

Appendix 4D

1. Half yearly report

Name of entity

Treasury Group Limited

ABN:

39 006 708 792

Report for the half-year ended 31 December 2010

Previous corresponding period

is the financial year ended 30 June 2010

and half year ended 31 December 2009

2. Results for announcement to the market

Revenues (<i>item 2.1</i>)*	up/down	21%	to	<u>A\$'000s</u> 2,234
Profit (loss) after tax attributable to members (<i>item 2.2</i>)	up/down	19%	to	5,232
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	up/down	19%	to	5,232
* Does not include the share of profits from Associates. Profits from Associates were \$7.3M				
Dividends (<i>item 2.4</i>)				
It is proposed to pay an interim fully franked dividend of 14.00 cents per share. Payment Date: 25 March 2011				
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	4 March 2011			

Brief explanation of any of the figures reported above necessary to enable the figures to be understood (*item 2.6*):

The normalised net profit of \$5.232m (no one off items were present in the current period) was flat in comparison to the 31 December 2009 prior period comparative normalised net profit (\$5.397m).

The net profit after tax of the group as reported in the 31 December 2010 half year report has decreased compared to the 31 December 2009 half year result due to the absence of favourable one off items as experienced in the prior comparative period. The prior comparative period included the following:

- Post tax profits of \$287,391 on sale and revaluation of investments;
- Profits of \$550,335 write up on acquisition of interests in new boutique managers in late 2009;
- Tax benefits of \$582,750. In the current period the group on consideration of the application of accounting standards is not booking a tax benefit for the companies included in the TRG tax consolidated group (the relates to the TRG and TIS companies only as the boutique are not consolidated).

The share of net profits from equity accounted investments on a normalised basis when excluding profits made on acquisition in the prior comparative period increased due to increased contributions of profit from RARE and Orion which were more than offset by the lower profitability coming out of IML.

For the details, please refer to the attached Financial Report for the 6 months period ended 31 December 2010.

3. Net tangible assets per security (item 3)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	253¢	237¢

4. Details of entities over which control has been gained or lost during the period: (item 4)

Control gained over entities

Name of entities (item 4.1)	N/A.
Date(s) of gain of control (item 4.2)	N/A.

Loss of control of entities

Name of entities (item 4.1)	N/A.
Date(s) of loss of control (item 4.2)	N/A.
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).	N/A.
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	N/A.

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Final dividend – year ended 30 June 2010	24 September 2010	3,229,905
Interim dividend – year ended 30 June 2011	25 March 2011	3,229,905

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Interim dividend: Current period	14.00¢	100%	-¢
Previous period	12.00¢	100%	-¢

Interim dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	3,230	2,768
Preference securities <i>(each class separately)</i>	-	-
Other equity instruments <i>(each class separately)</i>	-	-
Total	3,230	2,768

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6):*

N/A

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

N/A

7. Details of associates and joint venture entities (item 7)

Name of associate or joint venture entity	% Securities held
Investors Mutual Limited	48
IML Investment Partners Pty Limited	40
Orion Asset Management (Aust) Pty Ltd	42
RARE Infrastructure Ltd	40
Global Value Investors Limited*	25
Treasury Asia Asset Management Limited	40
RARE IP Trust	40
Celeste Funds Management Limited	39
AR Capital Management Limited	30
Aubrey Capital Management Ltd^	0

* This direct equity ownership in GVI does not include the indirect 23.75% (2009: 24.5%) TRG Group equity ownership held via IML to GVI.

^ Treasury Group Limited acquired convertible preference shares which could entitle TRG to convert into 20% of its ordinary capital.

Aggregate share of profits (losses) of associates and joint venture entities (where material)

Group's share of associates' and joint venture entities':	6mths to 31 Dec 2010 \$	6mths to 31 Dec 2009 \$
Profit (loss) before tax	9,529,883	9,807,321
Income tax	(2,227,727)	(2,403,586)
Net profit (loss) after tax	7,302,156	7,403,735
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	7,302,156	7,403,735

8. The information provided in the Appendix 4D is based on the interim financial report (attached), which has been prepared in accordance with Australian accounting standards (item 8).

