

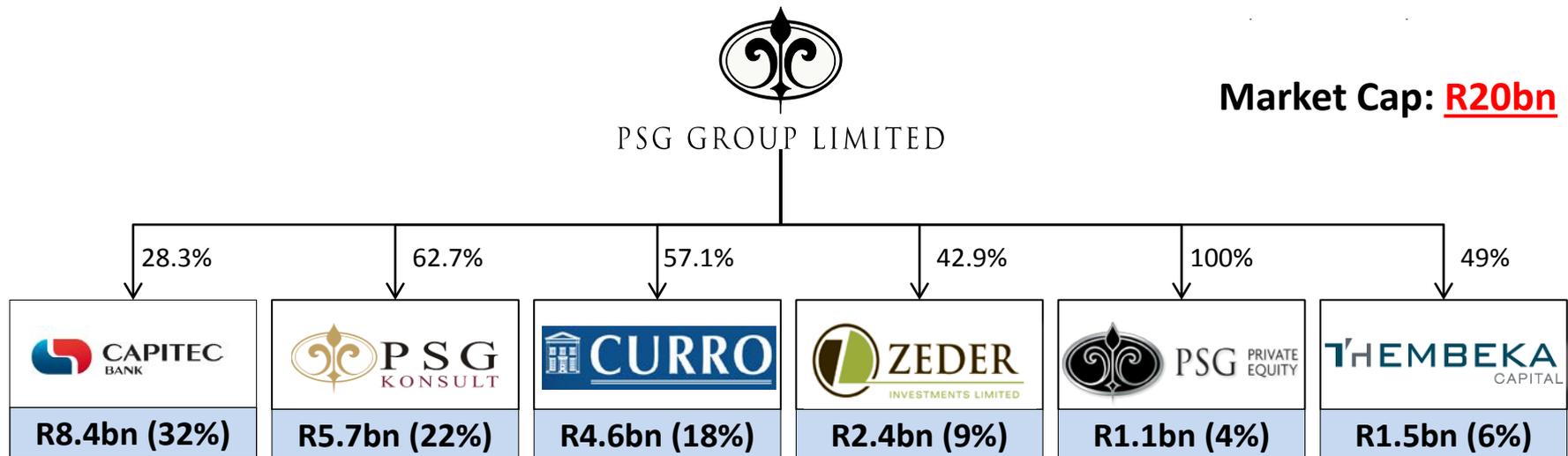
PSG GROUP LIMITED

INTERIM RESULTS – PERIOD ENDED 31 AUGUST 2014

CEO: PIET MOUTON

OCTOBER 2014

The Group



Sum-of-the-Parts

| | Feb-13 | | Feb-14 | | 10-Oct-14 | |
|-------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Rm | % of assets | Rm | % of assets | Rm | % of assets |
| Capitec | 6,128 | 39% | 5,989 | 30% | 8,377 | 32% |
| PSG Konsult | 2,237 | 14% | 4,004 | 20% | 5,725 | 22% |
| Curro | 2,607 | 16% | 4,660 | 23% | 4,630 | 18% |
| Zeder | 1,412 | 9% | 1,698 | 8% | 2,440 | 9% |
| Thembeke Capital | 899 | 6% | 1,243 | 6% | 1,510 | 6% |
| PSG Private Equity | 681 | 4% | 949 | 5% | 1,109 | 4% |
| PSG Corporate | 383 | 2% | 383 | 2% | 600 | 2% |
| Other | 1,505 | 10% | 1,122 | 6% | 1,658 | 7% |
| TOTAL ASSETS | 15,852 | | 20,048 | | 26,049 | |
| Perpetual prefs | (1,163) | | (1,393) | | (1,454) | |
| Other | (845) | | (615) | | (631) | |
| SOTP | 13,844 | | 18,040 | | 23,964 | |
| Number of shares in issue (m) | 191 | | 190 | | 202 | |
| SOTP per share (rand) | 72.67 | | 95.01 | | 118.49 | |



SOTP – other investments

| Rm | 10-Oct-14 |
|--|------------------|
| PSG's pref investments | 248 |
| Intergroup loans | 550 |
| Cash and cash equivalents | 825 |
| Other (property, receivables, payables, provisions etc.) | 35 |
| TOTAL Other | 1,658 |



