Treasury Group Ltd

Wednesday, 25 August 2010

TREASURY GROUP LIMITED

FULL YEAR RESULTS - 30 JUNE 2010

Overview

Treasury Group (ASX:TRG) today announced a consolidated profit after tax of $11.68 million for the period ended 30 June 2010, up by 136% from $4.95 million reported from the previous corresponding year's equivalent result.

The increase in profitability reflects a return to normal market conditions after the collapse in world markets during 2008/2009, net new flows inflow and a focus on cost control at Treasury Group.

Normalised net profit after tax was $10.19 million, an increase of 35.56% over the year.

2010 was a busy year for the Group as we set the foundations for future growth in the business. During the year we:

- announced the acquisition of three new businesses,
- developed a retail distribution service for our managers
- have further expanded our skills in developing offshore platforms for global clients and
- announced a major addition to IML which will deepen the investment team and allows for future growth and succession planning.

This was all achieved while maintaining a strong balance sheet and conservative investment position in a volatile investment markets.

Treasury Group has declared a final dividend of 14 cents per share to be paid on 24 September, 2010 fully franked. This brings the total dividend paid for the year to 26 cents per share.

The balance sheet position of the company remains strong with no debt. Treasury Group Chairman, Mike Fitzpatrick said:

> ***"In the past twelve months the group has looked at numerous opportunities which resulted in the Company expanding its line up of managers by three including its first absolute fund manager and its first offshore manager. Growth is also fostered through organic initiatives and developments.***
>
> ***The tie up between Anton Tagliaferro's IML business and Hugh Giddy's Cannae business which was created during the year provides IML and its clients with an expanded investment team, a source of further investment leadership and generational growth to IML. Both Anton and Hugh complement each other and form a strong team in value style investing.***
>
> ***The board is committed to seeing further growth both domestically and offshore."***

A summary of the Profit and Loss is as follows (see section titled "Detailed Financial Analysis"):

	12 months to 30 June		
$000	**2010**	**2009**	**% Change**
Total revenue	5,602	6,004	(6.70)
Equity share of associates	14,045	9,103	54.29
Expenses	8,492	9,489	(10.50)
Net profit after tax (TRG shareholders)	**11,676**	**4,945**	**136.12**
NORMALISED NET PROFIT	**10,187**	**7,515**	**35.56**
Basic earnings per share	50.61	21.43	136.16
Dividend per share (fully franked)	26.00	20.00	30.00

Normalised – Net profit after tax but before marked to market losses, impairments (refer section "Detailed Financial Analysis")

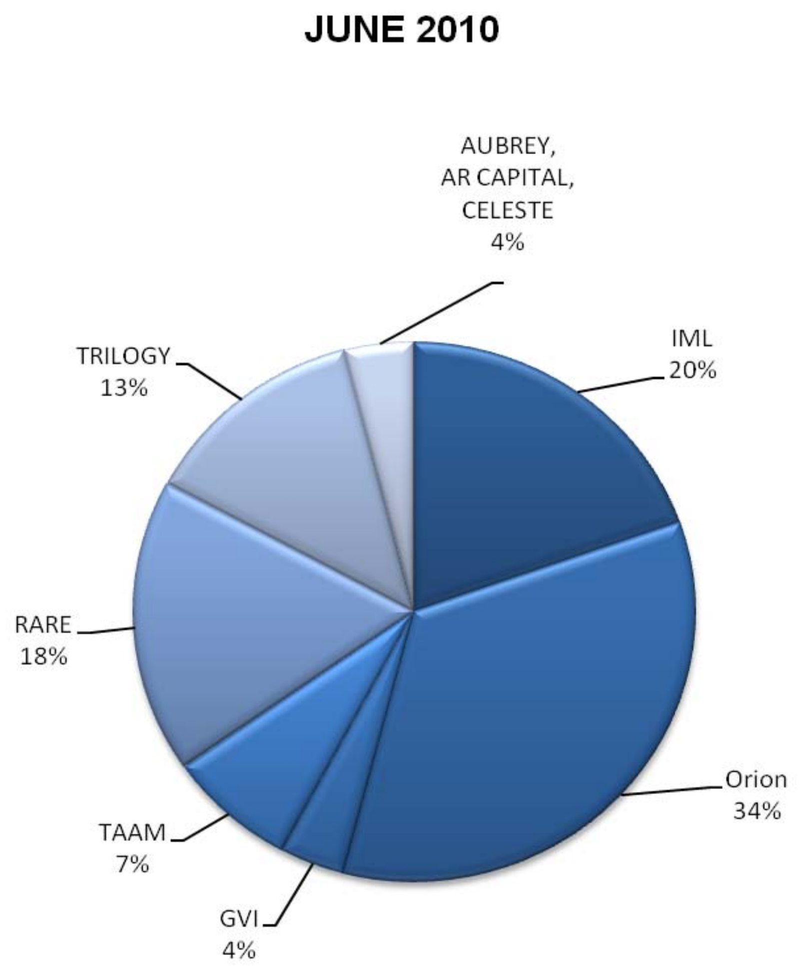
Whilst the investing environment has been difficult, we are pleased with the strong performance of our investment managers during this difficult period. Managers such as RARE Infrastructure, Orion Asset Management and Trilogy Global Advisors have also enjoyed positive inflows and support from local and international investors.

