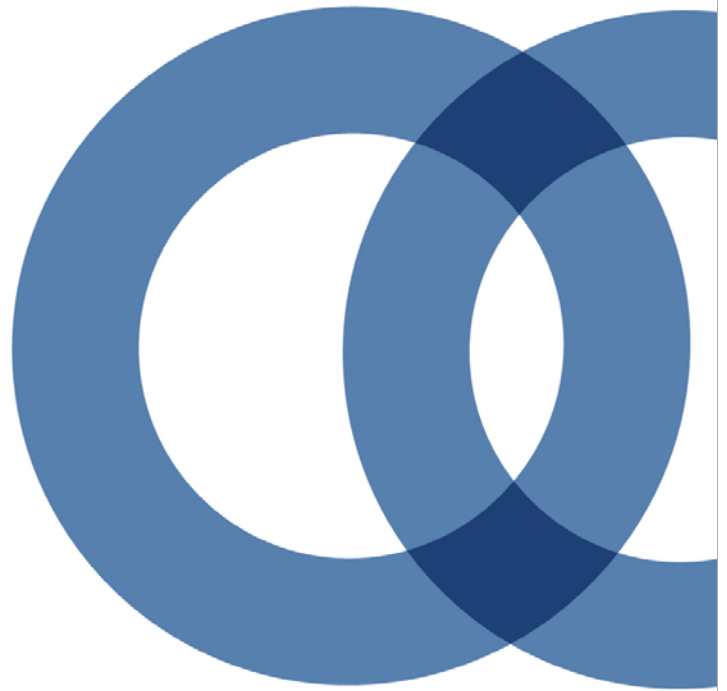




2008 Full Year Results

Market briefing
20 August 2008



Agenda

- Group summary – David Deverall
- Financial results – Roger Burrows
- Strategy and outlook – David Deverall



Agenda

- ▶ **Group summary – David Deverall**
 - Financial results – Roger Burrows
 - Strategy and outlook – David Deverall



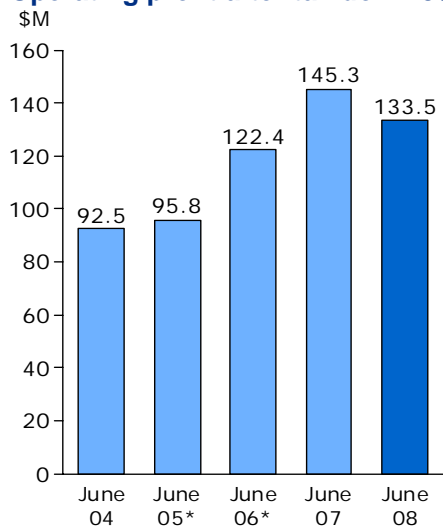
Result in line with May 2008 forecast

	June 2008 \$M	June 2007 \$M	Change %
Operating profit after tax	133.5	145.3	(8)
Gain on sale of investments	21.1	36.8	(43)
EMCF losses	(25.8)	-	~
Net profit after tax	128.8	182.1	(29)
Operating profit before tax	193.6	206.9	(6)
EPS ⁽¹⁾	321¢	353¢	(9)
Total dividend per share	330¢	360¢	(8)

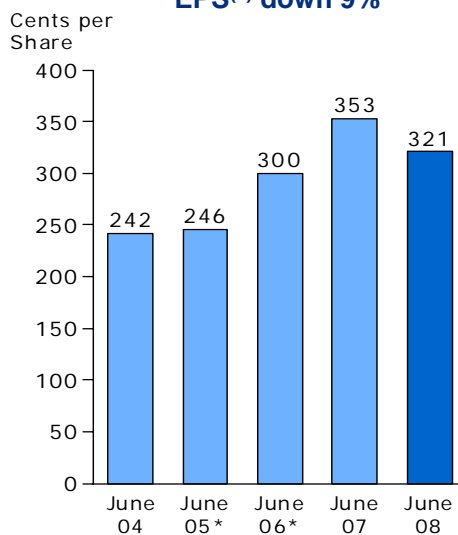
⁽¹⁾ Diluted EPS calculated using operating profit after tax divided by the weighted average number of ordinary and potential ordinary shares on issue

