



PSG GROUP LIMITED

INTERIM RESULTS

(UNAUDITED) FOR THE SIX MONTHS ENDED 31 AUGUST 2011

| Recurring headline earnings increased by 21,7% to 135,5 cents per share | Interim dividend increased by 30% to 26 cents per share
| Sum-of-the-parts value increased by 11,8% to R52,34 per share as at 31 August 2011

CONDENSED GROUP INCOME STATEMENT

| | Unaudited | | Unaudited | | Audited | |
|---|----------------|---------------|----------------|------------------|---------|------|
| | 31 Aug 2011 | Change % | 31 Aug 2010 | 28 Feb 2011 | 2010 | 2011 |
| | Rm | | Rm | Rm | | Rm |
| Income | | | | | | |
| Investment income and net fair value adjustments to financial instruments | 14,3 | | 90,2 | 221,4 | | |
| Commission and other fee income | 757,9 | 30,0 | 583,2 | 1 290,2 | | |
| Other operating income | 20,2 | | 42,3 | 380,2 | | |
| Total income | 792,4 | 10,7 | 715,7 | 1 891,8 | | |
| Expenses | | | | | | |
| Insurance claims and loss adjustments | (0,5) | | (2,4) | (0,2) | | |
| Operating expenses | (698,6) | | (557,9) | (1 162,4) | | |
| Total expenses | (699,1) | 24,8 | (560,3) | (1 162,6) | | |
| Share of profits of associated companies | 249,0 | | 267,3 | 524,8 | | |
| Results of operating activities | 342,3 | (19,0) | 422,7 | 1 254,0 | | |
| Finance costs | (59,5) | | (46,2) | (90,7) | | |
| Profit before taxation | 282,8 | (24,9) | 376,5 | 1 163,3 | | |
| Taxation | (30,5) | | (54,0) | (131,0) | | |
| Profit for the period | 252,3 | (21,8) | 322,5 | 1 032,3 | | |
| Attributable to: | | | | | | |
| Owners of the parent | 148,1 | | 208,9 | 708,4 | | |
| Non-controlling interest | 104,2 | | 113,6 | 323,9 | | |
| | 252,3 | | 322,5 | 1 032,3 | | |
| Attributable to owners of the parent | 148,1 | | 208,9 | 708,4 | | |
| Non-headline items (note 2) | 26,9 | | 20,2 | (196,0) | | |
| Headline earnings | 175,0 | (23,6) | 229,1 | 512,4 | | |
| Earnings per share (cents) | | | | | | |
| Attributable | 87,4 | (30,1) | 125,0 | 424,1 | | |
| Headline ("HEPS") | 103,3 | (24,6) | 137,0 | 306,7 | | |
| Diluted attributable | 86,4 | (30,3) | 124,0 | 420,2 | | |
| Diluted headline | 102,2 | (24,9) | 136,0 | 303,9 | | |
| Recurring headline | 135,5 | 21,7 | 111,3 | 241,9 | | |
| Dividend per share (cents) | | | | | | |
| Interim | 26,0 | | 20,0 | 20,0 | | |
| Final | | | | 47,0 | | |
| | 26,0 | 30,0 | 20,0 | 67,0 | | |
| Number of shares (million) | | | | | | |
| In issue (net of treasury shares) | 175,2 | | 167,0 | 166,3 | | |
| Weighted average | 169,5 | | 167,2 | 167,1 | | |
| Diluted weighted average | 171,3 | | 168,5 | 168,6 | | |

