

PSG GROUP LIMITED

29 February 2016 Results Presentation

PSG GROUP CEO: PIET MOUTON
ZEDER CEO: NORMAN CELLIERS
PRIVATE EQUITY CEO: NICO DE WAAL

April 2016

Core focus and expertise

PSG is an investment holding company

Financial

- **Capitec**
- **PSG Konsult**

Education

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

Food & Agri

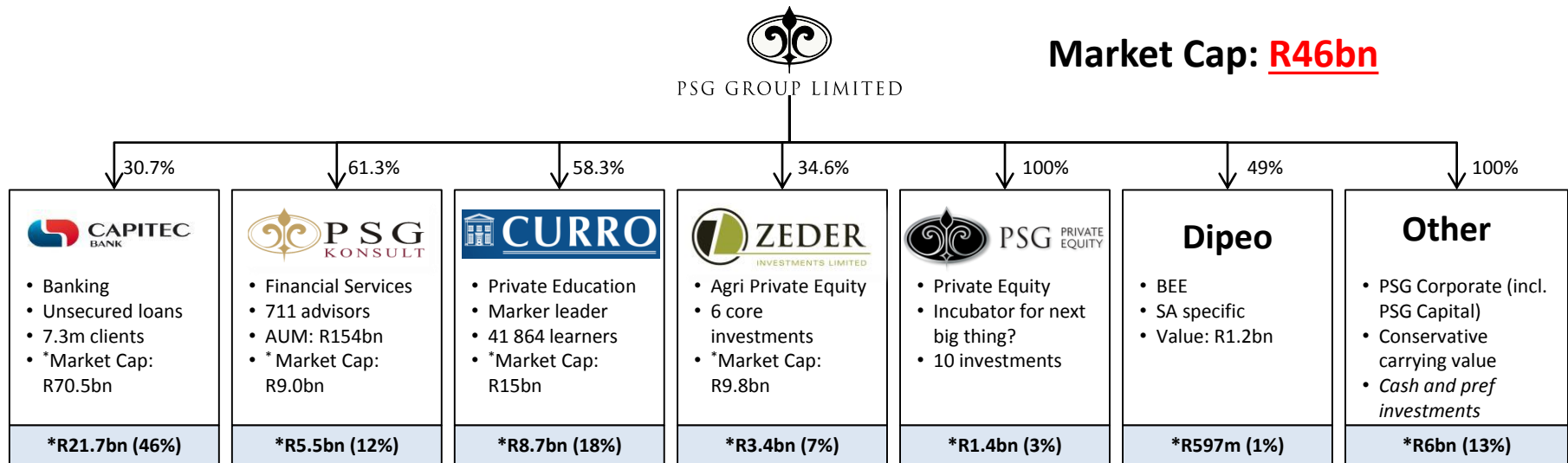
- **Zeder portfolio**
 - **Pioneer**
 - *Capespan*
 - *Zaad*
 - *Agrivision (Chayton)*
 - *Quantum*
 - *Kaap Agri*

PSG has been good with early stage investments – building businesses

Use PSG Private Equity to find new large investments







Year-end: 29 February 2016



* Market capitalisation figures as at 13 April 2016



Growth – low market share, low gearing

	 CAPITEC BANK	 P S G KONSULT	 CURRO	 PIONEER FOODS
Best management team *	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Low market share	~2.5% of consumer credit book	<ul style="list-style-type: none"> • <5% wealth mgmt • ~2% asset mgmt • ~1% short term ins 	0.3% of school learners	Product basket have varying market shares
Ability to grow market share	✓✓✓	✓✓✓	✓✓✓	✓
Low gearing	<ul style="list-style-type: none"> • 35% CAR • R25bn cash on B/S 	Debt to Equity: 1%	Debt to Equity: 31%	Debt to Equity: 9%

**Relative to competitors in the specific industry - subjective*

PSG has R2.9bn cash available to make new investments



Sum-of-the-parts

Asset/Liability	Feb 14 Rm	% of <i>assets</i>	Feb 15 Rm	% of <i>assets</i>	Feb 16 Rm	% of <i>assets</i>	13 Apr 16 Rm	% of <i>assets</i>
Capitec *	5,989	30%	14,549	41%	16,820	40%	21,650	46%
Curro *	4,660	23%	6,236	17%	9,773	23%	8,731	18%
PSG Konsult *	4,004	20%	5,710	16%	5,441	13%	5,536	12%
Zeder *	1,698	8%	3,712	10%	2,815	7%	3,394	7%
PSG Private Equity +	949	5%	1,246	4%	1,367	3%	1,393	3%
Dipeo (<i>previously Thembeka</i>) +	1,243	6%	603	2%	557	1%	597	1%
PSG Corporate (<i>incl. PSG Capital</i>) ++	383	3%	1,398	4%	1,510	3%	1,672	4%
Other assets (<i>incl. cash and pref investments</i>) ^	1,122	5%	2,031	6%	4,358	10%	4,347	9%
Total assets	20,048		35,485		42,641		47,320	
Perpetual pref funding *	(1,393)		(1,411)		(1,309)		(1,317)	
Other debt ^	(615)		(679)		(949)		(959)	
Total SOTP value	18,040		33,395		40,383		45,044	
Shares in issue (<i>net of treasury shares</i>) (m)	189.9		204.5		216.3		216.3	
SOTP value per share (R)	95.01		163.28		186.67		208.21	
* Listed on the JSE Ltd + SOTP value ++ Valuation ^ Book value								



SOTP: Other investments

	13 Apr 16 Rm
Preference share investment in Dipeo and ITSI	916
Intergroup loans receivable	482
Cash and cash equivalents	2,888
Other (Property, receivables, payables, provisions, etc.)	61
TOTAL Other	4,347



Recurring headline earnings

	Feb 14		Feb 15		Feb 16
	Rm	Growth	Rm	Growth	Rm
Capitec	571	28%	729	36%	989
Curro	21	48%	31	87%	58
PSG Konsult	163	31%	214	19%	254
Zeder	127	20%	152	39%	212
PSG Private Equity	51	16%	59	92%	113
Dipeo (<i>previously Thembeke</i>)	23	96%	45	(162%)	(28)
PSG Corporate (<i>incl. PSG Capital</i>)	7	443%	38	82%	69
Other	39	31%	51	98%	101
Recurring headline earnings before funding	1,002	32%	1,319	34%	1,768
Funding	(181)	(2%)	(177)	(16%)	(148)
Recurring headline earnings	821	39%	1,142	42%	1,620



Headline earnings

	Feb 14		Feb 15		Feb 16
	Rm	<i>Growth</i>	Rm	<i>Growth</i>	Rm
Recurring headline earnings	821	39%	1,142	42%	1,620
Non-recurring items	191		432		(250)
Headline earnings	1,012	56%	1,574	(13%)	1,370
Non-recurring items related to:					
Marked to market movements at Dipeo (previously Thembeka)	100		348		(170)
Zeder Performance fee	59		118		(9)
PSG Konsult tax settlement					(72)
Others	32		(34)		1
	191		432		(250)

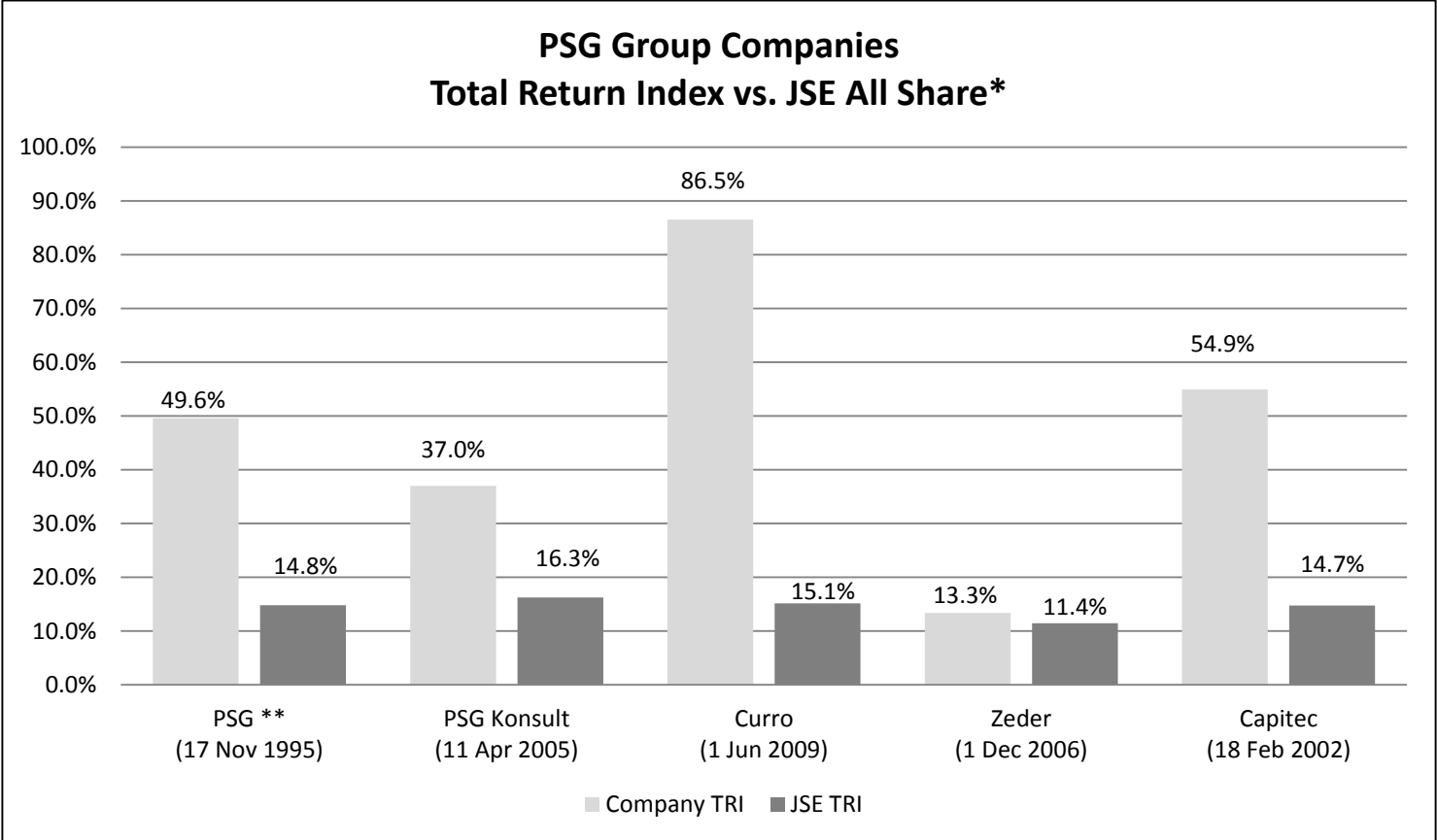


Per share stats

	Feb 14		Feb 15		Feb 16
	Rm	Growth	Rm	Growth	Rm
Recurring headline earnings	821	39%	1,142	42%	1,620
Headline earnings	1,012	56%	1,574	(13%)	1,370
Attributable earnings	1,059	47%	1,560	(5%)	1,483
Weighted average number of shares in issue (net of treasury shares) (m)	183	5%	192	7%	206
Earnings per share (cents)					
- Recurring headline	449	32%	594	33%	788
- Headline	553	48%	819	(19%)	666
- Attributable	579	40%	811	(11%)	721
Dividend per share (cents)	133	50%	200	50%	300



Long term performance: Total Return Index (TRI)



* Measured since the respective dates set out above until 29 February 2016.

** Capitec unbundling in November 2003 treated as a dividend.



Benchmarking: RHEPS

Company	1 year	3 year	5 year
PSG Group	32.7%	26.2%	26.6%
Capitec	26.2%	22.4%	29.8%
Curro	66.9%	60.1%	34.6%
PSG Konsult	18.9%	27.7%	20.8%
Zeder	20.1%	18.2%	9.4%
Pioneer	22.7%	26.9%	10.6%

Company	1 year	3 year	5 year
PSG Group	2	4	3
Capitec	3	5	2
Curro	1	1	1
PSG Konsult	6	2	4
Zeder	5	6	6
Pioneer	4	3	5

* Compound annual growth rate

Strong growth in RHEPS from all the major group companies

- Zeder's RHEPS effected by the management fees



Benchmarking: Total Return Index (TRI) - Rand

Company	1 year	3 year	5 year
PSG Group	28.1%	43.3%	33.9%
Capitec	17.3%	39.0%	27.7%
Curro	46.7%	39.9%	83.8%
PSG Konsult	(3.4%)	36.7%	38.8%
Zeder	(29.2%)	17.3%	16.7%
Pioneer	(19.3%)	22.8%	21.3%
JSE Index	(2.6%)	11.6%	12.7%

Company	1 year	3 year	5 year
PSG Group	2	1	3
Capitec	3	3	4
Curro	1	2	1
PSG Konsult	5	4	2
Zeder	7	6	6
Pioneer	6	5	5
JSE Index	4	7	7

* Compound annual growth rate

- All our major group companies outperformed the JSE over 3 and 5 years
- In the short term (1 year) – Pioneer and Zeder have underperformed largely due to the drought in Southern Africa



Benchmarking: Total Return Index (TRI) – US Dollar

Company	1 year	3 year	5 year
PSG Group	(5.8%)	18.8%	13.6%
Capitec	(13.7%)	15.3%	8.3%
Curro	7.9%	16.0%	55.9%
PSG Konsult	(28.9%)	13.4%	17.7%
Zeder	(47.9%)	(2.8%)	(1.1%)
Pioneer	(40.6%)	1.8%	2.9%
S&P 500	(8.2%)	8.4%	7.8%

Company	1 year	3 year	5 year
PSG Group	2	1	3
Capitec	4	3	4
Curro	1	2	1
PSG Konsult	5	4	2
Zeder	7	7	7
Pioneer	6	6	6
S&P 500	3	5	5

