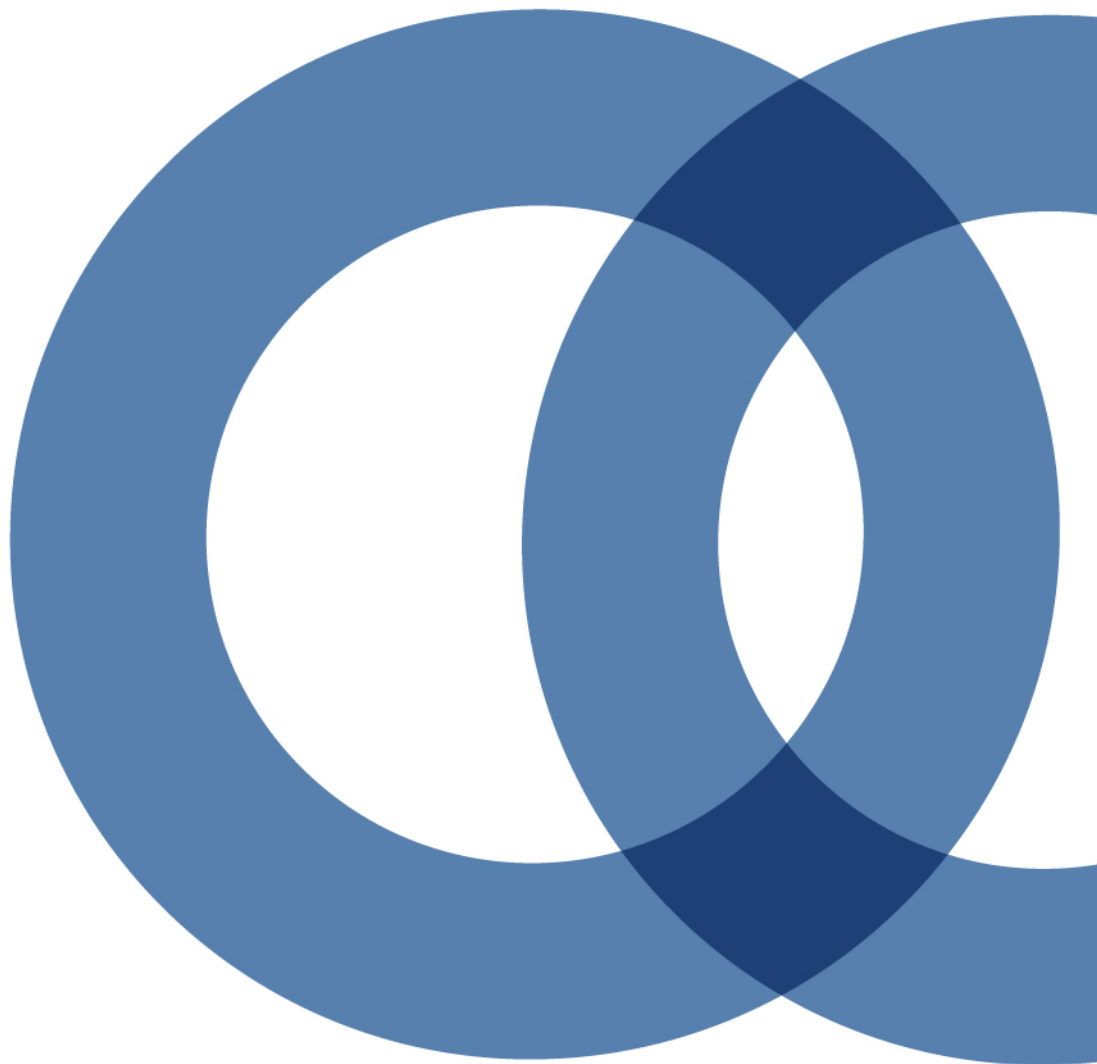




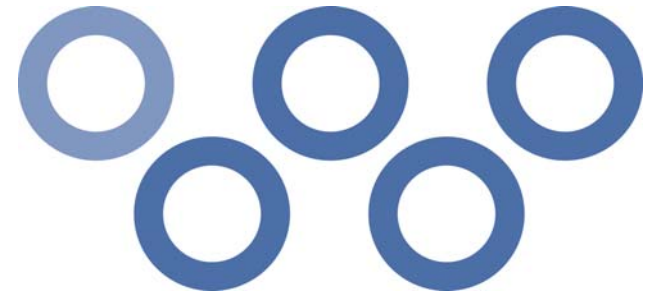
2008 Half Year Results

Analyst and shareholder briefing
20 February 2008



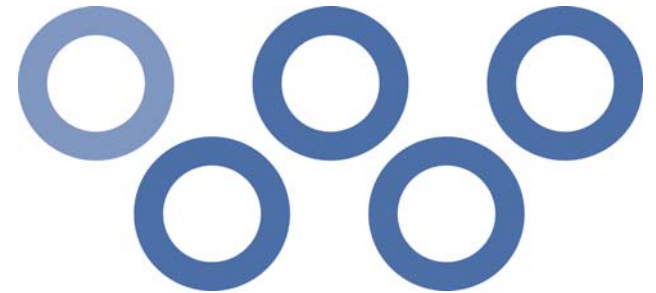
Agenda

- 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 first half result

Six months ended	Dec 2007 \$m	Dec 2006 \$m	Change %
Operating profit before tax ^{(1),(2)}	114.2	96.2	19
Operating profit after tax ^{(1),(2)}	79.3	68.8	15
Net profit after tax	87.6	98.8	(11)
EPS ⁽³⁾	191¢	168¢	14
Interim dividend per share	189¢	173¢	9