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

| | Unaudited | | Unaudited | | Audited | |
|--|---------------|-------------|--------------|----------------|---------|------|
| | 31 Aug 2011 | 31 Aug 2010 | 31 Aug 2010 | 28 Feb 2011 | 2010 | 2011 |
| | Rm | Rm | Rm | Rm | Rm | Rm |
| Profit for the period | 252,3 | | 322,5 | 1 032,3 | | |
| Other comprehensive income for the period | (10,7) | | 25,0 | 26,2 | | |
| Share of other comprehensive income and equity movements of associated companies | (7,8) | | 25,4 | 17,0 | | |
| Disposal of associated company's share of other comprehensive income | | | | 10,1 | | |
| Other | (2,9) | | (0,4) | (0,9) | | |
| Total comprehensive income for the period | 241,6 | | 347,5 | 1 058,5 | | |
| Attributable to: | | | | | | |
| Owners of the parent | 143,3 | | 239,5 | 722,5 | | |
| Non-controlling interest | 98,3 | | 108,0 | 336,0 | | |
| | 241,6 | | 347,5 | 1 058,5 | | |

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

| | Unaudited | | Unaudited | | Audited | |
|---|----------------|-------------|----------------|----------------|---------|------|
| | 31 Aug 2011 | 31 Aug 2010 | 31 Aug 2010 | 28 Feb 2011 | 2010 | 2011 |
| | Rm | Rm | Rm | Rm | | Rm |
| Ordinary shareholders' equity at beginning of period | 3 584,8 | | 2 947,0 | 2 947,0 | | |
| Total comprehensive income for the period | 143,3 | | 239,5 | 722,5 | | |
| Shares issued | 376,0 | | | | | |
| Share buy-back | | | (20,0) | (20,0) | | |
| Net movement in treasury shares | 16,7 | | 4,3 | 9,6 | | |
| Share-based payment costs | 1,6 | | 3,3 | 6,1 | | |
| Transactions with non-controlling interest | (22,0) | | 6,4 | 2,0 | | |
| Dividends paid | (79,9) | | (48,5) | (82,4) | | |
| Ordinary shareholders' equity at end of period | 4 020,5 | | 3 132,0 | 3 584,8 | | |
| Non-controlling interest | 3 117,8 | | 2 519,9 | 3 025,8 | | |
| Beginning of period | 3 025,8 | | 2 263,5 | 2 263,5 | | |
| Total comprehensive income for the period | 98,3 | | 108,0 | 336,0 | | |
| Shares issued | 71,0 | | | | | |
| Preference shares issued | | | 202,9 | 501,5 | | |
| Transactions with non-controlling interest | 0,4 | | (35,4) | (5,4) | | |
| Acquisition of subsidiaries | | | 39,7 | 39,7 | | |
| Dividends and capital distributions paid | (36,8) | | (35,1) | (57,7) | | |
| Preference dividend paid | (40,9) | | (23,7) | (51,8) | | |
| Total equity at end of period | 7 138,3 | | 5 651,9 | 6 610,6 | | |

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

| | Unaudited | | Unaudited | | Audited | |
|---|-----------------|-------------|-----------------|-----------------|---------|------|
| | 31 Aug 2011 | 31 Aug 2010 | 31 Aug 2010 | 28 Feb 2011 | 2010 | 2011 |
| | Rm | Rm | Rm | Rm | | Rm |
| Assets | | | | | | |
| Property, plant and equipment | 507,8 | | 304,9 | 410,9 | | |
| Intangible assets | 1 111,4 | | 919,2 | 1 025,3 | | |
| Investments in associated companies | 5 446,2 | | 4 740,5 | 5 212,3 | | |
| Deferred income tax | 64,3 | | 19,8 | 48,4 | | |
| Financial assets linked to investment contracts (note 4) | 8 915,9 | | 8 534,9 | 9 112,4 | | |
| Other financial assets | 612,8 | | 721,5 | 605,7 | | |
| Receivables | 188,1 | | 217,1 | 193,7 | | |
| Current income tax assets | 4,1 | | | 5,4 | | |
| Cash and cash equivalents | 698,0 | | 347,9 | 796,1 | | |
| Non-current asset held for sale | 31,0 | | | | | |
| Total assets | 17 579,6 | | 15 805,8 | 17 410,2 | | |
| Equity | | | | | | |
| Ordinary shareholders' equity | 4 020,5 | | 3 132,0 | 3 584,8 | | |
| Non-controlling interest | 3 117,8 | | 2 519,9 | 3 025,8 | | |
| Total equity | 7 138,3 | | 5 651,9 | 6 610,6 | | |
| Liabilities | | | | | | |
| Financial liabilities | 30,3 | | 31,0 | 29,9 | | |
| Financial liabilities under investment contracts (note 4) | 8 915,9 | | 8 534,9 | 9 112,4 | | |
| Other financial liabilities | 845,0 | | 1 019,5 | 854,9 | | |
| Deferred income tax | 133,5 | | 133,6 | 126,4 | | |
| Payables and provisions | 496,7 | | 428,9 | 663,6 | | |
| Current income tax liabilities | 19,9 | | 6,0 | 12,4 | | |
| Total liabilities | 10 441,3 | | 10 153,9 | 10 799,6 | | |
| Total equity and liabilities | 17 579,6 | | 15 805,8 | 17 410,2 | | |
| Net asset value per share (cents) | 2 295 | | 1 875 | 2 156 | | |
| Net tangible asset value per share (cents) | 1 660 | | 1 325 | 1 539 | | |

