

**Preliminary Final Report of
Trust Company of Australia Limited
For the Financial Year Ended 28 February 2006**

ACN 004 027 749

Current Reporting Period: Financial Year ended 28 February 2006

Previous Corresponding Period: Financial Year ended 28 February 2005

Trust Company of Australia Limited
Results For Announcement To The Market
Financial Year ended 28 February 2006

Revenue and Net Profit

		Percentage Change	Amount \$'000
Revenue from ordinary activities	up	2.7%	51,183
Profit from ordinary activities after tax attributable to members	up	63.2%	27,145
Net profit attributable to members	up	63.2%	27,145

Dividends

	Amount per security (cents)	Franked amount per security (cents)
Final dividend – paid on 25 May 2005	20	20
Special dividend – paid on 4 July 2005	20	5
Interim dividend – paid on 28 November 2005	18	18
Final dividend – payable on 24 May 2006	23	23

Record date for determining entitlements to the dividend:

Final dividend 2005	11-May-2005
Special dividend 2006	20-Jun-2005
Interim dividend 2006	14-Nov-2005
Final dividend 2006	09-May-2006

Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

The consolidated profit from ordinary activities before income tax expense for the financial year was \$31.8 million (2005: profit of \$19.8 million). Net profit after income tax was \$27.1 million (2005: profit of \$16.6 million).

Revenue from ordinary activities grew by 2.7 per cent to \$51.2 million (2005: \$49.9 million).

The results for the financial year ended 28 February 2006 contained a number of non-operational items such as net profit on disposal of our securitisation and equity custody business and write-back of breakout clause. Once allowance is made for these items and excluding profit of joint venture, operating EBITDA from continuing operations is \$15.9 million, which is up 39.5 per cent on the comparable result last year.

Trust Company of Australia Limited
Results For Announcement To The Market
Financial Year ended 28 February 2006

Brief Explanation of Revenue, Net Profit and Dividends

To enable a comparison of the Trust consolidated group's previous financial year result to the current financial year's result, the following table may be of assistance.

	28-February-2006	28-February-2005	%
	\$ million	\$ million	Change
Profit from ordinary activities after tax	27.1	16.6	
• Depreciation on property, plant and equipment	2.2	2.7	
• Write down of goodwill	-	0.4	
• Interest and dividend income	(2.9)	(2.0)	
• Profit on sale of available-for-sale investments	(1.9)	-	
• Profit on from sale of business	(8.6)	(1.9)	
• Expenses on exit of business	-	1.6	
• Income tax	4.7	3.2	
• Reversal of surplus leased space	(1.7)	(0.7)	
Operating EBITDA	<u>18.9</u>	<u>19.9</u>	
• Operating (profit) before tax from discontinued operations before their disposal	(0.8)	(9.3)	
• Tax and accounting	0.2	(0.5)	
Ongoing operating EBITDA	<u>18.3</u>	<u>10.1</u>	
• Share of profits of jointly controlled entity	(2.4)	-	
• Cost savings in 2006 relating to exit of business - included for comparison purposes only	-	1.3	
Ongoing operating EBITDA (pre JV profit)	<u><u>15.9</u></u>	<u><u>11.4</u></u>	39.5%

A special dividend was paid to shareholders on the 4 July 2005 of \$6.47 million.

A final dividend of 23 cents per share (totalling \$7.44 million) fully franked at 30% has been declared for the year ended 28 February 2006.

Trust Company of Australia Limited
Statement of Financial Performance
Financial Year ended 28 February 2006

	Notes	Consolidated	
		2006	2005
		\$000	\$000
Revenue	2(a)	51,180	49,788
Other income		3	70
Total Revenue from Continuing Operations		51,183	49,858
Share of profits of jointly controlled entity accounted for using the equity method		2,376	-
Employee benefit expense	2(b)	(21,631)	(23,461)
Depreciation		(2,230)	(2,681)
Write down of goodwill		-	(426)
Occupancy expenses		(2,088)	(2,644)
Insurance expenses		(1,652)	(1,682)
Consultancy expenses		(834)	(1,167)
Operating lease rental expense		(1,002)	(907)
Repairs and maintenance of computer equipment		(727)	(1,126)
Client claims		(322)	(1,273)
Expenses on exit of business		34	(1,614)
Auditor's remuneration		(996)	(698)
Other expenses		(3,299)	(4,253)
Profit before sale of available-for-sale investments, unusual transactions and income tax expense		18,812	7,926
Profit on sale of available-for-sale investments (i)		1,869	-
Profit before unusual transactions and income tax expense		20,681	7,926
Reversal of break out penalty/surplus lease space for property		1,739	694
Profit before income tax expense		22,420	8,620
Income tax expense (i)		(4,409)	(378)
Profit after income tax expense for continuing operations		18,011	8,242
Profit from discontinued operations after income tax expense	2(c)	9,134	8,390
Profit attributable to members of the parent entity		27,145	16,632

