EQUITY Trustees

Trusted since 1888

Equity Trustees Limited

Half Year Results to

31 December 2005

Themes

EQUITY Trustees

- Strong 1st half result
- Revenue growth + cost control
- Contribution across the business
- Strong net inflows into funds
- New operating system introduced into Private Client business
- Settlement of dispute with Land Roberts Nominees

A strong 1st half....

Revenue	$11.5m	↑ 17.2%
Profit (pre-tax)	$2.7m	↑ 17.0%
Profit (post-tax)	$1.9m	↑ 19.2%
EPS An additional 1.158m shares were issued in the 1st half (18% of issued capital)	26.83¢	vs 25.04¢
DPS (fully franked)	20¢	vs 15¢

- **Growth driven solely by operating gains - no investment gains in period**
- **A-IFRS implemented**

Non-recurring items

1. Rebalancing company investment portfolio

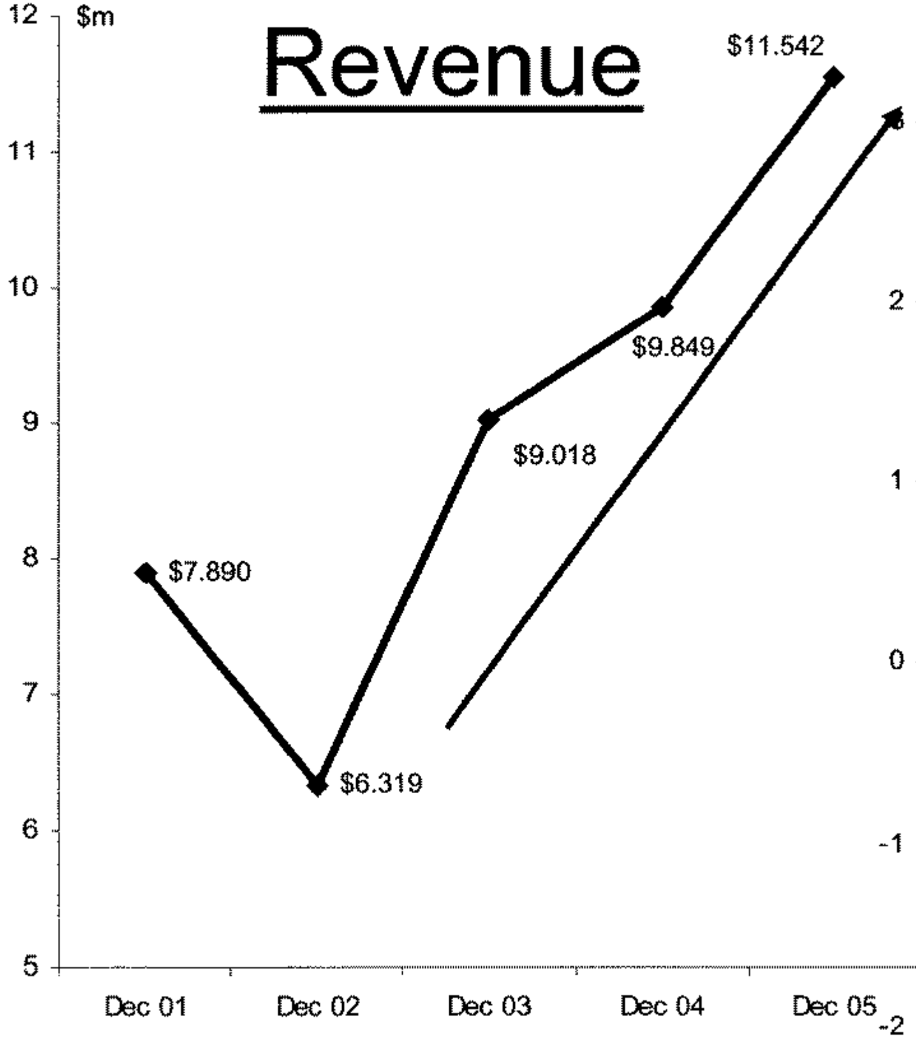
$'000	Dec 05	Dec 04
Pre tax	($10)	$487
Post-tax	($7)	$341

