PSG GROUP LIMITED



ANNUAL REPORT
2013

Contents

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PSG GROUP LIMITED

Our objective remains
to continuously create wealth
for all stakeholders.

PSG GROUP LIMITED

A new milestone –
2013 marked the first
financial year in which PSG
reported more than R1bn
in attributable earnings.

PSG GROUP LIMITED

Chairman's letter

PSG GROUP LIMITED

Dear Shareholder

PSG Group Ltd ("PSG") is proud to be a New South Africa company, having been established in November 1995. Today PSG is an investment holding company consisting of underlying investments that operate across industries which include financial services, banking, private equity, agriculture and education. PSG's market capitalisation is approximately R11,7bn, with our largest investment being a 28,5% interest in Capitec.

"PSG's market capitalisation is approximately R11,7bn."

Performance

We believe that performance should not be measured in terms of the size of a company, but rather on the return that an investor receives over time. As we are all PSG shareholders, we prefer to focus on *per share* wealth creation. Our objective remains to continuously create wealth for all stakeholders.

When evaluating PSG's performance over the *long term*, one should focus on the *total return index (TRI)* as measurement tool. The TRI is the *compound annual growth rate (CAGR)* of an investment, and is calculated by taking cognisance of share price appreciation, dividend and other distributions. This is a sound measure of wealth creation and a means of benchmarking different companies. PSG's TRI is 51,4%, which is the highest of any JSE-listed company over the 17-year period since PSG's establishment. PSG was ranked 2nd over 10 years and 17th over five years in *The Sunday Times Top 100 Companies 2012* analysis based on TRI. Capitec achieved the number one spot over both measurement periods – an achievement which we believe is unlikely to be easily repeated.

When evaluating PSG's performance over the *short to medium term*, we focus on the growth in PSG's *sum-of-the-parts (SOTP) value* per share and *recurring headline earnings* per share. History confirms that PSG's share price tracks its *SOTP value* per share. Positive growth in PSG's *SOTP value* per share thus inevitably leads to share price appreciation. However, an increase in PSG's *SOTP value* per share over time will ultimately depend on sustained growth in the profitability of our underlying investments. PSG consequently introduced the *recurring headline earnings* per share concept to provide management and investors with a more realistic and transparent way of evaluating PSG's performance from an earnings perspective.

Results

PSG had a successful financial year to 28 February 2013, with strong growth in both its *SOTP value* per share and *recurring headline earnings* per share.

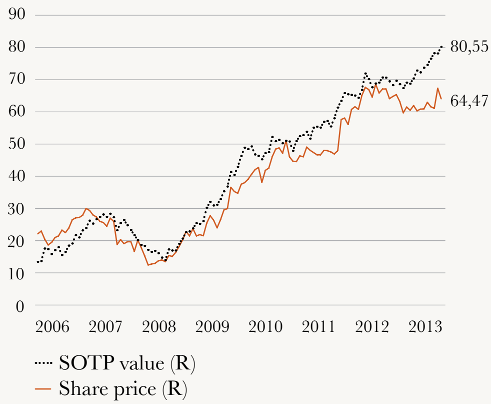
SOTP

The calculation of the *SOTP value* is simple and requires limited subjectivity as approximately 81% of the value is calculated using listed share prices, while the unlisted investments are valued using market-related multiples. At 28 February 2013, the *SOTP value* per PSG share was R72,67 (29 February 2012: R55,92), which equated to a 40% CAGR over the last three years. At 9 May 2013, the *SOTP value* was R80,55 per share.

Asset/Liability	28 Feb 2010 Rm	28 Feb 2011 Rm	29 Feb 2012 Rm	28 Feb 2013 Rm	% of total
Capitec	2 367	5 138	5 978	**6 128**	38,7
Curro Holdings *			1 118	**2 607**	16,4
PSG Konsult **	948	1 206	1 483	**2 237**	14,1
Zeder *	742	1 069	1 067	**1 412**	8,9
PSG Private Equity †	834	1 242	728	**681**	4,3
Thembeka Capital †			570	**899**	5,7
PSG Corporate (including PSG Capital) ††	361	350	338	**383**	2,4
Other investments (including cash) ††	400	548	684	**1 505**	9,5
Total assets	5 652	9 553	11 966	**15 852**	100,0
Perpetual pref funding *	(541)	(1 028)	(1 188)	**(1 163)**	
Other debt ††	(539)	(507)	(463)	**(845)**	
Total SOTP value	4 572	8 018	10 315	**13 844**	
Shares in issue *(net of treasury shares)* (m)	171,8	171,3	184,5	**190,5**	
SOTP value per share (rand)	26,61	46,81	55,92	**72,67**	
Net asset value per share (rand)	17,66	21,56	26,50	**32,62**	

** Listed on the JSE Ltd* *** Over-the-counter* *† SOTP value* *†† Valuation*

PSG share price vs SOTP value (9 May 2013)



SOTP VALUE PER SHARE
AT 28 FEBRUARY 2013

R72,67

RECURRING HEADLINE EARNINGS PER SHARE

27,1% ▲ to 392,3 cents

Recurring headline earnings

Recurring headline earnings for the year ended 28 February 2013 increased by 27,1% to 392,3 cents per share. The growth was (again) predominantly as a result of Capitec's remarkable performance, while the majority of the remaining investments also reported improved earnings.

Headline earnings increased by 47,2% to 480,2 cents per share. The increase in *non-recurring headline earnings* was mainly as a result of substantial marked-to-market profits achieved in Thembeka's portfolio of listed shares in the current financial year.

Attributable earnings increased by 54,7% to 625,5 cents per share mainly as a result of the *non-headline* profits achieved on the disposal of PSG's Capitec rights offer shares and Zeder's disposal of a 15,1% interest in Capevin Holdings. A new milestone – 2013 marked the first financial year in which PSG reported more than R1bn in *attributable earnings*.

Although we focus less on *headline* and *attributable earnings* due to the volatility of the aforementioned, it is important to note that over a five-year period we reported a cumulative total *recurring headline earnings* of R2,3bn, *headline earnings* of R2,5bn and *attributable earnings* of R3bn. The fact that both *headline* and *attributable earnings* are substantially more than *recurring headline earnings* indicates that PSG has added value having continuously made significant *non-recurring* profits.

	Year ended 28 Feb 2011 Rm	Change %	Year ended 29 Feb 2012 Rm	Change %	Year ended 28 Feb 2013 Rm
Capitec	223,0	*63*	362,4	*38*	**499,9**
Curro Holdings	1,9	*n/a*	(5,2)	*n/a*	**8,1**
PSG Konsult	93,9	*15*	107,9	*10*	**118,8**
Zeder	109,4	*5*	115,4	*(8)*	**106,6**
PSG Private Equity	36,5	*(12)*	32,0	*134*	**75,0**
Thembeka Capital	8,5	*120*	18,7	*50*	**28,0**
PSG Corporate (including PSG Capital)	21,0	*(3)*	20,4	*(22)*	**15,9**
Other	19,0	*2*	19,3	*60*	**30,8**
Recurring headline earnings before funding	513,2	*31*	670,9	*32*	**883,1**
Funding	(109,1)	*23*	(134,4)	*25*	**(168,2)**
Recurring headline earnings	404,1	*33*	536,5	*33*	**714,9**
Non-recurring items	108,3	*(72)*	30,6	*423*	**160,1**
Headline earnings	512,4	*11*	567,1	*54*	**875,0**
Non-headline items	196,0	*(31)*	135,9	*95*	**264,8**
Attributable earnings	708,4	*(1)*	703,0	*62*	**1 139,8**
Weighted average number of shares in issue *(net of treasury shares)* (m)	167,1		173,9		**182,2**
Earnings per share (cents)					
– Recurring headline	241,9	*28*	308,6	*27*	**392,3**
– Headline	306,7	*6*	326,2	*47*	**480,2**
– Attributable	424,1	*(5)*	404,4	*55*	**625,5**
Dividend per share (cents)	67,0	*22*	82,0	*35*	**111,0**

> "Capitec arguably has the best and most focused management team in the industry today."

CAPITEC'S HEADLINE EARNINGS PER SHARE

▲ 35%

Capitec

PSG remains proud of its investment in Capitec. Operationally the company continued to perform exceptionally with a 35% increase in *headline earnings* per share for the year ended 28 February 2013. Capitec has a CAGR of 42% in *headline earnings* per share over the past 10 years. There has been a lot of negative publicity regarding the unsecured credit market in recent years and we are well aware that the industry may face challenges going forward. We, however, are confident that Capitec is well positioned to react to any challenge which the market may pose. It is fairly easy to compare most of the players in this market, and it gives us comfort that, as far as we know, 1) Capitec has the most conservative provisioning policy; 2) its sources of funding are the most secure and diverse; 3) Capitec is well capitalised with a capital adequacy ratio of 41%; 4) its banking model continues to attract a vast number of new and sticky, less risky clients; and 5) Capitec is becoming less dependent on interest income as it continues to experience a sharp increase in transaction fee income. But, most important to PSG, 6) Capitec arguably has the best and most focused management team in the industry today.

During November 2012, Capitec concluded a rights offer in terms of which R2,2bn cash was raised. As the largest shareholder in Capitec, PSG supported the rights offer to ensure a successful capital raising. As such, PSG furnished Capitec with an irrevocable undertaking to the value of R724m to take up its share of the rights offer. PSG obtained funding to enable it to do so and has since sold the majority of its Capitec rights offer shares to repay the debt raised in respect thereof. As a result, PSG's shareholding in Capitec has reduced from 32,2% to 28,5%. PSG made a *non-headline* profit of R393m on the sale of these shares.

Capitec continues to be the group's star performer contributing 56,6% to *recurring headline earnings* before funding, and representing 38,7% of the assets of the group. As an investment company it is the very fact that we can hold on to our winners that differentiates us from the normal fund management industry. We remain positive about Capitec, its business and its management and believe that this investment will continue to be a significant contributor to the future success of PSG for years to come.

