"CROUCH. TOUCH. PAUSE. ENGAGE"



R THE SIX MONTHS ENDED 31 AUGUST 2007

PSG GROUP LIMITED

CONDENSED GROUP INCOME STATEM	ENTS 31 Aug 2007 Rm	Change %	31 Aug 2006	28 Feb 2007
	KIII	70	Rm	Rm
nvestment income and net fair value gains on financial instruments Commission and other fee income	420,8 380,5	37,2 54,6	306,8 246,1	811,1 594,7
Sales from non-financial operations (note 3) Other operating income	836,9 38,7	(8,9)	42,5	57,2
Total income	1 676,9	(0,5)	595,4	1 463,0
Expenses Operating and other expenses Cost of sales of non-financial	408,6		222,9	563,7
operations (note 3)	751,7			
Total expenses	1 160,3		222,9	563,7
Net income from operating activities Finance costs Share of profits of associated	516,6 (25,2)	38,7	372,5 (8,2)	899,3 (40,2)
companies	97,3		(2,7)	124,8
Net income before taxation Taxation	588,7 (113,8)	62,8	361,6 (70,6)	983,9 (147,6)
Net income of the group	474,9	63,2	291,0	836,3
Attributable to: Minority interests Equity holders of the company	172,6 302,3		38,7 252,3	144,3 692,0
	474,9		291,0	836,3
Attributable to equity holders of the company Non-headline items (note 4)	302,3 (10,1)	19,8	252,3 10,5	692,0 (40,6)
leadline earnings	292,2	11,2	262,8	651,4
Earnings per share (cents) - attributable - headline - diluted attributable - diluted headline	191,8 185,4 188,9 182,6	(18,6) (24,4) (17,4) (23,4)	235,6 245,4 228,8 238,3	551,7 519,3 538,8 507,1
Dividend per share (cents) - interim - final	32,5		26,0	26,0 64,0
	32,5	25,0	26,0	90,0
Number of shares (million) - in issue (net of treasury shares) - weighted average	169,4 157,6		132,8 107,1	149,8 125,4
CONDENSED GROUP BALANCE SHEET:	S	31 Aug 2007 Rm	31 Aug 2006 Rm	28 Feb 2007 Rm
Assets Property, plant and equipment Intangible assets Investments in associated companies (note 5) Financial assets Deferred income tax Receivables and inventories Cash and cash equivalents		44,0 667,9 2 817,8 1 547,7 14,3 443,2 657,6	16,7 556,6 918,5 1 472,9 21,9 102,4 76,2	40,1 648,9 1 104,9 1 756,0 34,1 493,4 1 340,8
Total assets		6 192,5	3 165,2	5 418,2
Equity Ordinary shareholders' equity Minority interests		3 103,2 1 866,2	1 710,5 701,2	2 373,0 1 692,6
Total equity		4 969,4	2 411,7	4 065,6
ciabilities inancial liabilities Deferred income tax l'ayables and provisions current income tax liabilities		572,6 130,0 389,0 131,5	353,5 88,0 244,7 67,3	693,6 112,6 457,4 89,0
Total liabilities		1 223,1	753,5	1 352,6
otal equity and liabilities		6 192,5	3 165,2	5 418,2
Net asset value per share (cents) Net tangible asset value per share (cents)		1 832 1 438	1 288 869	1 585 1 151
CONDENSED GROUP CASH FLOW STAT	ΓEMENTS	31 Aug 2007 Rm	31 Aug 2006 Rm	28 Feb 2007 Rm

CONDENSED STATEMENTS OF CHANGES IN OW	31 Aug 2007 Rm	31 Aug 2006 Rm	28 Feb 2007 Rm
Ordinary shareholders' equity at beginning			
of period	2 373,0	719,3	719,3
Shares issued	551,2	1 030,2	1 352,3
Repurchase of shares		(288,6)	(289,4)
Net movement in treasury shares	(28,5)	4,1	(58,9)
Movement in non-distributable reserves	3,8	48,1	3,5
Revaluation of associated company			46,8
Net income for period	302,3	252,3	692,0
Ordinary dividend paid	(98,6)	(54,9)	(92,6)
Ordinary shareholders' equity at end			
of period	3 103,2	1 710,5	2 373,0
Minority interests	1 866,2	701,2	1 692,6
Beginning of period	1 692,6	548,7	548,7
Net income for period	172,6	38,7	144,3
Net movement on acquisition/disposal			
of subsidiaries		18,3	129,7
Capital reduction by subsidiary	(6,6)		(4,2)
Additional contributions	32,4	19,9	833,8
Other movements			0,3
Issue of preference shares by a subsidiary		94,8	94,8
Preference dividend paid	(24,8)	(19,2)	(54,8)
Total equity at end of period	4 969,4	2 411,7	4 065.6

NOTES

1. Basis of presentation and accounting policies

The condensed interim consolidated financial statements are prepared in accordance with IAS 34 - Interim Financial Reporting and the accounting policies conform to IFRS. The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with the policies in the previous year.

