

TRUST COMPANY LIMITED

ACN 004 027 749

FINANCIAL REPORT

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 AUGUST 2008

TRUST COMPANY LIMITED

ASX Appendix 4D

The following information shows the disclosures that are required to be presented under ASX Listing Rules for half year financial reports.

Results for announcement to the market

i) Changes from the half year ended 31 August 2008 to the half year ended 31 August 2007.

	Half year ended 31-Aug-08 \$'000	Up/Down	% Movement
Total revenue	31,589	Down	5.6%
Profit attributable to members of the parent entity	19,143	Up	79.4%
Net profit attributable to members	19,143	Up	79.4%

ii) Net tangible asset per security

	31-Aug-08 \$	29-Feb-08 \$
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Net tangible asset per security	2.70 *	3.44
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* The reduction in NTA is primarily due to the sale of our investment in the Bank of New York Trust (Australia) Pty Ltd joint venture and subsequent special dividend. See Note 6 to the financial statements.

iii) Dividend information

	Cents per Share
Interim dividend (Payable 28 November 2008- fully franked) *	20
Final dividend (Paid 26 May 2008 - fully franked)	30
Special interim dividend (Paid 11 July 2008 - franked to 70%)	100
Total	150

* Ex-dividend date: 17 October 2008. Record date: 23 October 2008.

See Note 5 to the financial statements for further details of dividends paid and payable and information regarding the Company's dividend reinvestment plan.

iv) Equity accounted investment

See Note 6 to the financial statements for details of the Group's equity accounted investment in Bank of New York Trust (Australia) Pty Limited which was sold during the half year.

This report is based on the consolidated half year financial report which has been subject to a review by the auditors.

TRUST COMPANY LIMITED

Directors' report

The Directors of Trust Company Limited (the "Company") submit herewith the financial report of the Company and its controlled entities (the "Group") for the half year ended 31 August 2008. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors of the Company during or since the end of the half year are:

Bruce Corlett (Chairman, Non-Executive Director)
John Macarthur-Stanham (Vice Chairman, Non-Executive Director)
Jonathan Sweeney (Managing Director)
Warren McLeland (Non-Executive Director)
Roger Davis (Non-Executive Director)
James King (Non-Executive Director)

During the half year period, Jonathan Sweeney announced that he will resign from his position as Managing Director and will leave the Company following the appointment of a successor.

Principal activities

The Company has over 120 years of experience in the Australian financial services industry.

The Group comprises of two operative divisions - Financial Services and Institutional Services.

Trust's Financial Services Division offers Funds Management, Wealth Transfer Planning, Financial Planning, Estate and Trust Services, Trust Lifestyle Care, Health and Personal Injury Services and Philanthropy Services to intermediaries and the wider retail market.

The Institutional Services Division offers Property and Infrastructure Custody, Superannuation Compliance and Trustee Services, Structured Finance Trustee Services, Responsible Entity Services and REIT Trustee Services to institutions.

The Group has offices in Sydney, Melbourne, Brisbane, Townsville, Hong Kong and Singapore, with 233 employees and a market capitalisation of approximately \$238 million.

Review of operations

TRUST DELIVERS A SOLID 1H09 PERFORMANCE IN EXTREME MARKET CONDITIONS

ONGOING OPERATING EBITDA INCREASES 2% TO \$10 MILLION

9 October 2008

ASX-listed Trust Company Limited (Trust) today reported a solid financial performance for the six month period ended 31 August 2008, with ongoing operating earnings before interest, tax, depreciation and amortisation (EBITDA) recorded at \$10 million, representing an increase of 2% from the prior comparative period (pcp).

Operating net profit after tax (Operating NPAT) of \$6.1 million was recorded for the half year period compared to \$6.5 million in the pcp.

The Board of Trust has declared an interim fully franked dividend of 20 cents per share, compared to 24 cents per share for the pcp. Trust's reported net profit after tax (Reported NPAT) for the half year period of \$19.1 million included \$13.9 million of after-tax profit from the sale of its 50% stake in BNY Trust (Australia) Pty Ltd (BNYTA). Trust paid a special dividend of \$1.00 (70% franked) to shareholders on 11 July 2008 as a consequence of this sale. The Reported NPAT for the half year period also reflects a \$2.0 million post-tax impairment charge relating to a fall in value of certain stocks in Trust's share portfolio, including a \$1.9 million charge after tax against the investment in Tasmanian Perpetual Trustees.

