

**BT INVESTMENT MANAGEMENT LIMITED**

ABN 28 126 385 822

**AND ITS CONTROLLED ENTITIES**

**INTERIM PROFIT ANNOUNCEMENT**

**BT INVESTMENT MANAGEMENT LIMITED**  
ABN 28 126 385 822  
**AND ITS CONTROLLED ENTITIES**

**APPENDIX 4D**  
**FOR THE HALF YEAR ENDED 31 MARCH 2013**

The Directors of BT Investment Management Limited (BTIM or the Company) announce the results of the consolidated entity (the Group) for the half year ended 31 March 2013 (prior corresponding period: half year ended 31 March 2012), which have been subject to review by our auditors, PricewaterhouseCoopers. The results are as follows:

**Results for the half year ended 31 March 2013**

	<b>% Change</b>	<b>31 March 2013 \$000</b>
Total revenue and other income	44.4%	135,549
Net profit after income tax <sup>1</sup>	104.2%	22,847
Profit for the period attributable to members	104.2%	22,847
Interim 2013 Dividend – fully franked (cents per security)		8.0
Record date for determining entitlements to interim dividend		17 May 2013

**Explanation of results:**

<sup>1</sup> Net profit after tax (NPAT) includes accounting adjustments required under International Financial Reporting Standards (IFRS) for amortisation of employees' equity grants, amortisation and impairment of intangible assets and fair value adjustments on equity-settled converting notes resulting from the acquisition of J O Hambro Capital Management (JOHCM). These non-cash charges are not considered by the Directors to be part of the underlying earnings of the Group and therefore the Directors believe that Cash NPAT is a more suitable measure of profitability. The adjustments made to NPAT to arrive at Cash NPAT to eliminate the impact of these IFRS adjustments are categorised as follows:

- amortisation of the equity grants less the after-tax cash costs of equity grants made in respect of the current year
- amortisation and impairment of intangible assets arising from the JOHCM acquisition
- fair value adjustments on equity-settled converting notes

Cash NPAT for the half year ended 31 March 2013 was \$34,175,627 (2012: \$19,717,096) which is an increase of 73.3% on prior year.

**Dividend Reinvestment Plan**

The Board has determined that the Dividend Reinvestment Plan (DRP) will operate for the 2013 interim dividend. Shares issued under the DRP will be at a zero discount, to the allocation price as determined by the DRP Rules.

Shareholders who have not previously registered to participate in the DRP or who wish to alter their participation in the DRP, must complete a DRP Instruction Form and return it to BTIM's share registry, Link Market Services, by no later than 5.00 pm on Friday, 17 May 2013. The DRP Instruction Form can be obtained at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

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**APPENDIX 4D**  
**FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**Other information**

	<b>31 March 2013</b>	<b>31 March 2012</b>
Net tangible asset backing (cents per ordinary security)	0.2	(15.2)
Basic EPS (cents)	9.4	4.6
Diluted EPS (cents)	9.0	4.5
Final 2012 dividend paid during the period	\$18,770,628	
Dividend-linked coupon paid during the period <sup>2</sup>	\$1,184,604	

<sup>2</sup> Dividend-linked coupons are payable on the converting notes issued as part of the acquisition of JOHCM.

Both the final 2012 dividend and dividend-linked coupon were paid on 20 December 2012.

Please refer to the attached 31 March 2013 Interim Financial Report and Market Presentation for commentary and further information with respect to the results.

Further information regarding BT Investment Management Limited and its business activities can be obtained by visiting the website at [www.btim.com.au](http://www.btim.com.au).

**BT INVESTMENT MANAGEMENT LIMITED**  
ABN 28 126 385 822  
**AND ITS CONTROLLED ENTITIES**  
  
**INTERIM FINANCIAL REPORT**  
**FOR THE HALF YEAR ENDED 31 MARCH 2013**

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The interim financial report was authorised for issue by the Company's Directors on 1 May 2013 who have the power to amend and reissue the interim financial report.

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2012 and any public announcements made by BT Investment Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**DIRECTORS' REPORT  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

The Directors present their report on the consolidated entity (the Group) consisting of BT Investment Management Limited (BTIM or the Company) and the entities it controlled at the end of, or during, the half year ended 31 March 2013.

**Directors**

The following persons were Directors of the Company during the half year and up to the date of this report:

Brian Scullin  
Emilio Gonzalez  
Meredith Brooks (Appointed 1 April 2013)  
Brad Cooper  
James Evans  
Andrew Fay  
Carolyn Hewson

**Principal activities**

The principal activity of the Group during the half year was the provision of investment management services. There has been no significant change in the nature of this activity during the half year ended 31 March 2013.

**Review of operations**

The Group continued to operate under two operating segments since the acquisition of J O Hambro Capital Management (JOHCM) effective 1 October 2011. BTIM operates the investment management business in Australia and BTIM UK Operations operates the Group's investment management business outside of Australia. The statutory net profit after tax (NPAT)<sup>1</sup> of the Group for the half year ended 31 March 2013 was \$22,847,115 (2012: \$11,186,677).