9. The interim financial report is not subject to audit dispute or qualification. (item 9)

Periodic Disclosure Requirements Compliance Statement

- 1 An interim report for the half-year ended 31 December 2010 is provided with the Appendix 4D information.
- 2 The interim report has been prepared in accordance with AASB 134 Interim Financial Reporting.
- 3 Except where noted in the report, the interim report and information provided in Appendix 4D uses the same accounting policies as those applied at 30 June 2010, except mandatory changes under the Australian equivalents to International Financial Reporting Standards (A-IFRS).
- 4 The Appendix 4D information gives a true and fair view of the matters disclosed in the interim financial report.
- 5 The Appendix 4D information is based on the interim financial report, which has been subject to review.
- 6 The audit report or review by the auditor is provided with the interim financial report.



Sign here: Date: 23 February 2011
(Company Secretary)

Print name: Reema Ramswarup




Treasury Group Ltd

A.B.N. 39 006 708 792

Half-Year Condensed Financial Report

For the Half-Year Ended
31 December 2010

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DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2010. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Name

Mr M. Fitzpatrick (Chairman)

Mr P. Kennedy (Non-executive Director)

Mr R. Hayes (Non-executive Director)

Mr D. Cooper (Non-executive Director, Executive Director 8 August 2005- 31 December 2010)

Mr M. Burgess (Managing Director)

REVIEW AND RESULTS OF OPERATIONS

The principal activity of the Group for the period was the provision of funds management services to institutions, master funds and wraps, retail investors and private clients through Investors Mutual Limited, Orion Asset Management Pty Ltd, Global Value Investors Ltd, Treasury Asia Asset Management Ltd, RARE Infrastructure Ltd, Celeste Funds Management Limited, AR Capital Management Pty Limited and Aubrey Capital Management Ltd.

The Group generated a net profit attributable to members of Treasury Group Ltd of \$5,231,998 for the six months ended 31 December 2010. This compares with a net profit attributable to members of Treasury Group Ltd of \$6,421,407 reported for the corresponding period ended 31 December 2009. The net profit after tax of the group as reported in the 31 December 2010 half year report has decreased compared to the 31 December 2009 half year result due to the absence of favourable one off items as experienced in the prior comparative period. The prior comparative period included the following:

- Post tax profits of \$287,391 on sale and revaluation of investments
- Profits of \$550,335 write up on acquisition of interests in new boutique managers in late 2009
- Tax benefits of \$582,750. In the current period the group on consideration of the application of accounting standards is not booking a tax benefit for the companies included in the TRG tax consolidated group (this relates to the TRG and TIS companies only as the boutiques are not consolidated)

Basic and diluted earnings per share have also decreased from 27.83 cents per share to 22.68 cents for both basic and diluted earnings per share respectively for the 6 months ended 31 December 2010.

During the half year, Treasury Group Limited acquired units in Aubrey Global Conviction Fund and Global Industrial Share Fund Unhedged. Costs of investments were \$2,000,000 and \$1,000,000, respectively. These investments represent seed capital to assist in the growth and marketing of these products.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to 31 December 2010, the Company invested \$1,000,000 in the AR Capital Cayman Fund.

On 23 February 2011, the Directors of Treasury Group Ltd declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2010. The total amount of the dividend is \$3,229,905 which represents a fully franked dividend of 14 cents per share. The dividend has not been provided for in the 31 December 2010 half year financial statements and will be recognised in subsequent financial reports.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration in relation to the half year review is provided with this report on Page 4.

Signed in accordance with a resolution of the Directors made pursuant to 306(3) of the Corporations Act 2001.



M. Fitzpatrick

Chairman

23 February 2011

The Board of Directors
Treasury Group Limited
Level 5, 50 Margaret Street
Sydney, NSW 2000

23 February 2011

Dear Directors

Treasury Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Treasury Group Limited.

