Condensed group financial statements

These condensed group financial statements comprise a summary of the audited group annual financial statements of PSG Group Ltd for the year ended 28 February 2014.

The group annual financial statements, including these condensed group financial statements, were compiled under the supervision of the group financial director, Mr WL Greeff, CA(SA), and were audited by PSG Group Ltd's external auditor, PricewaterhouseCoopers Inc.

The group annual financial statements, including the unmodified audit opinion, are available on PSG Group Ltd's website at *www.psggroup.co.za* or may be requested and obtained in person, at no charge, at the registered office of PSG Group Ltd during office hours.

REPORT OF THE AUDIT AND RISK COMMITTEE

for the year ended 28 February 2014

The audit and risk committee ("the committee") reports that it has considered the matters set out in the Companies Act, 71 of 2008, as amended, and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc. The committee has considered and approved the fees payable to the external auditor and is satisfied with the extent of non-audit-related services performed.

The committee also acted as the statutory audit committee of certain public company subsidiaries that are legally required to have such a committee.

The committee has satisfied itself that the financial function, including the financial director, has the appropriate expertise, experience and resources, and is satisfied that the internal financial controls of the company are working effectively.

A board-approved audit and risk committee charter stipulating, inter alia, the committee's composition, duties and responsibilities, has been adopted. The committee is satisfied that it complied with the responsibilities as set out in the audit and risk committee charter as well as relevant legal and regulatory responsibilities.

Based on the information and explanations given by management and discussions with the independent external auditor regarding the results of their audit, the committee is satisfied that there was no material breakdown in the internal financial controls during the financial year under review.

The committee has evaluated the annual financial statements of the company and group for the year ended 28 February 2014, as well as these condensed group financial statements and, based on the information provided to the committee, considers that the group complies, in all material respects, with the requirements of the Companies Act, 71 of 2008, as amended, and International Financial Reporting Standards.

J de V du Toit
Chairman

12 May 2014
Stellenbosch

DECLARATION BY THE COMPANY SECRETARY

for the year ended 28 February 2014

We declare that, to the best of our knowledge, the company has lodged with the Registrar all such returns and notices as are required of a public company in terms of the Companies Act, 71 of 2008, and that all such returns and notices are true, correct and up to date.

PSG Corporate Services (Pty) Ltd
Per PJR de Wit
Company secretary

12 May 2014
Stellenbosch

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2014

The directors are responsible for the maintenance of adequate accounting records and to prepare annual financial statements that fairly represent the state of affairs and the results of the company and group. The external auditor is responsible for independently auditing and reporting on the fair presentation of the annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act of South Africa; and the JSE Listings Requirements, and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are applied consistently.

These condensed group financial statements were derived from the group annual financial statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act, 71 of 2008. Reading these condensed group financial statements, therefore, is not a substitute for reading the group annual financial statements of PSG Group Ltd.

The audit and risk committee of the group meets regularly with the external auditor, as well as senior management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel as well as to the audit and risk committee.

The annual financial statements are prepared on the going concern basis, since the directors have every reason to believe that the group has adequate resources to continue for the foreseeable future.

The annual financial statements, including these condensed group financial statements set out on pages 39 to 64, were approved by the board of directors of PSG Group Ltd and are signed on its behalf by:

JF Mouton
Chairman

WL Greeff
Financial director

12 May 2014
Stellenbosch

DIRECTORS' REPORT

for the year ended 28 February 2014

Nature of business

The group, through its various subsidiaries, associates and joint ventures, offers diversified financial and other services. These services include financial advice, stockbroking, asset management, insurance, financing, banking, investing, corporate finance and education services. The various activities are set out in further detail in the review of operations section (page 14) of this annual report.

Operating results

The operating results and state of affairs of the group are set out in the attached condensed income statement and condensed statements of financial position, comprehensive income, changes in equity and cash flows. For the year under review, the group's recurring headline earnings amounted to R817,8m (2013: R714,9m), headline earnings amounted to R1 008,8m (2013: R875m) and earnings attributable to owners of the parent amounted to R1 052m (2013: R1 139,8m).

Stated/share capital

Movements in the number of ordinary shares in issue during the year under review were:

	Number of shares 2014	Number of shares 2013
At beginning of the year	**208 081 893**	202 724 410
Less: Treasury shares		
Held by a subsidiary (PSG Financial Services Ltd)	**(13 908 770)**	(13 873 895)
Held by an associate (Thembeka Capital Ltd (RF))	**(4 852 151)**	(4 852 151)
Held by executives through loan funding advanced	**(2 000 000)**	
Held by the PSG Group Ltd Share Incentive Trust	**(375 000)**	(711 000)
Held by the PSG Group Ltd Supplementary Share Incentive Trust	**(3 339 061)**	(3 674 202)
Shares in issue at beginning of the year, net of treasury shares	**183 606 911**	179 613 162
General issue for cash at R68,13		1 784 921
General issue for cash at R67,00		3 572 562
General repurchase for cash at R67,19	**(492 471)**	
Movement in treasury shares		
Shares acquired by executives through loan funding advanced	**(100 000)**	(2 000 000)
Shares acquired by the PSG Group Ltd Supplementary Share Incentive Trust	**(800 000)**	(500 000)
Shares released to participants by the PSG Group Ltd Share Incentive Trust	**225 000**	336 000
Shares released to participants by the PSG Group Ltd Supplementary Share Incentive Trust	**483 689**	835 141
Shares in issue at end of the year, net of treasury shares	**182 923 129**	183 641 786

Dividends

Details of dividends appear in the condensed group statement of changes in equity.

Directors

Directors of the company at the date of this report, being unchanged throughout the year under review, appear on page 12.

Directors' emoluments

The following directors' emoluments were paid by the company and its subsidiaries in respect of the year ended 28 February 2014:

Cash-based remuneration

Audited	Fees R'000	Basic salary R'000	Company contri-butions R'000	Perfor-mance-related R'000	**Total 2014 R'000**	Total 2013 R'000
Executive						
WL Greeff		2 560	40	2 600	**5 200**	4 640
JA Holtzhausen		2 489	111	3 750	**6 350**	6 070
PJ Mouton		2 587	13	2 600	**5 200**	4 640
Non-executive						
PE Burton	193				**193**	180
ZL Combi [1]	251				**251**	153
J de V du Toit [2]	541				**541**	563
MM du Toit	123				**123**	115
FJ Gouws [5, 8, 9]		4 000		8 000	**12 000**	4 167
MJ Jooste [3]	124				**124**	116
JF Mouton [4]	231	2 606	52	2 389	**5 278**	4 700
JJ Mouton [5, 6, 9]		1 400	21	4 700	**6 121**	3 260
CA Otto [7]	1 445				**1 445**	1 350
W Theron [8, 9]	116	2 262	13		**2 391**	3 295
	3 024	17 904	250	24 039	**45 217**	33 249

[1] *Paid to AE Empowerment Services (Pty) Ltd, a subsidiary of Thembeka Capital Ltd (RF), an associate. R115 560 (2013: R108 000) was paid in respect of directors' fees; the balance represents fees received at a subsidiary level.*

[2] *R190 710 (2013: R178 200) was paid in respect of directors' fees; the balance represents fees received at a subsidiary level.*

[3] *Paid to Steinhoff International Holdings Ltd.*

[4] *Mr JF Mouton is no longer involved in the day-to-day running of PSG Group Ltd. However, he remains the leading strategist and generator of ideas, and plays an integral part in the success of the group. He is accordingly rewarded for same.*

[5] *Executive of a subsidiary company.*

[6] *R115 560 (2013: R108 000) was paid in respect of directors' fees to PSG Asset Management (Pty) Ltd, a subsidiary.*

[7] *R186 790 (2013: R174 528) was paid in respect of directors' fees; the balance represents fees received at a subsidiary level.*

[8] *Paid to PSG Konsult Management Services (Pty) Ltd, a subsidiary.*

[9] *In terms of the PSG Konsult Group Share Incentive Scheme, the following directors have been awarded PSG Konsult Ltd share options:*

Audited	Share options granted during the year ended 28 Feb 2014 Number	Exercise price R	Unexercised share options as at 28 Feb 2014 Number	Weighted average exercise price R
FJ Gouws	12 500 000	2,83	22 500 000	2,39
JJ Mouton	300 000	2,83	300 000	2,83
W Theron	3 000 000	2,83	7 350 923	2,07

Equity-based remuneration (PSG Group Ltd shares granted in terms of PSG Group Ltd Share Incentive Trust)

Audited	Number of shares as at 28 Feb 2013	Number of scheme shares during year Granted	Vested	Average market price per share on vesting date R	Vesting price per share R	Date granted	Number of shares as at 28 Feb 2014
Non-executive							
JF Mouton	250 000		(150 000)	65,85	17,81	21/04/2008	**100 000**
CA Otto	125 000		(75 000)	66,39	17,59	23/04/2008	**50 000**
Total	375 000	–	(225 000)				**150 000**