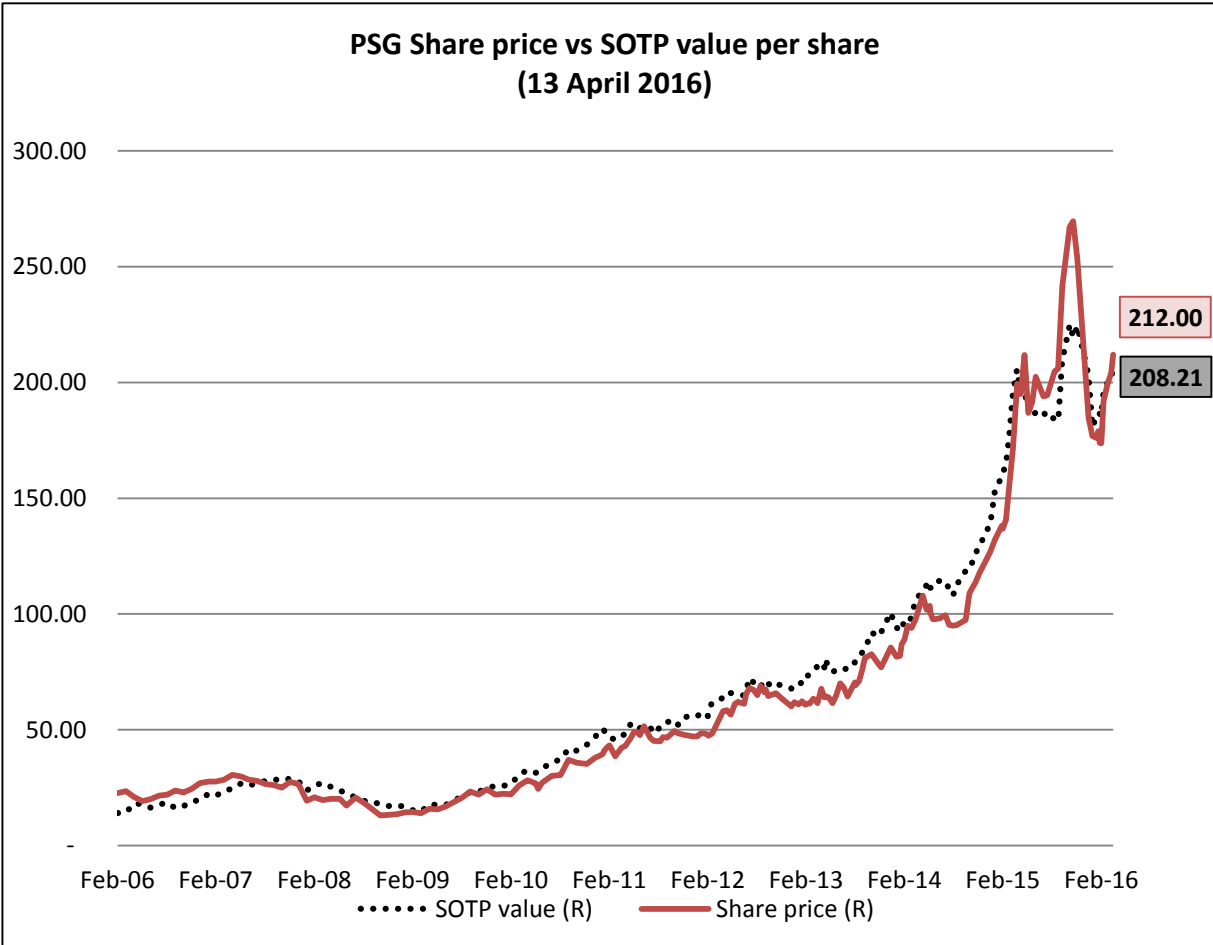
* Compound annual growth rate

- Most of the major group companies have outperformed the S&P 500 in dollar terms over 3 and 5 years
- In the short term (1 year) due to the depreciation of the Rand (~36%) only PSG and Curro outperformed the S&P 500



SOTP vs. Share price

PSG Share price vs SOTP value per share
(13 April 2016)



Discount

Latest premium ~2%
12 month Average premium ~3%

Liquidity (per year)

Feb 2016	47%
Feb 2015	17%
Feb 2014	10%
Feb 2013	13%
Feb 2012	8%

Note:

The last financial year's liquidity excludes the Steinhoff transaction (18.3m shares) at the end of June 2015 and a large book over (7.7m shares) at the end of May 2015





CAPITEC
BANK

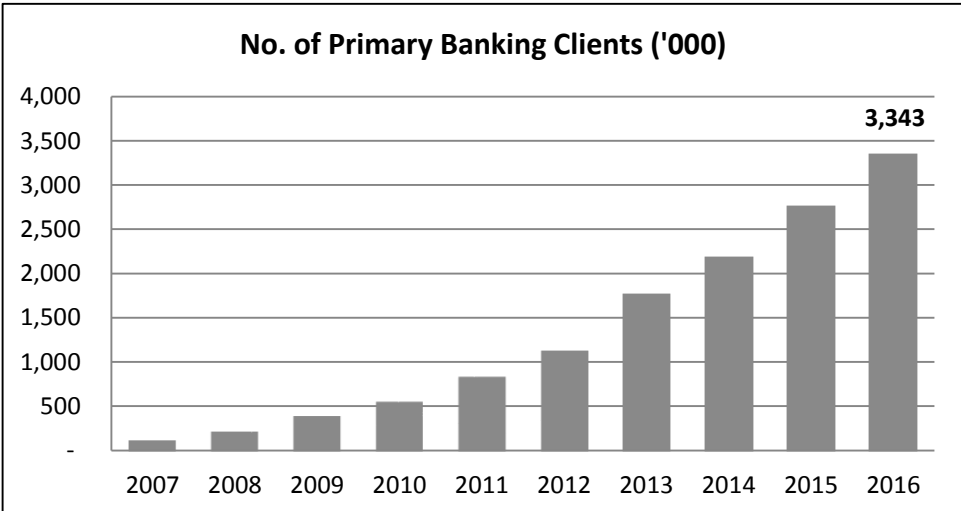
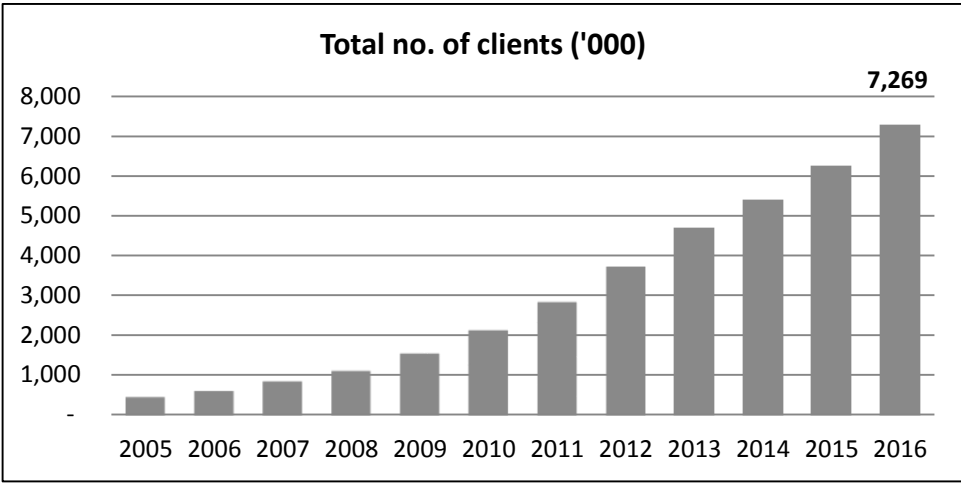
Simplicity is the ultimate
sophistication



Key metrics



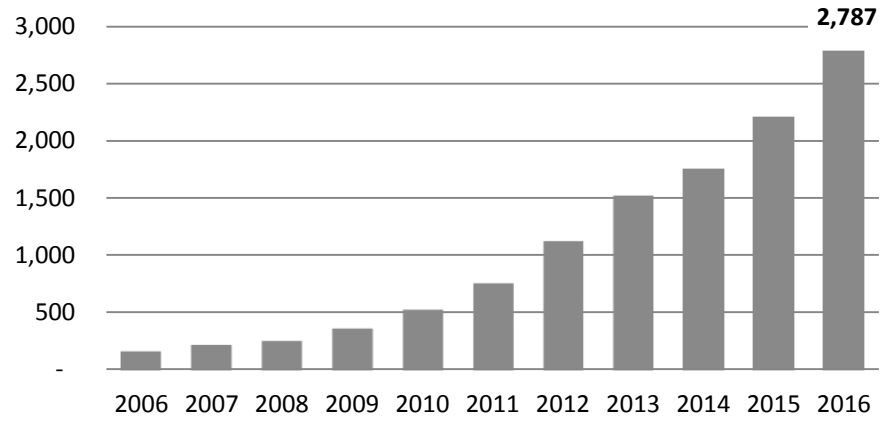
- Total clients increased by **1.0m** to **7.3m**
- Primary banking clients increased by **0.6m** to **3.3m**
- Independent surveys regarding market share of primary bank accounts:
 - AMPS (Jun 15) estimates our share: **21%**
- Lafferty Group rated Capitec **“the best bank in the world”**
- Ranked the best bank in South Africa for the fourth year running by the SA Customer Satisfaction Index (SACsi)



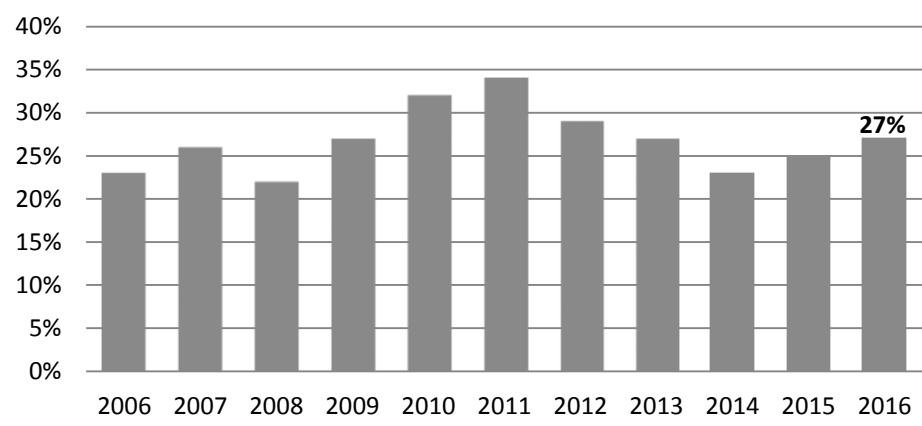
Key financials



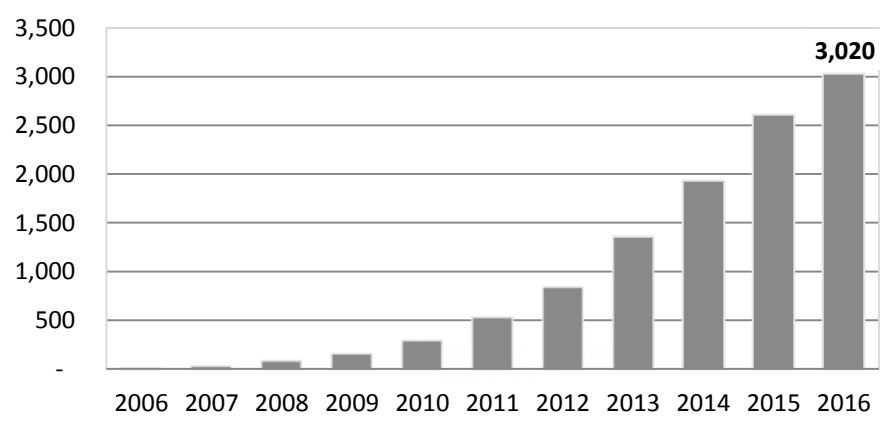
Headline earnings per share (cents)



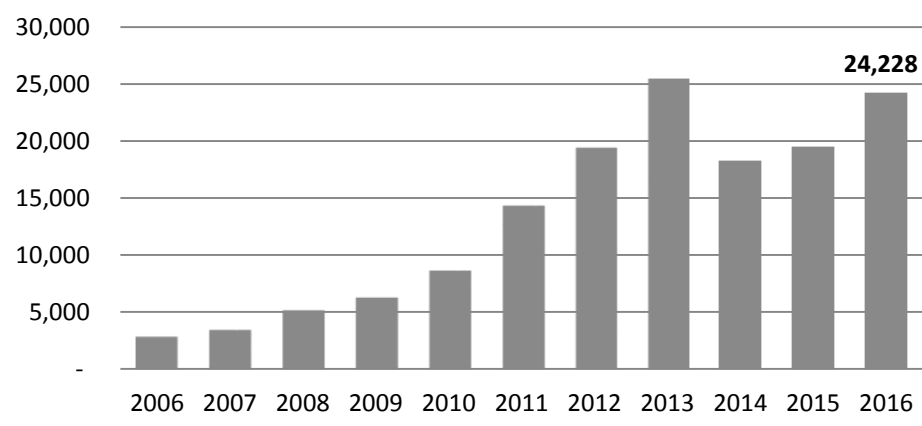
Return on equity



Net transaction fee income (R'm)



Loans advanced (R'm)



Arrears and provisions

		Feb 14	Feb 15	Feb 16
Gross loans & advances ("GLA")	Rm	33,690	36,341	40,891
Loans past due (arrears)	Rm	2,174	1,964	2,297
Arrears to gross loans and advances		6.5%	5.4%	5.6%
Arrears and arrears rescheduled < 6 months	Rm	2,921	2,848	3,839
Arrears and arrears rescheduled < 6 months to GLA		8.7%	7.8%	9.4%
Provisions for doubtful debts	Rm	3,637	3,857	5,131
Provisions for doubtful debts to GLA		10.8%	10.6%	12.5%
Arrears coverage ratio		167%	196%	223%
Arrears and arrears rescheduled < 6 months coverage ratio		125%	135%	134%



Strong and efficient retail bank

- Active *clients per branch*:
 - **10,096** in 2016 (*2 035 in 2005*)
- Net transaction income per client
 - **R416** (*R41 in 2007*)
- Lowest cost to income ratio at **34%**
(*simplicity of product offering*)

Recoverable loan book

- Good credit granting model:
 - Best of class
 - Average term of new loans decreased from **43 to 40 months**
 - Small movement in NPL despite current conditions
 - **5.6%** of gross advances (*5.4% in 2015*)
- Stricter provisioning and write-offs

FOCUS

Well capitalised

- Diversified funding base:
 - strong retail deposit growth of **R7.8bn**
 - Higher income clients grew by **44%**
- Capital adequacy ratio at **35%**
- Healthy liquidity :
 - **R25bn** in cash (**40%** of assets)

Well positioned for industry changes

- Reduction in interest rate caps
 - Insurance
- Insurance caps
 - Not part of current product offering





By considering it all, PSG sees the bigger picture, which gives you the advantage