Challenging market impacting earnings growth

Operating profit after tax down 8%



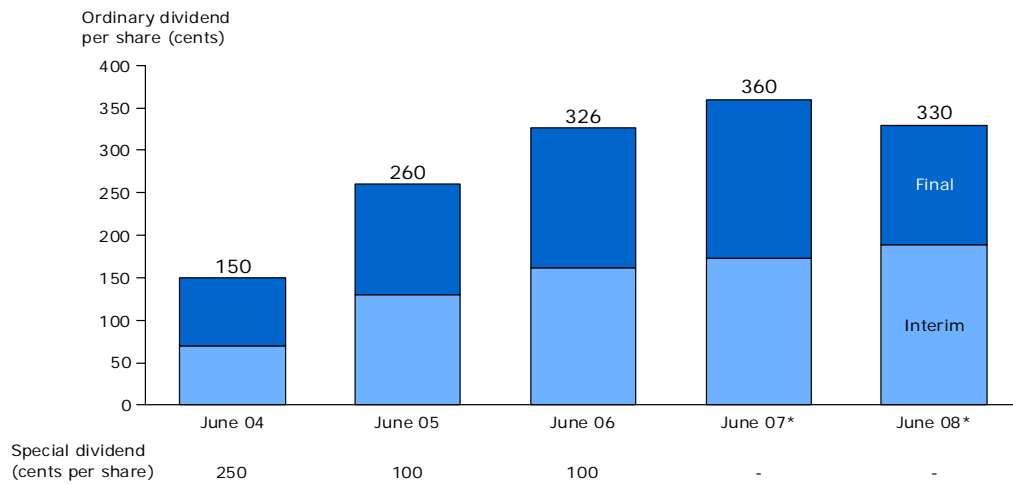
EPS⁽¹⁾ down 9%



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

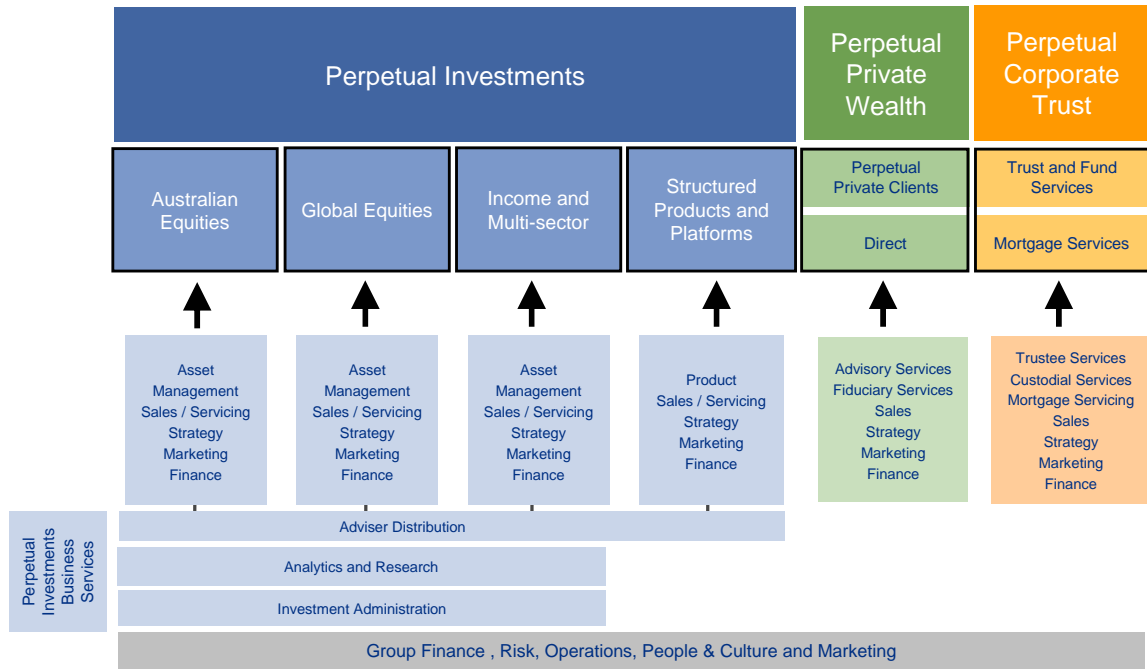
* Amounts shown in June 2005 and June 2006 have been restated to include net establishment costs of our global equities business in Ireland

Dividends down in line with earnings



* 2007 and 2008 dividend calculation includes the results of our global equities business

Perpetual has three key businesses



Operating profit before tax down 6%

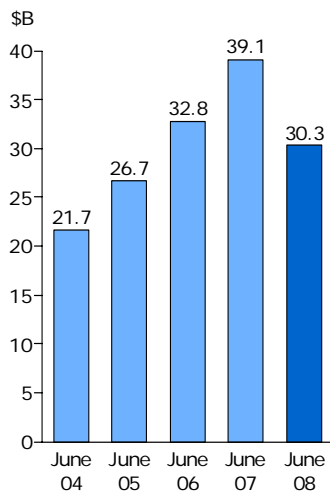
	June 2008 \$M	June 2007 ⁽¹⁾ \$M	Change %
Perpetual Investments	147.0	152.2	(3)
Perpetual Private Wealth	46.4	42.8	8
Perpetual Corporate Trust	29.5	35.7	(17)
Group and Support Services	(29.3)	(23.8)	~
Total operating profit before tax (PBT) ⁽²⁾	193.6	206.9	(6)
PBT margin	39%	44%	~

⁽¹⁾ Prior year amounts have been restated to reflect the restructure in September 2007

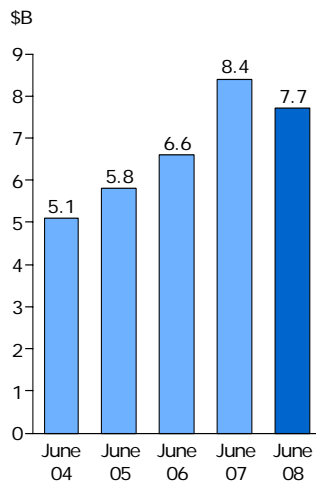
⁽²⁾ Excludes EMCF losses totalling \$36.9m before tax and gain on sale of investments totalling \$31.3m before tax