Recurring headline earnings

| Rm | 6 months | | | %Growth |
|---|------------|------------|------------|---------|
| | Feb-14 | Aug-13 | Aug-14 | |
| PSG Konsult | 163 | 70 | 92 | 31% |
| Zeder | 125 | 38 | 68 | 79% |
| PSG Private Equity | 51 | 26 | 16 | (38%) |
| Thembeka Capital | 23 | 8 | 16 | 100% |
| Curro Holdings | 21 | 8 | 15 | 88% |
| Other | 45 | 18 | 21 | 11% |
| Recurring headline earnings excl. Capitec | 428 | 168 | 228 | 35% |
| Capitec Bank | 571 | 275 | 332 | 21% |
| Recurring headline earnings before funding | 999 | 443 | 560 | 26% |
| Funding costs | (181) | (87) | (85) | (2%) |
| Recurring headline earnings | 818 | 356 | 475 | 33% |



Earnings per share

| Rm | 6 months | | | %Growth |
|--|--------------|------------|------------|---------|
| | Feb-14 | Aug-13 | Aug-14 | |
| Recurring headline earnings | 818 | 356 | 475 | 33% |
| Non-recurring items | 191 | 82 | 113 | 38% |
| Headline earnings | 1 009 | 438 | 588 | 34% |
| Non-headline items | 43 | 13 | (13) | n/a |
| Attributable earnings | 1 052 | 451 | 575 | 27% |
| Weighted average number of shares in issue (net of treasury shares) (m) | 183 | 183 | 188 | 3% |
| Earnings per share (cents) | | | | |
| - Recurring headline | 447 | 194 | 253 | 30% |
| - Headline | 551 | 239 | 313 | 31% |
| - Attributable | 575 | 246 | 306 | 24% |



Overall highlights

- Strong performance from all our key investments: Capitec, PSG Konsult, Curro and Zeder (Pioneer & Capespan)
- Capital raising
 - R920m was raised through the issue of new equity by means of a bookbuild during June; and
 - A further R155m through a private placement during August
- Zeder's acquisition of the remaining 51.5% in Agri Voedsel is the largest transaction in PSG's history
 - PSG will earn substantially more fees from the enlarged Zeder



Core focus and expertise

Financial

- Capitec
- PSG Konsult
- African Unity
- Propell

Education

- Curro
- Impak
- IT Schools
Innovation
 - *Social projects*

Food & Agri

- Zeder portfolio
 - *Pioneer*
 - *Capespan*
 - *Zaad*
 - *Chayton*
 - *Quantum*
 - *Kaap Agri*

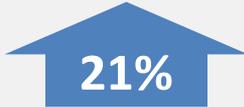
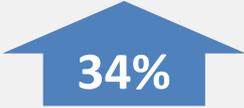
PSG has been good with early stage investments – building businesses

Use PSG Private Equity to find new large investments





Interim results highlights

| | | |
|---------------------------------------|---|--|
| Headline earnings |  21% | R1.17bn |
| HEPS |  21% | 1 018c |
| Interim dividend |  21% | 246c |
| ROE |  25% <small>(y/e was 23%)</small> | 25% <small>(y/e was 23%)</small> |
| Net transaction fee income |  34% | R1.20bn |
| Active clients |  16% | 5.81m |
| Arrears % of gross loans and advances |  | 5.5% <small>(y/e was 6.5%)</small> |



- Banking relationship with most of its clients
- Lower appetite for risk - Capitec's credit screening models and affordability assessments are highly advanced
- Does not charge credit life & retrenchment insurance over and above maximum allowable interest rates - reduces cost of credit; consequently lending to lower risk clients
- Net transaction fees
 - Diversify income stream
 - 34% of total net income
- Diversified funding base comprising a blend of wholesale fixed, retail fixed and call deposits
- Healthy liquidity, with R16.6bn in cash (34% of total assets)
- Capital adequacy of 38%
- Capitec's provisioning and bad debt write-off policies are the most conservative in the market
- Our opinion the best management team in the industry



