MEDIA RELEASE **20 May 2003**

PERPETUAL TRUSTEES: RESULTS UPDATE AND CEO SUCCESSION

Perpetual Trustees Australia Limited Chairman, Mr Charles Curran, said in the May Letter to Shareholders released today that the Board expected the full year operating result to be in excess of the strong 2002 full year result.

The Board has reconfirmed its intention to pay special dividends of 50 cents a share fully franked in June 2003 and June 2004.

The Chairman also announced that the Managing Director, Graham Bradley, will be leaving the company after eight years in the position.

Mr Curran said the Board had agreed that Graham Bradley would continue as Managing Director until a new chief executive was appointed.

"Over recent months, the Board and management have reviewed several specific organic and acquisition growth opportunities and have identified ways to streamline operations to improve service and cost efficiency," Mr Curran said.

Under Graham Bradley's contract, there was a provision for review in 2003. The Board's review considered the current phase of the investment cycle, the commencement of a new growth phase for the company and the continuity of leadership required over the next five years.

Mr Curran said in line with the company's succession plan, the Board and Graham Bradley thought the timing was right for the appointment of a new chief executive officer to lead Perpetual Trustees through a new growth phase over the next five years.

"The Perpetual group continues to be in a very sound financial position, with a strong balance sheet, significant cash reserves, and ample financial capacity to take advantage of growth opportunities," Mr Curran said.

"We have attractive organic growth prospects; we also seek suitable acquisitions. In the current market conditions, attractively priced opportunities are more likely to be available than was the case over the past few years.

"Together with the long-term attractiveness of the wealth management industry, these growth and efficiency opportunities provide a basis for a new growth phase for Perpetual over the next five years."

Mr Curran said Graham Bradley had made a significant contribution to the growth and development of Perpetual Trustees as the leading independent fund manager in Australia.

During his time as Managing Director, Graham Bradley led a team which increased funds under management from $2.4 billion in 1995 to more than $17 billion currently, with operating profit after tax increasing from $11 million in 1995 to $58.7 million in the year to June 2002, he said.

Mr Curran said: "We value the significant contribution made by Graham Bradley and wish him well in his future endeavours.

"The new chief executive officer will be expected to lead the Perpetual Trustees team into a stage of further expansion, capitalising upon our strong position as a leading fund manager and opportunities that may arise in the future."

Media inquiries:

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May Letter to Shareholders is attached.

Perpetual

20 May 2003

Dear Shareholder

In accordance with our normal practice as we near the end of the financial year, we take this opportunity to report on the progress of the Perpetual group and the outlook for the period immediately ahead.

Last February we announced a December half-year net profit of $33.4 million (before gains on sale of investments), a record half-year result achieved against the background of difficult and volatile markets during that period.

The March quarter saw share markets fall in the lead up to the Iraq war; in response, investors generally held back on making investment decisions and increasingly turned to more defensive asset classes. These circumstances adversely affected net inflows into Perpetual Investments equity funds during the first 4 months of 2003, although our mortgage funds were strongly supported; also, lower asset values affected our revenues.

The recent improvement in equity markets, accompanying a quick resolution of the Iraqi conflict, should lead to improved retail investor confidence. Nevertheless, net retail inflows have been lower than planned in recent months and we have lost a number of institutional mandates, despite the very strong relative performance of our top rated Australian equities team. These factors combined to slow our growth in the June half.

We expect, however, that our full year operating result will be in excess of the very strong 2002 full year result; in the circumstances of difficult and volatile markets, the board considers such a result to be satisfactory.

Moving into the 2003-2004 financial year, our progress will continue to be affected by the level of market values and the speed of recovery in investor confidence. We will be managing our business to respond to market conditions, and to maximise results for shareholders in a year that is likely to be another challenging one for our wealth management businesses.

Beyond the uncertain near-term outlook, the group is well placed to take advantage of a return of retail investor confidence. Our Australian managed funds have retained and improved their ratings after recent reviews by leading research houses. For example, in March, Morningstar named Perpetual its Australian Equities Fund Manager of the Year for the third consecutive year and we remain one of only 2 managers rated 5 stars, Morningstar's highest rating for overall quality, performance and process. We have retained an 'A' rating from van Eyk Research for Australian equities, and, in its April review, ASSIRT increased its rating of our Australian equities funds from 4 to 5 stars (its top rank) and our mortgage funds from 4 to 5 stars.

Perpetual Investments is, therefore, well placed to capture market share in the year ahead. This will be assisted by new products we have launched over recent months. These include our first geared Australian equities fund and our first long/short fund—our Share-Plus fund. Our joint venture, Perpetual James Fielding, also launched its new active property securities fund in March.

The Corporate Trust division has continued to perform strongly over recent months and its outlook remains positive. Our Personal Financial Services business has been affected by lower equity market values, but has continued to perform satisfactorily as investors increasingly seek advice from a group with Perpetual's heritage of trust, independence and investment record.

As previously announced, the group will pay a special dividend of 50 cents per share fully franked on 25 June (record date 11 June), which is in addition to our normal final dividend. We confirm that a special dividend of not less than 50 cents will also be paid in June 2004.

The Perpetual group continues to be in a very sound financial position, with a strong balance sheet, significant cash reserves, and ample financial capacity to take advantage of growth opportunities. We have attractive organic growth prospects; we also seek suitable acquisitions. In the current market conditions, attractively priced opportunities are more likely to be available than was the case over the past few years.

Over recent months, the Board and management have reviewed several specific organic and acquisition growth opportunities and have identified ways to streamline our operations to improve service and cost efficiency. Together with the long term attractiveness of the wealth management industry, the Board believes these growth and efficiency opportunities provide a basis for a new growth phase for Perpetual over the next five years.

The Board's review has taken place at the same time as the 2003 review provided for in the contract of our Managing Director, Graham Bradley (which is due to expire in September 2004) and considered the current phase of the investment cycle, the commencement of a new growth phase for the company and the change required over the next five years. In line with the company's succession plan, the Board believes the timing is right for the appointment of a new Managing Director and chief executive to provide continuity of leadership for Perpetual Trustees for the growth phase anticipated over the next five years.

Graham Bradley, who will continue as Managing Director until the appointment of a new chief executive, has made a significant contribution to the growth and development of Perpetual Trustees as the leading independent fund manager in Australia. During his eight years as Managing Director, he has led a team which has increased funds under management from $2.4 billion in 1995 to more than $17 billion currently, with operating profit after tax having increased from $11.0 million in 1995 to $58.7 million in the year to June 2002.

The Board values the significant contribution made by Graham Bradley and wishes him well in his future endeavours.

The new chief executive will be expected to lead the Perpetual Trustees team into a stage of further expansion, capitalising upon our strong position as a leading fund manager and future growth opportunities. Korn/Ferry International has been appointed to assist the Board in selecting a candidate for appointment.

Under the terms of Graham Bradley's contract, he will receive an amount of $800,000 on leaving the company, along with his statutory entitlements. As well, his 200,000 options in the company will vest, as the performance measures have been exceeded; these options, which have an average strike price of $20.09, can be exercised for a period of one year from his leaving the company.

CHARLES CURRAN AO

CHAIRMAN