(i) Includes an adjustment for the reduction of \$2,636k before tax (\$1,845k after tax) relating to sale of available-for-sale investments in the first half of the financial year ended 28 February 2006. The consolidated financial report for the half year ended 31 August 2005 does not include this adjustment. The comparative numbers in the consolidated financial report for half year ended 31 August 2006 will be adjusted to reflect the revised numbers.

Trust Company of Australia Limited

Statement of Financial Position

As At 28 February 2006

	Note	2006 \$'000	2005 \$'000
Current Assets			
Cash and cash equivalents		10,960	10,598
Trade and other receivables		17,961	17,757
Other current financial asset		170	-
Current tax asset		954	-
Total Current Assets		30,045	28,355
Non-Current Assets			
Trade and other receivables		2,784	2,619
Investments accounted for using the equity method		9,360	-
Other non-current financial assets		52,990	40,399
Property, plant and equipment		13,989	15,730
Goodwill		39,218	53,086
Deferred tax assets		-	2,560
Total Non-Current Assets		118,341	114,394
Total Assets		148,386	142,749
Current Liabilities			
Trade and other payables		3,049	3,516
Current tax payable		-	148
Provisions		3,348	6,130
Total Current Liabilities		6,397	9,794
Non-Current Liabilities			
Trade and other payables		-	2,051
Deferred tax liabilities		1,440	-
Provisions		1,967	2,561
Total Non-Current Liabilities		3,407	4,612
Total Liabilities		9,804	14,406
Net Assets		138,582	128,343
Equity			
Contributed equity		102,528	102,487
Reserves		12,332	10,516
Retained profits	7	23,722	15,340
Total Equity		138,582	128,343

Trust Company of Australia Limited
Statement of Cash Flows
Financial Year ended 28 February 2006

	<u>Note</u>	<u>2006</u> <u>\$'000</u>	<u>2005</u> <u>\$'000</u>
Cash Flows From Operating Activities			
Receipts from customers		60,568	73,758
Payments to suppliers and employees		(42,676)	(53,779)
Interest and other costs of finance paid		-	(18)
Income tax paid		(4,314)	(6,149)
Net cash provided by operating activities	8(c)	<u>13,578</u>	<u>13,812</u>
Cash Flows From Investing Activities			
Payments incurred on disposal of businesses		(3,633)	(3,476)
Proceeds from disposal of businesses	8(d)	13,500	4,445
Payments on purchase of investments		(16,600)	(2,739)
Proceeds on sale of investment securities		10,048	2,708
Payment for property, plant and equipment		(552)	(1,215)
Proceeds from sale of property, plant and equipment		66	36
Receipts from related parties and other entities		-	1,230
Dividends received		2,051	1,349
Interest and bill discounts received		612	485
Net cash provided by investing activities		<u>5,492</u>	<u>2,823</u>
Cash Flows From Financing Activities			
Buy back of shares for LTI and STI		(475)	(1,414)
Proceeds from allocation of shares under the options plan		387	-
Dividends paid - members of the parent entity			
Ordinary Dividend		(12,197)	(11,650)
Special Dividend		(6,423)	(3,236)
Net cash (used in) financing activities		<u>(18,708)</u>	<u>(16,300)</u>
Net Increase In Cash Held		362	335
Cash At The Beginning Of The Financial Year		10,598	10,263
Cash At The End Of The Financial Year	8(a)	<u>10,960</u>	<u>10,598</u>

Trust Company of Australia Limited

Notes to the financial statements
Financial Year ended 28 February 2006

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Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

1 Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the 2006 annual financial report.