TRUST COMPANY LIMITED

Review of operations (cont'd)

Key features of 1H09 Result:

- Our robust business model maintains its earnings momentum in difficult markets:
 - Ongoing operating EBITDA of \$10 million, up 2% on pcp;
 - Ongoing operating EBITDA margin of 34%, up 2% on pcp, reflecting effective cost controls;
 - Operating NPAT of \$6.1 million, compared to \$6.5 million recorded in the pcp;
 - Reported NPAT of \$19.1 million, up 79% on pcp which includes the \$13.9 million after tax profit from the sale of BNYTA and the \$2.0 million after tax impairment charges.
- A strong balance sheet with zero debt and NTA of \$87.5 million or \$2.70 per share:
 - Surplus cash and liquid investments of \$76.8 million at period end, split between cash (\$24.2 million), strategic investments in EQT and TPX (\$36.3 million) and share portfolio (\$16.3 million).
- Total assets under supervision up 4% to \$126.5 billion despite extreme financial market conditions since Trust's year end in February 2008:
 - Institutional Services assets under supervision up 4% to \$123 billion;
 - Financial Services assets under supervision down 8% to \$3.5 billion.
- Fully franked interim dividend of 20 cents per share, down 4 cents on pcp largely on account of no further post-tax earnings from the JV with The Bank of New York Mellon, which was sold earlier in the year.
- Dividend reinvestment plan launched with a 2.5% discount.

Managing Director Comments

Commenting on the half year result, Trust Managing Director Jonathan Sweeney said: "This is a very solid performance from Trust and demonstrates the strength and resilience of our business model and its capacity to generate recurring revenue streams in both steady and volatile financial market conditions."

"To maintain revenues and profits broadly in line with those achieved in the bull market conditions of the first half of 2007 shows that our strategy and execution remain superior. This underpins our ability to deliver value to our shareholders."

Business Division Highlights

Financial Services

- Strong new business result in Health & Personal Injury, and continued growth in market share in NSW and QLD.
- Tight cost control with focus on operational efficiencies and streamlining internal processes.
- Launched Trust Philanthropy Fund managed by Russell Investments.
- Marketing and thought leadership programme in Philanthropy continues with a focus on structuring charitable trusts.
- Total assets under administration down 8% with the impact of deteriorating investment markets partly offset by an increase in funds under management in our cash management trust.

Institutional Services

- Total assets under administration increased 4% since February 2008.
- Revenue steady, demonstrating the robust, annuity-style nature of the IS Division's business model.
- Development of First Home Saver Account product.
- Development of a new custody system on track for October implementation.
- Reduced net loss in Asia to \$640,000 in 1H09, down 39% on pcp.
- New custody license in Singapore allowing a broader scope of product offering.

Review of operations (cont'd)

Outlook

Trust's long-term underlying business drivers remain intact, being an ageing population, increased regulatory scrutiny and the need for independent fiduciary oversight. Trust has strong market shares, a diverse customer base, and critical mass in funds under supervision and strong recurring revenue streams.

Trust's unique skill base in the financial services sector, covering wealth transfer planning, health and personal injury services, philanthropic services and estate planning are expected to continue to attract custom particularly with the baby boomers generation.

Similarly, Trust's Institutional Services Division is expected to grow from increased market demand for independent fiduciary oversight, particularly so given the great uncertainty in current markets.

Managing Director Jonathan Sweeney said: "The extreme financial market conditions that we are currently encountering represent an ongoing challenge for all financial services companies. However, Trust's position in the market remains sound as over half of our operating revenues comprise annuity style income streams. Our primary focus remains on organic growth, driving sales in existing and new markets."

He added that another important component of Trust's strategy is to pursue acquisition opportunities that would enhance the Group's strategic position in its chosen product markets. The deteriorating equity markets continue to strengthen Trust's position to assess such opportunities and to potentially create value for shareholders.