Capitec's comprehensive results for the year ended 28 February 2013 are available at *www.capitecbank.co.za*.

Other investments

Further detail regarding the latest year-end results of the underlying investments is available on the following websites:

- Curro Holdings: *www.curro.co.za*
- PSG Konsult: *www.psg.co.za*
- Zeder: *www.zeder.co.za*
- Thembeka Capital: *www.thembekacapital.co.za*

PORTFOLIO OF

36 investments

COMBINED MARKET CAPITALISATION

R80bn

The heart of PSG

The PSG, Zeder and PSG Private Equity ("Private Equity") executive committees ("Exco") meet every two weeks, or whenever required, to discuss the performance of and to provide strategic input to the underlying businesses, to receive an update of deals in progress and to monitor and manage the capital requirements, gearing and liquidity of the group. However, twice a year we break away from the detail to collectively revisit and, if necessary, determine a revised strategy for the group or any of the investee companies where we could add strategic value. In the past we have communicated very specific strategies, which included *Project Unlock Value* and *Project Growth*.

Our latest strategy, as approved by the PSG board in February 2013, is ***Project Internal Focus***.

Project Internal Focus

PSG has historically been an active deal-making company and today has a sizeable portfolio of 36 investments with a combined market capitalisation of approximately R80bn, employing in excess of 40 000 people. Some established businesses, such as Capitec, require limited attention from PSG management. However, companies in the development phase, such as Curro, Impak, Energy Partners and Chayton, have the potential to deliver substantial future earnings, but require more active input from PSG's side. Then there are those businesses of which the strategy is under review and where PSG is playing a role. We believe that PSG's investment portfolio has vast potential and, with active involvement from PSG's side, maximum value will be extracted.

Project Internal Focus is therefore all about developing strategy within the portfolio and ensuring the successful implementation thereof. PSG will assist these companies to grow both organically and by means of suitable acquisition and/or merger opportunities. Ideally, PSG wants fewer, but larger investments. Our focus will therefore primarily be directed at the optimisation, refinement and growth of PSG's existing portfolio instead of new acquisitions in the year ahead. However, this does not mean (true to our entrepreneurial spirit) that we will ignore an attractive investment opportunity.

"We believe that PSG's investment portfolio has vast potential and, with active involvement from PSG's side, maximum value will be extracted."

> “When an investment does not perform to expectation or does not fit into our defined strategy, it necessitates a review which may lead to a restructuring or disinvestment.”

Project Internal Focus in action

Although we have only recently formalised this strategy, we have embarked on it some time ago already.

Increased stakes, increased control

Zeder has historically only taken non-controlling strategic stakes in entities. However, during the past financial year, Zeder acquired controlling interests in both Agricol and Chayton. Subsequent to year-end, Zeder obtained control over Capespan by increasing its interest to 71,3%.

Zeder appointed Antonie Jacobs as Agricol’s executive chairman. His primary responsibility is to grow the business. The operational control of Chayton now resides with Zeder, with Willem Meyer as acting CEO. Similarly, the Private Equity team acquired control of Impak and brought in a brand new management team to expand the business.

Restructurings/divestments

When an investment does not perform to expectation or does not fit into our defined strategy, it necessitates a review which may lead to a restructuring or disinvestment. We have no time constraints to exit and will mostly do so in conjunction with other shareholders.

During the past financial year, we restructured M&S (Top Fix) by selling its loss-making scaffolding division through a share buyback. Its share price has since increased by more than 170% to 89 cents per share. We were unable to obtain more substantial influence in Petmin and consequently decided to sell our investment for R158m (IRR of 16%). Zeder was instrumental in driving the Capevin Holdings/Investments merger and in the process created significant value for Capevin Holdings shareholders. Zeder subsequently sold the majority of this investment for a R441m *non-headline* profit as it became non-core. The IRR of the KWV/Capevin investment over a seven-year period was 19%.

Changes to management

We have appointed or have been part of the process to appoint successor CEOs at some of our larger investments during the year under review. Norman Celliers (Zeder), Francois Gouws (PSG Konsult) and Phil Roux (Pioneer Foods) are all new additions to our group. We welcome them and wish them the best of luck with the tasks at hand.

We would like to thank Willem Theron (PSG Konsult) and André Hanekom (Pioneer Foods) for the way in which they have built their respective businesses, and for giving the new incumbents a solid platform to grow from.

26 schools

20 840 learners

Curro Holdings

Curro epitomises *Project Internal Focus*. Since PSG initially acquired its controlling stake in June 2009, we have spent significant time with management to help Curro reach its full potential. Bernardt van der Linde, who worked for PSG at the time, has since been employed full-time as Curro's CFO. In addition, Piet Mouton joined the Curro Exco since the beginning of this year.

Curro is undoubtedly the most successful venture that Private Equity has invested in over the last couple of years. Curro's relentless focus on both organic and acquisitive growth is starting to pay off. Since PSG's involvement, the number of schools has increased from three to 26 and learners from 2 059 to 20 840, and the business has listed on the JSE Ltd. It has a continued pipeline of new opportunities, and the recent acquisition of Northern Academy gives Curro access to a low-fee school model which could have a significant impact on the business in years to come. A plan has been formulated to have 80 schools by 2020!

Our strategy to actively work alongside management proved to be successful in Curro's case. We believe that by applying the same strategy of being more internally focused at other investments in PSG's portfolio, we are likely to achieve further success.

A BEE success story

Being a New South Africa company, PSG has embraced the principle of creating wealth for the previously disadvantaged. The 51% black-owned and controlled Thembeka Capital is a prime example of same. Under the leadership of KK Combi, its intrinsic value has increased from R1 000 in 2006 to R1,9bn today, creating wealth of more than R900m for its black shareholders.

"Curro is undoubtedly the most successful venture that Private Equity has invested in over the last couple of years."

“We believe we will further contribute to education in South Africa whilst also creating a business opportunity for entrepreneurs/educators.”

Corporate social investment

Being an investment holding company, we do not make donations or give sponsorships. However, we support the following initiatives in *education*:

- The *PSG Group Bursary Loan Scheme* at the University of Stellenbosch. We started this initiative with a donation of 100 000 PSG shares six years ago, and have since offered financial support to a number of gifted but needy students. Their fields of study include medicine, actuarial science, accounting and investment management. We donate a further R100 000 per year to support additional students.
- PSG continues to financially support *Akkerdoppies*, a pre-primary school, which is part of the Sibusisiwe charity. Akkerdoppies is committed to early childhood development, and provides essential education and skills to children from the needy communities of Stellenbosch. The school is attended by 160 children, and now employs 16 people. We are committed to a long-term relationship with this initiative and anticipate a significant positive contribution to the community.
- We continue to invest in *Curro Holdings* that currently operates 26 private schools. Through offering affordable private education, Curro plays an important role in educating South Africa. Arguably the biggest advantage of having a Curro is that government can now direct its focus on areas where the conditions of education are particularly poor, and in so doing, provide proper educational facilities to the disadvantaged. Curro granted bursaries to learners in the amount of R18,4m during its past financial year.
- PSG invested in *Impak*, a company that provides grade 0 to 12 educational products and services to home scholars and to learners enrolled at their 90 support centres across the country. We believe we will further contribute to education in South Africa whilst also creating a business opportunity for entrepreneurs/educators who wish to open a support centre – embracing their passion for education whilst building a profitable business. We are excited about the growth prospects for this alternative form of education.
- PSG committed R6m to a greenfields venture, *Siyavula Education*. Siyavula has, through the assistance of volunteers and the Shuttleworth Foundation, compiled science and maths textbooks that are made available for free. The Department of Basic Education has printed more than 5m copies of these books at a fraction of the cost of normal text books, and distributed them to schools across the country without charge.

- We established and funded the *Stellenbosch BEE Education Trust* with R2m to buy shares in Thembeka Capital. We are hopeful that this trust will in future assist many previously disadvantaged students to obtain a quality education.

Shareholding

The board of directors owns approximately 37% in PSG. Steinhoff is our largest corporate shareholder with a 20% interest. In addition, we are proud to have a loyal shareholder base of individuals who remain invested in PSG having received exceptional returns.

Prospects

PSG operates in a number of diverse industries, the performance of which is not always correlated. Although it is difficult to predict the future, we remain optimistic and believe our strategy will continue to deliver superior returns for shareholders.

A word of thanks

PSG is my passion, my hobby and I am fortunate to work with a team of talented, hardworking individuals. Unlike most other working people, I look forward to come to work every day. My personal wealth is invested in PSG and I am confident that we as shareholders will enjoy much success in the years to come.

I would like to thank each and every colleague throughout our group for their hard work and for creating a wonderful environment to work in. To my fellow directors and members of the PSG Exco – thank you for your wisdom, innovation and drive to grow our business.

Finally, to our clients, our shareholders and all other stakeholders in PSG – our success will not be possible without your continued support – thank you!

Jannie Mouton
13 May 2013
Stellenbosch

> “We remain optimistic and believe our strategy will continue to deliver superior returns for shareholders.”

PSG GROUP LIMITED

Invitation

Annual general meetings (AGMs) and investor presentations

You are invited to our PSG Group Investor Day during which the various AGMs will be held and presentations made by our group companies on Friday, 21 June 2013, at Spier Wine Estate, Baden Powell Drive, Stellenbosch.

The timetable is as follows:

09:00	PSG Konsult Ltd
09:45	Zeder Investments Ltd
10:30	Curro Holdings Ltd
11:15	Tea
11:45	Thembeka Capital Ltd (RF)
12:15	PSG Group Ltd

Lunch will be served after the PSG Group Ltd presentation.
Kindly confirm your attendance with Sharon October at:
E-mail: sharono@psggroup.co.za Fax: 021 887 9619
Telephone: 021 887 9602

"We invest in companies with uncomplicated business models."

PSG GROUP LIMITED

Board of directors

The boards of directors of PSG Group Ltd and PSG Financial Services Ltd are identical.