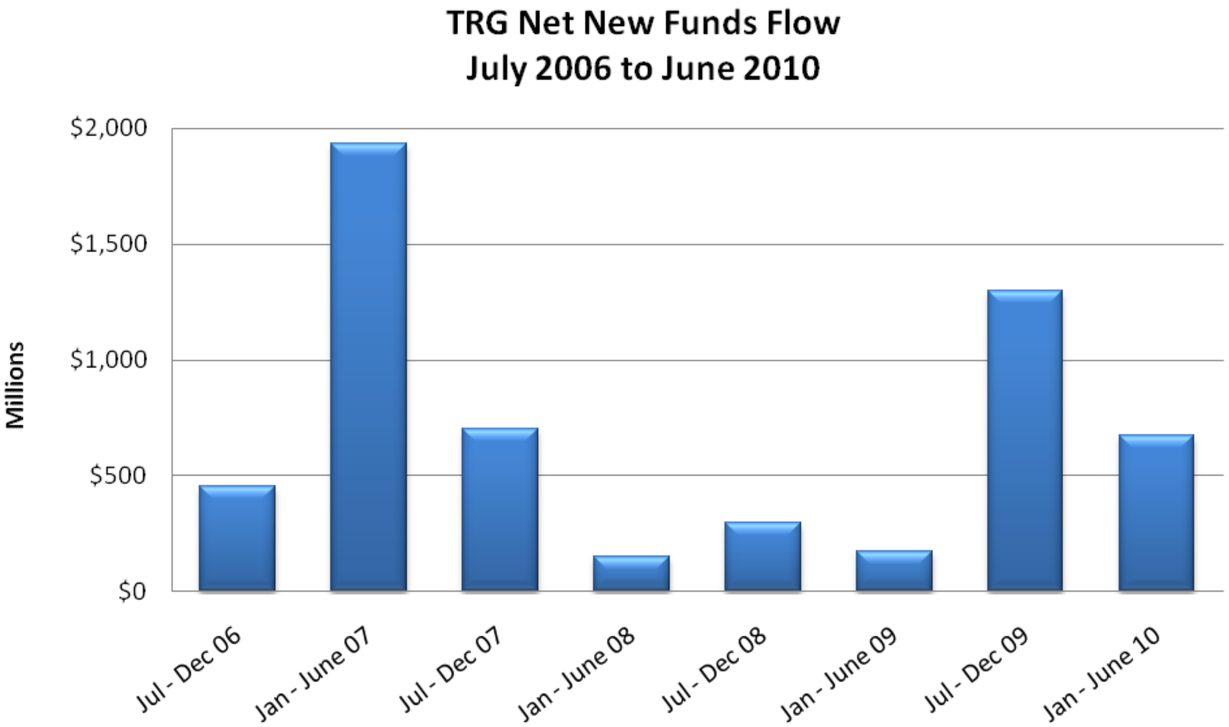
Funds Under Management

Total Funds Under Management (FUM) at 30 June 2010 amounted to $14.71 billion, an increase of $3.78 billion on the previous corresponding year or 34.55%. This compares to an increase in the All Ordinaries index of 13% over financial year ended 30 June 2010. As the following chart indicate, Treasury Group has now seen net new funds flow for 5 consecutive years including consistent net new asset growth during the recent market downturn. While our fund mix has moved to a higher institutional weighting during this period as retail investors remain cautious, the net new funds flow is an outstanding achievement over this time.

Refer to Detailed Financial Analysis for further information.

The following charts show funds by manager and historical growth.





Comments on Current Market Conditions

The increase in profitability reflects the improvement in the investment climate during most of last financial year, the net new flows and a focus on maintaining cost control at Treasury Group. We saw an increase in our institutional business when compared with retail, which reduced margins on funds under management. TRG is focused on working with our boutique partners to grow in the retail market and we have added a retail distribution service to Treasury Group's offering to our managers. We also make the following observations:

- The advantages of a boutique management structure remains strong and we expect further opportunities to develop boutiques. Our strong brand and balance sheet are attractive to new investment managers and we met with a large number of outstanding candidates for partnership during the year;
- Our investment teams continue to perform well albeit in difficult market conditions;
- TRG has continued to expand its client base globally and now has significant clients in both Australian and offshore markets. During the year we continued to grow our Dublin (UCITS III) fund range and we have worked with AR Capital on the development of a Cayman Island fund structure for offshore clients;
- With the growth of RARE and addition three new managers, our source of income continues to diversify across managers and our dependency on any one manager has been reduced;
- The development of new boutiques in recent years now offers a well structured mix of both domestic and international product;
- We are seeing increasing opportunities to leverage the TRG model both locally and offshore as well as initiatives that assist in organic growth.

