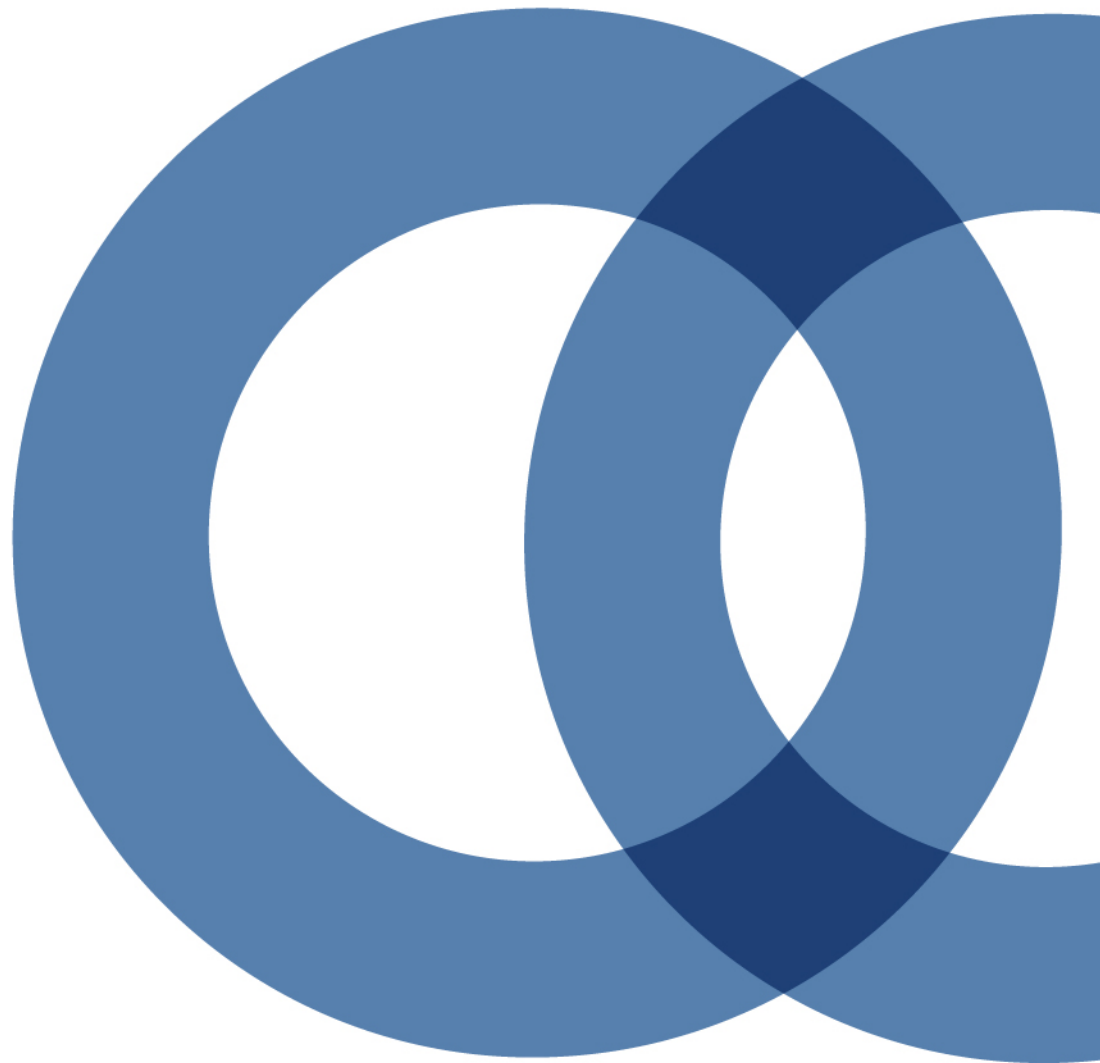




2007 Full Year Results

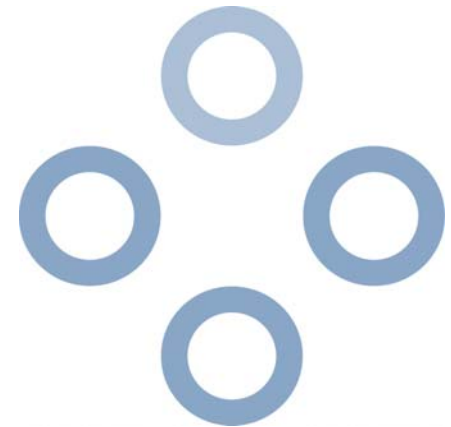
Analyst and institutional shareholder
briefing

22 August 2007



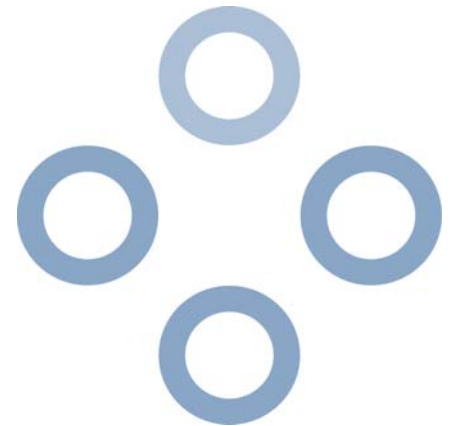
Agenda

- Group highlights – David Deverall
- Financial results – John Nesbitt
- Outlook – David Deverall



Agenda

- ▶ ■ **Group highlights – David Deverall**
 - Financial results – John Nesbitt
 - Outlook – David Deverall



A solid full year result

	2007 \$M	2006 ⁽³⁾ \$M	Change %
Operating profit before tax ⁽¹⁾	206.9	178.0	16
Operating profit after tax ⁽¹⁾	145.3	122.4	19
Net profit after tax	182.1	135.3	35
EPS ⁽²⁾	353¢	300¢	18
Dividends per share – ordinary	360¢	326¢	10
Dividends per share – special	-	100¢	~

(1) Operating profit excludes significant items

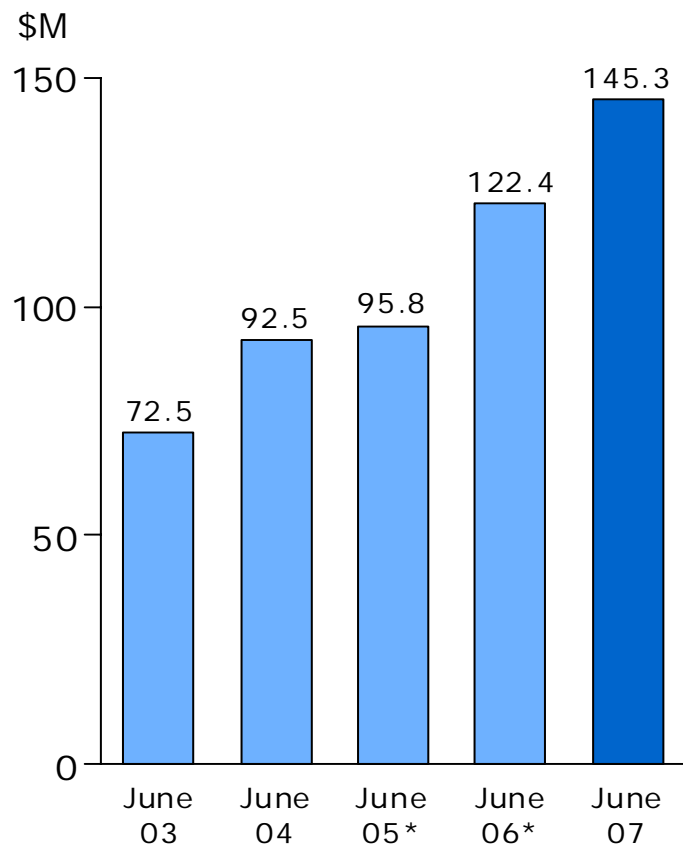
(2) Diluted EPS calculated using operating profit after tax divided by the weighted average number of ordinary and potential ordinary shares on issue