EXECUTIVE

WL (Wynand) Greeff (43)
BCompt (Hons), CA(SA)
Financial director
Appointed 13 October 2008

JA (Johan) Holtzhausen (42)
BIuris, LLB, HDip Tax
Chief executive officer – PSG Capital
Appointed 13 May 2010

PJ (Piet) Mouton (36)
BCom (Mathematics)
Chief executive officer
Appointed 16 February 2009

NON-EXECUTIVE

FJ (Francois) Gouws (48)
BAcc, CA(SA)
Deputy chief executive officer – PSG Konsult Ltd
Appointed 25 February 2013

MJ (Markus) Jooste (52) [2]
BAcc, CA(SA)
Chief executive officer – Steinhoff International Holdings Ltd
Appointed 25 February 2002

AB (Ben) la Grange (38)
BCom (Law), BCom (Hons), CTA, CA(SA)
Chief financial officer – Steinhoff International Holdings Ltd
Alternate director to Markus Jooste
Appointed 30 July 2012

JF (Jannie) Mouton (66)
BCom (Hons), CA(SA), AEP
Non-executive chairman
Appointed 25 November 1995

JJ (Jan) Mouton (38)
BAcc (Hons), CA(SA), MPhil (Cantab)
Manager – PSG Flexible Fund
Appointed 18 April 2005

W (Willem) Theron (61)
BCompt (Hons), CA(SA)
Chief executive officer – PSG Konsult Ltd
Appointed 2 March 2006

INDEPENDENT NON-EXECUTIVE

PE (Patrick) Burton (60) [1, 2]
BCom (Hons), PG Dip Tax
Financial director – Snoek Wholesalers (Pty) Ltd
Appointed 19 March 2001

ZL (KK) Combi (61)
Diploma in Public Relations
Executive chairman – Thembeka Capital Ltd (RF)
Appointed 14 July 2008

J de V (Jaap) du Toit (59) [1, 3]
BAcc, CA(SA), CFA
Director of companies
Appointed 30 January 1996

MM (Thys) du Toit (54) [2]
BSc, MBA
Chief executive officer – Rootstock Investment Management (Pty) Ltd
Appointed 29 September 2009

CA (Chris) Otto (63) [1, 2]
BCom, LLB
Director of companies
Appointed 25 November 1995

[1] *Member of audit and risk committee*
[2] *Member of remuneration committee*
[3] *Lead independent director*

Group structure

as at 28 February 2013

PSG GROUP LIMITED

100%

PSG Financial Services Limited

R1,34bn nominal listed perpetual preference shares in issue

Capitec Bank	28,5%
PSG Konsult	65,4%
PSG Private Equity	100%
Curro Holdings	57,5%
Thembeka Capital	49%
Zeder Investments Limited	42,4%
PSG Capital	100%
PSG Corporate Services	100%

Review of operations

PSG GROUP LIMITED

Recurring headline earnings

When evaluating PSG's performance over the *short to medium term*, we focus on the growth in PSG's *sum-of-the-parts (SOTP) value* per share and *recurring headline earnings* per share. History confirms that PSG's share price tracks its *SOTP value* per share. Positive growth in PSG's *SOTP value* per share thus inevitably leads to share price appreciation. However, an increase in PSG's *SOTP value* per share over time will ultimately depend on sustained growth in the profitability of our underlying investments. PSG consequently introduced, and continues to use, the *recurring headline earnings* per share concept to provide management and investors with a more realistic and transparent way of evaluating PSG's performance from an earnings perspective. Consolidated *recurring headline earnings* is calculated on a see-through basis throughout the group and is the sum of PSG's effective interest in that of each strategic investment. The result is that investments in which PSG or an underlying company holds less than 20% and is generally not equity accountable in terms of accounting standards, are included in the calculation of our consolidated *recurring headline earnings*. Marked-to-market fluctuations and one-off items are excluded.

	Year ended 28 Feb 2011 Rm	**Change %**	**Year ended 29 Feb 2012 Rm**	**Change %**	**Year ended 28 Feb 2013 Rm**
Capitec	223,0	*63*	362,4	*38*	**499,9**
Curro Holdings	1,9	*n/a*	(5,2)	*n/a*	**8,1**
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Non-headline items	196,0	*(31)*	135,9	*95*	**264,8**
Attributable earnings	708,4	*(1)*	703,0	*62*	**1 139,8**
Weighted average number of shares in issue *(net of treasury shares)* (m)	167,1		173,9		**182,2**
Earnings per share (cents)					
– Recurring headline	241,9	*28*	308,6	*27*	**392,3**
– Headline	306,7	*6*	326,2	*47*	**480,2**
– Attributable	424,1	*(5)*	404,4	*55*	**625,5**
Dividend per share (cents)	67,0	*22*	82,0	*35*	**111,0**

> "... growth was (again) predominantly as a result of Capitec's remarkable performance, while the majority of the remaining investments also reported improved earnings."

HEADLINE EARNINGS
PER SHARE

47,2%

to 480,2 cents

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MATERIAL PSG CORPORATE ACTION AND INVESTING

- PSG raised R361m in cash through the issue of 5,4m ordinary shares at an average price of R67,33 per share;
- PSG raised R450m in cash through the issue of a five-year redeemable pref with a fixed rate of 8,63%;
- PSG disposed of its investment in EOH for a *non-recurring* cash profit of R151m before tax; and
- PSG furnished Capitec with an irrevocable undertaking to the value of R724m to take up its share of their rights offer. PSG obtained funding to enable it to do so and has since disposed of the majority of its Capitec rights offer shares to repay the debt raised in respect thereof. PSG's shareholding in Capitec has as a result reduced from 32,2% to 28,5%, with an after-tax *non-headline* profit of R393m having been realised.

CAPITEC	
Chief executive officer	Riaan Stassen
Financial director	André du Plessis

Capitec is a South African retail bank focused on providing easy and affordable banking services to its clients via the use of innovative technology. Everything Capitec does is based on simplicity, affordability, accessibility and personal service.

28,5%

Financial results

Year ended February	2011	2012	2013
Headline earnings (Rm)	640	1 078	**1 584**
HEPS (cents)	757	1 125	**1 519**
Growth in HEPS (%)	44	49	**35**
Dividend per share (cents)	290	425	**574**
Dividend cover ratio	2,6x	2,6x	**2,6x**
Return on equity (%)	34	29	**27**
Gross loans and advances (Rm)	10 916	18 408	**30 658**
Value of loans advanced (Rm)	14 318	19 393	**25 401**
Net loan impairment expense (Rm)	988	1 604	**2 659**
Impairment as percentage of loans and advances	9,1	8,7	**8,7**
Fee income as percentage of operating expenses	29	34	**45**
Number of active clients ('000)	2 829	3 706	**4 677**
Number of branches	455	507	**560**
Number of employees	5 331	7 194	**8 308**

PSG remains proud of its investment in Capitec. Operationally the company continued to perform exceptionally with a 35% increase in *headline earnings* per share for the year ended 28 February 2013. Capitec has a *compound annual growth rate (CAGR)* of 42% in *headline earnings* per share over the past 10 years. Capitec reported *headline earnings* of R1,6bn for the financial year ended 28 February 2013. During November 2012, Capitec raised R2,2bn in new share capital through a rights issue and still managed to deliver a return of 27% (2012: 29%) on equity.

> "Capitec will continue to focus on managing their loan book responsibly and believes that their client base and transaction income will continue to grow."

CAPITEC'S HEADLINE EARNINGS

47% ▲

to R1,6bn

Capitec provides a range of simplistic products, with easy-to-understand pricing. Their offering continues to be attractive to many South Africans, with 971 000 new clients added during the past year. The number of clients who receive their salary in their Capitec account has increased by 45% to 1,8m. On the last day of Capitec's financial year, individual clients performed 2,7m transactions using their Capitec accounts. This was the busiest day of the year and is 80% higher than the busiest day in the previous year.

Capitec's workforce has grown to over 8 000 employees having created 1 114 new jobs during the past year. It currently has 560 branches throughout South Africa and has opened an average of 50 new branches per year over the last three years. Capitec intends to open 75 new branches in the coming year.

Capitec's maximum loan period has been extended from three to seven years, with the average loan amount having increased by 62% to R6 756. Capitec remains careful when evaluating their borrowers, especially those to whom they grant large, long-term loans. Gross impairment charges increased by R1,2bn which solely related to growth in the loan book instead of a deterioration in the quality of the book.

Capitec will continue to focus on managing their loan book responsibly and believes that their client base and transaction income will continue to grow.

Capitec's comprehensive results are available at *www.capitecbank.co.za*.

Capitec currently has

560 branches

Capitec created

1 114 new jobs during the past year

PSG KONSULT	
Chief executive officer	Willem Theron
Deputy chief executive officer	Francois Gouws

PSG Konsult is a leading fully fledged financial services company, delivering a broad range of financial services and products on a face-to-face model and via integrated electronic platforms. They specifically focus on Wealth Management, Asset Management and Insurance solutions for individuals, families and enterprises.

65,4%

Financial results

Year ended February	2011	2012	2013
Headline earnings (Rm)	132,0*	162,3	**173,8**
HEPS (cents)	12,5	15,2	**15,4**
Funds under management (Rbn)	48,6*	51,2	**66,4**
Funds under administration (Rbn)	72,4*	87,8	**106,2**
Short-term premiums on annualised basis (Rm)	1 600	1 600	**1 650**

* *Restated to include PSG Asset Management's figures for comparative purposes*

Going forward, PSG Konsult will operate in three distinct business segments, namely Wealth, Asset Management and Insure. Management has set a comprehensive strategy for PSG Konsult for the next three years, which encompasses restructuring actions in order to optimally align and focus the three main business divisions. Such restructuring has resulted in a R111m impairment of goodwill and intangible assets and R8,9m in restructuring costs during the past year. Management does not expect further impairments.

