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 2009
Previous corresponding period is the financial year ended and half year ended	30 June 2009 31 December 2008

2. Results for announcement to the market

				A$'000s
Revenues *(item 2.1)**	~~up~~/down	16%	to	2,476
Profit (loss) after tax attributable to members (*item 2.2*)	up/~~down~~	101%	to	6,421
Net profit (loss) for the period attributable to members *(item 2.3)*	up/~~down~~	101%	to	6,421

** Does not include the share of profits from Associates. Profits from Associates were $7.4M*

Dividends *(item 2.4)*

It is proposed to pay an interim fully franked dividend of 12.00 cents per share.

Payment Date: 26 March 2010

Record date for determining entitlements to the dividend *(item 2.5)*	5 March 2010

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

The profit after tax includes revaluation gains of $205,509 (pre tax $293,584) on fair value through profit or loss assets held in consolidated funds in addition to including a $90,048 (pre tax $128,640) write-down on the value of convertible notes held. The result also includes a $81,882 (pre tax $116,974) gain net of currency effects in relation to the sale of available for sale assets during the period.

The overall profitability of the group has increased due to the improvement in global financial markets as revenues in the underlying businesses are based on funds under management.

During the period interests were acquired in AR Capital Management Limited, Celeste Funds Management Limited and Aubrey Capital Management Ltd. As a result of these acquisitions the profit after tax includes a profit of $310,521 relating to the effect of the operating results of these businesses from the date of acquisition and a $550,335 gain made on acquisition of these interests. These results are reflected in the share of net profits of equity accounted investments in the 31 December 2009 financial report.

On 27 January 2010, Investors Mutual Limited a jointly controlled entity of Treasury Group Ltd announced it will be appointing Cannae Capital Partners Ltd in a sub advisory role to exclusively manage funds for Investors Mutual Limited and institutional clients. Refer to the ASX announcement made on 27 January 2010 for further details. It is expected the Cannae Capital Partners Ltd convertible note held will be cancelled on finalisation of this structure. Accordingly, the value of the convertible note has been reduced to zero, resulting in a writedown of $128,640 for the half year ended 31 December 2009.

For the details, please refer to the attached Financial Report for the 6 months period ended 31 December 2009.

3. Net tangible assets per security *(item 3)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	237¢	206¢

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)*	Refer note included on page 11 of the 31 December 2009 Half Year Condensed Financial Report
Date(s) of loss of control *(item 4.2)*	Refer note included on page 11 of the 31 December 2009 Half Year Condensed Financial Report
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).*	Refer note included on page 11 of the 31 December 2009 Half Year Condensed Financial Report
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	Refer note included on page 11 of the 31 December 2009 Half Year Condensed Financial Report

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Final dividend – year ended 30 June 2009	25 September 2009	2,307,076
Interim dividend – year ended 30 June 2010	26 March 2010	2,768,491

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Interim dividend:	Current year	12.00¢	100%	-¢
	Previous year	10.00¢	100%	-¢

Interim dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities *(each class separately)*	2,768	2,307
Preference securities *(each class separately)*	-	-
Other equity instruments *(each class separately)*	-	-
Total	2,768	2,307

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	47.5
Orion Asset Management (Aust) Pty Ltd	41.9
RARE Infrastructure Ltd	40
Global Value Investors Limited*	25.8
Treasury Asia Asset Management Limited	40
RARE IP Trust	40
Celeste Funds Management Limited	39.2
AR Capital Management Limited	30

* This direct equity ownership in GVI does not include the indirect 24.5% (2009: 27%) TRG Group equity ownership held via IML to GVI.

The above table excludes Aubrey Capital Management Limited and Cannae Capital Partners Limited as the results of these entities will not impact the Group's profit until the Convertible securities held by Treasury Group Limited are converted into ordinary shares.

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 2009 $	6mths to 31 Dec 2008 $
Profit (loss) before tax	9,807,321	7,627,693
Income tax	(2,403,586)	(2,197,065)
Net profit (loss) after tax	7,403,735	5,430,627
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	7,403,735	5,430,627

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 2009 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 2009, 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: 24 February 2010
(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 2009

Contents

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2009. 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

Mr R. Hayes

Mr D. Cooper

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 and Cannae Capital Partners Ltd.