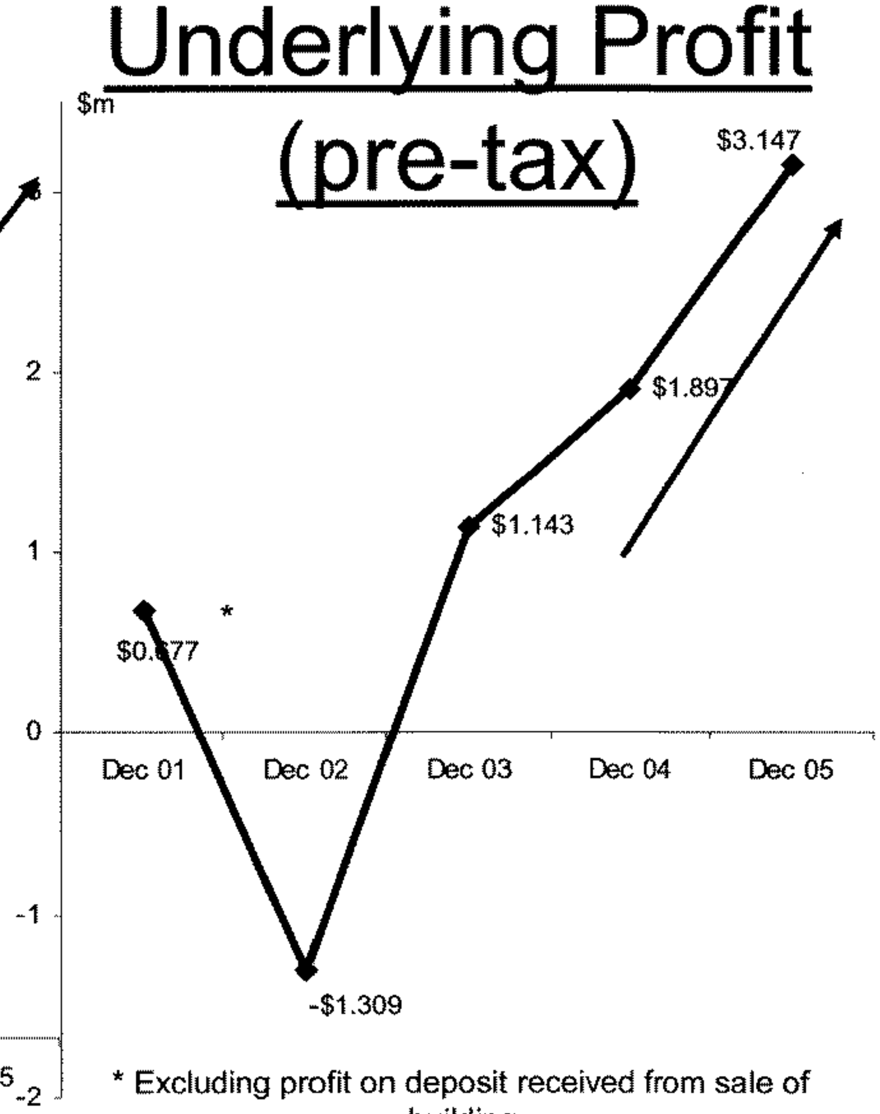
2. One-off legal fees of $478k (Dec 05) pertaining to dispute with Land Roberts. Nil cost in pcp.

Net of non-recurring items

Profit (pre-tax) net of one-offs	$3.2m	↑ 76.3%
Profit (post-tax) net of one-offs	$2.4m	↑ 90.3%

Historical Comparison





* Excluding profit on deposit received from sale of building

Achieved through…

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- Strong revenue streams through four business units
- Integration of new IT system
- Up-skilling staff
- Renewed sales & marketing focus
- Focus on operating margin….