Provisioning and write-off

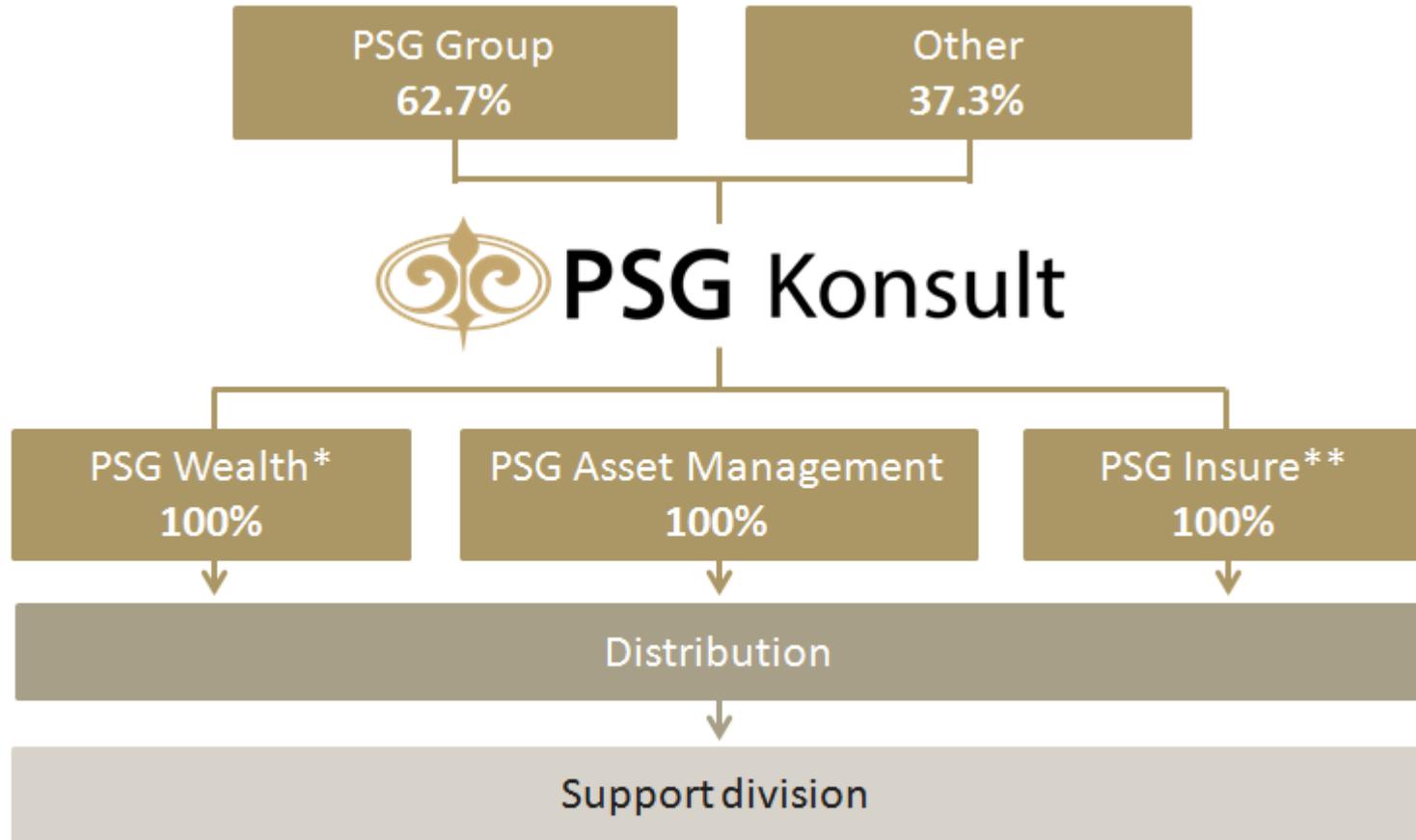
| Credit status | Aug 2013 (%) | | Aug 2014 (%) | |
|-----------------------|--------------|----------|--------------|----------|
| | of Book | Provided | of Book | Provided |
| Up to date | 94.5% | 7.0% | 94.5% | 7.8% |
| 1 payment in arrears | 3.2% | 40.9% | 3.1% | 45.6% |
| 2 payments in arrears | 1.4% | 68.8% | 1.4% | 74.0% |
| 3 payments in arrears | 0.9% | 84.8% | 1.0% | 87.0% |

Capitec writes off the entire loan after the client has missed more than 3 instalments



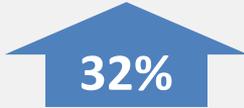


Organisational structure

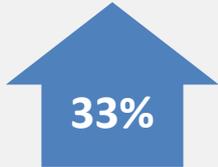
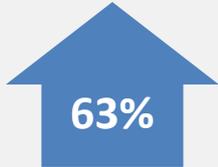
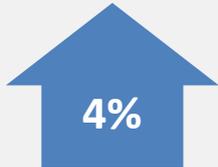


