

## Shareholder Update

### BT Investment Management Limited announces record result delivering Cash NPAT of \$127.0 million for the year ending 30 September 2014

Dear Shareholder,

I am pleased to inform you that BT Investment Management Limited (BTIM) today announced a Cash net profit after tax (Cash NPAT) of \$127.0 million for the year ending 30 September 2014, an increase of 105 per cent on the previous corresponding period (pcp). Statutory NPAT was \$121.5 million, representing a 137 per cent increase on pcp.

Cash earnings per share (Cash EPS) for the period was 42.6 cents per share, an increase of 100 per cent on pcp.

The Board has declared a final dividend of 19.0 cents per share, a 90 per cent increase on the final dividend of 10.0 cents per share paid in the pcp. Total dividends were 35.0 cents per share, a 94 per cent increase on the prior year.

The final dividend will be 35 per cent franked and paid on Friday 19 December 2014 to ordinary shareholders on record at Friday 5 December 2014.

	FY 2014	FY 2013	Movement
<b>Year ended 30 September:</b>			
➤ Cash NPAT	\$127.0m	\$61.9m	↑ 105%
➤ Statutory NPAT	\$121.5m	\$51.2m	↑ 137%
➤ Fee Revenue	\$420.7m	\$260.4m	↑ 62%
➤ Base Management Fees	\$289.7m	\$212.4m	↑ 36%
➤ Base Management Fee Margin	46 bps	41 bps	↑ 11%
➤ Performance Fees	\$121.8m	\$43.5m	↑ 180%
➤ Operating Expenses	\$258.5m	\$175.2m	↑ 48%
➤ Operating Profit Margin	39%	33%	↑ 18%
➤ Cash EPS	42.6cps	21.3 cps	↑ 100%
➤ Total Dividends	35.0cps	18.0 cps	↑ 94%
➤ Average FUM	\$63.1bn	\$51.5bn	↑ 23%
<b>As at 30 September:</b>			
➤ Closing FUM	\$66.4bn	\$58.3bn	↑ 14%

The strong increase in Cash NPAT was due to a significant increase in fee revenue, particularly performance fees, and an increase in higher margin funds under management (FUM). Fee revenue of \$420.7 million was 62 per cent higher than the 2013 Financial Year as performance fees rose 180 per cent to \$121.8 million and base management fee margins expanded from 41 basis points to 46 basis points.

Our strategy has delivered outstanding growth by offering diverse investment strategies as a part of a growing global asset management offering. Of particular note this year, was our expansion in the United States, where we added new investment capabilities and opened a second office. Over the 12 months to 30 September 2014 we raised FUM of \$1.1 billion in this market.

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We are also pleased by the industry recognition that BTIM has received through the year. BTIM won 'Best Fund Manager' for 2014 by Money Magazine and an award for Retirement Product Innovation in Australia. Our international business, JOHCM, received the 'Outstanding Investment House' award at the 2014 Morningstar OBSR (UK) Awards. These awards are testament to our investment performance, product innovation and ability to meet client needs.

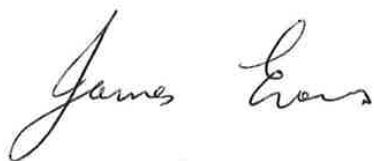
Our strategy and business model will continue to focus on attracting the best talent to deliver investment performance for our clients. We are focussed on broadening our offerings both domestically and offshore and will continue to invest for the future by adding new teams and expanding geographically.

The Board has also announced that the Dividend Reinvestment Plan (DRP) will remain active for the final dividend payment, at a zero discount to the allocation price, as determined by the DRP rules. The DRP allows shareholders to reinvest in additional BTIM shares with no commission or brokerage costs.

Shareholders who wish to participate in the DRP for the final dividend and have not previously elected to participate in the DRP must complete a DRP Instruction Form and return it to BTIM's share registry, Link Market Services, by no later than 5:00pm on 8 December 2014. The DRP Instruction Form can be obtained at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

I encourage you to review BTIM's results in more detail on our website: [www.btim.com.au](http://www.btim.com.au) or under announcements on the ASX website: [www.asx.com.au](http://www.asx.com.au).

Yours faithfully,



James Evans  
Chairman, BT Investment Management