

HIGHLIGHTS

- **Assets Under Management: R3 billion**
- **Total comprehensive income attributable to equity holders of the parent: R1.2 million**
- **Positive cash flow generated from operating activities: R2.5 million**

UNAUDITED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2010

The continued improvement in the performance of the JSE in recent months has impacted positively on EFH's results. Although HEPS for the six months ended 28 February 2010 ("the reporting period") is lower than that of the six months ended 28 February 2009 ("the comparative period"), it is 1.88 cents per share higher than the HEPS achieved for the six months ended 31 August 2009.

1. Financial Results

For the comparative period, revenue decreased from R24.3 million to R19.8 million, mainly due to a decline in both performance fees and fixed fees from asset administration services. Revenue is largely linked to the performance of equity markets. Fixed fee income generated by Asset Management was 5% higher than that of the comparative period. Financial Services revenue increased with 35%.

Fixed expenses increased by 12% from the comparative period. The increase in the cost base is in line with the Group's strategy to increase its marketing and distribution capacity and the roll-out of the Financial Services offering.

The Group reported an after tax profit of R1.2 million and generated net cash flow from operating activities of R2.5 million. The Group maintains a cash reserve of at least three months' fixed cash expenses. The Group has no long-term debt.

2. Business Segmental Results

The Group constitutes three divisions namely Asset Management, Asset Administration and Financial Services.

Asset Management:
Asset Management consists of the following subsidiaries: Efficient Group, Efficient International Investments, Multigro Capital and Valugro.

The focus of the Asset Management division is to deliver returns in line with investment objectives whilst complying with investable benchmarks through the management of Unit Trust Funds, Unit Trust Funds of Funds and Private Share portfolios, both local and international.

The revenue of this division is largely linked to the JSE performance and the amount of assets under management. Some of the positive effects of improved financial market conditions in recent months will only reflect within the next six to twelve months as a result of the "rolling period" and "high watermark" nature of the performance fee calculations of a number of the Group's Unit Trust funds. Although *Efficient Group's* revenue declined as a result of the lower performance fees, the Unit Trust products have considerable earnings potential.

In response to volatile equity markets and the need of many investors for manager diversification, EFH launched a new portfolio management product called Naviga. This product was well received by the market and is expected to contribute positively to *Efficient Group's* earnings going forward.

An excellent performance was seen from *Efficient International Investment*, which increased its profit

from the comparative period. *Multigro Capital* saw an increase in revenue of 9% with profits at the same level as the comparative six-month period. *Valugro's* revenue which consists of fixed and performance fees, decreased as performance fees declined and assets under management decreased.

At the end of the reporting period EFH had approximately R3 billion of assets under management.

Asset Administration:

Efficient Collective Investments is responsible for the administration of approximately one-third of the Unit Trusts under the Group's management. Administration of assets includes liability administration and asset administration such as daily pricing of Unit Trust funds. Assets under Administration decreased, resulting in lower profits.

Efficient Collective Investments had approximately R900 million of assets under administration as at 28 February 2010.

Financial Services:

A comprehensive range of financial services is delivered through *Efficient Financial Services* trading as *Efficient Advise*. The financial services were previously offered through *Efficient Financial Services* and *FH Financial Service (EB)*. The two companies were merged during the period under review to form *Efficient Financial Services* trading as *Efficient Advise*. Financial Services include financial planning, investment advice and risk cover. A full range of employee benefits is offered and the current product offering has recently been extended to include short-term insurance, medical insurance, cash management, stockbroking, asset finance and fiduciary services. The development of a market-leading Financial Needs Analysis and Client Relationship Management System has also been completed. The strategy to establish a national footprint and increase the distribution network of the Financial Services division, resulted in increased fixed expenses.

3. Acquisition Activities

During the reporting period, EFH acquired a cash management book for a total purchase price of R700 000. 50% of the purchase price was settled in cash and the balance of the purchase price was settled by issuing EFH shares to the vendors.

4. Strategy

The Group's strategy will be focused on the following key areas:

- the further roll-out of Financial Services through the development of the relationships with professional service providers;
- continuous product innovation;
- enhancing our information technology integration and capabilities;
- consolidating the Asset Management division;
- increasing the marketing and distribution capabilities across all areas; and
- diversifying our income base to improve earnings stability.