(3) Prior year amounts have been restated to include net establishment costs of our global equities business in Ireland

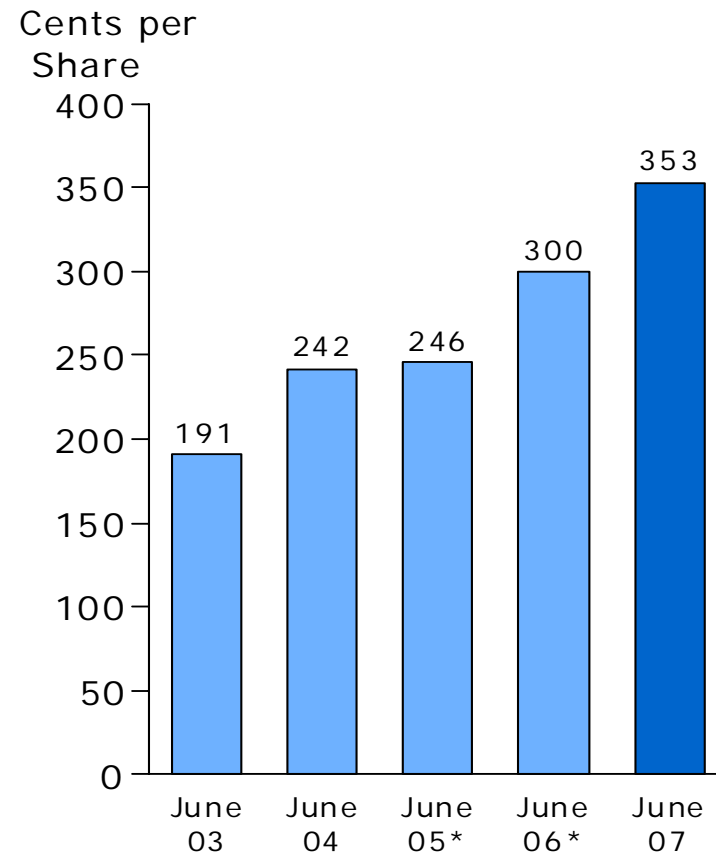


Track record of continued growth

Operating profit after tax up 19%



EPS up 18%

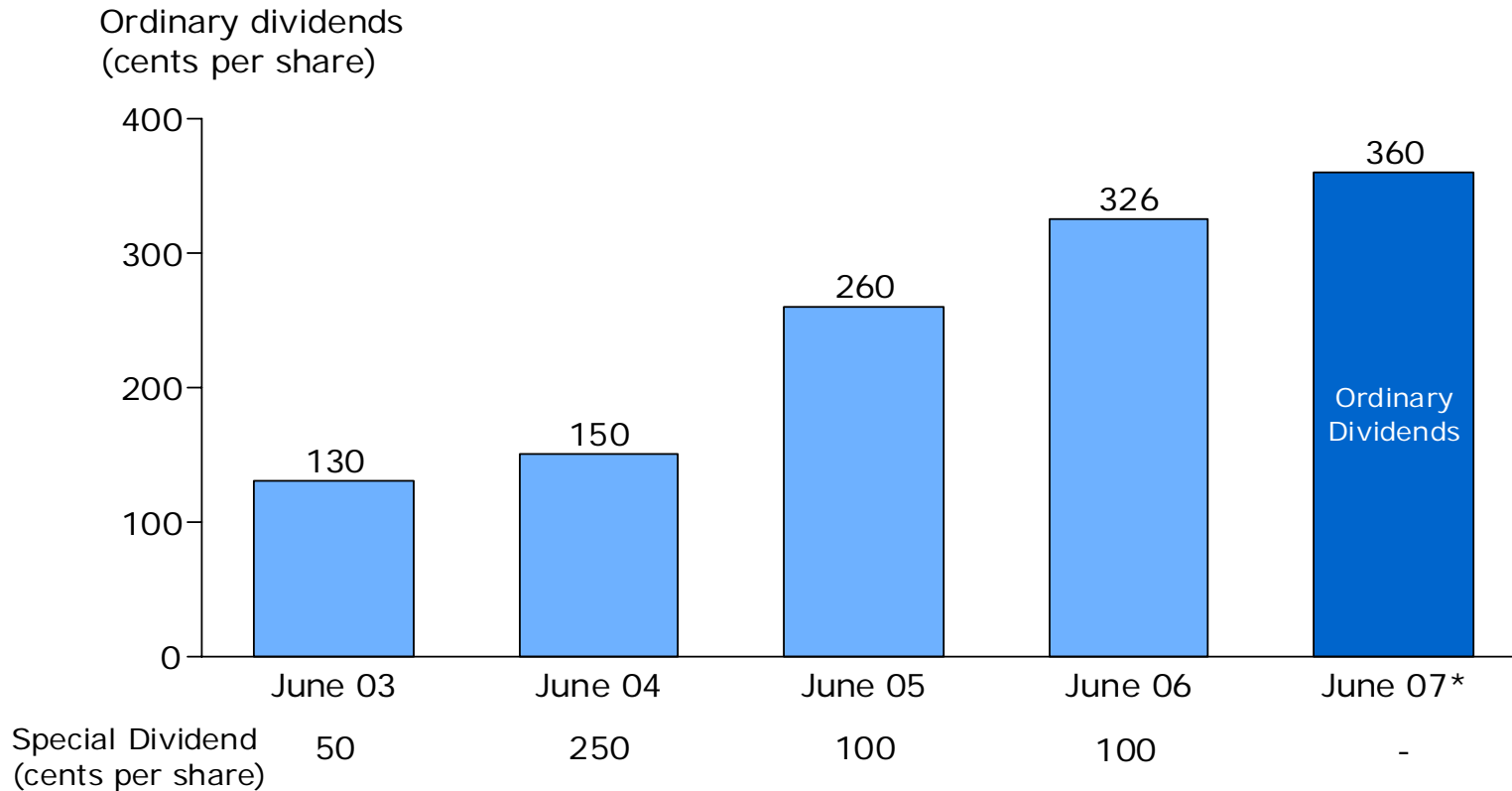


* Amounts shown in June 2005 and June 2006 have been restated to include net establishment costs of our global equities business in Ireland



Ordinary dividends per share up 10%

4 year CAGR 29%



* 2007 dividend calculation includes the results of our global equities business for the first time