Equity-based remuneration (PSG Group Ltd share options granted in terms of PSG Group Ltd Supplementary Share Incentive Trust)

Audited	Number of share options as at 28 Feb 2013	Number of scheme share options during year Granted	Vested	Average market price per share on vesting date R	Vesting price per share R	Date granted	Number of share options as at 28 Feb 2014
Executive							
WL Greeff	86 099		(43 049)	65,85	15,52	20/04/2009	**43 050**
	98 409		(49 205)	70,51	18,77	28/08/2009	**49 204**
	13 342				22,09	28/02/2010	**13 342**
	183 888				39,61	28/02/2011	**183 888**
	90 718				47,39	28/02/2012	**90 718**
	104 179				61,50	28/02/2013	**104 179**
		601 428			83,23	28/02/2014*	**601 428**
	576 635	601 428	(92 254)				**1 085 809**
JA Holtzhausen	65 726		(32 864)	65,85	15,52	20/04/2009	**32 862**
	85 578		(42 789)	70,51	18,77	28/08/2009	**42 789**
	77 490				22,09	28/02/2010	**77 490**
	148 327				39,61	28/02/2011	**148 327**
	99 791				47,39	28/02/2012	**99 791**
	103 538				61,50	28/02/2013	**103 538**
		602 244			83,23	28/02/2014*	**602 244**
	580 450	602 244	(75 653)				**1 107 041**
PJ Mouton	70 467		(35 234)	65,85	15,52	20/04/2009	**35 233**
	81 655		(40 827)	70,51	18,77	28/08/2009	**40 828**
	75 542				22,09	28/02/2010	**75 542**
	226 394				39,61	28/02/2011	**226 394**
	112 842				47,39	28/02/2012	**112 842**
	129 052				61,50	28/02/2013	**129 052**
		661 884			83,23	28/02/2014*	**661 884**
	695 952	661 884	(76 061)				**1 281 775**

Equity-based remuneration (PSG Group Ltd share options granted in terms of PSG Group Ltd Supplementary Share Incentive Trust) *(continued)*

Audited	Number of share options as at 28 Feb 2013	Number of scheme share options during year Granted	Vested	Average market price per share on vesting date R	Vesting price per share R	Date granted	Number of share options as at 28 Feb 2014
Non-executive							
JF Mouton	383 641		(127 880)	65,88	26,16	22/04/2010	**255 761**
	151 464				39,61	28/02/2011	**151 464**
	204 056				47,39	28/02/2012	**204 056**
	171 164				61,50	28/02/2013	**171 164**
		643 824			83,23	28/02/2014*	**643 824**
	910 325	643 824	(127 880)				**1 426 269**
Total	2 763 362	2 509 380	(371 848)				**4 900 894**

* *Included in the 28 February 2014 share option allocation is a one-off allocation of 500 000 PSG Group Ltd share options each for a total of 2 million PSG Group Ltd share options, which was made to appropriately incentivise the aforementioned four directors. Retention of these directors' services are considered key to PSG Group Ltd's continued success.*

Prescribed officers

The members of the PSG Group Executive Committee ("Exco") are regarded as being the prescribed officers of the company. The Exco comprises Messrs JF Mouton (non-executive chairman), PJ Mouton (CEO), WL Greeff (financial director), JA Holtzhausen (executive) and CA Otto (independent non-executive). All being directors of PSG Group Ltd, their remuneration is detailed above. The duties and responsibilities of the Exco are set out in the chairman's letter (page 3) and corporate governance report (page 28) of this annual report.

Shareholding of directors

The shareholding of directors, excluding the participation in the share incentive schemes (being disclosed above), in the issued share capital of the company as at 28 February 2014 was as follows:

	Beneficial		Non-beneficial	Total shareholding 2014		Total shareholding 2013	
Audited	Direct	Indirect	Indirect	Number	%	Number	%
PE Burton			100 000	**100 000**	**0,1**	100 000	0,1
J de V du Toit			3 840 000	**3 840 000**	**2,0**	3 840 000	2,0
MM du Toit		5 210 716		**5 210 716**	**2,7**	5 079 454	2,7
WL Greeff	93 357	888 045		**981 402**	**0,5**	889 148	0,5
JA Holtzhausen	535 594	500 000		**1 035 594**	**0,5**	959 941	0,5
JF Mouton	3 885 847		45 026 507	**48 912 354**	**25,8**	48 634 474	25,4
JJ Mouton	115 000	1 402 600		**1 517 600**	**0,8**	1 478 600	0,8
PJ Mouton	54 148	4 913 292		**4 967 440**	**2,6**	4 888 379	2,5
CA Otto	108		3 801 813	**3 801 921**	**2,0**	3 746 921	2,0
W Theron	10 000		157 502	**167 502**	**0,1**	162 502	0,1
Total	4 694 054	12 914 653	52 925 822	**70 534 529**	**37,1**	69 779 419	36,6

Shareholding of directors *(continued)*

Subsequent to year-end:

- Messrs JF Mouton and CA Otto obtained a further 100 000 and 50 000 PSG Group Ltd ordinary shares respectively, having taken delivery of same in terms of the PSG Group Ltd Share Incentive Trust. No further vestings are due in terms of the PSG Group Ltd Share Incentive Trust.
- The following number of share options were exercised in terms of the PSG Group Ltd Supplementary Share Incentive Trust:

	Number of share options
WL Greeff	133 698
JA Holtzhausen	145 999
JF Mouton	229 382
PJ Mouton	176 681

- Messrs WL Greeff and JA Holtzhausen each disposed of 100 000 PSG Group Ltd shares to settle share incentive scheme obligations.
- Mr JF Mouton acquired 200 000 PSG Group Ltd shares.

Special resolutions passed by subsidiaries

Details of special resolutions passed by subsidiaries during the year under review, which are most significant to the group, are as follows:

PSG Financial Services Ltd

The board of the company be authorised, in terms of sections 45(3)(a)(ii) and 44(3)(a)(ii) of the Companies Act, 71 of 2008, to approve any direct or indirect financial assistance that the board may deem fit to any director, prescribed officer or company that is related or inter-related to the company on the terms and conditions and for amounts that the board of the company may determine (including direct or indirect financial assistance for the purchase of shares in a related or inter-related company).

The company be authorised to repurchase its own issued shares, upon such terms and conditions as the directors of the company may determine, but subject to the provisions of sections 46 and 48 of the Companies Act, 71 of 2008, the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd (if listed) and the requirements of any other stock exchange on which the shares of the company may be quoted or listed.

The company approved the acquisition by any subsidiary of the company of shares issued by such subsidiary and/or by the company upon such terms and conditions that the directors of such subsidiary may determine, but subject to the provisions of sections 46 and 48 of the Companies Act, 71 of 2008, the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd (if listed) and the requirements of any other stock exchange on which the shares of the subsidiary may be quoted or listed.

The company be authorised to reorganise its authorised and issued share capital by:

- The conversion of each of the existing authorised and issued ordinary par value shares of R0,08 (eight cents) each into authorised and issued ordinary shares of no par value; and
- The conversion of each of the existing authorised and issued cumulative, non-redeemable, non-participating, variable rate preference shares ("preference shares") with a par value of R1 (one rand) each into authorised and issued preference shares of no par value.

Special resolutions passed by subsidiaries *(continued)*
PSG Financial Services Ltd *(continued)*
The company be authorised to make consequential amendments to the memorandum of incorporation of the company resulting from the passing of the aforementioned special resolution with regard to the conversion of the authorised and issued share capital.

Subsidiary companies of the company, except for those which are specifically mentioned below, be authorised to:

- Reorganise authorised and issued share capital by the conversion of each of the existing authorised and issued ordinary par value shares into authorised and issued ordinary shares with no par value; and
- Approve any direct or indirect financial assistance, in terms of sections 45(3)(a)(ii) and 44(3)(a)(ii) of the Companies Act, 71 of 2008, that the board may deem fit to any director, prescribed officer or company that is related or inter-related to the company on the terms and conditions and for amounts that the board of the company may determine (including direct or indirect financial assistance for the purchase of shares in a related or inter-related company).

PSG Private Equity (Pty) Ltd, a subsidiary of the company, be authorised to reorganise its authorised and issued preference share capital by the conversion of each of the existing authorised and issued preference par value shares into authorised and issued preference shares with no par value.

Ou Kollege Beleggings Ltd, a subsidiary of the company, be authorised to terminate the existing 2 000 authorised redeemable preference shares designated as Class D preference shares.

Zeder Investments Ltd
The board of the company be authorised, in terms of sections 45(3)(a)(ii) and 44(3)(a)(ii) of the Companies Act, 71 of 2008, to approve any direct or indirect financial assistance that the board may deem fit to any director, prescribed officer or company that is related or inter-related to the company on the terms and conditions and for amounts that the board of the company may determine (including direct or indirect financial assistance for the purchase of shares in a related or inter-related company).

