

TRUSTCO GROUP HOLDINGS LIMITED

Incorporated in the Republic of Namibia
(Registration number 2003/058)

NSX share code: TUC

JSE share code: TTO

ISIN Number: NA000A0RF067

("the Company" or "the Group" or "Trustco")

Unaudited Condensed Consolidated Interim Results for the 6 months ended 30 September 2010**Nature of Business**

Trustco is a diversified financial services company specialising in the provision of micro insurance and microloans to underserved communities in emerging markets. Through the use of state of the art technology, Trustco is able to offer microloans for education and micro insurance to the masses more efficiently and affordably. Micro insurance products are easily accessed through mobile telephony allowing rural communities access to insurance. Trustco operates in Namibia and South Africa with the recent addition of Zimbabwe as part of its Africa expansion strategy.

Financial Overview

Profit after tax increased by 89% to NAD 57.2 million and headline earnings grew by 70% to NAD 52.5 million compared to the first six months of the 2010 financial year. Earnings were enhanced by a damages award in favour of Trustco, which was recognised during this period. Revenue declined marginally as new loans were subject to stricter credit criteria. Traditionally, up to 70% of earnings before interest, tax and amortisation is recorded during the second half of the financial year.

Review of Operations**Micro Insurance**

This segment comprises of micro short-term and micro life insurance. Revenue was down by 8% and profit after tax remained flat compared to the comparative period due to a tougher trading environment in Namibia.

Trustco Mobile

Trustco Mobile is a division of Micro Insurance. Trustco's patented concept brings micro-insurance to the mass market by using mobile telephony as a delivery method. Although many people in Africa are in possession of a cellular phone, the majority of them cannot afford basic insurance. Trustco Mobile

has developed a successful model that increases access to micro insurance by providing insurance products to cellular phone users. In September of this year, Trustco Mobile extended this offering outside of its Namibian borders by concluding an agreement with Econet Wireless (Private) Limited ("Econet") and First Mutual Life Assurance Co. in Zimbabwe. This agreement provides life cover and other value added services to the 4.2 million subscriber base of Econet. The take-up of the product by the Zimbabwean market was in line with expectations.

Micro Finance and Education

Although revenue remained strong in the first half of this financial year, growth in revenue declined by 16%. Consequently, the micro finance loan book remained relatively unchanged at NAD 177.3 million compared to the comparative period while profit after tax declined by 10% compared to the comparative period. Collections on the micro finance book remained strong during the first half of this financial year. Provisioning for bad debt amounted to 8%, which is up from 7% in the previous year.

Financial Services outside Namibia (South Africa)

Trustco Financial Services (Proprietary) Limited ("TFS") provides administration facilities, systems and back office processing to corporate brokers, Underwriting Management Agencies (UMA's) and insurers. Net profit after tax increased by 78% whilst revenue declined by 7%. This was mainly achieved through cost saving measures and improved efficiencies. On 29 November 2010, the arbitrator in the arbitration between Dex Group (Proprietary) Limited ("Dex Group") versus Trustco Group International (Proprietary) Limited ("Trustco Group International") and others, delivered his final award, which is not subject to appeal. In terms of the award, Dex Group remains liable to Trustco Group International to repay the overdraft facility of R19,449,883.80. Upon the discharge of this obligation, Dex Group is entitled to the issue and transfer of ordinary shares in Trustco Group Holdings Limited valued at R3.80 per share. The number of shares to be issued is limited to the profit after tax of TFS as achieved as at 31 March 2009, which was N\$ 18,199,500.48.

Dex Group must pay all the costs relating to the arbitration process.

Private Equity

This segment comprises mainly the head office support activities within the Group, as well as Trustco's property portfolio. Profit after tax grew by 86% which is largely attributable to

income recognised from the South African Broadcasting Corporation ("SABC") legal action award in favour of Trustco. The property portfolio consists of industrial, commercial and residential property situated in Namibia and South Africa held for investment purposes and with a carrying value of NAD 211.8 million (2010: NAD 209.9 million).