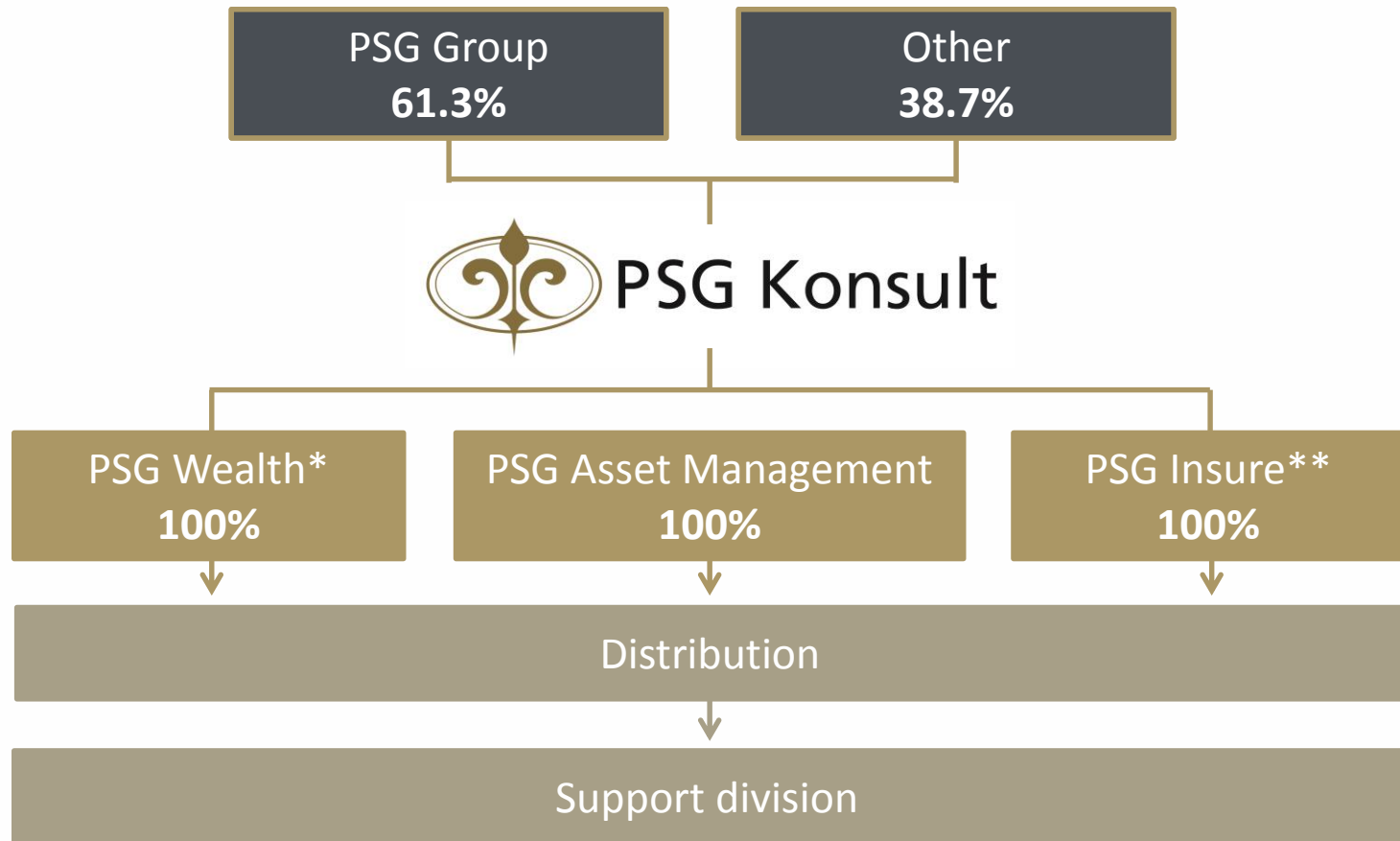
2016 Financial Results

For the year ended 29 February 2016

April 2016



PSG Structure



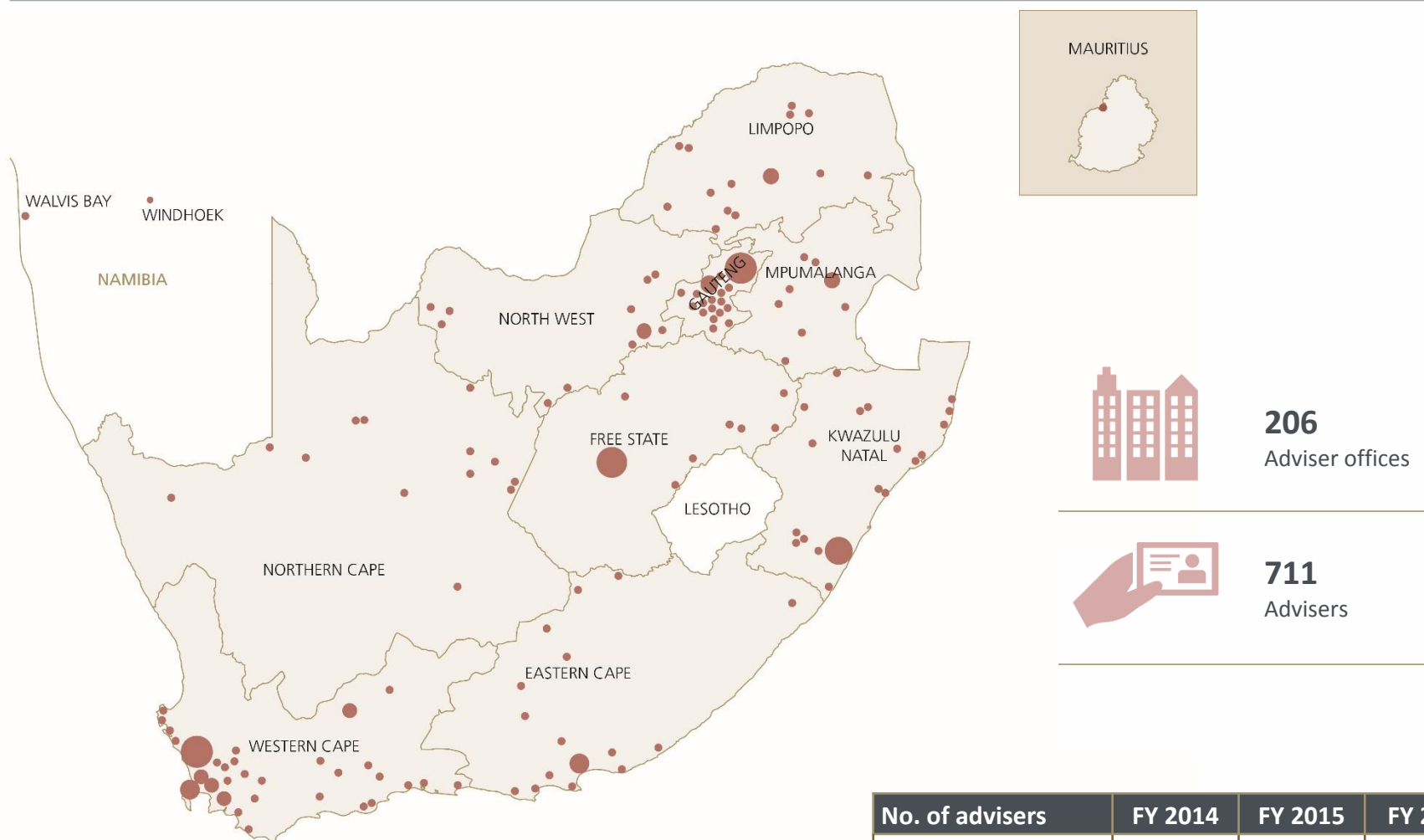
* Includes PSG Employee Benefits

** Includes Western National Insurance



A great company

Wealthy clients serviced where they reside



Source: PSG Distribution

No. of advisers	FY 2014	FY 2015	FY 2016
PSG Wealth	406	434	480
PSG Insure	212	225	231
Total	618	659	711

Business characteristics

- Equity market dependent
- Administration businesses people / systems dependent
- Not very balance sheet intensive
- Free cash flow generative
- Vulnerable to regulatory change



FY 2016 financial results overview

Recurring HEPS grew by 19% for FY2016

Consolidated results	FY 2014 Rm	%Δ	FY 2015 Rm	%Δ	FY 2016 Rm
Revenue *	2 557	18%	3 015	16%	3 502
PBT	384	37%	525	20%	632
Headline earnings	244	39%	339	(14%)	292
- Recurring headline earnings	251	36%	341	20%	409
- Non-recurring headline earnings	(7)	(71%)	(2)	-	(117)
Weighted ave. number of shares (millions)	1,221	3%	1,261	1%	1,274
HEPS (Rand cents)	20.0	35%	26.9	(15%)	22.9
Recurring HEPS (Rand cents)	20.6	31%	27.0	19%	32.1
Assets under management (Rand billion)	99	34%	133	16%	154
Assets under administration (Rand billion)	233	33%	309	6%	327
Premiums (Rand billion) **	1.8	17%	2.1	17%	2.5

* Total income per IFRS includes consolidated fund and policyholder related income

** Excludes Short-term administration platform gross written premium to avoid duplication

Note: figures rounded to nearest Rmillion



Headline earnings by division

Total recurring headline earnings growth of 20% year on year

Recurring headline earnings*	FY 2014 Rm	%Δ	FY 2015 Rm	%Δ	FY 2016 Rm
Wealth	162	41%	228	25%	286
Asset Management	54	51%	82	1%	83
Insure	35	(11%)	31	29%	40
Total	251	36%	341	20%	409

* All overhead costs are fully allocated

Note: figures rounded to nearest Rmillion



Financial trend

We always look at our historical rolling track record

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	CAGR %	FY 2015	FY 2016	YoY Gwth %
AUA (Rbn)	21	43	53	44	72	97	139	180	233	309	327	31.6%	309	327	5.8%
Premiums (Rbn) **	0.4	0.8	1.0	1.4	1.5	1.6	1.6	1.6*	1.8	2.1	2.5	20.1%	2.1	2.5	16.7%
Revenues (Rm)	246	540	726	823	901	1,018	1,604	1,846	2,557	3,015	3,502	30.4%	3,015	3,502	16.2%
Recurring headline earnings (Rm)	17	46	87	97	90	92	151	174	251	341	409	37.4%	341	409	19.8%
Shares in issue (m)	379	695	732	733	730	733	1,072	1,210	1,221	1,261	1,274	12.9%	1,261	1,274	1.0%
Recurring HEPS (cents)	4.4	8.2	12.0	13.2	12.3	12.5	14.1	15.4	20.6	27.0	32.1	22.0%	27.0	32.1	19.3%
Total advisers	285	391	497	524	567	597	635	613	618	659	711	9.6%	659	711	7.9%

26 * Includes Western National Premiums from Nov 2012

** Excludes Short-term administration platform gross written premium to avoid duplication

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Source : PSG Finance



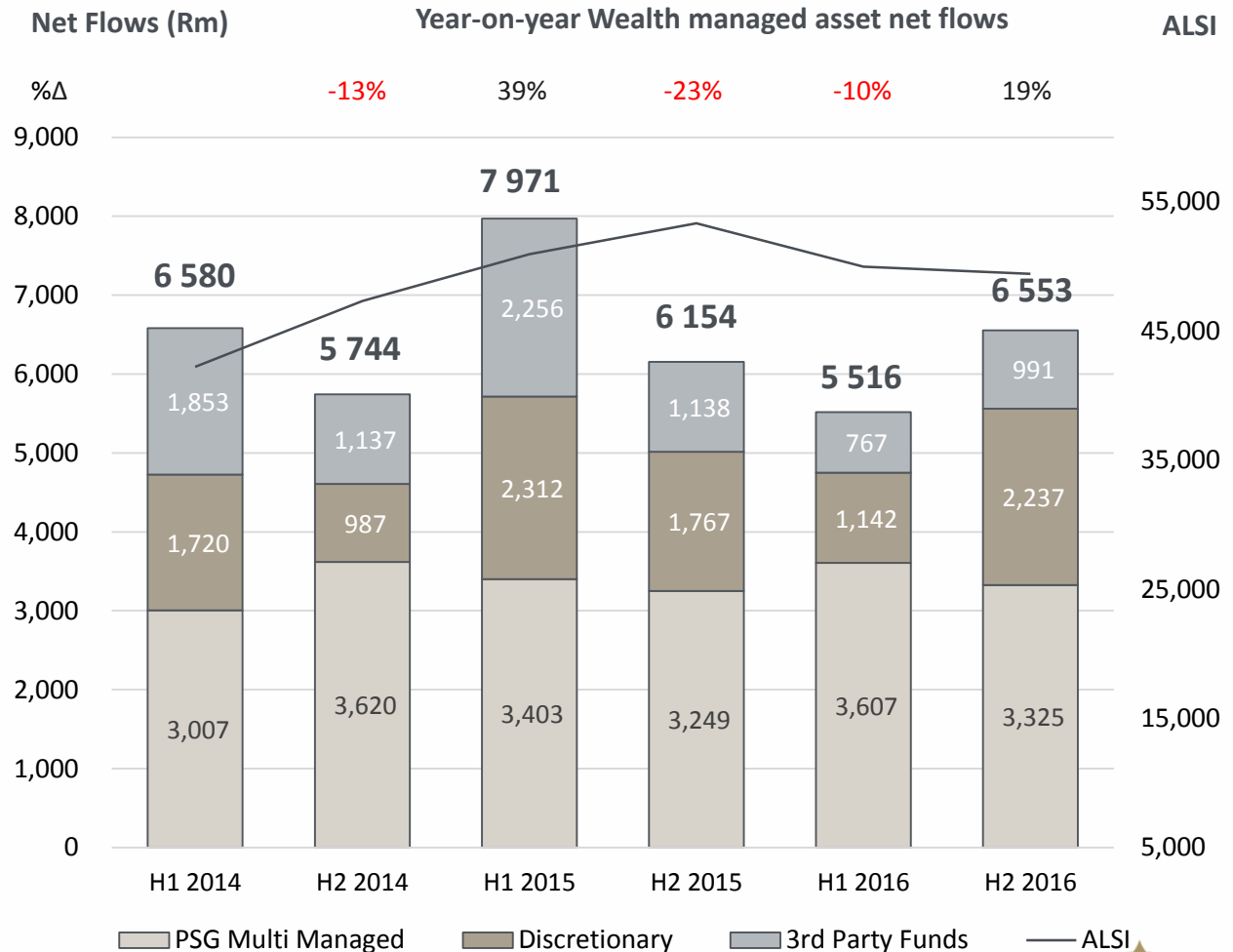
Wealth - excellence in products and services