Market performance impacting revenue drivers

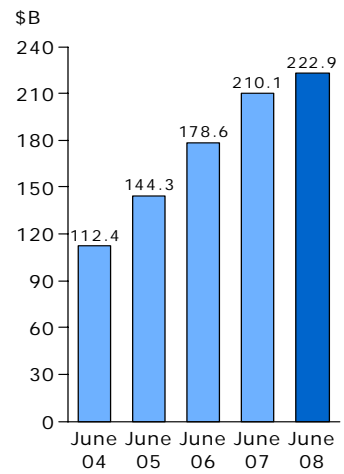
Perpetual Investments FUM



Perpetual Private Wealth FUA⁽¹⁾

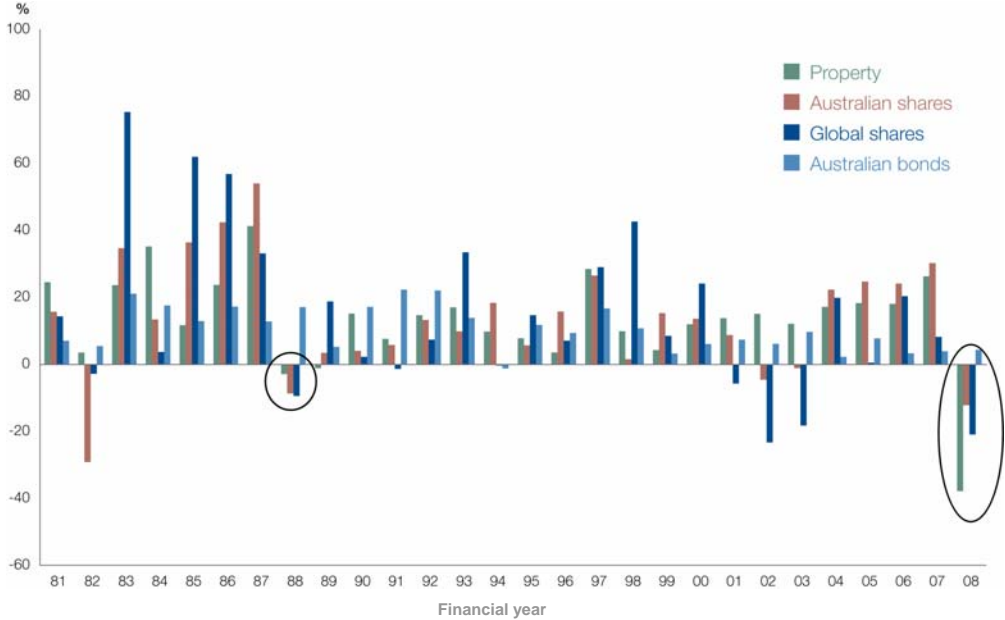


Perpetual Corporate Trust FUA



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

2008 financial year has been characterised by a synchronised deterioration in our core markets



Perpetual Investments operating profit before tax down 3%

	June 2008 \$M	June 2007 ⁽¹⁾ \$M	Change %
Perpetual Investments	147.0	152.2	(3)
Perpetual Private Wealth	46.4	42.8	8
Perpetual Corporate Trust	29.5	35.7	(17)
Group and Support Services	(29.3)	(23.8)	~
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⁽¹⁾ Prior year amounts have been restated to reflect the restructure in September 2007

⁽²⁾ Excludes EMCF losses totalling \$36.9m before tax and gain on sale of investments totalling \$31.3m before tax

Perpetual Investments FUM totalled \$30.3 billion at 30 June 2008

	June 2007 \$B	Net flows \$B	Other ⁽¹⁾ \$B	June 2008 \$B
Retail	9.5	(0.9)	(1.4)	7.2
Intermediary (masterfund and wrap)	18.0	0.2	(3.4)	14.8
Institutional	11.6	(2.8)	(0.5)	8.3
All channels	39.1	(3.5)	(5.3)	30.3
<hr/>				
Australian equities	25.5	(1.0)	(4.8)	19.7
Global equities	2.1	(0.2)	(0.4)	1.5
Cash and fixed Interest	9.7	(2.4)	0.2	7.5
Other ⁽²⁾	1.8	0.1	(0.3)	1.6
All asset classes	39.1	(3.5)	(5.3)	30.3

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

⁽²⁾ Includes Perpetual Protected Investments flows

Flows in more detail

- Retail net outflows of \$0.9 billion includes:
 - \$0.4 billion Australian Equities outflows, mostly from Industrial Share Fund (no exposure to resources)
 - \$0.4 billion Cash and Fixed Interest outflows, driven by lower returns compared to bank term deposits
- Intermediary net inflows of \$0.2 billion includes:
 - \$0.5 billion Australian Equities inflows (Ordinaries, Ethical, Geared)
 - \$0.2 billion Global Equities outflows
- Institutional net outflows of \$2.8 billion:
 - \$1.8 billion enhanced cash outflows
 - \$1.0 billion Australian Equities outflows - \$0.8 billion due to rebalancing by clients in the first half

Australian Equities: in excellent shape

- Strong improvement in performance relative to the benchmark
- Stable, committed, energised team
 - new hires
 - new responsibilities
- New products and channels
 - Pure Value Fund
 - Global Resources Fund
 - private banking channel
 - scope to take more money