The Group's cash net profit after tax (Cash NPAT) for the half year was \$34,175,627 (2012: \$19,717,096). The increase on prior year is predominantly driven by performance fee revenue in JOHCM.

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<sup>1</sup> NPAT includes accounting adjustments required under International Financial Reporting Standards for amortisation of employee equity grants, amortisation and impairment of intangible assets, and the fair value adjustments on equity-settled converting notes. These non-cash charges are not considered by the Directors to be part of the underlying earnings for the period and therefore the Directors believe that Cash NPAT is a more suitable measure of profitability. Cash NPAT comprises NPAT before amortisation of employee equity grants less the after-tax cash costs of grants made in respect of the current period, together with the after-tax amortisation and impairment of intangible assets recognised and the fair value adjustment on equity-settled converting notes issued as a result of the JOHCM acquisition.

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**DIRECTORS' REPORT  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**Review of operations (continued)**

**Reconciliation of statutory NPAT to Cash NPAT**

	Half year ended 31 March 2013 \$'000	Half year ended 31 March 2012 \$'000
<b>Statutory NPAT</b>	<b>22,847</b>	<b>11,187</b>
Add back: amortisation of employee equity grants	9,526	10,795
Deduct: cash cost of ongoing equity grants	(9,094)	(4,354)
Add back: amortisation and impairment of intangibles <sup>2</sup>	4,306	3,627
Add back: loss on financial liabilities at fair value through the profit and loss <sup>3</sup>	7,213	-
(Deduct)/add: tax effect	(622)	(1,538)
<b>Cash NPAT</b>	<b>34,176</b>	<b>19,717</b>

Funds under management (FUM) at 31 March 2013 was \$50.4 billion, an increase of 8% from the FUM of \$46.6 billion at 30 September 2012. The movement for the half year ended 31 March 2013 has been driven by a positive market performance of \$4.8 billion partially offset by net outflows of \$0.1 billion and a strengthening Australian dollar relative to the British pound which contributed to a negative foreign exchange movement of \$0.9 billion.

**Dividends**

The Directors have resolved to pay a fully franked interim dividend and dividend-linked coupon of 8.0 cents (2012: 5.5 cents per share) on ordinary shares and converting notes. The amount of dividend and dividend-linked coupon which has not been recognised as a liability at 31 March 2013 is \$23.3 million (2012: \$15.7 million).

**Rounding of amounts**

The Group is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the rounding of amounts in the Directors' report and financial report. Amounts in this report and the accompanying financial report have been rounded to the nearest thousand dollars in accordance with that class order, unless otherwise stated.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of Directors.



**Brian Scullin**  
Director  
1 May 2013



**Emilio Gonzalez**  
Director  
1 May 2013

<sup>2</sup> Amortisation and impairment of intangibles relates to fund and investment management contracts.

<sup>3</sup> Loss on financial liabilities at fair value through the profit and loss relates to the fair value adjustment on the converting notes issued as purchase consideration in relation to the JOHCM acquisition.



## Auditor's Independence Declaration

As lead auditor for the review of BT Investment Management Limited for the half-year ended 31 March 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of BT Investment Management Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'V. Papageorgiou', written over the printed name.

Voula Papageorgiou  
Partner  
PricewaterhouseCoopers

Sydney  
1 May 2013

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**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 MARCH 2013**

	Notes	31 March 2013 \$'000	31 March 2012 \$'000
<b>Revenue from continuing operations</b>			
Investment management fees	3	132,079	90,712
Property administration fees	3	1,300	1,296
		<b>133,379</b>	<b>92,008</b>
<b>Other Income</b>	4	<b>2,170</b>	<b>1,844</b>
<b>Expenses</b>			
Employee expenses			
Salaries and related expenses		57,534	38,600
Amortisation of employee equity grants		9,526	10,795
Fund administration		5,552	5,253
Depreciation, amortisation and impairment		5,026	4,348
Investment management		3,263	3,925
Business development and promotion		3,162	3,552
General office and administration		2,743	2,160
Professional services		2,276	2,189
Occupancy		2,000	1,913
Information and technology		1,979	2,407
Loss on financial liabilities at fair value through profit and loss	10	7,213	-
Finance costs		1,315	1,643
<b>Total expenses</b>		<b>101,589</b>	<b>76,785</b>
<b>Profit before income tax</b>		<b>33,960</b>	<b>17,067</b>
Income tax expense	5	11,113	5,880
<b>Profit attributable to owners of BTIM</b>		<b>22,847</b>	<b>11,187</b>
<b>Other comprehensive income for the half year</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	12	(17,668)	(621)
Net unrealised gain on available-for-sale assets	12	2,996	2,428
Income tax relating to components of other comprehensive income	5, 12	(696)	(198)
<b>Other comprehensive income, net of tax</b>		<b>(15,368)</b>	<b>1,609</b>
<b>Total comprehensive income for the half year attributable to owners of BTIM</b>		<b>7,479</b>	<b>12,796</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	15	9.4	4.6
Diluted earnings per share	15	9.0	4.5