Sound new business flows

Independent process with advisers' oversight (both funds and securities)

Review all counterparties

Negotiation with product providers



Source: PSG Wealth, Bloomberg

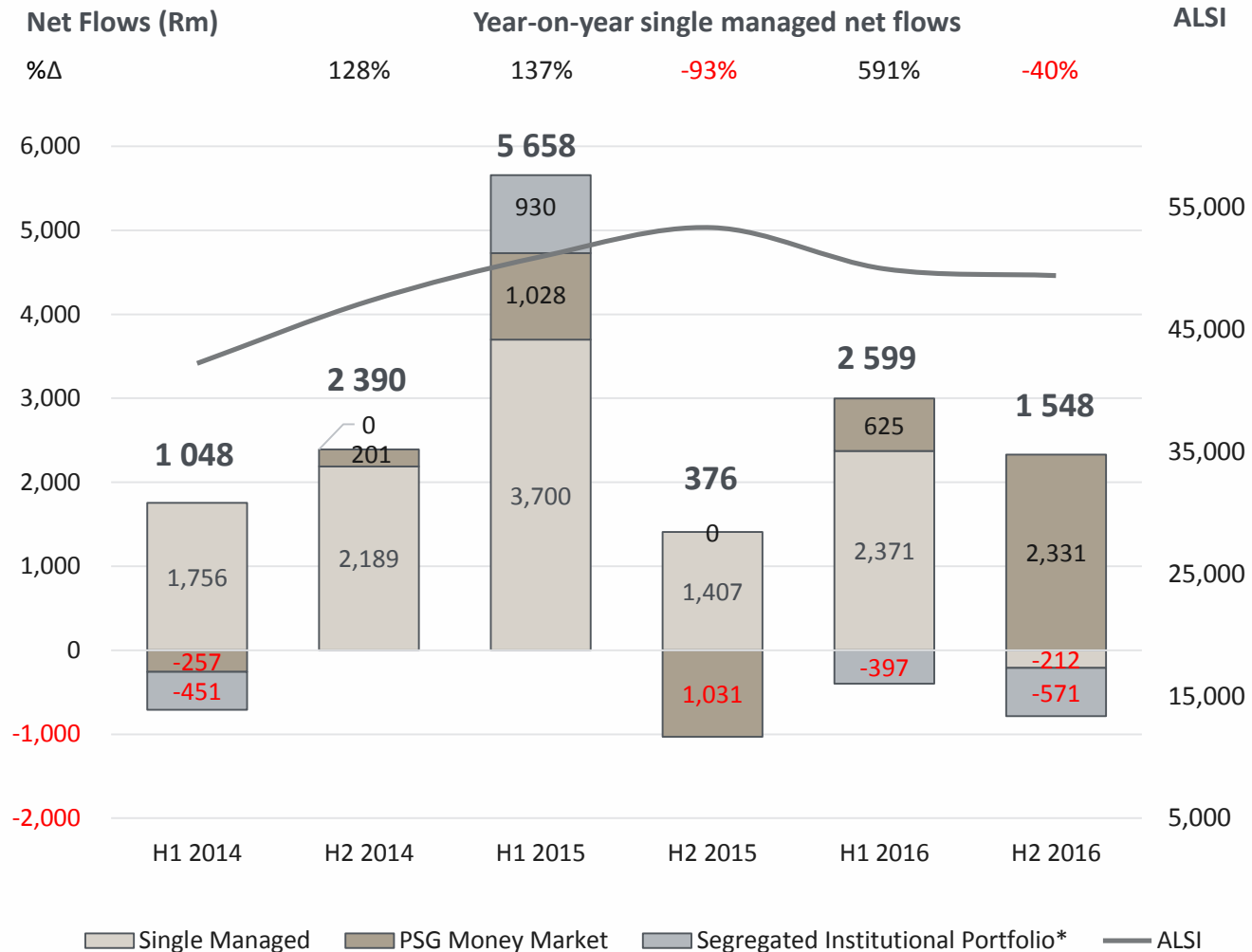


Asset management - focused marketing

'Brick by Brick' strategy

Our approach

- Long-term assets (retail emphasis)
- Getting adequate margins
- Protect our capacity



Source: PSG Asset Management, Bloomberg

* Includes private clients and segregated money market portfolios



Western National Insurance

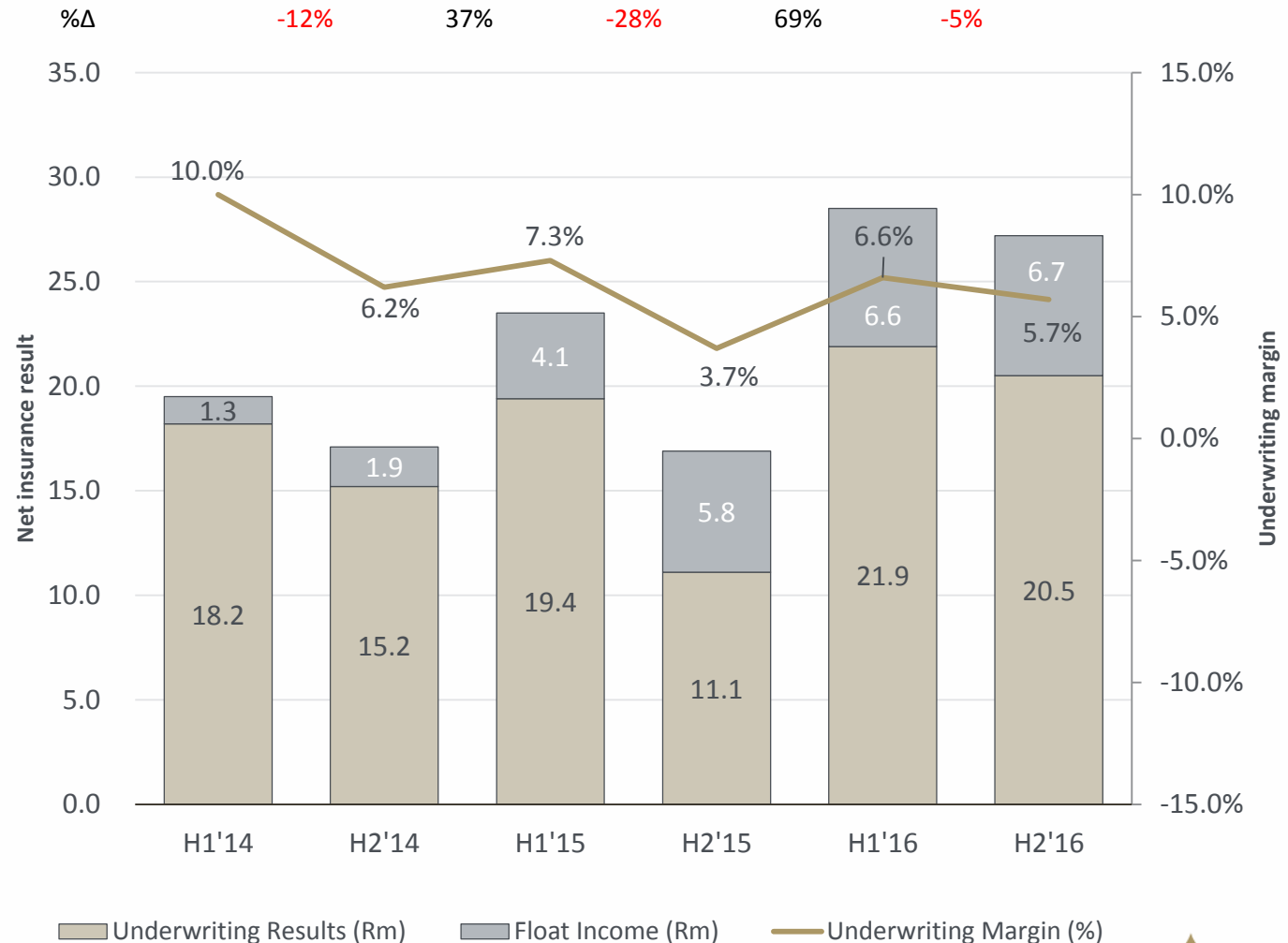
Insurance results

Key differentiators

- Personalised service to brokers
- Focus on commercial business

Excellence in underwriting

- Healthy insurance float level > R500m
- Limited insurance and investment risk retention levels



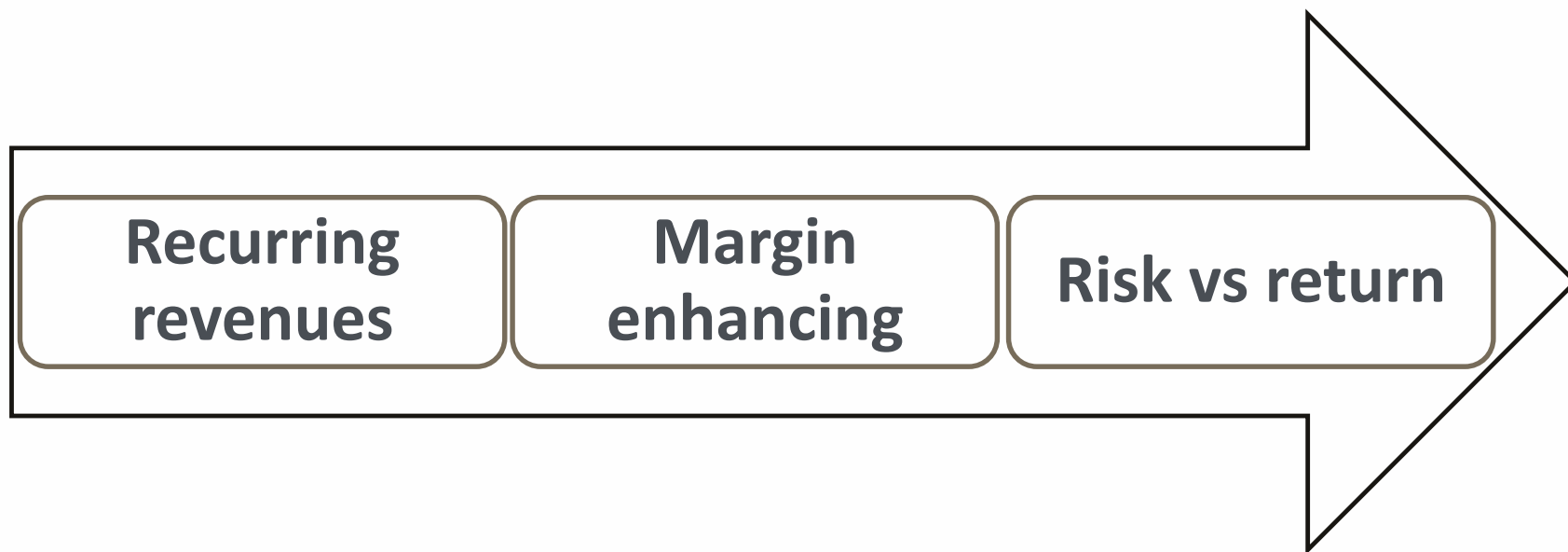
Source : PSG Insure

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Reducing risk



Recurring revenues

Margin enhancing

Risk vs return

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Perf fees/HE *	11.4%	7.7%	3.8%

Recurring HEPS	20.6c	27.0c	32.1c
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* - Based on recurring headline earnings

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Op margin	13.2%	14.9%	15.2%

Op margin (excl perf fees)	12.1%	14.0%	14.7%
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C:I %	63.8%	60.6%	59.0%
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	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
ROE	24.8%	26.4%	24.8%*

ROE (excl. perf fees)	22.0%	24.3%	24.0%**
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Debt:Equity	9.4%	0.9%	0.7%
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Including PSG Life tax settlement:

* ROE: 18.4%

** ROE (excl. perf. Fees): 17.6%

Source : PSG Finance function



Conclusion

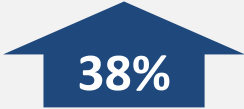
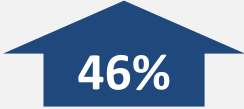
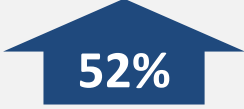
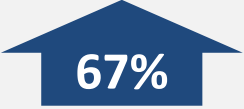
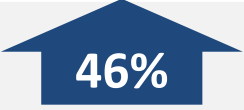
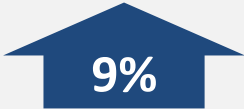
Business features underpinning our expectations for future success

- Largest independent adviser network in South Africa, with a broad geographic footprint that continues to expand
- Strong governance structures
- Strong brand supported by various industry recognition awards
- Highly cash-generative business with a sound financial position
- Clear growth opportunities for our businesses
- History of superior shareholder returns
- Focus on optimising risk adjusted return per share (Restrict issuance of new shares)





Results highlights *(December 2015)*

Revenue		R1.38bn
EBITDA - Schools		R382m
EBITDA		R292m
HEPS		28.7c
Learners 2016		41,864*
Schools 2016		110

* Learners as at 31 January 2016



Strategic corporate action

Action	Planned for 2016	Comment
New schools	R829m	<ul style="list-style-type: none"> • Embury College new site - Durban • Embury College - Waterfall • Waterfall Estate (primary school) • Curro Rivonia • Curro Krugersdorp (high school) • Curro Century City (high school) • Curro Academy Bergtuin • Curro Academy Clayville
CAPEX on existing campuses	R450m	Additional classrooms, sport and cultural facilities
Acquisitions	R185m Windhoek Gymnasium (pay this year) ~R200m on other known acquisitions	
Land banking		R340m



Curro – J-Curve

	Number at 31 Dec		Learner numbers (Dec)			Growth		Schools EBITDA			Growth		EBITDA margin		
	Campuses	Schools	2013	2014	2015	13/14	14/15	2013	2014	2015	13/14	14/15	2013	2014	2015
Developed schools	29	74	10 577	14 645	20 694	38%	41%	52	111	170	113%	54%	16%	23%	23%
2009 and before	3	8	2 961	3 100	3 332	5%	7%	24	31	35	28%	14%	26%	28%	27%
2010	2	6	1 636	1 994	2 120	22%	6%	8	17	24	107%	42%	17%	25%	29%
2011	6	16	2 962	3 721	4 337	26%	17%	7	25	40	259%	62%	8%	19%	23%
2012	2	6	1 002	1 362	1 618	36%	19%	2	8	15	309%	82%	7%	17%	23%
2013	4	11	2 016	3 645	4 922	81%	35%	11	37	66	238%	79%	19%	32%	37%
2014	4	8		823	1 271		54%	-	(7)	1		(110%)		(32%)	2%
2015	8	19			3 094			-	-	(10)					(13%)
Acquired schools	13	27	10 450	14 092	15 276	35%	8%	103	151	212	47%	40%	35%	30%	33%
2012 and before	8	17	6 050	6 483	6 851	7%	6%	76	97	121	27%	24%	34%	36%	38%
2013	2	3	4 400	5 690	5 779	29%	2%	27	45	53	70%	16%	38%	29%	30%
2014	2	5		1 919	2 046		7%		9	35		288%		12%	28%
2015	1	2			600					4					17%
	42	101	21 027	28 737	35 970	37%	25%	155	262	382	69%	46%	25%	26%	28%





Competitive advantages

- Quality executive team
 - Knowledge base
- Significant quality investment opportunities remain
- Development team
 - Finding new opportunities
 - Rezoning (where required)
 - Site development plans and design
- Cost reduction due to efficiencies as a result of scale
- Close alignment with contractors – reducing building time and cost
- Demand for product
- Value for money offering
- Brand/reputation
- More schools performing at or ahead of target
- Significant spend on curriculum development
- Capital base (strong balance sheet)
- Very cash generative





Curro Rights Issue

- 1 for 11
- R33 per share
- 32.4m new shares to be issued – will raise R1,071m
- PSG to underwrite for a 1.5% fee





Full Year Results

FY2016

Presented by:

Norman Celliers

Chief executive officer

April 2016



- Business overview
- Full year results
- Portfolio review



Our corporate strategy and business definition remains unchanged.