CONDENSED GROUP STATEMENT OF CASH FLOWS

| | Unaudited | | Unaudited | | Audited | |
|---|----------------|-------------|---------------|----------------|---------|------|
| | 31 Aug 2011 | 31 Aug 2010 | 31 Aug 2010 | 28 Feb 2011 | 2010 | 2011 |
| | Rm | Rm | Rm | Rm | | Rm |
| Net cash flow from operating activities | (316,3) | | (8,5) | 564,3 | | |
| Net cash flow from investment activities | (307,4) | | (267,4) | (249,3) | | |
| Net cash flow from financing activities | 278,2 | | 184,3 | 335,9 | | |
| Net (decrease)/increase in cash and cash equivalents | (345,5) | | (91,6) | 650,9 | | |
| Cash and cash equivalents at beginning of period | 1 127,3 | | 476,4 | 476,4 | | |
| Cash and cash equivalents at end of period* | 781,8 | | 384,8 | 1 127,3 | | |
| * Include the following: | | | | | | |
| Bank overdrafts | | | (15,9) | (3,4) | | |
| Clients' cash linked to investment contracts | 83,8 | | 52,8 | 334,6 | | |

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

1. Basis of presentation and accounting policies

The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the annual financial statements for the year ended 28 February 2011, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as well as the AC 500 standards, the requirements of the South African Companies Act of 2008, as amended, and the Listings Requirements of the JSE Ltd. The accounting policies applied in the preparation of these condensed interim group financial statements are consistent with those used in the previous financial year. No new standards, interpretations or amendments, which are relevant to the group's operations, became effective during the period.

The complete IAS 34-compliant report has been released on the Securities Exchange News Service ("SENS") and is also available at www.psggroup.co.za.

2. Non-headline items

| | Unaudited | | Unaudited | | Audited | |
|--|---------------|-------------|---------------|--------------|---------|------|
| | 31 Aug 2011 | 31 Aug 2010 | 31 Aug 2010 | 28 Feb 2011 | 2010 | 2011 |
| | Rm | Rm | Rm | Rm | | Rm |
| Net of taxation and non-controlling interest | | | | | | |
| Impairment of investments in associated companies | (20,2) | | (13,8) | (28,8) | | |
| Net profit on sale/dilution of investments in associated companies | 3,0 | | 15,0 | 243,3 | | |
| Non-headline items of associated companies | (9,9) | | (22,9) | (18,1) | | |
| Other | 0,2 | | 1,5 | (0,4) | | |
| | (26,9) | | (20,2) | 196,0 | | |

3. Commitments and contingent liabilities

| | | | | | | |
|-----------------------------|------|--|------|------|--|--|
| Operating lease commitments | 81,2 | | 74,6 | 75,6 | | |
|-----------------------------|------|--|------|------|--|--|

4. Linked investment contracts

These represent PSG Asset Management Administration Services (previously PSG FutureWealth) clients' assets held under investment contracts, which are linked to a corresponding liability.

