

ASX Announcement

The Trust Company recommends Perpetual's revised proposal

9 September 2013

Perpetual Limited (Perpetual) and The Trust Company Limited (The Trust Company) confirmed today that they have agreed to revised terms of Perpetual's recommended proposal to acquire all of the ordinary shares in The Trust Company by way of a Scheme of Arrangement (Revised Perpetual Proposal).

The Trust Company's Board has unanimously recommended that its shareholders vote in favour of the Revised Perpetual Proposal in the absence of a superior proposal.

Revised Perpetual Proposal

The Revised Perpetual Proposal includes an increase in the share consideration, with shareholders in The Trust Company now offered 0.182 Perpetual shares for each The Trust Company share (Scrip Alternative). The Trust Company shareholders who elect to receive cash for all or part of their shareholding will now receive the greater of the implied value of the Scrip Alternative or a guaranteed minimum payment of \$6.29 (Guaranteed Minimum Cash Consideration).

In addition, Perpetual supports The Trust Company shareholders receiving an interim dividend from The Trust Company of up to \$0.17 per share, expected to be fully franked, without any adjustment to the Scheme Consideration.

Value per Trust Share (A\$)¹	Scrip Alternative plus Dividends	Guaranteed Minimum Cash Consideration plus Dividends
Consideration	\$6.79	\$6.29 or better
Special Dividend (excluding franking credits)	\$0.22	\$0.22
Trust Interim Dividend (excluding franking credits)	Up to \$0.17	Up to \$0.17
Value per Trust share (excluding franking credits)	\$7.18	\$6.68 or better

The Trust Company's shareholders can elect to receive the Scheme Consideration wholly in Perpetual shares or in cash at an equivalent value, or a combination of cash and shares, subject to a maximum cash component of \$110 million. If the total cash elections exceed this maximum amount, there will be a proportional scale back and The Trust Company shareholders will receive the balance of the Scheme Consideration in Perpetual shares to a value of not less than \$6.29.

Under the Revised Perpetual Proposal a total implied value will be received by The Trust Company's shareholders of \$7.18 per share. This compares with a value of \$6.47 per share, assessed on the same basis,^{1,2} envisaged by the proposal announced by IOOF Holdings Limited (IOOF) on 2 September 2013 to acquire The Trust Company through a Scheme of Arrangement (IOOF Proposal).

A Superior Proposal

The Directors of The Trust Company have unanimously recommended that The Trust Company's shareholders vote in favour of the Revised Perpetual Proposal in the absence of a superior proposal, subject to an independent expert opining that the Scheme is in the best interests of shareholders in The Trust Company. All Directors of The Trust Company also intend to vote their shares in favour of the Revised Perpetual Proposal, subject to there being no superior proposal and the independent expert opining that the scheme is in the best interests of shareholders in The Trust Company.

The Trust Company Chairman Mr Bruce Corlett AM said: "The Directors of The Trust Company have provided their unanimous support for the revised terms agreed with Perpetual. In our opinion, this provides the greatest value to shareholders in The Trust Company in the absence of a superior proposal."

Perpetual believes that the Revised Perpetual Proposal is clearly a superior proposal as compared to the IOOF Proposal. A comparison of the Revised Perpetual Proposal with the IOOF Proposal is set out in the table below:



Value per Trust share – ex dividend ^{1,2}	\$7.18	\$6.47
Value per Trust share under the Guaranteed Minimum Cash Consideration ^{1,2}	\$6.68 (or better)	\$6.42 (or better)
Total cash available (excluding Special Dividend and Interim Dividend)	\$110m	\$100m
Special Dividend to Trust shareholders	\$0.22	\$0.22
Interim Dividend to Trust shareholders	Up to \$0.17	Up to \$0.17
Flexibility for Trust shareholders to mix and match consideration between cash and shares	✓	×
ASX 100 Company	✓ ³	×
Upside value potential (benefit from positive movement in share price)	✓	✓
Demonstrated record of implementing large transformation programme and synergy realisation	✓	✓

Perpetual first engaged with the ACCC in relation to the proposed acquisition of The Trust Company in May 2013. Since that time, Perpetual has worked closely with the regulator and looks forward to the completion of this review by 19 September 2013.

Perpetual CEO Geoff Lloyd said: "We are pleased that the Board of The Trust Company has recommended our revised proposal. The transaction remains on strategy and is financially compelling for our shareholders. In addition, Perpetual will be added to the S&P/ASX 100 Index later this month and we look forward to welcoming The Trust Company shareholders to our register".

Next Steps

Perpetual and The Trust Company envisage that a Scheme Meeting of The Trust Company shareholders will be held in early November to vote on the Revised Perpetual Proposal, with a target implementation date of 21 November 2013.

Attachments:

- Addendum to Scheme Implementation Agreement
- Analyst presentation

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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

Endnotes

- 1) *All share price information and detail of the IOOF offer sourced from company filings and IRESS. Perpetual implied offer values calculated based on Perpetual's closing price on 6 September 2013 of \$37.30. IOOF offer value based on close price on 6 September 2013 of \$8.44, adjusted for announced dividend of 22.5c per share, which The Trust Company shareholders would not receive (ex-dividend date is 18 September 2013). All numbers stated are shown in Australian dollars and are subject to rounding.*
- 2) *Includes \$0.22 special dividend and \$0.17 interim dividend (excluding franking credits). IOOF "Value per Trust share – ex dividend" adjusted for announced dividend of 22.5c per share, which The Trust Company shareholders would not receive (ex-dividend date is 18 September 2013).*
- 3) *From 20 September 2013, post market close.*