- **Long term active** value investor with a primary focus on Agribusiness, specifically the **food and beverage** sectors
- Listed on the JSE – ZED - **hybrid private equity** vehicle
- Key characteristics of investment considerations:
 - Sustainable growth sectors or subsectors
 - Management with proven track record
 - High barriers to entry
 - Unique and defensible products (brands)
 - Simple (easy to understand)
 - Scalable business models
 - Focused execution

We aim to invest in and grow large businesses – the past 36 months priority was “Project Internal Focus”.

Before 2012

- Industry:**
- Agribusiness
- Sub-sector:**
- Food and Beverages
- Geography:**
- South Africa (Direct)
 - Rest of World (via portfolio)
- Criteria:**
- Arbitrage
 - Undervalued
- Influence:**
- Passive

Since 2012

- Agribusiness
- Food and Beverages
- *Bio Fuels, Bio/Renewable energy**
- *Non-food (i.e. Rubber, timber)**
- South Africa (Direct)
- Sub-Sahara Africa (Direct)
- Rest of World (via portfolio)
- Arbitrage
- Undervalued
- Growth sectors
- Consolidation
- Passive
- Active

Invest in **and build** the businesses of tomorrow

- Business overview
- Full year results
- Portfolio review

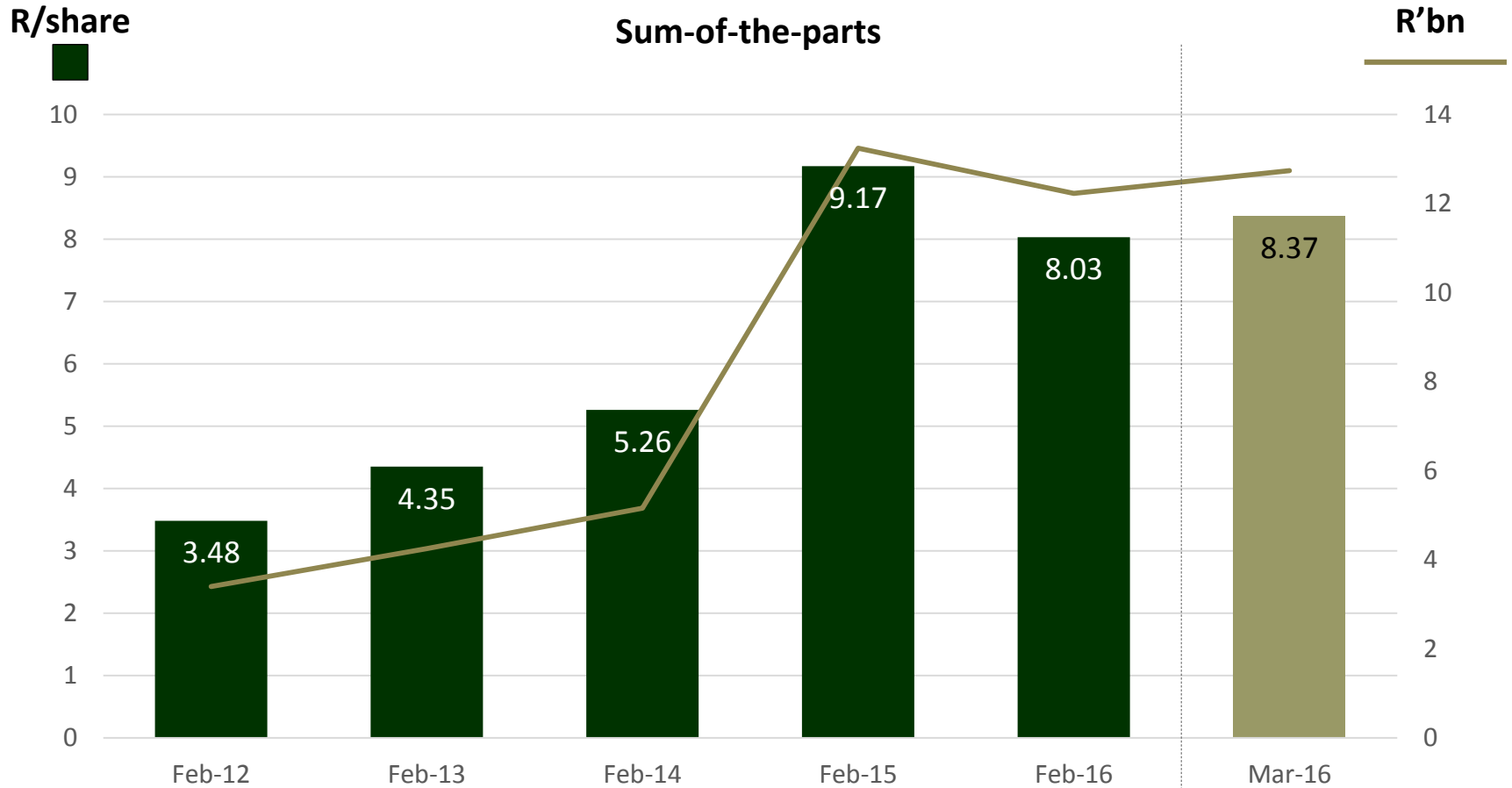


Financial results

	Feb 13	Feb 14	Feb 15	Feb 16	Y-o-Y Change	CAGR 3yrs
Sum of the parts (R'bn)	4.25	5.16	13.24	12.25	-7%	+42%
Recurring headline earnings from investments (R'm)	333	366	540	805	+49%	+34%
Recurring headline earnings (R'm)	251	300	414	632	+53%	+36%
Headline earnings (R'm)	196	261	257	545	+112%	+41%
Dividend (R'm)	39	44	79	137	+73%	+52%
Issued number of shares (m)	978	980	1,444	1,523		
Weighted number of issued shares (m)	978	980	1,172	1,490		
<i>Per share:</i>						
Sum of the parts (R)	4.35	5.26	9.17	8.03	-12%	+23%
Recurring headline earnings from investments (cents)	34.0	37.4	46.1	54.0	+17%	+17%
Recurring headline earnings (cents)	25.7	30.6	35.3	42.4	+20%	+18%
Headline earnings (cents)	20.1	26.6	22.0	36.5	+66%	+22%
Dividend (cents)	4.0	4.5	5.5	9.0	+64%	+31%

Sum-of-the-parts

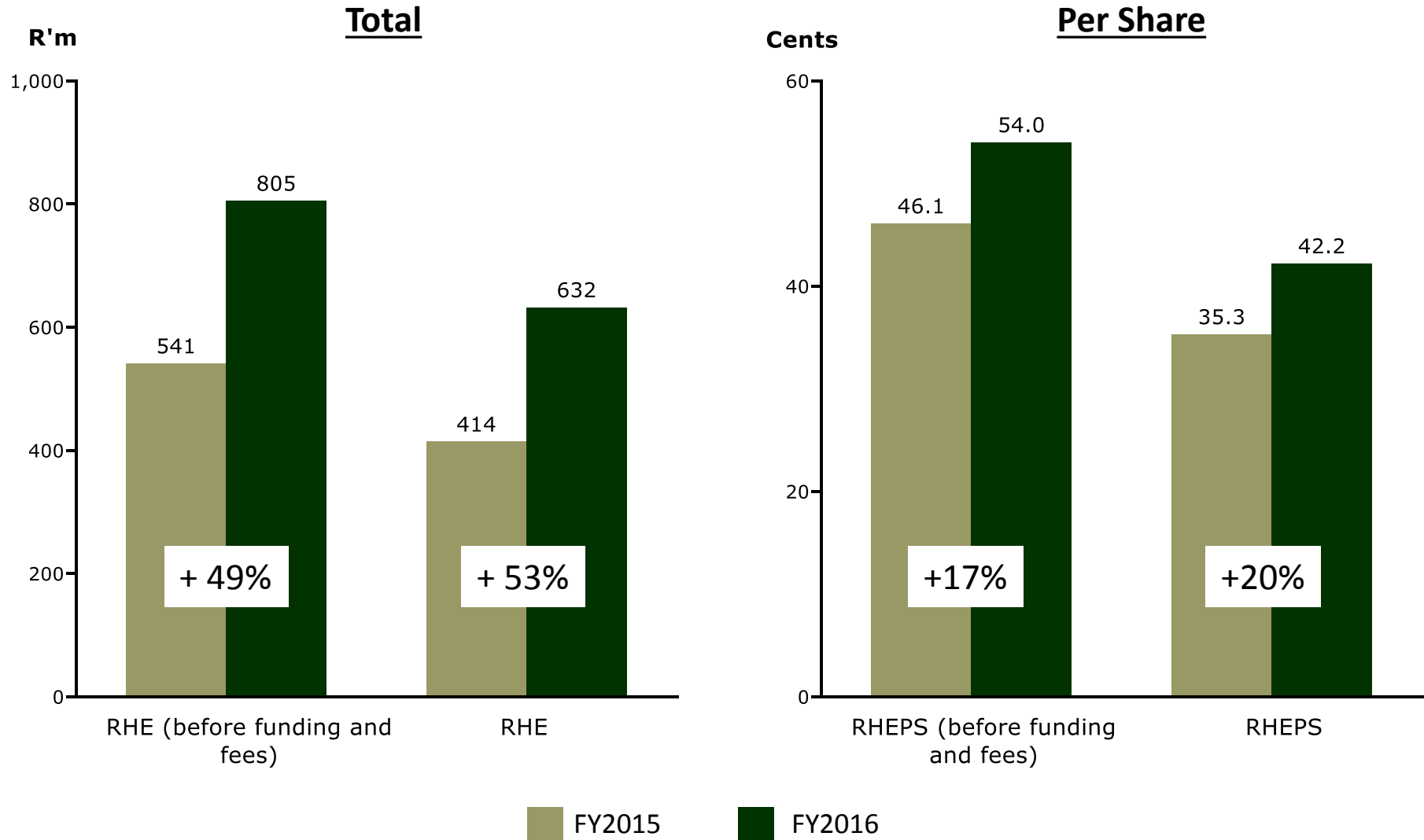
The value of Zeder's portfolio was R12,7bn on 31 March 2016.



Note: Decrease in sum-of-the-parts value largely due to 21% decrease in Pioneer share price during the period

Recurring headline earnings

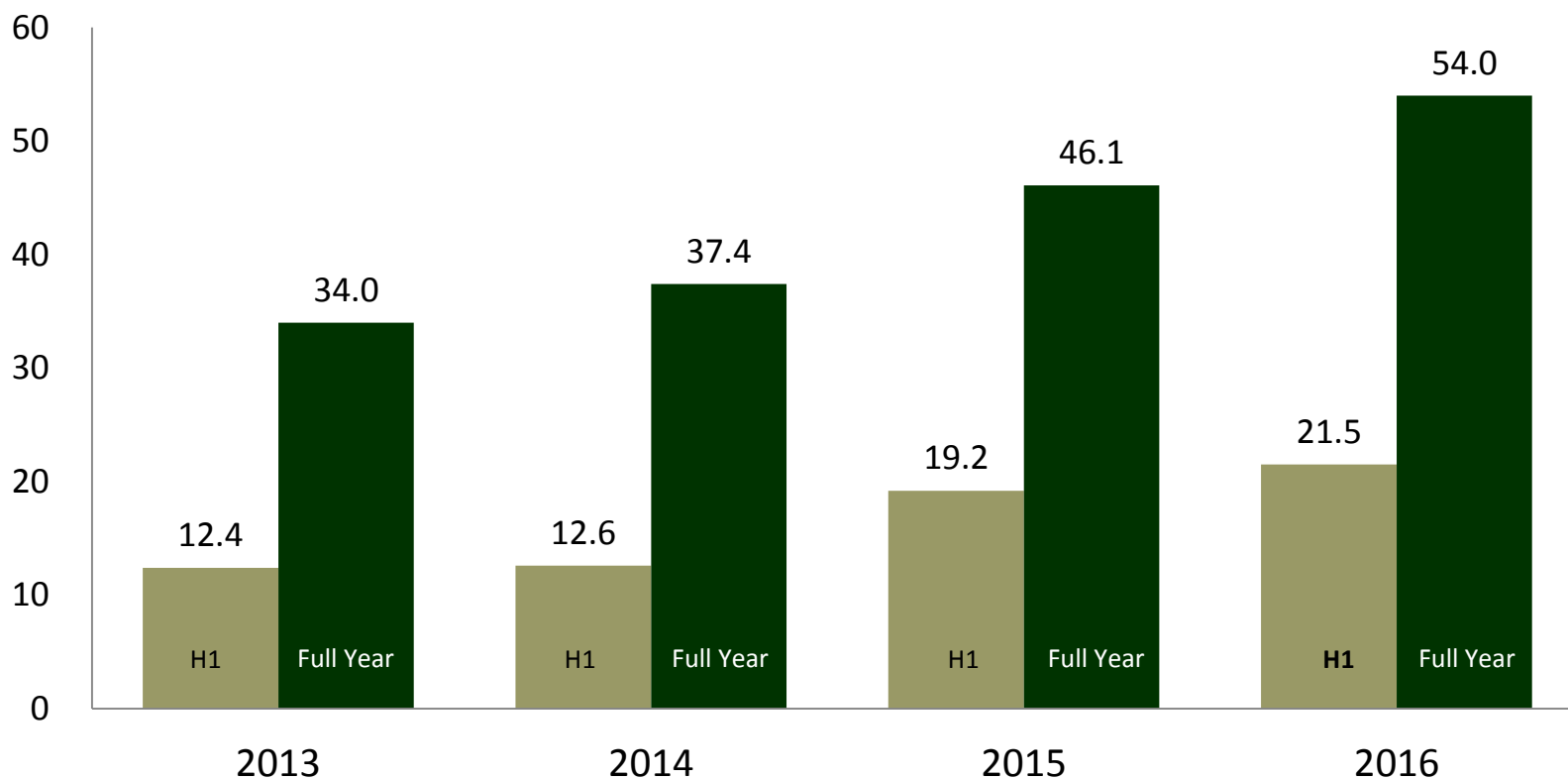
Recurring headline earnings increased by 20% per share.