The Group generated a net profit attributable to members of Treasury Group Ltd of $6,421,407 for the six months ended 31 December 2009. This compares with a net profit attributable to members of Treasury Group Ltd of $3,195,036 reported for the corresponding period ended 31 December 2008. Basic and diluted earnings per share have also increased from 13.84 cents per share to 27.83 cents for both basic and diluted earnings per share respectively for the 6 months ended 31 December 2009.

On 6 October 2009, Treasury Group Ltd completed the acquisition of a 30% ownership interest in AR Capital Management Pty Limited, an Australian equity absolute return manager. One of the sellers was an entity associated with Mr. Fitzpatrick, chairman of Treasury Group, which sold a portion of its equity stake equating to 10.4% of the equity in AR Capital Management Pty Limited together with the remaining 19.6% acquired from unrelated entities. The entity associated with Mr Fitzpatrick continues to own 8.4% of AR Capital Management Pty Limited.

On 11 November 2009, Treasury Group Ltd completed the acquisition of Celeste Funds Management Limited (previously known as Souls Funds Management Limited), an Australian equity manager with a smaller companies focus. Subsequent to the completion of legal documentation, the ownership interest of Treasury Group Ltd was 39.17% with the majority of ownership being held by the investment team of Celeste Funds Management Limited.

On 13 November 2009, Treasury Group Ltd completed the acquisition of a 20% ownership interest in Aubrey Capital Management, a global growth equity thematic manager based in Edinburgh, Scotland. In addition, Treasury Group Ltd was issued two options which will allow Treasury Group Ltd to acquire a further 10% if certain conditions are met.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 27 January 2010, Investors Mutual Limited, a jointly controlled entity of Treasury Group Ltd, announced it will be appointing Cannae Capital Partners Ltd in a sub advisory role to exclusively manage funds for Investors Mutual Limited and its institutional clients. Cannae Capital Partners Ltd will alter its name to reflect this alignment with Investors Mutual Limited. Treasury Group Ltd is expected to have a 40% interest in the sub advisory business with the investment team to hold the remaining 60% of equity. Under the expected terms of the sub advisory agreement it is anticipated that the renamed Cannae Capital Partners Ltd business will be profitable with no funding support be required. Treasury Group Ltd will convert the existing debt with the Cannae Capital Partners Ltd business for the 40% equity in the sub advisory business.

On 24 February 2010, the Directors of Treasury Group Ltd declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2009. The total amount of the dividend is $2,768,491 which represents a fully franked dividend of 12 cents per share. The dividend has not been provided for in the 31 December 2009 half year financial statements and will be recognised in subsequent financial reports.

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

Melbourne, 24 February 2010

Deloitte.

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

24 February 2010

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 2009, 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

DELOITTE TOUCHE TOHMATSU

A H Young
Partner
Chartered Accountants

Member of
Deloitte Touche Tohmatsu

Condensed Consolidated Income Statement
For the half-year ended 31 December 2009

	Notes	CONSOLIDATED Half-year ended 31 December 2009 $	CONSOLIDATED Half-year ended 31 December 2008 $
Revenues	3(a)	**2,476,309**	2,953,303
Other income	3(b)	**639,911**	(1,238,370)
Salaries and employee benefits expenses	3(c)	**(2,836,316)**	(2,890,423)
Fund management and administration expenses		**(358,047)**	(522,307)
Other expenses	3(d)	**(1,486,935)**	(1,479,915)
Share of net profits of equity accounted investments	3(e)	**7,403,735**	5,430,627
PROFIT BEFORE INCOME TAX EXPENSE		**5,838,657**	2,252,915
Income tax benefit/(expense)		**582,750**	943,551
PROFIT FOR THE PERIOD		**6,421,407**	3,196,466
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**-**	1,430
ATTRIBUTABLE TO THE MEMBERS OF THE PARENT		**6,421,407**	3,195,036
Earnings per share (cents per share) for profit attributable to the ordinary equity holders of the parent:			
• Basic earnings per share	11	**27.83**	13.84
• Diluted earnings per share	11	**27.83**	13.84
Franked dividends per share (cents per share)	10(c)	**12.00**	10.00