PSG Konsult will aim to unlock value for its shareholders through the following:

- Utilising the synergies between its business segments to create business development opportunities;
- Further sharing in the value chain with a focus on the short-term insurance and asset management markets; and
- Offering a complete suite of financial services and products.

RECURRING
HEADLINE EARNINGS
PER SHARE

9,2% ▲
to 15,4 cents

PSG Konsult reported satisfactory results for the year ended 28 February 2013. *Revenue* increased by 13,9% to R1,6bn and *recurring headline earnings* per share by 9,2% to 15,4 cents. *Headline earnings* per share, being adversely affected by the aforementioned restructuring costs, increased by 1,3% to 15,4 cents.

Funds under administration increased by 24,2% to R172,6bn and short-term insurance premiums administered, on an annualised basis, amounted to R1,7bn.

PSG Konsult concluded a rights offer during September 2012 in terms of which R187,7m cash was raised. These proceeds were applied for capital adequacy requirements and the acquisition of Western Group Holdings ("Western"). Effective November 2012, PSG Konsult increased its interest in Western to 75%. Agreement has been reached to increase this interest to 100% with effect from 1 March 2013, subject to regulatory approval.

PSG Online won the *2012 Business Day Investors Monthly Stockbroker of the Year* award for the second consecutive year, while PSG Konsult Financial Planning won the *2012 Business Day Investors Monthly Wealth Manager of the Year* award in the *Up and Coming Professionals* category.

PSG Konsult's comprehensive results are available at *www.psg.co.za*.

"Going forward, PSG Konsult will operate in three distinct business segments, namely Wealth, Asset Management and Insure."

PSG PRIVATE EQUITY	
Chief executive officer	Nico de Waal
Managed by the PSG Exco	
PSG Private Equity invests in sectors other than agriculture, food and beverages.	

100%

At 28 February 2013, PSG Private Equity had 12 investments across the economic spectrum:

Investment	% held	Description	2011 Rm	2012 Rm	2013 Rm
CA Sales	56,5	FMCG distributor			**198,6**
Precrete *	44,9	Mine safety and support services	199,3	161,4	**123,4**
African Unity Insurance	47,5	Life and related insurance	30,1	70,9	**73,6**
GRW	37,7	Tanker manufacturer	56,1	62,8	**61,5**
M&S Holdings (previously Top Fix)	38,9	Construction support services	23,2	31,9	**53,7**
Spirit Capital	28,0	Leveraged buy-outs	23,4	46,0	**50,8**
Impak	80,5	Correspondence learning		21,2	**50,6**
Protea Foundry	49,9	Non-ferrous foundry	38,1	37,7	**38,2**
Propell	30,0	Levy finance	16,0	17,9	**18,0**
Energy Partners	39,2	Energy saving solutions		13,6	**12,3**
Erbacon	10,8	Construction	59,8	14,2	
SNC	19,0	Nanofibre technology		8,2	
Investments sold			226,3	241,8	
SOTP value			672,3	727,6	**680,7**

* *Valuation in prior years included a preference share investment*

RECURRING HEADLINE EARNINGS FROM INVESTMENTS

133%

to R75m

Financial results

PSG Private Equity's *recurring headline earnings* from investments increased by 133% to R75m for the year under review. This improvement is predominantly due to:

- Strong earnings growth from a number of investments (notably African Unity Insurance, Spirit Capital and M&S Holdings);
- The results of portfolio restructuring during the last 18 months; and
- No further losses being recognised from its construction investment.

Year ended February	% held	2011 Rm	2012 Rm	2013 Rm
Current investments		10,2	18,9	**63,5**
African Unity Insurance	47,5	4,5	12,6	**21,1**
Precrete	44,9	9,7	10,4	**9,9**
Spirit Capital	28,0	1,5	3,8	**7,0**
M&S Holdings (previously Top Fix)	38,9	1,1	(1,3)	**7,4**
GRW	37,7	(0,6)	7,0	**7,2**
Protea Foundry	49,9	5,2	6,0	**6,0**
CA Sales	56,5			**2,9**
Propell	30,0	0,1	1,7	**2,2**
Impak	80,5			**1,2**
Energy Partners	39,2		(0,2)	**(1,0)**
SNC	19,0		(0,1)	**(0,4)**
Erbacon	10,8	(11,3)	(21,0)	
Investments sold		32,5	13,3	**11,5**
Petmin		10,2	12,0	**11,5**
IQuad		4,5	1,3	
CIC Holdings		16,5		
Lesotho Milling		1,3		
Recurring headline earnings from investments		42,7	32,2	**75,0**

Corporate action at PSG Private Equity included:

- Disposed of its 12,4% shareholding in Petmin for R157,6m, realising a cash profit of R77,9m (inclusive of dividends) over a nine-year holding period (16% IRR); and
- Acquired an additional 25% interest in Precrete through the cancellation of a funding arrangement with Thembeka Capital.

Management is confident that the portfolio will deliver strong organic growth going forward.

CURRO HOLDINGS

Chief executive officer	Chris van der Merwe
Financial director	Bernardt van der Linde
Curro is a provider of private school education.	

57,5%

Curro's business model revolves around the development, acquisition and management of private schools in South Africa. The business operates under five divisions:

- *Curro* (traditional schools);
- *Select* (e.g. Woodhill College);
- *Meridian* (aimed at the community market);
- *Curro Castle* (nursery schools); and
- *Embury* (teacher training college).

Since PSG's involvement, the number of schools has increased from three to 26 and learners from 2 059 to 20 840, and the business has listed on the JSE Ltd. Curro's *revenue* increased by 114% to R356m for the year ended 31 December 2012, and it reported *headline earnings* of R15m as opposed to a *headline loss* of R7m in the previous year.

Financial results

Year ended December	2010	2011	2012	2013*
Headline earnings (Rm)	5,2	(7,5)	15,0	
Number of campuses	5	12	22	**26**
Number of learners	3 083	5 557	12 473	**20 840**
Number of educators	247	446	1 151	**1 522**
Learner/teacher ratio	13	12	11	**14**
Total building size (m^2)	44 500	75 000	169 024	**185 024**

* *As at 12 February 2013*

Organic and acquisitive growth during the year:

- Invested R223m in the expansion of capacity at existing campuses;
- Developed four new Curro campuses and a Meridian campus for a total investment of R237m; and
- Acquired Woodhill College, Embury College and Hillcrest Christian Academy, as well as two nursery schools and three Meridian colleges for a total consideration of R322m.

REVENUE

114% ▲

to R356m

Curro's significant growth can, inter alia, be attributed to the significant demand for quality private education at affordable fees in South Africa and its aggressive expansion across the various divisions. Curro will continue with its aggressive growth strategy for the foreseeable future. The current growth in learner numbers justifies a further R300m in expansion at existing campuses as well as the development of three new Curro schools, four new Meridian colleges and two new Curro Castles. Curro has also identified a number of sites that will be purchased ("banked") for future development.

The following sources of funding will be utilised for purposes of the aforementioned expansions and growth:

- R606m cash from a rights issue (scheduled for May 2013). PSG has committed to follow its rights to the value of R348m and has underwritten the remaining balance;
- R150m loan from the Development Bank of Southern Africa;
- Listing of a Domestic Medium Term Note Programme; and
- General banking facilities.

Curro's comprehensive results are available at *www.curro.co.za*.

Since PSG's involvement Curro has grown from

3 schools → 26 schools

THEMBEKA CAPITAL	
Executive chairman	KK Combi
Chief operating officer	Tonie Fuchs
Financial director	Shameema Cassiem
Thembeka is a black-owned and controlled investment company in which PSG holds a 49% interest. Thembeka has created wealth of more than R900m for its black shareholders.	

49%

At year-end, Thembeka's investment portfolio of R2,4bn (2012: R1,7bn) included investments in Pioneer Foods, Capitec, PSG, Curro Holdings, MTN Zakhele, Kaap Agri and Overberg Agri. Thembeka's *recurring headline earnings* increased by 29% to R93m for the year under review, whereas its *intrinsic value* (net of CGT) increased by 54% to R1,8bn.

Corporate action at Thembeka included:

- The following acquisitions:
  - o 4,4% interest in Pioneer Foods for R514m;
  - o 9% interest in Curro Holdings for R128m;
  - o 10% interest in African Unity Insurance for R15m;
- Followed its rights in terms of Capitec's rights offer and subsequently disposed of same for a cash profit of R17m; and
- The disposal of several smaller investments, including Precrete, Access Freight and Bontebok Limeworks.

Thembeka has a portfolio of quality investments, and available resources to make further investments. The objective remains to create sustainable value for shareholders over the long term.

Thembeka's comprehensive results are available at *www.thembekacapital.co.za.*

42,4%

ZEDER	
Chief executive officer	Norman Celliers
Managed by the PSG Exco	
Zeder is a JSE-listed investment holding company focused on the broad agribusiness industry.	

The *SOTP value* of Zeder's investment portfolio at year-end was R3,9bn of which Agri Voedsel (with its interest of 30,7% in Pioneer Foods) represented 37,8%. During the year under review, Zeder invested a further R538m, of which the majority related to the investments in Agricol (whose activities include plant breeding, production, international trade, processing and the distribution of seed) and Chayton Africa (being a start-up company which acquires, develops and operates large-scale commercial farming operations in Zambia).

Zeder has historically only taken non-controlling strategic interests in entities. The acquisition of controlling interests in both Agricol and Chayton illustrates Zeder's refined strategy to include playing a more active role in determining strategy, and to help expand the respective businesses.

Zeder's *SOTP value* per share increased by 26,7% to R3,99 as at 28 February 2013. *Recurring headline earnings* per share decreased by 7,9% to 25,7 cents mainly due to the initial losses incurred by Chayton and the funding cost in respect of the debt raised to fund the acquisition of this investment. However, should Zeder's share of the initial losses incurred by Chayton and the funding cost related to this investment be excluded, the *recurring headline earnings* per share would have increased by 6,5% to 29,7 cents. Although the group's investment in Chayton is currently in a development phase and exposed to additional risk, we are optimistic about the long-term prospects of primary food production in sub-Saharan Africa.

