

MEDIA RELEASE

18 October 2005

Perpetual forecasts 15 per cent increase in operating profit after tax for half year ending 31 December 2005

- **Operating profit after tax for half year expected to increase by 15 per cent over the amount reported for the prior corresponding period**
- **Volumes up across all businesses in first quarter**
- **Significant progress in implementation of strategy in first quarter**

Perpetual Trustees Australia Limited (Perpetual) is forecasting an increase of approximately 15 per cent in operating profit after tax for the half year ending 31 December 2005 over the amount reported for the prior corresponding period. This figure will be adjusted to approximately 10 per cent under the new Australian International Financial Reporting Standards (AIFRS). The forecast is subject to investment market fluctuations, particularly in the Australian equities market.

Operating profit after tax excludes the profit on the sale of ASX Perpetual Registrars Limited of approximately \$17 million and the net expenses of the establishment of the global equities business of approximately \$6 million.

At today's Annual General Meeting, Perpetual's Chairman, Mr Charles Curran AO, said that Perpetual's board and management were pleased with the progress of the business in the first quarter.

"The primary driver was strong growth in funds under management for Perpetual Investments, which increased from \$26.7 billion to \$29.4 billion during the first quarter. This resulted from favourable equity market conditions, strong investment performance and healthy net inflows."

Mr David Deverall, Perpetual's Managing Director, said that Perpetual's excellent performance continued to be recognised by the industry.

"Perpetual was recently presented with the inaugural 'Reader's Choice Award for Best Fund Manager', 'Australian Share Fund of the Year' and 'Balanced Superannuation Fund of the Year' by the Personal Investor Magazine Awards for Excellence in Financial Services 2005," he said. "In October, we were also awarded the 2005 Skilled 'Fund Manager of the Year - Australian Shares'."

Mr Deverall said that, during the first quarter, Perpetual had implemented a number of initiatives as part of its corporate strategy. These were:

- the launch of a new QI Long Short Equities Fund;
- the sale of its 50 per cent stake in ASX Perpetual Registrars Limited;
- the establishment of a direct property funds management capability;
- the commencement of the process for the acquisition of the remaining 50 per cent of its listed property securities joint venture; and

- the approval from the Securities and Exchange Commission (SEC) to act as an investment adviser to the institutional market in the United States

Mr Curran will retire at the conclusion of the Annual General Meeting. His successor as the Chairman of Perpetual is Mr Robert Savage, who is also the Chairman of David Jones and a director of Smorgon Steel Group Limited.

To view the Address to Shareholders delivered today at Perpetual's Annual General Meeting, please go to:

<http://www.perpetual.com.au/subject.asp?subject=publications&page=8>

For further information, please contact:

Susan Morey
Head of Corporate Affairs and Investor Relations
Perpetual Trustees Australia
Sydney
Australia
Telephone: 61 2 9229 3936
Mobile: 61 409 746 385
Email: susan_morey@perpetual.com.au