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 2009

	Notes	CONSOLIDATED Half-year ended 31 December 2009 $	Half-year ended 31 December 2008 $
PROFIT FOR THE PERIOD		**6,421,407**	3,196,466
Other comprehensive income			
Gain on available-for-sale investments taken to equity		**233,518**	-
Impairment of available-for-sale investments taken to income		-	564,144
Income tax relating to components of other comprehensive income		**(70,055)**	(169,243)
Share of after-tax gain on available-for-sale investments of jointly controlled entity		**226,333**	-
Other comprehensive income for the period (net of tax)		**389,796**	394,901
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**6,811,203**	3,591,367
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON CONTROLLING INTERESTS		-	1,430
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE MEMBERS OF THE PARENT		**6,811,203**	3,589,937

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 2009

	Notes	CONSOLIDATED	
		As at 31 December 2009 $	As at 30 June 2009 $
CURRENT ASSETS			
Cash and cash equivalents	4	**10,596,384**	10,515,123
Trade and other receivables	5	**4,867,323**	5,186,227
Other assets		**398,009**	285,760
TOTAL CURRENT ASSETS		**15,861,716**	15,987,110
NON-CURRENT ASSETS			
Trade and other receivables		**666,086**	254,429
Available-for-sale investments	6	**3,538,818**	4,380,201
Investments at fair value through profit and loss	7	**1,648,984**	2,036,033
Loans and other receivables	9	**9,196,291**	7,617,143
Deferred tax assets		**3,212,406**	2,676,529
Investments accounted for under the equity method		**23,985,469**	21,029,817
Plant and equipment		**133,747**	137,922
Intangible assets		**76,798**	18,389
Other assets		**16,112**	64,466
TOTAL NON-CURRENT ASSETS		**42,474,711**	38,214,929
TOTAL ASSETS		**58,336,427**	54,202,039
CURRENT LIABILITIES			
Trade and other payables		**2,547,519**	3,172,104
Provisions		**316,117**	274,191
TOTAL CURRENT LIABILITIES		**2,863,636**	3,446,295
NON-CURRENT LIABILITIES			
Provisions		**55,845**	52,154
Deferred tax liabilities		**641,565**	607,602
TOTAL NON-CURRENT LIABILITIES		**697,410**	659,756
TOTAL LIABILITIES		**3,561,046**	4,106,051
NET ASSETS		**54,775,381**	50,095,988
EQUITY			
Parent entity interest in equity			
Contributed equity	12	**29,594,265**	29,594,265
Reserves		**4,214,320**	3,440,809
Retained earnings		**20,966,596**	16,868,015
Parent interests		**54,775,181**	49,903,089
Non-Controlling interests		**200**	192,899
TOTAL EQUITY		**54,775,381**	50,095,988

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 2009

				Consolidated			
	Note	Ordinary Shares	Share options reserve	Net unrealised gains reserve	Retained earnings	Minority Interest	**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	10	-	-	-	(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 Changes in Equity
For the half-year ended 31 December 2009

	Note	Ordinary Shares	Share options	Consolidated Net unrealised gains reserve	Foreign exchange reserve	Retained earnings	Minority Interest	**Total**
		$	$	$	$	$	$	**$**
AT 1 JULY 2008		30,060,320	2,605,784	(394,901)	28,556	21,479,295	3,503,152	**57,282,206**
Total comprehensive income for the period		-	-	**394,901**	-	**3,195,036**	**1,430**	**3,591,367**
Shares bought back	12	(466,055)	-	-	-	-	-	**(466,055)**
Share-based payments		-	320,237	-	-	-	-	**320,237**
Deconsolidation of entities no longer controlled		-	-	-	(28,556)	(71,906)	(3,407,760)	**(3,508,222)**
Dividends paid	10	-	-	-	-	(6,929,831)	-	**(6,929,831)**
AT 31 DECEMBER 2008		29,594,265	2,926,021	-	-	17,672,594	96,822	**50,289,702**