2. Recurring headline earnings

We have previously reported on base headline earnings in order to indicate our focus on annuity income. This concept has now been improved and simplified to recurring headline earnings as shown in the Contribution to Headline Earnings

3. Non-financial operations

The sales and cost of sales figures from non-financial operations relate to CIC Holdings Limited, a company which operates in the FMCG sector in Southern Africa. PSG Group Limited, through Paladin Capital Limited, holds a 58,2% interest in this company

31 Aug

2007

31 Aug

2006

4. Non-headline items

	Rm	Rm	Rm
	6,0	(9,3)	13,5
Impairment of investments		(21,2)	(21,2)
Net profit on sale of subsidiaries and			
minority interests		7,4	28,1
Net profit on sale of associated companies	5,4	4,5	4,6
Investment activities	0,6		2,0
Non-headline items of associated			
companies	6,2		24,6
Profit/(loss) before taxation	12,2	(9,3)	38,1
Taxation	(0,8)	(1,2)	3,7
Profit/(loss) after taxation	11,4	(10,5)	41,8
Attributable to minorities	(1,3)		(1,2)
	10,1	(10,5)	40,6
. Investments in associated companies			
Carrying value			
– listed	1 070,8	408,1	470,8
- unlisted	1 747,0	510,4	634,1
	2 817,8	918,5	1 104,9
Market and directors' valuation			
– listed	1 162,5	488,9	612,2
– unlisted	1 915,0	627,7	832,7
	3 077,5	1 116,6	1 444,9
. Commitments			
Contingent liability in respect of risk sharing		15,0	
Operating lease commitments	141,5	22,1	24,6
7. PSG Financial Services Limited			

The company is a wholly owned subsidiary of PSG Group Limited, except for the

5,5 million preference shares which are listed on the JSE Limited. No consolidated

interim results are presented for the company as the relevant information for the

company and PSG Group Limited is identical, the company being the only asset

CONTRIBUTION TO HEADLINE EARNINGS Number Headline earnings of shares Net assets 28 Feb 31 Aug 31 Aug 28 Feb 31 Aug 31 Aug 31 Aug 2007 2007 2006 2007 2007 2007 2006 Rm

302,4

(184,8)

117,6

1 259,8

1 048,7

(81,6)

967,1

373,7

of PSG Group Limited.

148,1

(250,1)

(102,0)

(382,6)

(157,4)

(642,0)

967,1

325,1

332,5

71,7%

(319,7)

69,7

(157,7)

(81,6)

(239,3)

315.5

Cash generated by operations

of period

facilities of

Net change in financial instruments

Net cash flow from operating activities

Net cash flow from financing activities

Net cash flow from investment activities

Net (decrease)/increase in cash and cash

Cash and cash equivalents at beginning

Cash and cash equivalents at end of period'

*Include bank overdrafts and CFD financing

Growth in recurring HEPS

Recurring headline earnings	123,2	48,8	147,9		2 601,2	1 070,4	1 926,1	
Capitec Bank	26,8	2,0	19,1	28,6	1 175,6	571,3	607,3	7
PSG Konsult	29,4	22,4	46,5	531,7	283,1	125,6	282,7	
PSG Fund Management	10,5	6,6	15,3		54,8	48,6	43,8	
Channel Life	2,7	0,5	7,0	110,5	126,6	73,2	117,7	
Quince Capital	9,7				325,9			
Paladin Capital and other private equity	23,7	22,3	42,0		197,6	58,1	157,6	
Zeder Investments and agri investments								
Dividends and equity accounted earnings	7,5	3,2	10,1	202,6	277,5			
Management fee earned by PSG	7,0		4,7					
PSG Corporate Services					160,1	193,6	717,0	
Dividends from investments	2,4	0,3	3,6					
BEE funding	16,3	0,4	19,9					
Net operating costs	(12,8)	(8,9)	(20,3)					
Non-recurring headline earnings	195,7	227,6	562,1		1 274,0	1 249,6	1 256,0	_
Marked-to-market profits/(losses)								7
Quince Capital	2,4							
Paladin Capital (Thembeka)	27,9	20,2	63,2		241,9	166,9	210,1	
Zeder Investments and agri investments	52,6	(17,5)	40,2		244,6	395,2	468,6	
PSG Corporate Services								
JSE Ltd	2,3	227,9	425,4			416,7	164,1	
Other investments	110,5	16,0	52,3		737,4	199,4	363,1	
0ther								
m Cubed Holdings		(19,0)	(19,0)	218,0	50,1	71,4	50,1	
Perpetual prefs and borrowings	(27,4)	(22,6)	(47,3)		(792,3)	(647,2)	(828,6)	_
Interest rate hedge	17,6	10,1	(5,0)		12,7	10,1	(5,0)	
Secondary tax on companies	(16,9)	(1,1)	(6,3)		7,6	27,6	24,5	
Total headline earnings	292,2	262,8	651,4		3 103,2	1 710,5	2 373,0	 Ord s
Statistics								_
Recurring HEPS (cents) Growth in recurring headline earnings	78,1 152,5%	45,5	117,9					