The company be authorised to repurchase its own issued shares, upon such terms and conditions as the directors of the company may determine, but subject to the provisions of sections 46 and 48 of the Companies Act, 71 of 2008, the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd (if listed) and the requirements of any other stock exchange on which the shares of the company may be quoted or listed.

The company approved the acquisition by any subsidiary of the company of shares issued by such subsidiary and/or by the company upon such terms and conditions that the directors of such subsidiary may determine, but subject to the provisions of sections 46 and 48 of the Companies Act, 71 of 2008, the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd (if listed) and the requirements of any other stock exchange on which the shares of the subsidiary may be quoted or listed.

The company be authorised to reorganise its authorised and issued share capital by:

- The conversion of each of the existing authorised and issued ordinary par value shares of R0,01 (one cent) each into authorised and issued ordinary shares of no par value; and
- The conversion of each of the existing authorised cumulative, non-redeemable, non-participating, preference shares ("preference shares") with a par value of R0,01 (one cent) each into authorised preference shares of no par value.

Special resolutions passed by subsidiaries *(continued)*

Zeder Investments Ltd *(continued)*

The company be authorised to increase its authorised ordinary share capital by the creation of a further 500 000 000 ordinary no par value shares, so as to result in a total of 2 000 000 000 ordinary no par value shares in the ordinary share capital of the company.

The company be authorised to make consequential amendments to the memorandum of incorporation of the company resulting from the passing of the aforementioned special resolutions with regard to the conversion of the authorised and issued share capital and the creation of further ordinary no par value shares.

Curro Holdings Ltd

The company be authorised to remunerate its directors for their services as directors.

The board of the company be authorised, in terms of sections 45(3)(a)(ii) and 44(3)(a)(ii) of the Companies Act, 71 of 2008, to approve any direct or indirect financial assistance that the board may deem fit to any director, prescribed officer or company that is related or inter-related to the company on the terms and conditions and for amounts that the board of the company may determine (including direct or indirect financial assistance for the purchase of shares in a related or inter-related company).

The company be authorised to repurchase its own issued shares, upon such terms and conditions as the directors of the company may determine, but subject to the provisions of sections 46 and 48 of the Companies Act, 71 of 2008, the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd (if listed) and the requirements of any other stock exchange on which the shares of the company may be quoted or listed.

The company approved the acquisition by any subsidiary of the company of shares issued by such subsidiary and/or by the company upon such terms and conditions that the directors of such subsidiary may determine, but subject to the provisions of sections 46 and 48 of the Companies Act, 71 of 2008, the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd (if listed) and the requirements of any other stock exchange on which the shares of the subsidiary may be quoted or listed.

PSG Konsult Ltd

The company be authorised to remunerate its directors for their services as directors.

The board of the company be authorised, in terms of sections 45(3)(a)(ii) and 44(3)(a)(ii) of the Companies Act, 71 of 2008, to approve any direct or indirect financial assistance that the board may deem fit to any director, prescribed officer or company that is related or inter-related to the company on the terms and conditions and for amounts that the board of the company may determine (including direct or indirect financial assistance for the purchase of shares in a related or inter-related company).

The company and/or its subsidiaries be authorised to repurchase its own shares upon such terms as the directors may determine, but subject to the provisions of sections 46 and 48 of the Companies Act, 71 of 2008, and the memorandum of incorporation of the company.

The company converted its authorised and issued share capital to no par value shares and then increased the authorised share capital by 1 500 000 000 ordinary shares to 3 000 000 000 shares.

The company approved and adopted a new memorandum of incorporation, in terms of section 16(5)(a) of the Companies Act, 71 of 2008.

REPORT OF THE INDEPENDENT AUDITOR

to the shareholders of PSG Group Ltd

These condensed group financial statements, which comprise the condensed group statement of financial position as at 28 February 2014, and the condensed group statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, as set out on pages 48 to 64 are derived from the audited group annual financial statements of PSG Group Ltd for the year ended 28 February 2014. We expressed an unmodified audit opinion on those group annual financial statements in our report dated 12 May 2014.

These condensed group financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008. Reading the condensed group financial statements, therefore, is not a substitute for reading the audited group annual financial statements of PSG Group Ltd.

Directors' responsibility for the condensed group financial statements
The company's directors are responsible for the preparation of a condensed version of the audited group annual financial statements in accordance with the requirements of section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act, 71 of 2008, as applicable to condensed financial statements.

Auditor's responsibility
Our responsibility is to express an opinion on the condensed group financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810, "Engagements to Report on Summary Financial Statements".

Opinion
In our opinion, these condensed group financial statements derived from the audited group annual financial statements of PSG Group Ltd for the year ended 28 February 2014 are consistent, in all material respects, with those group annual financial statements, in accordance with the requirements of section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act, 71 of 2008, as applicable to group financial statements.

Other reports required by the Companies Act
The "Other reports required by the Companies Act" paragraph in our audit report dated 12 May 2014 states that as part of our audit of the group annual financial statements for the year ended 28 February 2014, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited group annual financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the group annual financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the condensed group financial statements or our opinion thereon.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc
Director: NH Döman
Registered auditor

12 May 2014
Stellenbosch

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

at 28 February 2014

	Notes	2014 Rm	2013 Rm
Assets			
Property, plant and equipment		**3 326,8**	1 799,7
Intangible assets		**2 094,5**	1 666,5
Biological assets		**201,4**	31,3
Investment in ordinary shares of associates and joint ventures		**6 312,1**	5 961,3
Investment in preference shares of/loans granted to associates and joint ventures		**321,3**	312,7
Deferred income tax assets		**125,9**	59,5
Financial assets linked to investment contracts	5	**12 692,8**	10 272,4
Cash and cash equivalents (including money market funds)		**51,3**	65,1
Other financial assets		**12 641,5**	10 207,3
Other financial and employee benefit assets		**1 536,0**	734,0
Inventory		**913,7**	320,8
Trade and other receivables	6	**3 718,8**	2 243,6
Current income tax assets		**42,9**	14,6
Cash and cash equivalents (including money market funds)		**2 098,6**	2 153,2
Non-current assets held for sale	8	**182,0**	287,7
Total assets		**33 566,8**	25 857,3
Equity			
Ordinary shareholders' equity		**6 855,2**	5 989,7
Non-controlling interests		**5 591,6**	4 159,8
Total equity		**12 446,8**	10 149,5
Liabilities			
Insurance contracts		**493,2**	378,0
Financial liabilities under investment contracts	5	**12 692,8**	10 272,4
Borrowings and other financial liabilities		**3 740,9**	2 373,4
Deferred income tax liabilities		**331,6**	243,5
Trade and other payables and employee benefit liabilities	6	**3 823,2**	2 434,2
Current income tax liabilities		**38,3**	6,3
Total liabilities		**21 120,0**	15 707,8
Total equity and liabilities		**33 566,8**	25 857,3
Net asset value per share (cents)		**3 747,6**	3 261,6
Net tangible asset value per share (cents)		**2 602,6**	2 354,1

CONDENSED GROUP INCOME STATEMENT

for the year ended 28 February 2014

	Notes	2014 Rm	2013 Rm
Revenue from sale of goods		**7 568,6**	2 001,8
Cost of goods sold		**(6 684,6)**	(1 682,9)
Gross profit from sale of goods		**884,0**	318,9
Income			
Changes in fair value of biological assets		**90,5**	28,7
Investment income	5	**507,0**	418,3
Fair value gains and losses	5	**1 453,6**	1 023,9
Fair value adjustment to investment contract liabilities	5	**(1 342,7)**	(1 186,6)
Commission, insurance and other fee income		**3 540,1**	1 941,1
Other operating income and expenses		**99,3**	830,1
		4 347,8	3 055,5
Expenses			
Insurance claims and loss adjustments, net of recoveries		**(353,4)**	(60,0)
Marketing, administration and other expenses	9	**(3 737,6)**	(2 276,6)
		(4 091,0)	(2 336,6)
Income from associates and joint ventures			
Share of profits of associates and joint ventures		**943,1**	1 036,6
Loss on impairment of associates		**(24,5)**	(104,2)
		918,6	932,4
Profit before finance costs and taxation		**2 059,4**	1 970,2
Finance costs		**(263,3)**	(206,0)
Profit before taxation		**1 796,1**	1 764,2
Taxation		**(287,9)**	(248,1)
Profit for the year		**1 508,2**	1 516,1
Attributable to:			
Owners of the parent		**1 052,0**	1 139,8
Non-controlling interests		**456,2**	376,3
		1 508,2	1 516,1