Dividends Paid

An interim dividend of 1.5 cents per share was declared on 1 December 2010 and will be paid on Thursday 27 January 2011.

Subsequent events

SABC Legal Action

Following the arbitration process between Trustco Group International and the SABC as a result of breach of contract by the SABC, Trustco was awarded N\$ 24.7 million plus interest and costs. The award, which was made after the parties final submissions during June 2010, has been accrued with interest in these interim results. Trustco Group International has been advised by its external legal council that there are good prospects that the amount of the award made by the arbitrator could be increased by the Appeal Tribunal. Acting on this advice, Trustco Group International resolved to file an appeal against the award made, seeking an increase in the amount awarded. A notice of appeal was served on the arbitrator and the SABC on 28 June 2010 and the Group expects the appeal to be finalised before 31 March 2011. The SABC's initial written indication was that they would not appeal, however, a purported cross appeal has been served on Trustco by the SABC, which was well outside the prescribed time limits.

Future outlook

With the roll out of Trustco Mobile beyond Namibian borders now well underway, Trustco expects this product to boost earnings from the second half of the current financial year. Trustco Mobile will also provide a sound platform to launch other financial services products into the African market, such as micro finance for educational purposes which in Namibia has proven to be a very unique business offering that supports social and economical development

Share Buy-back

At the annual general meeting held on 29 September 2010, shareholders voted in favour of a resolution for the Company to perform a general share buy-back. The Trustco Board of Directors are currently implementing the share buy-back scheme as approved by shareholders.

Basis of preparation and presentation of interim financial statements

Statement of compliance

The interim results have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Reporting Standards ("IFRS") and the AC 500 standards as issued by the Accounting Practices Board and containing the information required by IAS34: Interim Financial Reporting, the Listing Requirements of the Namibian Stock Exchange (NSX) and JSE Limited, and the Companies Act of Namibia, 2004.

Basis of preparation

The unaudited condensed consolidated financial statements are prepared in thousands of Namibian Dollars ("NAD'000"). The Group's functional and presentation currency is NAD. At 30 September 2010, NAD 1 was equal to ZAR 1. These interim results are unaudited and have not been reviewed by the auditors.

The unaudited results have been prepared in accordance with accounting policies of the Group that comply with IFRS, the JSE Limited Listings Requirements and the NSX and have been consistently applied throughout the Group, and are consistent with those of the previous annual financial statements.

Appreciation

With all the success enjoyed by the Group during the year, the Board expresses its gratitude towards the tremendous effort from all Trustco staff in order to achieve these results. The Board would also like to extend a word of thanks to our clients and service providers without whom Trustco would not have prospered as it did.

REVIEWED PROVISIONAL CONSOLIDATED CONDENSED FINANCIAL INFORMATION FOR
THE YEAR ENDED 31 MARCH 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
N\$ '000	% Change	2010	2009	2010
Insurance premium revenue	(6)	51 121	54 246	108 365
Revenue	(14)	189 495	221 225	442 083
Total revenue	(13)	240 616	275 471	550 448
Cost of sales	9	(133 181)	(146 883)	(279 087)
Gross profit	(16)	107 435	128 588	271 361
Investment income	>100	34 643	1 943	7 883
Fair value gains and losses	(14)	329	382	88 261
Other income	>100	35 470	752	23 754
Insurance benefits and claims	12	(8 221)	(9 385)	(16 922)
Transfer to policyholder liabilities	64	(1 205)	(3 391)	(2 427)
Change in unearned premium provision	44	(68)	(121)	(367)
Administrative expenses	(21)	(99 806)	(82 290)	(189 556)
Finance costs	(7)	(10 624)	(9 904)	(20 489)
Profit before taxation	>100	57 953	26 574	161 498
Taxation	<100	(743)	3 674	(23 954)
Profit for the period	89	57 210	30 248	137 544
Attributable to:				
Equity holders of the parent	89	57 210	30 248	137 544
Profit for the period	89	57 210	30 248	137 544
<i>Other comprehensive income, net of tax</i>	>100	1 885	128	(753)
Revaluation of property, plant and equipment	>100	1 885	128	(753)
Total comprehensive income for the period	95	59 095	30 376	136 791