5. Dividends

The Group's dividend policy is to declare dividends bi-annually at the discretion of the board of directors,

determined by the financial position of the Group and equal to 80% of the free cash flow of the Group. Free cash flow is calculated after making provision for a cash reserve equal to three months' operating expenses, capital expenditure and budgeted acquisitions. Listing proceeds are excluded from free cash flow in this period. The directors continue to follow a prudent approach by not declaring a dividend based on company performance over the reporting period.

6. Basis of Preparation

The interim results have been presented on a consolidated basis and have been prepared in accordance with the International Financial Reporting Standards, the requirements of IAS 34 (Interim Financial Reporting), the JSE Listings Requirements, and the Companies Act of South Africa. The accounting policies applied are consistent with those applied in the previous interim period and previous financial year-end. No material events occurred after the interim period, which require an adjustment to the financial information. These interim results have not been audited or reviewed by the Group's auditors, PKF (Jhb) Inc.

7. Change to the Board of Directors

At the time of the listing of EFH on the JSE in April 2009, Mr Khwinana was nominated to the board of EFH by Thebe Investment Corporation (Proprietary) Limited, a major shareholder of EFH. Mr Khwinana has resigned from the employment of Thebe Investment Corporation (Proprietary) Limited, resulting in his resignation from the board of EFH. Mr Khwinana will be replaced by an independent non-executive director in due course.

Mrs L. Whitfield will act as alternate director to Mr R. Paterson and Mr R. S. Mogototoane, the legal officer at Thebe Investment Corporation, was appointed as alternate director to Mrs L.N. Gadd.

Steve Booysen **Heiko Weidhase**
Chairman Managing Director

31 March 2010

Non-Executive Directors:

S Booysen*, EA Hern*, MJ Giles*, LN Gadd, M Cassim, and R Paterson.

*Independent

Alternate Non-Executive Directors:

L Whitfield and RS Mogototoane.

Executive Directors:

DD Roodt, H Weidhase, AT de Klerk.

Registration Number:

2006/036947/06

Registered Address:

81 Dely Road, Hazelwood, 0181

Business Address:

81 Dely Road, Hazelwood, Pretoria, 0181

Company Secretary:

iThemba Governance and Statutory Solutions (Pty) Ltd

Transfer Secretaries:

Link Market Services South Africa (Pty) Ltd

Sponsor:

Java Capital (Pty) Ltd

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Unaudited Six Months ended 28-Feb-10 R'000	Unaudited Six Months ended 28-Feb-09 R'000	%Change	Audited Year ended 31-Aug-09 R'000
Revenue	19,819	24,290	-18%	40,836
Asset Management fees				
- Fixed fees	6,590	6,285	5%	12,886
- Performance fees	5,174	7,734	-33%	9,820
Asset Administration fees	4,573	7,559	-40%	12,745
Financial Services fees	3,378	2,503	35%	4,861
Other	104	209	-50%	524
Operating expenses	(20,108)	(19,710)	-2%	(37,496)
- Variable expenses	(3,490)	(4,201)	17%	(7,718)
- Fixed expenses	(14,586)	(12,938)	-13%	(25,404)
- Non-cash flow expenses	(2,032)	(2,571)	21%	(4,374)
Operating (loss)/profit	(289)	4,580	-106%	3,340
Interest received	778	1,174	-34%	2,283
Other	-	-	-	53
Interest paid	-	-	-	(43)
Income from associates	742	188	295%	947
Profit before taxation	1,231	5,942	-79%	6,580
Taxation	(71)	"(1,651)"		(1,714)
Total comprehensive income for the period	1,160	4,291	-73%	4,866

Attributable to:

Equity holders of the parent	1,176	4,232		4,785
Minority interest	(16)	59		81
	1,160	4,291		4,866

Number of shares in issue	39,706	36,135		39,641
Weighted average number of shares	39,684	36,135		37,408
Diluted Weighted average number of shares	39,684	36,135,000		
- Opening Shares	39,641	36,135,000		
- Repurchase of shares - 31 March 2009				
- Issued 20 April 2009	43			
Earnings per share (cents)	2.96	11.71	-75%	12.79
Headline earnings per share (cents)	2.96	11.71	-75%	12.82

Reconciliation of earnings to headline earnings

Total comprehensive income for the period attributable to equity holders of the parent	1,176	4,232		4,785
Scrapping of PPE	-	-		13
Less: Taxation on scrapping of PPE	-	-		(4)
Headline earnings	1,176	4,232		4,794