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2014

	2014 Rm	2013 Rm
Profit for the year	**1 508,2**	1 516,1
Other comprehensive income for the year, net of taxation	**152,8**	20,7
Items that may be subsequently reclassified to profit or loss		
Currency translation adjustments	**161,6**	15,6
Cash flow hedges	**(15,9)**	
Fair value gains and losses on investments and the reversal thereof upon disposal	**(0,3)**	(0,1)
Share of other comprehensive income of associates	**62,2**	6,4
Reversal of share of associates' other comprehensive income upon disposal	**(55,9)**	(1,2)
Items that will not be reclassified to profit or loss		
Remeasurement of post-employment benefit obligations	**1,1**	
Total comprehensive income for the year	**1 661,0**	1 536,8
Attributable to:		
Owners of the parent	**1 115,1**	1 132,4
Non-controlling interests	**545,9**	404,4
	1 661,0	1 536,8

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2014

	Notes	**2014 Rm**	2013 Rm
Ordinary shareholders' equity at beginning of the year		**5 989,7**	4 759,9
Total comprehensive income		**1 115,1**	1 132,4
Issue of shares			361,0
Share buy-back		**(33,1)**	
Share-based payment costs – employees		**26,2**	14,2
Net movement in treasury shares		**(41,0)**	(123,4)
Transactions with non-controlling interests		**20,1**	7,6
Dividends paid		**(221,8)**	(162,0)
Ordinary shareholders' equity at end of the year		**6 855,2**	5 989,7
Non-controlling interests at beginning of the year		**4 159,8**	3 187,7
Total comprehensive income		**545,9**	404,4
Issue of shares		**737,3**	551,5
Share-based payment costs – employees		**9,5**	3,3
Acquisition of subsidiaries	4	**366,4**	202,0
Transactions with non-controlling interests		**(33,3)**	(32,2)
Dividends paid		**(194,0)**	(156,9)
Non-controlling interests at end of the year		**5 591,6**	4 159,8
Total equity		**12 446,8**	10 149,5
Dividend per share (cents)			
– interim		**43,0**	33,0
– final		**90,0**	78,0
		133,0	111,0

CONDENSED GROUP STATEMENT OF CASH FLOWS

for the year ended 28 February 2014

	Notes	2014 Rm	2013 Rm
Cash generated by operations		**1 532,8**	623,9
Cash movement in policyholder funds	5	**(13,8)**	(32,1)
Finance costs and taxation paid		**(512,4)**	(467,2)
Net cash flow from operating activities		**1 006,6**	124,6
Net cash flow from investing activities		**(1 235,8)**	(12,0)
Net cash flow from financing activities		**(164,6)**	1 183,0
Net (decrease)/increase in cash and cash equivalents		**(393,8)**	1 295,6
Exchange gains on cash and cash equivalents		**46,7**	1,5
Cash and cash equivalents at beginning of the year		**1 927,7**	630,6
Cash and cash equivalents at end of the year		**1 580,6**	1 927,7
Cash and cash equivalents consists of:			
Cash and cash equivalents linked to investment contracts		**51,3**	65,1
Cash and cash equivalents attributable to equity holders		**2 098,6**	2 153,2
Bank overdrafts attributable to equity holders (included in borrowings)		**(569,3)**	(290,6)
		1 580,6	1 927,7

NOTES TO THE CONDENSED GROUP FINANCIAL STATEMENTS

for the year ended 28 February 2014

1. Basis of presentation and accounting policies

These condensed group financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including IAS 34 *Interim Financial Reporting*; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the requirements of the South African Companies Act, 71 of 2008; and the Listings Requirements of the JSE Ltd.

The accounting policies applied in the preparation of these condensed group financial statements are consistent in all material respects with those used in the prior financial year, apart from the following new accounting standards and amendments to IFRSs which were relevant to the group's operations from 1 March 2013:

- IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and amendments to IAS 28 *Investments in Associates*
  The group has adopted aforementioned suite of IFRSs and amendments which deal with the accounting treatment for the group's interests in its investees. The group has reviewed its accounting policies and concluded that the adoption of same did not result in any material changes to the group's accounting for its investees.
- IFRS 13 *Fair Value Measurement*
  The group has adopted the new standard on how to measure fair value and enhance fair value disclosures. The adoption did not result in any material impact on the financial statements, apart from additional disclosures (note 10).
- Amendments to IAS 19 *Employee Benefits*
  The amendments became relevant to the group following its acquisition of a controlling interest in Capespan Group Ltd ("Capespan") (note 4), which operates defined-benefit plans. Capespan previously elected to follow a policy of recognising remeasurements to employee benefit assets and liabilities in other comprehensive income, which has now become mandatory.
- Amendments to IAS 34 *Interim Financial Reporting*
  The amendments relate to the introduction of IFRS 13 *Fair Value Measurement* and changes to IFRS 7 *Financial Instruments: Disclosures*. The group has complied with these additional disclosure requirements.

The group also adopted the various other revisions to IFRS, which were effective for its financial year ended 28 February 2014. These revisions have not resulted in material changes to the group's reported results and disclosures in these condensed group financial statements.

Enhanced disclosures, as required by IFRS 12 *Disclosures of Interests in Other Entities*, have been provided in the annual financial statements for the year ended 28 February 2014.

2. PSG Financial Services Ltd

PSG Financial Services Ltd is a wholly-owned subsidiary of PSG Group Ltd, except for the 17 415 770 (2013: 13 419 479) perpetual preference shares, which are listed on the JSE Ltd. These preference shares are included in non-controlling interests in the statement of financial position. No separate financial statements are presented in this announcement for PSG Financial Services Ltd as it is the only asset of PSG Group Ltd.

	2014 Rm	Change	2013 Rm
3. Reconciliation to headline earnings			
Profit for the year attributable to owners of the parent	**1 052,0**		1 139,8
Non-headline items	**(43,2)**		(264,8)
Gross amounts			
Impairment of investments in associates	**24,5**		104,2
Net profit on sale/dilution of investments in associates	**(24,4)**		(728,6)
Fair value gain on step-up from associate to subsidiary	**(79,5)**		(21,2)
Net loss on sale/Impairment of intangible assets (including goodwill)	**9,2**		167,9
Non-headline items of associates	**(16,7)**		(23,2)
Other	**3,6**		6,8
Non-controlling interests	**32,9**		106,6
Taxation	**7,2**		122,7
Headline earnings	**1 008,8**		875,0
Earnings per share (cents)			
– recurring headline	**446,9**	*13,9%*	392,3
– headline	**551,3**	*14,8%*	480,2
– attributable/basic	**574,9**	*(8,1%)*	625,5
– diluted headline	**546,8**	*14,8%*	476,3
– diluted attributable/basic	**570,2**	*(8,1%)*	620,5
Number of shares (million)			
– in issue	**207,6**		208,1
– in issue (net of treasury shares)	**182,9**		183,6
– weighted average	**183,0**		182,2
– diluted weighted average	**184,5**		183,7

4. Business combinations

The group's most significant business combinations entered into during the year under review included:

Capespan Group Ltd ("Capespan")

Effective April 2013, the group, through Zeder, acquired a further 25,3% shareholding in Capespan and thereby increased its interest to 71,1%. Subsequently, the group further increased its interest to 72,1% in Capespan. Capespan is a global fruit procurement company and South Africa's largest fruit exporter. Remeasurement to fair value of the associate interest previously held resulted in a non-headline gain of R40,7m being recognised in "fair value gains and losses" in the income statement. Non-controlling interest was recognised at its fair value based on Capespan's over-the-counter traded share price.

4. **Business combinations** *(continued)*

Klein Karoo Seed Marketing (Pty) Ltd ("Klein Karoo")

Effective October 2013, the group, through Zeder, acquired the remaining 51% shareholding in Klein Karoo not already held. Klein Karoo develops and distributes vegetable, pasture and agronomic seed in mainly Africa, the Middle East and Asia. The remeasurement of the previously held associate interest resulted in a non-headline gain of R1,1m being recognised in "fair value gains and losses" in the income statement. Non-controlling interests in a subsidiary of Klein Karoo were valued at its fair value.

Precrete Holdings (Pty) Ltd ("Precrete")

Effective August 2013, the group, through PSG Private Equity, acquired a further 7,2% shareholding in Precrete and thereby increased its interest to 55,2%. At year-end, the group's effective interest in Precrete was 52,8%. Precrete is involved in providing mine safety and support services. The previously held associate interest approximated fair value and therefore no remeasurement gain or loss arose upon gaining control. Non-controlling interests were recognised at its proportionate share of net assets.

Embury Institute for Teacher Education (Pty) Ltd ("Embury")

Effective April 2013, the group, through Curro, acquired the entire issued shareholding in Embury, a Durban-based teachers training college.

Northern Academy

Effective April 2013, the group, through Curro, acquired the entire business operations and properties of Northern Academy, a private education campus in Polokwane.

PSG Optimal Income Fund

During the year under review, the group, through PSG Konsult, increased its interest in the PSG Optimal Income Fund, resulting in the consolidation of same. At year-end, the group's interest in this fund amounted to 34,1%.