	2006	2005
	\$'000	\$'000
2. Profit from operations		
(a) Revenue		
Revenue from continuing and discontinued operations consisted of the following items:		
Fee and commission income:		
- Not part of wholly-owned group	52,175	65,199
Rental income (operating lease)	141	185
Dividends from non-related companies:		
- Listed shares	2,074	1,398
Interest income	612	479
Managed funds and trust distributions	238	102
Total Revenue	55,240	67,363
Attributable to:		
Continuing operations	51,180	49,788
Discontinued operations	4,060	17,575
	55,240	67,363

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

	Notes	Consolidated	
		2006	2005
		\$000	\$000
(b) Employee benefit expense			
Employee benefit expense includes:			
Salaries and Wages		15,141	16,972
Defined contribution plan expense		2,038	2,305
Equity settled share based payments		167	240
Termination benefits		344	21
Other employee benefits		3,941	3,923
		21,631	23,461
(c) Profit from discontinued operations after income tax expense			
Disposal of securitisation business		7,875	-
Profit from securitisation business before disposal		1,166	5,457
Disposal of equity custody business		638	1,874
(Loss)/profit from equity custody business before disposal		(506)	1,277
Disposal of Trust MA business		100	-
(Loss)/profit from Trust MA business before disposal		(139)	(218)
Profit from discontinued operations after income tax expense		9,134	8,390

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

2 Profit From Ordinary Activities (continued)

(e) Revision of Accounting Estimates

Details of the nature and amount of revisions of accounting estimates:

NIL

3 Commentary on Results

<p>During the year ended 28 February 2006 the Trust Group achieved revenue growth and continued its strong cost control.</p>
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<p>The significant transactions undertaken during the year by the Trust Group are as follows:</p>

<ul style="list-style-type: none">- In June 2005, a 50/50 joint venture was completed with The Bank of New York in regard to the Securitisation business. The Securitisation business was contained within Corporate Services. The Bank of New York will have an option to buy a further 25% of the joint controlled entity exercisable on or after 6 years and another option to buy the remaining 25% on or after 8 years. Both options are exercisable at fair market value.

<ul style="list-style-type: none">- In February 2006, the Trust Group completed its exit from its equity custody business which was contained within the Fund Services segment.

<ul style="list-style-type: none">- In August 2005, the Trust Group outsourced its administration of the Tax and Accounting business which was contained within its Estates and Trusts business.
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4 Fundamental Errors

None

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

	2006	2005
	\$'000	\$'000
5 Extraordinary Items		
There were no extraordinary items.		
6 Sales of Assets		
Sales of assets in the ordinary course of business have given rise to the following profits:		
- Property, plant and equipment	3	4
	3	4
7. Retained Profits		
Balance at beginning of financial year	15,340	12,135
Profit from ordinary activities after tax	27,145	16,632
Permanent diminution in available for sale investments	(143)	-
Transfer from general reserve	-	654
Realised profit on sale of investments	-	805
Dividends provided for or paid	(18,620)	(14,886)
Balance at end of financial year	23,722	15,340

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

	2006	2005
	\$'000	\$'000
8 Notes to the Statement of Cash Flows		
(a) Reconciliation of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows comprises:		
Cash at bank and on hand	10,960	10,598

(b) Business Acquired

In the financial years ended 28 February 2006 and 28 February 2005 no business was acquired.

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

	2006	2005
	\$'000	\$'000
8 Notes to the Statement of Cash Flows (continued)		
(c) Reconciliation of Profit From Ordinary Activities After Related Income Tax to Net Cash Flows From Operating Activities		
Net profit after income tax expense	27,145	16,632
Depreciation, amortisation and goodwill write down	2,230	3,225
(Profit) on sale of property, plant and equipment	(3)	(4)
Share based payments	167	16
(Profit) on exit of businesses	(8,641)	(284)
Dividend income	(2,312)	(1,415)
Interest and bill discounts income	(612)	(485)
Profit from investment in joint venture	(2,376)	-
Profit on sale on investments	(1,869)	-
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	2,911	(387)
Current tax assets	(954)	-
Non-current receivables	(165)	598
Deferred tax assets	2,560	(355)
Increase/(decrease) in liabilities:		
Current payables	(349)	(1,425)
Current provisions	(770)	1,034
Current tax liabilities	(148)	(1,301)
Non current payables	(2,051)	(39)
Non-current provisions	(503)	111
Deferred tax liabilities	(682)	(2,109)
Net cash from operating activities	13,578	13,812