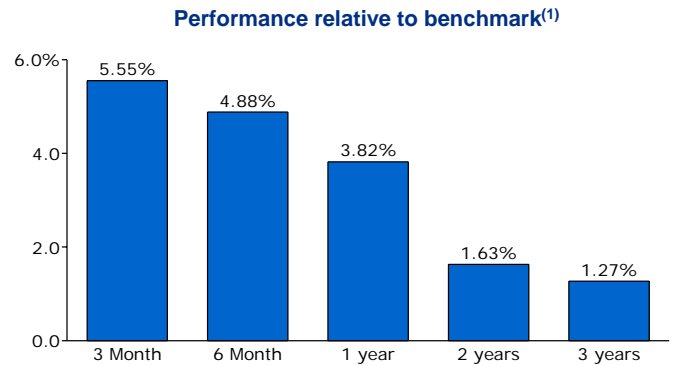
One year performance against benchmark

Fund	2007/08	2006/07
Australian Share Fund	4.1%	(5.0%)
Industrial Share Fund	4.1%	(0.3%)
Concentrated Equity Fund	5.5%	(3.6%)
QI Long / Short	8.1%	3.0%



Global Equities: improved investment performance

- Significant improvement in performance relative to the benchmark
 - quality has outperformed
- Poor early performance has taken time and effort to overcome initial perceptions
- Now have a dedicated management and sales team

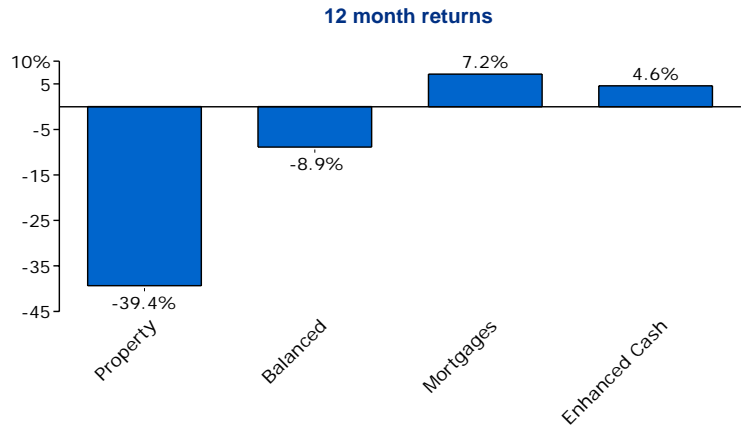


⁽¹⁾ As at 15 August 2008



Income and Multi-sector: a tough year

- All asset classes under pressure
- EMCF:
 - high quality portfolio
 - CDO losses: small but important lessons learnt
 - strong support from retail, masterfund and institutional channels
- Exit of direct property and infrastructure
 - minor financial impact
 - valuable strategic insight
- Emerging client appetite for multi-manager alternatives



Structured Products and Platforms: significant investments made

- Significant investment in the WealthFocus platform which has improved competitiveness:
 - consolidation of unit registry platforms
 - increased functionality and automation
 - improved 'ease of use' for advisers
 - improved service capability and menu options
- Perpetual Protected Investments now a leading product in the market having raised over \$310 million since May 2007
- Growth of DIY super market is set to continue and provide opportunities



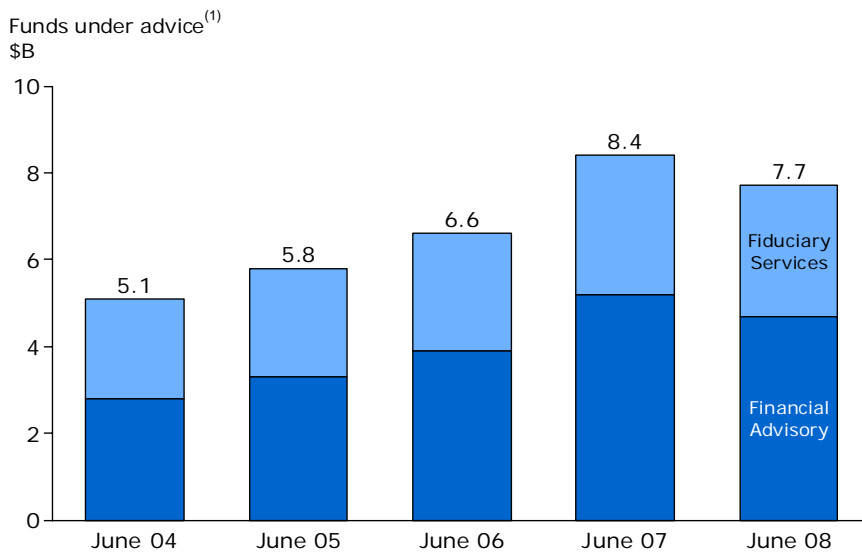
Private Wealth operating profit before tax up 8%

	June 2008 \$M	June 2007 ⁽¹⁾ \$M	Change %
Perpetual Investments	147.0	152.2	(3)
Perpetual Private Wealth	46.4	42.8	8
Perpetual Corporate Trust	29.5	35.7	(17)
Group and Support Services	(29.3)	(23.8)	~
Total operating profit before tax (PBT) ⁽²⁾	193.6	206.9	(6)
PBT margin	39%	44%	~

⁽¹⁾ Prior year amounts have been restated to reflect the restructure in September 2007

⁽²⁾ Excludes EMCF losses totalling \$36.9m before tax and gain on sale of investments totalling \$31.3m before tax

Perpetual Private Wealth FUA down to \$7.7b on the back of lower equity markets



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

Perpetual Private Wealth FUA - sustained net inflows

	June 2007 \$B	Net flows \$B	Other ⁽¹⁾ \$B	June 2008 \$B
Financial Advisory				
- Superannuation	3.0	0.2	(0.5)	2.7
- Non-superannuation	2.2	0.1	(0.3)	2.0
	5.2	0.3	(0.8)	4.7
Fiduciary Services				
- Philanthropic	1.2	0.1	(0.2)	1.1
- Trust and estates	2.0	-	(0.1)	1.9
	3.2	0.1	(0.3)	3.0
Total funds under advice	8.4	0.4	(1.1)	7.7
Total funds under advice - 1H08⁽²⁾	8.4	0.2	-	8.6
Total funds under advice - FY07⁽²⁾	6.6	0.7	1.1	8.4