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*



**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2013**

	Notes	31 March 2013 \$'000	30 September 2012 \$'000
<b>Current assets</b>			
Cash and cash equivalents	7	72,957	53,492
Trade and other receivables		36,145	30,536
Prepayments		3,163	3,603
<b>Total current assets</b>		<b>112,265</b>	<b>87,631</b>
<b>Non-current assets</b>			
Property, plant and equipment		3,502	3,828
Available-for-sale financial assets		37,945	25,017
Deferred tax assets		6,203	8,695
Intangible assets	8	522,688	546,124
<b>Total non-current assets</b>		<b>570,338</b>	<b>583,664</b>
<b>Total assets</b>		<b>682,603</b>	<b>671,295</b>
<b>Current liabilities</b>			
Trade and other payables		22,438	16,976
Employee benefits		41,364	33,309
Borrowings	9	51,047	46,547
Converting Notes	10	2,511	2,262
Lease incentive		497	451
Current tax liabilities		2,388	2,796
<b>Total current liabilities</b>		<b>120,245</b>	<b>102,341</b>
<b>Non-current liabilities</b>			
Employee benefits		1,002	895
Borrowings	9	13,122	21,928
Converting Notes	10	27,481	22,823
Lease incentive		1,245	1,496
Deferred tax liabilities		26,316	27,273
<b>Total non-current liabilities</b>		<b>69,166</b>	<b>74,415</b>
<b>Total liabilities</b>		<b>189,411</b>	<b>176,756</b>
<b>Net assets</b>		<b>493,192</b>	<b>494,539</b>
<b>Equity</b>			
Contributed equity	11	470,043	462,490
Reserves	12	4,085	26,068
Retained earnings		19,064	5,981
<b>Total equity</b>		<b>493,192</b>	<b>494,539</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 MARCH 2013**

	Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 October 2012</b>		<b>462,490</b>	<b>26,068</b>	<b>5,981</b>	<b>494,539</b>
Profit for the half year		-	-	22,847	22,847
Other comprehensive income for the half year		-	(15,368)		(15,368)
Total comprehensive income for the half year		-	(15,368)	22,847	7,479
Transactions with owners in their capacity as owners:					
Converting notes converted to shares		2,305	-	-	2,305
Treasury shares acquired		(12,982)	-	-	(12,982)
Treasury shares released	11, 12	5,950	(5,950)	-	0
Share-based payments		-	9,526	-	9,526
Dividend reinvestment plan		12,280	-	-	12,280
Dividends and dividend-linked coupons paid	6	-	(10,191)	(9,764)	(19,955)
		7,553	(6,615)	(9,764)	(8,826)
<b>Balance at 31 March 2013</b>		<b>470,043</b>	<b>4,085</b>	<b>19,064</b>	<b>493,192</b>

	Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 October 2011</b>		<b>464,559</b>	<b>33,432</b>	<b>4,532</b>	<b>502,523</b>
Profit for the half year		-	-	11,187	11,187
Other comprehensive income for the half year			1,609	-	1,609
Total comprehensive income for the half year		-	1,609	11,187	12,796
Transactions with owners in their capacity as owners:					
Rights issue – associated costs		105	-	-	105
Treasury shares acquired		(2,732)	-	-	(2,732)
Treasury shares released		751	(751)	-	-
Share-based payments		-	15,444	-	15,444
Changes in cash flow hedge		-	(9,834)	-	(9,834)
Dividends and dividend-linked coupons paid	6	-	(24,079)	(4,420)	(28,499)
		(1,876)	(19,220)	(4,420)	(25,516)
<b>Balance at 31 March 2012</b>		<b>462,683</b>	<b>15,821</b>	<b>11,299</b>	<b>489,803</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 MARCH 2013**

	Notes	Half year ended 31 March 2013 \$'000	31 March 2012 \$'000
<b>Cash flows from operating activities</b>			
Fees and other income received		139,237	106,652
Interest received		204	553
Distributions from unit trusts		563	824
Expenses paid		(76,143)	(96,618)
Income tax paid		(9,290)	(2,736)
Net cash inflows from operating activities		<b>54,571</b>	<b>8,675</b>
<b>Cash flows from investing activities</b>			
Payment for the acquisition of JOHCM (net of cash acquired)		-	(260,024)
Payments for JOHCM share transfers		-	(1,585)
Payments for property, plant and equipment		(393)	(141)
Payments for available-for-sale financial assets		(11,012)	(227)
Payments for IT development		(54)	(26)
Net cash outflows from investing activities		<b>(11,459)</b>	<b>(262,003)</b>
<b>Cash flows from financing activities</b>			
Payments for purchase of treasury shares		(12,982)	(2,732)
Proceeds from external borrowings		2,916	64,496
Repayment of borrowings		(2,578)	-
Interest and other financing costs		(1,945)	(175)
Dividends and dividend-linked coupons paid		(7,675)	(28,499)
Net cash (outflows)/inflows from financing activities		<b>(22,264)</b>	<b>33,090</b>
Net decrease in cash and cash equivalents		20,848	(220,238)
Cash and cash equivalents at beginning of the period		53,492	283,703
Effects of exchange rate changes on cash and cash equivalents		(1,383)	(9,375)
<b>Cash and cash equivalents at the end of the period</b>		<b>72,957</b>	<b>54,090</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013**

**1. BASIS OF PREPARATION OF THE REPORT FOR THE HALF YEAR ENDED MARCH 2013**

This general purpose interim financial report for the half year ended 31 March 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2012 and any public announcements made by BTIM during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

*Excess of current liabilities over current assets*

The Group's revolving loan facility which is due to expire 29 September 2013 is classified as a current liability. This has created an excess of current liabilities over current assets. The Directors believe that the ongoing cash flows of the business are adequate to meet the debts and commitments of the Group as and when they fall due and payable. Accordingly, the financial report has been prepared on a going concern basis.