Strategy Ahead

We are pleased with the way in which our business model has emerged from the turbulence of the last two and a half years. With our boutique partners solely focused on managing funds, we believe that this endorses Treasury's approach; working with only the highest quality investment teams and supporting them during both positive and more difficult periods.

Looking forward, we see the opportunity to continue to pursue world class investment talent and attract them to the boutique model. In addition we have continued to build our client presence in both the Australian and offshore markets supporting our existing managers and making our business model attractive to a wide range of managers. We continue to look at alternate asset classes and asset classes in which we do not yet have a presence.

In addition to new opportunities in the current market, the Group remains well positioned to continue to grow, with no debt, no exposure to exotic instruments and strong performance from our investment partners.

We look forward to keeping shareholders informed as new opportunities develop.

For further information

Investors

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Notes:

Treasury Group equity accounts all the fund management businesses. The ownership interest in the asset managers is as follows:

Investors Mutual Limited (IML)[1]	47.50%
Orion Asset Management (OAM)	41.99%
Treasury Asia Asset Management (TAAM)	40.00%
Global Value Investors [2] (GVI)	48.75%
RARE Infrastructure (RARE)	40.00%
Celeste Funds Management	39.17%
AR Capital Management	30.00%
Aubrey Capital Management [3]	

1: TRG's ownership interest in IML changed in January 2009
2: TRG has a direct interest of 25% and an indirect interest of a further 24%
3: TRG owns converting preference shares entitling it to a 20% ordinary equity in Aubrey on conversion. TRG also holds options to acquire a further 10% based on predetermined FUM targets.

Detailed Financial Analysis:

Below we offer more detail on our financial results including:

- Normalised Earnings
- Share of net profit from equity accounted investments
- Cash Flow
- Dividend
- Detailed disclosure of business profit and loss
  - Analysis of aggregated boutique earnings and Treasury Group income statement
- Funds under management (FUM)
- Review of operations

Normalised Earnings

The results for the year ended 30 June 2010 were impacted a number of one off items that are not expected to be experienced in future reporting cycles. The major items impacting on the result are as follows:

- The write down of the convertible notes in Cannae Capital Partners
- Restructuring costs across the group
- Acquisition and due diligence costs that are no longer capitalised
- Reversal of option amortization charges due to the resignation of the Executive Director
- Reversal of loan impairment charges
- Gain on acquisition of Celeste Funds Management

The level of contribution from performance fees recognised in NPAT was approximately 2% compared to 2009 of 0.7%.

The normalised result for 30 June, 2010 was $10.187 million or 35.56% higher relative to the equivalent result at 30 June 2009 which was $7.51million. This is calculated as follows:

NPAT (TRG shareholders)		**$11.676 million**
Add back:		
Write off of CCP notes	$0.090 million	
Restructuring costs across the Group	$0.255 million	
Acquisition and due diligence costs	$0.154 million	$0.499 million
Less:		
Reversal of option amortisation*	$0.847 million	
Reversal of loan impairment	$0.347 million	
Gain on acquisition of Celeste	$0.550 million	
Realised gains from sale of investment	$0.244 million	($1.988 million)
Normalised NPAT		**$10.187 million**

**the resignation of the Executive Director before the vesting date resulted in the reversal of the amortization charge that has been expensed since the date of issue*

Share of net profit from equity accounted investments

Share of net profit from equity accounted investments increased by 54% due to the improved performance overall by the fund managers. This result was also impacted by the addition of Celeste Funds Management for the period since it was acquired on 11 November 2009 which includes the write up upon acquisition of $550k.

Cash Flow

Dividends received from fund managers fell slightly. This was a result in the change of timing in the declaration of dividends. Consequently net cash flows from operating activities were steady. The reduction in the capital base of Premium Investors resulted in a reduction of funds management fees to the manager, Treasury Group Investment Services Limited. This was largely offset with the fall in payments to suppliers.

Net cash used in investing activities was $1.17m. TRG deployed cash to acquire its interest in AR Capital Management and Aubrey Capital Management. The company also used funds to acquire shares in Premium Investors Limited and for working capital to Cannae Capital Partners. The company realised its investments in funds it had seeded (RARE Dublin fund and Cannae funds).