- Recurring headline earnings increased by 71,7% to 78,1 cents per share
- Headline earnings decreased by 24,4% to 185,4 cents per share
- Interim dividend increased by 25% to 32,5 cents per share
- Net asset value increased by 42,2% to 1 832 cents per share

COMMENTARY

REVIEW OF RESULTS

On a comparable basis, *headline earnings* per share for the six months ended 31 August 2007 decreased by 24,4% from 245,4 cents per share to 185,4 cents per share. This decrease was anticipated and communicated and follows the realisation of PSG's interest in the JSE Limited. Recurring headline earnings per share (as set out in the Contribution to Headline Earnings table) increased by 71,7% from 45,5 cents per share to 78,1 cents per share.

The increase in PSG's recurring headline earnings base is testimony to the success of *Project Growth*, with the Group becoming less sensitive to volatile equity markets.

Our subsidiaries and associated companies are all well established and operate as profitable independent units. They provide the Group with a diversified exposure to the South African economy, which we believe will continue to experience strong growth.

CORPORATE ACTION

Increase of shareholding in Capitec Bank Holdings Limited

Effective June 2007, PSG obtained SARB approval to and increased its shareholding in Capitec from 18,3% to 34,9% through a share swap whereby 1,4545 PSG shares were issued for every Capitec share held. PSG acquired 13,5 million shares in Capitec and issued 19,7 million new PSG shares for a total consideration of R552 million. Capitec is PSG's largest

Acquisition of Alternative Channel Limited

Subject to approval by the necessary regulatory agencies, PSG has acquired 80% in Alternative Channel, an insurance company that offers linked investment products. Management will own the other 20%. The company will expand the services currently offered by the PSG Wealth Cluster.

REVIEW OF OPERATIONS

28 Feb

2007

Capitec Bank Holdings Limited (34,9%)

Capitec's results for the six months ended 31 August 2007 were published on 27 September 2007, and are available on the company's website at www.capitec.co.za. Capitec increased its headline earnings per share by 15% and delivered a return on equity of 21%.

PSG Konsult Limited (73,6%)

Following the integration of businesses acquired during 2006, headline earnings increased by 108,6 % to R39,9 million during the period under review.

Funds under administration increased to R50 billion (Aug 2006: R23 billion) and PSG Konsult now has 452 (Aug 2006: 397) financial planners and stockbrokers operating from 183 (Aug 2006: 168) offices throughout Southern Africa.

PSG Konsult is in the process of establishing an office in London and has recently acquired a small financial services company in the United Kingdom. Together with our recently launched offshore stockbroking capabilities we can now offer an international service to our clients.

PSG Konsult's results announcement for the period ended 31 August 2007 is available on its website at www.psgkonsult.co.za.

PSG Fund Management Holdings (Pty) Limited (96,9%)

PSG Fund Management's assets under administration increased to R19 billion including assets under management of R13,4 billion, a 10,4% and 14,4% increase respectively in the past six months. Net fund inflows for the period under review amounted to R1,7 billion.

The increase in assets, coupled with contained overhead costs, resulted in the company increasing its headline earnings by 60% to R10,8 million for the six months ended 31 August 2007.

Channel Life Limited (34,4%)

Channel Life continued its growth in new business over the six months until 30 June 2007, with the broker business performing well. Profit after tax for the period to June 2007 was R22,3 million, whilst headline earnings was

Modest profit growth is expected over the shorter term whilst the marketing drive continues.

