30 June 2007. While overall funds were impacted by the decline in equity markets, the business achieved excellent inflows and increased client numbers during this period.

Funds under administration in Perpetual Corporate Trust were \$195.6 billion at 30 April 2008, a decrease of 7 per cent since 30 June 2007. The decrease was a direct result of the inertia in the securitisation market over the past six months combined with the natural run-off of the securitisation book.

Perpetual has responded to the reduction in revenue with a review of its cost base. The majority of savings from the review are expected to flow through in the 2009 financial year.

Mr Savage said that despite the current cyclical downturn in the operating environment, Perpetual remained very optimistic about its future growth potential.

"Accordingly, we have continued to invest in the growth of our business" he said. "This investment is funded directly from operating earnings."

A full copy of the [2008 Chairman's May 'Letter to shareholders'](#) is available on Perpetual's website.

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