Dividend

On 25 August, 2010, the Treasury Group board declared a 14 cents per share (cps) fully franked dividend.

The final dividend will be paid on 24 September, 2010. The record date is 6 September 2010.

Detailed disclosure of business profit and loss

In response to requests for further information on the operations of business, we show more detail below:

a. Aggregated profit and loss of our boutique managers:

This table shows the aggregation of the Groups fund management businesses and the key profit and loss items. The group consists of IML, Orion, TAAM, RARE, GVI, IMLIP, Celeste and AR Capital.

	12 months to 30 June		
$000	**2010**	**2009**	**% Change**
Net management fees	67,354	54,906	22.67
Other Income	5,164	2,910	77.45
Gross Profit	**72,518**	**57,816**	**25.43**
Expenses			
Staff related expenses [1]	19,249	17,051	12.89
Other expenses [2]	13,112	13,465	(2.62)
Total expenses	**32,361**	**30,516**	**6.05**
Net Profit Before Tax	40,157	27,300	47.10
Income Tax	9,419	8,567	9.95
Net Profit after Tax	30,738	18,733	64.08
TRG's Share of after tax profit	**14,045**	**9,103**	**54.29**

Notes:

1: Reflects additional staff with the addition of Celeste and AR Capital
2: 2009 impacted by specific one off expenses

The boutique asset managers do not have any external borrowings. Some managers do have loans from TRG that are issued to assist with working capital requirements during the start up phase and the loans are structured to meet Australian Financial Services Licensing requirements. These loans are repaid over time once the businesses reach a critical mass.

b. Treasury Group Income Statement

This is the statutory income statement for Treasury Group. Note that the Equity share of associates is reflected in the table above.

	12 months to 30 June		
$000	**2010**	**2009**	**% Change**
Revenue	**5,602**	**6,004**	**(6.7)**
Gains/(losses) on investments	337	(1,818)	118.5
Employee Expenses [1]	(5,334)	(5,727)	(6.9)
Fund management and admin exp [2]	(501)	(928)	(46.0)
Other Expenses	(2,657)	(2,834)	(6.3)
Loan impairment charge	0	(497)	n/a
Equity share of associates profit (refer table A)	14,045	9,103	54.3
Profit before tax	**11,492**	**3,285**	**249.8**
Tax benefit [3]	184	1,668	(89.0)
Profit after tax	**11,676**	**4,953**	**135.7**
Minority interests	0	(8)	n/a
Net profit after tax	**11,676**	**4,945**	**136.1**
NORMALISED NET PROFIT	**10,187**	**7,515**	**35.6**
Diluted earnings per share (cents)	**50.61**	**21.43**	**136.2**
Basic earnings per share (cents)	50.61	21.43	136.16
Dividend per share (fully franked)	**26.00**	**20.00**	**30.00**

Notes:

1. Includes the reversal of amortization charges as a result of David Cooper's resignation before the vesting date
2. Funds management fees have fallen as a result of the off market buy back by Premium Investors
3. Tax benefits as they relate to tax losses have not been recognized since 31 December 2009

Funds Under Management (FUM)

In response to shareholder requests we are pleased to provide you with further details assets managed on behalf of our clients.

FUM attribution is analysed in a number of ways. The application of business segments as detailed in the financial accounts attributes the source of FUM as follows:

Segment	30 June 2010	30 June 2009
Australian Equities	8,239,293,864	7,031,593,333
International Equities	3,797,193,557	2,960,114,371
Alternatives	2,671,134,455	933,419,133
TOTAL	**14,707,621,876**	**10,925,126,837**

FUM is sourced from both domestic and offshore clients. Due to the growth in RARE and Trilogy over the last 12 months, the relative attribution of domestic sourced FUM has increased relative to offshore clients as shown below:

Client Source	2010	%	2009	%
Domestic	13,475,535,550	91.62	9,841,663,833	90.08
International	1,232,086,326	8.38	1,083,463,004	9.92
Total	**14,707,621,876**		**10,925,126,837**	

The important development in the composition of FUM from a Group perspective has been the increasing proportion of institutional client FUM relative to retail client FUM as the table below demonstrates:

Client Source	2010	%	2009	%
Institutional	11,326,434,117	77.01	7,763,410,996	71.06
Retail	3,381,187,759	22.99	3,161,715,841	28.94
Total	**14,707,621,876**		**10,925,126,837**	

Treasury Group Investment Services

Treasury Group Investment Services (TIS) - (100% owned at 30 June 2010)

Treasury Group through TIS provides its managers with risk and compliance services as well as a Responsible Entity function. TIS is focused solely on supporting our internal managers and offers a high value add to our managers at a moderate charge out rate. TIS is an important value creator in our relationship with our boutiques and through its high quality of services, ensures that the boutiques are supported by the highest quality of compliance controls and business support.