*Comparative revisions*

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

**(a) New accounting standards and interpretations**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. New and revised Standards and Interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* (effective 1 July 2012).

The adoption of this new and revised Standard has resulted in additional disclosure of the items presented in other comprehensive income, based on whether they may be reclassified to profit or loss in the future.

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**2. SEGMENT INFORMATION**

**(a) Description of segments**

The Group has identified two operating segments based on internal management reports that are reviewed and used by the chief operating decision-maker (CODM) in assessing performance and in determining the allocation of resources. The CODM is BTIM's Senior Management Team.<sup>1</sup> Segment information is provided on the basis by which the Group manages its business which is split by the Group's investment management business in Australia (BTIM) and the Group's investment management business outside of Australia (BTIM UK operations). The BTIM UK operations comprise the JOHCM group of companies together with external debt financing in the UK.

**(b) Segment information provided to the chief operating decision-maker**

	<b>BTIM</b>		<b>BTIM UK operations</b>		<b>Total Group</b>	
	<b>31 Mar 2013</b>	<b>31 Mar 2012</b>	<b>31 Mar 2013</b>	<b>31 Mar 2012</b>	<b>31 Mar 2013</b>	<b>31 Mar 2012</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue	58,424	55,297	77,125	38,555	135,549	93,852
Inter-segment revenue	62	4	117	5	179	9
<b>Total segment revenue</b>	<b>58,486</b>	<b>55,301</b>	<b>77,242</b>	<b>38,560</b>	<b>135,728</b>	<b>93,861</b>
Inter-segment expense	(117)	(5)	(62)	(4)	(179)	(9)
Depreciation and amortisation	(529)	(578)	(191)	(143)	(720)	(721)
Interest expense	(300)	(462)	(1,015)	(1,182)	(1,315)	(1,644)
Other operating expenses	(41,601)	(39,249)	(46,004)	(25,104)	(87,605)	(64,353)
<b>Total segment expenses</b>	<b>(42,547)</b>	<b>(40,294)</b>	<b>(47,272)</b>	<b>(26,433)</b>	<b>(89,819)</b>	<b>(66,727)</b>
Income tax expense	(4,908)	(4,426)	(6,825)	(2,991)	(11,733)	(7,417)
<b>Cash NPAT</b>	<b>11,031</b>	<b>10,581</b>	<b>23,145</b>	<b>9,136</b>	<b>34,176</b>	<b>19,717</b>
Deduct: amortisation of employee equity grants	(7,415)	(9,147)	(2,111)	(1,648)	(9,526)	(10,795)
Add back: cash cost of ongoing equity grants	4,669	3,172	4,425	1,182	9,094	4,354
Deduct: amortisation and impairment of intangibles	-	-	(4,306)	(3,627)	(4,306)	(3,627)
Deduct: loss on financial liabilities at fair value through profit & loss	(7,213)	-	-	-	(7,213)	-
Add back: tax effect	300	652	322	886	622	1,538
<b>Statutory NPAT</b>	<b>1,372</b>	<b>5,258</b>	<b>21,475</b>	<b>5,929</b>	<b>22,847</b>	<b>11,187</b>
Segment assets	<b>287,325</b>	277,841	<b>395,278</b>	399,900	<b>682,603</b>	677,741
Segment liabilities	<b>70,192</b>	68,607	<b>119,219</b>	119,331	<b>189,411</b>	187,938
<b>Net assets</b>	<b>217,133</b>	<b>209,234</b>	<b>276,059</b>	<b>280,569</b>	<b>493,192</b>	<b>489,803</b>

The CODM assesses the performance of the operating segments based on a measure of Cash NPAT. This measurement basis excludes the amortisation of equity-settled share-based payments, and includes the after-tax cost of equity grants made for the current period as these non-cash charges do not influence the performance of the business. Cash NPAT also excludes the amortisation and impairment of intangibles relating to fund and investment management contracts and fair value adjustment on converting notes recognised as a result of the acquisition of JOHCM. These non-cash charges are not considered by the Company to be part of the Group's underlying operations.

<sup>1</sup> BTIM's Senior Management Team comprises the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the Head of Sales & Marketing, the Head of Corporate Development and the Head of Human Resources.

