

ASX Media Release

24 August 2010

MYSTATE LIMITED (ASX Code MYS)

RESULTS FOR THE FULL YEAR ENDED 30 JUNE 2010

- **Strong debut performance of \$17.341 million Profit after Tax**
- **Forecast merger synergy benefits partially realised in YEJ10**
- **Further merger synergies remain on track for YEJ11 and YEJ12**
- **Final fully franked dividend of 12.5 cents per share**
- **Full year dividends of 22.5 cents per share**

Hobart, 24 August 2010: Integrated Tasmanian financial services business, MyState Limited (ASX:MYS) today released its audited financial result for the period ended 30 June 2010. Net Profit after Tax (NPAT) for the period was \$17.341 million, slightly ahead of expectations and just ahead of profit guidelines provided in February 2010 to the market. Total interest income was \$121 million, providing a net interest margin of \$60.016 million. Total other income for the year was \$34.583 million and after tax earnings per share was 27.46 cents.

This is the first full year financial report since the merger of MyState Financial (MSF) and Tasmanian Perpetual Trustees (TPT) in September 2009. Consequently these results include 12 months of MSF and 10 months of TPT trading.

“The results we have announced today confirm the strength of our overall business. Strong sales performance across MSF product lines combined with a better than expected Net Interest Margin in the second half year, have largely contributed to these positive results.

When you also take into account the significant one-off costs of the merger, including redundancy payments, which particularly impacted the contribution from Tasmanian Perpetual Trustees, the underlying result demonstrates that the MyState Limited Group is well poised to deliver uplift over coming years,” MyState Limited’s Managing Director, Mr John Gilbert said today.

“Since the merger in September 2009, the business has undergone rapid internal transformation involving changes to management structures, policies, procedures, systems, staffing, sales and service delivery. These changes have been aimed at ensuring that the benefits of the merger flow as efficiently as possible to all stakeholders and in accordance with the statements made by the Board at the time of the merger. During 2010/11 we are committed to investing in a number of strategically important areas of the business which could not receive sufficient focus in the lead up to the merger,” Mr Gilbert said.

“Management has also focused on the need to protect and preserve the enviable brand reputations of MSF and TPT and develop initiatives aimed at unifying and engaging the workforce in a collaborative effort. Our internal mantra of “One Team – Two Brands” has become a powerful expression of this early merger implementation focus.

“When the merger between MSF and TPT was first proposed, the clear aim was to make the two organisations “stronger together” and to create a fully integrated Tasmanian financial services Group. We are achieving our aims, now having a stronger balance sheet and an excellent platform upon which to expand and grow,” Mr Gilbert said.

FINANCIAL PERFORMANCE

As MyState Limited was only listed on the Australian Securities Exchange on 10 September 2009, it is not possible to provide meaningful comparable financial information. Shareholders and analysts should note that the full year profit result for MYS includes only 10 months of contribution from Tasmanian Perpetual Trustees. A high level summary follows:

Extracted from the Financial Statements for the year ended 30 June 2010	\$
Revenue from ordinary activities	94,599,451
Profit from ordinary activities after tax attributable to members	17,341,323
Net profit after tax attributable to members	17,341,323
Earnings per share	27.46 cents

The result was positively impacted by profit on the sale of shares in Bendigo and Adelaide Bank of \$678,000 in the post merger period. These shares were received as consideration for the sale of Tasmanian Perpetual Trustees’ interest in Tasmanian Banking Services immediately prior to the merger. The result was also negatively impacted by one-off expenses of \$5.015 million relating directly to the merger.

DIVIDEND

Directors have today announced a fully franked final dividend of 12.5 cents per share. This is consistent with the Board's policy of generally paying between 70 and 90 percent of profits after tax as dividends to shareholders.

Record date for entitlement to the dividend will be 3 September 2010 and the dividend will be payable on 30 September 2010. This follows the recent interim 2010 dividend of 10 cents per share that was paid to shareholders on 31 March this year, bringing the full year dividend to 22.5 cents per share.

SUBSEQUENT EVENTS

Funding and Capital

MyState Limited reports risk weighted capital adequacy ratios as at 30 June 2010 as follows:

Tier 1	14.50%
Tier 2	00.00%

MyState Limited successfully launched and priced a MyState Financial Limited Residential Mortgage Backed Securities (RMBS) issue on 23 July 2010 under the Conquest securitisation programme.

The transaction size was \$250.25 million and was comprised of five tranches, with the Class A notes attracting AAA ratings from Fitch Ratings and Standard & Poors and the Class B notes attracting a AA- rating from Standard and Poors.

The issue was backed by Australian prime residential mortgages originated by MyState Financial Limited. Westpac Institutional Bank was the Sole Arranger and Lead Manager for the transaction. The transaction had the support of a number of investors including the Australian Office of Financial Management. The transaction

has had a significant positive effect on MyState Financial liquidity and capital adequacy ratios.

“The recent RMBS transaction has provided significant capital and liquidity headroom, positioning MyState Financial well for future organic growth. We have a well-funded and low risk balance sheet and this coupled with sound credit quality and stable arrears, underpins our future success,” Mr Gilbert said.

“MyState Financial’s net interest margin remains stable and is expected to be maintained over the coming reporting period,” he added.

OUTLOOK

The Directors consider that the forecast synergy benefits, detailed at the time the merger was announced, will be achieved earlier than originally envisaged.

“The fundamentals of both businesses remain sound, with MSF experiencing strong levels of business activity and profit and the TPT trustee services and wealth side of the Group’s activities showing returns with prospects for growth as Funds under Management stabilise and equity linked asset values begin to rise. Both MSF and TPT will benefit from lower staffing and property cost structures during YEJ11 and beyond,” Mr Gilbert said

“The strength of our brands and the reputation that our businesses have in Tasmania, gives us considerable potential for further growth, both in the State and in time, in broader markets. In particular, it is through continued development and investment in our established brands and products that we will position the business to benefit from the recovery in global financial conditions.

“We maintain a restrained but optimistic growth outlook in our expectations for trading conditions for the year,” Mr Gilbert said.

MyState Limited’s Annual General Meeting is to be held at 10.30 am on Friday 29 October 2010 at the Hotel Grand Chancellor in Hobart.

ENDS

Media information

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About MyState Limited

MyState Limited is a non-operating holding company and is a major Tasmanian based listed diversified financial group formed in September 2009 to effect the merger of MyState Financial (MSF), an authorised deposit-taking institution, and Tasmanian Perpetual Trustees (TPT), a trustee and wealth management company. Both MyState Limited and MSF are regulated by APRA and MyState Limited was enabled under Tasmanian legislation to own an authorised trustee company, i.e. TPT. TPT continues to be regulated by APRA as a registered superannuation entity (RSE). Both MSF and TPT hold Australian Financial Services Licences issued by ASIC.