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 2009

	Notes	CONSOLIDATED Half-year ended 31 December 2009 $	Half-year ended 31 December 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		**2,226,828**	1,982,353
Payments to suppliers and employees (inclusive of GST)		**(4,813,401)**	(5,546,772)
Dividends and distributions received		**5,674,502**	7,909,010
Interest received		**474,518**	369,273
NET CASH FLOWS FROM OPERATING ACTIVITIES		**3,562,447**	4,713,864
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**(1,970)**	(44,985)
Purchase of intangible assets		**(79,622)**	-
Proceeds from disposal of plant and equipment		**-**	4,500
Purchase of investments accounted for under the equity method		**(1,201,920)**	-
Purchase of available-for-sale investments		**(1,000,000)**	-
Purchase of investments at fair value through profit and loss		**-**	(240,255)
Proceeds from disposal of available-for-sale investments		**2,444,179**	4,586,469
Proceeds from disposal of investments at fair value through profit and loss		**136,564**	-
Proceeds from disposal of subsidiaries		**-**	1,000,000
Repayment of loan by jointly controlled entities		**174,464**	-
Advances to jointly controlled entities		**(1,160,000)**	(120,000)
Advances to associates		**(462,760)**	(468,000)
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**(1,151,065)**	4,717,729
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of equity instruments		**-**	95,191
Payment for equity bought back		**-**	(466,055)
Equity dividends paid on ordinary shares		**(2,307,076)**	(6,929,831)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		**(2,307,076)**	(7,300,695)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**104,306**	2,130,898
Cash and cash equivalents at the beginning of the period		**10,515,123**	10,301,071
Cash held by deconsolidated entities at the beginning of the period		(23,045)	(1,278,462)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**10,596,384**	11,153,507

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 2009

1. CORPORATE INFORMATION

The condensed consolidated financial report of Treasury Group Ltd for the half-year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 24 February 2010. 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 2009 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 shall be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by Treasury Group Ltd during the half-year ended 31 December 2009 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.

Business combinations

AASB 3 (2008) *Business Combinations* applies prospectively to business combinations for which the acquisition date is on or after 1 January 2009 and alters the manner in which business combinations and changes in ownership interest in subsidiaries are accounted for. Accordingly, its adoption has no impact on previous acquisitions made by the Group and in addition there are no implications for investments made by the Group during the current period as none of these are classified as subsidiaries.

Changes in ownership interests of subsidiaries

AASB 127 (2008) results in changes to the Group's accounting policies regarding increases or decreases in ownership interests in subsidiaries. Under AASB 127 (2008) any change in ownership interests will be recognised through equity (with no impact on goodwill or profit or loss) as opposed to previously increases being treated the same as an acquisition of a subsidiary (with goodwill recognised as appropriate) and decreases through profit or loss. No such increases or decreases were experienced by the Group during this current period.

Changes in ownership interests of associates/jointly controlled entities

AASB 128 *Investments in Associates* is amended by AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*. The result of this change is should there be a loss of significant influence, the investor measures at fair value any investment the investor retains in the investee. No such circumstances were experienced by the Group during this current period.

In addition to the above, the adoption of new and revised standards has resulted in changes to the Group's presentation, or disclosure in, its half-year financial statements in the following areas:

- Presentation of the financial statements. As a consequence of the adoption of AASB 101 *Presentation of Financial Statements (2007)* and its associated amending standards, in addition to the statement of financial position (formerly termed the 'balance sheet'), the income statement, the statement of cash flows and the statement of changes in equity, the Group presents a statement of comprehensive income.

- Information about the Group's segments. The adoption of AASB 8 *Operating Segments* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 8* has resulted in both a re-designation of the Group's reportable segments and amended segment disclosures.

During the period, the Group reduced its interest in RARE Series Emerging Markets Fund and Rare Series Value Fund such that these entities should no longer be consolidated but instead classified as 'available for sale' investments.

Classification and measurement of financial assets

AASB 2009-11 *Financial Instruments* is amended by AASB 9 which provides that financial assets classified as investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss. The change will have no impact to the Group.