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

	2006	2005
	\$'000	\$'000
8		
Notes to the Statement of Cash Flows (continued)		
(d) Business Disposed		
Consideration		
Cash	13,500	4,445
Proceeds receivable on exit of business	3,300	1,437
Total Consideration	16,800	5,882
Book Value of Net Assets disposed	6,934	-
Net cash inflow/(outflow) on disposal		
Cash	13,500	4,445
Less: cash balances disposed	-	-
Total Consideration	13,500	4,445

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

9 Details Relating to Dividends

	Date dividend paid/payable	Amount per security (cents)	
		Year Ended 2006	Year Ended 2005
Final dividend	24-May-2006	23	
	25-May-2005		20
Special Dividend	04-Jul-2005	20	
	23-Sep-2004		10
Interim dividend	28-Nov-2005	18	
	18-Nov-2004		18
Total		61	48

Total dividend per security (interim, special plus final)

	2006	2005
	¢	¢
Fully paid ordinary shares	61	48

Interim, special and final dividend on all securities

	2006	2005
	\$'000	\$'000
Fully paid ordinary shares	19,740	15,533
Total	19,740	15,533

The final dividend in respect of the fully paid ordinary shares for the year ended 28 February 2006 has not been recognised in this preliminary final report because the final dividend was declared subsequent to 28 February 2006.

Dividend Reinvestment Plans

No dividend reinvestment plans are in operation.

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

10 Earnings Per Share

	2006	2005
	¢ per share	¢ per share
Basic earnings per share	84.3	51.6
Diluted earnings per share	84.1	51.5

Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2006	2005
	\$'000	\$'000
Earnings	27,145	16,632

	2006	2005
	No.	No.
Weighted average number of ordinary shares	32,207,191	32,242,693

Diluted Earnings per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	2006	2005
	\$'000	\$'000
Earnings	27,145	16,632

	2006	2005
	No.	No.
Weighted average number of ordinary shares and potential ordinary shares	32,290,464	32,301,773

11 Net Tangible Assets Per Security

	2006	2005
	\$	\$
Net tangible assets per security	3.08	2.33

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

12 Details of Entities Over Which Control Has Been Gained or Lost

Control gained over entities

Name of entity (or group of entities) None

Date control gained Not applicable

	2006
	\$'000
Contribution of the controlled entity (or group of entities) to profit from ordinary activities after income tax during the year	-

	2005
	\$'000
Net (loss) from ordinary activities after income tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	-

Loss of control of entities

Name of entity (or group of entities)	Date control lost
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Permanent Custodians Limited	31-May-2005
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Permanent Registry Limited	31-May-2005
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	2006
	\$'000
Contribution of the controlled entity (or group of entities) to profit from ordinary activities after income tax during the year	1,166

	2005
	\$'000
Contribution of the controlled entity (or group of entities) to profit from ordinary activities after income tax for the whole of the previous corresponding period.	5,457

13 Details of Associates and Joint Venture Entities

	Consolidated	
	2006	2005
Investments accounted for using the equity method	\$000	\$000
Working capital contribution	750	-
Investment in subsidiaries	13	-
Goodwill	6,935	-
Share of profit after income tax	1,662	-
	9,360	-
Share of jointly controlled entity's profit:		
Share of profit before income tax	2,376	-
Income tax expense	(714)	-
Share of jointly controlled entity's profit	1,662	-

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

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Contingent Liabilities and Contingent Assets

	2006 \$'000	2005 \$'000
Contingent liabilities:		
Bank guarantee and performance bonds in favour of the Australian Securities and Investments Commission in relation to AFS licences	1,040	1,040
Undertaking supporting the BNY / AFSL requirements	5,000	-
Bank guarantee in favour of the ASX Settlement and Transfer Corporation Pty Limited with respect to trading activities	1,000	1,000
Bank guarantee in favour of Australian Prudential Regulations Authority in relation to the provision of superannuation services	5,000	5,000
Bank guarantee in favour of AMP Henderson Global Investors Limited in relation to rental bonds for offices at Suite 1, Level 1, 460 Church Street, Parramatta.	81	81
Total Contingent Liabilities	12,121	7,121

The Trust group has received claims for alleged breach of trustee duties which have been denied. The directors believe that adequate provisions have been made for such claims in the financial statements and that sufficient professional indemnity insurance cover is held to meet any potential liabilities that may arise.

