Condensed group incor	ne stateme	ent		
	Unaudited		Unaudited	Audited
	31 Aug	Chamas	31 Aug	28 Feb 2010
	2010 Rm	Change %	2009 Rm	Rm
Income				
Investment income and net fair				
value adjustments to financial instruments	90,2		135,9	224,7
Commission and other fee				
income	583,2	19,5	487,9	1 060,8
Other operating income Total income	42,3 715,7	7,0	45,1 668,9	46,6 1 332,1
Total meone	715,1	7,0	000,3	1 332,1
Expenses				
Insurance claims	2,4		3,5	1,2
Operating expenses	557,9		473,9	981,9
Total expenses	560,3	17,4	477,4	983,1
Net income from operating activities	155,4	(18,9)	191,5	349,0
Finance costs	(46,2)	(10,9)	(50,2)	(93,8)
Share of profits of associated	(40,2)		(30,2)	(33,0)
companies	267,3		187,0	411,8
Profit before taxation	376,5	14,7	328,3	667,0
Taxation	(54,0)	44.5	(39,0)	(103,3)
Net profit for the period	322,5	11,5	289,3	563,7
Attributable to:				
Non-controlling interests	113,6		95,6	172,7
Equity holders of the company	208,9		193,7	391,0
	322,5		289,3	563,7
Attributable to equity holders				
of the company	208,9		193,7	391,0
Non-headline items (note 2)	20,2		40,0	40,4
Headline earnings	229,1	(2,0)	233,7	431,4
[
Earnings per share (cents) – attributable	125,0	11,0	112,6	225,8
- headline ("HEPS")	137,0	0,8	135,9	249,2
- diluted attributable	124,0	10,4	112,3	224,5
- diluted headline	136,0	0,3	135,6	247,8
- recurring headline	111,3	36,6	81,5	207,4
Dividend per share (cents)	20.0		42.0	42.0
- interim - final	20,0		13,0	13,0 29,0
- IIIat	20,0	53,8	13,0	42,0
		33,0	25,5	12,0
Number of shares (million)				
- in issue (net of treasury shares)			175,4	167,0
- weighted average	167,2		172,0	173,1
 diluted weighted average 	168,5		172,4	174,1

	Unau	ıdited	Audited
	31 Aug	31 Aug	28 Feb
	2010	2009	2010
	Rm	Rm	Rm
Net profit for the period	322,5	289,3	563,7
Other comprehensive income/(loss) for the period	25,0	(6,2)	0,3
Share of other comprehensive income and equity movements of associated companies	25,4	(0,9)	3,3
Currency translation adjustments and fair value gains/(losses)	0,5	(5,3)	(3,0)
Release of available-for-sale reserve	(0,9)		
Total comprehensive income for the period	347,5	283,1	564,0
Attributable to:			
Non-controlling interests	108,0	92,9	165,8
Equity holders of the company	239,5	190,2	398,2
	347,5	283,1	564,0

Condensed group statement of financial position					
	Unaudited Audi				
	31 Aug 2010 Rm	31 Aug 2009 Rm	28 Feb 2010 Rm		
Assets	KIII	KIII	KIII		
Property, plant and equipment	304,9	34,8	38,0		
Intangible assets	919,2	786,0	780,9		
Investments in associated companies (note 3)	4 740,5	3 960,4	4 452,7		
Financial assets linked to investment contracts (note 5)	8 534,9	8 285,0	8 215,8		
Other financial assets	721,5	512.8	696,5		
Deferred income tax	19,8	21,6	4,1		
Receivables	217,1	260,8	137,6		
Cash and cash equivalents	347,9	600,5	360,7		
Total assets	15 805,8	14 461,9	14 686,3		
Equity Ordinary shareholders' equity Non-controlling interests Total equity	3 132,0 2 519,9 5 651,9	2 986,2 2 095,8 5 082,0	2 947,0 2 263,5 5 210,5		
Liabilities Insurance liabilities	31,0	31,5	30,3		
Financial liabilities under investment contracts (note 5)	8 534,9	8 285,0	8 215,8		
Other financial liabilities	1 019,5	620,0	795,5		
Deferred income tax	133,6	68,6	74,5		
Payables and provisions	428,9	319,6	358,1		
Current income tax liabilities	6,0	55,2	1,6		
Total liabilities	10 153,9	9 379,9	9 475,8		
Total equity and liabilities	15 805,8	14 461,9	14 686,3		
Net asset value per share (cents)	1 875	1 703	1 765		
Net tangible asset value per share (cents)	1 325	1 254	1 297		