⁽¹⁾ Includes reinvestments, distributions, income & asset growth and acquired FUA

⁽²⁾ Restated to reflect change in methodology

Perpetual Private Wealth: continued investment

- 18 per cent increase in the number of client facing employees has resulted in new client growth
- Expansion in the South Australian market with the acquisition of Argosy Wealth Consultants Pty Ltd
 - \$75m in additional FUA
 - 100 high net worth clients
- Appointment of John Nesbitt as the Group Executive of Perpetual Private Wealth to drive both organic and inorganic growth initiatives
- Launch of the Perpetual Foundation Gift Fund which expands on Perpetual's leadership position in the philanthropic services market

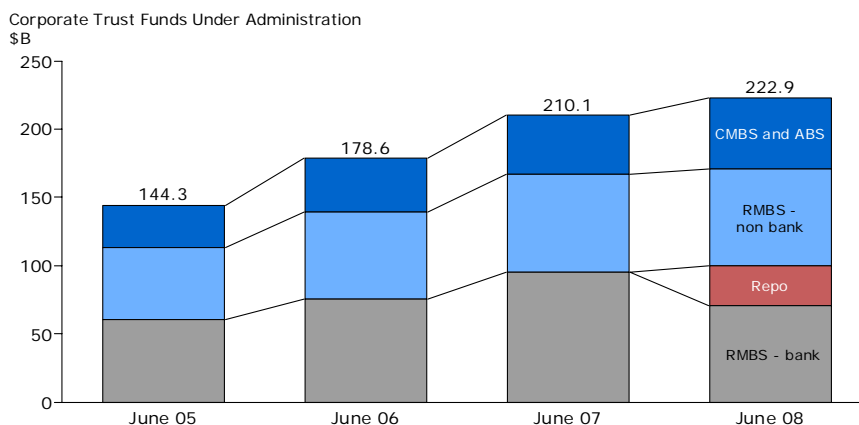
Corporate Trust operating profit before tax down 17%

	June 2008 \$M	June 2007 ⁽¹⁾ \$M	Change %
Perpetual Investments	147.0	152.2	(3)
Perpetual Private Wealth	46.4	42.8	8
Perpetual Corporate Trust	29.5	35.7	(17)
Group and Support Services	(29.3)	(23.8)	~
Total operating profit before tax (PBT) ⁽²⁾	193.6	206.9	(6)
PBT margin	39%	44%	~

⁽¹⁾ Prior year amounts have been restated to reflect the restructure in September 2007

⁽²⁾ Excludes EMCF losses totalling \$36.9m before tax and gain on sale of investments totalling \$31.3m before tax

Perpetual Corporate Trust FUA boosted by Repo issuances



Composition of FUA

CMBS and ABS ⁽¹⁾	21%	22%	21%	23%
RMBS - non Bank	37%	36%	34%	32%
Repo ⁽²⁾	-	-	-	13%
RMBS - Bank	42%	42%	45%	32%

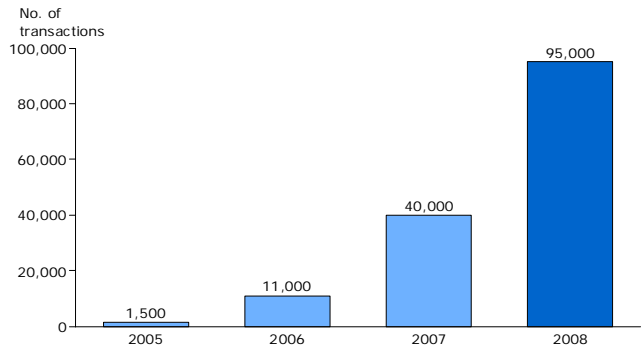
⁽¹⁾ Commercial mortgage backed securities (CMBS) and other asset backed securities (ABS)

⁽²⁾ Repo issuances are residential mortgage backed securities (RMBS) internally securitised by banks and eligible for repurchase funding with the RBA

Mortgage Services continues to develop new revenue streams

- Acquisition led volume growth
- Volumes lower than originally forecast - driven by significant slowdown in originations
- Expect growth in volumes in 2009 following recent new client wins

Volume of transactions in Perpetual Lenders Mortgage Services



We have reviewed our Corporate Trust business in response to the current market environment

- Non-bank models are being tested by the current market conditions
- Securitisation market remains mostly shut
- Right sizing of workforce in response to market conditions and workload
 - 20 per cent reduction in employees
 - incurred \$3.9 million in restructure costs



Forecast to extract approximately \$6.0 million in cost savings on an annualised basis

Agenda

- Group summary – David Deverall
- ▶ **▪ Financial results – Roger Burrows**
- Strategy and outlook – David Deverall



Result in line with May 2008 forecast

	June 2008 \$M	June 2007 \$M	Change \$M	Change %
Total revenue	495.7	466.3	29.4	6
Operating expenses	268.6	228.3	40.3	18
EBITDA	227.1	238.0	(10.9)	(5)
Amortisation and depreciation	9.8	8.4	1.4	17
Equity remuneration amortisation	20.4	19.8	0.6	3
Interest	3.3	2.9	0.4	14
Operating profit before tax	193.6	206.9	(13.3)	(6)
Operating profit after tax⁽¹⁾	133.5	145.3	(11.8)	(8)