Contingent Assets:

Trust's subsidiaries Permanent Trustee Company Limited and Permanent Trustee Australia Limited have an admitted claim against FAI General Insurance Company Limited (in Liquidation) of \$17,029,168. The Liquidators received creditor approval for proposed schemes of arrangement on 29 March 2006. For the schemes to be created a number of additional requirements must be satisfied which include court approval of the schemes. The Liquidators have issued general guidance that if the schemes are created they expect the schemes administrators to pay a first interim dividend in June or July this year of five cents in the dollar. This guidance is of a general nature and is not legally binding. It is subject to a number of unspecified assumptions and does not distinguish between classes of creditors or indicate how the figure or timing estimation were derived. Without this information it is not possible to estimate the probability that the guidance will be met either as to timing or quantum.

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

15 Segment Information	Consolidated Revenue	
	2006	2005
	\$000	\$000
Segment revenues		
Superannuation	4,608	5,583
Estates and Trusts	11,569	14,034
Private Clients	7,744	7,114
Corporate Services	11,939	9,206
Funds Management	10,755	11,084
Company Investment Portfolio	2,923	2,164
	49,538	49,185
Unallocated significant items:		
Exit from businesses	-	-
Gain on disposal of property	3	36
Other	1,642	637
	51,183	49,858
Revenue from continuing operations	51,183	49,858
Revenue from discontinuing operations	4,060	17,574
Total revenue and other income	55,243	67,432

All segments' revenue results from external sales.

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

	Consolidated Results	
	2006	2005
	\$000	\$000
Segment results		
Continuing operations:		
Superannuation	(639)	(1,341)
Estates and Trusts	2,100	1,204
Private Clients	(2,479)	(3,191)
Corporate Services	6,092	5,435
Funds Management	8,122	6,759
Company Investment Portfolio	2,923	1,863
	16,119	10,729
Unallocated significant items:		
Writeback of surplus lease space	1,739	694
Write down of Goodwill	-	(426)
Exit from businesses	34	(1,590)
Gain on disposal of property	3	4
Profit on sale of available for sale investments	1,869	-
Other	2,656	(791)
Profit before income tax	22,420	8,620
Income tax expense	(4,409)	(378)
Profit for the period from continuing operations	18,011	8,242
Discontinued operations:		
Securitisation	9,541	7,796
Trust MA	(98)	(311)
Equity Custody	(86)	3,698
Profit from discontinued operations before income tax expense	9,357	11,183
Income tax expense	(223)	(2,793)
Profit for the period from discontinued operations	9,134	8,390
Net profit from ordinary activities after income tax expense	27,145	16,632

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

15 Segment Information (continued)

Segment Assets and Liabilities

	Assets		Liabilities	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
Superannuation	5,411	4,071	787	634
Estates & Trusts	20,647	19,025	3,013	2,280
Private Clients	6,343	3,906	1,825	1,067
Corporate Services	32,670	33,424	1,475	1,968
Funds Management	15,159	14,385	236	419
Fund Services	-	7,747	-	4,330
Company Investment Portfolio	58,200	44,338	-	15
Unallocated	9,956	15,853	2,468	3,693
Total of all segments	148,386	142,749	9,804	14,406
Consolidated	148,386	142,749	9,804	14,406

16 Discontinuing Operations

In February 2006, the Trust Group completed its exit from its equity custody business which was contained within the Fund Services segment.

In June 2005, a 50/50 joint venture was completed with The Bank of New York in regard to the Securitisation business. The Securitisation business was contained within Corporate Services. The Bank of New York will have an option to buy a further 25% of the joint controlled entity exercisable on or after 6 years and another option to buy the remaining 25% on or after 8 years. Both options are exercisable at fair market value.

Trust Company of Australia Limited
Notes to the financial statements
Financial Year ended 28 February 2006

17 Subsequent Events

A final dividend of 23 cents per share (totaling \$7.44 million) fully franked at 30% was decided by the Board of Directors on 26 April 2006 and will be payable on 24 May 2006.

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the trust company, the results of those operations, or the state of affairs of the trust group of future financial years.

18 Other Significant Information

None

19 Information on Audit or Review

This final report is based on accounts to which one of the following applies.

The accounts have been audited.

The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have not yet been audited or reviewed.