

FIDUCIAN PORTFOLIO SERVICES LIMITED  
 HALF YEAR RESULTS  
 1 July - 31 December 2010

25 February 2011

The Directors are pleased to report on the consolidated operating performance of Fiducian Portfolio Services Limited and its subsidiary companies, Fiducian Business Services Pty Ltd and Fiducian Financial Services Pty Ltd (including the merged operations of Harold Bodinnar & Associates Pty Ltd and Money and Advice Pty Ltd) for the half year to 31 December 2010.

REVIEW OF OPERATIONS

The net result of the consolidated entity for the half year, after providing for income tax, was \$2,241,000 (31 December 2009: \$1,850,000). Consolidated operating revenues were 8% higher and operating profit before income tax was 21% higher than the previous comparative period. Operating profit after tax for the six month period ending 30 June 2010 was \$2,255,000.

HALF YEAR ENDING 31 DECEMBER		
	2010	2009
	\$000	\$000
Operating Revenue	11,995	11,140
Commissions paid	2,777	2,586
Trading revenue	9,218	8,554
Gross margin	77%	77%

Costs have been contained, with operating expenses (excluding depreciation and amortisation) just 3% higher than the comparative period. After the freeze on salaries and costs in 2009-10, staff were rewarded from July 2010 for their hard work, loyalty and patience. The salary increases that had been deferred contributed to most of the change in operating costs over the comparative 6 months period.

FUNDS UNDER ADMINISTRATION

The parent entity is the Operator of the Fiducian Investment Service and the Trustee of Fiducian Superannuation Service. At 31 December 2010, assets under administration in the Fiducian platforms were \$1,049 million (30 June 2010: \$1,008 million). An institutional mandate managed by the investment team was reclassified for accounting purposes and is now reported in Funds under Management.

During the period, substantial work has been completed to develop our own Self Managed Super Fund administration offer. This service will compliment the existing superannuation and investment services and will be marketed to financial planners both within the Fiducian tied network and the wider IFA market.

Exposure to frozen funds has been minimal. APRA has maintained portability relief for mortgage backed investments in the Fiducian Superannuation Service, including our in-house fund, the Fiducian Structured Income Fund. Income distributions continue to be paid and capital payments are being made as redemption windows are offered by the underlying managers.

FUNDS UNDER MANAGEMENT

The parent entity is the Responsible Entity of the Fiducian Funds, which apply our in-house Manage-The-Manager system of investment. They continue to attract the majority of retail funds placed with us, and total over \$1.4 billion. Fiducian's diversified and sector funds have continued to perform consistently well relative to index benchmarks and competitors. The Fiducian India Fund is now available on a number of wrap platforms in the market place and is being distributed to the IFA market.

DISTRIBUTION & FINANCIAL PLANNING

The search for quality financial planners continues and a further 6 have been added in the period. Meanwhile we pursue our regular training and professional practice development strategies to lift the knowledge and expertise of

our financial planners. In general the relationship between our planners and clients is very strong.

Intermittent share market volatility has continued to dampen investor confidence and even though we have expressions of interest to invest, clients remain on the sidelines deferring investment decisions until volatility is perceived to have declined. Investment experts are forecasting stronger share markets in 2011 which should increase investor confidence again.

Accountancy Resourcing (through Fiducian Business Services) is starting to build steady volumes and has resulted in a number of successful franchisee and financial planning referral opportunities.

COMMUNITY SUPPORT

Fiducian continues to raise funds for charity. Sponsorship has also been extended to community organisations and sporting teams linked to our planning network.

CAPITAL MANAGEMENT

We are constantly looking to purchase quality financial planning practices, which are hard to find at reasonable prices. However, we are currently in negotiations with financial planners willing to sell their businesses. One deal has been finalised at the date of this report and another is nearing finalisation. In addition, an on-market share buy-back of 119,752 shares at an average price of \$1.34 was conducted during the period.

DIVIDEND (FULLY FRANKED)

The directors have resolved to pay an interim fully franked dividend in respect of the December 2010 half year of 5.00 cents per share, having paid a final dividend of 4.75 cents per share (fully franked) for the half year to 30 June 2010. The dividend payout ratio is expected to be maintained subject to capital requirements for acquisitions, share buy-backs and other growth initiatives.

RESULTS SUMMARY	HALF YEAR ENDED	
	31/12/10 \$000	31/12/09 \$000
Revenue from operations	11,995	11,140
Revenue from other activities	302	191
Operating profit before tax	3,223	2,661
Income tax expense	982	811
Operating profit after tax	2,241	1,850
Dividends paid - Ordinary	1,532	973
Weighted average earnings per share		
Basic	6.96 cents	5.71 cents
Diluted	6.78 cents	5.54 cents

This half yearly report should be read in conjunction with the most recent annual report.

DIVIDEND HISTORY	\$000
Paid 15/9/10 4.75 cents fully franked	1,532
Paid 15/3/10 3.75 cents fully franked	1,213
Paid 17/9/09 3.00 cents fully franked	973
Paid 16/3/09 3.75 cents fully franked	1,216
Paid 17/9/08 6.50 cents fully franked	2,114
Paid 17/3/08 6.50 cents fully franked	2,133
Paid 12/9/07 6.00 cents fully franked	1,994
Paid 2/03/07 4.50 cents fully franked	1,512
Paid 29/9/06 4.20 cents fully franked	1,411
Paid 22/2/06 2.80 cents fully franked	941
Paid 26/9/05 2.50 cents unfranked	841
Paid 21/3/05 1.75 cents unfranked	589

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

R Bucknell Chairman  
I Singh Managing Director  
F Khouri  
C Stone

### SECRETARY

I Singh

### ISSUED CAPITAL

On 7 September 2009 the parent entity announced to the Australian Securities Exchange its intention to buy back a further 500,000 shares on-market, which remains open. During the half year 119,752 shares were purchased at an average price of \$1.34. As at 31 December 2010 the parent entity had 32,208,247 Ordinary Shares on issue, prior to cancelling shares bought back. From the end of the period up to 21 February 2011 a further 43,400 shares have been purchased at an average price of \$1.50 per share.

At 31 December 2010 a total of 803,434 options were on issue to staff, advisers and the Managing Director at exercise prices between \$1.29 and \$3.45, and the latest exercise date is 29 October 2013. During the half year 81,403 options were exercised and no options lapsed. Since the end of the half year to 25 February 2011, no options were exercised.

### REGISTERED OFFICE

Level 4, 1 York Street  
Sydney NSW 2000  
Tel: (02) 8298 4600  
Fax: (02) 8298 4611



## Half Year Results

1 July – 31 December 2010

Fiducian Portfolio Services Limited  
ABN 13 073 845 931