TIS also acts as investment manager for a listed investment company, Premium Investors Limited (PRV). Following a requisition from shareholders, PRV held a general meeting on 19th August 2009, for shareholders to vote on three resolutions. One resolution was to approve an equal access buyback for up to 65% of shares on issue. The result of this resolution was that the asset base of PRV was reduced by 61%. TIS worked on launching three new investment products during 2009/10.

IML INVESTORS MUTUAL LTD

Investors Mutual Limited (IML) - (47.50% owned at 30 June 2010)

Despite outstanding investment performance against both competitors and benchmark, IML saw net outflows over the 12 months due to weakness in the retail market. IML has stayed true to its value investment philosophy during this period of market volatility. IML deepened its investment resources through the joining of the IML and Cannae investment teams. This will also deepen the leadership team offering a structure for the future growth in the business. To reward investment staff in the future growth of the business, the Cannae Capital Partners business was renamed IML Investment Partners (IMLIP), and equity in the business has been shared across the investment team (Treasury will retain 40%). The IMLIP business will participate in the upside of future asset growth.

ORION asset management

Orion Asset Management Limited (Orion) - (42% owned at 30 June 2010)

Orion continued to enhance its reputation during the year as the business continues to enjoy solid institutional support. The Orion business is managed by three senior investment professionals who have a collective level of investment experience which is difficult to match in the Australian market. Importantly this gives Orion an outstanding depth of leadership experience. Orion had net inflows during the year.

The distribution alliance with Trilogy Global Advisors, a New York based asset management business has remained an attractive option to investors and this business also experienced strong net inflows.

GLOBAL VALUE INVESTORS

Global Value Investors (GVI) - (49% owned at 30 June 2010)

GVI is now well established in the retail market. It suffered a difficult investment environment with the volatility in global currencies and a sharp rally in risky companies in the early part of the year. The team remained focused on their investment disciplines (identifying undervalue, quality companies divined growth prospects), and relative investment returns improved during the year. While traditionally focused on the retail market, GVI is now receiving interest from institutional investors and we expect this to be a source of growth over the medium term. TRG has a 25% direct ownership and a further indirect ownership of 24%.

Treasury Asia Asset Management (TAAM) - (40% owned at 30 June 2010)

Investment markets were volatile over the year, resulting in a client allocating away from region in the latter part of 2009/10. Importantly TAAM continues to attract strong interest from offshore clients. TAAM has also gained representation on a number of the leading retail platforms. TAAM is now working with TRG on developing a more focused retail distribution strategy.

RARE Infrastructure (RARE) - (40% owned at 30 June 2010)

RARE has had a very successful twelve months culminating in winning mandates from large international and domestic clients. It has also further established itself in the retail market. There is growing interest in the unique product that RARE offers clients, particularly when looking to diversify their exposure to the infrastructure asset class.

AR Capital Management - (30% owned at 30 June 2010)

AR Capital saw positive investment returns over the year, navigating through a period of volatile investment returns. AR's focus on absolute return investing is attractive to clients during this period of market turbulence and risk. During the year AR won a number of mandates, and Treasury Group is working with them to further expand their client base. TRG strongly believes that this asset class offers both many retail and superannuation clients, an opportunity to participate in growth asset returns while protecting against investment loss.

Celeste Asset Management (39% owned at 30 June 2010)

Celeste joined TRG in late 2009 and is now working with TRG's new retail distribution team to grow assets under management and broaden their client base. Celeste is targeting both retail and institutional clients. Investment returns have been stellar in both absolute terms and against benchmarks. Celeste's focus on small cap Australian equities should offer ongoing opportunities to add significant value against both benchmarks and total investment returns.

Aubrey Capital (TRG owns redeemable preference shares entitling it to a 20% ordinary equity in Aubrey)

Aubrey Capital is a global equity manager which looks to identify companies and industries where growth is likely to exceed global GDP growth. Working with TRG, Aubrey is targeting a large number of clients globally. During the year Aubrey gained platform space on a number of UK major platforms. Aubrey also launched an Australian based fund. We expect only moderate initial growth in Aubrey's funds under management, while investors and clients become familiar with the Aubrey investment story. Client response to Aubrey's investment process has been largely positive.