Headline earnings per share decreased by 34,5% to 20,1 cents. The decrease in *non-recurring headline earnings* is mainly the result of a one-off special dividend received in the prior year, less marked-to-market profits achieved in the year under review, as well as one-off costs comprising Pioneer's B-BBEE share-based payment expense, Distell's provision for excise duties and Agri Voedsel's unbundling costs.

Financial results

Year ended February	2011	2012	2013
Headline earnings (Rm)	184,8	299,9	**196,3**
Recurring headline earnings (Rm)	264,7	273,0	**251,1**
HEPS (cents)	18,9	30,7	**20,1**
Recurring HEPS (cents)	27,1	27,9	**25,7**
SOTP value per share (rand)	2,74	3,15	**3,99**
Dividend per share (cents)	4,0	4,0	**4,0**

Attributable earnings per share increased by 52,9% to 52,3 cents as a result of net *non-headline profits* relating to the following corporate actions:

- Merger of Capevin Holdings and Capevin Investments;
- Disposal of a 15,1% interest in Capevin Holdings for R799,8m, thereby reducing Zeder's shareholding to 5,3%; and
- Subsequent to year-end, Zeder obtained control over Capespan (involved in the marketing and transport of fresh fruit) increasing its interest from 37,1% to 71,3%.

PSG and Zeder are in the process of preparing a proposal to restructure the management fee payable to PSG. The proposal will be presented to Zeder shareholders for approval on 20 June 2013.

Zeder's comprehensive results are available at *www.zeder.co.za*.

ATTRIBUTABLE EARNINGS
PER SHARE

52,9%

to 52,3 cents

PSG CAPITAL

100%

PSG CAPITAL	
Chief executive officer	**Johan Holtzhausen**
Corporate finance	

PSG Capital is the corporate finance arm of PSG and provides a complete range of corporate finance and advisory services to a broad spectrum of clients. PSG Capital is a JSE-registered sponsor and designated advisor. They advise on mergers and acquisitions, fairness opinions and valuations, capital raisings and listings, JSE and regulatory advisory, private equity, BEE, management and leveraged transactions, corporate recovery and restructuring, as well as debt and strategic advice. PSG Capital is the sponsor, designated advisor and bond sponsor to 32 JSE-listed companies and has an extensive list of unlisted clients. Since establishment in 1998, PSG Capital has advised on publicly announced transactions in excess of R79bn.

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

PSG Corporate Services

100%

PSG CORPORATE	
Chief executive officer	**Piet Mouton**
Financial director	**Wynand Greeff**
Investment management and treasury services	

PSG Corporate is a profit centre. It acts as PSG's company secretary, treasurer, allocates capital and determines and monitors the group's gearing.

Stock exchange performance and our track record

PSG GROUP LIMITED

Stock exchange performance

Year ended February	**2013**	2012	2011	2010	2009	2008	2007	2006
Market price (cents)								
– High for the year	**7 332**	5 365	4 400	2 749	2 100	3 050	2 925	2 300
– Low for the year	**4 470**	3 799	2 215	1 302	1 215	1 900	1 570	620
– Closing price	**6 126**	4 700	4 320	2 205	1 456	2 085	2 720	2 266
– Average	**6 115**	4 619	3 274	2 100	1 692	2 714	2 257	1 060
Closing price/earnings	**12,8**	14,4	14,1	8,8	22,3	7,1	5,2	6,4
Volume of shares traded ('000)	**24 272**	13 210	20 127	21 326	18 290	43 409	37 787	13 933
Value of shares traded (R'000)	**1 474 707**	610 142	658 940	447 802	309 415	1 178 129	853 000	147 660
Volume/weighted average shares (%)	**13,3**	7,6	12,0	12,3	10,9	26,5	30,1	13,7

Our track record

Year ended February	**2013**	2012	2011	2010	2009	2008	2007	2006
Headline earnings per share (cents)	**480,2**	326,2	306,7	249,2	65,3	295,1	519,3	351,8
Headline earnings (Rm)	**875,0**	567,1	512,4	431,4	109,9	482,5	651,4	358,4
Recurring headline earnings per share (cents)	**392,3**	308,6	241,9	207,4	174,3	129,5		
Recurring headline earnings (Rm)	**714,9**	536,6	404,1	359,0	293,4	211,8		
Distribution per share (cents)								
– Normal	**111,0**	82,0	67,0	42,0	57,0	112,5	90,0	67,5
– Special					200,0			
Ordinary shareholders' funds (Rm)	**5 990**	4 760	3 585	2 947	2 755	3 295	2 373	719
Net asset value per share (cents)	**3 262**	2 650	2 156	1 765	1 640	1 948	1 585	704
Total assets (Rm)	**25 857**	20 961	17 410	14 686	14 127	14 206	5 501	1 833
Market capitalisation (Rm)	**12 747**	9 528	8 219	4 211	2 760	3 953	4 621	2 701
Number of shares ('000)								
– Issued	**208 082**	202 724	190 262	190 953	189 579	189 579	169 885	119 195
– Treasury shares	**24 440**	23 111	24 001	23 959	21 559	20 386	20 133	17 015
– Net	**183 642**	179 613	166 261	166 994	168 020	169 193	149 752	102 180
– Weighted average	**182 224**	173 872	167 055	173 113	168 352	163 505	125 446	101 888
Return on equity (%)	**16,3**	13,6	15,7	15,1	3,6	17,0	42,1	66,3

2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
705	520	650	885	986	1 585	1 900	1 550	510	300
253	255	375	440	527	800	495	445	210	20
700	385	520	476	660	1 000	1 170	1 530	470	225
428	460	512	675	685	1 114	1 172	966	401	78
7,8	5,0	7,4	3,4	4,4	8,3	13,6	32,3	17,9	16,4
48 528	56 204	42 636	47 775	49 009	45 265	30 219	23 443	14 120	22 210
207 742	258 285	218 168	322 493	335 512	504 273	354 050	226 564	56 557	17 238
45,1	50,3	35,5	38,5	36,8	33,1	31,7	32,2	35,7	101,8

2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
90,0	76,3	70,7	141,0	150,3	120,6	85,9	47,3	25,5	14,4
96,7	85,2	84,8	175,2	200,2	164,7	82,0	34,5	10,1	3,1
45,0	30,0	20,0	50,0	45,0	36,0	25,0			
	70,0	200,0							
362	336	993	1 218	1 141	1 085	638	535	78	7
356	320	828	1 015	899	778	669	617	147	34
2 794	2 384	2 594	4 477	3 416	3 474	2 543	1 258	233	25
834	443	624	571	838	1 395	1 117	1 325	249	49
119 195	115 000	120 000	120 000	126 900	139 500	95 445	86 611	52 930	21 818
17 619	10 000								
101 576	105 000	120 000	120 000	126 900	139 500	95 445	86 611	52 930	21 818
107 519	111 700	120 000	124 204	133 200	136 613	95 445	72 869	39 588	21 818
27,7	12,8	7,7	14,9	18,0	19,1	14,0	11,3	23,8	88,6

Value added statement

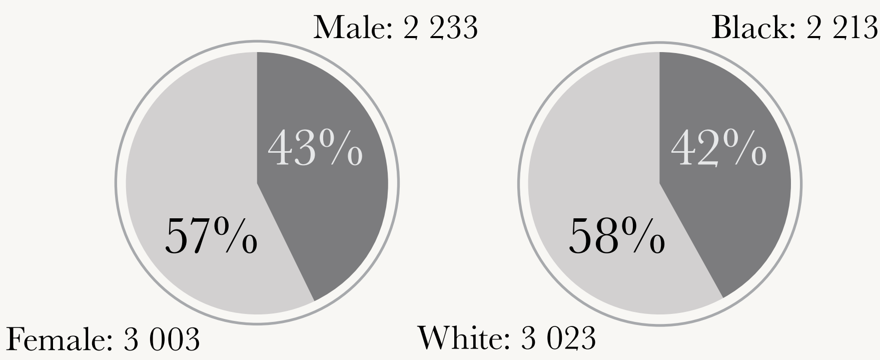
for the year ended 28 February 2013

	2013		2012	
VALUE ADDED	**Rm**	**%**	Rm	%
Total income	**5 057,3**		2 051,9	
Dividends received from associated companies	**300,9**		190,9	
Total expenses (excluding employee costs, depreciation and amortisation)	**(3 135,6)**		(878,5)	
	2 222,6		1 364,3	
Non-recurring items				
Net profit on sale/dilution of subsidiaries and associated companies	**(732,4)**		(174,6)	
Impairment charges	**169,8**		11,5	
Other	**(1,4)**		3,2	
	1 658,6		1 204,4	
VALUE ALLOCATED				
To employees				
Salaries, wages and other benefits	**762,1**	**46**	526,3	44
To providers of capital	**524,9**	**31**	362,8	31
Finance costs	**206,0**	**12**	109,6	9
Dividends – own shareholders	**162,0**	**10**	126,7	11
– outside shareholders	**156,9**	**9**	126,5	11
To governments				
Normal and secondary tax on companies	**264,0**	**16**	101,4	8
To expansion and growth	**107,6**	**7**	213,9	17
Depreciation and amortisation	**121,8**	**7**	51,2	4
Retained income	**(14,2)**		162,7	13
	1 658,6	**100**	1 204,4	100

Group employee statistics

as at 28 February 2013

GENDER	Number	%
Male	2 233	43
Female	3 003	57
RACE		
Black (African, Coloured and Indian)	2 213	42
White	3 023	58
EDUCATION		
Up to grade 11	1 064	20
Grade 12	1 252	24
Post grade 12 (e.g. diploma/certificate)	1 547	30
University degree	863	16
Post-graduate university degree or professional qualification	510	10
HIERARCHY		
Executive directors (including CEOs and MDs)	29	1
Senior management	60	1
Middle/Junior management	180	3
Operational	3 369	64
Support	1 598	31
TOTAL NUMBER OF EMPLOYEES (excluding associated companies)	**5 236**	



Corporate governance report

PSG Group Ltd ("PSG Group" or "the company" or "the group") is committed to the principles of transparency, integrity, fairness and accountability as also advocated in the King Code of Governance Principles ("King III"). Accordingly, PSG Group's corporate governance policies have in all material respects been appropriately applied during the period under review. The board does not consider application of all the principles contained within King III appropriate for PSG Group. Where specific principles of King III have not been applied, explanations for these are contained within this section of the annual report. A detailed analysis of the group's adherence to King III is available at *www.psggroup.co.za*.

