TRUST COMPANY FULL YEAR RESULT TO END FEBRUARY 2005

TRUST ANNUAL RESULT EXCEEDS FORECAST RANGE

Key Features

- Operating EBITDA of $19.9 million, up 11.2% and in excess of forecast range
- Continued improvement in EBITDA operating margin to 31%, up from 28% in 2004
- After tax profit (excluding non-operational items) was $13.3 million, up 5.6% on last year
- Fully franked ordinary dividend of 20 cents per share declared
- Effective cost control achieved a decrease of 1.5% in operating expenses
- Assets Under Management in the Corporate Services division exceeded $100 billion

Result

Trust's net profit after tax (and excluding non-operational items) for the year ended 28 February 2005 increased to $13.3 million, compared with $12.6 million for the same time last year. This result equates to 41.1 cents per share compared with 38.8 cents per share in 2004.

Operating EBITDA of $19.9 million exceeded the forecast range of $18.8 million to $19.7 million announced in July 2004.

Reflecting Trust's sound performance, the Board of Directors has declared a fully franked dividend of 20 cents per share payable on 25 May 2005. For Trust's financial year ended 28 February 2005, shareholders will receive fully franked ordinary dividends of 38 cents per share (up 8.6% on last year) plus a special unfranked dividend of 10c per share.

The annual result included a number of non-operational items:

(i) the gain on sale of Trust's custody business in equity, fixed interest and related asset products to ANZ of $1.9 million pre-tax profit. An additional $0.5 million pre-tax profit is expected to be recognised in the 2006 financial year accounts.

(ii) A one-off negative impact of $1.5 million (excluding goodwill write-off $0.4 million) arising from the strategic decision to exit the Parramatta accounting practice.

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(iii) goodwill amortisation of $2.8 million.

If these non-operational items are excluded, Trust's full year operating after tax result was $13.3 million ($12.6 million in 2004).

It is pleasing to note that results have exceeded our expectations.

	Full year result 2005	**Full year result 2004**	**% change**
EBITDA (operating earnings before interest, tax, depreciation and amortisation)	$19.9m	$17.9m	11.2%
Net profit before tax and non-operating items	$19.2m	$17.3m	11.0%
Operating net profit after tax before non-operating items	$13.3m	$12.6m	5.6%
Operating EPS (earnings per share)	41.1 cents	38.8 cents	5.9%
Net EPS	42.7 cents	33.3 cents	
Total fully franked ordinary dividends per share	38 cents	35 cents	
Total special dividends per share	10 cents unfranked	15 cents franked	

Divisional Performance & Commentary

The **Corporate Services** division has experienced strong growth with Assets Under Management exceeding $100 billion. This division incorporates securitisation, structured finance trusteeships and property and infrastructure custody. Trust continues to be the largest property and infrastructure custodian in Australia. Revenue growth was strong rising 9% to $19.5 million, and profits grew in line rising 10% to $11.5 million.

Estates and Trusts now has Assets Under Administration of $1.1 billion. The division's revenue fell 11% due to the poor performance of the Parramatta accounting business and a fall off in new Estates. Accordingly profits fell $1.1 million to $3.5 million.

The **Funds Management** area experienced a 6% growth in Funds Under Management to $1.1 billion since February last year. Revenue was up 12% to $11.1 million and profits rose 19.5% to $7.2 million.

Private Clients which equates to 11% of Trust's current revenue mix has improved Funds Under Advice to over $750 million. Revenue has grown by $0.8 million to $7.2 million. It is pleasing to note the reduced loss from $1 million to $0.3 million.

Superannuation experienced sound growth in the corporate business area and total assets for the division have increased by 30% to $10.5 billion over the year. Revenue fell over the year due to the outsourcing of our masterplan and DIY super administration. Due to the restructuring of the division and loss of revenue from the outsourcing, losses increased from approximately $0.4 million to $1.1 million. We believe that the changes that have been made will result in a stronger operating performance for the division in the 2006 financial year.

Progress on Strategic Review

Trust's focus for the financial year ended 28 February 2005 was on improving operational efficiencies and exiting businesses that did not provide real strategic advantage for the company. It is pleasing to note that the financial effect of both the ANZ transition and PBA exit are within the indicated ranges announced at our AGM in July. Effective cost control and efficiencies resulted in a decrease in operating expenses to $45.3 million – down 1.5%.

The transition of Trust's custody business in equity, fixed interest and related asset products to ANZ, and exiting of the Parramatta-based accounting (PBA) business will now enable management to focus on key growth areas.

A reorganisation of Trust's management structure to reduce reporting lines and increase strategic focus has now been completed with reporting lines under four Executive General Managers (EGM) and the Managing Director.

Outlook

It is important to note that there will be approximately $4 million of overheads from the exited businesses that will need to be apportioned across the Group. This will result in a negative $1 million effect on our current bottom line unless we either improve revenue and/or reduce costs. Revenue growth will be a priority for Trust over the next few years in order to absorb these overheads and leverage our higher operational base.

With the exits from businesses which did not offer strategic advantages or operational efficiencies complete, and the implementation of an organisational structure which allows concentration on both strategic and operational development, we are well positioned for growth. Resources are now concentrated in areas where Trust has proven competitive strengths and which will continue to provide increased levels of shareholder returns.