Condensed group statement of changes in equity					
	Una	Audited			
	31 Aug 2010 Rm	31 Aug 2009 Rm	28 Feb 2010 Rm		
Ordinary shareholders' equity at beginning of period	2 947,0	2 755,4	2 755,4		
Total comprehensive income for the period	239,5	190,2	398,2		
Net shares (repurchased)/issued	(15,7)	104,6	(123,2)		
Transactions with non-controlling interests	6,4				
Share-based payment costs	3,3	1,9	5,3		
Dividends paid	(48,5)	(65,9)	(88,7)		
Ordinary shareholders' equity at end of period	3 132,0	2 986,2	2 947,0		
Non-controlling interests	2 519,9	2 095,8	2 263,5		
Beginning of period	2 263,5	1 863,6	1 863,6		
Total comprehensive income for the period	108,0	92,9	165,8		
Dividends and capital distributions paid	(58,8)	(78,3)	(118,9)		
Preference shares issued	202,9				
Interest acquired from non-controlling shareholders	(43,9)		(4,8)		
Additional interest obtained	48,2	217,6	357,8		
Total equity at end of period	5 651,9	5 082,0	5 210,5		

Condensed group statement of cash flows					
	Unau	Audited			
	31 Aug 2010 Rm	31 Aug 2009 Rm	28 Feb 2010 Rm		
Net cash flow from operating activities	(8,5)	653,7	779,4		
Net cash flow from investing activities	(267,4)	(124,8)	(350,0)		
Net cash flow from financing activities	184,3	275,7	258,2		
Net (decrease)/increase in cash and cash equivalents	(91,6)	804,6	687,6		
Cash and cash equivalents at beginning of period	476,4	(211,2)	(211,2)		
Cash and cash equivalents at end of period*	384,8	593,4	476,4		
* Include bank overdrafts and CFD financing of	(15,9)	(137,3)	(61,1)		
* Include clients' cash linked to investment contracts of	52,8	130,2	176,8		

Notes to the condensed group financial statements

1. Basis of presentation and accounting policies

The condensed interim group financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting and should be read in conjunction with the annual financial statements for the year ended 28 February 2010, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The accounting policies applied in the preparation of these interim group financial statements are consistent with those used in the previous year, except for the following amendments to standards and revised standards issued which are effective for the financial year beginning 1 March 2010:

- Amendments to IFRS 2 Share-based Payment
- IFRS 3 Revised Business Combinations
- IAS 27 Revised Consolidated and Separate Financial Statements

The adoption of these amendments and revised standards had no material effect on the results, nor has it required any restatement of previously reported

The complete IAS 34 compliant interim report is available at www.psggroup.co.za.

Non-headline items	Una	udited	Audited
	31 Aug 2010 Rm	31 Aug 2009 Rm	28 Feb 2010 Rm
Net of taxation and non-controlling interest			
Impairment of investments in associated companies and intangible assets	(13,8)	(62,3)	(54,6)
Net profit/(loss) on sale/dilution of investments in subsidiaries and associated companies	15,1	(3,2)	(8,1)
Negative goodwill on acquisition of subsidiaries		18,0	18,1
Non-headline items of associated companies	(22,9)	2,2	(2,0)
Other investment activities	1,4	5,3	6,2
	(20,2)	(40,0)	(40,4)
Investments in associated companies Carrying value			
- listed	1 785,9	1 575,3	1 696,8
- unlisted	2 954,6	2 385,1	2 755,9
-	4 740,5	3 960,4	4 452,7
Market and directors' valuation			
- listed	4 567,1	1 964,0	2 870,6
- unlisted	3 083,3	2 442,7	2 920,2
	7 650,4	4 406,7	5 790,8
Commitments			
Operating lease commitments	74,6	87,6	82,9
Linked investment contracts			

