

5 August 2011

Equity Trustees Unaudited Full Year Results, Final Dividend & Acquisition Update

Equity Trustees Limited (ASX: EQT) today released its unaudited financial results for the year to 30 June 2011 and also confirmed the finalisation of its latest acquisition.

The unaudited net profit after tax is ahead of the prior year by 2.3%, summarised as follows:

	12 months to 30 June 2011	12 months to 30 June 2010	% Change
	\$m	\$m	
Operating revenue	39.2	34.5	13.5
Operating expenses	(28.4)	(23.8)	(19.2)
Operating profit before tax	10.8	10.7	0.8
Income tax expense	(3.0)	(3.2)	
Operating profit after tax	7.8	7.5	3.3
Non-operating items (net of tax)	0.4	0.5	
Net profit after tax	8.2	8.0	2.3
Earnings Per Share (cents)	97.01	96.60	
Dividend per share (full year, fully franked)	100c	110c	

Equity Trustees' Chairman, Mr Tony Killen, said the Group was pleased to exceed the prior year net profit after tax despite a continuation of market volatility and challenging business conditions, especially during the June quarter.

"For the first three quarters the investment markets showed some signs of improvement, however similar to the prior year, there was a reversal during the June quarter. As a result of the continuing uncertainty and the use of cash for acquisitions, the EQT Board has announced its intention to reduce the fully franked final dividend from 60 to 50 cps. Thus the dividend for the full year will be 100 cents, fully franked, reflecting a current yield of approximately 7.4% before franking credits."

Notwithstanding the reduction in final dividend, Mr Killen noted the full year payment nevertheless constitutes a payout ratio of 103%, continuing the recent practice of payment of dividends in excess of yearly profits. However, he did note that the board's expressed policy was to pay in the range of 70 - 90%, and in future there would be stricter adherence to this policy in the interests of maintaining a strong balance sheet capable of supporting the needs of the business, including its continuing desire to expand by acquisitions.

Mr Robin Burns, Equity Trustees' Managing Director, added that the 2011 year has been proactive with the successful acquisition and full integration of the OAMPS superannuation fund into the existing EquitySuper master trust and more recently, a new superannuation growth initiative known as simpleWRAP.

Mr Burns also confirmed that after the completion of due diligence, the acquisition of an advisory business specialising in the aged care sector was complete, with an effective date of 1 August 2011.

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“We are excited about the take-on of this business, known as Lifetime Planning and Tender Living Care. The established advisory business in the aged care sector will be a great complement to our existing Wealth Management and Personal Estates and Trusts business units.”

“This acquisition has been fully funded from internal cash resources. We will continue to assess appropriate acquisitions and new business opportunities, with the objective that they are earnings accretive in the near term.”

An announcement will be made on 25 August 2011 to formally confirm the 2011 audited results, declare the 2011 fully franked final dividend and provide a shareholder presentation covering the results.

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