Consequently, Trust has introduced a dividend reinvestment plan (DRP) discounted at 2.5% to give it additional flexibility to fund acquisitions should the need arise, and to encourage shareholders to continue to invest in Trust's future.

At its AGM on 23 July 2008, Trust stated that for FY09, ongoing operating EBITDA could potentially be 5% to 10% lower for the full year, should weak market conditions persist. The half year performance of 2% growth in ongoing operating EBITDA exceeds this guidance. While the first half result was pleasing and above expectations, we continue to experience extreme and unprecedented levels of investment market volatility. Accordingly, we reiterate comments made at our AGM that, should these conditions persist, our ongoing operating EBITDA could potentially be 5% to 10% lower for the full year FY09.

Trust's ongoing operating EBITDA excludes approximately \$14 million of after tax profit from the sale of Trust's 50% interest in BNYTA, as well as other non-operating items such as technology enhancement costs, impairment charges and dividend revenues.

Auditor's independence declaration

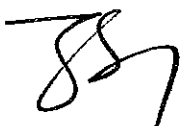
The auditor's independence declaration is included on page 6.

Rounding

The Company is a company of the kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the Directors' Report and in the half year financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



Jonathan Sweeney
Managing Director

Sydney, 9 October 2008

The Board of Directors
Trust Company Limited
35 Clarence Street
SYDNEY, NSW 2000

9 October 2008

Dear Board Members

Trust Company Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Trust Company Limited.

As lead audit partner for the review of the financial statements of Trust Company Limited for the half-year ended 31 August 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



S Alexander
Partner
Chartered Accountants

Independent Auditor's Review Report to the members of Trust Company Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of the consolidated entity, which comprises the balance sheet as at 31 August 2008, and the income statement, cash flow statement and statement of statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising Trust Company Limited and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 9 to 18.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Trust Company Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 August 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Trust Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Trust Company Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 August 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



S Alexander
Partner
Chartered Accountants
Sydney, 9 October 2008

TRUST COMPANY LIMITED

Directors' declaration

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'JS', written over a horizontal line.

Jonathan Sweeney
Managing Director

Sydney, 9 October 2008

TRUST COMPANY LIMITED

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 AUGUST 2008**

	Note	Half year ended 31 August 2008 \$'000	Half year ended 31 August 2007 \$'000
Fee and commission income	2	29,056	30,608
Other income	2	2,533	2,839
Total revenue		31,589	33,447
Share of profits of jointly controlled entity accounted for using the equity method	3	-	1,367
Gain on disposal of held-for-sale financial assets	3	19,947	-
Employee benefit expense		(13,792)	(15,154)
Depreciation and amortisation expense		(512)	(515)
Occupancy expenses		(1,479)	(1,700)
Insurance expenses		(652)	(675)
Consultancy expenses		(1,004)	(988)
Operating lease rental expense		(276)	(308)
Repairs and maintenance of computer equipment		(611)	(506)
Marketing expenses		(281)	(462)
Auditor's remuneration		(495)	(235)
Client claims		(24)	741
Net loss on investments	4	(3,491)	-
Gain on disposal of available-for-sale investments		25	696
Other expenses		(1,508)	(1,785)
Profit before income tax expense		27,436	13,923
Income tax expense		(8,293)	(3,252)
Profit attributable to members of the parent entity		19,143	10,671
Earnings per share:			
Basic (cents per share)		59.4	33.1
Diluted (cents per share)		59.2	33.0

The accompanying notes on pages 14 to 18 form part of the financial statements.