	Dec 05	Dec 04	Dec 03
Pre- Tax Margin (underlying profit)	27.1%	20.2%	13.7%

Business Units

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Funds Management	• Sales & marketing function for EQT branded funds • Support to fund managers
Private Clients	• Wealth management • Trusts & estates • Philanthropic services
Fund Services	• Responsible entity roles • Corporate trusts • Approved trustee roles
Superannuation	• Master-trust (Wealthpac) • Approved trustee • DIY (under review)

Revenue

Business Unit	Revenue	vs Dec04	Comments
Funds Management	$3.6m	+18.5%	• Significant FUM inflow • Targeted distribution strategy • Strong funds performance
Private Clients	$2.9m	-1.7%	• Estates income down (cyclical) • New system implemented • Strong 2nd half growth f'cast
Fund Services	$2.4m	+71.4%	• Strong RE growth (new funds) • Consistent corp trust business • Approved trustee focus
Superannuation	$2.0m	+29.0%	• Increase in master-trust FUM • Solid operating base • Foundation for NSW expansion
Investment income (excl inv gains)	$0.6m	+54.9%	
Total	**$11.5m**	**+17.2%**	

Expenses

	Dec 05	Dec 04	
Operating Expenses	$8.9m	$7.6m	
Legal fees (non-recurring)	$0.5m	-	
Net Operating Expenses	**$8.4m**	**$7.6m**	**+10.9%**

- Non-recurring fees relate to dispute with Land Roberts re the sale of the Wealthpac business
- Fees outlined above are those relating only to that non-recurring expense, (including a provision for remaining costs)
- Net of the legal fees, 10.9% growth in expenses lags revenue growth of 17.2%

Earnings per share

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- Change in shares on issue - 6 months to 31/12/05

Opening balance at 1/7/05	6,480,850
Issue under placement and share purchase plan	1,101,440
Dividend reinvestment plan	57,047
Closing balance at 31/12/05	**7,639,337**

- Earnings per share (half-year results):

¢ per share	**Dec 05**	**Dec 04**	**Dec 03**	**Dec 02**	**Dec 01**	**Dec 00**	**Dec 99**
Basic	**26.83**	25.04	20.78	-43.78	17.80	11.40	11.90
Excluding issue	**29.24**						

Dividends

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- **20¢ per share**, fully franked
- **D**ividend **R**einvestment **P**lan reactivated
- At December 2005, franking credit balance = **$4.4m** (vs $3.3m as at Dec 2004)
- Dividends declared (historical comparison)

¢ per share	**Dec 05**	**Dec 04**	**Dec 03**	**Dec 02**	**Dec 01**	**Dec 00**	**Dec 99**
Interim Dividend	**20**	15	10	0	14	10	14

Balance Sheet

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- Shareholders funds up $12.2m to **$33.8m**
- Increase includes net proceeds of $10.6m from capital raising
- Acquisition cost of Wealthpac reflected as intangible asset
- Investment portfolio includes unrealised gains of $4.9m (vs $4.1m at Dec 04)
- Under A-IFRS, investment revaluation reserve is $3.5m (vs $2.9m at Jun 05)
- Reserve requirement of Trustee Companies Act (1984) more than adequately met through net asset position and liquid reserves