Earnings from investments

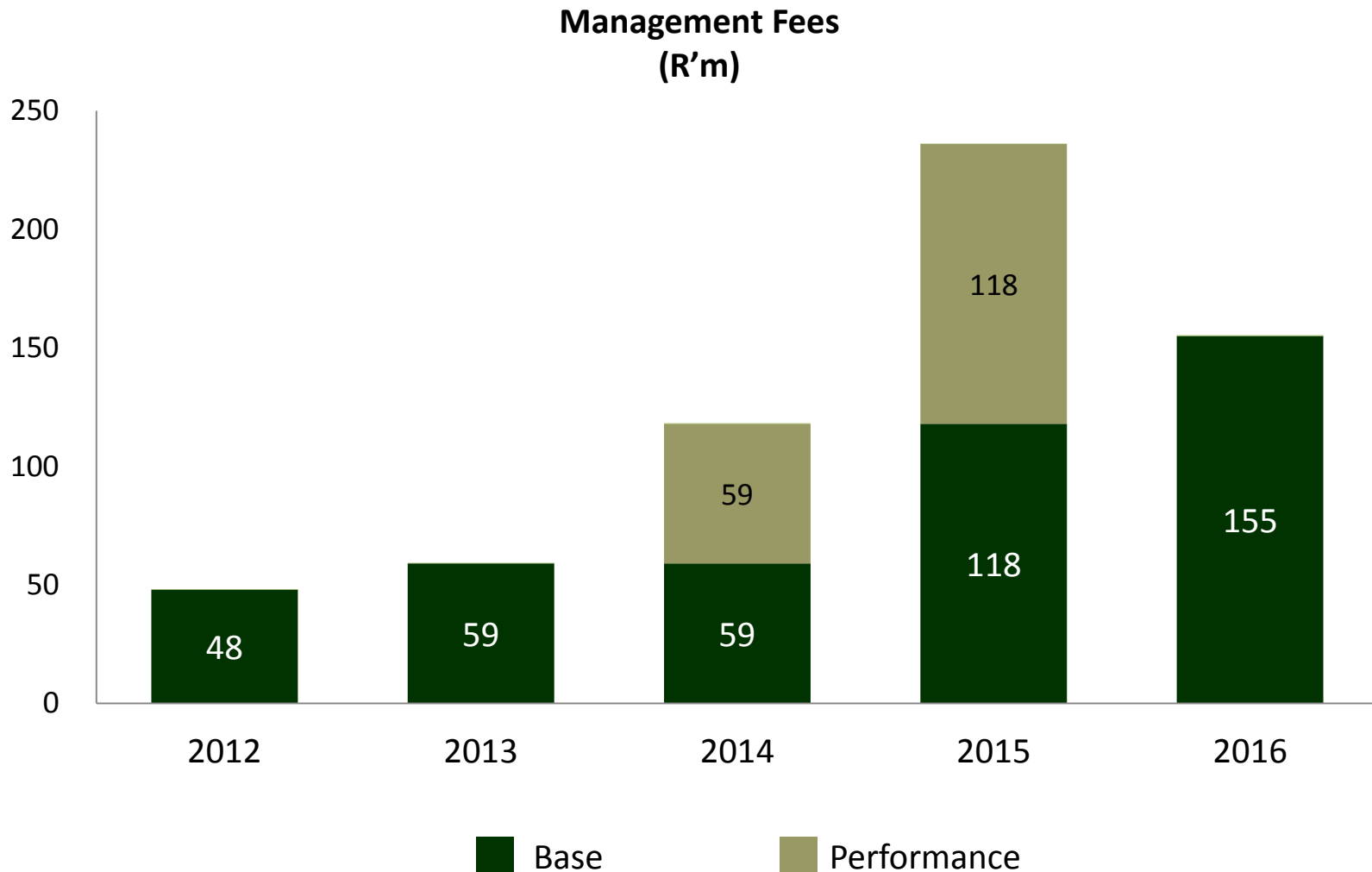
The improved trend in RHEPS growth from underlying investee companies has been maintained.

Recurring headline earnings from investments before funding and fees
(cents per share)



Management fees

Due to the downward pressure on Zeder's share price during the year, no performance fees were paid to PSG Group.

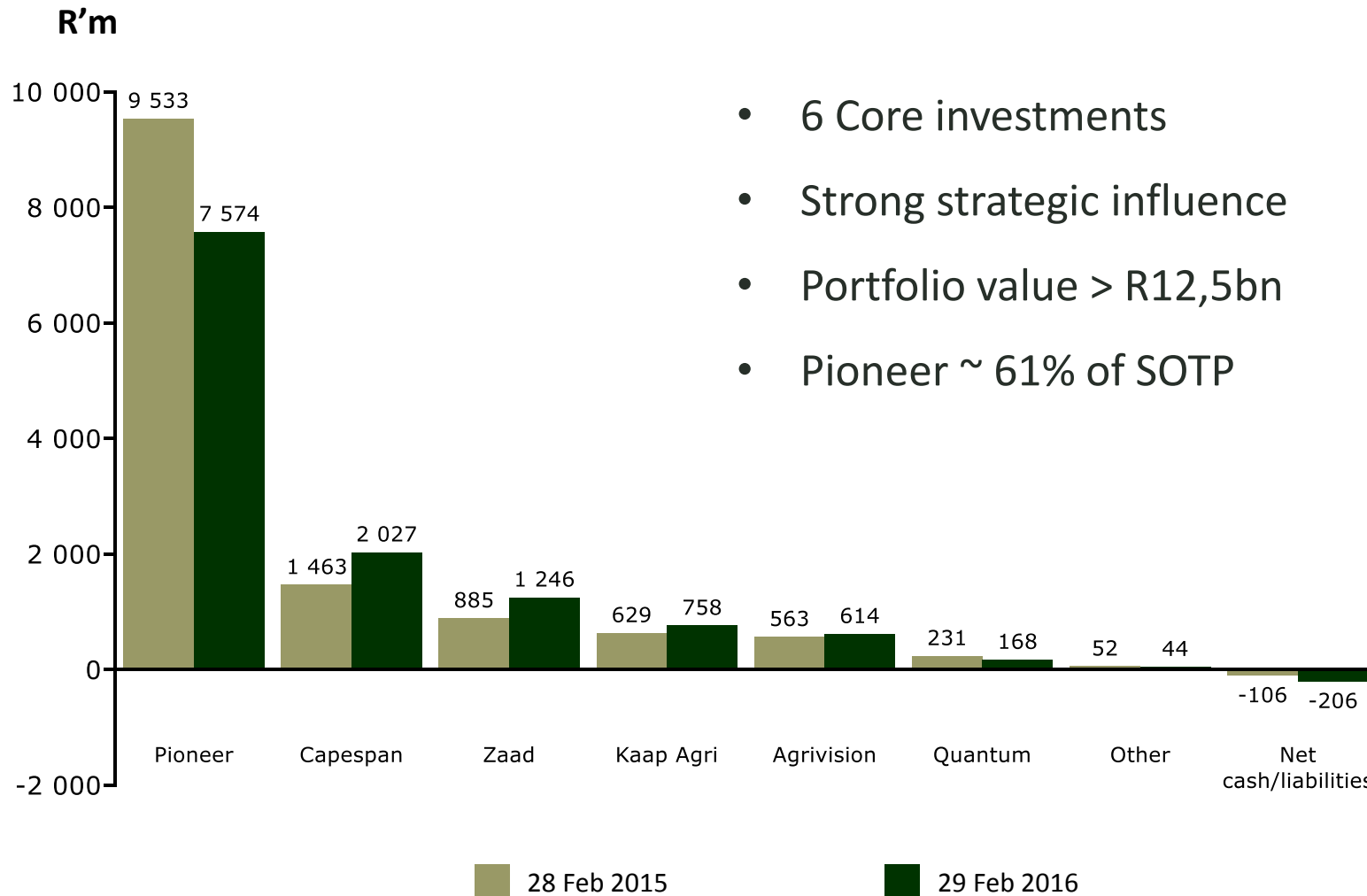


- Business overview
- Full year results
- Portfolio review



Portfolio distribution

No change in the portfolio mix - from a valuations point of view, most of the downward adjustment is due to decrease in Pioneer share price during the period.



Portfolio review

Pioneer reported sustained strong growth for year ended 30 September 2015 with adj. HEPS increasing by 30%.



For the 12 months ended 30 September 2015 *Continuing operations*

Revenue #	↑	6% to R18,8 bn
Operating profit *	↑	+28% to R2,153 bn
Operating margin *	↑	from 9.5% to 11.5%
HEPS *	↑	30.5% to 832 cents
Final dividend declared	↑	+52% to 237 cents
Total dividend declared for year	↑	+50% to 332 cents

* Adjusted for the Phase I B-BBEE charge

7% excluding Pepsi and biscuits

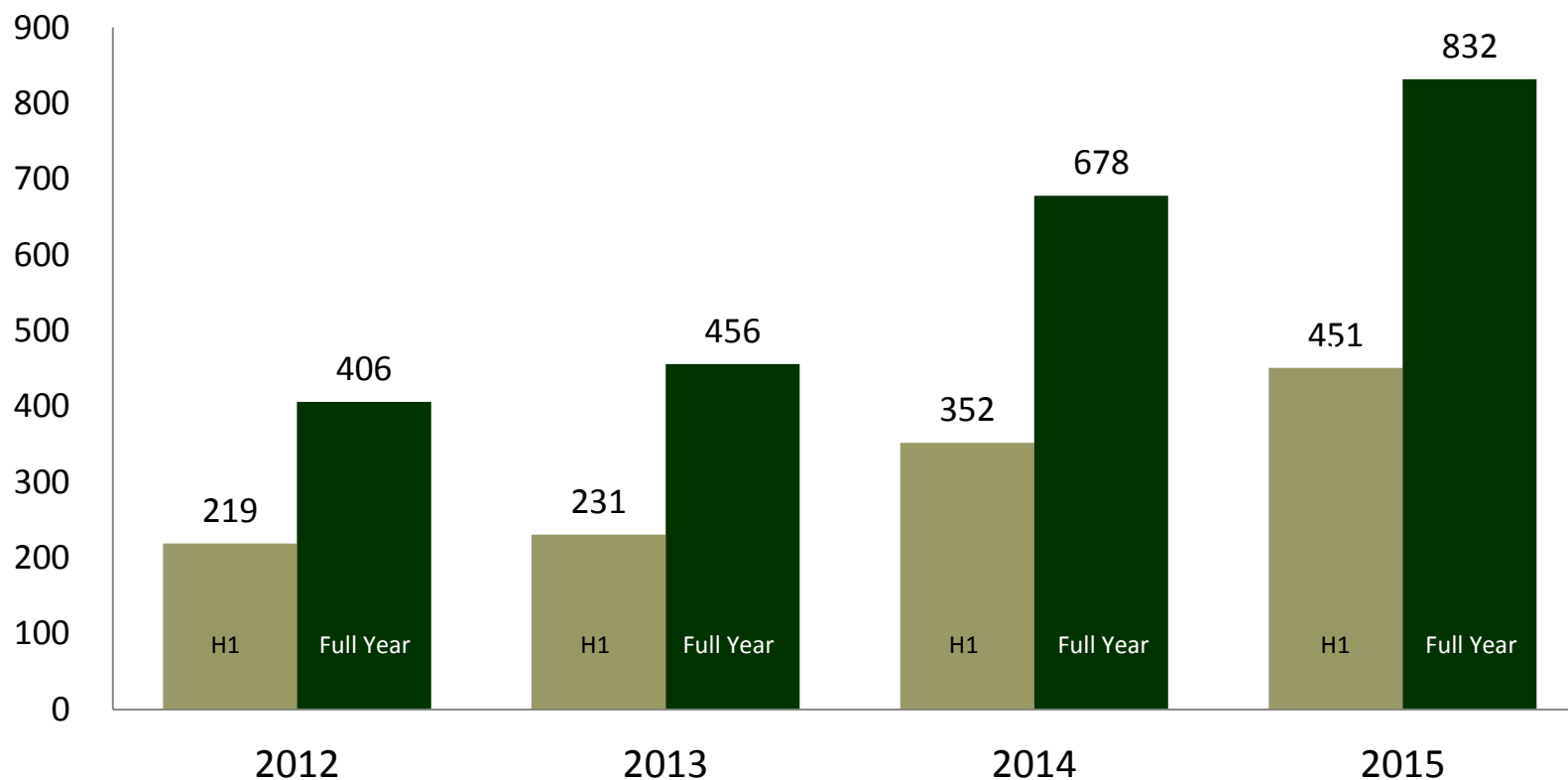


Portfolio review

The sustained growth in profitability has to be commended, particularly given the constrained environment.