PSG Group is not exposed to market movements in PSG FutureWealth's clients' assets held under investment contracts, as any movement in the market price of the investment is linked to a corresponding adjustment to the liability.

6. PSG Financial Services Limited

The company is a wholly owned subsidiary of PSG Group Limited, except for the 8 405 320 preference shares which are listed on the JSE Limited. No separate financial statements are presented for the company as it is the only asset of

	Headline earni	ngs	Number of shares	Net asset value		
31 Aug 2010 Rm	31 Aug 2009 Rm	28 Feb 2010 Rm	31 Aug 2010 m	31 Aug 2010 Rm	31 Aug 2009 Rm	28 Feb 2010 Rm
186,1	140,1	359,0	İ	2 966,0	2 790,4	2 766,7
99,1	61,8	151,7	29,4	1 529,0	1 303,5	1 383,9
31,7	28,9	65,5	538,5	303,3	274,1	296,1
10,0	10,3	26,4	15,6	151,2	137,5	149,2
26,3	28,6	77,2	472,3	907,7	752,6	859,6
50,9	30,8	83,6	407,9	972,1	913,1	925,9
				28,8	51,4	26,9
39,0	27,5	60,7				
(24,4)	(15,5)	(38,0)				
(4,3)	(6,1)	(7,4)				
10,1	10,8	20,6		194,8	174,8	184,8
(28,8)	(27,4)	(51,1)		(769,3)	(555,3)	(551,3)
(23,3)	(11,9)	(29,6)		(357,2)	(270,6)	(513,9)
(0,2)	2,3	(0,6)		5,6	9,3	5,5
43,0	93,6	72,4		166,0	195,8	180,3
62,4	70,2	89,9				
(13,8)	2,8	(23,0)				
(5,6)	20,6	26,2		124,3	145,7	138,6
		(20,7)				
			219,7	41,7	50,1	41,7
229,1	233,7	431,4		3 132,0	2 986,2	2 947,0
			Change			
111 3	81.5	207.4	- 1			
•	-					
	31 Aug 2010 Rm 186,1 99,1 31,7 10,0 26,3 50,9 39,0 (24,4) (4,3) 10,1 (28,8) (23,3) (0,2) 43,0 62,4 (13,8) (5,6)	31 Aug 2010 Rm Rm Rm 186,1 140,1 99,1 61,8 31,7 28,9 10,0 10,3 26,3 28,6 50,9 30,8 39,0 27,5 (24,4) (15,5) (4,3) (6,1) 10,1 10,8 (28,8) (27,4) (23,3) (11,9) (0,2) 2,3 43,0 93,6 62,4 70,2 (13,8) 2,8 (5,6) 20,6	2010 Rm 2009 Rm 2010 Rm 186,1 140,1 359,0 99,1 61,8 151,7 31,7 28,9 65,5 10,0 10,3 26,4 26,3 28,6 77,2 50,9 30,8 83,6 39,0 27,5 60,7 (24,4) (15,5) (38,0) (4,3) (6,1) (7,4) 10,1 10,8 20,6 (28,8) (27,4) (51,1) (23,3) (11,9) (29,6) (0,2) 2,3 (0,6) 43,0 93,6 72,4 62,4 70,2 89,9 (13,8) 2,8 (23,0) (5,6) 20,6 26,2 (20,7) 229,1 233,7 431,4	Headline earnings	Headline earnings	Headline earnings



