

Shareholder Update

BT Investment Management Limited announces a Cash NPAT of \$66.5 million for the half year ending 31 March 2015

Dear Shareholder,

BT Investment Management Limited (BTIM) today announced a quality result for the half year ending 31 March 2015. Cash net profit after tax (Cash NPAT) was \$66.5 million and Statutory NPAT was \$61.9 million. Cash earnings per share (Cash EPS) was 22.1 cents per share.

The Board has declared an interim dividend of 17.0 cents per share, a 6.3 per cent increase on the interim dividend of 16.0 cents per share, paid in the previous corresponding period (pcp).

The interim dividend will be 40 per cent franked and paid on 2 July 2015 to ordinary shareholders on record on 15 May 2015.

	1H 2015	1H 2014	1H 2013
Half year ended 31 March:			
➤ Cash NPAT	\$66.5m	\$83.1m	\$34.2m
➤ Statutory NPAT	\$61.9m	\$78.3m	\$22.8m
➤ Fee Revenue	\$211.8m	\$255.3m	\$133.8m
➤ Base Management Fees	\$170.4m	\$137.8m	\$98.1m
➤ Base Management Fee Margin	48 bps	45 bps	40 bps
➤ Performance Fees	\$38.0m	\$114.7m	\$33.5m
➤ Operating Expenses	\$131.0m	\$152.6m	\$88.7m
➤ Operating Margin	38%	40%	34%
➤ Cash EPS	22.1cps	28.0cps	11.8 cps
➤ Dividends	17.0cps	16.0cps	8.0 cps
➤ Average FUM	\$71.2b	\$61.3b	\$48.5b
As at 31 March:			
➤ Closing FUM	\$77.1b	\$62.1b	\$50.4b

The result reflected the continued investor demand for equity products offshore, strong investment performance across our funds, higher equity market levels and favourable currency movements. These combined gave rise to record growth in funds under management (FUM) of \$10.7 billion during the half year. The record growth in FUM and an expansion in the Group's fee margins resulted in a 24 per cent increase in base management fee revenue compared to pcp. This excellent result represents the 7th consecutive half on half growth in base management fee revenue.

Performance fees for the period were lower at \$38.0 million, reducing from a record level of \$114.7 million in 1H14. This resulted in a lower Cash NPAT compared to pcp.

The ongoing growth in base management fee revenue, which represents our core business, demonstrates the benefits that diversification across regions, investment strategies, currencies and channels brings to our business.

At the full year result in 2014, I wrote of the progress we had made in building our business in the United States. I am very pleased to report that during the half year the Group experienced good flows into our US pooled funds.

Elsewhere in our business a number of funds benefitted from differing market themes. Our European equity funds found favour with investors as European central banks adopted quantitative easing, while an ongoing appetite for yield contributed to the flows into our domestic income funds.

It is also pleasing to report that fund performance across the Group has been exceptional with 99% of our FUM with a 3 year track record exceeding its respective benchmarks for the period ending 31 March 2015.

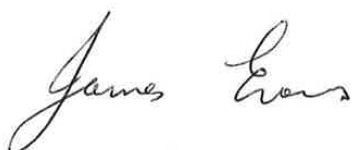
Our strategy and business model will continue to attract and develop the best talent to deliver investment performance for our clients, which is central to growing our global asset management business. We have invested in new markets, teams and products, all of which are now contributing to the growth of the business. These initiatives support our long term growth strategy which is to build a world class global asset management business.

In respect of the interim dividend, the Board has announced that the Dividend Reinvestment Plan (DRP) will remain active for the interim 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 interim 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 Mark Services, by no later than 5:00pm on 18 May 2015. The DRP Instruction Form can be obtained at www.linkmarketservices.com.au.

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

Yours faithfully,



James Evans
Chairman, BT Investment Management