FUM

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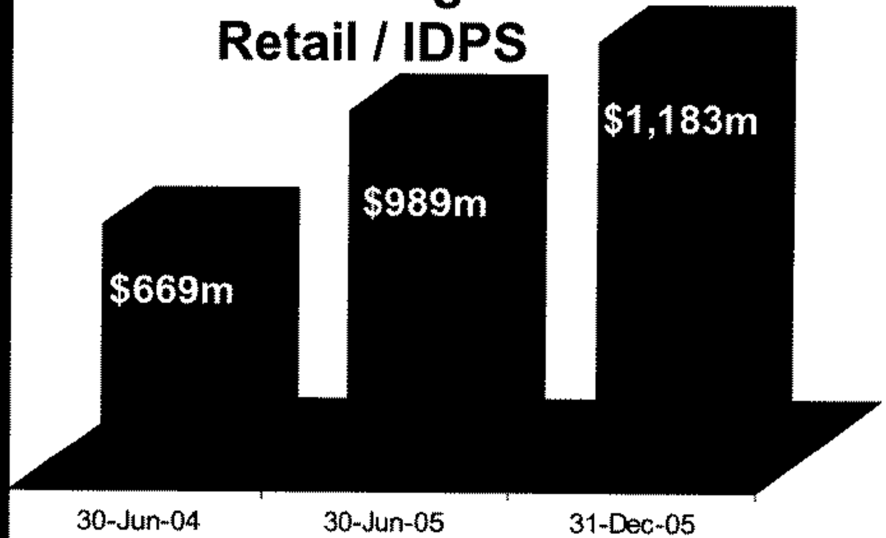
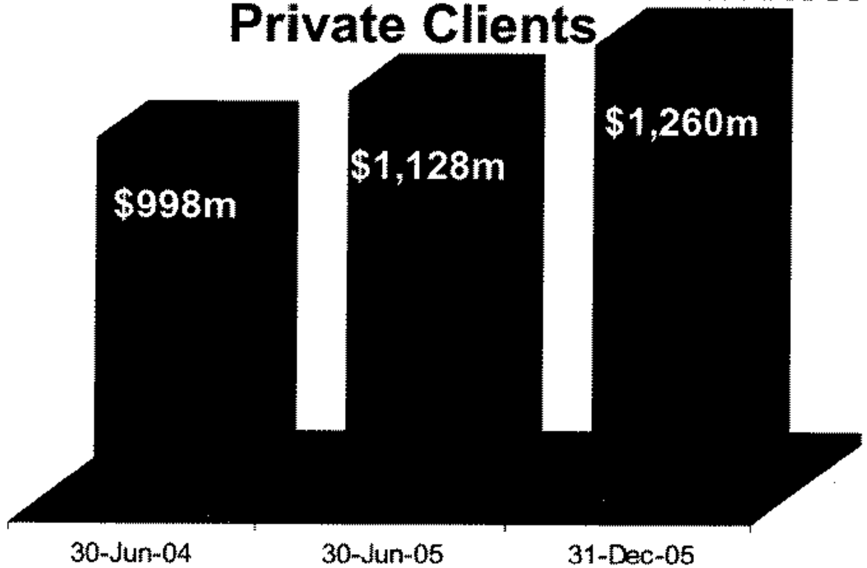
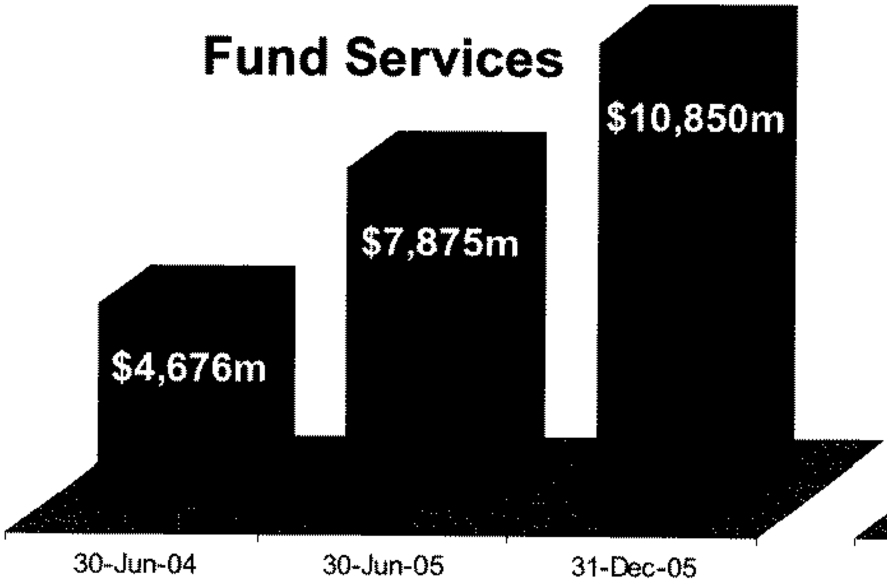
Funds Management Retail / IDPS