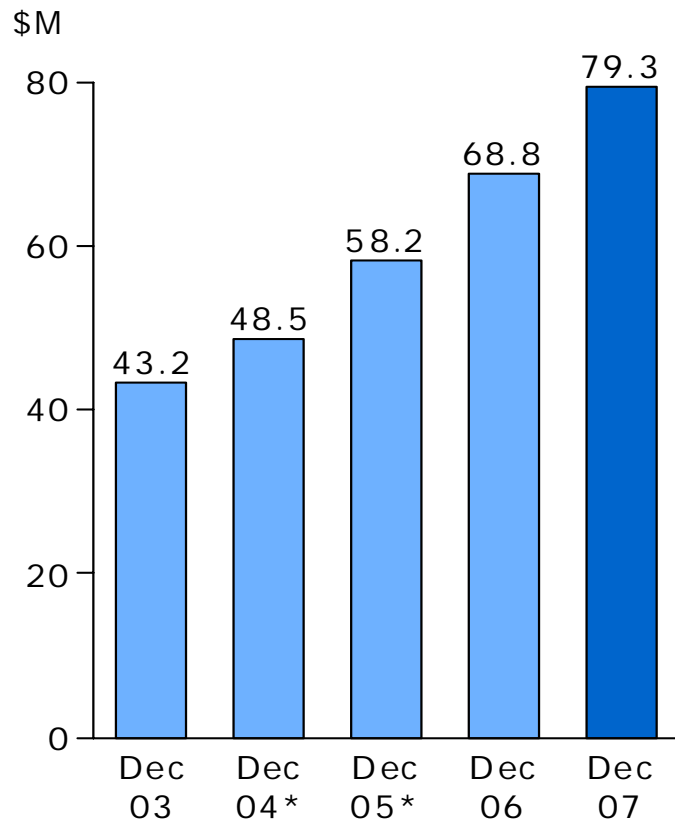
⁽¹⁾ Excludes gain on sale of investments \$29.9 million (\$21.1 million after tax) and EMCF losses totalling \$18.3 million (\$12.8 million after tax) for 6 months to December 2007

⁽²⁾ Excludes gain on sale of investments of \$42.0 million (\$30.0 million after tax) for 6 months to December 2006

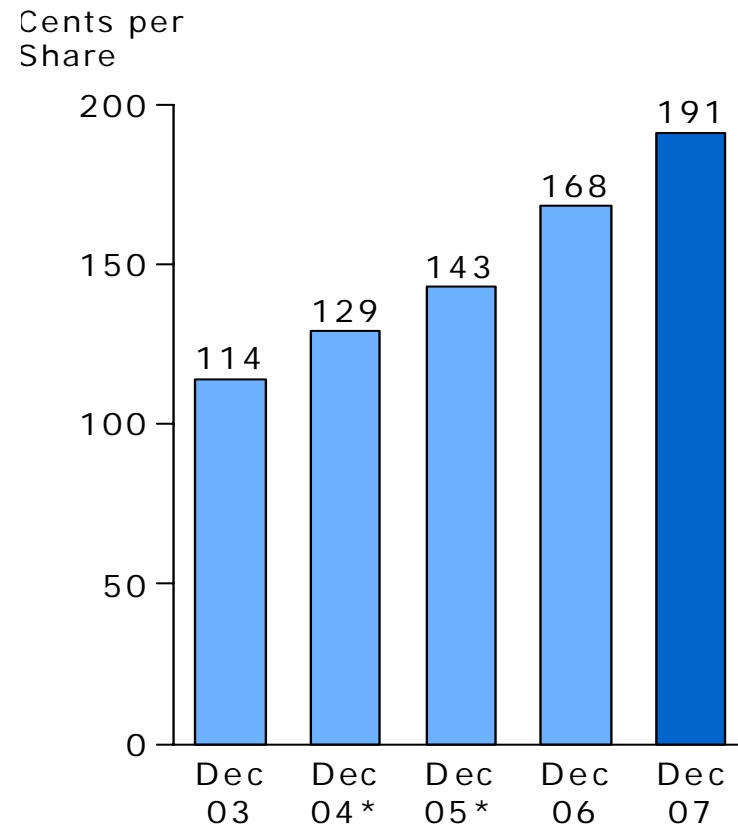
⁽³⁾ Diluted EPS calculated using operating profit after tax on a fully diluted basis

Track record of continued growth

Operating profit after tax up 15%



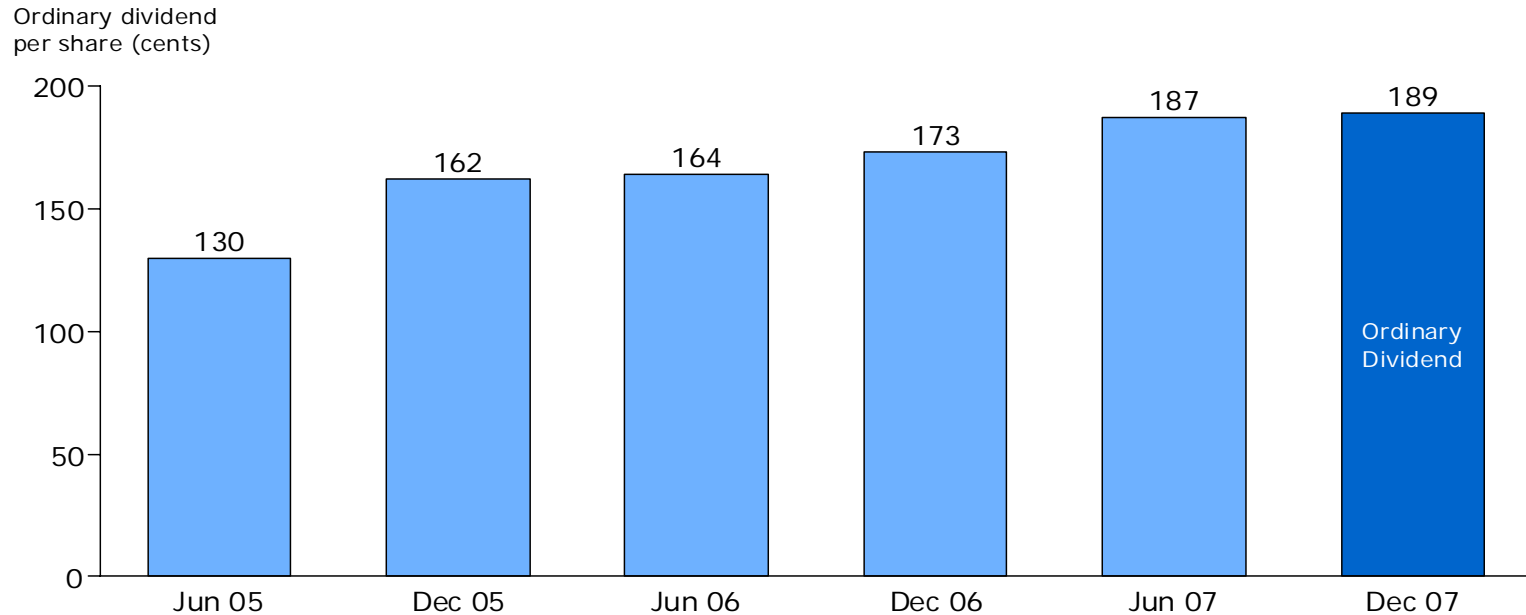
EPS⁽¹⁾ up 14%



(1) Diluted EPS calculated using operating profit after tax on a fully diluted basis

