

EFFICIENT GROUP LIMITED  
Incorporated in the Republic of South Africa  
(Registration nr: 2006/036947/06)  
Share code: EFG  
ISIN: ZAE 000151841  
("EFG" or "the Group")

UNAUDITED INTERIM FINANCIAL RESULTS  
FOR THE SIX MONTHS ENDED 29 FEBRUARY 2012

1. Financial Results

Statement of Comprehensive Income:

During the reporting period Group revenue increased marginally by 1%. The expansion of the distribution network resulted in a 61% increase in revenue generated from financial services. The decrease in assets under management, a consequence of the cancellation of a significant external fund management mandate, resulted in a decrease in fixed fees earned by the asset management business. Asset management benefited from the positive market movement (ALSI 13%) resulting in slightly lower performance fees during the reporting period, compared to the comparative period (ALSI 19%). Despite the decrease in assets under management margins were maintained in the asset management and asset administration division.

Variable costs increased in line with expectations as a result of the growth in the distribution network. Fixed expenses increased by 10% signifying the investment in the expansion of the distribution network, the increase in corporate governance and compliance expenses, and expenses related to the diversification strategy.

The non-cash flow expenses consist of the amortisation of intangible assets and depreciation of equipment and systems. The increase in non-cash flow expenses resulted from the growth of the distribution network through business combinations and the investment in information technology.

Higher interest received and return on investments (23%) countered the lower operating profit achieved in the reporting period. The Group's share of comprehensive loss from associates had a negative impact on the profit for the reporting period. The Group reported a profit for the period of R 133 000.

Statement of Financial Position:

The increase in Plant and Equipment is a result of the investment in Information Technology. Market leading technology systems are of strategic importance for the success of the Group. The increase in goodwill relates to the acquisition of a financial services business. Loans receivable and long-term liability relate to financing of the balance of the Financial Advisory client base acquired during the reporting period. See acquisition activities below. Working capital increased marginally in line with the increase in business activity.

2. Acquisition Activities

As part of the extension of the financial services distribution network Efficient Financial Services (Pty) Ltd:

- with effect from 10 October 2011, acquired a 20% share in a Financial Advisory client base for R 610 000 which is payable in cash over a 24 month

period. An Independent Financial Adviser was appointed to service the acquired client base. The aforementioned Independent Financial Adviser is also the beneficial owner of the balance of this client base.

- acquired a 20% share in another two Financial Advisory client bases for R 34 000. The transactions were effective from October 2011 and February 2012 respectively and the purchase prices were settled in cash.
- expanded its financial services offering into Namibia. A branch was opened in partnership (50% partnership) with BDO (Namibia), a leading international auditing firm. Initially this transaction will only require working capital. The partnership is effective from 13 October 2011 and is expected to be in operation from 1 April 2012.

Efficient Capital acquired a 50% share in an Information Technology company. The maximum acquisition price is R 5.6 million and will be settled in cash (R3.5 million) and the balance by transferring software developed by Efficient Group. The effective date of this transaction was extended to 1 April 2012. The cash portion of the acquisition price will be utilised to expand the IT business. This is a strategic acquisition and significant to support our information technology needs and the commercialisation of investment and reporting software.

As part of the Group's initiative to incentivise senior personnel at a Group level rather than at subsidiary level, the Group acquired the non-controlling share of 10% held in Efficient Financial Services (Pty) Ltd from the managing director of the company. The total acquisition price is R 3.6 million and will be settled by issuing 2 085 500 Efficient Group Limited shares. The acquisition price will be adjusted based on the performance of Efficient Financial Services (Pty) Ltd over the next three years, relative to the performance of the Group. The effective date of the transaction is 1 September 2011. An acquisition price of R 9.6 million was adjusted to R 3.6 million since the Group's Integrated Report.

CONDENSED CONSOLIDATED	Unaudited	Unaudited		Audited
STATEMENTS OF COMPREHENSIVE INCOME	Six	Six	%	Year
	Months	Months	Change	ended
	ended	ended		31-Aug-11
	29-Feb-12	28-Feb-11		R'000
	R'000	R'000		
Revenue	26 304	26 092	1%	48 782
Asset Management fees				
- Fixed fees	6 483	9 544	(32%)	18 553
- Performance fees	7 411	7 991	(7%)	12 090
Asset Administration fees	5 576	4 184	33%	8 581
Financial Services fees	6 722	4 167	61%	8 916
Other	112	206	(46%)	642
Operating expenses	(26 078)	(22 412)	(16%)	(45 190)
- Variable expenses	(5 377)	(3 483)	(54%)	(7 535)
- Fixed expenses	(18 409)	(16 790)	(10%)	(33 466)
- Non-cash flow expenses	(2 292)	(2 139)	(7%)	(4 189)
Operating profit	226	3 680	94%	3 592
Finance income	729	791	(8%)	1 451
Dividends received	-	-	-	110
Finance cost	(24)	(98)	(76%)	(165)