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**3. REVENUE FROM CONTINUING OPERATIONS**

	Half year ended	
	31 March 2013	31 March 2012
	\$'000	\$'000
Management, fund and trustee fees	97,497	85,284
Realised performance fees	33,491	4,303
Property administration fees	1,300	1,296
Service fees from related parties	735	786
Expense recoveries	199	217
Other revenue	157	122
<b>Total revenue from continuing operations</b>	<b>133,379</b>	<b>92,008</b>

**4. OTHER INCOME**

	Half year ended	
	31 March 2013	31 March 2012
	\$'000	\$'000
Distributions from unit trusts	536	747
Interest revenue	207	547
Net gain on sale of available-for-sale financial assets	307	-
Net foreign exchange gains	1,120	550
<b>Total other income</b>	<b>2,170</b>	<b>1,844</b>

**5. INCOME TAX EXPENSE**

	Half year ended	
	31 March 2013	31 March 2012
	\$'000	\$'000
<b>(a) Income tax expense</b>		
Current tax	8,900	3,292
Deferred tax <sup>1</sup>	2,228	2,713
Adjustments for current tax of prior periods	(15)	(125)
<b>Income tax expense</b>	<b>11,113</b>	<b>5,880</b>

<sup>1</sup> Deferred income tax expense included in income tax expense comprises:

Decrease in deferred tax assets	2,386	1,404
(Decrease)/Increase in deferred tax liabilities	(158)	1,309
<b>Total (decrease)/increase in deferred tax</b>	<b>2,228</b>	<b>2,713</b>

**(b) Tax expense relating to items of other comprehensive income**

Available-for-sale financial assets	696	198
	<b>696</b>	<b>198</b>

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**6. DIVIDENDS**

	Half year ended 31 March 2013 \$'000	31 March 2012 \$'000
<b>Ordinary shares</b>		
Dividend paid during the half year	18,770	26,695
Dividend proposed and not recognised as a liability at the end of the half year	21,937	14,735
<b>Converting notes</b>		
Dividend-linked coupon paid during the half year	1,185	1,805
Dividend-linked coupon proposed and not recognised as a liability at the end of the half year	1,332	993

**7. CASH AND CASH EQUIVALENTS**

	31 March 2013 \$'000	30 September 2012 \$'000
Cash at bank and in hand	47,628	22,906
Deposits at call	25,329	30,586
	<b>72,957</b>	<b>53,492</b>

Deposits at call are invested in cash management trusts managed by the Group.

**8. INTANGIBLE ASSETS**

	31 March 2013 \$'000	30 September 2012 \$'000
<b>Goodwill</b>		
Cost	429,342	442,282
Accumulated impairment	-	-
<b>Net carrying value</b>	<b>429,342</b>	<b>442,282</b>
<b>Fund and Investment management contracts</b>		
Cost	108,622	115,614
Accumulated amortisation	(10,342)	(7,308)
Impairment <sup>1</sup>	(5,140)	(4,616)
<b>Net carrying value</b>	<b>93,140</b>	<b>103,690</b>
<b>IT development and software</b>		
Cost	824	715
Accumulated amortisation	(618)	(563)
<b>Net carrying value</b>	<b>206</b>	<b>152</b>

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**8. INTANGIBLE ASSETS (Continued)**

	<b>31 March 2013 \$'000</b>	<b>30 September 2012 \$'000</b>
<b>Total intangible assets</b>		
Cost	538,788	558,611
Accumulated amortisation	(10,960)	(7,871)
Accumulated impairment	(5,140)	(4,616)
<b>Net carrying value</b>	<b>522,688</b>	<b>546,124</b>

<sup>1</sup> The impairment loss due to the remeasurement of the fund and investment management contracts to the lower of their carrying value and their recoverable amount is included in the depreciation, amortisation and impairment expense in the Statement of Comprehensive Income.

The recoverable amount of each fund and management contract has been measured using the present value of future cash flows expected to be derived for each asset. The discount rate used to discount the cash flow projections (post tax) is 15% based on the Group's cost of equity (post tax).

Goodwill has been derived from the following business combinations:

	<b>31 March 2013 \$'000</b>	<b>30 September 2012 \$'000</b>
Purchase of the investment business management business from Westpac Banking Corporation on 19 October 2007	233,300	233,300
Acquisition of JOHCM on 1 October 2011	196,042	208,982
<b>Total goodwill</b>	<b>429,342</b>	<b>442,282</b>

Fund and Investment management contracts were acquired via the business combination with JOHCM and are made up as follows:

	<b>31 March 2013 \$'000</b>	<b>30 September 2012 \$'000</b>
<i>Fund management contracts</i>		
OEIC fund management contracts	77,656	86,006
<i>Investment management contracts</i>		
Segregated mandates	13,625	15,586
Property management	1,859	2,098
<b>Total fund and investment management contracts</b>	<b>93,140</b>	<b>103,690</b>

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to operating segments (refer Note 2). Goodwill attributable to BTIM Australia and BTIM UK is \$233,300,000 (2012: \$233,300,000) and \$196,042,415 (2012: \$208,981,760) respectively.



**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**8. INTANGIBLE ASSETS (Continued)**

The recoverable amount of each CGU is determined using a 'fair value less cost to sell' methodology that utilises cash flow projections (post tax) based on management's best estimates over a 5 year period and then applying a terminal value in perpetuity of 3%. The discount rate used to discount the cash flow projections is 15% based on the Group's cost of equity (post tax).