* Amounts shown in December 2004 and December 2005 have been restated to include net establishment costs of our global equities business in Ireland

Increased interim dividend to 189 cents per share

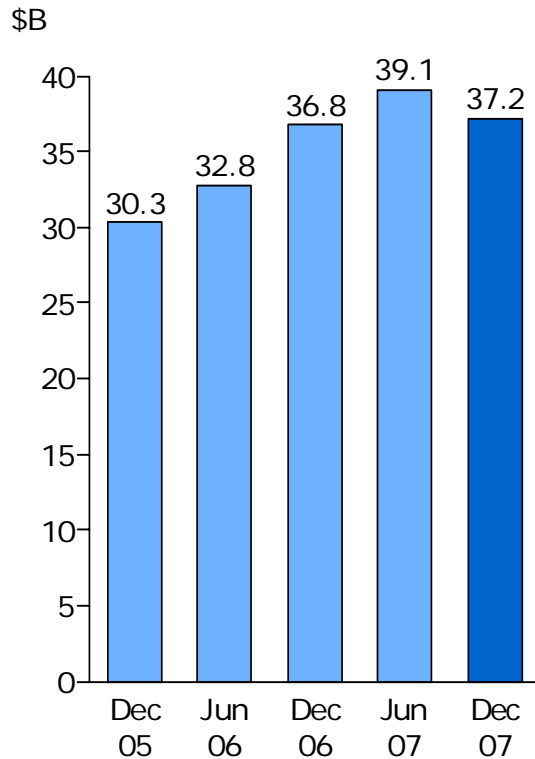


Special Dividend (cents per share)

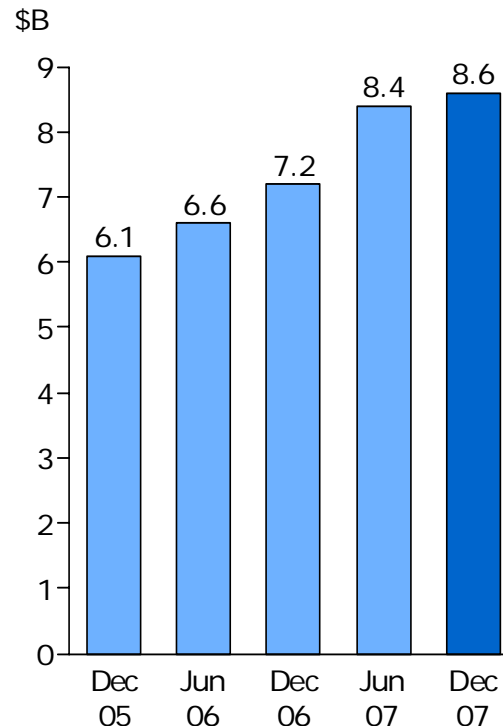
Jun 05	100
Dec 05	-
Jun 06	100
Dec 06	-
Jun 07	-
Dec 07	-

Volume growth has slowed

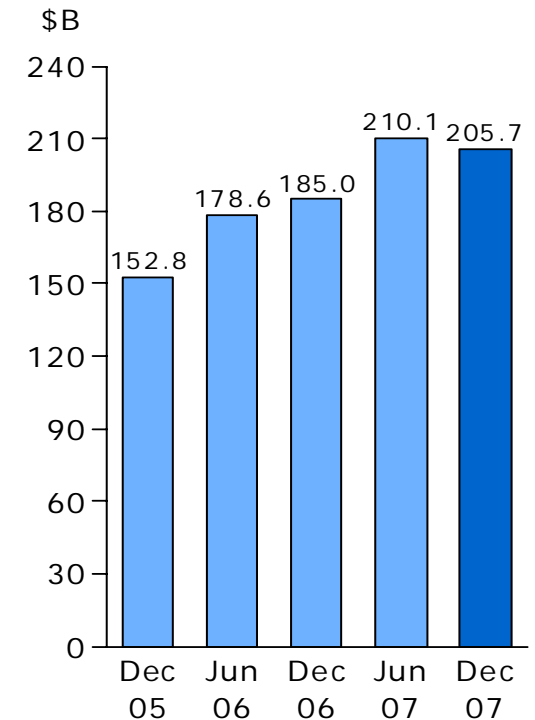
Perpetual Investments FUM



Perpetual Private Clients FUA⁽¹⁾



Perpetual Corporate Trust FUA



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

Operating profit before tax up 19%

Six months ended	Dec 2007 \$m	Dec 2006 \$m	Change %
Perpetual Investments	92.5	70.4	31
Perpetual Private Clients	22.2	17.9	24
Perpetual Corporate Trust	13.6	17.2	(21)
Group and Support Services	(14.1)	(9.3)	~
Total operating profit before tax (PBT)	114.2	96.2	19
PBT margin	44%	43%	~

Perpetual Investments operating profit before tax up 31%

Six months ended	Dec 2007 \$m	Dec 2006 \$m	Change %
Total revenues ⁽¹⁾	167.0	141.1	18
Operating expenses ⁽¹⁾	66.0	59.1	11
Depreciation and amortisation	8.5	11.0	(23)
Operating profit before tax	92.5	70.4	31
PBT margin	55%	50%	~

⁽¹⁾ Excludes gross values of income and expenses from structured products

Perpetual Investments FUM totalled \$37.2 billion at 31 December 2007

Funds under management	30 Jun 2007 \$b	Net inflows \$b	Other ⁽¹⁾ \$b	31 Dec 2007 \$b
Retail	9.5	(0.4)	(0.1)	9.0
Intermediary (masterfund and wrap)	18.0	0.6	(0.2)	18.4
Institutional	11.6	(2.0)	0.2	9.8
All channels	39.1	(1.8)	(0.1)	37.2
Australian equities	25.5	(0.5)	(0.1)	24.9
Global equities	2.1	(0.1)	(0.1)	1.9
Cash and fixed Interest	9.7	(1.2)	0.1	8.6
Other	1.8	-	-	1.8
All asset classes	39.1	(1.8)	(0.1)	37.2

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

Continued net inflows into higher margin intermediary channel

Australian equities

- Pleasing net flows from intermediary channel
- \$0.8 billion outflows from lower margin institutional clients
- Benefit of price increases introduced in January 2007

Global equities

- Small outflows in global equities
- Strong improvement in recent investment performance