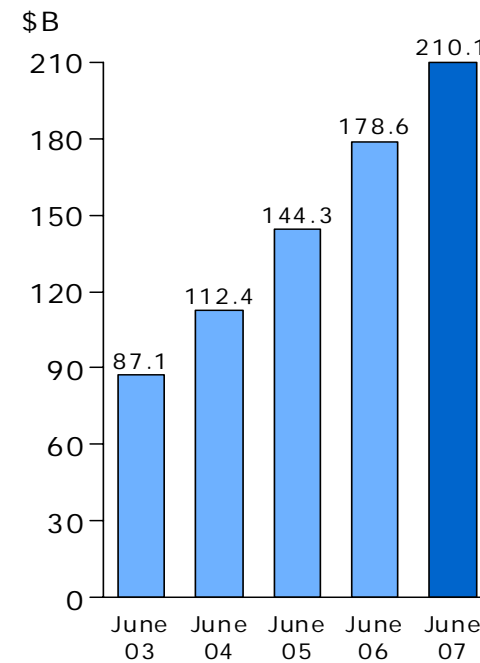
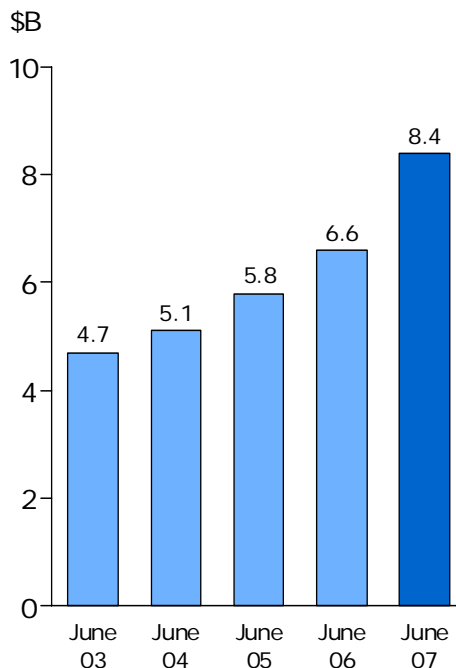
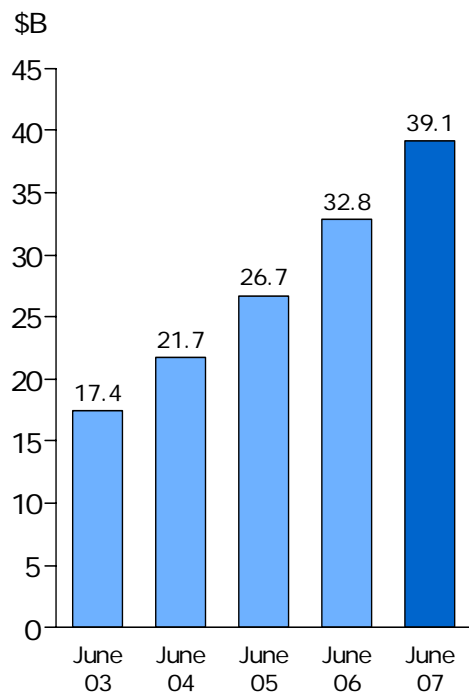


Good volume growth in all businesses

Perpetual Investments
FUM⁽¹⁾ up 19%

Perpetual Private Clients
FUA up 27%

Perpetual Corporate Trust
FUA up 18%



⁽¹⁾ Excludes externally advised 'do-it-yourself' (DIY) superannuation and Investor Directed Portfolio Service (IDPS) funds under administration



Operating profit before tax up 16%

	2007 \$M	2006 ⁽²⁾ \$M	Change %
Perpetual Investments	154.3	123.4	25
Perpetual Private Clients	37.8	33.2	14
Perpetual Corporate Trust	35.7	32.0	12
Group and Support Services	(20.9)	(10.6)	~
Total operating profit before tax (PBT)⁽¹⁾	206.9	178.0	16
PBT margin	44%	44%	~

(1) Operating profit before tax excludes significant items

(2) Prior year amounts have been restated to include net establishment costs of our global equities business in Ireland



Perpetual Investments operating profit before tax up 25%

	2007 \$M	2006 ⁽¹⁾ \$M	Change %
Total revenues ⁽²⁾	297.9	257.0	16
Operating expenses ⁽²⁾	121.2	112.3	8
Depreciation and amortisation	22.4	21.3	5
Operating profit before tax	154.3	123.4	25
PBT margin	52%	48%	~

(1) Prior year amounts have been restated to include net establishment costs of our global equities business in Ireland

(2) Excludes structured investments revenue and expenses (net to nil)



Perpetual Investments: FUM up 19% or \$6.3 billion

Funds under management	30 June 2006 \$B	Net inflows \$B	Other ⁽¹⁾ \$B	30 June 2007 \$B
Retail ⁽²⁾	8.4	(0.2)	1.3	9.5
Intermediary (masterfund and wrap)	15.4	0.8	1.8	18.0
Institutional	9.0	0.9	1.7	11.6
All channels	32.8	1.5	4.8	39.1
Australian equities	22.0	(0.6)	4.1	25.5
Cash and fixed Interest	7.4	2.0	0.3	9.7
Global equities	2.1	(0.2)	0.2	2.1
Other ⁽²⁾	1.3	0.3	0.2	1.8
All asset classes	32.8	1.5	4.8	39.1

⁽¹⁾Includes reinvestments, distributions, income and asset growth

⁽²⁾Includes flows from Perpetual Protected Investments product



Solid inflows into new asset classes from intermediary and institutional channels

Australian equities	Healthy inflows from intermediated channel Outflows from lower margin institutional clients
Cash and fixed interest	Majority of flows coming from the institutional channel Now represents 25% of FUM Developed tailored offerings to the retail market
Global equities	Steady FUM in global equities
Structured products	\$0.2b inflows from Perpetual Protected Investments - Series 1 Higher margin product
Other asset classes	Encouraging flows into property, diversified and infrastructure



Perpetual Protected Investments (PPI) – Series 1

Successful launch

Seven year, capital protected investment product

Targeted at emerging high net worth individuals (income rich/asset poor)

Investors able to borrow 100% of amount invested

Net inflows of approximately \$160 million into this higher margin product

Outlook

Product investment incurred in 2007, revenue benefits to flow in 2008

Excellent results from the launch

Next series scheduled for November 2007, followed by June 2008



Starting FUM position for 2008

Strong FUM position	June 2007	June 2006	Change
	\$B	\$B	%
Perpetual Investments FUM	39.1	32.8	19

Full year impact of fee increase and Perpetual Protected Investments product for 2008

Outlook

Solid foundation

Positive results emerging from new initiatives

Good future growth prospects subject to market conditions



Perpetual Private Clients operating profit before tax up 14%

	2007 \$M	2006 \$M	Change %
Total revenues	83.0	73.0	14
Operating expenses	44.0	38.5	14
Depreciation and amortisation	1.2	1.3	(8)
Operating profit before tax	37.8	33.2	14
PBT margin	46%	45%	~



Perpetual Private Clients continuing to deliver excellent growth

Business overview

Specialist financial services business providing comprehensive financial solutions.

Targets high net worth and emerging high net worth individuals.

Services provided include strategic advice, ongoing investment advice and management, inhouse advised 'do-it-yourself' superannuation services, custodial solutions, estate planning, estate administration, executorial services and trustee and philanthropic services.