TRUST COMPANY LIMITED

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2008**

	Note	31 August 2008 \$'000	29 February 2008 \$'000
Current assets			
Cash and cash equivalents		24,197	23,642
Trade and other receivables		18,017	18,592
Other current financial assets		3	16
		<u>42,217</u>	<u>42,250</u>
Non-current held-for-sale financial assets	6	-	20,971
Total current assets		<u>42,217</u>	<u>63,221</u>
Non-current assets			
Trade and other receivables		1,503	1,576
Other non-current financial assets		52,595	54,538
Property, plant and equipment		8,848	8,983
Goodwill		39,218	39,218
Intangible assets		216	252
Total non-current assets		<u>102,380</u>	<u>104,567</u>
Total assets		<u>144,597</u>	<u>167,788</u>
Current liabilities			
Trade and other payables		2,937	4,087
Current tax liabilities		7,071	2,775
Provisions		2,018	2,368
Financial liabilities at fair value through profit or loss		112	1,002
Total current liabilities		<u>12,138</u>	<u>10,232</u>
Non-current liabilities			
Trade and other payables		99	106
Deferred tax liabilities		2,177	3,491
Provisions		3,287	3,261
Total non-current liabilities		<u>5,563</u>	<u>6,858</u>
Total liabilities		<u>17,701</u>	<u>17,090</u>
Net assets		<u>126,896</u>	<u>150,698</u>
Equity			
Issued capital		102,360	102,247
Investment revaluation reserve		7,906	8,751
Share-based payments reserve		739	881
Asset revaluation reserve		1,641	1,641
Retained earnings		14,250	37,178
Total equity		<u>126,896</u>	<u>150,698</u>

The accompanying notes on pages 14 to 18 form part of the financial statements.

TRUST COMPANY LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 AUGUST 2008

	Issued capital \$'000	Investment revaluation reserve \$'000	Share-based payments reserve \$'000	Asset revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 March 2008	102,247	8,751	881	1,641	37,178	150,698
Unrealised losses on investments	-	(943)	-	-	-	(943)
Deferred tax liability on revaluation of investments	-	160	-	-	-	160
Net (loss) recognised directly in equity	-	(783)	-	-	-	(783)
Realised gains on investments sold	-	(25)	-	-	-	(25)
Tax on realised gains on investments sold	-	(37)	-	-	-	(37)
Profit attributable to members of the parent entity	-	-	-	-	19,143	19,143
Total recognised income and expense	-	(845)	-	-	19,143	18,298
Treasury shares	113	-	(113)	-	-	-
Recognition of share-based payments	-	-	(29)	-	-	(29)
Dividends paid	-	-	-	-	(42,071)	(42,071)
Balance at 31 August 2008	102,360	7,906	739	1,641	14,250	126,896
Balance at 1 March 2007	101,956	13,900	972	2,086	35,221	154,135
Unrealised gains on investments	-	4,535	-	-	-	4,535
Deferred tax liability on revaluation of investments	-	(1,638)	-	-	-	(1,638)
Net income recognised directly in equity	-	2,897	-	-	-	2,897
Realised gains on investments sold	-	(696)	-	-	-	(696)
Tax on realised gains on investments sold	-	187	-	-	-	187
Profit attributable to members of the parent entity	-	-	-	-	10,671	10,671
Total recognised income and expense	-	2,388	-	-	10,671	13,059
Treasury shares	235	-	(235)	-	-	-
Recognition of share-based payments	-	-	88	-	-	88
Dividends paid	-	-	-	-	(12,621)	(12,621)
Balance at 31 August 2007	102,191	16,288	825	2,086	33,271	154,661

The accompanying notes on pages 14 to 18 form part of the financial statements.

TRUST COMPANY LIMITED

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 AUGUST 2008**

	Half year ended 31 August 2008	Half year ended 31 August 2007
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	33,044	38,022
Payments to suppliers and employees	(24,626)	(29,345)
Income tax paid	(5,189)	(6,131)
Net cash provided by operating activities	3,229	2,546
Cash flows from investing activities		
Net proceeds from disposal of held-for-sale financial asset (Note 3)	38,867	-
Dividend received from investment in held-for-sale financial asset	2,722	-
Capital contribution made to held-for-sale financial asset	(671)	-
Payments on purchase of investments	(2,714)	(1,323)
Proceeds from sale of investments	894	1,099
Payments for property, plant and equipment	(342)	(1,687)
Proceeds from sale of property, plant and equipment	-	11,600
Dividends received	1,157	2,976
(Payments)/proceeds on settlement of swaps	(1,537)	926
Interest and bill discounts received	1,021	818
Net cash provided by investing activities	39,397	14,409
Cash flows from financing activities		
Dividends paid - members of the parent entity		
Ordinary dividends	(9,709)	(7,767)
Special dividend	(32,362)	(4,854)
Net cash used in financing activities	(42,071)	(12,621)
Net increase in cash and cash equivalents	555	4,334
Cash and cash equivalents at the beginning of the period	23,642	17,624
Cash and cash equivalents at the end of the period	24,197	21,958

The accompanying notes on pages 14 to 18 form part of the financial statements.