Realised fair value adjustment of available-for-sale financial assets	247	-	-	-
Other Income/(Expenses)	(2)	-	-	48
Share of losses from associates	(559)	(203)	175%	(241)
Profit before taxation	617	4 170	(85%)	4 795
Taxation	(484)	(1 439)		(1 704)
Profit for the period	133	2 731	(95%)	3 091
Other comprehensive income:				
Realised fair value adjustment of available-for-sale financial assets	(6)	-		-
Fair value adjustment of available-for-sale financial assets	97	49		(22)
Total comprehensive income for the period	224	2 780	(92%)	3 069
Profit for the period attributable to:				
Equity holders of the parent	133	2 717		3 104
Non-controlling interest	-	14		(13)
	133	2 731		3 091
Total Comprehensive income for the period attributable to:				
Equity holders of the parent	224	2 764		3 082
Non-controlling interest	-	16		(13)
	224	2 780		3 069
Number of shares in issue ('000)	40 760	39 939		39 939
Weighted average number of shares ('000)	40 760	39 939		39 939
Earnings per share (cents)	0.33	6.80	(95%)	7.77
Headline earnings per share (cents)	0.32	6.80	(95%)	7.77
Dividend per share	2.60	-		7.85
Reconciliation of earnings to headline earnings				
Profit for the period attributable to equity holders of the parent	133	2 717		3 104
Realised fair value adjustment of available- for- sale financial assets through profit and loss	(6)	-		-
Less: Taxation on realised fair value adjustment of available-for-sale financial assets through profit and loss	2	-		-
Headline earnings	129	2 717		3 104
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	Unaudited as at 29-Feb-12 R'000	Unaudited as at 28-Feb-11 R'000		Audited as at 31-Aug-11 R'000
Non-current assets				
Plant and equipment	2 344	1 507		1 418
Investments	384	3 063		3 297
Equity accounted investments	10 119	10 716		10 678
Other intangible assets	20 854	25 302		21 803

Goodwill	21 731	20 259	21 731
Loans receivable	2 387	-	-
Deferred tax asset	337	985	250
	58 156	61 832	59 177
Current assets			
Trade and other receivables	10 566	8 391	5 137
Cash and cash equivalents	24 291	22 639	25 070
	34 857	31 030	30 207
Total assets	93 013	92 862	89 384
Equity			
Share capital and share premium	56 894	55 458	55 458
Treasury shares	(149)	(7 200)	(149)
Fair value adjustment reserve	88	66	(3)
Shares to be issued	2 214	-	-
Non-controlling interest	-	565	69
Accumulated earnings	18 453	31 322	22 938
	77 500	80 211	78 313
Non-current liability			
Long-term liability	2 400	-	-
Deferred taxation liability	5 406	6 796	5 721
	7 806	6 796	5 721
Current Liabilities			
Trade and other payables	6 736	5 567	5 078
Tax payable	971	288	272
	7 707	5 855	5 350
Total equity and liabilities	93 013	92 862	89 384
Net asset value per share (cents)	190.14	199.42	195.91
Net tangible asset value per share (cents)	85.66	85.34	86.91

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital and Share premium	Trea-sury shares	Fair value adjust-ment for avail-able-for-sale assets reserve	Shares to be issued	Non-control-ling interest	Accumu-lated earnings	Total equity
R'000							
Balance at 31 August 2010	54 189	(7 200)	19	-	672	30 699	78 379
Issue of share capital	1 269	-	-	-	-	-	1 269
Change in ownership	-	-	47	-	16	2 717	2 780
Total comprehen-	-	-	-	-	(123)	(2 094)	(2 217)

sive income for the period Balance at 28 February 2011	55 458	(7 200)	66	-	565	31 322	80 211
Share repurchase by the Share Incentive Trust	-	(149)	-	-	-	-	(149)
Change in ownership Cancel- lation of treasury shares	-	-	-	-	(492)	(3 141)	(3 633)
Dividend paid	-	-	-	-	(114)	(3 241)	(3 355)
Total comprehen- sive income for the period	-	-	(69)	-	110	5 198	5 239
Balance at 31 August 2011	55 458	(149)	(3)	-	69	22 938	78 313
Issue of share capital	1 436	-	-	-	-	-	1 436
Shares to be issued				2 214			2 214
Change in ownership Realised fair value adjustment of available- for-sale financial assets	-	-	(6)	-	(69)	(3 580)	(3 649)
Total comprehen- sive income for the period	-	-	97	-	-	133	230
Dividend paid	-	-	-	-	-	(1 038)	(1 038)
Balance at 29 February 2012	56 894	(149)	88	2 214	-	18 453	77 500