Management is of the view that reasonably possible changes in the key assumptions, such as an increase to the discount rate of 2% or a reduction in cash flow of 10%, would not cause the recoverable amount for each CGU to fall short of the carrying amounts as at 31 March 2013.

There has been no impairment of goodwill during the half year ended 31 March 2013. The amount of goodwill relating to the JOHCM acquisition has been translated from the British pound to Australian dollar using the spot rate at 31 March 2013.

**9. BORROWINGS**

	<b>31 March 2013 \$'000</b>	<b>30 September 2012 \$'000</b>
Current	51,047	46,547
Non-current	13,122	21,928
<b>Total borrowings</b>	<b>64,169</b>	<b>68,475</b>

Details of borrowings, including accrued interest, are as follows:

	<b>Less than 1 year \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Carrying amount liabilities \$'000</b>
<b>As at 31 March 2013</b>					
Bank loans					
Term debt facility	13,131	13,122	-	-	26,253
Revolving loan facility	25,108	-	-	-	25,108
Loan notes	12,808	-	-	-	12,808
<b>Total Borrowings</b>	<b>51,047</b>	<b>13,122</b>	<b>-</b>	<b>-</b>	<b>64,169</b>
<b>As at 30 September 2012</b>					
Bank loans					
Term debt facility	13,988	13,988	-	-	27,976
Revolving loan facility	23,674	-	-	-	23,674
Loan notes	8,885	7,940	-	-	16,825
<b>Total Borrowings</b>	<b>46,547</b>	<b>21,928</b>	<b>-</b>	<b>-</b>	<b>68,475</b>

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**9. BORROWINGS (CONTINUED)**

*Bank loans*

All borrowing facilities are denominated in GBP and were used to fund the acquisition of JOHCM. The aggregate facilities of the BTIM Group's borrowings is £43 million (\$63 million) of which £35 million (\$51 million) is drawn and £8 million (\$12 million) remains undrawn at 31 March 2013. BTIM is the guarantor on all borrowing facilities. Interest has been fixed for a 12 month period and is payable semi-annually.

The drawn revolving loan facility of £17 million (\$25 million) which is due to expire on 29 September 2013 has been classified as a current liability. The BTIM Group expects to roll the facility beyond the expiry term.

*Loan notes*

Loan notes are denominated in GBP and were issued to JOHCM employees in October 2011. The loan notes are redeemable over a two year period and mature over a period of two to four years. Interest accrues at a fixed rate per annum payable annually.

**10. CONVERTING NOTES**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Carrying amount liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>31 March 2013</b>					
Converting notes	2,511	13,740	13,741	-	29,992
<b>30 September 2012</b>					
Converting notes	2,262	1,916	20,907	-	25,085

The converting notes were issued to JOHCM employees in October 2011. Subject to certain adjustments, each converting note will convert into one BTIM ordinary share over a period of up to five years provided certain conditions are met. The value of the converting notes represents the fair value of the conversion right that the note holder will receive irrespective of whether they continue in employment. The fair value of the converting notes at balance date has been determined with reference to the BTIM share price at 31 March 2013, which has resulted in a loss of \$7.2 million recognised in the Statement of Comprehensive Income.

The dividend-linked coupon payment dates and distribution rates on converting notes will be the same as those dividends declared on ordinary shares.

On 2 November 2012 1,082,302 converting notes converted into 1,082,302 BTIM ordinary shares (refer Note 11).

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**11. CONTRIBUTED EQUITY**

	<b>31 March 2013 \$'000</b>	<b>30 September 2012 \$'000</b>
Ordinary shares	514,198	499,613
Treasury shares	(44,155)	(37,123)
<b>Total contributed equity</b>	<b>470,043</b>	<b>462,490</b>

	<b>31 March 2013 Shares ( '000)</b>	<b>31 March 2013 \$ ( '000)</b>	<b>30 September 2012 Shares ( '000)</b>	<b>30 September 2012 \$ ( '000)</b>
<b>Movements in ordinary shares during the period</b>				
Balance at the beginning of the period	267,907	499,613	267,907	499,613
Converting notes converted into shares	1,082	2,305	-	-
Dividend reinvestment plan	5,225	12,280	-	-
Balance at the end of the period	<b>274,214</b>	<b>514,198</b>	<b>267,907</b>	<b>499,613</b>
<b>Movements in treasury shares during the period</b>				
Balance at the beginning of the period	(24,541)	(37,123)	(24,543)	(36,931)
Treasury shares acquired	(5,498)	(12,982)	(2,036)	(4,146)
Treasury shares released	3,019	5,950	2,038	3,954
Balance at the end of the period	<b>(27,020)</b>	<b>(44,155)</b>	<b>(24,541)</b>	<b>(37,123)</b>
<b>Total contributed equity</b>	<b>247,194</b>	<b>470,043</b>	<b>243,366</b>	<b>462,490</b>

**(a) Ordinary shares**

Ordinary shares entitle the holder to participate in dividends as declared and in the event of a winding up of the Company, to participate in the proceeds in proportion to the number of and amounts paid on the shares held. Ordinary shares entitle the holder to one vote per share, either in person or by proxy, at a meeting of BTIM shareholders.

