



ASX Announcement

Perpetual to acquire Fordham Group – expands Private Wealth capabilities and funds under management & advice

15 December 2009

Perpetual Limited (Perpetual) today announced the further expansion of its Private Wealth capabilities following the acquisition of Fordham Group (Fordham), a successful Melbourne based advisory firm for private business owners.

As at 30 November 2009, Fordham had around \$500 million of funds under management and advice.

Perpetual Chief Executive, David Deverall, said the Fordham acquisition was highly complementary to the company's Private Wealth strategy and service offering and filled a capability gap in its offering to the high net worth advice market as well as strengthening our presence and commitment in Victoria.

"Fordham represents an attractive opportunity to extend Perpetual's services to private business owners. This enhances our ability to better service an important market segment for the company and helps us reach our goal of becoming the leading adviser to financially successful Australians and their families," Mr Deverall said.

"Our current services are focused on high net worth individuals and their families; the acquisition of Fordham brings us new expertise in strategic financial advice, accounting and tax services for private business owners."

Mr Deverall said Fordham built strongly on Perpetual's acquisitions of Grosvenor Financial Services and Financial Pursuit earlier this year.

"Perpetual's national market presence also provides a platform to expand our service offering to private business owners nationally," Mr Deverall said.

Mark Cummings, Fordham's Chairman of Directors said Perpetual Private Wealth and Fordham enjoyed a strong alignment of values and cultures focused on client service, wealth building and wealth protection.

"Fordham helps private business owners and their families to understand and manage their businesses and build and protect their wealth. Joining forces with Perpetual represents an exciting opportunity to bring our highly complementary businesses together and provide an expanded offering to clients across a national platform," Mr Cummings said.

The acquisition price of approximately \$35 million will be funded through a combination of internal resources and deferred consideration, and is subject to earn outs over 4 years. The acquisition is expected to be slightly EPS dilutive in the 2010 financial year due to the combination of the timing of the acquisition and the expensing of acquisition and integration costs. The acquisition is expected to be EPS accretive in the 2011 financial year.

Fordham's total revenue for the 12 months ended 30 June 2009 was \$22 million comprising 75% accounting, taxation and strategy and planning revenues and around 25% wealth management fees.

Mr Deverall said Perpetual was evaluating other opportunities consistent with its strategy of acquiring high quality adviser practices with complementary capabilities servicing niche market segments that can benefit from Perpetual's breadth and depth of services.

The transaction is expected to be completed in January 2010, at which time Mr Cummings will lead the combined businesses of Perpetual Private Clients and Fordham in Victoria. Mr Lee Wapling will continue to head Perpetual's Private Clients business in Victoria.

Fordham is the third acquisition by Perpetual in the private wealth segment in calendar 2009. Collectively, these three acquisitions increase Private Wealth's funds under advice by around \$1.1 billion.

In March 2009 Perpetual acquired Financial Pursuit, and in September 2009 acquired Grosvenor Financial Services.

As at 30 November 2009, funds under advice were approximately \$8.0 billion. The addition of the Fordham acquisition will increase funds under advice to around \$8.5 billion. Funds under advice as at 30 June 2009 were \$6.8 billion.

For further information, please contact:

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Attachment: Fordham Fact Sheet

About Perpetual

Perpetual is an independent financial services group operating in funds management, financial advisory and trustee services. Our origin as a trustee company, coupled with our strong track record of investment performance, has created our reputation as one of the strongest brands in financial services in Australia. For further information, go to www.perpetual.com.au

Fordham and Perpetual Private Wealth – Fact Sheet

- **Fordham** is a Melbourne-based advisory firm for private business owners and their families.
- The company provides accounting, tax and strategic financial advice to private business owners, predominantly based in Victoria.
- Accounting, tax and strategic advisory income represent approximately 75% of Fordham's \$22 million revenue for the 12 months ended 30 June 2009. The remaining 25% of revenue represents wealth management fees.
- As at 30 November 2009, Fordham had around \$500 million in funds under management and advice.
- Fordham acts exclusively for private business owners and their families assisting them to:
 - Understand and manage their businesses;
 - Build and protect their wealth; and
 - Plan and structure their lives.
- Fordham operates two main divisions:
 - Business Owner Accounting and Tax Services; and
 - Investment Management and Advisory.
- Fordham is the third acquisition by Perpetual in the private wealth segment in calendar 2009 as part of Perpetual's strategy to deepen its product offering and become the leading advisor to financially successful Australians and their families.
- In March 2009 Perpetual acquired Financial Pursuit, and in September 2009 acquired Grosvenor Financial Services.
- Collectively, these three acquisitions increase the Group's funds under advice by around \$1.1 billion.
- As at 30 November 2009, funds under advice were approximately \$8 billion. The addition of the Fordham acquisition will increase funds under advice to approximately \$8.5 billion. Funds under advice as at 30 June 2009 were \$6.8 billion.