



FIDUCIAN

INTEGRITY • TRUST • EXPERTISE

Half Year Results

1 July – 31 December 2008

Fiducian Portfolio Services Limited

ABN 13 073 845 931



FIDUCIAN PORTFOLIO SERVICES LIMITED
HALF YEAR RESULTS
1 July - 31 December 2008

25 February 2009

The Directors are pleased to report on the consolidated operating performance of Fiducian Portfolio Services Limited and its subsidiary companies, Fiducian Financial Services Pty Ltd, Fiducian Business Services Pty Ltd, Harold Bodinnar & Associates Pty Ltd and Money and Advice Pty Ltd, for the half year to 31 December 2008.

REVIEW OF OPERATIONS

The net result of the consolidated entity for the half year, after providing for income tax, was \$2,011,000 (31 December 2007: \$3,107,000) as operating revenues fell 21%. In contrast the Australian share market index fell 43% over the same period.

HALF YEAR ENDING 31 DECEMBER		
	2008	2007
	\$000	\$000
Operating Revenue	11,516	14,626
Commissions paid	2,702	3,727
Trading revenue	8,814	10,899
<i>Gross margin</i>	<i>76%</i>	<i>74%</i>

Consolidated operating revenues are 21% lower and consolidated profits, before income tax, 35% lower than the previous comparative period. This is a direct consequence of falls in investment markets which have impacted funds under administration, management and advice and consequent revenues.

Profitability has been supported by prudent management of overheads and staff (without the need for redundancies) and a debt-free balance sheet. An on-market share buy-back has absorbed excess cash and provided additional market liquidity.

A small portfolio of clients was purchased late in the period and we have not experienced large outflows of funds common to many in the industry. Investors have been reassured by Fiducian's long term approach to financial planning and selection of high quality, well diversified investments which have contributed to this stability.

FUNDS UNDER ADMINISTRATION

The parent entity is the Operator of the Fiducian Investment Service and the Trustee of Fiducian Superannuation Service. At 31 December 2008, assets under administration were \$964 million (30 June 2008: \$1,195 million). The decrease of 19% over the six months is mainly due to market falls associated with the current Global Financial Crisis.

APRA has granted the Fiducian Superannuation Service portability relief for mortgage backed investments where the external managers have temporarily suspended redemptions. Our in-house fund, the Fiducian Structured Income Fund has been carefully managed to maintain adequate cash reserves and currently continues to make income and pension payments despite its inability to redeem from underlying fund managers on demand. Our strategy of distributing through skilled and predominantly Fiducian financial advisers has resulted in minimal investor calls over this difficult period.

FUNDS UNDER MANAGEMENT

The parent entity is the Responsibility Entity of the Fiducian Funds, using our in-house Manage-The-Manager system of investment. They continue to attract the majority of retail funds placed with us, which, consistent with funds under administration have fallen to \$1.13 billion. Fiducian's diversified and sector funds have continued to perform consistently well relative to index benchmarks and competitors, although all funds have been affected by the severe market downturn of recent months. We have just launched the Fiducian Ultra Growth Fund to prepare for a future rebound in investment markets.

DISTRIBUTION & FINANCIAL PLANNING

Especially in turbulent market conditions we recognise the importance of developing our distribution network. During the half year our professional development days, annual conference, and our end-of-year client seminars enjoyed record attendances. These sessions ensure financial advisers and clients alike are well informed about investment markets and the latest regulations concerning financial planning and retirement, and this has been rewarded by strong investor loyalty.

With the Melbourne office now well established, our energies recently have been to up-skill our Tasmanian offices to build growth in that State.

Within the half year Fiducian Business Services commenced operations in offering resource services to small to medium sized independent accounting and tax professionals across Australia, some of whom are currently within our franchise network. In addition to creating a new source of revenue, it is raising considerable interest in Fiducian from many regional accounting practices that appreciate our support.

COMMUNITY SUPPORT

Fiducian continues to raise funds for the Inspire Foundation, Youngcare, Rotary and other charities. Sponsorship has also been extended to community organisations and sporting teams linked to our planning network.

DIVIDEND (FULLY FRANKED)

The directors have resolved to pay an interim fully franked dividend in respect of the December 2008 half year of 3.75 cents per share, having paid a final dividend of 6.5 cents per share (fully franked) for the half year to 30 June 2008. Dividend policy is expected to be maintained subject to capital management of acquisitions, further share buy-backs and growth developments.

RESULTS SUMMARY	HALF YEAR ENDED	
	31/12/08 \$000	31/12/07 \$000
Revenue from operations	11,516	14,626
Revenue from other activities	394	394
Operating profit before tax	2,890	4,454
Income tax expense	879	1,347
Operating profit after tax	2,011	3,107
Dividends paid - Ordinary	2,114	1,994
Weighted average earnings per share		
Basic	6.17 cents	9.40 cents
Diluted	6.01 cents	9.08 cents

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

DIVIDEND HISTORY	\$000
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
A Koroknay	
F Khouri	

SECRETARY

I Singh

ISSUED CAPITAL

On 31 March 2008 the parent entity announced to the Australian Securities Exchange its intention to buy back a further 500,000 shares on-market. During the half year 370,398 shares were purchased at an average price of \$2.16. As at 31 December 2008 the parent entity had 32,452,189 Ordinary Shares on issue. Up to 20 February 2009 a further 44,350 shares have been repurchased at prices between \$1.10 and \$1.39 per share.

At 31 December 2008 a total of 1,024,619 options were on issue to staff, advisers and the managing director at exercise prices between \$0.55 and \$3.45, and the latest exercise date is 30 September 2013. During the half year 60,302 options were exercised and 64,060 options lapsed. Since the end of the half year to 20 February 2009, no options were exercised.

REGISTERED OFFICE

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