

14 March 2013

## **THE TRUST COMPANY SHAREHOLDER LETTER**

In accordance with ASX Listing Rule 3.17, the attached correspondence was today sent to shareholders of The Trust Company Limited (ASX:TRU).

**ENDS**

**For further information, please contact:**

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Group Company Secretary and Risk Officer  
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14 March 2013

Dear Shareholder

## **UPDATE ON GUIDANCE AND EQUITY TRUSTEES LIMITED'S TAKEOVER OFFER**

### **Update on Guidance**

Our 2013 financial year ended on 28 February 2013 ("FY13") and the financial results for this period are still being finalised. However at this stage, your Board is able to confirm that, as a result of solid operating performance, tight cost management and improved equity market conditions, operating earnings before interest, tax, depreciation and amortisation ("EBITDA") for the six months ended 28 February 2013 is likely to be around \$10.0m, exceeding previous guidance of \$9.0m.

While no decision has been made concerning the FY13 final dividend, the total dividend for the year is likely to be at or above the top end of the previous guidance of 27 to 29 cps. Further information on dividends will be provided in our Preliminary Final Statement which is expected to be released on 15 April 2013.

You will also be pleased to know that we recently announced the successful resolution of outstanding matters from the Guardian Trust acquisition. Whilst this has not affected our operating EBITDA for FY13, it has resulted in a one-off increase of A\$1.55m to FY13 net profit after tax.

### **Equity Trustees Takeover Offer**

On 21 February 2013, Equity Trustees Limited ("Equity Trustees") announced its intention to make an off-market takeover offer for all the issued shares in The Trust Company (the "Offer"). Under the proposed Offer, 33 Equity Trustees' shares are to be offered for every 100 The Trust Company shares.

The Offer equated to a price of \$5.28 per The Trust Company share based on Equity Trustees closing share price on 20 February, the day immediately prior to their announcement of the intention to make an off-market takeover, representing a premium of 11.2%. As at 13 March 2013, the Offer equated to a price of \$5.61 per The Trust Company share.

You would have recently received a letter from Equity Trustees dated 4 March, outlining its views on the merits of the Offer. Whilst The Trust Company Board acknowledges the strategic merits of consolidation in the trustee industry, any participation in such consolidation would need to provide appropriate value to our shareholders. Your Board believes that the current Offer materially undervalues The Trust Company.

Equity Trustees has yet to release its bidder's statement and has indicated in its letter to The Trust Company shareholders that this will occur in the coming weeks. Following the release of Equity Trustees' bidder's statement, your Board will detail its formal response and recommendation in relation to the Offer in its target's statement, which will be mailed to all shareholders no later than 2 weeks after you have received Equity Trustees bidder's statement.

Once Equity Trustees' bidder's statement is dispatched, the Offer will remain open for a minimum of one month, providing you sufficient time to make a decision on whether to accept the Offer after receiving your Board's target's statement containing a detailed recommendation.

The Trust Company Board advises shareholders to **TAKE NO ACTION** in relation to the proposed Offer.

Thank you for your interest and support as a shareholder of The Trust Company. We will keep you informed of further developments as they occur.

Yours sincerely



Bruce Corlett AM  
Chairman