EQT RELEASE

30 January 2012

Equity Trustees – Improved First Half Result

(Note: The following results are unaudited. Confirmation of final audited numbers will be made on 27 February.)

Equity Trustees Limited (ASX: EQT) today confirmed a lift in half year revenue of 11.0% and a 4.6% increase in net profit after tax for the six months ending 31 December 2011 compared with the prior corresponding period.

	6 months to 31 Dec 2011 $m	6 months to 31 Dec 2010 $m	% Change
Operating Revenue	20.7	18.7	11.0
Operating Expenses	(15.7)	(13.7)	(14.9)
Operating profit before tax	**5.0**	**5.0**	**-**
Income Tax Expense	(1.4)	(1.5)	
Operating profit after tax	**3.6**	**3.5**	**3.8**
Non-operating items (net of tax)	0.3	0.2	
Net profit after tax	**3.9**	**3.7**	**4.6**
Earnings Per Share (cents)	**45.08**	**43.85**	**2.8**

EQT Chairman Mr Tony Killen described the result as solid given the continuing difficult business conditions. “It is particularly pleasing to have achieved organic revenue growth, before allowing for the impact of our recent acquisitions, despite the depressed investment markets, which directly affect a significant proportion of our revenues”.

The latest acquisitions made by the company, Apex Super Fund in November 2010 and Lifetime Planning/Tender Living Care in August 2011, are both performing to plan and provided a further fillip to results in the period under review”.

Mr Killen also reiterated the company’s previous advice of its intention to pay future dividends within the stated policy range of 70 to 90% of EPS. As a result, it is expected that the interim dividend will be reduced from 50 to 40 cents per share, fully franked, representing a payout ratio of approximately 89%. Formal confirmation of the interim dividend will be made when the audited financial results are released on Monday 27 February 2011.

Mr Killen noted: “During the GFC period, there were limited acquisition opportunities to utilise spare cash and the company had excess franking credits. For these reasons we paid dividends above the stated policy range, indeed in excess of 100% of EPS. However, during the past 12 months we have made two acquisitions, in both cases for cash. Prudent management of the Balance Sheet now requires us to pay dividends consistent with the stated policy range.”

The acquisition of Lifetime Planning/Tender Living Care was successfully completed during the half year. Mr Robin Burns, EQT Managing Director, confirmed that the acquisition was fully funded from internal resources and was earnings accretive from the acquisition date of August 2011.

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Mr Burns added: "Overall, I am pleased that we continue to see good progress made in each of our business units, with underlying client activity strong and business development initiatives paying off. It is disappointing that we don't yet see the benefits of this fully showing up in top line numbers due to the impact of lower markets, but the company remains well positioned for future growth, is debt free and is alert to potential development opportunities."

"We have also undertaken a review of our internal structures and will make some changes during the remainder of the current year. These changes will facilitate a stronger client focus, the pursuit of operating efficiencies and will assist with the implementation of a number of long term business strategies."

For further information, please contact:

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