**Adjusted headline earnings
(cents per share)**



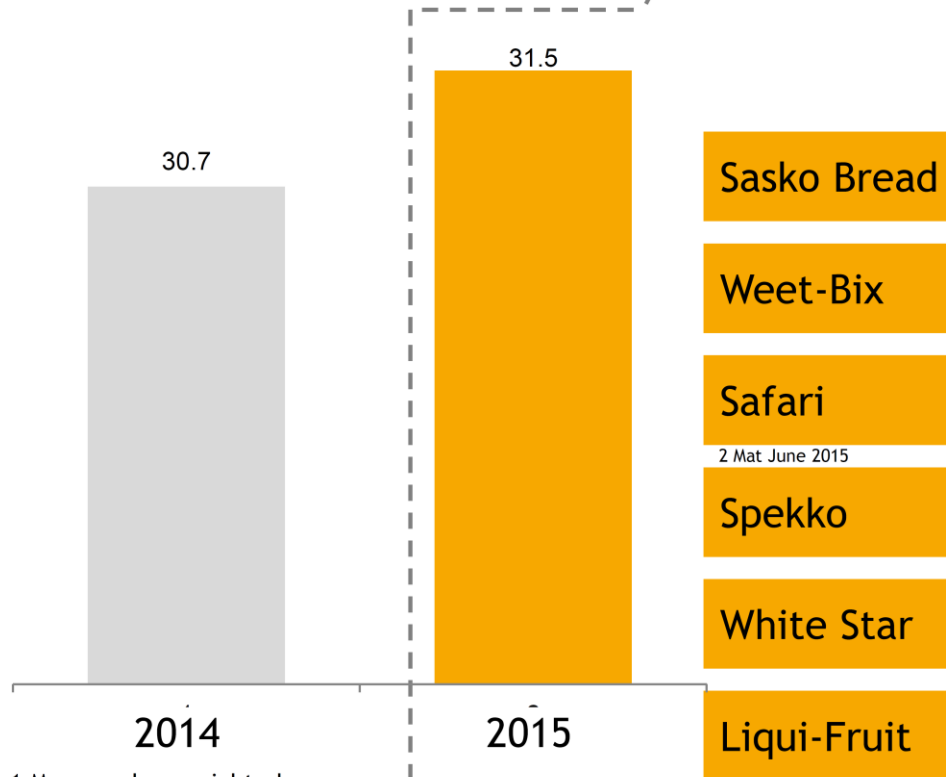
Portfolio review

Market share indicators for core brands in formal retail very positive...



Corporate share¹

%, 12mm to September 15



12mm October 2014 - September 2015

Pioneer Foods

	Value share	Share Pts change	Market change (%)
Sasko Bread	32.7	↑ 1.4	↑ 6.3
Weet-Bix	16.7	↑ 0.8	↑ 6.1
Safari	38.8	↓ -4.1	↑ 9.0
Spekko	17.6	↑ 3.4	↑ 5.1
White Star	31.4	↑ 0.8	↑ 7.6
Liqui-Fruit	30.9	↑ 2.2	↑ 7.7

² Mat June 2015

Ceres International Val Growth: 15%

¹ Measured as weighted average of Pioneer's share in 18 categories in which it operates. TEG only.

Biscuits and Pepsi removed.

² MAT June 2015

Portfolio review

... with improving margin trend maintained across all divisions.



	Operating Profit *		Operating Margin *	
	2015 Rm	% Change	2015 %	2014 %
Group	2 153	28%	11.5	9.5
Essential Foods	1 279	31%	11.3	9.2
Groceries	434	25%	9.0	7.2
<i>Bokomo Foods</i>	252	14%	10.4	9.3
<i>Ceres Beverages</i>	182	46%	7.7	5.2
International	444	22%	17.0	16.0
Other	-4			

* Adjusted for the Phase I B-BBEE charge

Portfolio review

Capespan continues to realign its business, invest for growth and reported a modest increase of 8% in RHEPS.

Summarised Income Statement	Dec 13		Dec 14		Dec 15
	R'm	% growth	R'm	% growth	R'm
Revenue	7,149	3.4%	7,392	4.0%	7,688
EBITDA	228	(0.4%)	227	31.7%	299
<i>EBITDA margin</i>	3.2%		3.1%		3.9%
EBIT	191	(11.5%)	169	30.2%	220
Recurring headline earnings	139	14.4%	159	7.5%	171
Headline earnings	127	(23.6%)	97	40.2%	136
Weighted average number of shares (m)	319	0.7%	321	0.7%	324
Recurring HEPS (R)	0.44	11.4%	0.49	8.2%	0.53

Zeder successfully concluded the buy-out of minority shareholders in Capespan during the period under review – R500m

Portfolio review

Capespan operates along three divisions namely Farms, Fruit and Logistics...



Portfolio review

Zaad delivered an increase of 36% in earnings that translated to 20% per share (diluted as a result of investment of R92m during the year).



Summarised Income Statement	Feb 14		Feb 15		Feb 16
	R'm	% growth	R'm	% growth	R'm
Revenue	465	103.7%	947	29.5%	1,226
EBITDA	79	63.3%	129	68.2%	217
<i>EBITDA margin</i>	<i>17.0%</i>		<i>13.6%</i>		17.7%
EBIT	67	59.7%	107	70.1%	182
Recurring headline earnings	54	42.6%	77	36.4%	105
Headline earnings	51	45.1%	74	41.9%	105
Weighted average number of shares (m)	13	30.1%	17	13.9%	20
Recurring HEPS (R)	4.06	9.4%	4.44	20.0%	5.33

Portfolio review

With a strong product portfolio, proprietary IP and established South African and international market presence, growth is underway.



Portfolio review

Kaap Agri delivered commendable results for the year ended 30 September 2015 with RHEPS up 15.6%.



Summarised Income Statement	Sep 13		Sep 14		Sep 15
	R'm	% growth	R'm	% growth	R'm
Revenue	5,530	18.0%	6,528	8.5%	7,082
EBITDA	219	20.1%	263	18.3%	311
<i>EBITDA margin</i>	4.0%		4.0%		4.4%
EBIT	202	20.3%	243	19.8%	291
Recurring headline earnings	129	22.5%	158	15.8%	183
Headline earnings	129	22.5%	158	15.8%	183
Weighted average number of shares (m)	70		70		70
Recurring HEPS (R)	1.83	22.4%	2.24	15.6%	2.59

Portfolio review

With a strong footprint and historical base, opportunities exist to continue growing.

KAAP  AGRI

KAAP AGRI

is a retail services group that supplies a variety of products and services mainly to the agricultural sector, but also to the general public.

Kaap Agri has 183 operating points that stretch over 97 cities, towns and places, and include areas such as the Swartland, Boland, Winelands, Overberg, Langkloof, Namaqualand, Orange River, Sundays River Valley, Namibia and adjacent areas, as well as Limpopo, Mpumalanga and Gauteng.



Agrivision Africa remains in net J-curve but underlying business performances encouraging despite challenges.



Agrivision Africa

Summarised Income Statement	Dec 13		Dec 14		Dec 15
	US\$'000	% growth	US\$'000	% growth	US\$'000
Revenue	14,305	127.4%	32,532	(2.6%)	31,677
EBITDA	8,322	(7.2%)	7,726	47.5%	11,396
<i>EBITDA margin</i>	58.2%		23.7%		36.0%
EBIT	2,485	107.8%	5,164	61.9%	8,361
Recurring headline earnings *	(1,502)		(507)		1,921
<i>Foreign currency translation reserve</i>	(44)		(1,814)		(6,616)
Recurring headline earnings	(1,546)		(2,321)		(4,695)



Successfully completed strategic equity participation of **\$30m** during the year

Portfolio review

Limited expansion was undertaken during the year with a focus on existing investments only.



Agrivision Africa

Farming & Development



- 4,500 ha (irrigated)
- 1,800 ha (dry-land)

Milling & Processing



- 50,000 tons (Maize)
- 24,000 tons (Wheat)

Brands & Distribution



- Formal retail
- Distribution depots

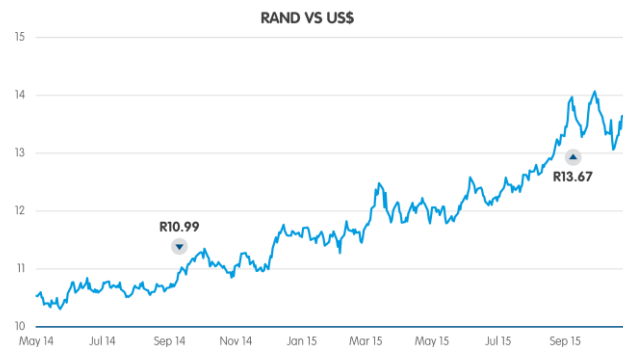
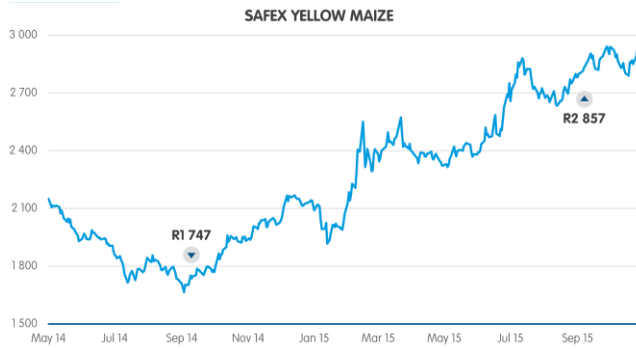
Portfolio review

Following a period of extreme challenges in the industry, Quantum delivered improved results.



Summarised Income Statement	Sep 14		Sep 15
	R'm	% growth	R'm
Revenue	3,561		3,469
EBITDA	84	161.9%	220
<i>EBITDA margin</i>	2.4%		6.3%
EBIT	(21)		164
Recurring headline earnings	26	384.6%	126
Headline earnings	26	384.6%	126
Weighted average number of shares (m)	233		233
Recurring HEPS (R)	0.11	390.9%	0.54

Quantum Foods will aim to navigate cyclical volatility while pushing forward in pursuing its strategic objectives.



- Raw material prices at higher levels
- Weak exchange rate environment
- Consumer under pressure
- New business model better aligned
- Management to focus:
 - Efficiencies
 - Growth to scale
 - Acquisitions (RSA/Africa)



We remain optimistic about the prospects of the group.

- Drought and tough economic conditions likely to remain a challenge in the short term – but longer term the sector is resilient
- Appropriately diversified portfolio likely to mitigate volatility
- Strong existing portfolio companies with focused and able management teams
- “Internal focus” offers additional opportunities and platform growth will be encouraged
- Strategic investments and diversification if/when appropriate



Thank you



Presented by:
Nico de Waal
Chief Executive Officer

April 2016



Current portfolio

Services

Financial



Energy



Mining



Retail



Outsourcing



Education



Technology



Financial performance

		FY14	FY15	FY16	% change (FY15-FY16)
Recurring Headline Earnings	Rm	51.4	59.2	112.6	90%
Recurring Headline Earnings per share	cps	5.9	5.3	9.3	75%
Sum-of-the-Parts	Rm	949	1,246	1,367	10%
Sum-of-the-Parts per share	cps	94.3	100.0	121.2	21%



ENERGY ● PARTNERS

Powered by results

57%



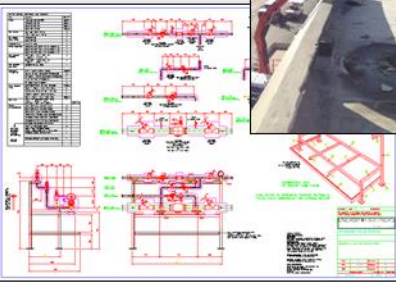
Repositioned business model

Sell Services




Sell Energy


Design



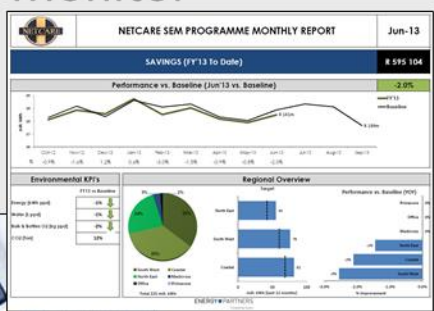
Construct



Invest



Monitor



Electricity



Steam



Refrigeration



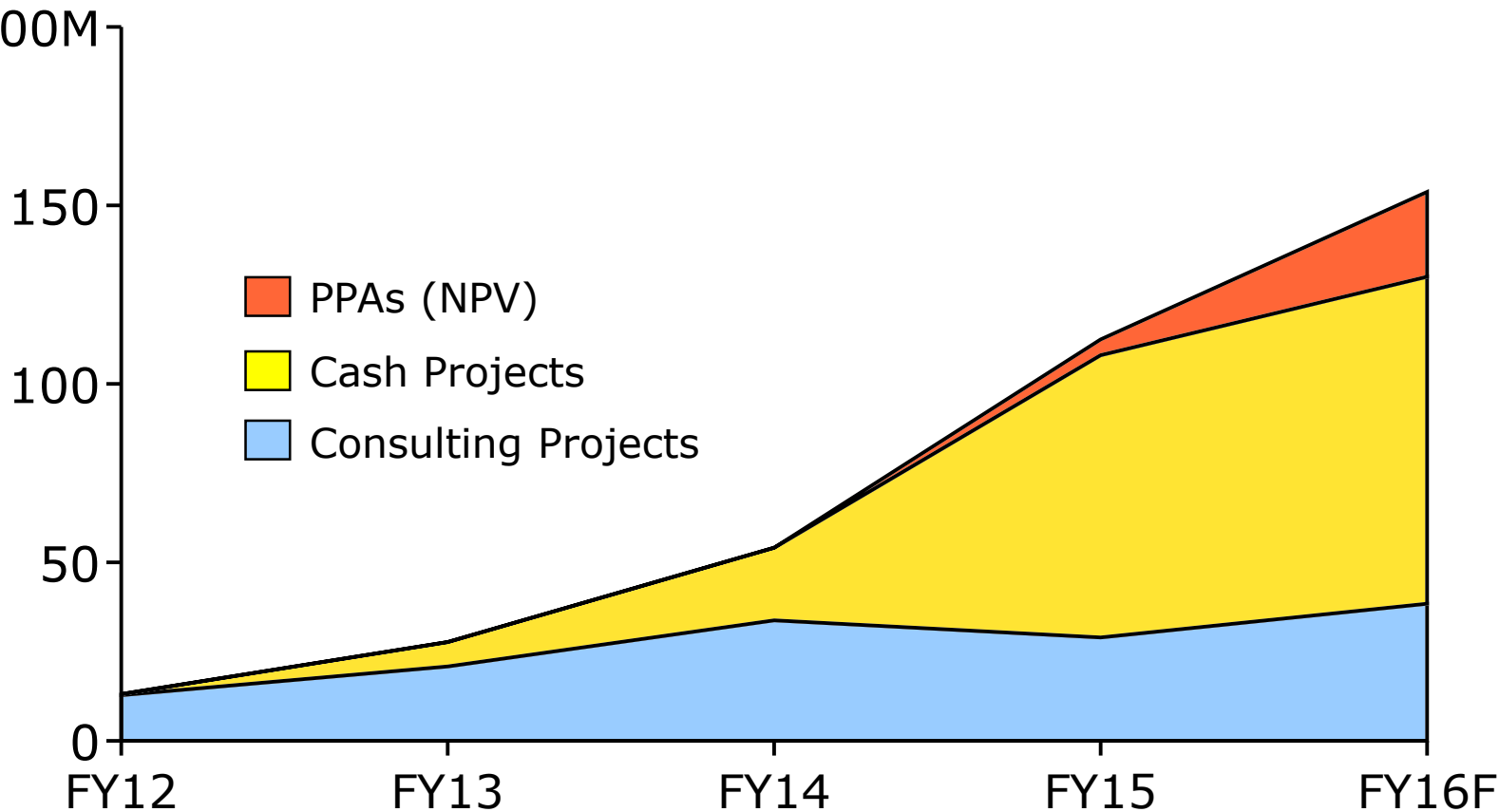
Hot Water




Annuity income (PPAs) growing

Income

R200M



CAGR
'12-'16

85%



Building a diversified asset base

Electricity



Cooling



Home Solutions



Steam



Outlook

- Secured next R100M in debt for investment projects
- Continue expanding installation capacity
 - Organic and M&A growth
- Drive down cost through strategic sourcing & vertical integration
 - Multiple M&A opportunities currently being pursued
- Scale the residential business





