

## Shareholder Update

31 October 2011

### BT Investment Management Limited announces full year Cash NPAT of \$30.5 million

Dear Shareholder,

BT Investment Management Limited (BTIM) today announced cash net profit after tax (NPAT) on a normalised basis of \$30.5 million for the year ended 30 September 2011, one per cent down on the prior year and in the middle of the forecast range announced to the market in July. Cash NPAT on a normalised basis excludes transaction expenses associated with the acquisition of J O Hambro Capital Management (JOHCM).

Statutory NPAT was \$16.9 million or 23 per cent lower than 2010 as it includes the acquisition costs.


	30 September 2011	30 September 2010	Movement
• Year ended 30 September:			
➤ Cash NPAT (normalised) <sup>i iv</sup>	\$30.5m	\$30.9m	↓ 1%
➤ Statutory NPAT	\$16.9m	\$21.8m	↓ 23%
➤ Revenue <sup>ii</sup>	\$126.6m	\$129.2m	↓ 2%
➤ Cash expenses <sup>iii</sup>	\$82.8m	\$84.9m	↓ 2%
➤ Cash earnings per share	18.7cps	19.3cps	↓ 3%
➤ Fully franked dividends	16.0cps	15.5cps	↑ 3%
➤ Average FUM	\$35.1bn	\$35.3bn	↓ 1%
• As at 30 September:			
➤ Closing FUM	\$32.7bn	\$35.4bn	↓ 8%

The Board has declared a final fully franked dividend of 10.0 cents per share (cps), taking total dividends for the year to 16.0 cps. This is an increase of three per cent on financial year 2010 interim and final dividends.

Throughout this year we made significant progress on a number of our strategic initiatives. Importantly, we announced the acquisition of J O Hambro Capital Management, a boutique investment manager in the UK. The acquisition will provide key benefits, helping to drive growth, increase margins and enhance diversification

I encourage you to review the results in more detail on our website: [www.btim.com.au](http://www.btim.com.au) or under company announcements on the ASX website: [www.asx.com.au](http://www.asx.com.au).

Yours faithfully,



Brian Scullin  
Chairman, BT Investment Management

## Reconciliation of Statutory and Cash NPAT

\$m	FY 2011	FY 2010
Statutory NPAT	16.9	21.8
Add back: amortisation of employee equity grants	10.4	15.4
Deduct: after-tax cost of ongoing employee equity grants payable for the year	(8.6)	(6.3)
Add back: after-tax net transaction expenses associated with acquisition of JOHCM	11.8	-
Normalised Cash NPAT	30.5	30.9

i Cash NPAT comprises statutory NPAT adjusted for the amortisation of employee equity grants required under Australian International Financial Reporting Standards. BTIM believes these non-cash charges do not form part of underlying operations for the year, and instead reduces its Cash NPAT for the after-tax cash costs of equity grants made in respect of the current year.

ii Statutory revenue included in the financial report of \$128.6m (\$131.5m – FY10) includes expenses recovered from funds managed by BTIM and fees received for services provided by BTIM to a number of Westpac-related entities. These have all been netted off with related expenses in the revenue announced of \$126.6m (\$129.2m – FY10). Also included in statutory revenue is a realised foreign exchange gain on hedging the purchase price consideration of JOHCM which has been excluded as a net transaction cost in the reported result.

iii Statutory expenses included in the financial report of \$98.0m (\$95.5m – FY10) includes the amortisation of employee equity grants and the transaction costs in relation to the acquisition of JOHCM. The pre-tax cash expenses announced of \$82.8m (\$84.9m – FY10) does not include these items, but does include the cash cost of ongoing employee equity grants payable in respect of the current year, together with certain statutory revenue adjustments noted above.

iv Included in net transaction expenses in the financial report is \$12.5m in acquisition and financing costs partially offset by \$0.2m in realised foreign exchange gains on hedging the transaction and \$0.5m in tax expense. Additionally the after-tax cash cost of \$1.5m in transaction related equity grants has been excluded from normalised Cash NPAT, however statutory NPAT will be impacted in future years as equity grants amortise over the vesting period.

v Based on an exchange rate of £0.6265/\$1.00, as at 30 September 2011.