Key statistics

Funds under advice of \$8.4 billion at 30 June 2007

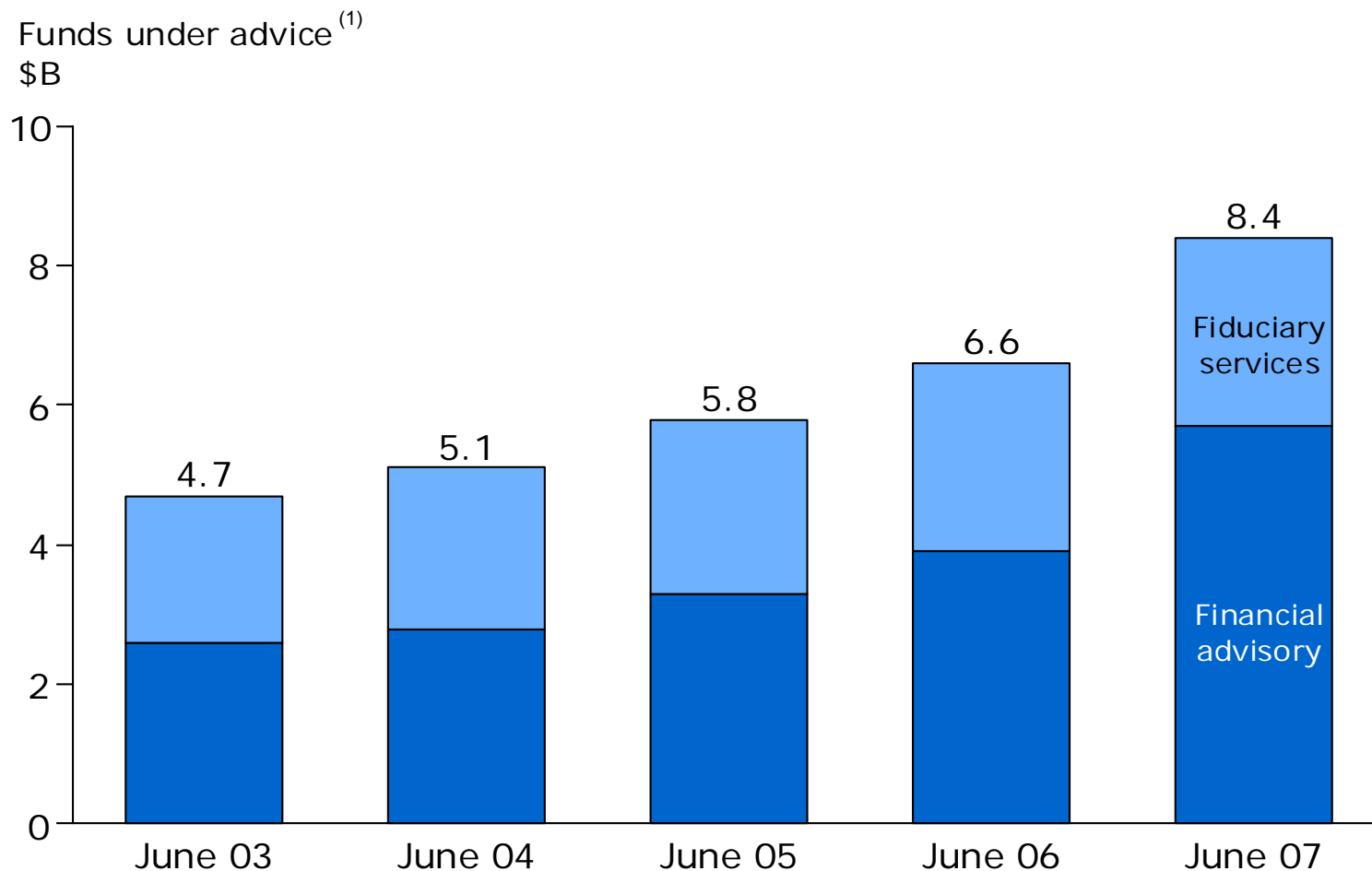
Approximately 5,000 financial advisory clients* and over 2,500 trusts and estates

Over 100 employees in sales and sales support roles across all mainland states

* excludes non-premium Select accounts



Perpetual Private Clients FUA up 27% since June 2006 – excellent June 2007 flows



(1) Excludes externally advised do-it-yourself (DIY) and Investor Directed Portfolio Services (IDPS) funds under administration



Perpetual Private Clients FUA up 27%

	30 June 2006 \$B	Net inflows \$B	Other ⁽¹⁾ \$B	30 June 2007 \$B
Financial Advisory				
- Superannuation	2.0	0.6	0.4	3.0
- Non-superannuation	1.9	0.2	0.1	2.2
	3.9	0.8	0.5	5.2
Fiduciary Services				
- Philanthropic	0.9	0.2	0.1	1.2
- Trust and estates ⁽²⁾	1.8	0.2	-	2.0
	2.7	0.4	0.1	3.2
Total funds under advice	6.6	1.2	0.6	8.4

⁽¹⁾Includes reinvestments, distributions, income and asset growth

⁽²⁾Includes \$0.5b in 'Represented Person' FUA transferred from Financial Advisory to Fiduciary Services



Healthy net inflows total \$1.2b for 2007

Healthy FUA flows

Investment in sales capability showing tangible rewards

Good market support following Government changes to superannuation

Financial Advisory

\$800 million in flows into Financial Advisory channel (\$500 million in the month of June alone)

\$600 million in superannuation flows are up over 400% over the prior year

\$200 million in financial advisory flows from lower margin corporate style clients

Fiduciary Services

Over \$1.2billion in FUA in philanthropic business – largest book in Australia

Expanded offering to charitable investors via development of new funds

Good growth expectations in this emerging charitable business

\$200 million in fiduciary services flows from lower margin philanthropic clients



Solid outlook for revitalised Perpetual Private Clients

Good starting position for 2008

	June 2007 \$B	June 2006 \$B	Change %
Perpetual Private Clients FUA	8.4	6.6	27

Continued investment in sales capability

Outlook

Strong starting position for 2008 - full benefit of FUA revenue will be received in the 2008 financial year

Growth initiatives set to deliver improved revenues

Good future growth prospects given changes to superannuation environment



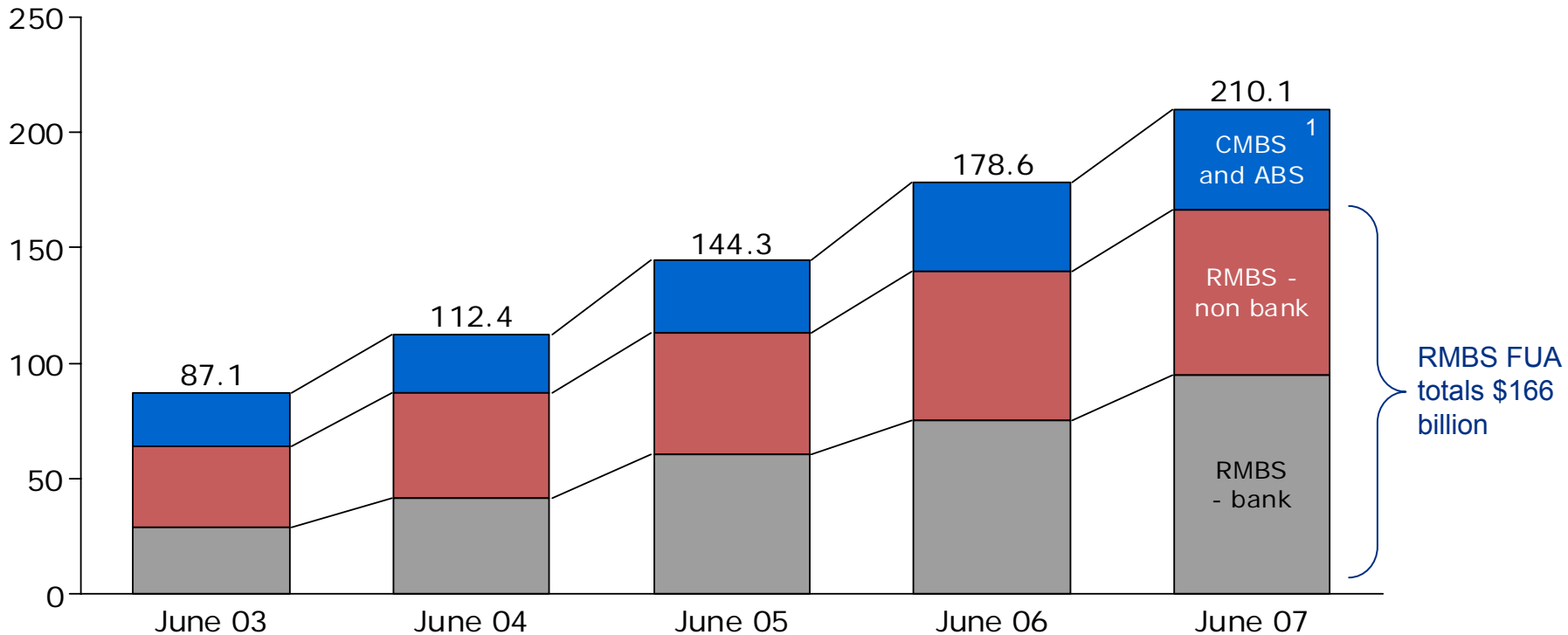
Continued growth for Perpetual Corporate Trust