Cash and fixed interest

- Over half of \$1.2 billion in outflows from institutional investors who use our cash funds for liquidity purposes
- \$0.2 billion net flows from intermediary channel
- Represent 23 per cent of total FUM

Other asset classes

- Flat FUM in property
- Successful launch of PPI Series 1 in June 2007 and PPI Series 2 in November 2007

Australian equities revenue margins increasing

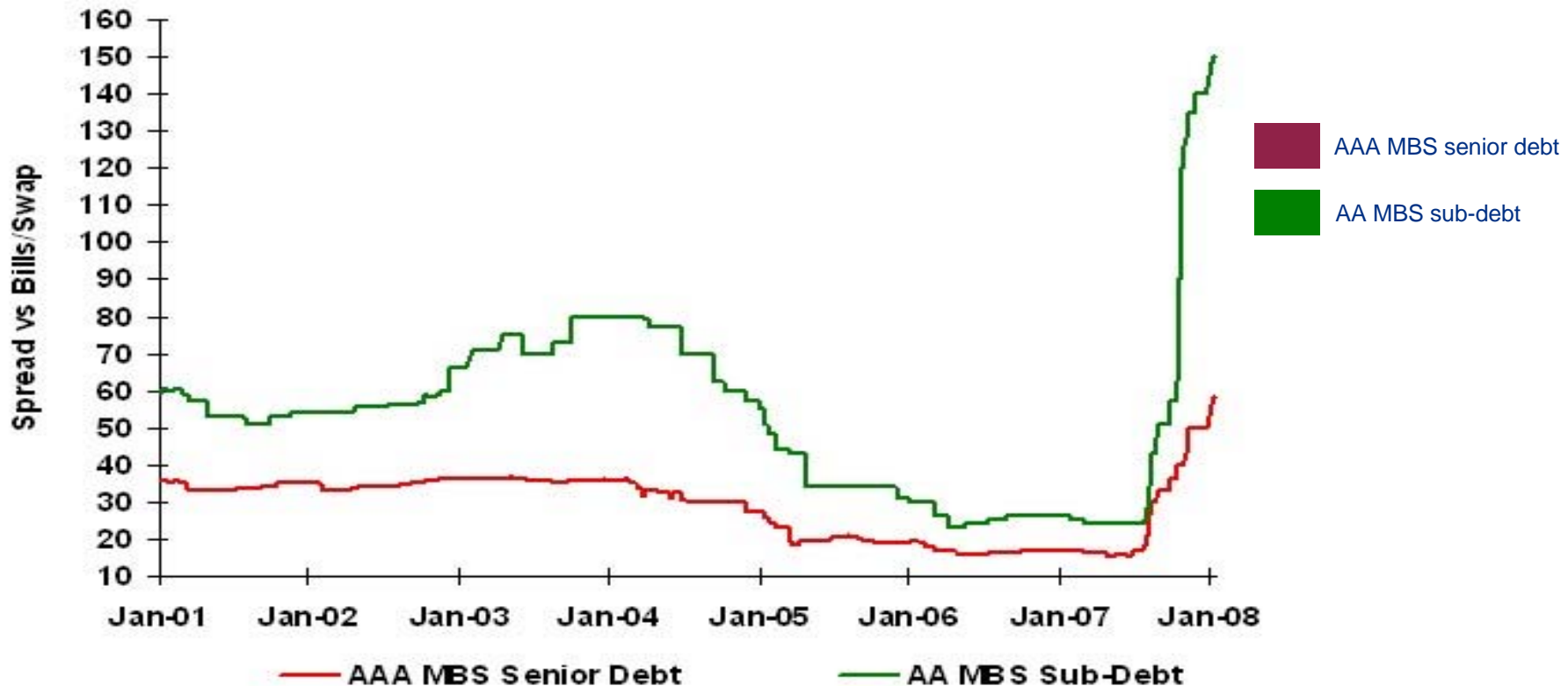
FUM

- Price increases in January 2007
- Encouraging flows into intermediary channel
- Institutional outflows due to:
 - Continued industry rebalancing away from Australian equities
 - Institutional book continues to be closed to new accounts
- Revenue margins increased from 82 basis points to 89 basis points

Outlook

- Investment performance improving in current equity market conditions
- Continued focus on improving margins

Investment returns in Cash and Fixed Interest business impacted by widening credit spreads



Tougher operating environment for second half of 2008

Opening
FUM
position

	Dec 2007 \$b	Dec 2006 \$b	Change %
Perpetual Investments FUM	37.2	36.8	1

FUM at 31 January 2008 totalled \$34.3 billion. Nearly all the reduction in FUM due to market movement in January 2008