⁽¹⁾ Excludes EMCF losses totalling \$25.8 million after tax and gain on sale of investments of \$21.1 million after tax

Second half impacted by tough operating environment

	1H08 \$M	2H08 \$M	Change \$M	Change %
Total revenue	261.2	234.5	(26.7)	(10)
Operating expenses	132.8	135.8	3.0	2
EBITDA	128.4	98.7	(29.7)	(23)
Amortisation and depreciation	4.0	5.8	1.8	45
Equity remuneration amortisation	8.7	11.7	3.0	34
Interest	1.6	1.7	0.1	6
Operating profit before tax	114.1	79.5	(34.6)	(30)
Operating profit after tax	79.3	54.2	(25.1)	(32)

Perpetual Investments operating profit before tax down 3%

	June 2008 \$M	June 2007 ⁽¹⁾ \$M	Change \$M	Change %
Total revenues ⁽²⁾	294.5	282.0	12.5	4
Operating expenses ⁽²⁾	126.6	110.8	15.8	14
Amortisation and depreciation	0.8	1.6	(0.8)	(50)
Equity remuneration amortisation	20.1	17.4	2.7	16
Operating profit before tax	147.0	152.2	(5.2)	(3)
PBT margin	50%	54%	~	~

⁽¹⁾ Prior year amounts have been restated to reflect the restructure in September 2007

⁽²⁾ Excludes structured investments income and distributions (net to nil)

Perpetual Private Wealth operating profit before tax up 8%

	June 2008 \$M	June 2007 ⁽¹⁾ \$M	Change \$M	Change %
Total revenues	104.9	98.8	6.1	6
Operating expenses	55.3	54.0	1.3	2
Amortisation and depreciation	0.6	0.5	0.1	20
Equity remuneration amortisation	2.6	1.5	1.1	73
Operating profit before tax	46.4	42.8	3.6	8
PBT margin	44%	43%	~	~

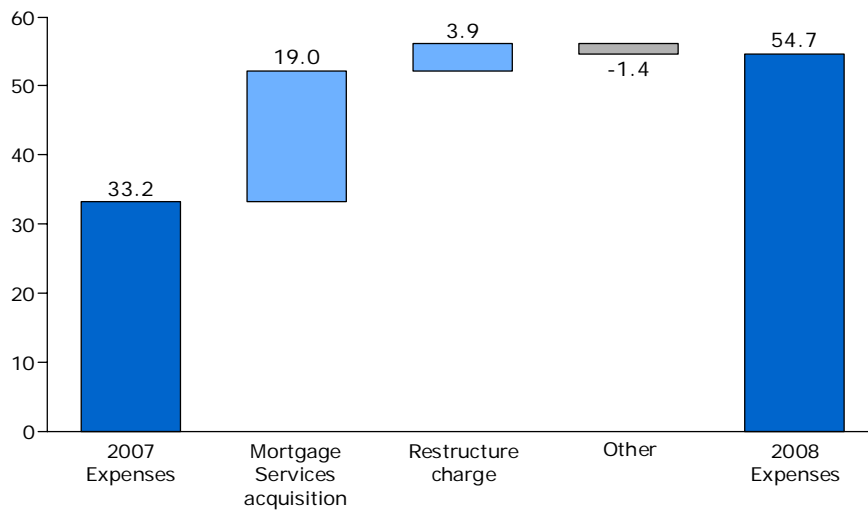
⁽¹⁾ Prior year amounts have been restated to reflect the restructure in September 2007

Perpetual Corporate Trust operating profit before tax down 17%

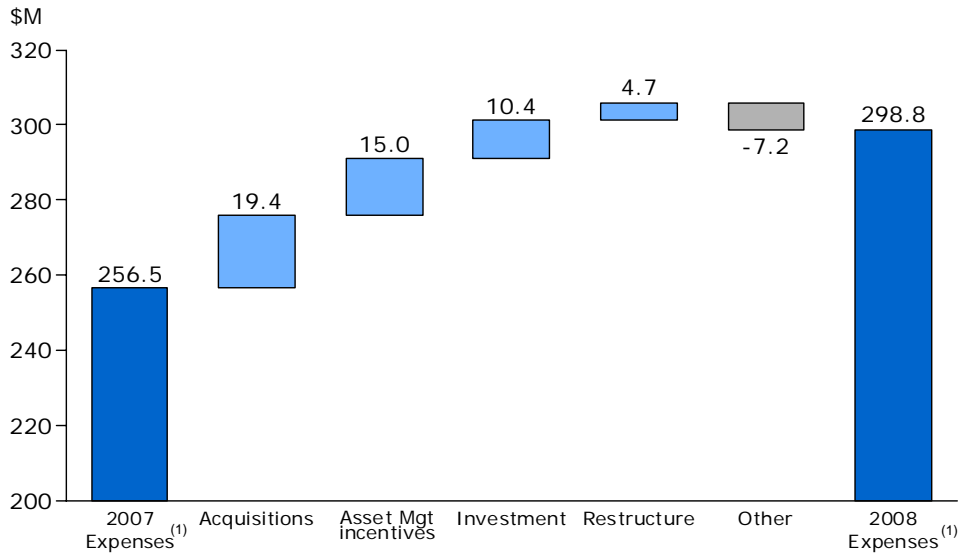
	June 2008 \$M	June 2007 \$M	Change \$M	Change %
Total revenues	84.2	68.9	15.3	22
Operating expenses	47.8	31.0	16.8	54
Restructuring costs	3.9	-	3.9	~
Amortisation and depreciation	2.0	1.2	0.8	67
Equity remuneration amortisation	1.0	1.0	-	-
Operating profit before tax	29.5	35.7	(6.2)	(17)
PBT margin	35%	52%	~	~