	2007 \$M	2006 \$M	Change %
Total revenues	68.9	58.2	18
Operating expenses	31.0	24.9	24
Depreciation and amortisation	2.2	1.3	69
Operating profit before tax	35.7	32.0	12
PBT Margin	52%	55%	~



Corporate Trust FUA growth driven by residential mortgage backed securities (RMBS)

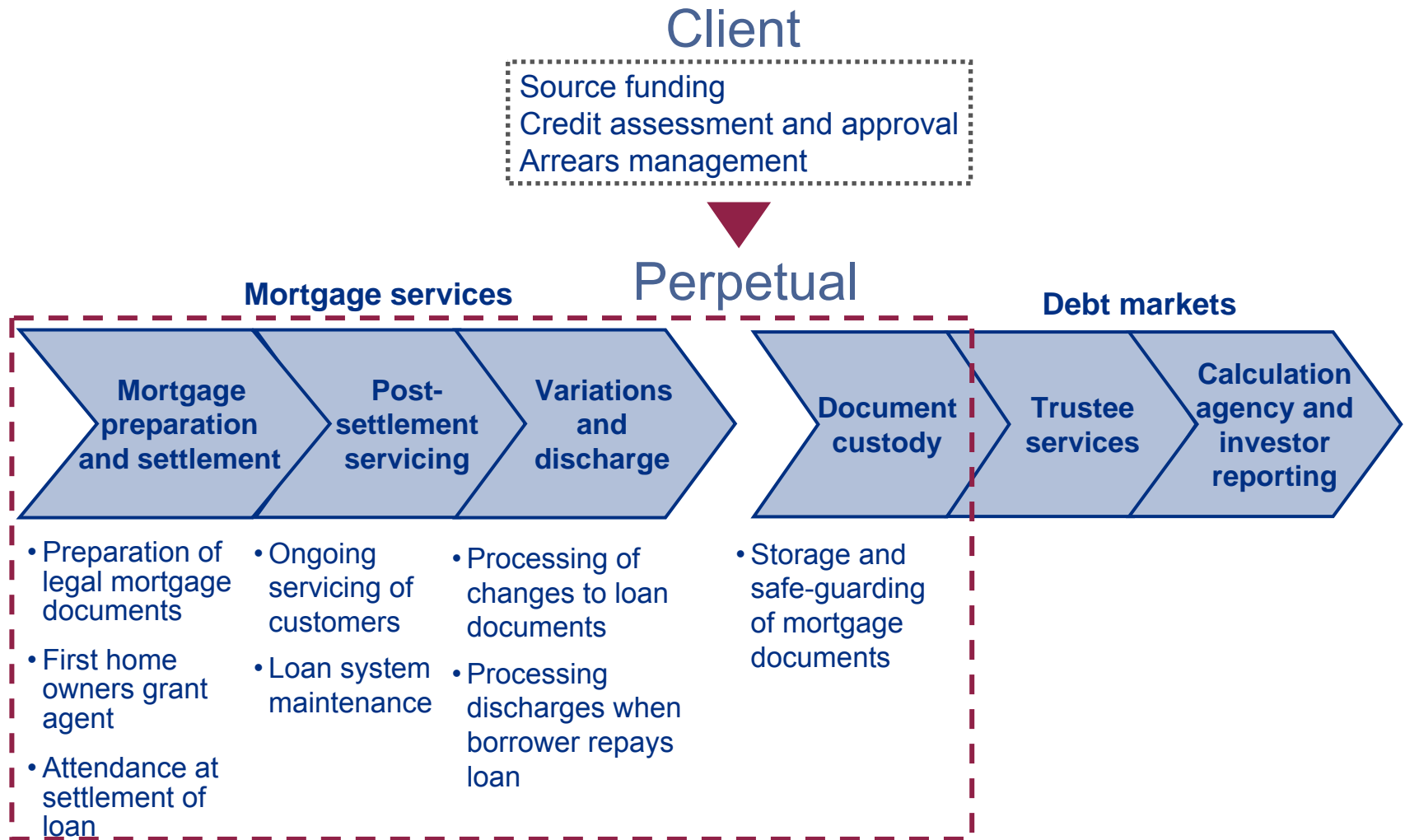
Corporate Trust funds
under administration
\$B



(1) Commercial mortgage backed securities (CMBS) and asset backed securities (ABS)



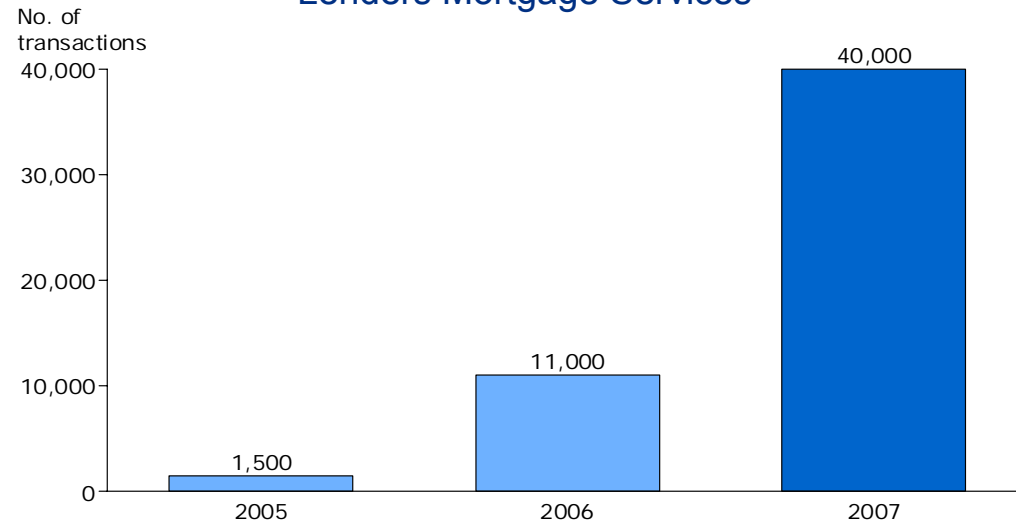
Expansion of mortgage services across the post-approval mortgage value chain



Building scale through acquisition in Perpetual Lenders Mortgage Services

- Acquired Wignalls in February 2007 and National Lending Services in July 2007
- Part of strategy to provide mortgage services across the post settlement 'value chain'
- Provides access to technology to support expanded mortgage services business
- Lower margin business.
- As this business grows, overall Perpetual Corporate Trust margins will reduce due to product mix changes; but overall profit and revenue will increase

Volume of transactions in Perpetual Lenders Mortgage Services



Builds scale of our mortgage services business and develops our 'one-stop-shop' offering to clients



Solid growth outlook in Perpetual Corporate Trust

Good growth
in corporate
trust
business

	June 2007 \$B	June 2006 \$B	Change %
Perpetual Corporate Trust FUA	210.1	178.6	18

Securitisation FUA of \$210.1 billion, an increase of 18% from June 2006

Outlook

Continued execution of strategy with Perpetual Lenders Mortgage Services and National Lending Solutions to become a one-stop-shop for lenders

Leveraging existing technology capabilities will expand our loan servicing capabilities