The amounts of identifiable net assets acquired, goodwill and non-controlling interests recognised from aforementioned business combinations can be summarised as follows:

	Capespan Rm	Klein Karoo Rm	Precrete Rm	Embury Rm	Subtotal carried forward Rm
Identifiable net assets acquired	929,5	196,2	152,7	20,9	1 299,3
Goodwill recognised		69,1	77,0	37,7	183,8
Non-controlling interests recognised	(268,6)	(34,2)	(63,6)		(366,4)
	660,9	231,1	166,1	58,6	1 116,7
Derecognition of previously held associate interest or unit-linked investment at fair value	(403,0)	(101,0)	(146,4)		(650,4)
Cash consideration	257,9	130,1	19,7	58,6	466,3

4. **Business combinations** *(continued)*

	Subtotal brought forward Rm	Northern Academy Rm	PSG Optimal Income Fund Rm	Other Rm	Total Rm
Identifiable net assets acquired	**1 299,3**	**64,7**	**97,0**	**26,1**	**1 487,1**
Goodwill recognised	**183,8**	**85,2**			**269,0**
Non-controlling interests recognised	**(366,4)**				**(366,4)**
	1 116,7	**149,9**	**97,0**	**26,1**	**1 389,7**
Derecognition of previously held associate interest or unit-linked investment at fair value	**(650,4)**		**(97,0)**		**(747,4)**
Cash consideration	**466,3**	**149,9**	**–**	**26,1**	**642,3**

Goodwill recognised from these business combinations can be attributed to the employee corps, expected synergies, economies of scale and the businesses' growth potential. Transaction costs relating to aforementioned business combinations were insignificant and expensed in the income statement.

5. **Linked investment contracts**

These represent PSG Life Ltd clients' assets held under investment contracts, which are linked to a corresponding liability. The impact on the income statement from the returns on investment contract policyholder assets and liabilities, as well as the investment income earned by the ordinary shareholders of the group, were as follows:

28 February 2014	Investment contract policy-holders Rm	Equity holders Rm	Total Rm
Investment income	**263,6**	**243,4**	**507,0**
Fair value gains and losses	**1 087,7**	**365,9**	**1 453,6**
Fair value adjustment to investment contract liabilities	**(1 342,7)**		**(1 342,7)**
	8,6	**609,3**	**617,9**
28 February 2013			
Investment income	272,0	146,3	418,3
Fair value gains and losses	937,1	86,8	1 023,9
Fair value adjustment to investment contract liabilities	(1 186,6)		(1 186,6)
	22,5	233,1	255,6

6. **Trade and other receivables and payables**
Included under trade and other receivables are PSG Online broker and clearing accounts of which R1,9bn (2013: R1,6bn) represents amounts owing by the JSE Ltd for trades conducted during the last few days before year-end. These balances fluctuate on a daily basis depending on the activity in the markets.

The control account for the settlement of these transactions is included under trade and other payables, with the settlement to clients taking place within three days after the transaction date.

7. **Corporate actions**
Apart from the transactions set out in note 4, the group's most significant corporate actions included the following:

- Repurchase of 492 471 PSG Group Ltd ordinary shares for R33,1m cash at R67,19 per share.
- Issue of 3 996 291 PSG Financial Services Ltd preference shares for cash proceeds of R300m at an effective dividend yield of 9,44% and partial utilisation thereof to redeem promissory notes upon maturity of R269,8m.
- Curro conducted a rights offer during May 2013, underwritten by the group. The group followed its rights and the additional investment amounted to R350,6m.
- Effective June 2013, the group, through PSG Konsult, increased its shareholding in Western Group Holdings Ltd ("Western"), being a short-term insurer, from 75% to 90%. Following approval from the Financial Services Board during September 2013, the group acquired the remaining 10% minority shareholding in Western and then subsequently sold 40% of its shareholding to Santam.

8. **Non-current assets held for sale**
Non-current assets held for sale consists mainly of JSE-listed equity securities to the amount of R177m (2013: R287,7m), held by the group, through Zeder, in Capevin Holdings Ltd. These equity securities are expected to be realised through sale in the coming months.

	2014 Rm	2013 Rm
9. **Marketing, administration and other expenses**		
Expenses by nature		
Depreciation and amortisation	**209,5**	121,8
Operating lease rentals	**153,0**	86,0
Employee benefit expenses	**1 565,2**	762,0
Impairments and losses on disposal	**37,7**	204,9
Commissions paid	**837,5**	622,1
Other	**934,7**	479,8
	3 737,6	2 276,6

Directors' emoluments are disclosed in the directors' report (page 40).

10. Financial instruments

10.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

These condensed group financial statements do not include all financial risk management information and disclosures set out in the annual financial statements, and therefore they should be read in conjunction with the group's annual financial statements for the year ended 28 February 2014. Risk management continues to be carried out by each major entity within the group under policies approved by the respective boards of directors.

10.2 Fair value estimation

The group, through PSG Life Ltd, issues linked investment contracts (note 5) where the value of the policy benefits (i.e. liability) is directly linked to the fair value of the supporting assets, and as such does not expose the group to the market risk relating to fair value movements.

The information below analyses financial assets and liabilities, which are carried at fair value, by level of hierarchy as required by IFRS 13. The different levels in the hierarchy are defined below:

Level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

Level 2
Financial instruments that trade in markets that are not considered to be active but are valued (using valuation techniques) based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter traded derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. If all significant inputs in determining an instrument's fair value are observable, the instrument is included in level 2.

Level 3
If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

10. Financial instruments *(continued)*

10.2 Fair value estimation *(continued)*

The fair value of financial assets and liabilities carried at amortised cost approximates their fair value, while those measured at fair value in the statement of financial position can be summarised as follows:

28 February 2014	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets				
Derivative financial assets	**1,0**	**29,1**		**30,1**
Equity securities	**767,8**	**1,0**	**42,6**	**811,4**
Debt securities	**32,9**	**804,8**	**237,3**	**1 075,0**
Unit-linked investments		**8 058,4**	**2 250,5**	**10 308,9**
Investment in investment contracts		**260,4**	**1,4**	**261,8**
Non-current assets held for sale	**177,0**			**177,0**
Closing carrying value	**978,7**	**9 153,7**	**2 531,8**	**12 664,2**
Liabilities				
Derivative financial liabilities	**15,2**	**38,6**	**45,7**	**99,5**
Investment contracts		**9 056,9**	**2 487,8**	**11 544,7**
Trade and other payables			**10,6**	**10,6**
Third-party liabilities arising on consolidation of mutual funds		**372,2**		**372,2**
Closing carrying value	**15,2**	**9 467,7**	**2 544,1**	**12 027,0**
28 February 2013				
Assets				
Derivative financial assets		16,0		16,0
Equity securities	1 015,0	97,5	0,8	1 113,3
Debt securities		338,5	250,1	588,6
Unit-linked investments		4 832,6	1 958,1	6 790,7
Investment in investment contracts		264,8	61,7	326,5
Non-current assets held for sale	287,7			287,7
Closing carrying value	1 302,7	5 549,4	2 270,7	9 122,8
Liabilities				
Derivative financial liabilities		94,4	45,7	140,1
Investment contracts		6 152,5	2 266,5	8 419,0
Trade and other payables			6,3	6,3
Third-party liabilities arising on consolidation of mutual funds		25,1		25,1
Closing carrying value	–	6 272,0	2 318,5	8 590,5

10. Financial instruments *(continued)*

10.2 Fair value estimation *(continued)*

The following table presents changes in level 3 financial instruments during the respective years:

	2014		2013	
	Assets Rm	**Liabilities Rm**	Assets Rm	Liabilities Rm
Opening balance	**2 270,7**	**2 318,5**	1 983,9	2 048,3
Additions	**1 602,0**	**1 562,9**	1 028,0	702,4
Disposals	**(1 506,2)**	**(1 504,1)**	(969,8)	(707,8)
Subsidiaries sold			(3,7)	
Fair value adjustments	**165,3**	**166,6**	232,3	230,6
Other movements		**0,2**		45,0
	2 531,8	**2 544,1**	2 270,7	2 318,5

Derivative financial assets, equity securities, debt securities and unit-linked investments are all included in "other financial assets" in the statement of financial position, while derivative financial liabilities and third-party liabilities arising on consolidation of mutual funds are included in "other financial liabilities".

