

18 February 2011

2011 Half Year Results

Summary

- 1H11 NPAT up 9% to \$2.02M compared to 1H10
- 1H11 EBIT up 4% to \$2.82M compared to 1H10
- 1H11 EPS up 6% to 1.25cps compared to 1H10
- Interim dividend of 0.75cps (60% payout ratio)
- Financial Planning (FP) = 79% of revenue
- Accounting Services (AS) Investees = 21% of revenue
- 1H11 operating margin of 45% compared to 43% in 1H10
- New FUM for 1H11 of \$56.2M
- Total FUM at 31 December 2010 of \$1.069B, up \$44M from 30 June 2010
- Net debt of \$5.5M at 31 December 2010 compared to \$5.0M at 30 June 2010
- Expect to grow Full Year EBIT above FY10's \$5.36M

Operations

Prime has achieved an improvement in operating results compared with the previous corresponding period. Over this period Earnings before interest and tax (EBIT) has increased to \$2.82M in 1H11 from \$2.70M in 1H10, an increase of 4%. Net profit after tax (NPAT) of \$2.02M in 1H11 has increased by 9% and both basic and diluted earnings per share (EPS) increased by 6%. The period saw a marginal increase in revenue and an increase in contribution from equity owned Financial Planning entities (+26%).

During the period the Operating Margin increased from 43% to 45%. Group Funds Under Management (FUM), where Prime receives 'Asset Based Management Fees', increased by \$44M (including market movements) from 30 June 2010 to 31 December 2010 to \$1.069B.

Dividend Policy

Directors have declared an Interim Dividend of 0.75cps, representing a 60% payout ratio. The Interim Dividend is payable 12 April 2011 with a Record Date of 15 March 2011.

Looking Forward

Prime's primary focus will remain on organic growth in Financial Planning and Self Managed Superannuation, however Prime is actively seeking acquisitions in its core operations where there are clear benefits for consolidation and margin improvement and where those acquisitions can integrate with current operations.

Directors remain confident of a continuing improvement in short-term operating profits and growth in long-term shareholder value. Directors confirm the guidance to grow EBIT for the full year 2011 above the full year 2010 result of \$5.36M.

The team looks forward to continuing to grow Prime and are focussed on improving shareholder value and ongoing client service.

Prime

Prime is a National Financial Services & Advisory Group providing Financial Planning, Self Managed Superannuation and Accounting Services.

For more information on this announcement, please contact Simon Madder (Managing Director / CEO) on (03) 9827 699

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