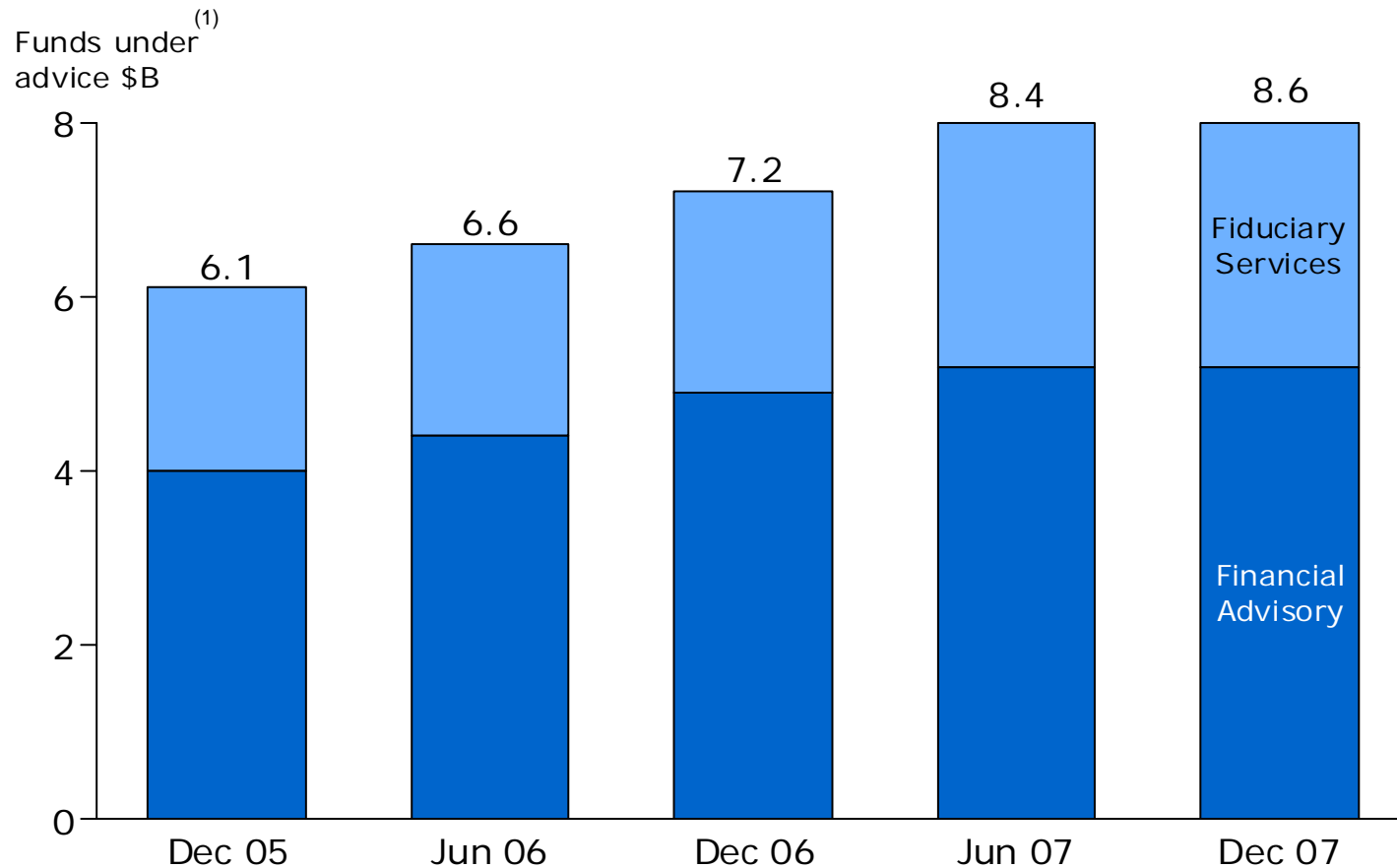
Outlook

- Domestic and global market volatility
- Suits Perpetual's investment style
- Medium to long-term prospects for this business remain strong

Perpetual Private Clients operating profit before tax up 24%

Six months ended	Dec 2007 \$m	Dec 2006 \$m	Change %
Total revenues	45.9	39.6	16
Operating expenses	22.3	21.2	5
Depreciation and amortisation	1.4	0.7	100
Operating profit before tax	22.2	17.9	24
PBT margin	48%	45%	~

Perpetual Private Clients FUA increased to \$8.6b



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

Perpetual Private Clients FUA - continued net inflows

	30 June 2007 \$b	Net inflows \$b	Other ⁽¹⁾ \$b	31 December 2007 \$b
Financial Advisory				
- Superannuation	3.0	0.1	(0.1)	3.0
- Non-superannuation	2.2	0.1	(0.1)	2.2
	5.2	0.2	(0.2)	5.2
Fiduciary Services				
- Philanthropic	1.2	0.1	-	1.3
- Trust and estates	2.0	-	0.1	2.1
	3.2	0.1	0.1	3.4
Total funds under advice	8.4	0.3	(0.1)	8.6

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

Solid outlook for Perpetual Private Clients

Opening
FUA
position

	Dec 2007 \$b	Dec 2006 \$b	Change %
Perpetual Private Clients FUA	8.6	7.2	19

Investment in sales capability showing good results

Outlook

- Second half net flows typically stronger than first half
- Continued investment in advisors and support
- Good future growth prospects as benefits of ongoing investment in this business emerges

Perpetual Corporate Trust operating profit before tax down 21%

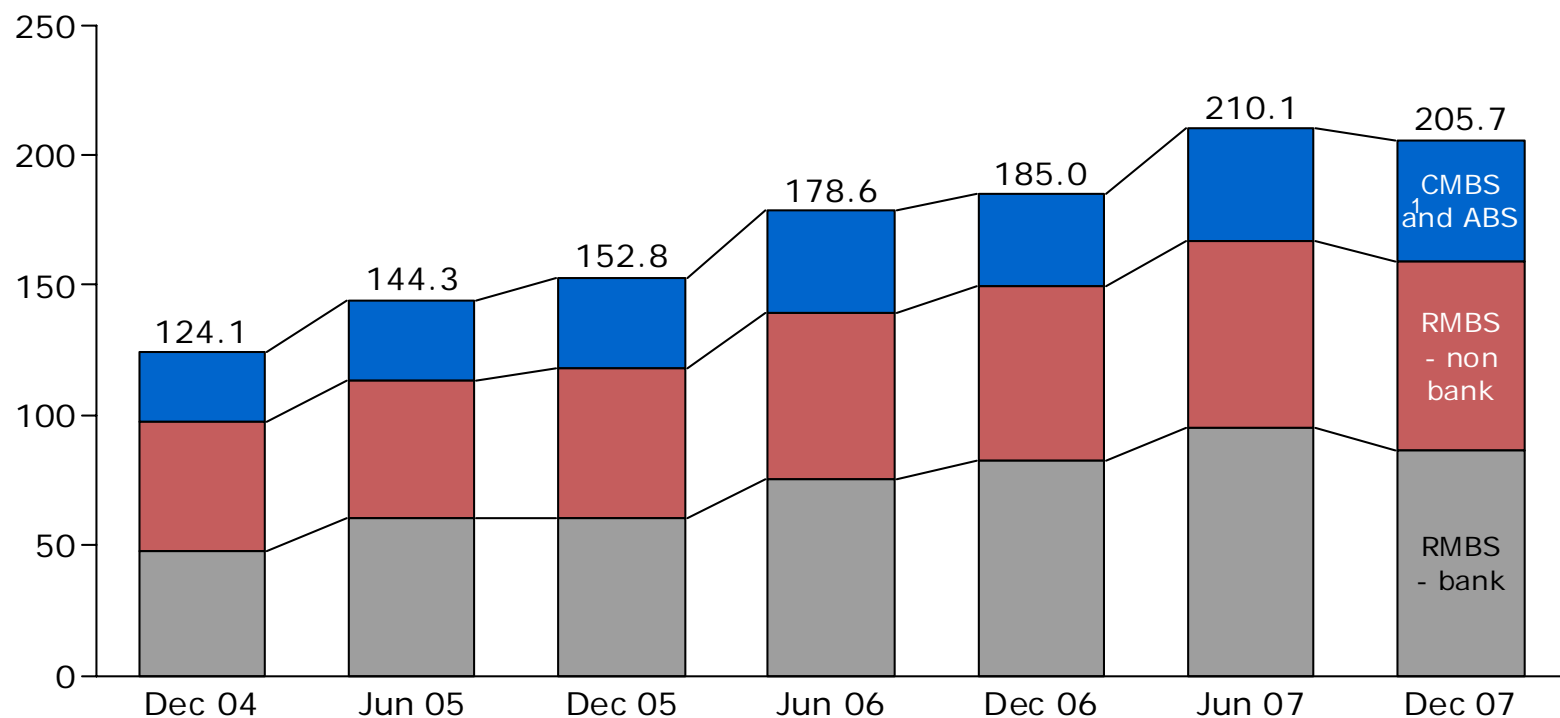
Six months ended	Dec 2007 \$m	Dec 2006 \$m	Change %
Total revenues	41.6	32.2	29
Operating expenses	26.4	14.1	87
Depreciation and amortisation	1.6	0.9	78
Operating profit before tax	13.6	17.2	(21)
PBT Margin	33%	53%	~