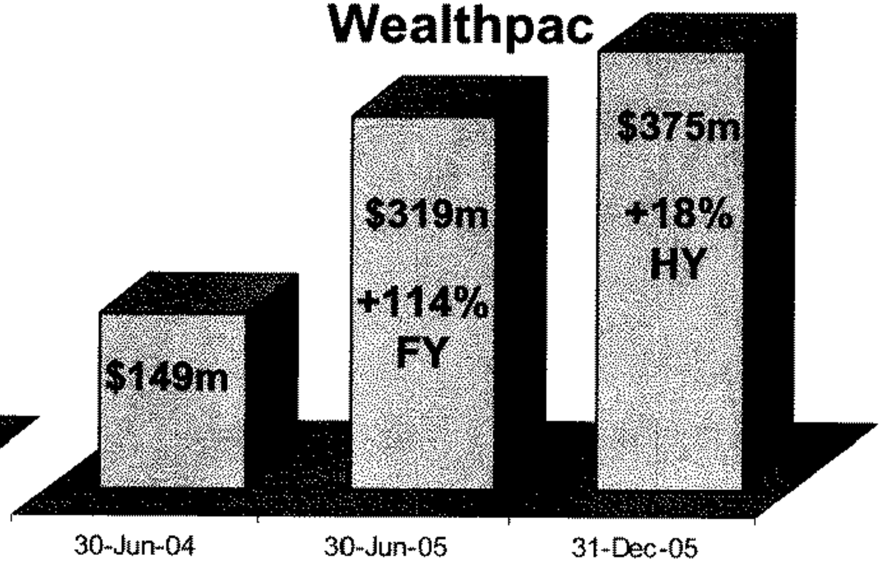
Private Clients



Fund Services



Wealthpac



Land Roberts

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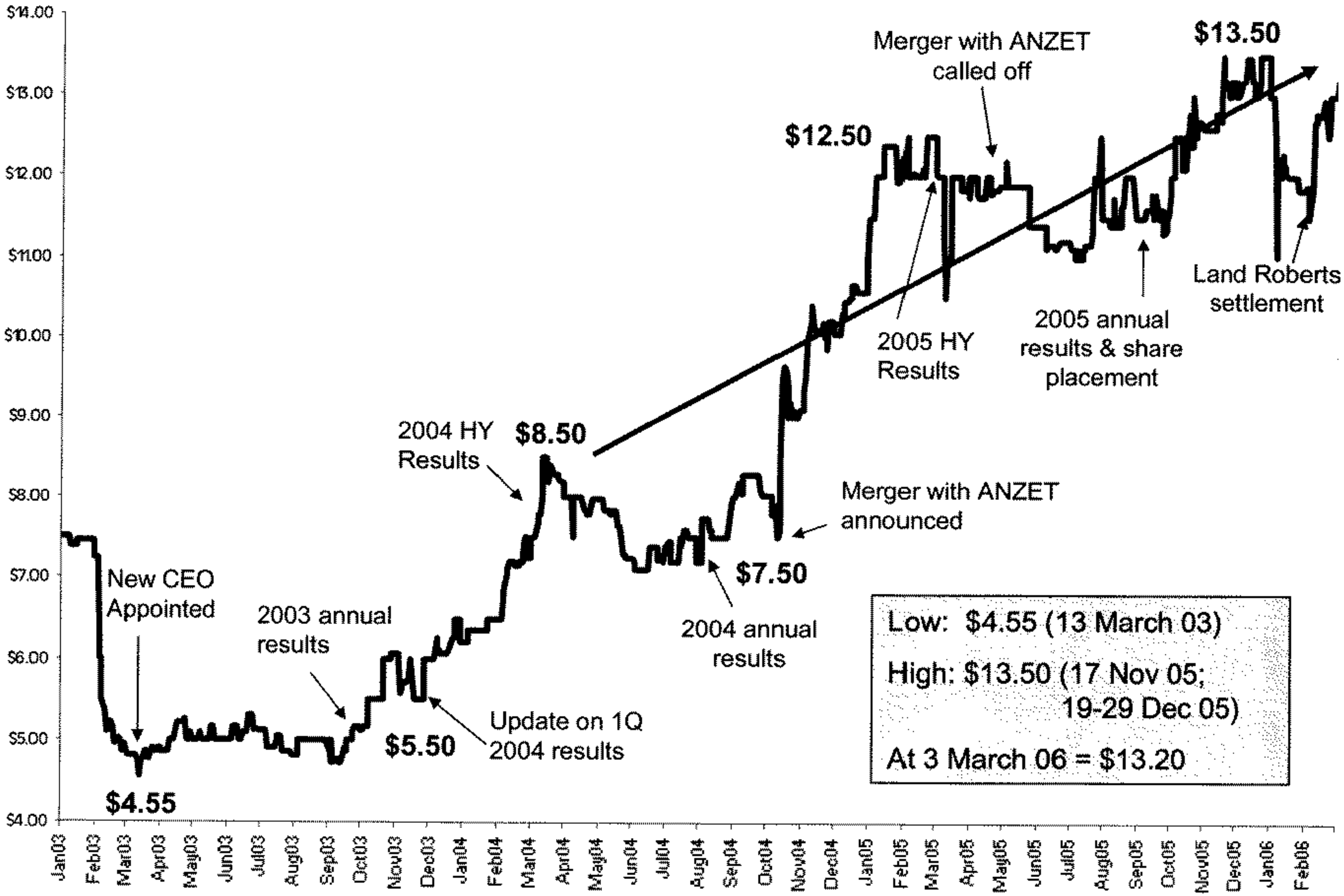
- Dispute with vendor of Wealthpac business settled on 3 February 06. Final payment made on 17 February
- Total consideration of $17.6m (plus stamp duty) is inclusive of amounts previously paid
- Full acquisition cost capitalised and recognised in accounts at 31 December 05
- Wealthpac business continues to record strong levels of performance
- Plan to leverage Sydney presence