The group's major subsidiaries and associated companies are similarly committed having, inter alia, their own audit, risk and remuneration committees.

BOARD OF DIRECTORS

Details of PSG Group's directors are provided on page 20 of this annual report.

The board met four times during the year under review. The attendance at these meetings is set out in the table below:

Director	16 Apr 2012	30 Jul 2012	8 Oct 2012	25 Feb 2013
PE Burton	√	√	√	√
ZL Combi	X	√	√	√
J de V du Toit	√	√	√	√
MM du Toit	√	√	√	√
FJ Gouws *				√
WL Greeff	√	√	√	√
JA Holtzhausen	√	√	√	√
MJ Jooste (Alt: AB la Grange)	√	√	√	√
JF Mouton (chairman)	√	√	√	√
JJ Mouton	√	√	√	√
PJ Mouton	√	√	√	√
CA Otto	√	√	√	√
W Theron	√	X	√	√

√ *Present*
X *Absent with apology*
* *Appointed 25 February 2013*

PSG Group's memorandum of incorporation requires one third of the non-executive directors of the company, as well as non-executive directors having served three years, to retire by rotation and to offer themselves for re-election by shareholders at the annual general meeting. In addition thereto, newly appointed directors should also retire and offer themselves for re-election by shareholders at the first annual general meeting following their appointment. In accordance with the company's memorandum of incorporation, Messrs J de V du Toit, MM du Toit, FJ Gouws, JF Mouton, JJ Mouton and CA Otto retire and offer themselves for re-election by shareholders.

Executive directors are appointed by the board, with the assistance of the nomination committee, for periods as the board deems fit, and on such further terms as are set out in their letters of appointment. Where appropriate, the chief executive officers and executive directors of subsidiary companies have entered into service contracts with those subsidiaries.

PSG Group is a financial services company with limited day-to-day operations. There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making, with the majority of directors being non-executive. King lll recommends that the majority of non-executive directors be independent. Although only certain of the non-executive directors are independent as defined by King III, all of the non-executive directors are independent of thought and action. Having considered the matter, the board is accordingly satisfied, as stated previously, that its current composition ensures a balance of power and authority.

Mr JF Mouton fulfils the role of non-executive chairman and Mr PJ Mouton the role of chief executive officer. Mr JF Mouton is not classified as independent in terms of King III because of his substantial indirect shareholding in PSG Group. During the year under review, Mr J de V du Toit was appointed as lead independent director of PSG Group.

The PSG Group Nomination Committee considers and recommends appropriate appointments of directors to the board. During the year under review, the appointment of Mr FJ Gouws as a non-executive director was recommended in such a manner. The appointment of new directors to the board is a matter for the board as a whole and is conducted in a formal and transparent manner. The induction of directors is not conducted through a formal process. This has not been necessary to date as new appointees have been familiar with the group's operations and the environment in which it operates. Consideration will be given to an induction programme for future appointees to the board, should this become necessary.

"There is a clear division of responsibilities at board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making, with the majority of directors being non-executive."

> All the directors are shareholders or representatives of shareholders in the company.

The board does not conduct regular appraisals of its members and committees. Consideration will be given to same going forward.

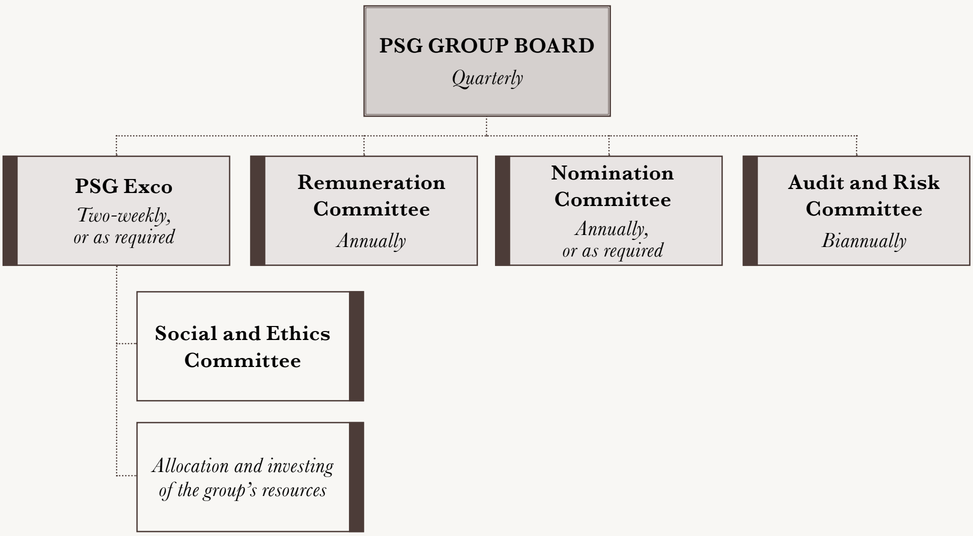
All the directors are shareholders or representatives of shareholders in the company.

The board's key roles and responsibilities include, inter alia, the following:

- Promoting the interests of stakeholders;
- Formulation and approval of strategy;
- Retaining effective control; and
- Ultimate accountability and responsibility for the performance and affairs of the company.

The board has appointed the following committees to assist it in the performance of its duties:

- Executive committee;
- Remuneration committee;
- Nomination committee;
- Audit and risk committee; and
- Social and ethics committee.



EXECUTIVE COMMITTEE

The PSG Group Executive Committee ("PSG Exco") comprises Messrs JF Mouton (non-executive chairman), PJ Mouton (chief executive officer), WL Greeff (financial director), JA Holtzhausen (executive) and CA Otto (independent non-executive). The PSG Exco meets regularly, at least twice a month, and is primarily responsible for the allocation and investing of the group's resources, including capital.

The major operating subsidiaries and associated companies all operate on similar principles.

REMUNERATION COMMITTEE

The remuneration committee comprises Messrs MJ Jooste (chairman), PE Burton, MM du Toit and CA Otto. Three of these members are independent non-executive directors. The committee met once during the past year and all members were present.

Each major group subsidiary has its own remuneration committee chaired by an independent non-executive director.

The remuneration committee operates in accordance with a board-approved charter and is primarily responsible for overseeing the remuneration and incentives of the executive directors as well as providing strategic guidance to the other remuneration committees in the group. It takes cognisance of both local and international best remuneration practices in order to ensure that such total remuneration is fair and reasonable to both the employee and the company.

Due to the limited number of individuals employed at group level, disclosure of the remuneration of the three highest paid employees who are not directors is not deemed to be appropriate as such information is sensitive to peer review and adds no value to stakeholders.

NOMINATION COMMITTEE

The nomination committee comprises Messrs JF Mouton (chairman), PE Burton, J de V du Toit, MM du Toit, MJ Jooste and CA Otto, all being non-executive directors, with the majority being independent. The nomination committee met twice during the past financial year and all members were present. As stated previously, the nomination committee is responsible for assisting the board with the appointment of directors by making appropriate recommendations in this regard.

"The remuneration committee takes cognisance of both local and international best remuneration practices in order to ensure that such total remuneration is fair and reasonable to both the employee and the company."

"The audit and risk committee operates in accordance with a board-approved charter."

AUDIT AND RISK COMMITTEE

The audit and risk committee comprises three independent non-executive directors, namely Messrs J de V du Toit (chairman), PE Burton and CA Otto.

The committee met twice during the past financial year:

Director	13 Apr 2012	5 Oct 2012
PE Burton	√	√
J de V du Toit (chairman)	√	√
CA Otto	√	√

√ *Present*

A report by the PSG Group Audit and Risk Committee has been provided on page 52 of this annual report. The audit and risk committee operates in accordance with a board-approved charter. Once a year the members of the audit and risk committee attend a training course regarding any new legal, regulatory and/or financial developments which affect their roles and responsibilities as members of the audit and risk committee. Mr J de V du Toit has been the chairman of the audit and risk committee for the past four years, while Messrs PE Burton and CA Otto have served as members for six years and one year respectively.

SOCIAL AND ETHICS COMMITTEE

The PSG Exco, which comprises five directors with two being non-executive (Messrs JF Mouton and CA Otto), has also been tasked as the committee with the responsibility of monitoring the company's activities having regard to any relevant legislation, legal requirements and prevailing codes of best practice with matters relating to, inter alia:

- Social and economic development;
- Good corporate citizenship;
- The environment, health and public safety;
- Consumer relationships; and
- Labour and employment.

The PSG Exco is satisfied with the social and ethical matters relating to PSG Group and its subsidiaries.

> Detailed risk assessments and management plans have been implemented throughout the group to ensure that risk is properly managed.

COMPANY SECRETARY

PSG Corporate Services (Pty) Ltd is the company secretary of PSG Group. The company secretary acts as conduit between the board and the group. The company secretary is responsible for board administration, liaison with the Companies and Intellectual Property Commission and the JSE Ltd. Board members also have access to legal and other expertise, when required and at the cost of the company, through the company secretary.

The company secretary has to date maintained a professional relationship with board members, giving direction on good governance and independent advice as and when required. The audit and risk committee has reviewed, through discussion and assessment, the qualifications, experience and competence of the individuals employed by the company secretary and has noted that the company secretary performed all formalities and substantive duties timeously and in an appropriate manner. The board is satisfied that an arm's length relationship exists.

The certificate that the company secretary is required to issue in terms of section 88(2)(e) of the Companies Act is on page 52 of this annual report.

EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of the executive directors of PSG Group is dealt with in the directors' report on page 54 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The board acknowledges that it is accountable for the process of risk management and the system of internal control of the group. Each group company has its own board of directors who is responsible for the risk management and internal control of that company and its business.

Detailed risk assessments and management plans have been implemented throughout the group to ensure that risk is properly managed. The board, on recommendation by the audit and risk committee, concluded that the system of internal control and the risk management process were effective for the financial year under review. The group operates in a highly regulated environment. Compliance officers have been appointed at each of the group's key operating subsidiary and associated company levels to ensure adherence to the various acts and codes that govern the group's day-to-day operations.

"PSG Group subscribes to the principles of objective, honest, timeous, balanced, relevant and understandable communication of financial and non-financial information to stakeholders."

INTERNAL AUDIT

On the recommendation of the audit and risk committee, the board has decided not to establish an internal audit function at group level given that the board has satisfied itself that, where appropriate, subsidiary and associated companies have their own internal audit departments and that the current system of internal control and risk management processes for the group are effective.

GOVERNANCE OF INFORMATION TECHNOLOGY

PSG Group has an appointed information technology ("IT") manager who is responsible for IT governance at group level. All the major subsidiary and associated companies are responsible for IT governance in their respective business environments.

As IT does not play a significant role in the sustainability of our business at a group level due to its nature and size, the investment and expenditure in IT at group level are insignificant. The board is accordingly satisfied that the current systems of IT governance at group level are appropriate.

INTEGRATED REPORTING AND DISCLOSURE

PSG Group is an investment holding company that rarely gets involved in the day-to-day management of its underlying investments. Part of our philosophy is to invest in companies with strong management. We therefore rely on them to apply the principles of King III regarding integrated reporting and disclosure, to the extent appropriate to their business.

PSG Group applies the principles of integrated reporting at group level to the extent that such are considered appropriate.

SUSTAINABILITY

Stakeholder relations

PSG Group subscribes to the principles of objective, honest, timeous, balanced, relevant and understandable communication of financial and non-financial information to stakeholders. PSG Group has a dedicated team addressing enquiries from stakeholders.

The group acknowledges the task and responsibility of regulators, and our relationships with them are maintained in a businesslike manner – frank, open and with mutual respect.

Safety, health and environment

PSG Group is committed to ensuring that employees work in a safe, healthy and clean environment. Our activities do not have an adverse effect on the environment.

We encourage all our people to live healthy lifestyles and act responsibly at all times.

Social responsibility

PSG Group's social responsibility areas of endeavour are socio-economic, the youth and education in a wide sense. The long-term aim is to make a contribution to the advancement of stability in South Africa. Education is one of the most basic needs of society. We thoroughly believe that an educated community will sustainably improve the long-term well-being of society. PSG Group has therefore directed its Corporate Social Investment efforts at supporting education on various levels. PSG Group also subscribes to social upliftment through black economic empowerment ("BEE"), and supports same having invested in various BEE initiatives. PSG furthermore pays all its taxes regularly and encourages government to spend its receipts responsibly.

PSG Group has no political affiliations or any exposure in this regard.

Refer to the chairman's letter on page 8 of this annual report for more details regarding PSG Group's Corporate Social Investments.

Human resources

PSG Group regards its people as the most important element of its business. It is therefore important to make the best use of the human capital we have available.

All employees are encouraged and motivated to better themselves through training and study. Training programmes initiated by companies in the group are regarded as an essential element of PSG Group's investment in human capital.

Employee participation

In order to retain and attract entrepreneurs, the group has a philosophy of encouraging management and key employees in the group to acquire a meaningful interest in the group and/or its underlying businesses. A significant percentage of employees are shareholders in the company, participants in the share incentive schemes and shareholders in subsidiary and associated companies. Employees are co-owners of the business and are treated as such, with transparent communication a priority.

"We thoroughly believe that an educated community will sustainably improve the long-term well-being of society."

> PSG Group's code of ethics commits the group to maintaining high ethical and moral codes of conduct in its professional and social dealings.

Employment equity

The group is a New South Africa company and is representative of all the people in South Africa. PSG Group subscribes to the principle of equal opportunity. Group companies have set their own targets and specific action plans.

Ethics

PSG Group's code of ethics commits the group to maintaining high ethical and moral codes of conduct in its professional and social dealings. This is ingrained in the culture of the group.

Products and product development

PSG Group acts as investor for own account, as financier and finance conduit for the group. Group companies develop their own specialist product ranges such as insurance, investment, broking, multi-management, financial training, asset management, investor support products and education services.

The group also provides legal, financial and regulatory support and advice to listed and non-listed clients.

Distribution

In the main, each company has its own distribution channel. These channels are based on one-to-one, one-to-many, internet, or professional intermediary networks according to its products and client profile.

A meaningful volume of cross-selling into the various client bases is already taking place and continues to be a priority for growth.

Financial Sector Charter

The group endorses the principles of the Financial Sector Charter and the implementation enjoys the attention of senior management in the group.

Financial reporting

PSG Group provides financial reports to its shareholders twice a year. Details regarding significant transactions undertaken are reported as required by the Listings Requirements of the JSE Ltd.

Abridged group financial statements

These abridged group financial statements comprise a summary of the audited group annual financial statements of PSG Group Ltd ("PSG Group") for the year ended 28 February 2013.

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

The group annual financial statements, including the unmodified audit opinion, is available on PSG Group's website *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.

PSG GROUP LIMITED

Report of the audit and risk committee

for the year ended 28 February 2013

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.

This committee also acted as the statutory audit committee of those 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 2013, as well as these abridged 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

13 May 2013
Stellenbosch

Declaration by the company secretary

for the year ended 28 February 2013

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 of South Africa 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

13 May 2013
Stellenbosch

Approval of annual financial statements

for the year ended 28 February 2013

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 consistently applied.

These abridged 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 of South Africa. Reading these abridged 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 abridged group financial statements set out on pages 54 to 68, 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

13 May 2013
Stellenbosch

Directors' report

for the year ended 28 February 2013

NATURE OF BUSINESS

The group, through its various subsidiaries and associated companies, offers diversified financial and other services (including 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 22) of this annual report.

OPERATING RESULTS

The operating results and state of affairs of the group are set out in the attached abridged income statement and abridged statements of comprehensive income, financial position, changes in equity and cash flows. For the year under review, the group's recurring headline earnings amounted to R714,9m (2012: R536,6m), earnings attributable to owners of the parent amounted to R1 139,8m (2012: R703,1m), and headline earnings amounted to R875m (2012: R567,1m).

SHARE CAPITAL

During the year under review, the number of shares in issue changed as follows:

	Number of shares	
	2013	2012
At beginning of year	**202 724 410**	190 261 563
Less: Treasury shares		
Held by a subsidiary company	**(13 873 895)**	(13 873 895)
Held by the PSG Group Share Incentive Trust	**(711 000)**	(1 140 000)
Held by the PSG Group Supplementary Share Incentive Trust	**(3 674 202)**	(3 961 527)
Held by an associated company (Thembeka Capital Ltd (RF))	**(4 852 151)**	(5 024 768)
Shares in issue at beginning of year, net of treasury shares	**179 613 162**	166 261 373
General issue for cash at R68,13 per share	**1 784 921**	
General issue for cash at R67,00 per share	**3 572 562**	
General issue for cash at R50,00 per share		1 900 000
General issue for cash at R46,00 per share		3 979 306
General issue for cash at R43,00 per share		2 300 000
Issued in terms of a scheme of arrangement to acquire all of the issued ordinary shares in Paladin Capital Ltd not already held by PSG Group (through PSG Financial Services Ltd) at a ratio of 4 ordinary shares for each 100 Paladin Capital Ltd shares		4 283 541
Movement in treasury shares		
Shares sold by an associated company (Thembeka Capital Ltd (RF))		172 617
Shares acquired by directors through loan funding advanced	**(2 000 000)**	
Shares acquired by the PSG Group Supplementary Share Incentive Trust	**(500 000)**	(230 000)
Shares released to participants by the PSG Group Share Incentive Trust	**336 000**	429 000
Shares released to participants by the PSG Group Supplementary Share Incentive Trust	**835 141**	517 325
Shares in issue at end of year, net of treasury shares	**183 641 786**	179 613 162

DIVIDENDS

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

DIRECTORS

Directors of the company at the date of this report appear on page 20. Since the date of the previous report, the only changes were the appointment of Mr FJ Gouws as a non-executive director and Mr AB la Grange as an alternate director to Mr MJ Jooste.

