

4 February 2008

# Fiducian Preliminary Announcement Half-Year Results (unaudited)

## **BUSINESS PERFORMANCE – Steady growth and increased dividend**

Fiducian Portfolio Services Limited (ASX: FPS), a leading Australian non bank aligned wealth management organisation, is pleased to report a 21% increase in operating revenue and a consequential 40% increase in net profit after tax to \$3.107 million on the corresponding first half in the previous year.

As a result, the Directors have also declared a fully franked interim dividend of 6.5 cents per share, which is 44% greater than the corresponding period in 2006 of 4.5 cents per share. This comes after a fully franked final dividend of 6.0 cents per share in respect of the second half-year to 30 June 2007.

Managing Director, Indy Singh said "The Fiducian business model is unique in that it captures the full value chain of financial planning, portfolio administration, funds management and IT systems enabling it to grow steadily and profitably. Each business pillar contributes individually and jointly to our success – and thereby provides superior service to our investor clients".

## **FINANCIAL PLANNING – continued growth**

Fiducian continues to invest in the high quality of its adviser network. Management capability is strong and further growth has occurred in historically weaker states of Victoria and Queensland. A renewed focus on marketing, practice management and particularly training has resulted in Fiducian advisers successfully building relationships with an increasing number of higher net worth individuals and expanding their client base.

## **PLATFORM ADMINISTRATION – steady inflows**

At 31 December 2007, assets under management in the Fiducian Investment Service and in the Fiducian Superannuation Service were \$499.4 million and \$902.5 million respectively (30 June 2007: \$387.7 million and \$892.6 million respectively). This increase is due to a combination of consistent inflows generated by our adviser network, investor confidence and some new user groups.

Fiducian's administration system required adjustment to the new superannuation regulations at 1 July 2007 and as a result continues to deliver on its promise of accuracy and timeliness of service in all matters that fell within its ambit of control.

## **INVESTMENT MANAGEMENT – consistent performance**

Our distinct Fiducian Funds, built around our in-house manage-the-manager investment system, continue to attract a majority of retail funds placed with us. Together these funds held in excess of \$1.6 billion at the end of December 2007. Consistent with our long-term investment objectives, these funds have continued to perform consistently in achieving above average rankings in their respective categories over the longer-term. Our Fiducian Growth Fund, for example, has a top quartile ranking (against all other diversified pooled funds on the Mercer survey) for the 2-year, 3-year, 4-year, 5-year, 6-year, 7-year and 8-year periods ended December 2007. We continue to seek new and beneficial products for our investors and we recently launched our Fiducian India Fund, which has already attracted remarkable inflows, as well as interest from wholesale investors and external platforms alike.

## **INFORMATION TECHNOLOGY – next generation**

Fiducian Information Technology continues to provide our adviser network with state-of-the-art financial planning software and administration tools and has given Fiducian the ability to control, develop and retain our edge in reporting to clients and financial planners. The new module of our financial planning software, which also provides superior client and practice management is complete. This next generation software should give our advisers further advantages in the market place and also help attract other quality advisers. It could also allow for the possible export of the Fiducian systems and procedures overseas.

## **FUTURE OUTLOOK – steady**

Management expects a steady improvement in profits in coming years from organic growth and is currently developing new sources of business. Furthermore, in current market conditions management continues to control expenditure and aims to raise revenues from external sources by employing its expertise in platform, administration, funds management, financial planning and IT.

Mr Singh said, "The business plan for the next half year is focused on expanding the revenue base, which is fully supported by the commitment of the management team".

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