

31 October 2016

Dear Shareholder,

TRUSTEES AUSTRALIA LIMITED 2016 EXTRAORDINARY GENERAL MEETING

The Directors of Trustees Australia wish to advise that an Extraordinary General Meeting (EGM) will be convened in December 2016 to seek shareholder approval to implement a significant restructure of the Company to facilitate its growth and improved performance in the future.

It was intended that these changes would be presented to the AGM scheduled for 30 November 2016, however regulatory processes have slightly delayed the process.

The Directors expect to dispatch a notice of EGM and a prospectus to shareholders on 7 November 2016 for a meeting to be convened on 8 December 2016.

The restructure to be proposed at the EGM comprises:

- Demerger from Trustees Australia of Queensland Resorts Pty Ltd (QRPL), which is the subsidiary entity in Trustees Australia which owns the Magnums Backpacker Business and associated assets;
- Listing QRPL as a separate listed entity under a new name to pursue acquisition and expansion in the Tourism activities Stream;
- Trustees Australia remaining ASX listed as a Financial Services entity comprising Trustee, Custodial and Responsible Entity Services, Fixed Interest Broking and Funds Management activities;
- Trustees Australia making a strategic acquisition in the financial services sector, consistent with its existing specialist capabilities;

Subject to the approval of the shareholders at the EGM, the proposed Demerger will take the form of a pro-rata, one for one, in-specie distribution and capital reduction of the whole of the issued capital in QRPL. Each Trustees Australia shareholder will receive one QRPL Share for each Trustees Australia share held on the Record Date for the transaction.

This restructure is being recommended to shareholders so that the Financial Services activities and the Tourism activities may each be developed and expanded in their own right as separate entities with separate strategies and management. Each entity intends to raise additional capital to grow based on identified acquisitions. These initiatives are expected to improve the liquidity in the trading of the two entities' securities and dilute the concentration of holdings by director related entities.

In each entity, opportunities to expand the business activities and raise additional capital have been identified and negotiations are advanced in respect of acquisitions for both the Financial Services Stream and the Tourism Stream

Guidance received from ASX regarding a well advanced potential acquisition of a significant financial services business to complement the existing Trustees Australia activities, is that the proposed transaction, if it proceeds as disclosed to ASX, will not result in a need for Trustees Australia to re-comply with ASX Listing Rules as a "back door listing".

The Directors are confident that the restructure proposed will benefit all shareholders and allow the company, restructured as proposed, to grow and provide increased value for all stakeholders.

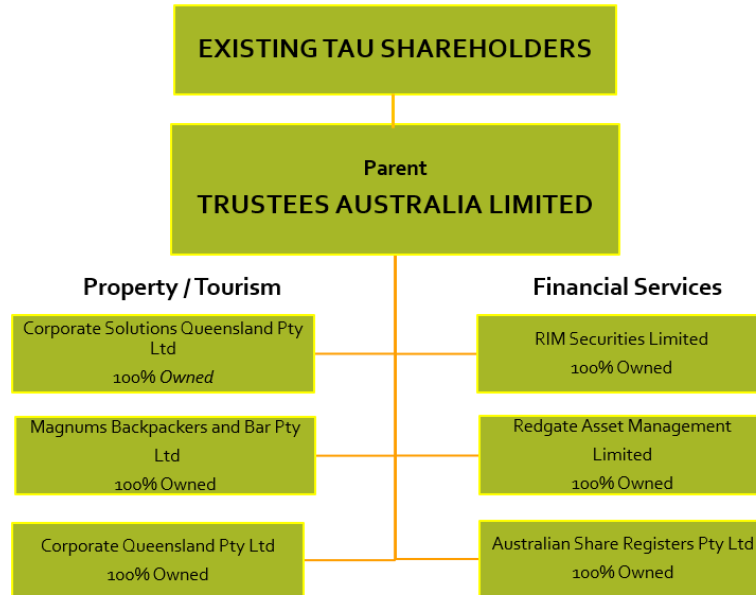
Yours faithfully,

TRUSTEES AUSTRALIA LIMITED

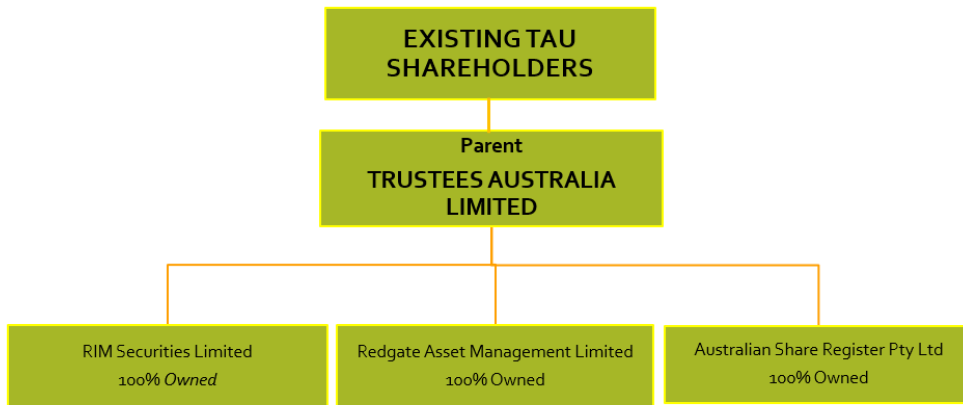


MICHAEL HACKETT
Chairman

CURRENT STRUCTURE - TAU



DEMERGED STRUCTURE - TAU



DEMERGED STRUCTURE - QRPL