5. PSG Financial Services Ltd

The company is a wholly owned subsidiary of PSG Group Ltd, separate for the 11 885 206 preference shares which are listed on the JSE Ltd. No separate financial statements are presented for the company as it is the only asset of PSG Group Ltd.

COMMENTARY

OVERVIEW

PSG is an investment holding company consisting of 33 underlying investments, with a combined market capitalisation of R74bn, that operate across industries that include financial services, banking, agriculture, education, construction, manufacturing, mining and energy saving.

SUM OF THE PARTS ("SOTP")

Our key valuation tool used to determine PSG's performance is the growth in its SOTP value per share. The calculation is simple and requires limited subjectivity as 95% of the SOTP value is calculated using quoted market prices, whilst the unlisted investments are valued using market-related multiples. At 31 August 2011, the SOTP value per PSG share was R52,34, which was 11,8% higher than at 28 February 2011. At 30 September 2011, the SOTP value was R53,22 per share.

| Asset/liability | 28 Feb 2009 | 28 Feb 2010 | 28 Feb 2011 | 31 Aug 2011 | % of total assets |
|------------------------------------|--------------|--------------|--------------|---------------|-------------------|
| | Rm | Rm | Rm | Rm | |
| Capitec Bank* | 857 | 2 367 | 5 138 | 6 090 | 55,7% |
| PSG Konsult** | 873 | 948 | 1 206 | 1 177 | 10,8% |
| Paladin Capital* | 413 | 834 | 1 242 | 841 | 7,7% |
| Curro Holdings* | | | | 580 | 5,3% |
| Zeder Investments* | 342 | 742 | 1 069 | 1 013 | 9,3% |
| Management fees/agreements | 216 | 361 | 350 | 350 | 3,2% |
| Other investments | | | | | |
| (Thembeke prefs, cash, etc.) | 745 | 400 | 548 | 878 | 8,0% |
| Total assets | 3 446 | 5 652 | 9 553 | 10 929 | 100,0% |
| Perpetual pref funding* | (486) | (541) | (1 028) | (1 013) | |
| Other debt* | (350) | (539) | (507) | (481) | |
| Total SOTP value | 2 610 | 4 572 | 8 018 | 9 435 | |
| Number of shares (million) | 170,5 | 176,6 | 171,3 | 182,4 | |
| SOTP value per share (rand) | 15,31 | 26,08 | 46,81 | 52,34 | |

* Listed on the JSE Ltd ** Over the counter * Valuation

RESULTS

A continued increase in PSG's SOTP value over the long term will depend on sustained growth in the profitability of our underlying investments. PSG thus continues to use the recurring headline earnings method to provide management and investors with a more realistic and transparent way of evaluating PSG's earnings performance. PSG's consolidated recurring headline earnings represent the sum of PSG's effective interest in the recurring headline earnings of each investment. The result is that investments in which PSG or an underlying company holds less than 20% and are generally not equity accountable in terms of accounting standards, are included in the calculation of our consolidated recurring headline earnings. Marked-to-market fluctuations are excluded.

| Recurring headline earnings (Rm) | Year ended | | 6 months ended | |
|---|--------------|--------------|----------------|--------------|
| | 28 Feb 2010 | 28 Feb 2011 | 31 Aug 2010 | 31 Aug 2011 |
| Capitec Bank | 151,7 | 223,0 | 99,1 | 167,9 |
| PSG Konsult | 91,9 | 93,9 | 41,7 | 42,5 |
| Paladin Capital | 76,1 | 44,8 | 25,1 | 22,7 |
| Curro Holdings | 1,1 | 1,9 | 1,2 | (5,1) |
| Zeder Investments | 83,6 | 109,4 | 50,9 | 53,8 |
| PSG Corporate (incl. PSG Capital) | 15,3 | 21,0 | 10,3 | 7,8 |
| Other | 20,0 | 19,2 | 9,9 | 10,6 |
| Recurring headline earnings before funding | 439,7 | 513,2 | 238,2 | 300,2 |
| Funding | (80,7) | (109,1) | (52,1) | (70,5) |
| Recurring headline earnings | 359,0 | | | |