* Includes PSG Employee Benefits
** Includes Western National Insurance

Interim results highlights

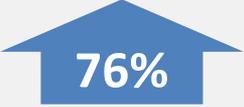
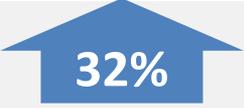
| | | |
|-----------------------------|---|---------------|
| Recurring headline earnings |  36% | R147m |
| RHEPS |  32% | 11.7c |
| Interim dividend |  | 4c |
| Funds under management |  39% | R129bn |
| Funds under administration |  33% | R266bn |

Divisional performance

| Division | Headline earnings | Comment |
|-----------------------------|--|---|
| PSG Wealth |  33% R93.9m | <ul style="list-style-type: none"> • Strong organic growth and positive client inflows • R8bn of net inflows into managed assets • Management fees up by 39% • Brokerage fees up by 19% |
| PSG Asset Management |  63% R33.8m | <ul style="list-style-type: none"> • High growth area with increased brand awareness • AUM up by 39% to R22bn • Less reliance on performance fees |
| PSG Insure |  4% R17.7m | <ul style="list-style-type: none"> • Competitive industry • Net claims ratio increased due to weather and higher motor claims |



Interim results highlights *(June 2014)*

| | | |
|------------------|---|--------|
| Revenue |  54% | R487m |
| EBITDA - Schools |  86% | R140m |
| EBITDA |  89% | R97m |
| HEPS |  76% | 9.0c |
| Learners |  32% | 28 899 |
| Schools |  23% | 32 |

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Footprint

Curro's national footprint is expanding

Currently developing the following campuses

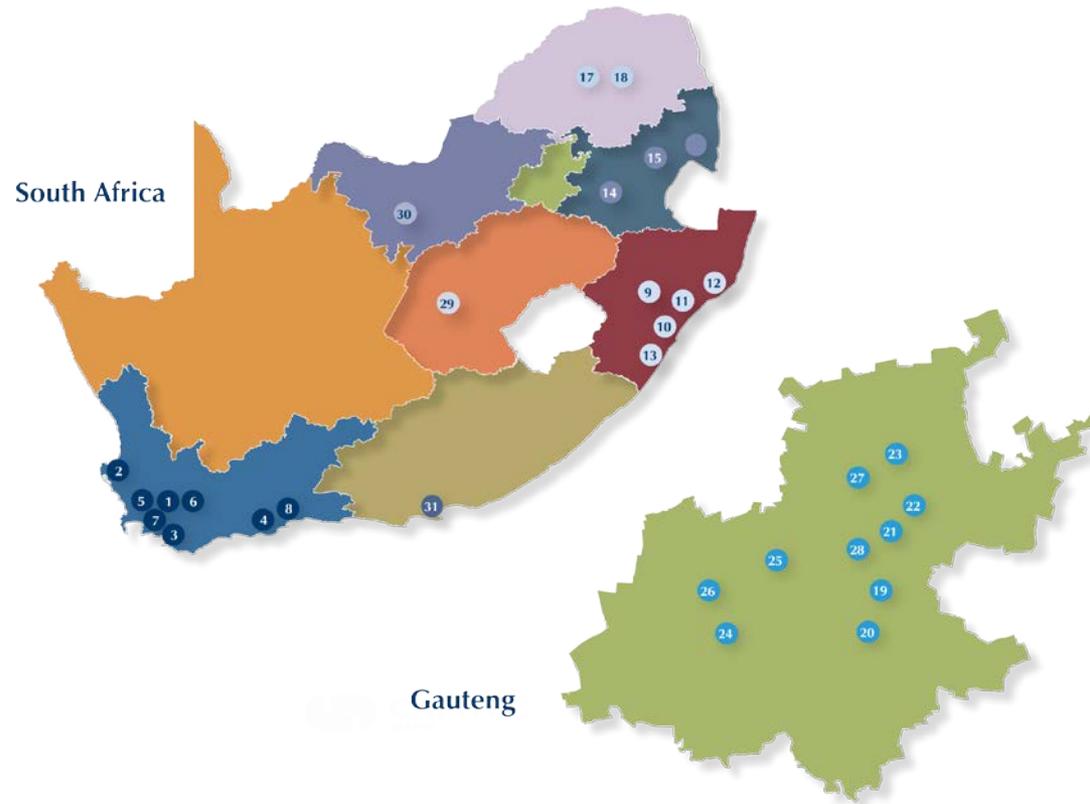
- 4 traditional Curro campuses
- 2 Meridian campuses
- 2 Curro Academy campuses
- 3 Curro Castle campuses