PSG GROUP LIMITED

INTERIM RESULTS (UNAUDITED)

for the six months ended 31 August 2010

Recurring headline earnings increased by 36,6% to 111,3 cents per share

Headline earnings increased by 0,8% to 137,0 cents per share

Interim dividend increased by 53,8% to 20,0 cents per share

SOTP value increased by 37,0% to R37,30 per share as at 31 August 2010

COMMENTARY

PSG is an investment group consisting of some 40 underlying companies that employ more than 39 000 people across a diverse range of industries. These investments are either consolidated, equity accounted or marked-to-market from an accounting perspective.

FINANCIALS

PSG continues to use the *recurring headline earnings* method to provide management and investors with a more realistic and transparent way of evaluating PSG's financial performance. Recurring headline earnings represent the sum of PSG's effective interest in that of each investee, regardless of its percentage shareholding. The result is that investments in which PSG or an investee holds less than 20% and are generally not equity accountable in terms of accounting standards, are included in the calculation of our consolidated recurring headline earnings. Marked-to-market fluctuations are excluded.

Recurring headline earnings increased by 32,8% to R186,1 million and recurring headline earnings per share by 36,6% to 111,3 cents for the period ended 31 August 2010. The majority of the companies performed better than last year, but it was again Capitec that accounted for the major part of the positive growth.

Headline earnings increased by 0,8% to 137,0 cents per share, which is 23,1% more than the recurring headline earnings per share, and attributable earnings by 11,0% to 125,0 cents per share.

SUM OF THE PARTS ("SOTP")The group consists of a diversified range of companies. The listed investee companies and debt are valued using the quoted market price, whereas unlisted investments are valued using market-related multiples. At 31 August 2010, the SOTP value per PSG share was R37,30. As at 7 October 2010, the SOTP value was R41,81 per share.

Asset/Liability	Market	SOTP	value		
	price per share R	31 Aug 2010 Rm	28 Feb 2010 Rm		
Capitec	133,50	3 919	2 367		
PSG Konsult	1,25	673	730		
Zeder	2,07	844	742		
Paladin Capital	2,50	1 181	834		
PSG Fund Management		230	218		
Management fees		300	361		
Other investments (incl. cash)		555	508		
Total assets		7 702	5 760		
Perpetual pref funding	93,35	(785)	(541)		
Other debt		(495)	(539)		
SOTP value		6 422	4 680		
SOTP value per share (rand)		37,30	27,23		

- Raised R200 million through the issue of 2,3 million PSG Financial Services perpetual preference shares at a yield of 8,9% per annum.
- Reinvested R20 million in PSG Group through the repurchase of 0,7 million PSG Group shares at an average price of R28,88 per share.
- Invested R54.2 million in Capitec to maintain our 34.9% interest. • Increased our shareholding in Paladin and Zeder having invested R20,9 million
- and R21,5 million respectively.

CAPITEC BANK (34,9%) Capitec Bank provides innovative transacting, saving and lending products to

serve the needs of all South Africans. Its business continued to grow during the past six months; it now operates 422 branches and services 2,5 million

Capitec delivered yet another set of excellent results with headline earnings having increased by 59% to R284 million, while headline earnings per share increased by 58% to 340 cents. Return on equity increased to 34%.

Capitec remains in a sound financial position, with R1,9 billion in equity and a welldiversified mix of funding with R4,9 billion in retail and R3,6 billion in wholesale deposits. The mix of funding available to the business makes it possible to manage liquidity conservatively and ensures that funding is not a constraint on growth. As at 31 August 2010 and on average throughout the six months it would have been possible for Capitec to repay all deposits due within one day.

