



ASX Announcement

Response to approach Perpetual Limited (Perpetual)

25 October 2010

Further to the announcement made on 18 October 2010, the Board of Perpetual (Board) advises that it has given initial consideration to the indicative, conditional and non-binding proposal from Kohlberg Kravis Roberts & Co. (KKR) to acquire all of Perpetual's shares via a scheme of arrangement at a price of \$38.00 – \$40.00 per share (Indicative Proposal), and has sought advice from its financial and legal advisers. Following this assessment, the Board considers that the proposed price in the range of \$38.00 – \$40.00 per share does not reflect Perpetual's value.

Nevertheless, the Board believes that shareholders' interests are best served by conducting exploratory discussions with KKR in order to assess better the Indicative Proposal which at this point remains incomplete. These discussions should allow the Board to establish if an offer that would deliver acceptable value to Perpetual's shareholders is likely to be formulated.

The Board is very conscious of Perpetual's obligations in respect of its trustee and fiduciary clients and will also be focused on understanding KKR's intentions as a prospective owner and operator of the business in this regard.

As part of the exploratory discussions, Perpetual is prepared to provide KKR with limited financial information subject to appropriate confidentiality arrangements being put in place.

Perpetual will advise shareholders as to the outcome of the discussions with KKR as soon as is practicable. It should be noted that this process may take some time and there can be no certainty at this stage that an acceptable proposal will eventuate.

For further information, please contact:

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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