All other accounting policies applied are consistent with the most recent annual financial report for the year ended 30 June 2009.

(b) Compliance with IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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

For the half-year ended 31 December 2009

	CONSOLIDATED	
	Half Year ended 31 December 2009 $	Half Year ended 31 December 2008 $
3 REVENUE AND EXPENSES		
(a) Revenue from operations		
Fund management fees	**636,581**	901,111
Service fees	**1,260,710**	1,392,579
Interest income	**545,838**	613,894
Dividend and distribution income	**33,180**	45,719
	2,476,309	2,953,303
(b) Other Income		
Net gain/ (loss) on disposal of available-for-sale investments	**173,957**	(853,430)
Fair value gain/ (loss) on revaluation of other investments at fair value through profit or loss	**164,944**	(734,179)
Impairment of available-for-sale investments	**-**	(809,419)
Foreign exchange (loss)/gain	**(56,983)**	739,840
Other income	**357,993**	418,818
	639,911	(1,238,370)
Expenses from operations		
(c) Salaries and employee benefits		
Salaries and employee benefits	**2,429,247**	2,521,837
Share-based payment expense arising from equity-settled share-based payment transactions	**407,069**	368,586
Total salaries and employee benefit expenses	**2,836,316**	2,890,423
(d) Other expenses		
Depreciation and Amortisation		
Software	**7,550**	3,131
Furniture & fittings	**4,207**	5,218
Office equipment	**12,022**	16,875
Leasehold improvements	**3,577**	2,396
Total depreciation and amortisation of non-current assets	**27,356**	27,620
Accounting & audit fee	**98,526**	114,271
Consulting Fees	**117,886**	159,892
Directors' Fees (non-executives)	**160,482**	225,698
Insurance charges	**107,544**	90,866
Legal & compliance fees	**221,423**	124,973
Marketing & stationery expenses	**54,934**	51,731
Operating lease rental	**184,305**	174,172
Travel & entertainment costs	**188,510**	62,378
Payroll tax	**116,986**	155,517
Subscriptions	**36,419**	34,913
Other	**172,564**	257,884
	1,459,579	1,452,295
Total other expenses	**1,486,935**	1,479,915

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

For the half-year ended 31 December 2009

	Half Year ended 31 December 2009 $	Half Year ended 31 December 2008 $
3 REVENUE AND EXPENSES (continued)		
(e) Share of net profits of equity accounted investments		
Share of net profits from operations	**6,853,400**	5,430,627
Excess of fair value of acquired entity over consideration paid	**550,335**	-
	7,403,735	5,430,627

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:

	Half Year ended 31 December 2009 $	Half Year ended 31 December 2008 $
Cash at bank and in hand	**10,596,384**	6,196,043
Commercial bills	**-**	4,957,464
	10,596,384	11,153,507

	31 DECEMBER 2009 $	30 JUNE 2009 $
5. TRADE AND OTHER RECEIVABLES (CURRENT)		
Trade and other receivables	**1,539,794**	2,290,141
Receivables from jointly controlled entities	**2,745,461**	2,223,355
Receivables from associates	**143,615**	266,617
Other receivables	**438,453**	406,114
	4,867,323	5,186,227

6. AVAILABLE-FOR-SALE INVESTMENTS

	31 DECEMBER 2009 $	30 JUNE 2009 $
Investment in TG RARE Infrastructure Fund	**92,271**	2,420,321
Investment in TG Treasury Asia Fund	**2,173,011**	1,959,080
Investment in RARE Series Emerging Markets Fund	**154,557**	-
Investment in RARE Series Value Fund	**118,179**	-
Aubrey Capital Management convertible securities*	**1,000,000**	-
Unlisted shares in other corporations	**800**	800
	3,538,818	4,380,201

* *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 classification of the investment will change once the securities are converted into ordinary equity.*

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

For the half-year ended 31 December 2009

	31 DECEMBER 2009	30 JUNE 2009
	$	$
7. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS		
At fair value through profit and loss		
Convertible note	-	128,640
Held for trading		
Listed shares in other corporations	1,648,984	1,855,356
Unlisted shares in other corporations	-	13,350
Units in managed investment trusts	-	38,687
	1,648,984	2,036,033

Refer to Note 14 for details of the proposed sub-advisory agreement between Investors Mutual Limited and Cannae Capital Partners Ltd. It is expected the Cannae Capital Partners Ltd convertible note held will be cancelled on finalisation of this structure. Accordingly, the value of the convertible note has been reduced to zero for the half year ended 31 December 2009.