Perpetual Corporate Trust expense base increase

2008 Corporate Trust expenses \$M



Perpetual's expense base increase due to targeted investment



⁽¹⁾ Excludes interest expenses

Significant items

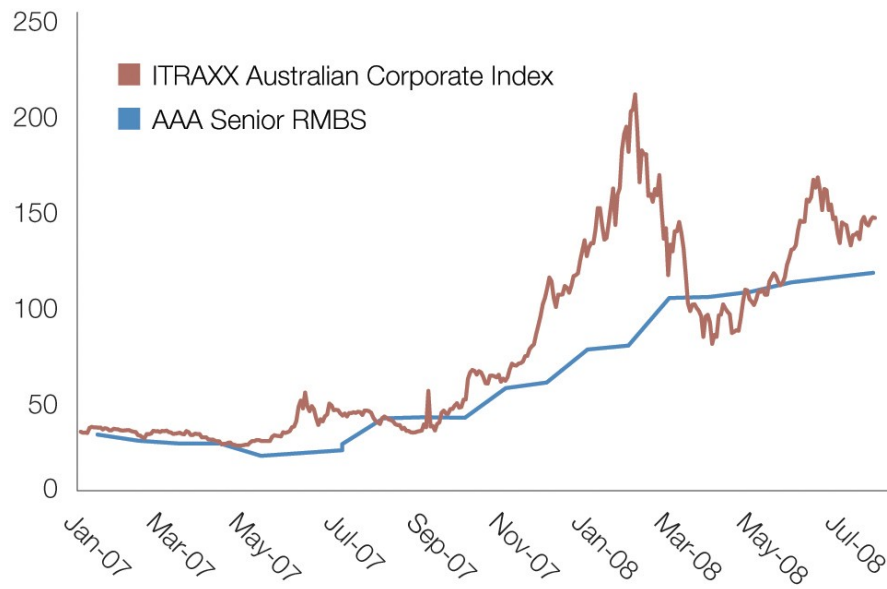
	June 2008 \$M	June 2007 \$M	Change \$M	Change %
Operating profit after tax	133.5	145.3	(11.8)	(8)
Gain on sale of investments	21.1	36.8	(15.7)	(43)
EMCF losses	(25.8)	-	(25.8)	~
Net profit after tax	128.8	182.1	(53.3)	(29)

Significant items - gain on sale of investments

	June 2008 \$M	June 2007 \$M	Change \$M	Change %
Sale of listed equity portfolio	27.0	40.5	(13.5)	(33)
Sale of investments in incubation funds	7.3	11.3	(4.0)	(35)
Impairment of certain securities within incubation funds (unrealised)	(3.0)	-	(3.0)	~
Gain on sale of investments (before tax)	31.3	51.8	(20.5)	(40)
Tax	(10.2)	(15.0)	4.8	32
Gain on sale of investments (after tax)	21.1	36.8	(15.7)	(43)

Credit spreads remain very wide

Spread over Bank Bills



Significant items - EMCF losses

Expensed	\$M
Structured securities losses	5.7
Hedging costs	3.3
Recoverable	
Mark to market losses	27.9
EMCF losses (before tax)	36.9
Tax Benefit	(11.1)
EMCF losses (after tax)	25.8

The current portfolio is comprised of:

Cash	34%
RMBS	32%
CMBS	9%
Other	25%

- Current running yield of 8.8% delivering \$1.5m-\$2.5m per month return over the index
- Widening spreads since 30 June 2008 to date are offsetting running yield return
- Current losses are broadly in line with losses disclosed at 30 June 2008
- The average maturity of the portfolio is 1.3 years
- Assuming stable spreads we would expect our unrealised losses to reverse over 1-2 years

Perpetual is in a strong financial position

	June 2008 \$M	June 2007 \$M	Change \$M	Change %
Cash holdings	183.1	214.6	(31.5)	(15)
Investments at market value	77.0	123.4	(46.4)	(38)
Liquid assets	260.1	338.0	(77.9)	(23)
Net assets	314.4	341.0	(26.6)	(8)
Key financial ratios				
Liquid assets per share	\$6.19	\$8.20		
Debt / equity ratio	12.5%	11.6%		
EBITDA Interest cover (times)	69	82		
Franking credits (before dividends)	\$57m	\$57m		

Underlying cash flows strong

Reconciliation of major operating cash flow movements	\$M
Operating cash flows FY07	182.6
Lower EBITDA	(10.9)
EMCF losses	(36.9)
Income tax payments (timing)	(19.0)
Other	(6.7)
Operating cash flows FY08	109.1

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

	\$M		
Operating profit after tax⁽¹⁾	133.5		
Add: Equity Amortisation costs	20.4		
2008 underlying cash earnings	153.9	90% payout ratio	= \$138.5m
Number of shares (million)			42.0
Dividend per share (cents)			330
Less: Interim dividend (cents)			189
Final dividend per share (cents)			141

⁽¹⁾ Operating profit after tax excludes EMCF losses totalling \$25.8m after tax and gain on sale of investments totalling \$21.1m after tax

Agenda

- Group summary – David Deverall
- Financial results – Roger Burrows
- ▶ ▪ **Strategy and outlook – David Deverall**



Our strategy

Grow our core businesses...