Treasury Group Limited

Results Presentation

30 June 2010

Treasury Group Ltd

A Summary of the profit and loss

	12 months to 30 June 2010		
$000	2010	2009	% Change
Total revenue	5,602	6,004	(6.7)
Equity share of associates	14,045	9,103	54.3
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NORMALISED NET PROFIT	**10,187**	**7,515**	**35.6**
Basic earnings per share	50.61	21.43	136.2
Dividend per share (fully franked)	26.00	20.00	30

Overview

- Strong recovery in profits
- Net new funds inflow over $1.4bn
- Expenses controlled – down over 10%
- Addition of 3 new boutique partners

Treasury Group Ltd

Comment on results

- **Net new funds flow strong over the year**
  - Institutional flows strong over the 12 months primarily at RARE, Orion and Trilogy
  - Rising institutional flows resulted in increased institutional share
  - Retail investor confidence remains weak. IML saw outflows

- **Addition of new boutiques had immediate impact**
  - Boutique growth will take typical 2-3 years but short term earnings were positive
  - TRG was able to partner at attractive valuations with strong investment teams
  - Remain focused on return on invested capital over the cycle

- **Costs controlled**
  - Second year of cost reduction at TRG – expenses down over 10%
  - Manager costs rose modestly in line with improved investment performance, reinvestment in growing businesses
  - Expect further cost management initiatives in 10/11

- **Balance sheet remains strong – no debt**

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Capital management & dividends

- **TRG has a strict approach to capital management**
  - We assess all new partnerships on likely return on capital
  - Although unlikely, we also factor in risk of boutique not achieving performance goals

- **Dividend policy – growth in dividend reflects improved outlook and underlying strength of the business**
  - Dividend increased from 20 cents to 26 cents
  - Some earnings retained as investment environment remains volatile
  - Opportunities exist for further boutiques

	2008	2009	2010
ROE	29.10%	9.21%	21.98%

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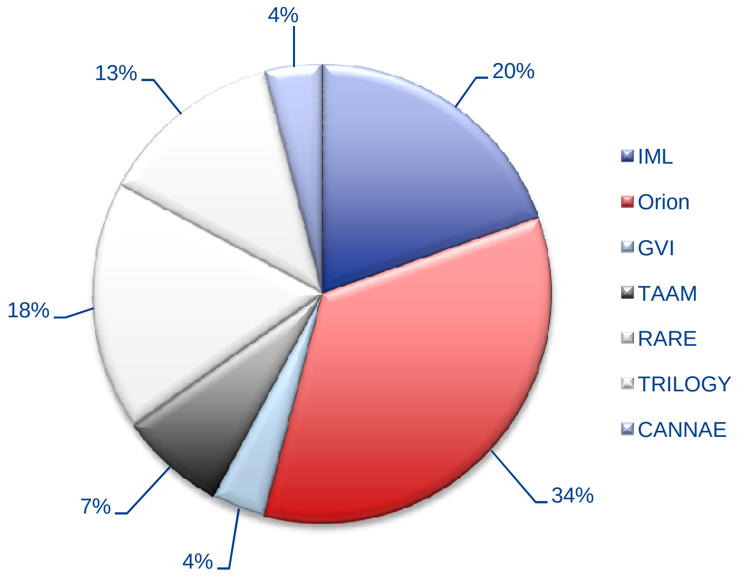
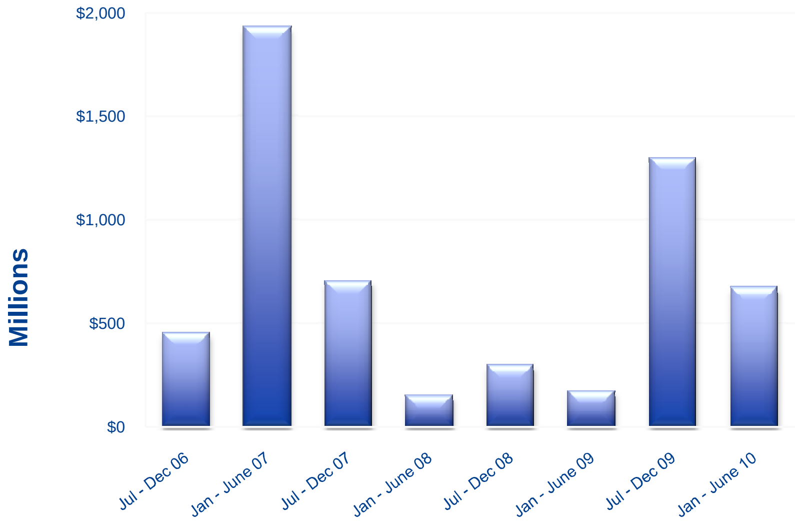
Strong net new funds flow

- **Net new funds flow strong over the year**
  - TRG continues to diversify assets across managers
  - Net fund inflows of $1,400m over the year (excluding new managers)
  - Total assets at $14.708bn to June 2010
  - Flow primarily to institutional. Retail remains weak.