8. ACQUISTION OF JOINTLY CONTROLLED ENTITIES

AR Capital Management is a company that specialises in absolute return funds. Treasury Group Ltd acquired a 30 percent stake on 7 October 2009 for approximately $1.1 million. In addition to the equity and the resultant share of net profits/losses, Treasury Group Ltd is entitled to a share of performance fees. AR Capital Management is jointly controlled by the Group.

On 11 November 2009, Treasury Group Ltd completed the acquisition of Celeste Funds Management Limited, previously Souls Funds Management Limited) an Australian equity manager with a smaller companies focus. Subsequent to the completion of legal documentation, the ownership interest of Treasury Group Ltd was 39.17% with the majority of ownership being held by the investment team of Celeste Funds Management Limited. Celeste Funds Management Limited is jointly controlled by the Group.

Treasury Group Ltd settled on 20% of Aubrey Capital Management on 13 November 2009 for a cost of $1 million (42,625 convertible A securities). The convertible securities are treated as Available for Sale assets by the Group. In addition, Treasury Group Ltd was issued two options which will allow Treasury Group Ltd to acquire a further 10% if certain conditions being met.

	31 DECEMBER 2009	30 JUNE 2009
	$	$
9. LOANS AND OTHER RECEIVABLES (NON-CURRENT)		
Loan receivables due from:		
Jointly Controlled Entities	**6,840,778**	5,837,847
Associates	**2,852,636**	2,276,419
Impairment of loan to Associates	**(497,123)**	(497,123)
	9,196,291	7,617,143
Impairment Losses on loans to Associates		
Impairment losses, beginning balance	**(497,123)**	-
Impairment charge	-	(497,123)
Impairment losses, closing balance	**(497,123)**	(497,123)

(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 Licence as agreed with the Australian Securities and Investments Commission (ASIC). Interest rates on the loans are fixed at between 8% and 9%.

Refer to Note 14 for details of the proposed sub-advisory agreement between Investors Mutual Limited and Cannae Capital Partners Ltd. Based on the expected structure of the sub-advisory arrangement, the directors believe no impairment charges are required for the loan from Treasury Group Ltd to Cannae Capital Partners Ltd for the half year ended 31 December 2009.

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

For the half-year ended 31 December 2009

9. LOANS AND OTHER RECEIVABLES (NON-CURRENT) (continued)

(b) Fair values

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

	31 December 2009		30 June 2009	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
	$	**$**	$	$
Loans to jointly controlled entities	**6,840,778**	**6,840,778**	5,837,847	5,837,847
Loans to associates	**2,355,513**	**2,355,513**	1,779,296	1,779,296
	9,196,291	**9,196,291**	7,617,143	7,617,143

	Half Year ended 31 December 2009	Half Year ended 31 December 2008
	$	$
10. 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	2,307,076	6,929,831
(c) Interim dividends proposed and not recognised as a liability*		
Interim fully franked dividends (12 cents per share) (2008: 10 cents per share)	**2,768,491**	2,307,076
* Calculation based on the ordinary shares on issue as at 31 January 2010 (2008: 31 January 2009)		
11. 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	**6,421,407**	3,195,036
Weighted average number of ordinary shares used in calculating basic earnings per share	**23,070,755**	23,085,091
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**	23,085,091

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.

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

For the half-year ended 31 December 2009

	31 DECEMBER 2009	30 JUNE 2009
	$	$
12. 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 2009	23,070,755	29,594,265
At 30 June 2009	23,070,755	29,594,265
At 31 December 2009	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 2009, management paid dividends of $2,307,076 (2008: $6,929,831). There are currently no plans to issue further shares on the market. During the prior half year period the Company had a share buy-back scheme in place, which enabled it to reduce the capital structure by buying back share capital with a value of $466,055 during the half year ended 31 December 2008. 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 as well as existing businesses.