There have been no significant transfers between levels 1, 2 or 3 during the year under review, nor were there any significant changes to the valuation techniques and inputs used to determine fair values. Valuation techniques and main inputs used to determine fair value for financial instruments classified as level 2 can be summarised as follows:

Instrument	**Valuation technique**	**Main inputs**
Derivative financial assets and liabilities	Exit price on recognised over-the-counter platforms	Not applicable
Debt securities	Valuation model that uses the market inputs (yield of benchmark bonds)	Bond interest rate curves Issuer credit ratings Liquidity spreads
Unit-linked investments	Quoted put (exit) price provided by the fund manager	Not applicable – prices available publicly
Investment in investment contracts	Prices are obtained from the insurer of the particular investment contract	Not applicable – prices provided by registered long-term insurers
Investment contracts	Current unit price of underlying unitised financial asset that is linked to the liability, multiplied by the number of units held	Not applicable
Third-party liabilities arising on consolidation of mutual funds	Quoted put (exit) price provided by the fund manager	Not applicable – prices available publicly

11. Capital commitments and contingencies

Zeder has previously announced the acquisition of Mpongwe Milling in its Stock Exchange News Service announcement dated 13 November 2013, which became effective after the reporting date and is currently being implemented.

Curro announced in its recently released financial results that during the year ahead it intends to develop 10 new schools and embark on expansion projects at approximately seven existing campuses across the group.

Capitec has reported receiving a notice from the National Credit Regulator alleging contraventions of the National Credit Act. It furthermore reported that it had taken legal advice and believed the matter would be resolved satisfactorily through due process. The matter was heard by the National Consumer Tribunal on 13 March 2014 and judgement was reserved. Due to uncertainties that currently exist, Capitec is unable to estimate the financial effect of any possible outcome.

12. Segment report

The group's classification into seven reportable segments, namely Capitec, Curro, PSG Konsult, PSG Private Equity, Thembeka Capital, Zeder and PSG Corporate, remains unchanged. These segments represent the major investments of the group. The services offered by PSG Konsult consist of financial advice, stockbroking, fund management and insurance, while Curro offers private education services. The other segments offer financing, banking, investing and corporate finance services. All segments operate predominantly in the Republic of South Africa; however, Zeder has further expanded its offshore operations through the acquisition of Capespan and Klein Karoo (note 4).

Intersegment income represents income derived from other segments within the group, which is recorded at the fair value of the consideration received or receivable for services rendered in the ordinary course of the group's activities. Intersegment income mainly comprises intergroup management fees charged in terms of the respective management agreements.

Headline earnings comprise recurring and non-recurring headline earnings. Recurring headline earnings are calculated on a proportional basis and include the proportional headline earnings of underlying investments, excluding marked-to-market adjustments and one-off items. The result is that investments in which the group holds less than 20% and which are generally not equity accountable in terms of accounting standards, are equity accounted for the purpose of calculating the consolidated recurring headline earnings. Non-recurring headline earnings include one-off gains and losses and marked-to-market fluctuations, as well as the resulting taxation charge on these items. Sum-of-the-parts (SOTP) is a key valuation tool used to measure PSG's performance. In determining SOTP, listed assets and liabilities are valued using quoted market prices, whereas unlisted assets and liabilities are valued using appropriate valuation methods. These values will not necessarily correspond with the values per the statement of financial position since the latter are measured using the relevant accounting standards, which include historical cost and the equity method of accounting.

The chief operating decision-maker (the PSG Group Ltd Executive Committee) evaluates the following information to assess the segments' performance:

12. Segment report *(continued)*

Year ended February 2014	Income[2] Rm	Inter-segment income[2] Rm	Recurring headline earnings (segment profit) Rm	Non-recurring headline earnings Rm	Headline earnings Rm	Sum-of-the-parts value[3] Rm
Capitec[1]			**570,7**		**570,7**	**5 989,1**
Curro	**662,9**		**20,6**		**20,6**	**4 659,7**
PSG Konsult	**2 488,8**		**162,7**	**(4,3)**	**158,4**	**4 003,8**
PSG Private Equity	**2 189,1**		**51,4**	**5,7**	**57,1**	**948,7**
Thembeka Capital[1]			**23,2**	**100,2**	**123,4**	**1 242,8**
Zeder	**6 374,3**		**124,5**	**(16,9)**	**107,6**	**1 698,1**
PSG Corporate (including PSG Capital)	**301,1**	**(123,5)**	**48,4**	**51,9**	**100,3**	**1 370,5**
Reconciling items						
Funding	**42,2**	**(18,5)**	**(181,2)**	**54,2**	**(127,0)**	**(2 008,3)**
Other			**(2,3)**		**(2,3)**	**135,0**
Total	**12 058,4**	**(142,0)**	**818,0**	**190,8**	**1 008,8**	**18 039,4**
Non-headline items					**43,2**	
Earnings attributable to non-controlling interests					**456,2**	
Taxation					**287,9**	
Profit before taxation					**1 796,1**	
Year ended February 2013						
Capitec[1]	410,1		499,9		499,9	6 127,6
Curro	367,3		8,1		8,1	2 606,6
PSG Konsult	1 673,0		118,8	(0,1)	118,7	2 236,8
PSG Private Equity	1 690,9		75,0	(9,2)	65,8	680,7
Thembeka Capital[1]			28,0	140,0	168,0	898,8
Zeder	755,5		106,6	(23,2)	83,4	1 411,6
PSG Corporate (including PSG Capital)[5]	190,7	(61,0)	48,3	85,9	134,2	1 855,2
Reconciling items						
Funding[5]	39,0	(8,2)	(168,2)	(33,3)	(201,5)	(2 008,2)
Other			(1,6)		(1,6)	34,4
Total	5 126,5	(69,2)	714,9	160,1	875,0	13 843,5
Non-headline items					264,8	
Earnings attributable to non-controlling interests					376,3	
Taxation					248,1	
Profit before taxation					1 764,2	

12. Segment report *(continued)*

	2014 Rm	2013 Rm
Reconciliation of segment revenue to IFRS revenue:		
Segment revenue as stated above		
Income	**12 058,4**	5 126,5
Inter-segment income	**(142,0)**	(69,2)
Less:		
Changes in fair value of biological assets	**(90,5)**	(28,7)
Fair value gains and losses	**(1 453,6)**	(1 023,9)
Fair value adjustment to investment contract liabilities	**1 342,7**	1 186,6
Other operating income and expenses	**(99,3)**	(830,1)
IFRS revenue	**11 615,7**	4 361,2
Non-recurring headline earnings comprised the following:		
Non-recurring items from investments	**84,7**	107,5
Net fair value gains on unit trust and share investments	**9,5**	72,0
Other [4]	**96,7**	(19,4)
	190,9	160,1

[1] *Equity method of accounting applied.*

[2] *The total of "income" and "intersegment income" comprises the total of "revenue from sale of goods" and "income" per the income statement.*

[3] *SOTP is a key valuation tool used to measure the group's performance, but does not necessarily correspond to net asset value.*

[4] *Current year consists mainly of marked-to-market gains on the group's interest rate hedge.*

[5] *Non-recurring headline losses of R29,1m pertaining to the group's interest rate hedge have been reclassified from PSG Corporate to Funding.*

	Shareholders Number	Shareholders %	Shares held Number	Shares held %
13. Ordinary shareholder analysis				
Range of shareholding				
1 – 500	5 019	41,9	1 252 129	0,6
501 – 1 000	2 527	21,1	1 946 020	1,0
1 001 – 5 000	3 259	27,1	7 271 682	3,8
5 001 – 10 000	556	4,6	3 982 550	2,1
10 001 – 50 000	482	4,0	10 024 704	5,3
50 001 – 100 000	51	0,4	3 532 785	1,9
100 001 – 500 000	79	0,7	19 337 334	10,2
500 001 – 1 000 000	15	0,1	9 691 733	5,1
Over 1 000 000	17	0,1	132 836 345	70,0
	12 005	100,0	189 875 282	100,0
Treasury shares				
Employee share schemes	2		3 805 370	
Shares held by a subsidiary	1		13 908 770	
	12 008		207 589 422	
Public and non-public shareholding				
Non-public				
Directors *	10	0,1	70 534 529	37,1
Thembeka Capital Ltd (RF) (associate)	1		9 902 349	5,2
Public	11 994	99,9	109 438 404	57,7
	12 005	100,0	189 875 282	100,0
Individual shareholders (excluding directors) holding 5% or more of shares in issue (net of treasury shares) at 28 February 2014				
Public Investment Corporation (including Government Employees Pension Fund)			17 214 684	9,1
Steinhoff International Holdings Ltd and its subsidiaries			37 265 781	19,6
			54 480 465	28,7

* *Refer to the directors' report on page 43 for further details of directors' holdings.*

Notice is hereby given of the annual general meeting of shareholders of PSG Group Ltd ("PSG Group" or "the company") to be held at Spier Wine Estate, Baden Powell Drive, Stellenbosch, on Friday, 20 June 2014, at 11:45 ("the AGM").

Purpose
The purpose of the AGM is to transact the business set out in the agenda below.

Agenda

1. Presentation of the audited annual financial statements of the company, including the reports of the directors and the audit and risk committee for the year ended 28 February 2014. The annual report of which this notice forms part, contains the condensed group financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, is available on PSG Group's website at *www.psggroup.co.za*, or may be requested and obtained in person, at no charge, at the registered office of PSG Group during office hours.