As lead audit partner for the review of the financial statements of Treasury Group Limited for the half year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



A H Young
Partner
Chartered Accountants

Condensed Consolidated Income Statement

For the half-year ended 31 December 2010

	Notes	CONSOLIDATED	
		Half-year ended 31 December 2010 \$	Half-year ended 31 December 2009 \$
Revenues	3(a)	2,234,249	2,834,302
Gains/(losses) on investments	3(b)	-	281,918
Salaries and employee benefits expenses	3(c)	(2,742,391)	(2,836,316)
Fund management and administration expenses		-	(358,047)
Other expenses	3(d)	(1,557,003)	(1,486,935)
Share of net profits of equity accounted investments	3(e)	7,302,156	7,403,735
PROFIT BEFORE INCOME TAX (EXPENSE)/BENEFIT		5,237,011	5,838,657
Income tax (expense)/benefit		(5,013)	582,750
PROFIT FOR THE PERIOD		5,231,998	6,421,407
ATTRIBUTABLE TO:			
NON-CONTROLLING INTERESTS		-	-
MEMBERS OF THE PARENT		5,231,998	6,421,407
Earnings per share (cents per share) for profit attributable to the ordinary equity holders of the parent:			
• Basic earnings per share	9	22.68	27.83
• Diluted earnings per share	9	22.68	27.83
Interim franked dividends per share (cents per share)	8(c)	14.00	12.00

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2010

	Notes	CONSOLIDATED	
		Half-year ended 31 December 2010 \$	Half-year ended 31 December 2009 \$
PROFIT FOR THE PERIOD		5,231,998	6,421,407
Other comprehensive income			
Gain on available-for-sale investments taken to equity		155,141	233,518
Income tax relating to components of other comprehensive income		(46,542)	(70,055)
Share of after-tax gain on available-for-sale investments of jointly controlled entity		10,417	226,333
Other comprehensive income for the period (net of tax)		119,016	389,796
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5,351,014	6,811,203
ATTRIBUTABLE TO:			
NON-CONTROLLING INTERESTS		-	-
MEMBERS OF THE PARENT		5,351,014	6,811,203

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at 31 December 2010

	Notes	CONSOLIDATED	
		As at 31 December 2010 \$	As at 30 June 2010 \$
CURRENT ASSETS			
Cash and cash equivalents	4	9,443,194	10,949,185
Trade and other receivables	5	3,297,122	9,218,847
Other assets		405,518	203,440
TOTAL CURRENT ASSETS		13,145,834	20,371,472
NON-CURRENT ASSETS			
Trade and other receivables		233,638	233,638
Available-for-sale investments	6	8,433,840	5,057,695
Loans and other receivables	7	6,035,063	6,704,394
Deferred tax assets		2,812,853	2,782,390
Investments accounted for under the equity method		31,554,950	27,833,141
Plant and equipment		114,162	119,923
Intangible assets		55,085	67,758
TOTAL NON-CURRENT ASSETS		49,239,591	42,798,939
TOTAL ASSETS		62,385,425	63,170,411
CURRENT LIABILITIES			
Trade and other payables		2,944,410	6,128,970
Provisions		318,938	334,768
TOTAL CURRENT LIABILITIES		3,263,348	6,463,738
NON-CURRENT LIABILITIES			
Provisions		144,582	18,350
Deferred tax liabilities		643,080	561,061
TOTAL NON-CURRENT LIABILITIES		787,662	579,411
TOTAL LIABILITIES		4,051,010	7,043,149
NET ASSETS		58,334,415	56,127,262
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	10	29,594,265	29,594,265
Reserves		3,402,364	3,197,304
Retained earnings		25,337,786	23,335,693
Parent interests		58,334,415	56,127,262
Non-controlling interests		-	-
TOTAL EQUITY		58,334,415	56,127,262

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2010

	Note	Ordinary Shares	Share options reserve	Consolidated Net unrealised gains reserve	Retained earnings	Non-controlling interests	Total
		\$	\$	\$	\$	\$	\$
AT 1 JULY 2010		29,594,265	2,798,973	398,331	23,335,693	-	56,127,262
Total comprehensive income for the period		-	-	119,016	5,231,998	-	5,351,014
Share-based payments		-	86,044	-	-	-	86,044
Dividends paid	8	-	-	-	(3,229,905)	-	(3,229,905)
AT 31 DECEMBER 2010		29,594,265	2,885,017	517,347	25,337,786	-	58,334,415