Corporate Trust operating profit before tax by business

Six months ended	Dec 2007 \$m	Dec 2006 \$m	Change %
Debt Markets (incl. Fund Services)	17.2	17.0	1
Mortgage Services (incl. integration costs)	(2.2)	0.2	~
Restructure costs	(1.4)	-	~
Operating profit before tax	13.6	17.2	(21)

Perpetual Corporate Trust FUA balance continues to exceed \$200b

Corporate Trust Funds Under Administration
\$B

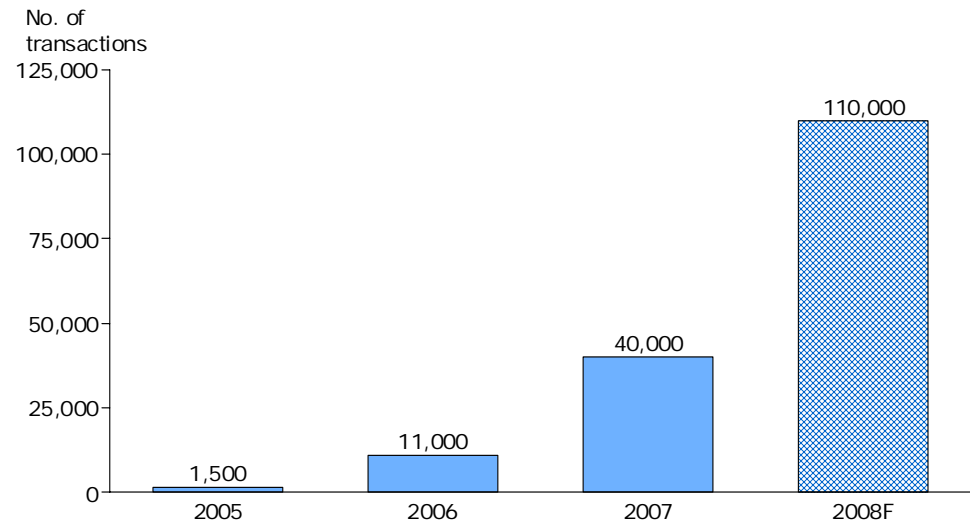


(1) Commercial mortgage backed securities (CMBS) and asset backed securities (ABS)

Continuing to build scale through acquisition in 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'
 - 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



Corporate Trust business restructured in response to the current market environment

- Merged our Debt Markets and Fund Services businesses
- Reduction in Perpetual Corporate Trust support service functions
- Consolidated our Mortgage Services premises in Sydney
- Incurred \$1.4 million in restructuring costs in the first half



Forecast to extract \$5.0 million in cost savings on an annualised basis



Mixed outlook for Perpetual Corporate Trust

Volumes

	Dec 2007 \$b	Dec 2006 \$b	Change %
Perpetual Corporate Trust FUA	205.7	185.0	11

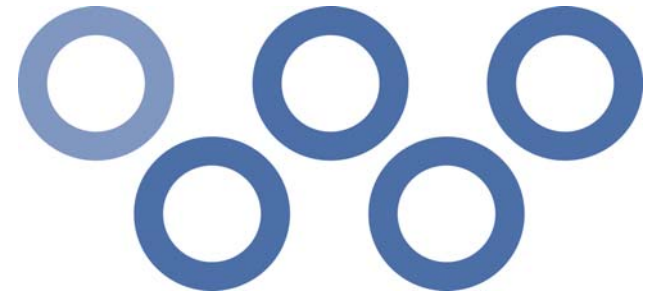
- No significant new securitisation issuances forecast for second half 2008
- Steady growth for mortgage services business

Outlook

- Synergies from merging mortgage services businesses set to deliver tangible results in second half 2008
- Healthy pipeline of new clients expected to deliver increased mortgage services volumes

Agenda

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



Overview

- Significant changes to our operating environment
- Solid first half profit delivered in changing environment
- Concentrated our focus on efficient cost base
- Strong and conservative balance sheet

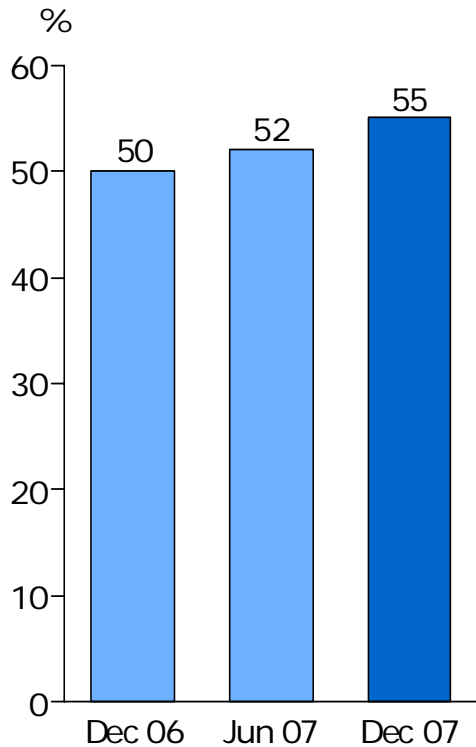
A solid financial result

Six months ended	Dec 2007 ⁽¹⁾ \$m	Dec 2006 \$m	Change %
Operating revenue	261.2	221.4	18
Operating expenses	132.7	110.2	20
EBITDA	128.5	111.2	16
Depreciation and amortisation	12.7	13.6	(7)
Interest	1.6	1.4	14
Operating profit before tax	114.2	96.2	19
Operating profit after tax	79.3	68.8	15