For the period under review, Capitec advanced more than 2,6 million loans, 46% higher than that of the corresponding period in the prior year. The total value of loans granted increased by 73% to R6,4 billion, albeit at stricter lending criteria. Capitec's total loans outstanding at year-end increased by 97% to R7,8 billion as more clients moved to longer-term loans of which the 48-month loan product was a major contributor. The provision for doubtful debts as a percentage of the gross loan book amounted to 7,1% through the application of prudent impairment provisioning assumptions. Capitec's risk-weighted capital adequacy ratio of 32% remains well above the required minimum level.

Capitec's comprehensive results for the six months ended 31 August 2010 are available at www.capitec.co.za.

PSG KONSULT (73,5%)

PSG Konsult has performed satisfactorily in the six-month period to 31 August 2010, with headline earnings having increased by 9,6% to R43,3 million. Its diversified revenue streams and focus on creating sustainable annuity income have proved resilient amidst challenging economic conditions. Turnover, consisting of commission and other operating income, increased by 21,4% to R472,2 million while short-term premiums remained stable at R1,45 billion on an annualised basis. Funds under administration increased by 12,7% to R81,6 billion since

The following acquisitions were concluded since year-end:

- 100% of PSG Prime for R16,7 million, resulting in all the group's stockbroking activities now housed under PSG Konsult.
- . Bouwer Collins for R16 million. The company is an independent short-term insurance intermediary with an Eastern Cape client base. • The business activities of Diagonal Insurance ("Diagonal") effective
- 1 September 2010. Diagonal is a national short-term insurance broker and administrator. It has five marketing offices and an administration platform servicing 12 000 clients. Annual premium income amounts to R175 million.
- PSG Konsult's BEE subsidiary, PSG Konsult Corporate, concluded various small to medium-sized acquisitions specialising in healthcare brokerage.

At 31 August 2010, PSG Konsult had 209 offices (28 February 2010: 197) with 571 (28 February 2010: 572) financial planners, stockbrokers and short-term insurance brokers

PSG Konsult's comprehensive results for the six months ended 31 August 2010 are available at www.psgkonsult.co.za.

PSG FUND MANAGEMENT (81,0%)
PSG Fund Management's ("PSGFM") headline earnings increased by 11,5% to R12,1 million while headline earnings per share declined by 3,9% to 63,5 cents per share. Funds under administration increased by 12,2% to R26,2 billion while funds under management decreased by 4,9% to R11,3 billion.

During the past six months management has continued to focus on creating a single PSG-branded asset management business with a simplified holistic product range covering the full investment risk spectrum

Excellent investment performance has been delivered by two of our core unit trust funds in their respective categories. The *PSG Flexible Fund* was ranked first over three years, second over five years and third over one year as at 31 August 2010, while the *PSG Balanced Fund* was ranked first over one year.

PSGFM's comprehensive results for the six months ended 31 Augustus 2010 are available at www.psqfm.co.za.

PALADIN CAPITAL (81,3%)

Paladin is PSG's private equity investment company in sectors other than agriculture, food and beverages. At 31 August 2010, Paladin had 13 investments across a number of industries.

Paladin's recurring headline earnings increased by 16,2% to R38,8 million while recurring headline earnings per share decreased by 11,8% to 6,7 cents. This was mainly a consequence of the increased number of shares in issue following Paladin's rights issue in September 2009, and the downturn in the construction and

Paladin's headline earnings, before providing for a performance fee of R46,2 million increased by 14,2% to R147,6 million. This increase is mainly due to markedto-market profits achieved in Thembeka's investment portfolio of listed shares in Capitec Bank and PSG Group

Significant items of interest since year-end:
• Raised R100 million by way of a five-year, fixed-rate preference share with

- dividend and capital payable on maturity.

 Purchased an additional 26% for a controlling 76% stake in Curro Private Schools
- Concluded the sale of Lesotho Milling for R26 million in cash, effective 1 September 2010. • Entered into an agreement to sell CIC for a net consideration of R336 million. The
- conclusion of the sale is subject to regulatory approval.

Paladin's comprehensive results for the six months ended 31 August 2010 are available at www.paladincapital.co.za.