51%



Operations, in-store execution





Outlook

- New warehousing facilities in Zimbabwe, Swaziland & Namibia
- Continue organic and acquisitive growth (8 acquisitions to date)
- Full year revenue of R3.6bn, healthy earnings growth
- Potentially an exciting African listing in due course





83%



Large aspiration

Contribute significantly
to the development of our youth
in South Africa
by providing innovative and accessible
education solutions



Three channels

Channel description

What we offer



Registered independent schools

- Integrated education solution to the school
- Curriculum, facilitation, assessment and administrative support
- Increases teacher time spent on learning and facilitation



Tutors who provide services to home education learners

- Tutor as licensed service provider to home education parents
- Develop own tutoring style and embrace passion for education



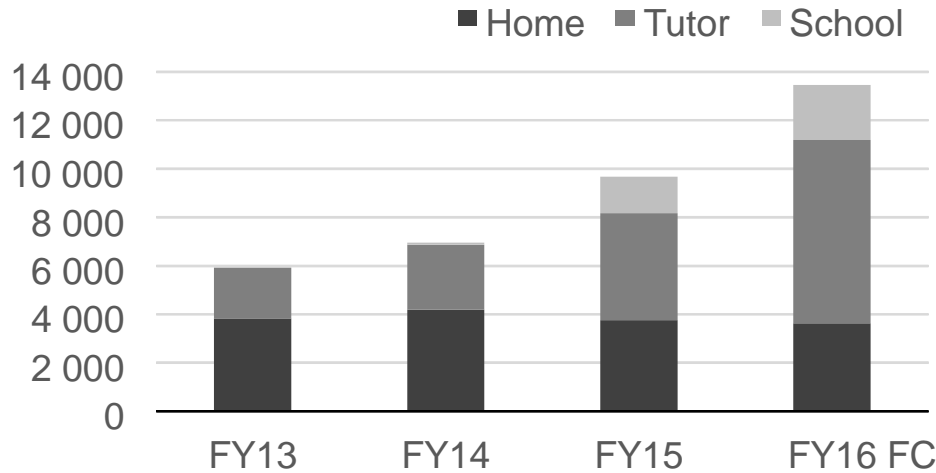
Parents who educate their children at home

- One-stop-shop to home education parents for curriculum, facilitation and assessment
- Centralised academic and assessment support



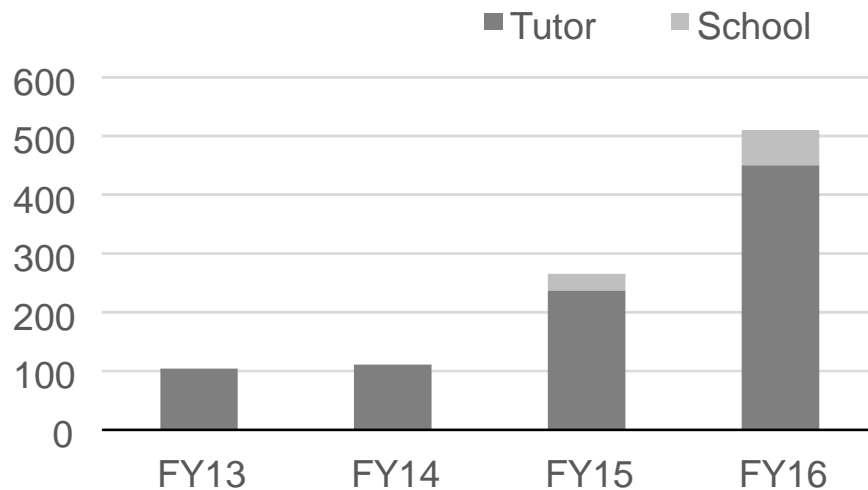
Strong growth continues

Learners by channel



- FY16 expected growth of 40% to ~13 500 learners
- Continued strong sales growth to schools and tutors

of tutors and schools



- Continued success in schools market
- Now serving 440 tutors and 60 schools
- Significant same-school growth potential



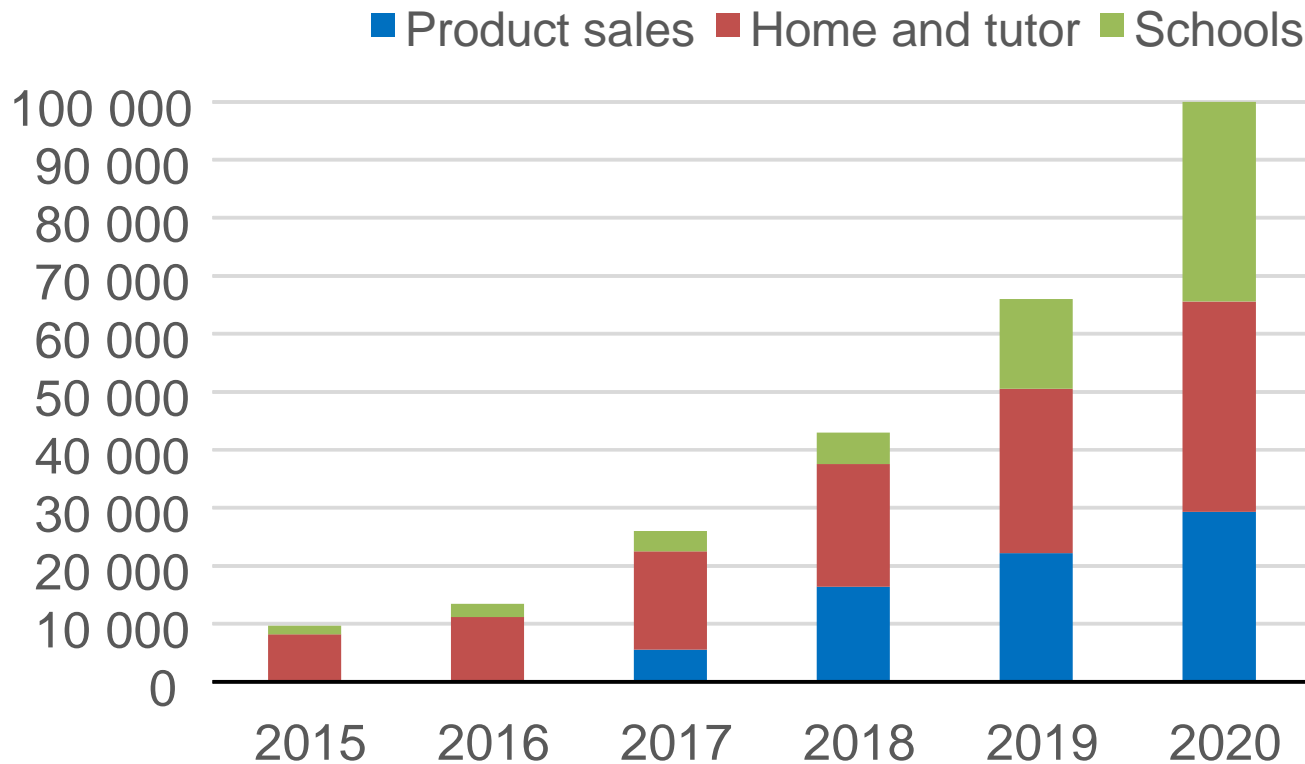
New developments

- Enlarged product offering (product sales, e-learning, assessment-only, adult matric)
- Classroom research on quality learning at low cost using technology and centralisation
- Brand name refresh in 2016
- Innovative new systems to improve scalability (question bank, online marking, product development)



Large aspiration for 2020

Learners by channel

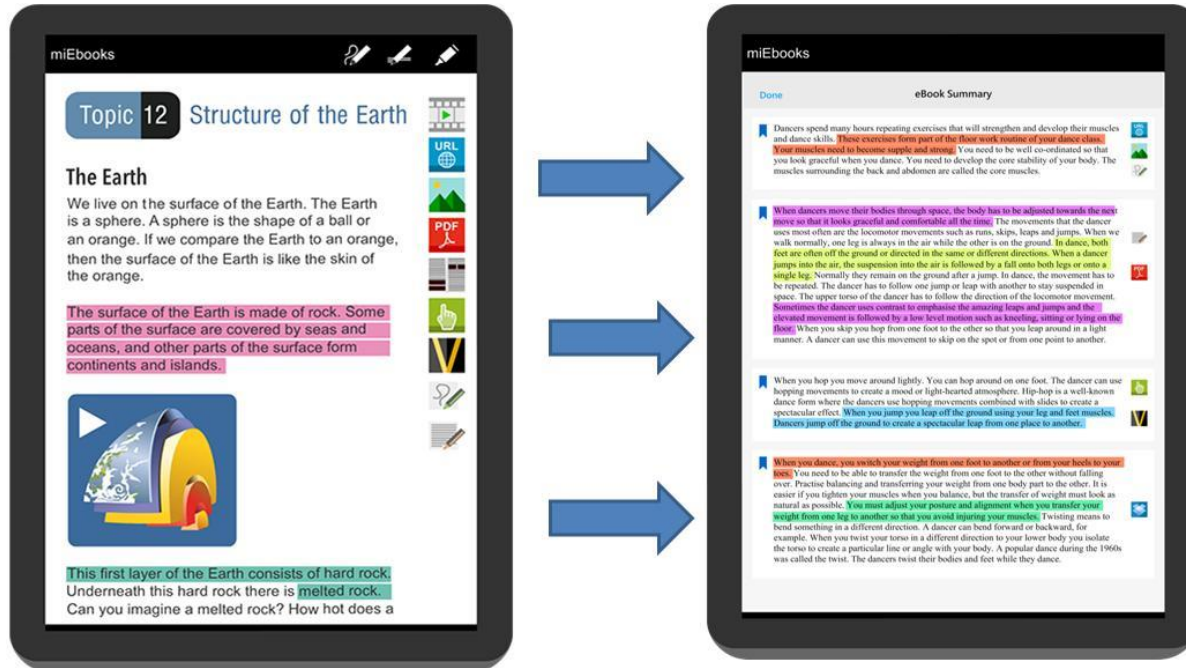




47%



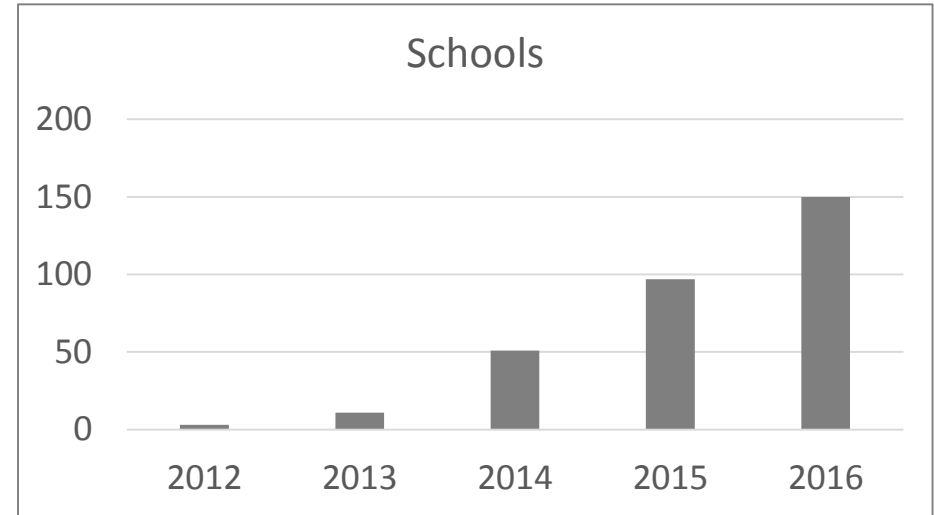
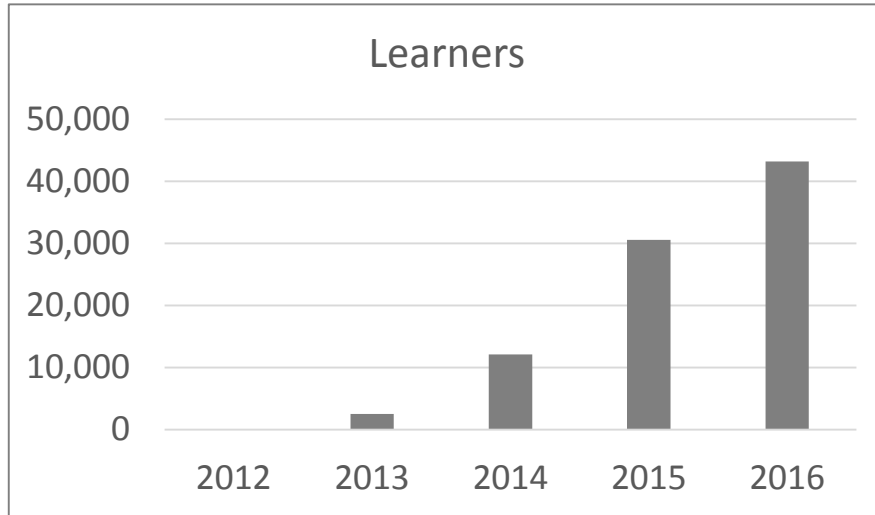
Leading e-learning solution



- Unique ability to “push” content
- Offline availability
- Optimises education



Vibrant growth



- ITSI originally mainly targeted private (and ex-model C) schools market
- Currently conducting pilots with two SA universities
- Currently conducting pilot projects in public schools market (with BEE partner):
 - 28 schools for Gauteng DBE
 - 5 schools for Free State DBE
- International expansion
 - Conducting pilots in 3 UK schools (Feb 16)



Thank you
Questions?