- Australian Equities
- Private Wealth
- Corporate Trust
Securitisation

... expand into adjacent businesses using core competencies...

- four core competencies
 - funds management
 - relationship with financial advisers
 - trusted brand
 - fiduciary services

... to create leadership positions in a broader portfolio underpinned by superannuation

- superannuation will drive volume growth over the longer-term



Perpetual has four clear and recognised core competencies

Core Competencies

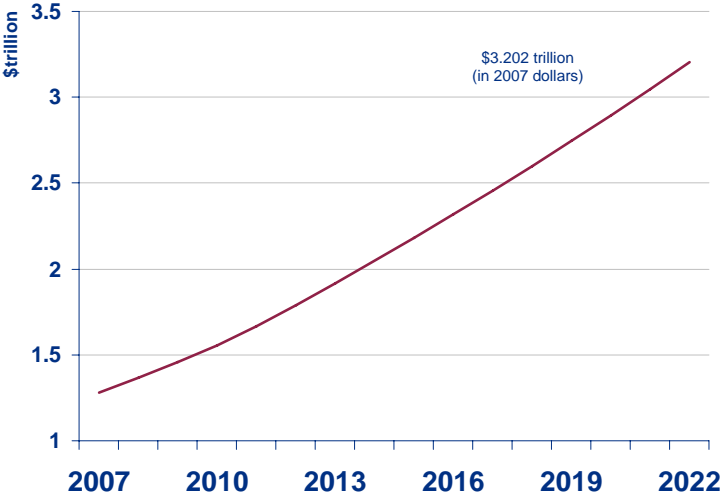
1. Funds management
2. Relationships with financial advisers
3. Trusted brand
4. Fiduciary services

Proof points

- ▶ Numerous awards
- ▶ Excellent long-term performance
- ▶ Stable and experienced teams
- ▶ Ranked second in the 'Wealth Insights' Survey 2007 (formerly ASSIRT)
- ▶ Strong attribution re: 'trust'
- ▶ Clear market leadership position

Our strategy is backed by strong industry fundamentals

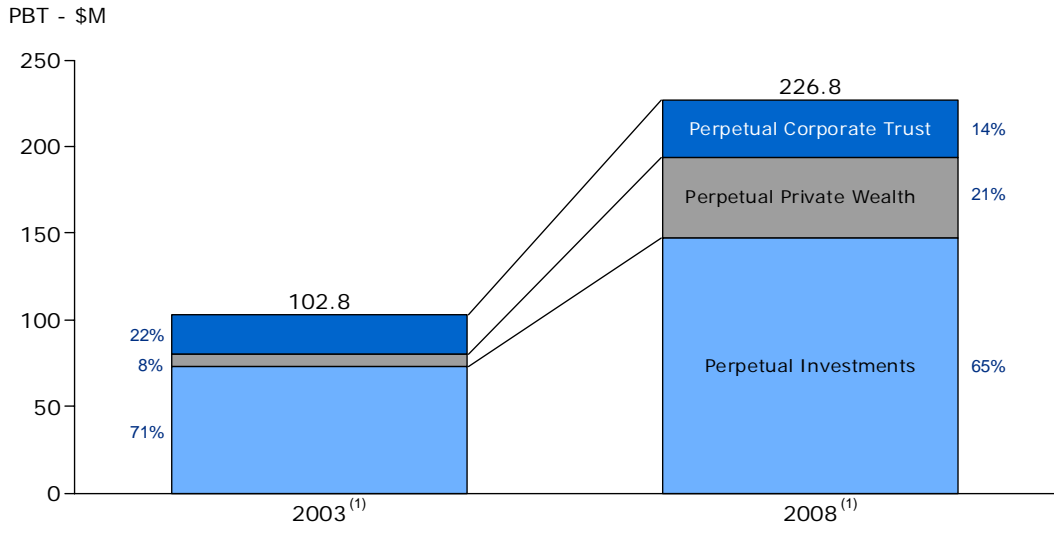
Superannuation assets are expected to more than double in the next 15 years



Source: Rice Walker Actuaries



Sources of profit are changing



⁽¹⁾ Excludes Group and Support Services and restructure costs

Our strategy is underpinned by the following principles – largely unchanged despite current environment

Underlying principles

- Bi partisan support for superannuation
- People will continue to pay for 'alpha'
- Equities will remain a major part of investors portfolios
- There is a shift in asset allocation towards global equities
- Securitisation has an ongoing role in financial markets
- High net worth individuals will have a continued need for sophisticated advice

Status

- No change
- No change
- Yes, but some shift towards absolute return
- No change
- Uncertainty about timing around securitisation reopening
- No change

Outlook

- Lower absolute market levels and volumes will impact profits in 2009
- Market conditions remain challenging
- Capacity to take advantage of opportunities in the short-term
 - we have a strong balance sheet with low gearing
 - our quality focused investment style is being reflected in our improving performance
- Market continues to have sound long-term macro fundamentals

**Half year profit outlook will be given at the Annual General Meeting
in October 2008**



2008 Full Year Results

Market briefing
20 August 2008