	Note	Ordinary Shares	Share options	Net unrealised gains reserve	Retained earnings	Non- controlling interests	Total
		\$	\$	\$	\$	\$	\$
AT 1 JULY 2009		29,594,265	3,290,780	150,029	16,868,015	192,899	50,095,988
Total comprehensive income for the period		-	-	389,796	6,421,407	-	6,811,203
Deconsolidation of entities no longer consolidated		-	-	24,995	(15,750)	(192,699)	(183,454)
Share-based payments		-	358,720	-	-	-	358,720
Dividends paid	8	-	-	-	(2,307,076)	-	(2,307,076)
AT 31 DECEMBER 2009		29,594,265	3,649,500	564,820	20,966,596	200	54,775,381

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2010

	Notes	CONSOLIDATED	
		Half-year ended 31 December 2010 \$	Half-year ended 31 December 2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		5,412,592	2,226,828
Payments to suppliers and employees (inclusive of GST)		(7,342,029)	(4,813,401)
Dividends and distributions received		5,705,491	5,674,502
Interest received		412,868	474,518
NET CASH FLOWS FROM OPERATING ACTIVITIES		4,188,922	3,562,447
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(12,317)	(1,970)
Purchase of intangible assets		-	(79,622)
Purchase of investments accounted for under the equity method		-	(1,201,920)
Purchase of available-for-sale investments		(3,128,783)	(1,000,000)
Proceeds from disposal of available-for-sale investments		-	2,444,179
Proceeds from disposal of investments at fair value through profit and loss		-	136,564
Repayment of loan by jointly controlled entities		776,092	174,464
Advances to jointly controlled entities		(100,000)	(1,160,000)
Advances to associates		-	(462,760)
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		(2,465,008)	(1,151,065)
CASH FLOWS FROM FINANCING ACTIVITIES			
Equity dividends paid on ordinary shares		(3,229,905)	(2,307,076)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		(3,229,905)	(2,307,076)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1,505,991)	104,306
Cash and cash equivalents at the beginning of the period		10,949,185	10,515,123
Cash held by deconsolidated entities at the beginning of the period		-	(23,045)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	9,443,194	10,596,384

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Selected Notes to the Condensed Half-Year Financial Statements

For the half-year ended 31 December 2010

1. CORPORATE INFORMATION

The condensed consolidated financial report of Treasury Group Ltd for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 23 February 2011. Treasury Group Ltd is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose condensed consolidated financial report for the half-year ended 31 December 2010 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value, financial assets comprising convertible notes and shares held for trading, which are designated at fair value through profit and loss, and loans and receivables, which are measured at amortised cost.

The half-year condensed consolidated financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year condensed consolidated financial report should be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with any public announcements made by Treasury Group Ltd during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the *ASX Listing Rules*.

The financial report is presented in Australian dollars.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

AASB 2009-5 Introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditures on unrecognised assets in the statement of cash flows and the classification of leases of land and buildings.

AASB 2010-3 Introduces amendments to a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements to provide clarification of certain matters. The key clarifications include the measurement of non-controlling interests in a business combination, transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 Business Combinations (2008) and transition requirements for amendments arising as a result of AASB 127 *Consolidated and Separate Financial Statements*.

The adoption of these amendments have not resulted in any changes to the Group's accounting policies and have no affect on the amounts reported for the current or prior periods.

All other accounting policies applied are consistent with the most recent annual financial report for the year ended 30 June 2010.

(b) Compliance with IFRS

The financial report complies with AASB 134 *Interim Financial Reporting* as issued by the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2010

	CONSOLIDATED	
	Half Year ended 31 December 2010 \$	Half Year ended 31 December 2009 \$
3 REVENUE AND EXPENSES		
(a) Revenues		
Fund management fees	161,807	636,581
Service fees	1,551,369	1,504,524
Interest income	428,847	562,836
Dividend and distribution income	92,226	130,361
	2,234,249	2,834,302
(b) Gains/ (losses) on investments		
Net gain/ (loss) on disposal of available-for-sale investments	-	173,957
Fair value gain/ (loss) on revaluation of other investments at fair value through profit or loss	-	164,944
Foreign exchange (loss)/gain on investments	-	(56,983)
	-	281,918
(c) Salaries and employee benefits expenses		
Salaries and employee benefits	2,607,998	2,429,247
Share-based payment expense arising from equity-settled share-based payment transactions	134,393	407,069
	2,742,391	2,836,316
(d) Other expenses		
Depreciation and Amortisation:		
Software	13,649	7,550
Furniture & fittings	3,749	4,207
Office equipment	11,210	12,022
Leasehold improvements	2,146	3,577
Total depreciation and amortisation of non-current assets	30,754	27,356
Other expenses:		
Accounting & audit fees	150,812	98,526
Consulting fees & IT charges	224,916	132,054
Directors' fees (non-executives)	181,661	160,482
Insurance charges	102,352	107,544
Legal & compliance fees	130,014	221,423
Marketing & communication expenses	127,313	84,967
Operating lease rental – minimum lease payments	179,788	184,305
Travel & accommodation costs	143,928	188,510
Payroll tax	178,250	116,986
Subscriptions and training expenses	63,564	45,860
Others	43,651	118,922
	1,526,249	1,459,579
Total other expenses	1,557,003	1,486,935