2. To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

   Note:
   For any of the ordinary resolution numbers 1 to 8 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 9 to be adopted, at least 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

2.1 Retirement and re-election of directors

2.1.1 Ordinary resolution number 1
"Resolved that Mr PE Burton, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr PE Burton
Mr Burton obtained a BCom (Hons) Financial Management and post-graduate Diploma in Tax Law from the University of Cape Town.

He was one of the founding members of Siphumelele Investments Ltd, a black economic empowerment company established in 1995 with a shareholder base representing in excess of 150 000 previously disadvantaged individuals. His experience as a director includes executive and non-executive positions in fishing, telecommunications, media and entertainment, technology and financial services. He also serves on the board of PSG Konsult Ltd and is a member of the audit committees of PSG Group, PSG Konsult Ltd and Siphumelele Investments Ltd.

2.1.2 Ordinary resolution number 2
"Resolved that Mr ZL Combi who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr ZL Combi
Mr Combi is the executive chairman of Thembeka Capital Ltd (RF). He holds a diploma in public relations and was awarded the Ernst & Young South African Entrepreneur of the Year award in 2000, as well as the World Entrepreneur of the Year in Managing Change award in 2001. Mr Combi is a member of the Institute of Directors and serves on various listed and unlisted companies' boards, as well as the Absa Bank Advisory Committee (Western Cape).

2.1.3 Ordinary resolution number 3
"Resolved that Mr MJ Jooste, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr MJ Jooste

Mr Jooste obtained a BAcc degree from the University of Stellenbosch and qualified as a Chartered Accountant (SA). He is the chief executive officer of Steinhoff International Holdings Ltd and serves on several boards in the Steinhoff group's operations.

2.1.4 Ordinary resolution number 4

"Resolved that Mr W Theron, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr W Theron

Mr Theron obtained his BCom degree at the University of Stellenbosch and BCompt (Hons) through Unisa. In 1976, he qualified as Chartered Accountant (SA). He started the chartered accountancy firm Theron du Plessis in 1976 in Middelburg (Eastern Cape), which in 1998 had 10 offices in the Western and Eastern Cape. In 1998, he was the founder of PSG Konsult Ltd.

The reason for ordinary resolution numbers 1 to 4 (inclusive) is that the memorandum of incorporation of the company and, to the extent applicable, the South African Companies Act, 71 of 2008, as amended ("the Companies Act"), require that a component of the non-executive directors rotate at every annual general meeting of the company and, being eligible, may offer themselves for re-election as directors.

2.2 Re-appointment of the members of the audit and risk committee of the company

Note:
For avoidance of doubt, all references to the audit and risk committee of the company is a reference to the audit committee as contemplated in the Companies Act.

2.2.1 Ordinary resolution number 5

"Resolved that Mr PE Burton, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

A summary of Mr PE Burton's curriculum vitae has been included in paragraph 2.1.1 above.

2.2.2 Ordinary resolution number 6

"Resolved that Mr CA Otto, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

Summary curriculum vitae of Mr CA Otto

Mr Otto graduated with BCom and LLB degrees from the University of Stellenbosch.

He has been an executive director of PSG Group since its formation in 1995 until March 2009 and is a co-founder of same. Mr Otto has been directly involved in the establishment of PSG's investment in micro-finance and subsequent establishment of Capitec Bank Holdings Ltd of which he has been a director since then. He has also been directly involved in the establishment of PSG Group's investments in the agri sector, which culminated in the formation of Zeder Investments Ltd of which he remains a director. Mr Otto serves on various boards as a non-executive director, including Capespan Group Ltd, Capevin Holdings Ltd, Kaap Agri Ltd, Agri Voedsel Ltd and Distell Group Ltd.

2.2.3 **Ordinary resolution number 7**

"Resolved that Mr J de V du Toit, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, as recommended by the board of directors of the company, until the next annual general meeting of the company."

Summary curriculum vitae of Mr J de V du Toit

Mr du Toit graduated with a BAcc degree. He qualified as Chartered Accountant (SA) and Chartered Financial Analyst. He served as financial director, and later as portfolio manager, of the stockbroking firm SMK. Mr du Toit is a co-founder of PSG Group and non-executive director of various companies.

The reason for ordinary resolution numbers 5 to 7 (inclusive) is that the company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of a company.

2.3 **Re-appointment of auditor**

Ordinary resolution number 8

"Resolved that PricewaterhouseCoopers Inc be and is hereby re-appointed as auditor of the company for the ensuing year on the recommendation of the audit and risk committee of the company."

The reason for ordinary resolution number 8 is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the annual general meeting of the company as required by the Companies Act.

2.4 **General authority to issue ordinary shares for cash**

Ordinary resolution number 9

"Resolved that the directors of the company be and are hereby authorised, by way of a general authority, to allot and issue any of the company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE Ltd ("the JSE"), and subject to the proviso that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 5% of the issued share capital as at the date of this notice of AGM, provided that:

- the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date of this resolution;
- the general issues of shares for cash in any one financial year may not exceed in the aggregate 5% of the company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders or shares issued to the PSG Group Limited Supplementary Share Incentive Trust ("the trust") or options granted by the trust in accordance with the Listings Requirements of the JSE shall not diminish the number of ordinary shares that comprise the 5% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 5% of the company's issued ordinary share capital amounts to 10 379 471 ordinary shares;
- in determining the price at which an issue of shares will be made in terms of this authority the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements of the JSE and not to related parties; and
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue."

For listed entities wishing to issue shares for cash (other than issues by way of rights offers and/or in consideration for acquisitions and/or to share incentive schemes, which schemes have been duly approved by the JSE and by the shareholders of the company), it is necessary for the board to obtain the prior authority of the shareholders in accordance with the Listings Requirements of the JSE and the memorandum of incorporation of the company. The reason for ordinary resolution number 9 is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the Listings Requirements of the JSE and the memorandum of incorporation of the company.

At least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

3. To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

Note:
For the special resolutions to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

3.1 Remuneration of non-executive directors
Special resolution number 1
"Resolved in terms of section 66(9) of the Companies Act, that the company be and is hereby authorised to remunerate its directors for their services as directors on the basis set out below and on any other basis as may be recommended by the remuneration committee and approved by the board of directors, provided that this authority will be valid until the next annual general meeting of the company:

	Proposed annual remuneration [1]				
		Committee Member			
	Board member R	Audit R	Remuneration R	PSG BEE Trust R	Total R
PE Burton [2]	123 650	68 060	8 170	6 810	206 690
ZL Combi	123 650				123 650
J de V du Toit [3]	123 650	80 420			204 070
MM du Toit	123 650		8 170		131 820
FJ Gouws	123 650				123 650
MJ Jooste [4]	123 650		8 670		132 320
JF Mouton [5]	247 300				247 300
JJ Mouton	123 650				123 650
CA Otto	123 650	68 060	8 170		199 880
W Theron	123 650				123 650
Total	**1 360 150**	**216 540**	**33 180**	**6 810**	**1 616 680**

Notes:
[1] *With effect from 1 March 2014*
[2] *Chairman of the PSG BEE Trust*
[3] *Chairman of the PSG Group Audit and Risk Committee*
[4] *Chairman of the PSG Group Remuneration Committee*
[5] *Chairman of the PSG Group board."*

The reason for special resolution number 1 is for the company to obtain the approval of shareholders by way of special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting of the company.

3.2 Inter-company financial assistance

3.2.1 Special resolution number 2: Inter-company financial assistance

"Resolved in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the company may deem fit to any company or corporation that is related or inter-related ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) to the company, on the terms and conditions and for amounts that the board of the company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company."

The reason for and effect of special resolution number 2 is to grant the directors of the company the authority until the next annual general meeting to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the company. This means that the company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

3.2.2 Special resolution number 3: Financial assistance for acquisition of shares in a related or inter-related company

"Resolved that in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the company be and is hereby authorised to approve that the company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the board of the company may deem fit to any company or corporation that is related or inter-related to the company ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in any company or corporation that is related or inter-related to the company, on the terms and conditions and for amounts that the board of the company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by a related or inter-related company or corporation, or for the purchase of any shares or securities of a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company."

The reason for and effect of special resolution number 3 is to grant the directors the authority until the next annual general meeting to provide financial assistance to any company or corporation which is related or inter-related to the company for the purpose of or in connection with the subscription or purchase of options, shares or other securities in any such related or inter-related company or corporation. This means that the company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in its subsidiaries. A typical example of where the company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

3.3 Share repurchases by the company and its subsidiaries

Special resolution number 4: Share buy-back by PSG Group and its subsidiaries

"Resolved as a special resolution that the company and the subsidiaries of the company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the company, the Listings Requirements of the JSE and the requirements of any other stock exchange on which the shares of the company may be quoted or listed, including, inter alia, that:

- the general repurchase of the shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the group;

- the general repurchase is authorised by the company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such five business day period;
- the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf;
- the company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of paragraph 5.72(h) of the Listings Requirements of the JSE; and
- the company must ensure that its sponsor provides the JSE with the required working capital letters before it commences the repurchase of any shares."