The Group does not have any external borrowings.

(d) Share Options

Options over ordinary shares:

During the period, no options over ordinary shares were issued (2008: 1,000,000) and 210,000 lapsed (2008: 410,000).

At the end of the period there were 2,505,000 (2008: 2,715,000) unissued ordinary shares in respect of which 2,505,000 options (2008: 2,715,000) were outstanding. The options had a weighted average exercise price of $14.23 (2008: $13.96).

13. SEGMENT INFORMATION

The Group has adopted AASB 8 Operating Segments and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 8* with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. This also captures investor and investee relationships. In contrast, the predecessor Standard (AASB 114 *Segment Reporting*) required the entity to identify two sets of segments (business and geographical) using a risk and rewards approach, with the entity's reporting to key management personnel only acting as the starting point for the identification of such segments. As a result, following the adoption of AASB 8, the identification of the Group's segments has changed.

In prior periods segment information reported externally was analysed based on the services supplied by the Group, namely funds management as the sole service. However, 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.

'Other' is the aggregation of the Group's other operating segments that are not separately reportable. Included in 'Other' are operating segments relating to funds management business which are not separately reportable.

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

For the half-year ended 31 December 2009

13. SEGMENT INFORMATION (continued)

Information regarding these segments is presented below. Amounts reported for the prior period have been restated to conform to the requirements of AASB 8. 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 2009 $	Half Year ended 31 December 2008 $
Treasury Group Investment Services Limited	455,604	(630,035)
Investors Mutual Limited	4,029,767	2,511,621
Orion Asset Management (Australia) Limited	1,755,137	1,753,664
Other	1,068,496	395,653
	7,309,004	4,030,903
Central administration costs and directors' salaries	(887,597)	(835,867)
Profit for the period	**6,421,407**	**3,195,036**

The results for above segment results in the current and comparative periods have been affected by the volatility of marked to market movements from investments held in trusts.

14. EVENTS AFTER THE BALANCE SHEET DATE

On 27 January 2010, Investors Mutual Limited a jointly controlled entity of Treasury Group Ltd, announced it will be appointing Cannae Capital Partners Ltd in a sub advisory role to exclusively manage funds for Investors Mutual Limited and its institutional clients. Cannae Capital Partners Ltd will alter its name to reflect this alignment with Investors Mutual Limited. Treasury Group Ltd is expected to have a 40% interest in the sub advisory business with the investment team to hold the remaining 60% of equity. Under the expected terms of the sub advisory agreement it is anticipated that the renamed Cannae Capital Partners Ltd business will be profitable with no funding support be required. Treasury Group Ltd will convert the existing debt with the Cannae Capital Partners Ltd business for the 40% equity in the sub advisory business.

On 24 February 2010, the Directors of Treasury Group Ltd declared an interim dividend on ordinary shares in respect of the half year ended 31 December 2009. The total amount of the dividend is $2,768,491 which represents a fully franked dividend of 12 cents per share. The dividend has not been provided for in the 31 December 2009 half year financial statements and will be recognised in subsequent financial reports.

15. RELATED PARTY DISCLOSURES

In relation to the Group's acquisition of a 30% interest in AR Capital Management, one of the sellers was an entity associated with Mr Fitzpatrick, chairman of Treasury Group, which sold a portion of equity stake equating to 10.4% of the equity in AR Capital Management for $381,810. The entity associated with Mr Fitzpatrick continues to own 8.4% of AR Capital Management.

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 2009 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

Melbourne, 24 February 2010

Deloitte.

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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 statement of financial position as at 31 December 2009, and the income statement, statement of comprehensive income, statement of cash flows and 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 18.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 2009 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.

Member of
Deloitte Touche Tohmatsu

Deloitte.

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 2009 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

DELOITTE TOUCHE TOHMATSU

A H Young
Partner
Chartered Accountants

Sydney, 24 February 2010