ZEDER INVESTMENTS (41,7%)

Zeder's recurring headline earnings increased by 54,9% to R124,5 million while recurring headline earnings per share increased by 24,5% to 12,7 cents. Headline earnings per share, however, decreased by 14,7% to 9,3 cents. This was mainly as a result of the increased number of Zeder shares in issue following a rights issue in June 2009, together with less marked-to-market profits during the

Kaap Agri and Capevin Holdings, with their respective core assets an effective interest of 32,0% in Pioneer Foods and 14,9% in Distell, remain the largest contributors to Zeder's profitability. Zeder maintained its 41,3% interest in Kaap Agri, with both Kaap Agri's own operations and its investment in Pioneer Foods expected to deliver attractive results. Pioneer Foods has indicated that the Competition Commission settlement amount will exceed the R350 million nonrecurring provision previously made, and believes that the settlement may be finalised within the next few weeks.

Zeder increased its interest in Capevin Holdings from 37,0% to 38,3% during the period under review. Distell again delivered a satisfactory performance under challenging conditions. Although it succeeded in maintaining its share of consumer spending, benefits derived from improved throughput and better operating efficiencies were insufficient to protect margins and profitability. Distell's operating profit for the year ended June 2010 consequently declined by 1,2% to R1,4 billion and headline earnings by 1,0% to R943,6 million.

Zeder's comprehensive results for the six months ended 31 August 2010 are available at www.zeder.co.za.

PSG Capital is the corporate finance arm of PSG. It is a JSE-registered sponsor and designated advisor. PSG Capital advises on mergers and acquisitions, listings, restructurings, capital raisings, and BEE transactions, and performs valuations and fair and reasonable opinions. It currently has 30 JSE-listed and numerous other

PSG Capital's services are available at www.psgcapital.com.

PSG CORPORATE (100%)

PSG Corporate acts as treasurer, allocates capital and determines and monitors the group's gearing. It is also the appointed manager to both Zeder and Paladin. The recurring management fees earned from these two companies during the period under review amounted to R29,5 million (2009: R17,8 million).

The net non-recurring marked-to-market loss incurred during the period under review comprised a marked-to-market loss of R13,9 million on the interest rate hedge held against the perpetual preference shares in issue, and a marked-to-market profit of R8,3 million on our strategic and non-strategic investment portfolio.

PROSPECTS

Our focus remains to grow our underlying companies and we shall continue to invest in assets and sectors that offer attractive growth prospects and returns.

Ordinary shares

The directors of PSG Group Limited have resolved to increase the dividend pay-out from 75% to 100% of free cash flow, of which one third will be paid as an interim and the balance as a final dividend at year-end. The directors have consequently resolved to declare an interim dividend of 20 cents (2009: 13 cents) per share.

The following are the salient dates for the payment of the interim dividend: Friday, 29 October 2010 Last day to trade cum dividend Trading ex dividend commences Monday, 1 November 2010 Friday, 5 November 2010 Day of payment Monday, 8 November 2010

Share certificates may not be dematerialised or rematerialised between Monday, 1 November 2010, and Friday, 5 November 2010, both days inclusive.

Preference shares

The directors of PSG Financial Services Limited have declared a dividend of 380,65 cents per share in respect of the cumulative, non-redeemable, nonparticipating preference shares for the six months ended 31 August 2010, which was paid on 27 September 2010.

On behalf of the board

Jannie Mouton

Wynand Greeff

11 October 2010

PSG GROUP LIMITED PSG FINANCIAL SERVICES LIMITED

Directors JF Mouton (Chairman), L van A Bellingan^, PE Burton^, ZL Combi^, J de V du Toit, MM du Toit^, WL Greeff*, JA Holtzhausen, MJ Jooste, JJ Mouton, PJ Mouton*, CA Otto, W Theron, CH Wiese *Executive ^Independent

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Transfer secretaries Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107

These results are available at **WWW.psggroup.co.za**