FUM to 30 June 2010



TRG Net new funds flow July 2006 to June 2010



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FUM by region, retail, distribution

FUM by Region

Segment	30 June 2010	30 June 2009
Australian Equities	8,239,293,864	7,031,593,333
International Equities	3,797,193,557	2,960,114,371
Alternatives	2,671,134,455	933,419,133
TOTAL	14,707,621,876	10,925,126,837

Clients by Region

Client Source	%	%
Domestic	91.62	90.08
International	8.38	9.92

Clients by type

Client Source	%	%
Institutional	77.01	71.06
Retail	22.99	28.94

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A year of major change

✓ **Three new boutiques**

- Aubrey Capital Management - global growth equity in Edinburgh
- Celeste Funds Management – Australian small companies
- AR Capital Management – Australian equity absolute return

✓ **Addition of retail distribution services to our boutiques**

- Senior resource and support to boutiques
- Brings senior retail relationships to our boutiques
- Offers strategic planning, platform and researcher management

✓ **IML – additions to senior leadership and team depth**

- Anton Tagliaferro and Hugh Giddy join forces
- Succession sharing and equity structure for team
- Australia's leading value management team
- Outstanding investment performance with a strong team

✓ **Expansion of TIS expertise and services**

- Working on developing Cayman Island based funds
- Support to developing hedge fund groups
- Additional productivity improvement – expansion of electronic compliance monitoring

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Three new outstanding managers

- **AR Capital**
  - Outstanding Australian equity absolute return fund
  - Key principals held senior roles at Credit Suisse and Goldman Sachs

- **Aubrey Capital**
  - Edinburgh based global growth equity manager
  - Experienced team of senior investment managers from Walter Scott and Stewart Ivory/Colonial First State

- **Celeste Funds Management**
  - Australian equity specialist – smaller company focus
  - Strong investment record – leading manager in this space
  - Client and researcher response to independence under Treasury Group extremely positive

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Manager Snapshot

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Injection of senior talent at IML

- **Brings together two leading investment professionals**
  - Hugh Giddy and Anton Tagliaferro – value investment style
- **Deepens the team experience**
  - Adds additional support in team management and product growth
- **Allows for medium term succession planning**
  - Development of equity plan for all investment staff
- **Outstanding investment performance** - IML Australian Equity to June 2010

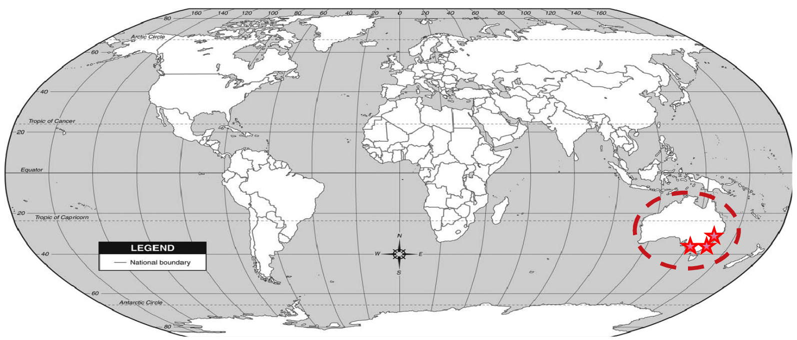
	1 month	3 months	1 year	2 years	3 years
Quartile Ranking	1	1	1	1	2

Source – Intech Investments

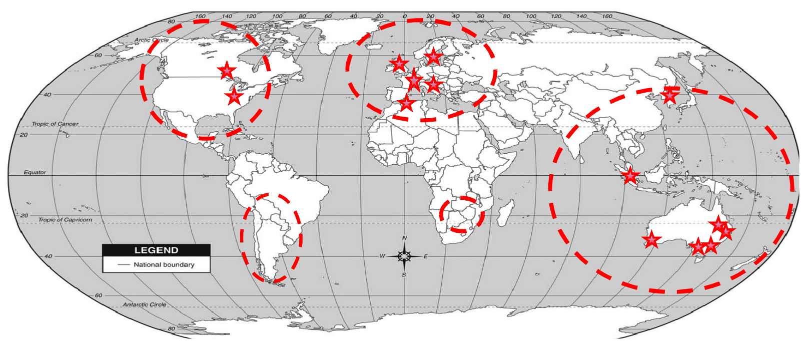
Distribution – expansion of services

- **Retail Distribution services**
  - New service to boutiques
  - Addition of outstanding senior distribution talent and servicing
  - Provides researcher, client and platform coverage
  - Historically TRG managers have either used internal or 3rd party distribution skills
  - Increased likelihood of success in a difficult and changing market
- **Institutional Distribution Services**
  - Further growth in international distribution
  - Client base continues to expand

