

Shareholder Update

30 April 2014

Shareholder Update

BT Investment Management Limited announces strong result delivering Cash NPAT of \$83.1 million for the half year ending 31 March 2014

Dear Shareholder,

I am pleased to inform you that BT Investment Management Limited (BTIM) today announced a Cash net profit after tax (Cash NPAT) of \$83.1 million for the half year ending 31 March 2014, an increase of 143 per cent on the previous corresponding period (pcp). Statutory NPAT was \$78.3 million, representing a 243 per cent increase on pcp.

The strong increase in Cash NPAT was due to a significant increase in fee revenue, particularly performance fees, as well as an increase in higher margin funds under management (FUM). Fee revenue of \$255.3 million was 91 per cent higher than pcp as performance fees rose 243 per cent to \$114.7 million and base management fee margins expanded from 40 basis points to 45 basis points.

Cash earnings per share (Cash EPS) for the period was 28.0 cents per share, an increase of 137 per cent since 31 March 2013.

	1H 2014	1H 2013	Movement
Half year ended 31 March:			
➤ Cash NPAT	\$83.1m	\$34.2m	↑ 143%
➤ Statutory NPAT	\$78.3m	\$22.8m	↑ 243%
➤ Fee Revenue	\$255.3m	\$133.8m	↑ 91%
➤ Base Management Fees	\$137.8m	\$98.1m	↑ 40%
➤ Base Management Fee Margin	45 bps	40 bps	↑ 12%
➤ Performance Fees	\$114.7m	\$33.5m	↑ 243%
➤ Operating Expenses	\$152.6m	\$88.7m	↑ 72%
➤ Operating Margin	40.0%	34.2%	↑ 19%
➤ Cash EPS	28.0cps	11.8 cps	↑ 137%
➤ Interim Dividend	16.0cps	8.0 cps	↑ 100%
➤ Average FUM	\$61.3bn	\$48.5bn	↑ 26%
As at 31 March:			
➤ Closing FUM	\$62.1bn	\$50.4bn	↑ 23%

The Board has declared an interim dividend of 16.0 cents per share, a 100 per cent increase on the interim dividend of 8.0 cents per share, paid in the pcp.

The interim dividend will be 35 per cent franked and paid on 2 July 2014 to ordinary shareholders on record at 16 May 2014.

The Board has also announced that the Dividend Reinvestment Plan (DRP) will remain active for this dividend payment, at a zero discount to the allocation price, as determined by the DRP rules. The DRP allows shareholders to reinvest in additional BTIM shares with no commission or brokerage costs.

Shareholders who wish to participate in the DRP for the interim dividend and have not previously elected to participate in the DRP must complete a DRP Instruction Form and return it to BTIM's share registry,

Link Mark Services, by no later than 5:00pm on Monday 19 May 2014. The DRP Instruction Form can be obtained at www.linkmarketservices.com.au.

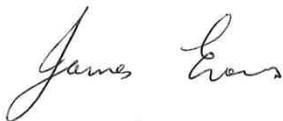
Our strategy is to build-out our business model globally. This means building out the strong platform that attracts and retains investment talent, and facilitating an environment for strong investment outcomes for our clients across markets.

It is pleasing to see the business strategy playing out in the form of a significant increase in profit, and returns to our shareholders.

We continue to focus our efforts on higher margin business, as well as expanding offshore through JOHCM and building out our domestic business into new areas for future growth. We have been encouraged by the increasing demand we are seeing for our new products, both in Australia and offshore, which will provide new and increasing sources of revenue for the business.

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

Yours faithfully,

A handwritten signature in black ink, appearing to read 'James Evans', written in a cursive style.

James Evans
Chairman, BT Investment Management