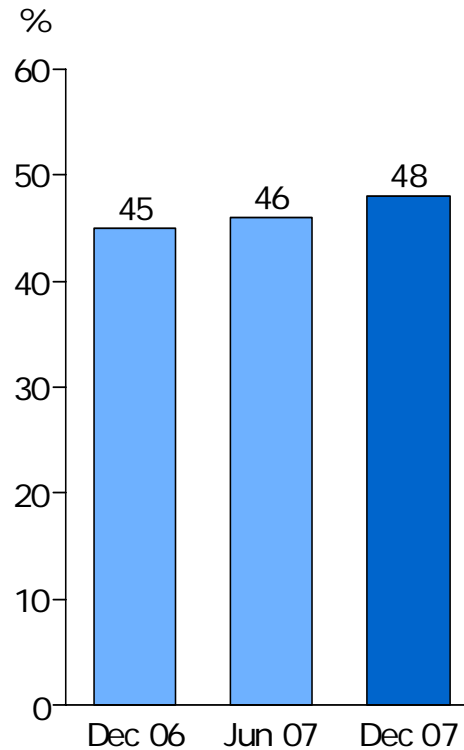
⁽¹⁾ Excludes EMCF losses totalling \$18.3 million (\$12.8 million after tax) and gain on sale of investments \$29.9 million (\$21.1 million after tax)

Business unit profit before tax (PBT) margins remain strong

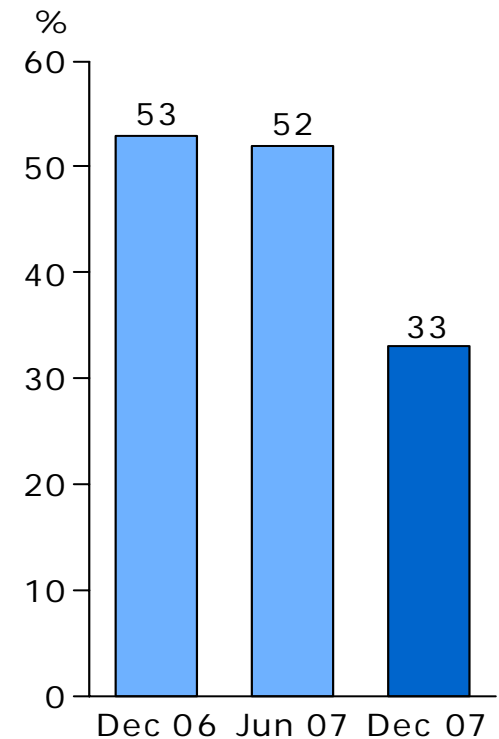
Perpetual Investments' PBT margins grow



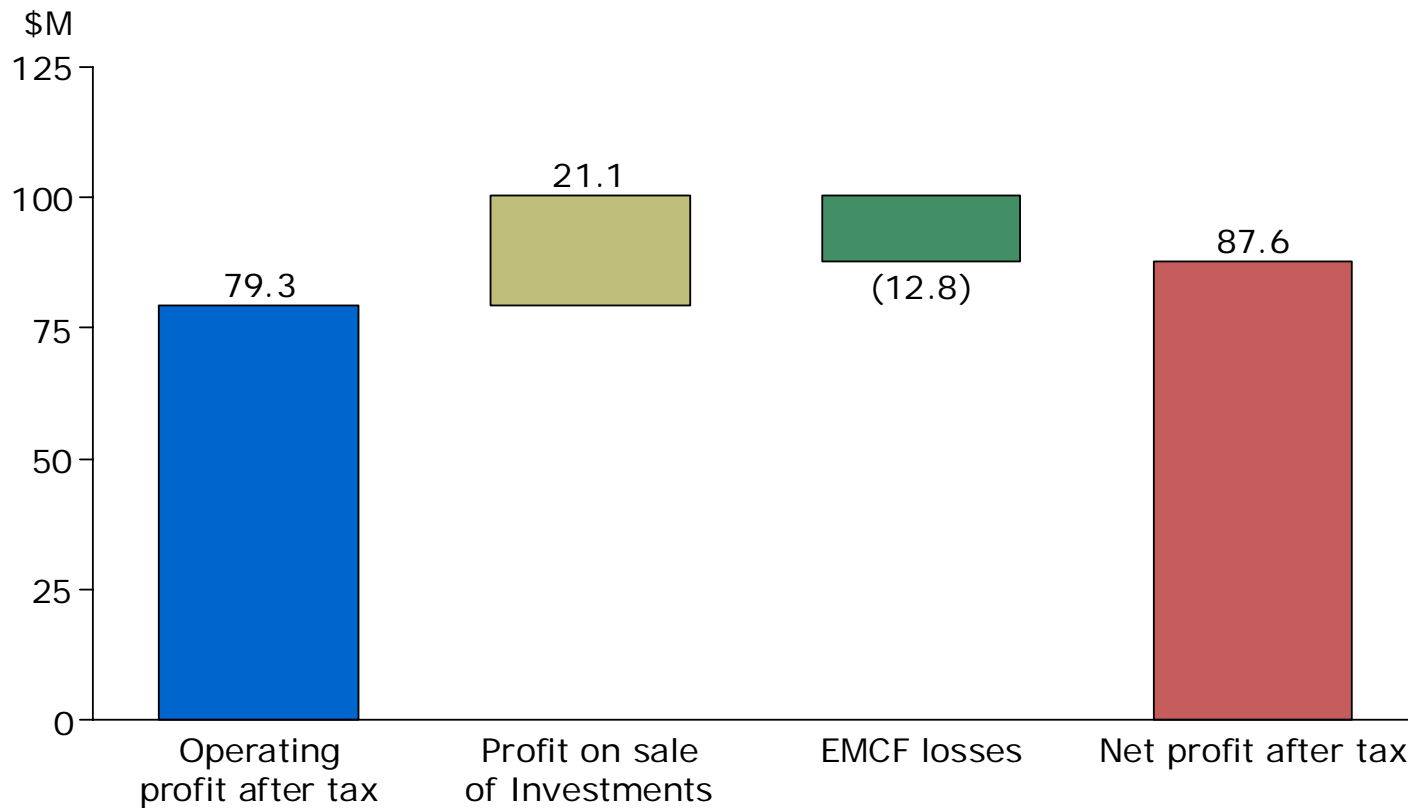
Perpetual Private Clients' PBT margins grow