Share price


$14.00
$13.00
$12.00
$11.00
$10.00
$9.00
$8.00
$7.00
$6.00
$5.00
$4.00
New CEO Appointed
$4.55
2003 annual results
$5.50
Update on 1Q 2004 results
2004 HY Results
$8.50
$7.50
2004 annual results
Merger with ANZET announced
$12.50
2005 HY Results
Merger with ANZET called off
2005 annual results & share placement
$13.50
Land Roberts settlement
Low: $4.55 (13 March 03)
High: $13.50 (17 Nov 05; 19-29 Dec 05)
At 3 March 06 = $13.20
Jan03
Feb03
Mar03
Apr03
May03
Jun03
Jul03
Aug03
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Jan06
Feb06

Awards

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PIMCO

Grange Asset Management

SGH SG Hiscock & Company

IVI

MIR

Aust Equities	EQT MIR SGH
Int'l Equities	IVI
Mortgages	EQT
LPTs	SGH
High Income	Grange
Aust Fixed Interest	PIMCO
Int'l Fixed Interest	PIMCO
Emerging Markets	PIMCO
Global Credit	PIMCO
Diversified Fixed Int	PIMCO

Money Management
FUND MANAGER OF THE YEAR 2005
WINNER
Australian Equities

Money Management
FUND MANAGER OF THE YEAR 2005
WINNER
International Fixed Interest

Money Management
FUND MANAGER OF THE YEAR 2005
WINNER
Rising Star

Money WINNER 2005

Money WINNER 2005

Money FINALIST 2005

Money FINALIST 2005

Strategy Update

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Year	Theme	Key milestones
2003	Survival	• Renewed culture • Business unit consolidation • Wealthpac purchase
2004	Recovery	• IT system overhaul • Operational capacity • Corporate services
2005	Organic Growth	• Focus on people & skills • Focus on marketing • Focus on margins
2006	Step Growth	• Seek means of growth (M&A) • Improve company profile • Improve company reach (sales)

Positioning

EQUITY Trustees

Well positioned for growth

Superannuation guarantee	• 9% mandated • Favourable tax changes • Master-trust & A/T exposure
Ageing population	• Focus on wealth management • Need for trusted advisors • Increasing complexity of estates
Funds management	• Across all asset classes • Mix of globals and boutiques • Sound investment performance
Skill base	• Demand for specialised RE and corporate trust skills
Size	• Small enough to be flexible • Large enough to generate scale

Outlook

EQUITY Trustees

- The first half provides a solid platform
- Focus on Private Client activities in 2nd half
- Focus on distribution of funds
- Integration of Wealthpac (Sydney)
- Interstate expansion opportunities (organic)
- Operating environment remains favourable for all business units

⇨ In the absence of any significant market fluctuations, we forecast a year-on-year increase in underlying after-tax profit in excess of 40%

EQUITY Trustees

Trusted since 1888