**(b) Treasury shares**

Treasury shares are those shares issued through the Initial Public Offering, and purchased as necessary, in order to meet the obligations of the Company under its employee share plans. These are recorded at cost and when restrictions on employee shares are lifted, the cost of such shares is treated as a reduction in treasury shares. The corresponding offset is reflected in the share-based payment reserve.

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**11. CONTRIBUTED EQUITY (continued)**

Details of the balance of treasury shares at the end of the half year were as follows:

	31 March 2013 Shares ( <b>'000</b> )	31 March 2013 \$ ( <b>'000</b> )	30 September 2012 Shares ( <b>'000</b> )	30 September 2012 \$ ( <b>'000</b> )
Unallocated shares held by trustee	6,354	15,418	4,438	5,184
Shares allocated to employees	20,666	28,737	20,103	31,939
Balance at the end of the period	<b>27,020</b>	<b>44,155</b>	<b>24,541</b>	<b>37,123</b>

**(c) Capital management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and maintain an optimal capital structure..

The Board monitors NPAT, cash, tax and other financial factors in order to maintain or adjust the capital structure. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group has two employee benefit trusts, the trustees of which purchase BTIM shares, intended to be used to satisfy the Group's obligations under the employee share plans.

BT Investment Management (RE) Limited (BTIM RE) is required to maintain minimum capital requirements as part of the Australian Securities and Investments Commission's Australian financial services licensing conditions. These conditions are as follows:

- prepare 12 month cash flow projections which must be approved at least quarterly by Directors, and reviewed annually by auditors;
- hold at all times a minimum NTA, the greater of:
  - \$150,000;
  - 0.5% of the average value of scheme property (capped at \$5 million); or
  - 10% of the average responsible entity (RE) revenue (uncapped).

BTIM RE must hold at least 50% of its minimum NTA requirement as cash or cash equivalents and hold at least \$50,000 in SLF.

BTIM RE has complied with all requirements during the half year ended 31 March 2013.

J O Hambro Capital Management Limited is also required to maintain minimum capital requirements as part of its licencing requirements with the Financial Services Authority in the UK, whose responsibilities have been taken over by the Financial Conduct Authority effective 1 April 2013.

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

<b>12. RESERVES</b>	<b>31 March 2013 \$'000</b>	<b>30 September 2012 \$'000</b>
<b>Common control reserve</b>		
Balance at the beginning of the financial period	(25,472)	(25,472)
<b>Balance at the end of the financial period</b>	<b>(25,472)</b>	<b>(25,472)</b>
<b>Share-based payment reserve</b>		
Balance at the beginning of the financial period	46,519	39,684
Share-based payments expense	9,526	10,789
Dividend and dividend-linked coupon paid	(10,191)	-
Treasury shares released	(5,950)	(3,954)
<b>Balance at the end of the financial period</b>	<b>39,904</b>	<b>46,519</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the financial period	2,684	(621)
Currency translation difference arising during the year	(17,668)	3,305
<b>Balance at the end of the financial period</b>	<b>(14,984)</b>	<b>2,684</b>
<b>Available-for-sale-financial assets reserve</b>		
Balance at the beginning of the financial period	2,337	2,230
Revaluation	3,066	387
Exchange differences	(70)	-
Deferred tax	(696)	(280)
<b>Balance at the end of the financial period</b>	<b>4,637</b>	<b>2,337</b>
<b>Total reserves</b>	<b>4,085</b>	<b>26,068</b>

*Common control reserve*

The common control reserve relates to the BTIM purchase of the investment management business from a number of wholly owned subsidiaries of Westpac Banking Corporation on 19 October 2007. Any difference between the cost of acquisition (fair value of consideration paid), and the amounts at which the assets and liabilities are recorded, has been recognised directly in equity as part of a business combination under the common control reserve.

*Share-based payment reserve*

The share-based payment reserve comprises the amortised portion of the fair value of performance share rights, shares and options granted to employees for no consideration, recognised as an expense. The share-based payment reserve is a separate component of equity. The balance of the share-based payment reserve is reduced by the payment of certain dividends not paid from retained earnings, where the requirements of the Corporations Act are met.

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**12. RESERVES (continued)**

*Foreign currency translation reserve*

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in the Foreign Currency Translation reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

*Available-for-sale financial assets reserve*

The available-for-sale financial assets reserve represents changes in the fair value and exchange differences arising on translation of investments, classified as available-for-sale financial assets. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

**13. CONTINGENT ASSETS AND LIABILITIES**

**Performance fees**

The Group manages the investments of certain funds and clients for which it may be entitled to receive fees contingent upon performance of the portfolio managed, on an annual basis or longer. Performance fees which are contingent upon performance to be determined at future dates have not been recognised as income or as a receivable at 31 March 2013 as they are not able to be estimated or measured reliably and may change significantly. All fees are exposed to significant risk associated with the funds' performance, including market risks (such as price risk, interest rate risk and foreign exchange risk) and liquidity risk.