The reason for and effect of special resolution number 4 is to grant the directors a general authority in terms of its memorandum of incorporation and the Listings Requirements of the JSE for the acquisition by the company or by a subsidiary of the company of shares issued by the company on the basis reflected in the special resolution.

In terms of the Listings Requirements of the JSE, any general repurchase by the company must, inter alia, be limited to a maximum of 20% of the company's issued share capital in any one financial year of that class at the time the authority is granted. Furthermore, in terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company. For the avoidance of doubt, a pro rata repurchase by the company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

3.4. Amendments to the memorandum of incorporation of the company

Special resolution number 5: Amendment to the memorandum of incorporation of the company in relation to the issue of shares

"Resolved as a special resolution that the memorandum of incorporation of the company be and is hereby amended by the deletion of existing clause number 6, in its entirety, and the substitution thereof with the following new clause 6:

'6.1 The Company is authorised to issue –

6.1.1 such number of such class of Shares as is set out in Schedule 1 hereto, subject to the preferences, rights, limitations and other terms associated with such class set out therein;

6.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto with the preferences, rights, limitations and other terms associated with each such class set out therein, subject to the JSE Listings Requirements.

6.2 The power of the Board to –

6.2.1 increase or decrease the number of authorised Shares of any class of the Company's Shares; or

6.2.2 create any class of Shares; or

6.2.3 reclassify any classified Shares that have been authorised but not issued; or

6.2.4 classify any unclassified Shares that have been authorised but not issued; or

6.2.5 determine the preferences, rights, limitations or other terms of any Shares,

shall be subject to the approval of the Shareholders by way of a special resolution.

6.3 The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares, as set out in this Memorandum of Incorporation, may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements.

6.4 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share, and accordingly if any amendment to this Memorandum of Incorporation relates to the variation of any preferences, rights, limitations and other terms associated with any class of Share already in issue, such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting. The holders of Shares of that class will, subject to the further provisions of clause 23.2, also be entitled to vote at the meeting of ordinary Shareholders where the amendment is tabled for approval.

6.5 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).

6.6 The Board may, subject to clauses 6.7, 6.9 and 6.11, the Act and the JSE Listings Requirements, resolve to issue Shares of the Company at any time, but only –

6.6.1 within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation; and

6.6.2 to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting, provided further that the approval by Shareholders in general meeting shall not be required –

6.6.2.1 to the extent that such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding, on such terms and in accordance with such procedures as the Board may determine; or

6.6.2.2 to the extent that such Shares are issued for the acquisition of assets by the Company, whether by means of an acquisition issue or a vendor consideration placement.

6.7 All issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition, be in accordance with the JSE Listings Requirements.

6.8 Save where permitted by the JSE, all Securities for which a listing is sought on the JSE and all Securities of the same class as Securities which are listed on the JSE must be freely transferable and must, notwithstanding the provisions of section 40(5), but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.

6.9 Save –

6.9.1 where otherwise permitted under the Act, the JSE Listings Requirements or this Memorandum of Incorporation;

6.9.2 where approved by Shareholders in general meeting; or

6.9.3 where such Shares are issued for the acquisition of assets by the Company, whether by means of an acquisition issue or a vendor consideration placement

the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine.

6.10 The Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit, provided that, to the extent applicable, such transaction(s) has/have been approved by the JSE and comply with the JSE Listings Requirements.

6.11 Notwithstanding anything to the contrary herein, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

6.12 *Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.' "*

The reason for special resolution number 5 is to obtain the required approval of shareholders to amend the memorandum of incorporation of the company in the manner that aligns the memorandum of incorporation with the provisions of the JSE Listings Requirements and the Companies Act, in relation to the issue of shares, as set out in the special resolution above.

The effect of special resolution number 5 is that the company will have the necessary authority to amend the memorandum of incorporation in the manner set out in the special resolution above, which amendments have also been approved by the JSE.

4. Other business
To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the company.

Information relating to the special resolutions

1. The directors of the company or its subsidiaries will only utilise the general authority to purchase shares of the company as set out in special resolution number 4 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the position of the company and its subsidiaries ("PSG Group") would not be compromised as to the following:

   - PSG Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the purchase;
   - the consolidated assets of PSG Group will at the time of the AGM and at the time of making such determination be in excess of the consolidated liabilities of PSG Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of PSG Group;
   - the ordinary capital and reserves of PSG Group after the purchase will remain adequate for the purpose of the business of PSG Group for a period of 12 months after the AGM and after the date of the share purchase; and
   - the working capital available to PSG Group after the purchase will be sufficient for PSG Group's requirements for a period of 12 months after the date of the notice of the AGM

   and the directors have passed a resolution authorising the repurchase, resolving that the company or the subsidiary, as the case may be, has satisfied the solvency and liquidity test as defined in the Companies Act and resolving that, since the solvency and liquidity test had been applied, there have been no material changes to the financial position of PSG Group.

   General information in respect of directors, major shareholders, directors' interest in securities and material changes and the share capital of the company is contained in the annual report of which this notice forms part, as well as the full set of annual financial statements, being available on PSG Group's website at *www.psggroup.co.za* or which may be requested and obtained in person, at no charge, at the registered office of PSG Group during office hours.

2. The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.
3. The directors, whose names appear on page 12 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and that the notice contains all information required by the Listings Requirements of the JSE.
4. Special resolution numbers 2, 3 and 4 are renewals of resolutions taken at the previous annual general meeting on 21 June 2013.

Voting

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 9 May 2014.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this AGM is Friday, 13 June 2014, with the last day to trade being Friday, 6 June 2014.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly bring a copy of their identity document, passport or driver's licence to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the company at the address given below by not later than 11:45 on Wednesday, 18 June 2014.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.

By order of the board

PSG Corporate Services (Pty) Ltd
Company secretary

12 May 2014
Stellenbosch

PSG form of proxy

PSG GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1970/008484/06)
JSE share code: PSG ISIN code: ZAE000013017
("PSG Group" or "the company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

For use at the annual general meeting of ordinary shareholders of the company to be held at 11:45 at Spier Wine Estate, on Friday, 20 June 2014 ("the AGM").

I/We (full name in print) ______________________________

of (address) ______________________________

being the registered holder of ______________________________ ordinary shares hereby appoint:

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

3. the chairman of the AGM,

as my proxy to vote for me/us at the AGM for purposes of considering and, if deemed fit, passing, with or without modification, the special resolutions and ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s) in accordance with the following instructions (see Notes):

		Number of shares		
		In favour of	Against	Abstain
1.	Presentation of the audited annual financial statements			
2.1.1	Ordinary resolution number 1: To re-elect Mr PE Burton as director			
2.1.2	Ordinary resolution number 2: To re-elect Mr ZL Combi as director			
2.1.3	Ordinary resolution number 3: To re-elect Mr MJ Jooste as director			
2.1.4	Ordinary resolution number 4: To re-elect Mr W Theron as director			
2.2.1	Ordinary resolution number 5: To re-appoint Mr PE Burton as a member of the audit and risk committee			
2.2.2	Ordinary resolution number 6: To re-appoint Mr CA Otto as a member of the audit and risk committee			
2.2.3	Ordinary resolution number 7: To re-appoint Mr J de V du Toit as a member of the audit and risk committee			
2.3	Ordinary resolution number 8: To re-appoint PricewaterhouseCoopers Inc as the auditor			
2.4	Ordinary resolution number 9: General authority to issue ordinary shares for cash			
3.1	Special resolution number 1: Remuneration of non-executive directors			
3.2.1	Special resolution number 2: Inter-company financial assistance			
3.2.2	Special resolution number 3: Financial assistance for acquisition of shares in a related or inter-related company			
3.3	Special resolution number 4: Share buy-back by PSG Group and its subsidiaries			
3.4	Special resolution number 5: Amendment to the memorandum of incorporation of the company in relation to the issue of shares			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided.

Signed at ______________________ on this ______________ day of ______________ 2014.

Signature(s) ______________________________

Assisted by *(where applicable) (state capacity and full name)* ______________________________

Each PSG Group shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the company) to attend, speak and vote in his/her stead at the AGM.

NOTES

1. A PSG Group shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A PSG Group shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the AGM in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any AGM, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint holders thereof.
4. Forms of proxy must be completed and returned to be received by the transfer secretaries of the company, Computershare Investor Services (Pty) Ltd (PO Box 61051, Marshalltown, 2107), by not later than 11:45 on Wednesday, 18 June 2014.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the AGM.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.