TRUST COMPANY LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 AUGUST 2008

1. Significant accounting policies

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the Group's financial report for the year ended 29 February 2008.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 29 February 2008.

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies that have affected the amounts reported for the current or prior period.

At the date of authorisation of the financial report, the following relevant Standards and Interpretations were in issue but not yet effective:

- AASB 8 'Operating Segments'. Effective for annual reporting periods beginning on or after 1 January 2009.
- AASB 101 'Presentation of Financial Statements'. Effective for annual reporting periods beginning on or after 1 January 2009.
- AASB 3 'Business Combinations'. Effective for annual reporting periods beginning on or after 1 July 2009.

The Directors anticipate that the adoption of these Standards in future periods will have no material financial impact on the financial statements of the company or the Group. The application of AASB 8, AASB 101 and AASB 3 will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the Group's segment reporting.

These Standards will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement.

Rounding

The Company is a company of the kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the Directors' Report and in the half year financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 AUGUST 2008**

2. Segment reporting

The following is an analysis of the revenue and results for the period, analysed by business segment, the Group's primary basis of segmentation.

	Institutional Services		Financial Services		Total	
	Half year ended		Half year ended		Half year ended	
	31-Aug-08	31-Aug-07	31-Aug-08	31-Aug-07	31-Aug-08	31-Aug-07
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Fee and commission income						
Allocated	11,158	11,210	16,893	18,367	28,051	29,577
Unallocated	-	-	-	-	1,005	1,031
Segment revenue	11,158	11,210	16,893	18,367	29,056	30,608
Other income - unallocated						
Dividend income					1,440	1,725
Interest income					1,093	818
Gains on trading options and swaps (Note 4a)					-	296
Total					2,533	2,839
Consolidated revenue					31,589	33,447

	Institutional Services		Financial Services		Total	
	Half year ended		Half year ended		Half year ended	
	31-Aug-08	31-Aug-07	31-Aug-08	31-Aug-07	31-Aug-08	31-Aug-07
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Results						
Segment result before interest, depreciation and amortisation and other items	4,371	4,174	5,651	5,644	10,022	9,818
Dividend income					1,440	1,725
Interest income					1,093	818
Share of profits of jointly controlled entity accounted for using the equity method					-	1,367
Gain on disposal of held-for-sale financial assets					19,947	-
Depreciation and amortisation					(512)	(515)
Write-off of unutilised software					-	(301)
Gain on disposal of property, plant and equipment					-	19
Business transformation expenses					(688)	-
Other non-recurring expenses					(400)	-
Net (loss)/gain on investments (Note 4)					(3,491)	296
Gain on disposal of available-for-sale investments					25	696
Profit before income tax expense					27,436	13,923
Income tax expense					(8,293)	(3,252)
Profit for the period					19,143	10,671

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 AUGUST 2008**

3. Disposal of held-for-sale financial asset

On 12 June 2008, the Company disposed of its 50% investment in BNY Trust (Australia) Pty Limited ("BNYTA"). The net proceeds of the disposal of \$38,867,000 were received in cash.

The profit attributable to the investment in BNYTA during the period is shown as follows:

	Half year ended 31-Aug-08 \$'000	Half year ended 31-Aug-07 \$'000
Share of profit after income tax	-	1,367
Gain on disposal after income tax	13,933	-
Total	<u>13,933</u>	<u>1,367</u>

The Group's share of profit after income tax expense of BNYTA's operations during the period is analysed as follows:

Revenue	-	5,255
Expenses	-	<u>(3,283)</u>
Profit before income tax expense	-	1,972
Income tax expense	-	(605)
Profit after income tax expense	<u>-</u>	<u>1,367</u>

The investment was re-classified from a jointly controlled entity to an asset held-for-sale in the Group's financial report for the year ended 29 February 2008 as it was probable that the investment would be disposed of within 12 months of the signing date of the report. Therefore, the Group ceased equity accounting for the investment as at 29 February 2008 and subsequently no share of BNYTA's profit or loss during the current period has been recognised.

