

17 December 2010

THE TRUST COMPANY TO ACQUIRE NEW ZEALAND GUARDIAN TRUST FOR NZ\$42 MILLION

Leading independent Australian trustee, The Trust Company Limited (ASX: TRU), today announced it has entered into a conditional agreement to acquire The New Zealand Guardian Trust Company Limited ('Guardian Trust') from the Suncorp Group (ASX:SUN).

The acquisition of Guardian Trust represents a significant step-change for the 125 year old Australian trustee, increasing total funds under supervision for the combined group by 38% from A\$118bn to A\$163bn. The combined group will employ approximately 440 people in 20 offices and 3 countries. The Trust Company's total annual revenues are projected to increase over 50% to A\$86m and the acquisition is projected to be earnings per share (EPS) accretive from year one.

The acquisition is scheduled to complete on 28 February 2011 (coinciding with TRU's balance date) and is subject to certain conditions including Overseas Investment Office approval in New Zealand and final confirmatory due diligence. Total consideration of NZ\$42m (equivalent to A\$32m) is to be paid in two equal tranches with the first payable upon completion.

The Trust Company CEO, Mr John Atkin, said "We are delighted to have reached agreement with the Suncorp Group to acquire Guardian Trust, widely regarded as the pre-eminent trustee company in New Zealand. The strong alignment between our respective trustee business models, similar dedication to client service, leading market positions as trustees and advocates for our industry and a common heritage makes Guardian Trust an ideal fit."

Following the acquisition, The Trust Company Group will be the only independent trustee with a presence in Australia, New Zealand and Singapore.

"This acquisition is clearly a significant step forward in growing our business, and will make a material financial contribution to the Group. It will deliver the increased scale, services and expertise required to help us become the pre-eminent independent trustee in the Asia-Pacific region," he said.

Speaking about Guardian Trust's management, Mr Atkin said "We are delighted to welcome John Botica, Managing Director of Guardian Trust, and his team to The Trust Company. We look forward to their contribution to a successful integration and to a strong performance of the combined group."

The acquisition will be funded from existing cash and, if needed, a committed term debt facility. As required by accounting standards, acquisition expenses (non tax-deductible) of approximately A\$1.5m will be charged to The Trust Company's FY11 earnings.

Further details relating to the acquisition will be announced following completion.

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The Trust Company Limited
ABN 59 004 027 749

The Trust Company was advised on this transaction by Andover Corporate Finance, Chapman Tripp and PricewaterhouseCoopers. The debt facility is being provided by the National Australia Bank.

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