Attributable to:				
Equity holders of the parent	95	59 095	30 376	136 791
EARNINGS & HEADLINE EARNINGS PER SHARE				
	%	Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
N\$ '000	Change	2010	2009	2010
Profit attributable to ordinary shareholders	89	57 210	30 248	137 544
Adjustments net of taxation:	<100	(4 752)	671	(52 212)
Loss on disposal of property, plant and equipment	(100)	-	892	3 657
Fair value adjustments on investment properties	100	-	(221)	(58 159)
Impairment of intangible assets	-	-	-	2 290
Negative goodwill on business acquisition	-	(4 752)	-	-
Headline Earnings	70	52 458	30 919	85 332
Earnings per share:				
Basic earnings per share (cents)	89	8.45	4.47	20.31
Diluted earnings per share (cents)	89	8.45	4.47	20.31
Headline earnings per share (cents)	70	7.75	4.57	12.60
Weighted number of ordinary shares in issue ('000)	-	677 240	677 240	677 240

SEGMENTAL ANALYSIS				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
N\$ '000	Change	2010	2009	2010
	%			
Total revenue				
Micro insurance	(8)	51 121	55 792	108 365
Micro finance and education	(16)	39 248	46 958	104 542
Financial services outside Namibia	(7)	139 662	149 921	291 699
Private equity	(54)	10 585	22 800	45 842
	(13)	240 616	275 471	550 448
Net profit after tax				
Micro insurance	(0)	27 349	27 482	44 985
Micro finance and education	(10)	20 967	23 171	39 342
Financial services outside Namibia	78	12 784	7 166	19 937
Private equity	86	(3 890)	(27 571)	33 280
	89	57 210	30 248	137 544
Total assets				
Micro insurance	33	41 306	31 158	38 222
Micro finance and education	7	196 885	183 980	193 547
Financial services outside Namibia	2	216 939	211 899	199 107
Private equity	51	561 099	372 720	490 228
	27	1 016 229	799 757	921 104
Total liabilities				
Micro insurance	5	27 061	25 755	28 219
Micro finance and education	22	39 478	32 404	28 152
Financial services outside Namibia	(11)	126 170	141 318	129 116
Private equity	34	285 780	212 571	256 972
	16	478 489	412 048	442 459

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
N\$ '000	Change	2010	2009	2010
ASSETS				
Non-current assets				
Property, plant and equipment	(0)	143 806	144 321	139 366
Investment property	>100	143 861	34 192	143 233
Intangible assets	10	208 894	189 104	194 718
Deferred income tax assets	38	66 022	47 938	50 855
Educational micro loans advanced	1	108 071	106 708	106 840
Other loans advanced	(7)	22 694	24 284	37 163
Finance lease receivable	(32)	872	1 276	872
Total non-current assets	27	694 220	547 823	673 047
Current assets				
Assets at fair value through profit and loss	66	21 514	12 981	18 274
Short-term portion of educational micro loans advanced	13	69 190	61 277	71 463
Short-term portion of other loans advanced	(43)	634	1 104	908
Short-term portion of finance lease receivable	15	387	337	387
Amounts due by related parties	(100)	-	2 973	-
Inventories	(39)	18 999	31 232	18 677
Trade and other receivables	100	114 302	36 210	46 549
Current income tax assets	1	546	539	752
Cash and cash equivalents	(8)	96 437	105 281	91 047
Total current assets	28	322 009	251 934	248 057

