



FIDUCIAN

INTEGRITY • TRUST • EXPERTISE

Half Year Results

1 July – 31 December 2009

Fiducian Portfolio Services Limited

ABN 13 073 845 931



FIDUCIAN PORTFOLIO SERVICES LIMITED
HALF YEAR RESULTS
1 July - 31 December 2009

16 February 2010

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 2009.

REVIEW OF OPERATIONS

The net result of the consolidated entity for the half year, after providing for income tax, was \$1,850,000 (31 December 2008: \$2,011,000).

HALF YEAR ENDING 31 DECEMBER		
	2009	2008
	\$000	\$000
Operating Revenue	11,170	11,516
Commissions paid	2,586	2,702
Trading revenue	8,554	8,814
<i>Gross margin</i>	<i>77%</i>	<i>76%</i>

Consolidated operating revenues are 3% lower and consolidated profits, before income tax, 8% lower than the previous comparative period. When compared with the previous six month period to June 2009, which showed a net profit after tax of \$1,273,000, the current six month period after tax profit of \$1,850,000 represents an increase of 45%.

Profitability has been supported by prudent management of overheads and staff (without the need for redundancies) and a debt-free balance sheet. Employee costs have been 4% lower without redundancies and operating expenses (excluding depreciation and amortisation) are 6% lower than the comparative period.

An on-market share buy-back of 104,500 shares at \$1.56 has absorbed excess cash.

We have not experienced large outflows of funds common to many in the industry as our Investors seem reassured by Fiducian's long term approach to financial planning and selection of high quality, well diversified investments which have also 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 2009, assets under administration were \$1,055 million (30 June 2009: \$964 million). The last six months have seen recoveries in financial markets and consequently, rising values in assets under our management, advice and administration. This should lead to greater wealth for our clients and higher revenues for Fiducian.

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. However, the lack of liquidity experienced by the assets held by our underlying managers has caused us to temporarily suspend redemptions from this fund as well.

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, which now total over \$1.3 billion. Fiducian's diversified and sector funds have continued to perform consistently well relative to index benchmarks and competitors. The six months from January 2009 started with a higher level of funds under management than the level on 1 July 2009, but gradually decreased due to the impact of the Global Financial Crisis. However, the period from July has seen

a gradual increase in asset prices, the benefits of which should be felt in the next six months to June 2010.

DISTRIBUTION & FINANCIAL PLANNING

The search for quality financial planners continues and a further 5 have been added in 2009. Our regular professional development days and training, along with practice development strategies to raise the expertise of our advisers are continuously applied. They build strong relationships between clients and advisers and result in strong investor loyalty.

Meanwhile, Accountancy Resourcing through Fiducian Business Services is building up transactions and much work has been done to develop and launch our own Self Managed Super Fund administration capability. 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 Leukaemia Foundation, 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 2009 half year of 3.75 cents per share, having paid a final dividend of 3.00 cents per share (fully franked) for the half year to 30 June 2009. 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	
	31/12/09	31/12/08
	\$000	\$000
Revenue from operations	11,140	11,516
Revenue from other activities	191	394
Operating profit before tax	2,661	2,890
Income tax expense	811	879
Operating profit after tax	1,850	2,011
Dividends paid - Ordinary	973	2,114
Weighted average earnings per share		
Basic	5.71 cents	6.17 cents
Diluted	5.54 cents	6.01 cents

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

DIVIDEND HISTORY	
	\$000
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
A Koroknay	
F Khouri	

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. During the half year 104,500 shares were purchased at an average price of \$1.56. As at 31 December 2009 the parent entity had 32,328,737 Ordinary Shares on issue. Up to 10 February 2010 a further 3,453 shares have been repurchased at prices between \$1.46 and \$1.48 per share.

At 31 December 2009 a total of 918,862 options were on issue to staff, advisers and the managing director at exercise prices between \$0.73 and \$2.70, and the latest exercise date is 29 October 2013. During the half year 41,200 options were exercised and 49,988 options lapsed. Since the end of the half year to 10 February 2010, no options were exercised.

REGISTERED OFFICE

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