Shareholder Update

BT Investment Management Limited delivers full year Cash NPAT of $41.5 million

Dear Shareholder,

BT Investment Management Limited (BTIM) today announced a Cash net profit after tax (NPAT) of $41.5 million for the full year ended 30 September 2012, up 36 per cent from the prior year, which reflects the consolidated result of J O Hambro Capital Management (JOHCM) and BTIM Australia. This result incorporates a full 12 months contribution from JOHCM. Statutory NPAT was $21.4 million, representing a 27 per cent increase on the prior year.

Cash earnings per share (EPS) for the full year were 14.6 cents per share. Lower average market levels compared with the previous year for the BTIM Australia business has largely contributed to the 22 per cent decline in EPS. The S&P/ASX 200 Price Index on average was 8.3 per cent lower when compared with financial year 2011.

Included in the table below is a like-for-like comparison showing the results of the second half 2012 compared with the first half 2012. Given the Group was consolidated at the commencement of the 2012 financial year, this comparison illustrates the performance and progress of the combined Group over the 12 month period.

BTIM Group	FY 2011	FY 2012	+/-	1H 2012	2H 2012	+/-
Full year ended 30 September:						
Cash NPAT	$30.5m	$41.5m	+36%	$19.7m	$21.8m	+11%
Statutory NPAT	$16.9m	$21.4m	+27%	$11.2m	$10.2m	-9%
Revenue	$126.6m	$192.5m	+52%	$92.9m	$99.6m	+7%
Cash expenses	$82.8m	$135.2m	+63%	$65.7m	$69.5m	+6%
Base management fee margin	34 bps	39 bps	+16%	39 bps	40 bps	+2%
Cash earnings per share	18.7 cps	14.6 cps	-22%	7.0 cps	7.6 cps	+9%
Fully franked dividends	16.0 cps	12.5 cps	-22%	5.5 cps	7.0 cps	+27%
Average FUM	$35.1bn	$44.6bn	+27%	$44.0bn	$45.3bn	+3%
As at 30 September:						
Closing FUM	$32.7bn	$46.6bn	+42%	$45.8bn	$46.6bn	+2%

The Board has declared a fully franked final dividend of 7.0 cents per share to be paid on 20 December 2012 to ordinary shareholders on record at 7 December 2012.

The final dividend brings total dividends for the year to 12.5 cents per share. This approximates a payout ratio of 86 per cent of Cash NPAT for the period and reflects a more even distribution of payouts between the interim and final dividends. The Board continues to target an annual payout ratio of between 80 and 90 per cent of Cash NPAT.

The Board has also announced the activation of a Dividend Reinvestment Plan (DRP) for the final dividend payable in December. The DRP allows shareholders to reinvest in additional BTIM shares with no commission or brokerage costs. Shares issued under the DRP will be at a zero discount to the allocation price as determined by the DRP rules.

Shareholders who wish to participate in the DRP dividend must complete a DRP Instruction Form and return it to BTIM's share registry, Link Market Services, by no later than 5.00 pm on Friday, 7 December 2012. The DRP Instruction Form will be sent to shareholders in the post with the Notice of the Annual General Meeting, or alternatively a copy can be obtained at www.linkmarketservices.com.au.

During the year, we achieved a smooth transitioning of JOHCM ownership with no disruption to the business. We launched an emerging markets fund managed by JOHCM into the Australian market and introduced a series of new income-focussed investment strategies, the BT Equity Income Series, targeting investors seeking income.

We head into FY 2013 with a strong offshore capability in JOHCM, expanded opportunities that our business strategy has created and starting FUM higher than FY 2012 average levels, all of which positions the business for growth.

This year we are also releasing our annual report today which can be accessed via the BTIM website. The annual report will still be posted to those shareholders who elected to receive the annual report in hard copy form.

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

Yours faithfully

Brian Scullin
Chairman, BT Investment Management