Distribution focused mostly locally – FUM $8.6BN JUN 2005



Distribution spans the globe – FUM $14.7BN JUN 2010



Clients

Gatekeeper coverage and prospects

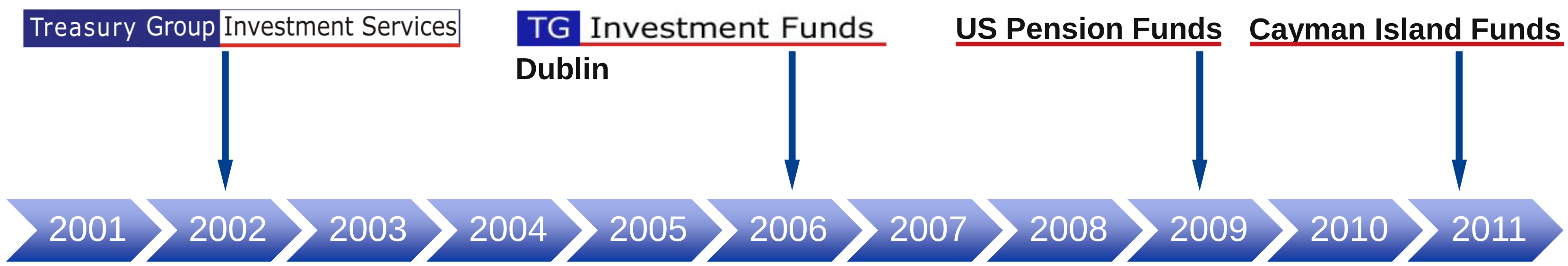
Treasury Group Ltd

Australian distribution

	Institutional	Retail	Platforms	Rating
INVESTORS MUTUAL LTD	Yes	Yes	✓	✓
ORION asset management	Yes	Yes	✓	✓
CELESTE Funds Management	Yes	Yes	✓	✓
GLOBAL VALUE INVESTORS	Yes	Yes	✓	✓
AUBREY CAPITAL MANAGEMENT	Yes	Yes	-	-
TREASURY ASIA ASSET MANAGEMENT	Yes	Yes	✓	✓
RARE	Yes	Yes	✓	✓
aR Capital Management Pty Ltd	Yes	HNW	-	-

TRG expands service offerings

- **TIS Service offerings**
  - Compliance improvements
    - Rollout of Complispace program
    - Significant internal efficiencies and improved monitoring
    - Offers other networking services
  - Global services
    - UCITS III, ERISA (US pension), Australian funds expertise
    - Addition of Cayman Island funds
  - Wider support for European compliance
  - Further additional services and improved fee structures for managers



Outlook

- **Investor confidence post GFC has returned but remains fragile**
    - Institutional investors have moved to allocate again to growth assets through the year
    - Retail investors remain very cautious globally
    - Clients are prepared to consider alternative and other asset

- **Fees remains a focus although clients are prepared to pay for higher quality investment outcomes**
    - Although improved returns restored confidence, fees remain a focus
    - Retail market remains uncertain around fee structures
    - High quality active managers able to maintain fees

- **Policy environment remains uncertain**
    - Controlling costs is important to total returns
    - But offshore experience shows that a “cost reduction” only focus can undermine:
        - Customer confidence
        - Distract from more important element of investment returns
        - Important that long term investments must be a priority

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Industry Themes

- **Global allocations to alternatives and other asset classes remains a focus**
  - Alternative investments remains a reasonable focus
  - Retail investors remain cash/yield oriented
- **Consolidation of the financial services industry will continue**
  - Industry overcapacity will be resolved by further consolidation
  - Expect this process to pick up momentum in the next 12 months
  - Allows TRG to participate through working with outstanding investment talent
- **TRG continues to be approached by a large number of high quality investment teams**
  - High quality groups are looking for partnership opportunities
  - Both offshore and local demand
  - In wide range of asset classes
  - Focus remains on business with highest quality and scope for growth

Treasury Group Ltd

Summary

- Strong results improvement with net funds inflow and expenses controlled.
- Three new boutiques, expansion of retail distribution, deepening of team at IML
- Investor confidence post GFC has improved but remains fragile.
- TRG continues to be approached by large number of high quality investment teams.

Appendix: Normalised NPAT

- **Normalised earnings to reflect underlying earnings growth**

NPAT (TRG shareholders)		$11.676 million
Add back:		
Write off of CCP notes	$0.090 million	
Restructuring cost across the Group	$0.255 million	
Acquisition and due diligence costs	$0.154 million	$0.499 Million
Less:		
Reversal of option amortisation*	$0.847 million	
Reversal of loan impairment	$0.347 million	
Gain on acquisition of Celeste	$0.550 million	
Realised gains from sale of investment	$0.244 million	($1.988 million)
Normalised NPAT		**$10.187 million**

**the resignation of the Executive Director before the vesting date resulted in the reversal of the amortization charge that has been expensed since the date of issue*

Treasury Group Ltd