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	Unaudited as at 28-Feb-10 R'000	Unaudited as at 28-Feb-09 R'000	Audited as at 31-Aug-09 R'000
Non-current assets			
Property, plant and equipment	1,407	1,953	1,631
Investment in associates	10,620	9,348	9,880
Other intangible assets	25,444	27,986	26,357
Goodwill	20,259	20,259	20,259
Deferred taxation asset	2,633	1,778	1,936
	60,363	61,324	60,063
Current assets			
Trade and other receivables	4,885	5,166	4,535
Cash and cash equivalents	20,767	4,780	18,762
Taxation receivable	-	-	962
	25,652	9,946	24,259
Total assets	86,015	71,270	84,322
Equity			
Capital and reserves	74,792	58,530	72,989
Share capital and share premium	54,189	37,880	53,839
Treasury shares	(7,200)	(7,200)	(7,200)
Share-based payment reserve	-	1,984	-
Minority interest	195	96	81
Retained earnings	27,608	25,770	26,269
Non-current liability			
Deferred taxation liability	6,914	7,835	7,365
Current liabilities			
Trade and other payables	4,309	4,905	3,968
Taxation payable	4,187	4,219	3,968
	122	686	-
Total equity and liabilities	86,015	71,270	84,322
Net asset value per share (cents)	187.98	161.71	194.90
Net tangible asset value per share (cents)	72.81	28.20	70.28

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	R'000	Share capital	Treasury shares	Share-based payment reserve	Minority interest	Retained earnings	Total equity
Balance at 31 August 2008		37,880	(7,200)	1,477	37	21,538	53,732
Amortisation of share-based payments	-	-	-	507	-	-	507
Total comprehensive income for the period	-	-	-	-	59	4,232	4,291
Balance at 28 February 2009		37,880	(7,200)	1,984	96	25,770	58,530
Issue of share capital	14,622	-	-	-	-	-	14,622
Repurchase of shares	-	-	-	-	-	(62)	(62)
Amortisation of share-based payments	-	-	-	(647)	-	-	(647)
Transfer of share-based payment reserve	1,337	-	-	(1,337)	-	-	-
Pre-acquisition reserves acquired	-	-	-	-	-	8	8
Total comprehensive income for the period	-	-	-	-	21	553	574
Dividends paid	-	-	-	-	(36)	-	(36)
Balance at 31 August 2009		53,839	(7,200)	-	81	26,269	72,989
Issue of share capital	350	-	-	-	-	-	350
Change in ownership	-	-	-	-	130	163	293
Total comprehensive income for the period	-	-	-	-	(16)	1,176	1,160
Balance at 28 February 2010		54,189	(7,200)	-	195	27,608	74,792

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS	Unaudited Six Months ended 28-Feb-10 R'000	Unaudited Six Months ended 28-Feb-09 R'000	Audited Year ended 31-Aug-09 R'000
Cash generated from operations	1,905	6,861	7,858
Finance income received	778	1,174	2,283
Interest paid	-	-	(43)
Dividends received from associates	-	69	118
Dividends paid	-	-	(36)
Tax paid	(135)	(8,975)	(11,476)
Net cash flow from operating activities	2,548	(871)	(1,296)
Acquisition of subsidiaries/associates	-	(9,124)	(9,001)
Acquisition of intangible asset	(350)	-	-
Purchase of equipment	(193)	(223)	(370)
Net cash outflow from investing activities	(543)	(9,347)	(9,371)
Issue of Share capital			14,622
Treasury shares			(62)
Repurchase of shares			(129)
Proceeds from intercompany loans			14,431
Net cash flow from financing activities	-	-	14,431
Movement in cash and cash equivalents for the period	2,005	(10,218)	3,764
Cash and cash equivalents at the beginning of the period	18,762	14,998	14,998
Cash and cash equivalents at the end of the period	20,767	4,780	18,762

SEGMENTAL ANALYSIS	R'000	Revenue		Profit before tax		Net asset value	
		Feb-10	Feb-09	Feb-10	Feb-09	Feb-10	Feb-09
Asset Management		11,992	14,245	841	3,818	25,776	23,567
- External		11,764	14,019	-	-	-	-
- Inter-segment		228	226	-	-	-	-
Asset Administration		4,573	7,559	82	1,706	1,584	1,913
Financial Services		3,378	2,503	1,726	1,682	953	3,795
Unallocated corporate revenue/expenses/net assets		-124	-17	-1,417	-1,264	46,479	29,255
		19,819	24,290	1,231	5,942	74,792	58,530
		-0	-	0	-	0	-