CONDENSED CONSOLIDATED STATEMENTS OF CASH  
FLOWS

Unaudited  
Six  
Months

Unaudited  
Six  
Months

Audited  
year

	ended 29-Feb-12 R'000	ended 28-Feb-11 R'000	ended 31-Aug-11 R'000
Cash (utilised by)/generated from operations	(1 252)	3 962	8 722
Finance income	729	791	1 451
Finance cost	(24)	(98)	(165)
Dividends received from associates	-	-	110
Dividends paid	(1 038)	(2 217)	(3 355)
Tax paid	(358)	(525)	(742)
Net cash (outflow)/inflow from operating activities	(1 943)	1 913	6 021
Acquisition of business	-	-	(1 193)
Increase in Loans Receivable	(467)	-	-
Disinvestment/(acquisition) of available-for-sale financial assets	3 247	(1 994)	(2 300)
Acquisition of non-controlling interest	-	-	(900)
Acquisition of intangible assets	(134)	(1 205)	-
Purchase of equipment	(1 482)	(438)	(772)
Net cash inflow/(outflow) from investing activities	1 164	(3 637)	(5 165)
Share repurchase by the Share Incentive Trust	-	-	(149)
Net cash outflow from financing activities	-	-	(149)
Movement in cash and cash equivalents for the period	(779)	(1 724)	707
Cash and cash equivalents at the beginning of the period	25 070	24 363	24 363
Cash and cash equivalents at the end of the period	24 291	22 639	25 070

#### SEGMENTAL ANALYSIS

	Asset Management	Asset Administration	Financial Services	Asset Finance	Other	Total
For the six months ended 29 February 2012 (Unaudited) R'000						
Revenue	3 894	8 821	6 634	88	(3 133)	26 304
- External	10 691	8 821	6 634	88	70	26 304
- Inter-segment	3 203	-	-	-	(3 203)	-
Profit for the period	3 609	1 632	(201)	(64)	(4 843)	133
Net asset value	24 296	3 629	1 595	(163)	48 143	77 500
For the six months ended 29 February 2011 (Unaudited) R'000						

months ended						
28 February						
2011						
(Unaudited)						
Revenue	17 535	8 056	4 167	-	(3 666)	26 092
- External	13 702	8 056	4 167	-	167	26 092
- Inter-						
segment	3 833	-	-	-	(3 833)	-
Profit for						
the period	5 849	790	329	-	(4 237)	2 731
Net asset						
value	20 017	910	1 594	-	57 690	80 211

For the year  
ended 31  
August 2011  
(Audited)

R'000

Revenue	30 644	15 943	8 916	-	(6 721)	48 782
- External	23 363	15 943	8 916	-	560	48 782
- Inter-						
segment	7 280	-	-	-	(7 280)	-
Profit for						
the year	9 418	1 906	296	-	(8 529)	3 091
Net asset						
value	20 590	2 002	1 116	-	54 605	78 313

Other consists of consolidation entries, amortisation of intangible assets and support services expenses.

Management review the operating results of the operating segments before the allocation of support services expenses. The comparative figures were restated due to the change in the composition of the reportable segments.

### 3. Dividends

The company's dividend policy is to declare dividends biannually at the discretion of the board of directors, determined by the financial position of the Group and equal to 80% of free cash flow of the Group. Free cash flow is calculated after making provision for cash reserves equal to three months' operating expenses, capital expenditure and budgeted acquisitions. Based on this policy the directors determined that no interim dividend will be paid.

### 4. Basis of preparation

The interim results are presented on a consolidated basis and are 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 and the AC 500 series of Interpretation as issued by the APB. The accounting policies applied are consistent with those applied in the previous interim period and previous financial year-end, except for the change in the allocation of support services charges. No material events occurred after the interim period which requires an adjustment to the financial information. These interim results have not been audited or reviewed by the Group's auditors, PKF (Jhb) Inc. The condensed unaudited interim financial results are prepared by Anton de Klerk, the Chief Financial Officer of Efficient Group.

Steve Booyesen  
Chairman

Heiko Weidhase  
Chief Executive Officer

29 March 2012

Non-executive directors: S Booyesen\*, MJ Giles\*, Z Cele\*, L Taylor\*, L Gadd, M Cassim and R Paterson.

Alternate non-executive directors: L Whitfield and RS Mogototoane  
\* Independent

Executive directors: DD Roodt, H Weidhase, AT de Klerk

Registration number: 2006/036947/06

Registered address: 81 Dely Road, Hazelwood, 0081

Business address: 81 Dely Road, Hazelwood, Pretoria, 0081

Company secretary: Adv Rudi Barnard

Transfer secretaries: Link Market Services South Africa (Pty) Ltd

Sponsor: Java Capital