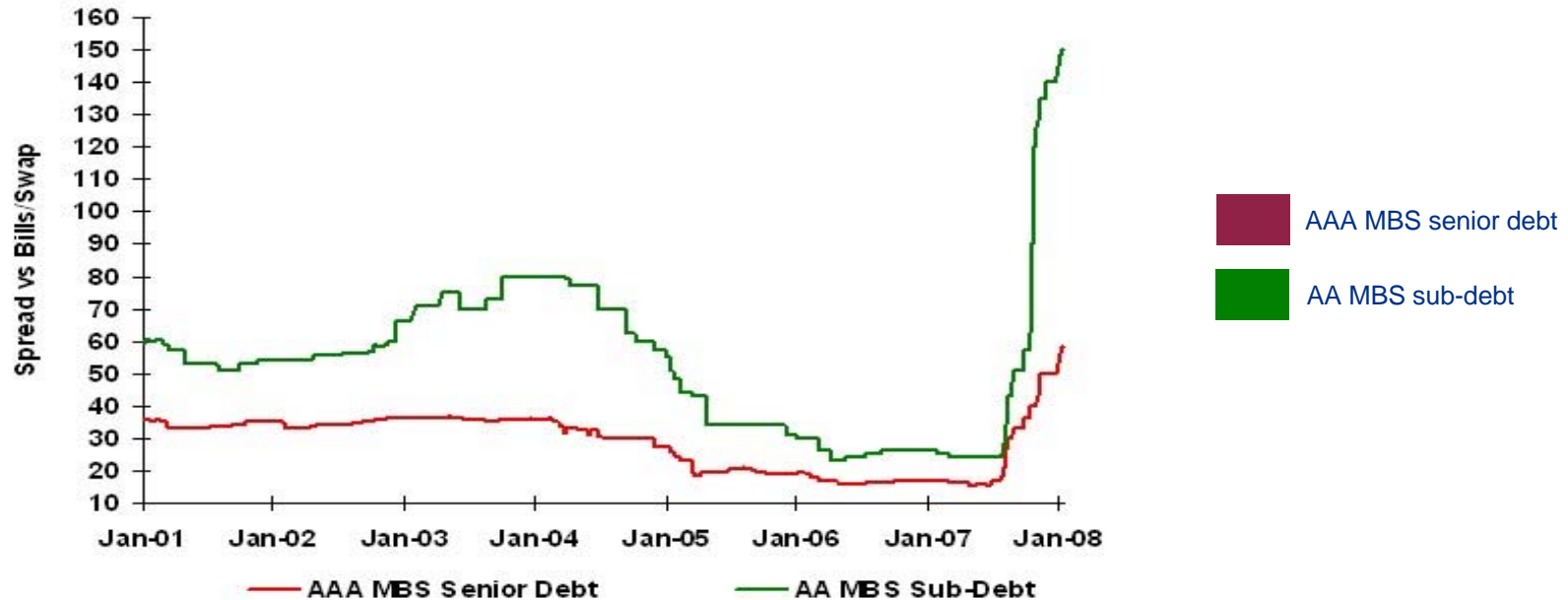
Perpetual Corporate Trust's PBT margins reduce



Reconciliation of December 2007 OPAT to statutory profit



EMCF losses mainly due to widening credit spreads



- Mark to market losses to 31 December 2007 total \$18.3 million (before tax) and are unrealised (as disclosed to the market on 28 November 2007)
- Strong portfolio characteristics - high quality, well diversified, liquid and short dated portfolio
- Unrealised losses are recovered as liquidity improves and the underlying assets mature
- Favourable product for investors

Expense base increase driven by expansion of mortgage services business in Corporate Trust

Six months ended	Dec 2007 ⁽¹⁾ \$m	Dec 2006 \$m	Change %
Perpetual Investments	74.5	70.7	5
Perpetual Private Clients	23.7	21.7	9
Perpetual Corporate Trust	28.0	15.0	87
Group and Support Services	20.7	17.8	16
Total expenses	146.9	125.2	17

(1) Excludes EMCF losses totalling \$18.3 million and gain on sale of investments \$29.9 million

A strong and conservative balance sheet

	Dec 2007 \$m	Dec 2006 \$m	Change %
Cash holdings	196.7	177.5	11
Investments at market value ⁽¹⁾	94.1	125.5	(25)
Liquid assets	290.8	303.0	(4)
Net assets	346.2	310.0	12
Key financial ratios			
Liquid assets per share	\$7.01	\$7.39	
Gross debt ⁽²⁾ to book equity	13.0%	14.5%	
Interest coverage (operating EBITDA) times	86	79	
Franking credits (before dividends)	\$59.4m	\$46.6m	

(1) Sold down remaining equity portfolio during period to 31 December 2007

(2) Excludes structured investment liabilities

\$2.0 billion in structured investments on balance sheet at 31 December 2007

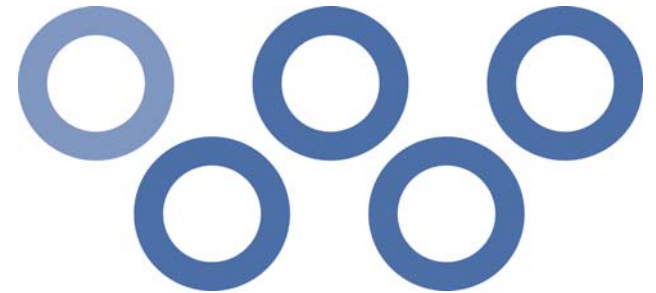
Balance sheet	Dec 2007 \$m	Dec 2006 \$m
Structured Investments		
- Exact Market Cash Fund		
Assets	1,749.0	1,247.1
Liabilities	(1,749.0)	(1,247.1)
Total	-	-
- Perpetual Protected Investments		
Assets (loans to investors)	216.4	-
Liabilities (wholesale bank facility)	(216.6)	-
Total	(0.2)	-

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

	\$m			
Operating profit after tax	79.3			
Add: equity amortisation costs	8.7			
2007 underlying cash earnings	<u>88.0</u>	90% payout ratio	=	\$79.2m
Number of shares (million)				41.9
Dividend per share (cents)				189

Agenda

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Outlook

- Lower absolute market levels will impact second half profits
- Perpetual is well positioned to take advantage of market opportunities that are consistent with our strategy
 - we have a strong balance sheet with low gearing
 - our quality focused investment style typically favoured in challenging market
 - we have the right people, skills and experience to capture value
- Market continues to have sound long-term macro fundamentals

Full year profit guidance will be given in the Chairman's 'Letter to shareholders' in May 2008



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