Corporate strategy overview



Strategic highlights

Develop a more balanced portfolio

Credit business established in 2005 has over \$5.0 billion in funds under management

New Quantitative Investments Market Neutral Fund launched in November has commitments totalling around \$100 million. Brings funds under management in this strategy to approximately \$1.5 billion

Opened our infrastructure funds for new flows during the year to fund new asset purchases

Launched our first series of Perpetual Protected Investments in May 2007 attracting \$160 million in funds

Launched geared multi manager investment to superannuation clients

Build growth engines

Global equity strategy to provide long term growth

Excellent results from investment in Perpetual Private Clients

Acquired businesses of Wignalls Lenders Mortgage Services and National Lending Solutions

Engage our people

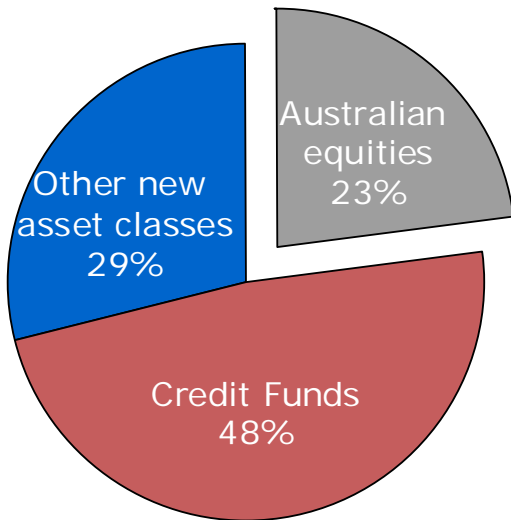
Reviewed our 'Parental Leave' policy to update to current market practice

Introduced 'Contribution Leave'



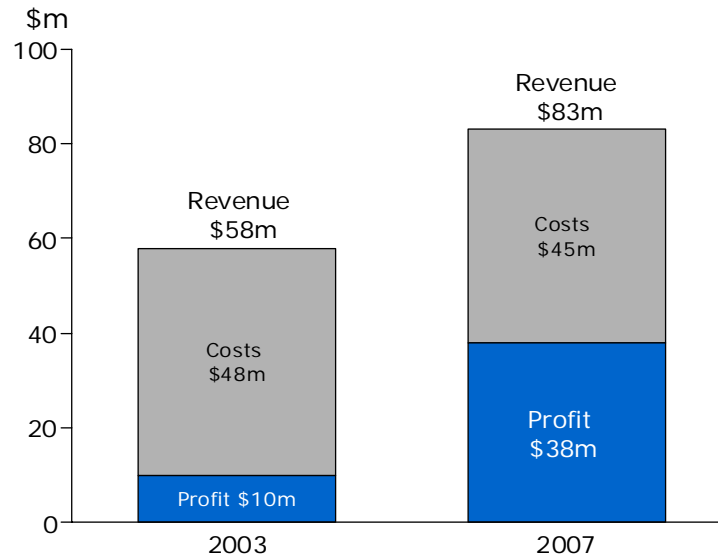
Benefits of diversification strategy are clearly visible

Perpetual Investments
FUM flows
2003 - 2007



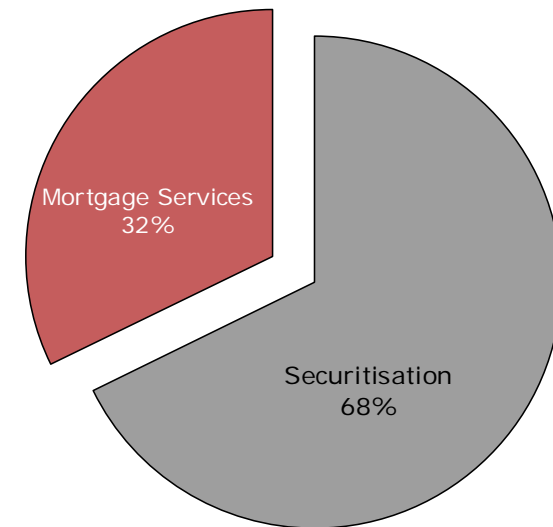
77% of new flows into non-traditional Australian equities classes

Perpetual Private Clients
revenue and profit growth
2003 - 2007



Perpetual Private Clients delivering strong revenue and profit growth

Perpetual Corporate Trust
revenue growth
2003 - 2007



Nearly one third of revenue growth from mortgage services

Improved global equities investment performance will drive future FUM growth

Strategy

Continue to focus on developing our investment track record

'True to style' investment philosophy of investing in:

- ✓ High quality companies
- ✓ Sustainable and repeatable earnings
- ✓ Strong balance sheets

Confident that our investment style delivers excess returns over time

Increased distribution capability through sales team growth and licensing in new regions

Outlook

Leverage our strong brand in our target markets

Excellent long-term prospects for this asset class

Continue to focus on delivering superior performance



Key priorities for 2008

Perpetual Investments

Maintain focus on good investment performance in **Australian equities** and continue to offer a range of new and innovative products to **grow revenue margins** in that asset class

Grow funds under management in other asset classes by strengthening asset management, sales and support capabilities in international equities, credit, mortgages, property and infrastructure

Perpetual Private Clients

Accelerate growth in Perpetual Private Clients' share of the high net worth and emerging high net worth investor market by **expanding high quality adviser teams** and improving support capabilities

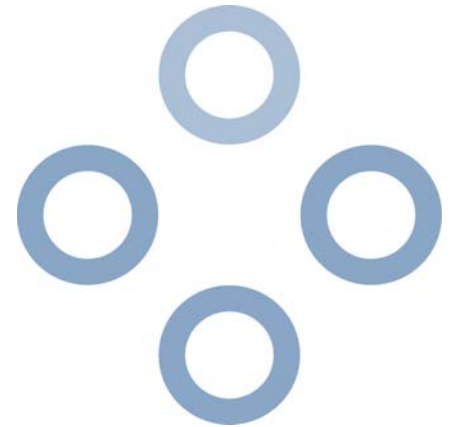
Perpetual Corporate Trust

Leverage capability and market position as a securitisation trustee by **rapidly driving growth in the mortgage services business** and becoming an industry hub and **outsource partner of choice to the lending industry**



Agenda

- Group highlights – David Deverall
- ▶ ■ **Financial results – John Nesbitt**
- Outlook – David Deverall



Overview

Favourable environment has allowed us to invest for future growth

- Sound fundamentals
- Investment in revenue generating capabilities

Results from our global equities business in Ireland now form part of our core business

- Prior year amounts have been restated to include net establishment costs of our global equities business in Ireland

Continued focus on capital management

- Rebalanced capital composition between cash and equities

No further significant findings or provisions made from the administration process review



A solid financial result

	2007 \$M	2006 ⁽¹⁾ \$M	Change %
Total revenue	466.3	402.8	16
Operating expenses	228.3	196.2	16
EBITDA	238.0	206.6	15
Depreciation and amortisation	28.2	26.2	8
Interest	2.9	2.6	12
Plus: associate profits (eg. APRL)	-	0.2	~
Operating profit before tax	206.9	178.0	16
Operating profit after tax⁽²⁾	145.3	122.4	19

(1) Prior period amounts have been restated to include net establishment costs of our global equities business in Ireland