Quince Capital Holdings Limited (39,7%)

Quince Capital, the niche financing joint venture with Reunert, was launched on 2 May 2007, with PSG equity accounting its results as from that date having obtained a 39,7% interest for R315 million. The Nashua financing book has subsequently grown to R1,6 billion and is in the final stages of being securitised. The acquisition of ZS Rational (property bridging finance) is awaiting Competition Commission approval.

Paladin Capital Limited (90,3%)

The headline earnings of Paladin has increased significantly as the performance of all the investee companies in the portfolio was above expectation, with an exceptional performance from **Thembeka Capital**, a BEE-controlled investment holding company, largely due to non-recurring marked-to-market profits. Thembeka Capital raised additional "black" capital through a successful public offering. It remains the single largest black shareholder in the JSE Limited.

During the period under review, Paladin acquired a 25,1% stake in Mainfin, a niche property finance house, and invested additional capital in *Precrete Nozala* for a total consideration of R56 million. Paladin has acquired a 40% interest in GRW Holdings, a specialist tank container manufacturer, subsequent to 31 August 2007.

Zeder Investments Limited (35,5%)

s/holders' equity

Zeder increased its investment portfolio by 49% to R1 153 million since 28 February 2007 and also achieved its stated objective to equity account,

inter alia, its investments in Kaap Agri Limited and KWV Limited. The carrying value of Zeder's investments in associated companies amounted to R782,7 million as at 31 August 2007. Zeder's net profit after tax of R162,6 million for the reporting period increased by 19% compared to the six months ended 28 February 2007.

Zeder's detailed results announcement for the period ended 31 August 2007 is available on its website at www.zeder.co.za.

PSG Corporate Services

The appreciation of the Petmin (11,5% stake) and Datapro (now Vox Telecom) (3,7% stake) share prices and the interest rate hedge contributed to the marked-to-market profits in the past financial period. PSG earned market-related returns from the remainder of its strategic and non-strategic investments.

m Cubed Holdings Limited (30%)

This investment is still carried at 23 cents per share. The board does not consider any impairment necessary.

PREFERENCE SHARE FUNDING

On 30 July 2007, PSG Financial Services Limited consolidated its cumulative, non-redeemable, variable rate, non-participating preference shares on a 1 for 100 basis in order to provide the shareholders with a more meaningful and accurate share price at which to trade.

PROSPECTS

As a result of current financial market conditions, PSG has decided to put its prospective listing on the London Stock Exchange main board temporarily on

The Project Growth initiative has delivered promising results, which we shall continue to pursue in order to further grow the Group and strengthen its recurring income base. Marked-to-market profits will always be volatile and dependent on market conditions.

Our primary goal remains the creation of shareholders' wealth. We remain confident that we shall continue to deliver on this.

DIVIDENDS

Ordinary shares The directors of PSG Group Limited have resolved on a 25% increase in the

interim dividend and have consequently declared a dividend of 32,5 cents per share (2006: 26 cents) in respect of the six months ended 31 August 2007.

The following are the salient dates for the payment of the ordinary dividend: Last day to trade cum dividend Friday, 26 October 2007 Trading ex dividend commences Monday, 29 October 2007 Friday, 2 November 2007 Day of payment Monday, 5 November 2007

Share certificates may not be dematerialised or rematerialised between Monday,

29 October 2007, and Friday, 2 November 2007, both days inclusive.

Preference shares

The directors of PSG Financial Services Limited declared a dividend of 482,9 cents per share in respect of the cumulative, non-redeemable, variable rate, non-participating preference shares for the six months ended 31 August 2007, which was paid on 1 October 2007.

On behalf of the board

Jannie Mouton Chris Otto Director

Stellenbosch 8 October 2007

Directors

JF Mouton (chairman)*, L van A Bellingan°, PE Burton°, J de V du Toit, MJ Jooste°, JJ Mouton, CA Otto*, P Malan, BE Steinhoff (German)°, W Theron, Dr J van Zyl Smit°, Dr CH Wiese°

Secretaries and registered office

PSG Corporate Services (Pty) Limited 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600 PO Box 7403, Stellenbosch, 7599

Transfer secretaries

Link Market Services South Africa (Pty) Limited 11 Diagonal Street, Johannesburg, 2001 PO Box 4844, Johannesburg, 2000

PSG Capital (Pty) Limited



PSG GROUP LIMITED Registration number 1970/008484/06 JSE share code: PSG ISIN code: ZAE000013017

PSG FINANCIAL SERVICES LIMITED Registration number 1919/000478/06 JSE share code: PGFP ISIN code: ZAE000096079

These results are also available on our website at www.psggroup.co.za