



Trust Delivers Strong Growth in Ongoing Businesses

[31 October 2005] – Financial services group, Trust Company of Australia Limited today announced an operating net profit after tax of \$20.4 million for the six months ended 31 August 2005.

Key Features

a) Reported Results

- Net profit after tax is \$20.4m.
- Operating EBITDA \$9.9m.
- Fully franked dividend of 18 cents per share declared.

b) Comparable Results

- Operating revenue from ongoing businesses \$24.27m, up by 10.9%
- Operating net profit before tax from ongoing businesses is \$8.98m, up by 45%
- Operating EBITDA from ongoing businesses of \$8.58m, up by 35%

To provide a comparable base for Trust's current half-year results to the half-year ended August 2004, the following table excludes the effect of exited operations.

	31-Aug-05	31-Aug-04
	\$(000)	\$(000)
Reported revenue	24,545	23,933
Less: exited tax and accounting businesses included in reported revenue	(276)	(2,048)
Revenue from ongoing businesses	24,269	21,885
Profit before unusual transactions and income tax expense	9,012	5,266
Profit after tax from sale of and operations from discontinued operations	8,231	4,188
Tax on profit from discontinued operations	378	1,415
Profit from disposal of businesses *	(7,354)	(887)
Total profit before tax from operations	10,267	9,982
Less: Trading profit from all exited businesses **	1,288	3,801
Profit before tax on ongoing businesses	8,979	6,181
Operating EBITDA from ongoing operations (note – this excludes exited businesses)	8,580	6,357
Note:		
* This represents the profit from the sale of businesses that we have exited.		
** This represents the profit from businesses that we have exited (tax and accounting and equity custody), as well as an adjustment for the securitisation 50/50 joint venture		

The Company experienced strong operating revenue growth in its ongoing businesses for the half year ended August 2005: \$24.3m compared to \$21.9m, an increase of 10.9% compared to the half year ended August 2004. Operating net profit from ongoing businesses was \$8.98m, up by 45% compared to the same period last year. Trust's focus on its ongoing businesses also produced strong growth in operating EBITDA of \$8.6m compared to \$6.4m for the half year ended August 2004.

Over the past two years, Trust has concentrated on aligning its product offerings to its strengths within the trustee, fiduciary, investment management and advice areas. Trust's ongoing businesses now consist of the following: Estates and Trusts; Funds Management; Private Clients; Property and Infrastructure Custody; Structured Finance; and Superannuation.

In light of this, the Company has increased its focus on its core strengths by exiting the following businesses over the past year:

- Custody business in equity, fixed interest and related asset classes;
- tax and accounting; and
- superannuation administration.

Trust also formed a 50/50 joint venture in securitisation with The Bank of New York in June 2005. This partnership offers substantial local presence and the expertise and knowledge of a global leader in corporate trustee services.

Trust's Managing Director, Mr Jonathan Sweeney said that these developments provide a clear focus on products and services that are directly aligned to Trust's strategic principle: trusted financial solutions, personal relationships and integrity.

"We have focussed on trustee, fiduciary, investment management and advice services – areas where we have real strategic advantages.

We are confident that this product mix provides a strong foundation for future growth opportunities," Mr Sweeney added.

Reflecting these results for the Company, Directors have declared a fully franked dividend of 18 cents per share.

Structured Finance and Property and Infrastructure Custody delivered a collective \$1.4m increase, and Estates and Trusts \$800k increase in operating revenue compared to half-year 2004. The Private Clients division which launched its Personal Injury product earlier in the year, also contributed a \$357k increase in operating revenue.

Trust's Superannuation corporate business area continued to grow with assets under supervision for the division at \$11.4bn, up 36% compared to 2004 half-year.

Commenting on the outlook for the Company, Mr Sweeney said that Trust is well-positioned for growth after exiting businesses that were not offering strategic advantages and implementing a management structure that allows for focus on both strategic and operational development.

"We are delighted with the strong growth in our ongoing business areas. By concentrating on our core strengths we believe we can improve the growth profile of the Company," Mr Sweeney added.

It is expected that operating EBITDA for the full year will be around \$18.5m. The Company has also advised that reported full year results will contain the following pre-tax non-operating items recognised at the half year:

- realised gains on sale of investment \$4.2m
- profit on sale of securitisation business \$6.6m
- profit on sale of equity and custody business \$0.7m
- reversal of lease break out clause \$1.6m.

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About Trust

Trust Company of Australia Limited (Trust) is one of Australia's oldest financial services companies with over 120 years of experience.

Trust provides a wide range of financial services including funds management, estates and trusts, financial planning, property and infrastructure custody, superannuation, charitable services, securitisation and structured finance.

Trust has offices in Sydney, Melbourne, Brisbane and Townsville with over 235 employees and a market capitalisation in excess of \$300 million.

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