**UK tax liability**

The Group continues discussions with the UK tax authorities regarding the treatment of certain prior period tax deductions of the JOHCM Group. The amount which is currently being disputed approximates £6.5 million (\$9.5 million), plus any interest and/ or penalties. Under the terms of the Share Purchase Agreement (SPA) BTIM is indemnified by the sellers.

**Guarantee on bank loans**

BTIM has entered into a guarantee with HSBC bank PLC in relation to the debts of its subsidiary BTIM UK Limited.

To the extent that the Group, in the normal course of business, has incurred various contingent obligations at 31 March 2013, none of those contingent obligations are anticipated to result in any material loss.

**Deed of Guarantee on long term warranties**

As part of the demerger of the JOHCM Group prior to acquisition, Harwood Capital Management Limited (Harwood) on 29 September 2011 indemnified JOHCM against all losses arising under a Deed of Guarantee entered into on 29 September 2006. The maximum liability of Harwood in respect of this indemnity is \$874,763 (£600,000) which has an expiry date of 29 September 2013. BTIM is also indemnified by the sellers of JOHCM under the Share Purchase Agreement (SPA).

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**14. SUBSEQUENT EVENTS**

BTIM has restructured its funds management business by separating its responsible entity activities and institutional business activities into two discrete legal entities. From 3 April 2013, BT Investment Management (Fund Services) Limited has replaced BT Investment Management (RE) Limited (BTIM RE) as the new responsible entity of the BTIM registered and unregistered trusts. BTIM RE which was renamed as BT Investment Management (Institutional) Limited has retired as the responsible entity, but will continue to provide investment management services to institutional clients as well as to all of BTIM's registered and unregistered trusts.

The restructure is in response to new financial resource requirements for responsible entities that came into effect 1 November 2012. The change in responsible entity will have no practical change in the day to day operations of the BTIM Group's registered and unregistered trusts and will have no effect on the results or the state of affairs of the Group in subsequent financial periods.

BTIM has guaranteed the obligations of BTIM (Institutional) Limited to its institutional clients. The effect of the guarantee which is capped at \$5 million will provide recourse to a capital value exceeding the minimum capital required to be maintained by BTIM (Institutional) Limited.

Except for the item discussed above, no other matter or circumstance has arisen subsequent to the end of the interim period, which has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

**15. EARNINGS PER SHARE (EPS)**

	<b>31 March 2013 Cents per share</b>	<b>31 March 2012 Cents per share</b>
<b>(a) Basic earnings per share</b>		
Profit attributable to the ordinary equity holders of BTIM	9.4	4.6
<b>(b) Diluted earnings per share</b>		
Profit attributable to the ordinary equity holders of BTIM	9.0	4.5
<b>(c) Reconciliation of earnings used in calculating earnings per share</b>	<b>31 March 2013 \$'000</b>	<b>31 March 2012 \$'000</b>
<i>Basic earnings per share</i>		
Profit attributable to owners of BTIM used in calculating basic earnings per share	22,847	11,187
<i>Diluted earnings per share</i>		
Profit attributable to owners of BTIM used in calculating diluted earnings per share	22,847	11,187

**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 MARCH 2013 (CONTINUED)**

**15. EARNINGS PER SHARE (EPS) (continued)**

<b>(d) Weighted average number of shares used as the denominator</b>	<b>31 March 2013 Number of shares '000</b>	<b>31 March 2012 Number of shares '000</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	244,147	243,436
<i>Adjustment for calculation of diluted earnings per share</i>		
Effect of own shares held	-	2,142
Converting notes <sup>1</sup>	9,214	2,422
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>253,361</u>	<u>248,000</u>

<sup>1</sup> Converting notes issued on 26 October 2011, totalling 16,646,414 at 31 March 2013, are considered potential ordinary shares and have been included in the determination of diluted earnings per share from their issue date.

Options totalling 5,844,665 and performance share rights totalling 1,854,168 issued to staff of the BTIM Group have not been included in the calculations of diluted EPS for the half years ended 31 March 2012 and 31 March 2013. This is because ordinary shares will be acquired on-market over time to settle the exercise of the options and the performance share rights.



**BT INVESTMENT MANAGEMENT LIMITED  
AND ITS CONTROLLED ENTITIES**

**DIRECTORS' DECLARATION  
FOR THE HALF YEAR ENDED 31 MARCH 2013**

In the Directors' opinion:

(a) the financial statements and notes set out on pages 8 to 24 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Group's financial position as at 31 March 2013 and of its performance, for the half year ended on that date; and

(b) there are reasonable grounds to believe that BT Investment Management Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

For and on behalf of the Board.



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**Brian Scullin**  
Director



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**Emilio Gonzalez**  
Director

Sydney, 1 May 2013



## **Independent auditor's review report to the members of BT Investment Management Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of BT Investment Management Limited, which comprises the balance sheet as at 31 March 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the BT Investment Management Limited group (the consolidated entity). The consolidated entity comprises both the company and the entities it controlled during that half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of BT Investment Management Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BT Investment Management Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

  
PricewaterhouseCoopers

  
Voula Papageorgiou  
Partner

Sydney  
1 May 2013