The gain on disposal is calculated as follows:

	Half year ended 31-Aug-08 \$'000
Total consideration	39,227
Disposal costs	<u>(360)</u>
Net cash proceeds	38,867
Carrying value of investment (Note 6)	<u>(18,920)</u>
Gain on disposal before income tax expense	19,947
Income tax expense	(6,014)
Gain on disposal after income tax expense	<u>13,933</u>

TRUST COMPANY LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 AUGUST 2008**

4. Net gain/(loss) on investments

	Half year ended 31-Aug-08 \$'000	Half year ended 31-Aug-07 \$'000
(a) Revenue		
The following items have been credited to the income statement:		
Gain on trading options held at fair value through profit and loss	-	2
Gain on swaps held at fair value through profit and loss	-	294
Total	<u>-</u>	<u>296</u>
(b) Expenses		
The following items have been charged to the income statement:		
Loss on trading options held at fair value through profit and loss	(13)	-
Loss on swaps held at fair value through profit and loss	(646)	-
Impairment loss on available-for-sale investments	(2,832)	-
Total	<u>(3,491)</u>	<u>-</u>

5. Dividends

	Half year ended		Half year ended	
	31-Aug-08 Cents per Share	31-Aug-08 \$'000	31-Aug-07 Cents per Share	31-Aug-07 \$'000
Fully paid ordinary shares				
Recognised amounts				
Final dividend - Paid on 26 May 2008 - Fully franked	30	9,709	-	-
Special interim dividend - Paid on 11 July 2008 - Franked to 70%	100	32,362	-	-
Final dividend - Paid on 21 May 2007 - Fully franked	-	-	24	7,767
Special interim dividend - Paid on 21 May 2007 - Unfranked	-	-	15	4,854
Total dividends for the period	<u>130</u>	<u>42,071</u>	<u>39</u>	<u>12,621</u>
Unrecognised amounts				
Interim dividend - Payable on 28 November 2008 - Fully franked*	20	6,472	-	-
Interim dividend - Payable on 26 November 2007 - Fully franked	-	-	24	7,767
	<u>20</u>	<u>6,472</u>	<u>24</u>	<u>7,767</u>

* Ex-dividend date: 17 October 2008. Record date: 23 October 2008.

The Company operates a Dividend Reinvestment Plan (DRP) whereby shareholders may elect to receive shares instead of cash for dividends declared by the Company in respect of all or part of their holdings of shares.

To be eligible to participate in the DRP a completed election notice must be received by the share registry from the shareholder by 5pm (Victoria EST) on the books closing date for that dividend.

6. Non-current held-for-sale financial assets

	31-Aug-08 \$'000	29-Feb-08 \$'000
Opening balance	20,971	20,235
Share of profit after income tax	-	2,815
Dividends received	(2,722)	(2,079)
Capital contribution	671	-
Disposal	(18,920)	-
Closing balance	<u>-</u>	<u>20,971</u>

The above information relates to the Group's investment in BNYTA, which was disposed of during the current period. Details of the disposal can be found at Note 3.

TRUST COMPANY LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 AUGUST 2008

7. Contingent liabilities

	31-Aug-08	29-Feb-08
	\$'000	\$'000
Aggregate contingent liabilities at the balance sheet date comprised the following:		
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 BNYTA / AFSL requirements*	-	17,500
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 Regulation Authority in relation to the provision of superannuation services	5,000	5,000
Total	7,040	24,540

*The Group disposed of its investment in BNYTA on 12 June 2008 and hence has discontinued its undertaking to support BNYTA's AFSL requirements.

The Group, given the nature of its business, can receive claims for alleged breach of trustee duties from time to time. As there are currently no claims, the directors believe that there is no need to make provisions for the possibility of such claims in the financial statements and that sufficient professional indemnity insurance cover is held to meet any potential liabilities that may arise.

8. Subsequent events

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 period, that has significantly affected, or may significantly affect, the operations of the Group.

9. Additional information

As at the date of this report, Trust was a listed public company, incorporated in Australia and operating in Australia, Hong Kong and Singapore.

The registered office of the Company is:
Level 3, 530 Collins Street
Melbourne, VIC 3000