For the 6 months ended 30 June 2014:

| Brand | Number of schools | Number of learners |
|----------|-------------------|--------------------|
| Curro** | 27 | 20 958 |
| Meridian | 5 | 7 941 |
| | 32 | 28 899 |

For the 6 months ended 30 June 2013:

| Brand | Number of schools | Number of learners |
|----------|-------------------|--------------------|
| Curro** | 22 | 15 509 |
| Meridian | 4 | 6 399 |
| | 26 | 21 908 |



**Curro schools incorporating Curro Select and Curro Castles





Competitive advantages

- Quality executive team
- Close alignment with contractors – reducing building time and cost
- Significant spend on curriculum development
- Cost reduction due to efficiencies as a result of scale
- More schools performing at or ahead of target
- Significant quality investment opportunities remain



Some of the schools





- Zeder's offer to Agri Voedsel (AVL) outside shareholders
 - 16.2 Zeder shares for every 1 AVL share (i.e. 464m Zeder shares)
 - Transaction approved on 15 September 2014
 - Following implementation, Zeder will directly hold 31.7% in Pioneer and ~31% in Quantum
- Zeder's investment portfolio now in excess of R10bn



Interim results highlights

| | | |
|-----------------------------------|--|---------------------------|
| Agri Voedsel transaction approved | | |
| SOTP per share (2 Oct 2014) |  | R7.15 (R10.3bn) |
| Recurring HEPS |  | 16.4c |
| HEPS |  | 16.0c |

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- Strong performers
 - Pioneer Foods had a fantastic first 6 months with group adjusted headline earnings up 60%
 - Capespan also had a great first 6 months with its recurring headline earnings up by 234%, largely driven by its investment in Golden Wing Mau and its farming operations
- Solid contributions
 - Kaap Agri and Zaad
- Chayton is behind target
 - Experienced adverse weather conditions – more severe than our initial model tolerance suggested
 - Operational development on track



Sum-of-the-parts

| | Feb-14 | | Oct-14 [#] | |
|-------------------------------|--------------|-------------|---------------------|-------------|
| | Rm | % of assets | Rm | % of assets |
| Agri Voedsel | 2,187 | 42.5% | | |
| Pioneer Foods | 164 | 3.2% | 7,040 | 67.9% |
| Kaap Agri* | 528 | 10.3% | 582 | 5.6% |
| Capespan* | 777 | 15.1% | 1,463 | 14.1% |
| Zaad | 679 | 13.2% | 681 | 6.6% |
| Chayton | 560 | 10.9% | 560 | 5.4% |
| Other | 253 | 4.8% | 43 | 0.4% |
| TOTAL ASSETS | 5,148 | | 10,369 | |
| Net cash / (debt) | 11 | | (49) | |
| SOTP | 5,159 | | 10,320 | |
| Number of shares in issue (m) | 980 | | 1,444 | |
| SOTP per share (rand) | 5.26 | | 7.15 | |

Indicative following successful implementation of Agri Voedsel transaction

** OTC trading platform closed 31 July 2014*





PSG PRIVATE
EQUITY



Current portfolio

Services

Financial



Labour



Energy



Mining



Retail



Education



Technology



Manufacturing



- Recurring headline earnings down 38%
 - Precrete adversely affected by platinum mining strikes
 - Many of the smaller investments were also affected by the sluggish economy
 - *CA Sales appears to be on the road to recovery*
- Invest in businesses that have a higher success volatility
 - To make a real difference to PSG's SOTP value, the successes will need to be significant
 - *Last true success was Curro*
 - *Couple of our investments are showing interesting potential*
- Need to continue refining existing portfolio

THEMBEKA CAPITAL



- The deal:
 - Create BEE Newco to house remaining BEE lock-in assets (*Pioneer, Curro & Kaap Agri*)
 - PSG to own 49% of the BEE Newco post merger
 - PSG to repurchase Thembeka's 9.9m PSG shares
 - Swap 1.7 PSG shares for every 1 Thembeka share not already held by PSG
- Implementation date: January 2015



| PSG impact | Thembeka shareholder impact |
|--|---|
| No <i>initial</i> impact on BEE status | Swap illiquid Thembeka share for listed PSG share |
| Slight improvement in SOTP per share | No more BEE trading restrictions |
| Increase stake in Capitec by 2.9m shares | Significant lift up in trading value |



Thank you