(2) Excludes significant items

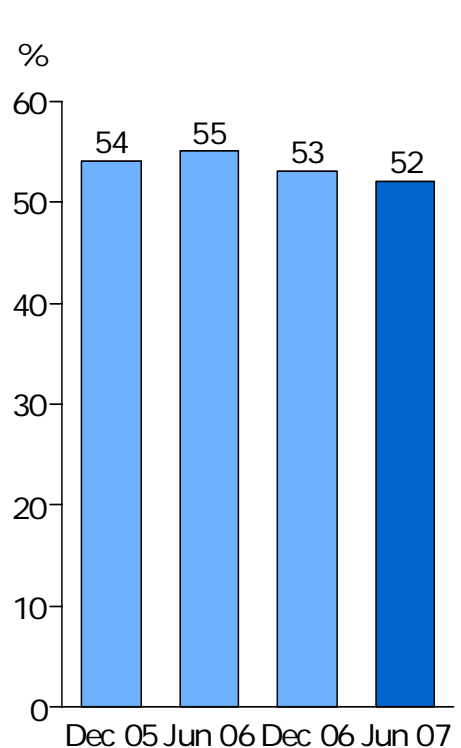
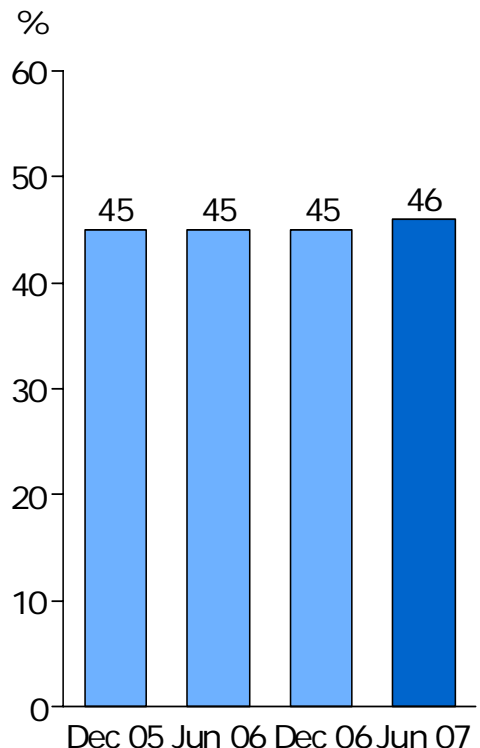
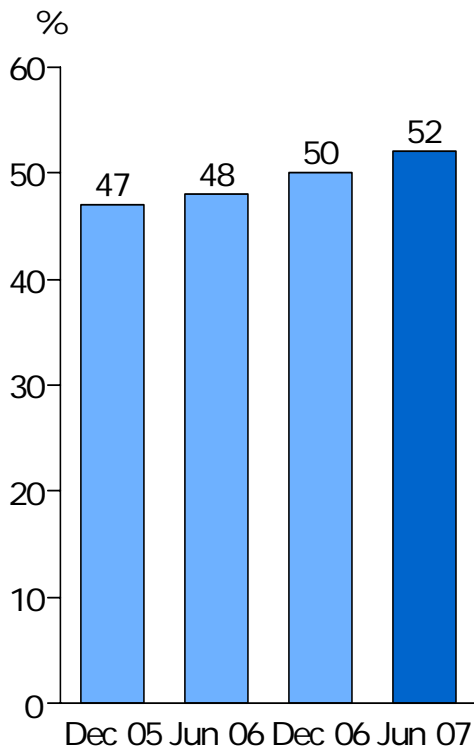


Business unit PBT margins remain strong

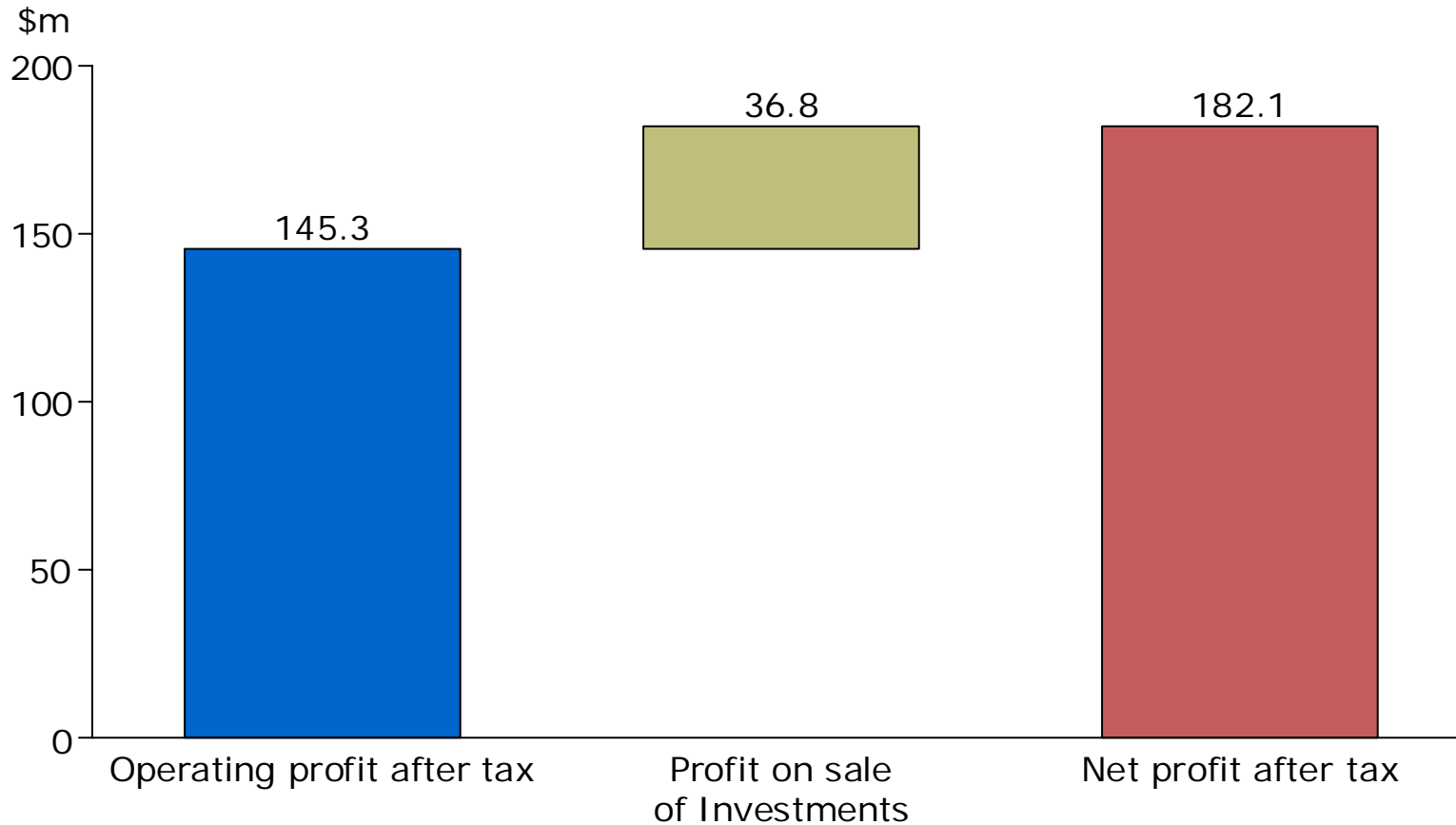
Perpetual Investments margin growing steadily as revenue grows

Perpetual Private Clients margin maintained while investing in growth initiatives

Perpetual Corporate Trust margin reducing as we grow our lower margin mortgage services business



Reconciliation of June 2007 OPAT to statutory profit



Expense base increase due to initiatives and Sydney office relocation

	2007 \$M	2006 ⁽²⁾ \$M	Change %
Employee related expenses	153.8	129.5	19
Occupancy expenses	12.5	8.0	56
G&A expenses	62.0	58.7	6
Total operating 'cash' expenses	228.3	196.2	16
Equity remuneration amortisation	19.8	18.8	5
Depreciation and amortisation	8.4	7.4	14
Interest expense	2.9	2.6	12
Total expenses⁽¹⁾	259.4	225.0	15