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2010

	Half Year ended 31 December 2010 \$	Half Year ended 31 December 2009 \$
3 REVENUE AND EXPENSES (continued)		
(e) Share of net profits of equity accounted investments		
Share of net profits from operations	7,302,156	6,853,400
Excess of fair value of acquired entity over consideration paid	-	550,335
	7,302,156	7,403,735
4. NOTES TO THE STATEMENT OF CASH FLOWS		
For the purpose of the cash flow statement, cash and cash equivalents are comprised of the following:		
Cash at bank and in hand	9,443,194	10,596,384
	9,443,194	10,596,384
	31 DECEMBER 2010	30 JUNE 2010
	\$	\$
5. TRADE AND OTHER RECEIVABLES (CURRENT)		
Trade and other receivables	1,832,067	4,215,959
Sundry receivables	32,789	37,340
Other receivables	55,324	140,472
Related party receivables		
- jointly controlled entities - dividends	-	3,373,157
- others	1,316,231	1,149,188
Other related parties	60,711	302,731
	3,297,122	9,218,847
6. AVAILABLE-FOR-SALE INVESTMENTS		
Investment in Premium Investors Ltd listed shares	1,971,448	1,650,326
Investment in TG RARE Infrastructure Fund	89,218	85,668
Investment in TG Treasury Asia Management Fund	2,103,172	2,059,644
Investment in RARE Series Emerging Markets Fund	167,901	161,745
Investment in RARE Series Value Fund	131,841	113,763
Investment in Global Industrial Share Fund- Unhedged	989,232	-
Investment in Aubrey Conviction Fund	2,106,205	-
Aubrey Capital Management convertible preference shares*	874,023	985,749
Unlisted shares in other corporations	800	800
	8,433,840	5,057,695

* Whilst classified as an available-for-sale to satisfy the definition under the accounting standards, the Board views this as a long term holding investment. The acquisition price of these securities was \$1,000,000. The change in fair value reflects movements in fair value between reporting periods, including foreign exchange rates.

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2010

	31 DECEMBER 2010	30 JUNE 2010
	\$	\$
7. LOANS AND OTHER RECEIVABLES (NON-CURRENT)		
Loan receivables due from:		
Jointly Controlled Entities	6,035,063	6,704,394
	6,035,063	6,704,394
Impairment Losses on loans to Associates		
Impairment losses, beginning balance	-	(497,123)
Impairment (charge)/reversal	-	497,123
Impairment losses, closing balance	-	-

(a) Loans

The majority of non-current loans to associates and jointly controlled entities are subordinated to all other creditors as a condition of their Australian Financial Services Licences as agreed with the Australian Securities and Investments Commission (ASIC). Interest rates on the loans are fixed at between 6.5% and 7.5%.

(b) Fair values

The fair values and carrying values of non-current receivables of the Group are as follows:

	31 December 2010		30 June 2010	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Loans to jointly controlled entities	6,035,063	6,035,063	6,704,394	6,704,394
	6,035,063	6,035,063	6,704,394	6,704,394

	Half Year ended 31 December 2010	Half Year ended 31 December 2009
	\$	\$
8. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES		
Dividends paid or provided for in the current and comparative periods by Treasury Group Ltd are:		
(a) Dividends proposed and recognised as a liability		
Fully franked dividends	-	-
(b) Dividends paid during the half-year		
Final fully franked dividends (14 cents per share) (2010: 10 cents per share)	3,229,905	2,307,076
(c) Interim dividends proposed and not recognised as a liability*		
Interim fully franked dividends (14 cents per share) (2010: 12 cents per share)	3,229,905	2,768,491

