



AVFM Limited

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30th August 2006

Report to Shareholders Full Year Results

The directors of AVFM Limited (AVU) are please to report a full year after-tax profit of \$1,904,265 for the year ending 30 June 2006, and announce a fully franked 1.0 cent final dividend per share.

<i>Consolidated Results</i>	<i>2006 \$'000</i>	<i>2005 \$'000</i>	<i>Increase (%)</i>
EBIT	2,154	519	315%
NPAT	1,904	569	235%
EPS (Cents)			
Basic EPS	2.4	1.5	60%
Diluted EPS	2.1	0.9	133%
Dividend (Cents) (Fully Franked)	1.5	0.5	200%

The above comparative figures have been adjusted for AIFRS. There was reduced tax payable on the comparative period to 30 June 2005, due to the offset of tax losses. Additionally, the Company derived interest income which is excluded for the purposes of calculating EBIT. In consequence, the EBIT for 2005 financial year was less than the reported NPAT.

The full year result compares to an operating profit of \$568,728 in the preceding financial year, which primarily represented a seven month result post re-listing of the Company on the Australian Stock Exchange in December, 2004.

The board has resolved to declared a fully franked final dividend of 1.0 cents per ordinary share, bringing the total dividends declared in respect of the twelve months to 30 June, 2006 to 1.5 cents per share. This compares to total dividends declared in the prior twelve month period of 0.5 cents per share.

The last twelve months has been a period of considerable activity for the Company, as it evolves into an integrated and diversified financial services investment holding company.

We are pleased to report that our foundation investments in the specialist financial planning businesses of Carroll, Pike and Piercy Pty Ltd (“CPP”) and Garnaut Private Client Advisers (“GPCA”) performed very strongly in the 2006 financial year and, more importantly, are well positioned for growth.

During the last year, we had the opportunity to increase our holding in CPP to 49%, which means that AVFM is now CPP’s single largest shareholder.

Similarly, our initial investment in the recently formed corporate advisory business of Balnave Corporate Limited (“Balnave”), has also exceeded our expectations. In the short period since its inception, Balnave has delivered a strong maiden result, and is well advanced in forging its identity, both in terms of developing its own client and corporate referral base.

The recent appointment of Mr Stuart James, to the boards of AVFM and Balnave, will further enhance the strategic resources available to develop opportunities for both entities. Mr James has also become a meaningful shareholder in both AVFM and Balnave, which is viewed as appropriate and positive, in terms of ensuring commitment to delivering overall shareholder wealth.

The other major group development, announced in May 2006 was the purchase of a material interest in Armytage private Limited (“Armytage”). Armytage is an established boutique funds management business which has a strong profit record and currently has more than \$200m funds under management (“FUM”). The balance of Armytage is currently owned by one of our founding directors, Mr Lee Iafrate.

The Armytage interest was acquired from a third party, namely the ASX listed Treasury Group Limited, on appropriate arms-length terms. The Armytage acquisition was settled on 11 July 2006 (post balance date).

As stated at the time of announcing the Armytage acquisition, your directors believe that the move into funds management considerably enhances the Company's business model, and provides scope to capitalise upon the group's distribution and corporate advisory capacity.

During the last twelve months, your board has also been actively exploring and analysing a number of other potential acquisition opportunities. Some of these efforts may produce outcomes, in terms of additional group investments.

We have also been concentrating on conjunctively developing growth strategies for our individual existing investments, and focusing firmly on appropriately capitalising upon the intellectual resources available to us on a Group level, to drive the overall AVFM business model forward.

Peter Kennedy
Chairman