Total assets	27	1 016 229	799 757	921 104
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	-	162 645	162 645	162 645
Deemed treasury shares	(3)	(18 731)	(18 137)	(18 731)
Vendor shares	(100)	-	14 976	-
Contingency reserve	87	2 522	1 346	1 902
Revaluation reserves	6	17 982	16 979	16 098
Distributable reserves	78	373 322	209 900	316 731
Total capital and reserves	39	537 740	387 709	478 645
Non-current liabilities				
Long term liabilities	(2)	105 836	107 505	111 090
Other liabilities	(71)	767	2 615	3 150
Deferred income tax liabilities	>100	69 567	26 690	57 082
Policy holders' liability under insurance contracts	7	6 103	5 691	4 899
Amounts due to related parties	(23)	9 297	12 037	20 834
Total non-current liabilities	24	191 570	154 538	197 055
Current liabilities				
Current portion of long-term liabilities	>100	61 353	14 524	15 367
Current portion of other liabilities	12	2 445	2 178	1 645
Trade and other payables	(12)	168 754	192 128	187 572
Technical provisions	3	17 667	17 140	17 189
Current income tax liabilities	>100	4 083	385	2 005
Bank overdraft	5	32 617	31 155	21 626
Total current liabilities	11	286 919	257 510	245 404
Total equity and liabilities		1 016 229	799 757	921 104

CONSOLIDATED STATEMENT OF CASH FLOW				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
N\$ '000	Change	2010	2009	2010
Cash flow from operating activities				
Cash (absorbed) / generated from operations	<100	(28 369)	60 715	73 635
Interest received	>100	34 643	1 943	7 883
Finance costs	(7)	(10 624)	(9 904)	(20 489)
Net educational loans advanced	>100	1 042	(34 958)	(45 276)
Dividends paid	100	-	(14 144)	(14 143)
Taxation paid	<100	(48)	441	(397)
Net cash flow from operating activities	<100	(3 356)	4 093	1 213
Cash flow from investing activities				
Additions to property, plant and equipment	(43)	(12 524)	(8 761)	(20 180)
Additions to investment properties	<100	(299)	(99)	(200)
Additions to intangible assets	<100	(14 999)	(5 889)	(11 739)
Additions to assets at fair value through profit and loss	(10)	(3 240)	(2 946)	(8 239)
Proceeds on sale of property, plant and equipment	(100)	-	3 108	9 042
Net cash flow from investing activities	<100	(31 062)	(14 587)	(31 316)
Cash flow from financing activities				

Sale of deemed treasury shares	(100)	-	1 000	496
Proceeds from / (repayment of) long term liabilities	>100	40 732	(11 503)	(7 075)
(Repayment of) / proceeds from other liabilities	<100	(1 583)	2 075	2 077
(Advanced made) / received from related party loans	<100	(11 536)	(3 720)	8 050
Decrease in policy holder under insurance contracts	(63)	1 204	3 219	2 427
Net cash flow from financing activities	>100	28 817	(8 929)	5 975
Net change in cash and cash equivalents	71	(5 601)	(19 423)	(24 128)
Cash and cash equivalents at beginning of period	(26)	69 421	93 549	93 549
Cash and cash equivalents at end of period	(14)	63 820	74 126	69 421

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY				
		Unaudited 6 months ended 30 September	Unaudited 6 months ended 30 September	Audited year ended 31 March
N\$ '000	Change	2010	2009	2010
	%			
Balance at beginning the period	29	478 645	370 477	370 477
Vendor shares settled	-	-	-	(14 976)
Sale of deemed treasury shares by Trustco Staff Share Incentive Scheme Trust	(100)	-	1 000	406
Gain on sale of deemed treasury shares	-	-	-	90

Dividends for the period	100	-	(14 144)	(14 143)
Total comprehensive income for the period	95	59 095	30 376	136 791
Balance at end of the period	39	537 740	387 709	478 645
Comprising of:				
Share capital	-	162 645	162 645	162 645
Deemed treasury shares	(3)	(18 731)	(18 137)	(18 731)
Vendor shares	(100)	-	14 976	-
Contingency reserve	87	2 522	1 346	1 902
Revaluation reserve	6	17 982	16 979	16 098
Retained earnings	78	373 322	209 900	316 731
	39	537 740	387 709	478 645

By order of the board
PJ Miller
Company Secretary

3 December 2010

JSE Sponsor
QuestCo Sponsors (Pty) Ltd

NSX Sponsor
IJG Securities (Pty) Ltd