* Calculation based on the ordinary shares on issue as at 31 January 2011 (2009: 31 January 2010)

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2010

	Half Year ended 31 December 2010 \$	Half Year ended 31 December 2009 \$
9. EARNINGS PER SHARE		
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit attributable to ordinary equity holders of the parent	5,231,998	6,421,407
Weighted average number of ordinary shares used in calculating basic earnings per share	23,070,755	23,070,755
Effect of dilutive securities		
Dilutive effect of potential ordinary shares – share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	23,070,755	23,070,755

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

	31 DECEMBER 2010 \$	30 JUNE 2010 \$
10. CONTRIBUTED EQUITY		
(a) Ordinary shares		
Ordinary shares	29,594,265	29,594,265
Fully paid ordinary shares carry one vote per share and carry the right to receive dividends		
(b) Movement in ordinary shares on issue		
	Number	\$
At 1 January 2010	23,070,755	29,594,265
At 30 June 2010	23,070,755	29,594,265
At 31 December 2010	23,070,755	29,594,265
(c) Capital management		

The Company's capital management policies focus on ordinary share capital. When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders or to conduct share buybacks.

During the half year ended 31 December 2010, management paid dividends of \$3,229,905 (2009: \$2,307,076). There are currently no plans to issue further shares. During the prior half year period the Company had no share buy-back scheme in place. No buyback program has been in place for the current half year end reporting period. Management has deployed working capital to fund new business opportunities.

The Group does not have any external borrowings.

Selected Notes to the Half-Year Financial Statements (continued)

For the half-year ended 31 December 2010

10. CONTRIBUTED EQUITY (Cont)

(d) Share Options

Options over ordinary shares:

During the period, no options over ordinary shares were issued (2009: nil) and 80,000 options lapsed (2009: 210,000).

At the end of the period there were 1,425,000 (2009: 2,505,000) unissued ordinary shares in respect of which 1,425,000 options (2009: 2,505,000) were outstanding. The options had a weighted average exercise price of \$11.45 (2009: \$14.23).

11. SEGMENT INFORMATION

Information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of performance is specifically focused on the profit after tax earned by each business within the Group. Therefore the Group's reportable segments under AASB 8 are included in the table below.

Information regarding these segments is presented below. Amounts reported for the prior period have been restated to conform to the segments reported in the 30 June 2010 annual financial report. The accounting policies of the new reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's results by reportable operating segment for the periods under review:

	Segment Profit	
	Half Year ended 31 December 2010 \$	Half Year ended 31 December 2009 \$
Outsourcing and Trustee Services	323,107	(48,968)
Australian Equities	4,540,773	6,600,587
International equities	538,754	516,220
Alternative equities	2,222,629	286,928
	7,625,263	7,354,767
Central administration costs and directors' salaries	(2,393,265)	(933,360)
Total per Income statement	5,231,998	6,421,407

Other than Australia, no country represents more than 10% of revenue of Treasury Group Limited and its jointly controlled entities. No individual customer represents more than 10% of revenue of Treasury Group Limited and its jointly controlled entities.

12. EVENTS AFTER THE BALANCE SHEET DATE

On 23 February 2011, the Directors of Treasury Group Ltd declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2010. The total amount of the dividend is \$3,229,905 which represents a fully franked dividend of 14 cents per share. The dividend has not been provided for in the 31 December 2010 half year financial statements and will be recognised in subsequent financial reports.

Directors' Declaration

In accordance with a resolution of the Directors of Treasury Group Ltd made pursuant to s303(5) of the Corporations Act 2001, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2010 and the performance for the half-year ended on that date of the Consolidated Entity; and
 - (ii) complying with Accounting Standard AASB 134 '*Interim Financial Reporting*' and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



M. Fitzpatrick
Chairman

23 February 2011

Independent Auditor's Report to the members of Treasury Group Limited

We have reviewed the accompanying half-year financial report of Treasury Group Limited, which comprises the condensed statement of financial position as at 31 December 2010, and the condensed income statement, condensed statement of comprehensive income, condensed statement of cash flows and condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Treasury Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Treasury Group Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



A H Young
Partner
Chartered Accountants

Sydney, 23 February 2011