(1) Excludes significant items

(2) Prior year amounts have been restated to include net establishment costs of our global equities business in Ireland



Continued focus on expenses

Variable costs

Short term employee incentive costs higher in line with increased profits
Long-term incentives linked to performance

Investment in growth capabilities continues

Full year impact of:

- Investment in structured products team (and launch PPI Series 1)
- Property securities team
- Direct property team

Expanded Perpetual Private Clients' product and service offerings

Expanded sales team in Perpetual Private Clients and brand promotion to capture flows following Government changes to superannuation

Expanded mortgage services business in Perpetual Corporate Trust plus integration costs associated with Wignalls



Group and Support Services cost base now set

Increase in support services cost base due primarily to:

- Investment in risk and compliance functions
- Cost contributions no longer recovered following
 - sale of ASX Perpetual Registrars Limited
 - sale of building at 39 Hunter Street



A strong balance sheet

	June 2007 \$M	June 2006 \$M	Change %
Cash holdings	214.6	203.0	6
Investments at market value	123.4	146.1	(16)
Liquid assets	338.0	349.1	(3)
Net Assets	341.0	331.0	3
Key financial ratios			
Gross debt ⁽¹⁾ to book equity	13.2%	13.6%	
EBITDA Interest cover (times)	82	86	
Franking credits (before dividends)	\$57.0m	\$53.2m	

⁽¹⁾ Excludes structured investment liabilities



\$1.6 billion in structured investments on balance sheet at 30 June 2007

Balance Sheet	June 2007 \$M	June 2006 \$M
Structured Investments		
- Exact Market Cash Fund		
Assets	1,430.5	757.0
Liabilities	(1,430.5)	(757.0)
Total	-	-
- Perpetual Protected Investments		
Assets (loans to investors)	161.5	-
Liabilities (wholesale bank facility)	(160.7)	-
Total	0.8	-
Profit and Loss Account		
Income from Structured Investments	77.3	17.5
Distributions and expense relating to structured investments	(77.3)	(17.5)
Impact on OPAT	-	-



Dividend policy is to pay out 90% of “underlying” cash earnings to shareholders

	\$m		
Operating profit after tax	145.3		
Add: equity amortisation costs	19.8		
2007 underlying cash earnings	<u>165.1</u>	90% Payout ratio	= \$148.6m
Number of shares on issue (million)			41.2
Total dividends per share (cents)			360
Interim dividend per share (cents)			173
Final dividend per share (cents)			187

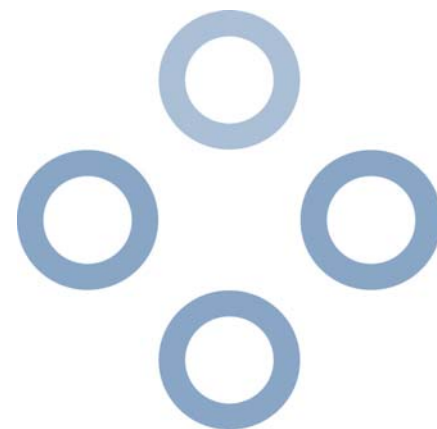


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- Financial results – John Nesbitt

- ▶ ■ **Outlook – David Deverall**



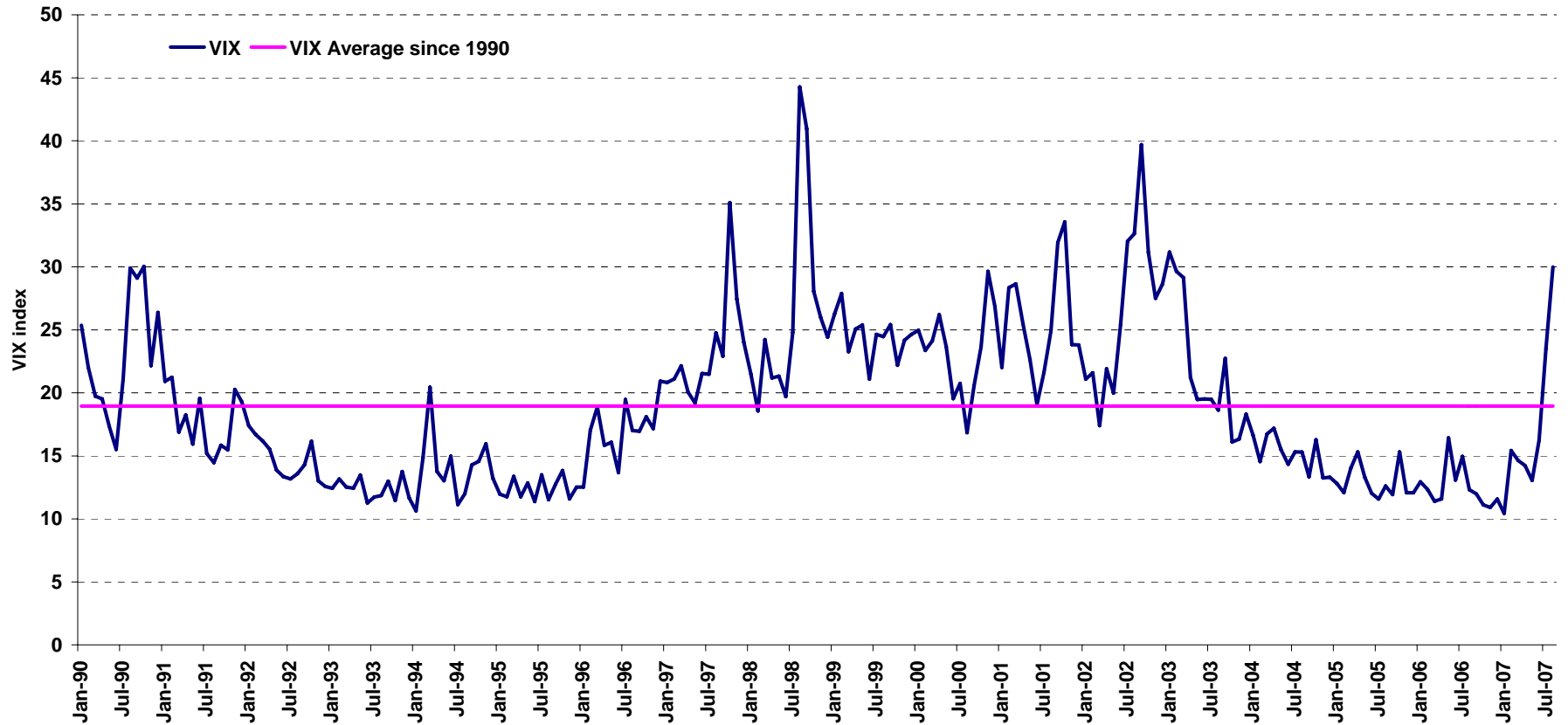
Favourable medium-term outlook

- Strong 2008 starting position for funds under management and funds under advice and administration
- Healthy pipeline
- Next update at AGM in October 2007

Our medium-term outlook continues to be positive, fuelled by the long term growth in superannuation. As always, our results will depend on prevailing market conditions.



Volatility index (VIX)



VIX is a measure of market expectation of near-term volatility with reference to S&P 500 stock index option prices



Australian investment grade swap spread



Current market conditions

- Market has strong macro fundamentals and is returning to 'normality'
- Investors are reassessing risk with a focus on long-term investment and a flight to quality
- We have a diversified portfolio and a value approach to investment which is designed to weather the full spectrum of conditions over the market cycle



Our business is well positioned to maximise opportunities and manage the challenges of the current environment





2007 Full Year Results

Analyst and institutional shareholder
briefing

22 August 2007

