

29 August 2012

Fiducian Focus on Expanding Revenue Base

Annual Result to 30 June 2012

- Net consolidated profit after tax of \$ 2.21 million
- Company remains debt free with positive working capital
- Fully franked final dividend of 2.50 cents per share payable on 21 September 2012, which makes a total of 5.00 cents per share for the financial year
- Three financial planning acquisitions
- Full year of accounting business in operation

BUSINESS PERFORMANCE

Fiducian Portfolio Services Limited (ASX: FPS), a leading Australian non-bank aligned financial services organisation, has reported a net consolidated profit after tax for the financial year, of \$2.21 million.

The Board remains cautious but is confident that in spite of strong headwinds having been experienced over nearly five years or so, the future of the business in its present form is sound and likely to strengthen in an improving economic and financial market environment. As a result, a fully franked final dividend of 2.50 cents per share has been declared and is payable on 21 September 2012 which will bring the total fully franked dividend of 5.00 cents per share.

A key feature of the company is that it remains debt free and exhibits a positive working capital position.

The financial year has seen heightened activity through managing financial planning acquisitions, restructuring and managing the accounting business, enhancing internal administration systems and transitioning to a new custodian.

The Fiducian business model is vertically integrated and captures the full value chain of financial planning, portfolio administration, funds management, tax accounting and IT systems enabling growth and profitability. Each business pillar contributes individually and jointly to a superior service offering to our clients.

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FINANCIAL PLANNING – acquisitions

The impact of the Global Financial Crisis has continued for around five years. We have therefore put in place marketing initiatives for Fiducian Financial Planners to explain the economic environment and encourage long-term investors to take advantage of current market weakness. Increased frequency of client contact and communication by all Fiducian Financial Planners has been encouraged and has resulted in impressive client retention levels.

Fiducian expects the highest level of compliance and client service from our Financial Planners. Even though the generation of higher inflows is important, our commitment is to quality.

We have been analysing developments since the enactment of the Future of Financial Advice (FOFA) legislation and the inherent risks in making acquisitions at such a time. We therefore acquired three small financial planning client groups where there was evidence of quality advice and are also concentrating on acquiring accounting practices through Fiducian Business Services.

Fiducian franchisees and salaried Financial Planners nationwide continue to contribute to overall results and numbers have increased.

PLATFORM ADMINISTRATION – quality service

Platform Administration offers portfolio wrap administration for superannuation and investment services to the Planner market place. The hallmark of the Fiducian administration offering is quality in terms of daily processing, accuracy and customer services. A further service and development is the growth of an independent Self Managed Super Fund administration facility for Financial Planners that in conjunction with Fiducian Business Services, aims to capture a share of this segment of the industry.

INVESTMENT MANAGEMENT – our diversified funds remain regularly in or close to top quartile positions

Fiducian is a multi asset, multi style investment manager. We design Funds that seek to deliver above average returns over the short to medium term which by consistent averaging, tend to deliver superior returns compared with their peers over the longer term.

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Blending of underlying portfolios within asset sectors and tilts towards different manager's styles, depending on the economic cycles, also has the potential to reduce volatility. The investment team and investment committee remain confident that the Fiducian philosophy of liquidity and transparency will benefit investors.

In investment performance surveys, our diversified funds remain regularly in or close to top quartile positions over longer time frames.

INFORMATION TECHNOLOGY – superior internal administration system

The Fiducian Information Technology team's main focus last year was to enhance our internal administrative systems to provide much greater control, efficiency and substantial cost savings and open up new business opportunities in the future. These improvements are now in place and dovetail to provide greater integration with our Online reporting and financial planning system FORCE. Administration efficiencies have already been observed.

BUSINESS SERVICES – achieving revenue targets and profitability

Fiducian Business Services Pty Ltd is our subsidiary that was established to provide support to accountants for bookkeeping, accounts preparation and self managed superannuation fund administration. It's proven process, in helping accountants to lift profitability through the use of our resourcing services, encouraged us to acquire an accounting practice which now operates as Fiducian Accountants & Business Advisers. It met its revenue targets and profit expectations in its first year despite substantial changes to its operating procedures. We are in negotiations to expand this area of our business through acquisitions.

Fiducian Business Services should also become a strong growth pillar for our business in future years. It can provide a stable recurring income stream and cushion any financial market earnings downturn as its earnings are not directly related to the financial markets.

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FUTURE OUTLOOK – expanding revenue base

The Business Plan for the 2013 financial year looks at expanding the revenue base by growing the existing Fiducian business model and by further expanding its accountancy resourcing services to the self managed superannuation fund market and accounting community.

Managing Director, Indy Singh said, “The Board and I expect profits to continue in coming years as management focuses on expanding its range of business activities and on realising the full potential of financial planning, platform administration, investment management, information technology and business/accounting services whilst expenditure controls being a key priority for the current year ”.

Ends.

For further information, please contact:

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