Directors' report *(continued)*

for the year ended 28 February 2013

DIRECTORS' EMOLUMENTS

The following directors' emoluments have been incurred by the company and subsidiaries for the year ended 28 February 2013:

Cash-based remuneration

Audited	Fees R'000	Basic salary R'000	Company contributions R'000	Performance-related R'000	**Total 2013 R'000**	Total 2012 R'000
Executive						
WL Greeff		2 280	40	2 320	**4 640**	4 000
JA Holtzhausen		2 216	104	3 750	**6 070**	5 500
PJ Mouton		2 304	16	2 320	**4 640**	4 000
Non-executive						
L van A Bellinghan [1]					**–**	59
PE Burton	180				**180**	167
ZL Combi [2]	153				**153**	100
J de V du Toit [3]	563				**563**	525
MM du Toit	115				**115**	134
FJ Gouws [11]		2 667		1 500	**4 167**	
MJ Jooste [4]	116				**116**	107
JF Mouton [5]	216	2 434	50	2 000	**4 700**	4 000
JJ Mouton [6, 7, 8]	108	1 284	43	1 825	**3 260**	1 431
CA Otto [9]	1 350				**1 350**	1 250
W Theron [6, 10, 11]	108	3 187			**3 295**	4 655
CH Wiese [12]					**–**	107
	2 909	16 372	253	13 715	**33 249**	26 035

[1] *Retired with effect from 15 June 2011.*

[2] *Paid to AE Empowerment Services (Pty) Ltd, a subsidiary of Thembeka Capital Ltd (RF), an associated company. R108 000 (2012: R100 000) in respect of directors' fees, the balance representing fees received at subsidiary level.*

[3] *R178 200 (2012: R165 000) in respect of directors' fees, the balance representing fees received at subsidiary level.*

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

[5] *Mr JF Mouton is no longer involved in the day-to-day running of PSG Group. 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.*

[6] *Executive of subsidiary company.*

[7] *During the prior year, the business of PSG Tanzanite (Pty) Ltd, in which Mr JJ Mouton owned a 40% interest, was sold resulting in Mr JJ Mouton receiving 24,7m PSG Konsult Ltd shares as consideration.*

[8] *R108 000 (2012: R100 000) in respect of directors' fees were paid to PSG Asset Management (Pty) Ltd, a subsidiary.*

[9] *R174 528 (2012: R106 600) in respect of directors' fees, the balance representing fees received at subsidiary level.*

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

[11] *During the prior year, in terms of the PSG Konsult Group Share Incentive Scheme, Mr W Theron was awarded 5 801 231 PSG Konsult Ltd, a subsidiary, share options at a strike price of R1,54 per share, while during the year Mr FJ Gouws was awarded 10 000 000 share options at a strike price of R1,83 per share.*

[12] *Retired with effect from 23 February 2012.*

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

Audited	Number of shares as at 29 Feb 2012	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 2013**
Non-executive							
JF Mouton [1]	12 000		(12 000)	64,60	20,16	26/10/2006	**–**
	450 000		(200 000)	56,75	17,81	21/04/2008	**250 000**
	462 000	–	(212 000)				**250 000**
J de V du Toit	12 000		(12 000)	64,60	20,16	26/10/2006	**–**
CA Otto	12 000		(12 000)	64,60	20,16	26/10/2006	**–**
	225 000		(100 000)	57,20	17,59	23/04/2008	**125 000**
	237 000	–	(112 000)				**125 000**
Total	711 000	–	(336 000)				**375 000**

[1] *Mr JF Mouton was an executive director on the grant date.*

Directors' report *(continued)*

for the year ended 28 February 2013

DIRECTORS' EMOLUMENTS (continued)

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

Audited	Number of share options as at 29 Feb 2012	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 share options as at 28 Feb 2013**
Executive							
WL Greeff	129 148		(43 049)	56,75	15,52	20/04/2009	**86 099**
	147 614		(49 205)	66,00	18,77	28/08/2009	**98 409**
	20 014		(6 672)	61,26	22,09	28/02/2010	**13 342**
	245 184		(61 296)	61,26	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**
	632 678	104 179	(160 222)				**576 635**
JA Holtzhausen	98 590		(32 864)	56,75	15,52	20/04/2009	**65 726**
	128 367		(42 789)	66,00	18,77	28/08/2009	**85 578**
	116 236		(38 746)	61,26	22,09	28/02/2010	**77 490**
	197 770		(49 443)	61,26	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**
	640 754	103 538	(163 842)				**580 450**
PJ Mouton	105 701		(35 234)	56,75	15,52	20/04/2009	**70 467**
	122 482		(40 827)	66,00	18,77	28/08/2009	**81 655**
	113 314		(37 772)	61,26	22,09	28/02/2010	**75 542**
	301 859		(75 465)	61,26	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**
	756 198	129 052	(189 298)				**695 952**
Non-executive							
JF Mouton	511 521		(127 880)	56,75	26,16	22/04/2010	**383 641**
	201 952		(50 488)	61,26	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**
	917 529	171 164	(178 368)				**910 325**
Total	2 947 159	507 933	(691 730)				**2 763 362**

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 8) and corporate governance section (page 42) of this annual report.

Directors' report *(continued)*

for the year ended 28 February 2013

SHAREHOLDING OF DIRECTORS

The shareholding of directors, excluding participation in the aforementioned share incentive schemes, in the issued share capital of the company as at 28 February 2013 was as follows:

	Beneficial		Non-beneficial		**Total shareholding 2013**		Total shareholding 2012	
Audited	Direct	Indirect	Direct	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**	3 828 000	2,1
MM du Toit		5 079 454			**5 079 454**	**2,7**	5 079 454	2,8
WL Greeff	93 357	795 791			**889 148**	**0,5**	228 926	0,1
JA Holtzhausen	459 941	500 000			**959 941**	**0,5**	296 099	0,2
JF Mouton	3 885 847			44 748 627	**48 634 474**	**25,4**	47 862 616	25,9
JJ Mouton	115 000	1 363 600			**1 478 600**	**0,8**	1 458 600	0,8
PJ Mouton	54 148	4 834 231			**4 888 379**	**2,5**	4 199 081	2,3
CA Otto	108			3 746 813	**3 746 921**	**2,0**	3 655 541	2,0
W Theron	5 000			157 502	**162 502**	**0,1**	162 502	0,1
Total	4 613 401	12 573 076	–	52 592 942	**69 779 419**	**36,6**	66 870 819	36,4

Subsequent to year-end:

- Messrs JF Mouton and CA Otto obtained a further 150 000 and 75 000 PSG Group ordinary shares respectively, having taken delivery of same in terms of the PSG Group Share Incentive Trust.
- The following number of share options were exercised in terms of the PSG Group Supplementary Share Incentive Trust:

	Number of share options
WL Greeff	**43 049**
JA Holtzhausen	**32 864**
JF Mouton	**127 880**
PJ Mouton	**35 234**

SPECIAL RESOLUTIONS OF SUBSIDIARIES

Details of special resolutions passed by subsidiaries during the year under review, which are material 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 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 of 2008, the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd 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 section 46 and 48 of the Companies Act 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 approved and adopted, in terms of section 16(5)(a) of the Companies Act of 2008, a new memorandum of incorporation, which includes the terms and conditions of the preference shares of the company.

Directors' report *(continued)*

for the year ended 28 February 2013

Paladin Capital Ltd

The company and its subsidiaries be authorised to be restructured, whereby the company unbundled its interest in its subsidiary, Paladin Capital Financial Services (Pty) Ltd, to its sole shareholder being PSG Financial Services Ltd, and another subsidiary of the company, Paladin Capital Corporate Services (Pty) Ltd, distributed all its assets and assign all its liabilities to Paladin Capital Financial Services (Pty) Ltd in anticipation of the deregistration of the company.

Subsequently, Paladin Capital Financial Services (Pty) Ltd changed its name to PSG Private Equity (Pty) Ltd.

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 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 of 2008, the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd 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 section 46 and 48 of the Companies Act 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 approved and adopted, in terms of section 16(5)(a) of the Companies Act of 2008, a new memorandum of incorporation.

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 section 45(3)(a)(ii) of the Companies Act of 2008, to approve any direct or indirect financial assistance that the board may deem fit to any 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 of 2008, the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd 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 section 46 and 48 of the Companies Act 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 approved and adopted, in terms of section 16(5)(a) of the Companies Act of 2008, a new memorandum of incorporation. In addition thereto, the company converted its ordinary share capital of shares with a par value to shares with no par value.

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 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 of 2008, and the memorandum of incorporation of the company.

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

Report of the independent auditor

to the shareholders of PSG Group Ltd

These abridged consolidated financial statements, which comprise the abridged consolidated statement of financial position as at 28 February 2013, and the abridged consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, as set out on pages 60 to 68 are derived from the audited consolidated annual financial statements of PSG Group Ltd for the year ended 28 February 2013. We expressed an unmodified audit opinion on those consolidated annual financial statements in our report dated 13 May 2013.

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

Directors' responsibility for the abridged consolidated financial statements

The company's directors are responsible for the preparation of an abridged version of the audited consolidated annual financial statements in accordance with the requirements of Section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the abridged consolidated 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 abridged consolidated financial statements derived from the audited consolidated annual financial statements of PSG Group Ltd for the year ended 28 February 2013 are consistent, in all material respects, with those consolidated annual financial statements, in accordance with the requirements of Section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

Other reports required by the Companies Act

As part of our audit of the consolidated annual financial statements for the year ended 28 February 2013, we have read the directors' report, the report of the audit and risk committee and the declaration by the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated annual financial statements or the abridged consolidated financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated annual financial statements or the abridged consolidated financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc
Director: NH Döman
Registered auditor

13 May 2013
Stellenbosch

Abridged group income statement

for the year ended 28 February 2013

	Notes	2013 Rm	2012 Rm
Revenue from sale of goods		**2 001,8**	
Cost of goods sold		**(1 682,9)**	
Gross profit		**318,9**	–
Income			
Investment income	4	**418,3**	387,9
Fair value gains and losses on financial instruments	4	**1 023,9**	533,7
Fair value adjustments to investment contract liabilities	4	**(1 186,6)**	(624,1)
Commission and other fee income		**1 941,1**	1 527,6
Changes in fair value of biological assets		**28,7**	
Other operating income and expenses		**830,1**	226,8
		3 055,5	2 051,9
Expenses			
Insurance claims and loss adjustments, net of recoveries		**(60,0)**	0,3
Marketing, administration and other expenses	5	**(2 276,6)**	(1 456,3)
		(2 336,6)	(1 456,0)
Profit related to associated companies			
Share of profits of associated companies		**1 036,6**	684,1
Loss on impairment of associated companies		**(104,2)**	(41,0)
		932,4	643,1
Profit before finance costs and taxation		**1 970,2**	1 239,0
Finance costs		**(206,0)**	(109,6)
Profit before taxation		**1 764,2**	1 129,4
Taxation		**(248,1)**	(104,1)
Profit for the year		**1 516,1**	1 025,3
Attributable to:			
Owners of the parent		**1 139,8**	703,1
Non-controlling interest		**376,3**	322,2
		1 516,1	1 025,3

Abridged group statement of comprehensive income

for the year ended 28 February 2013

	2013 Rm	2012 Rm
Profit for the year	**1 516,1**	1 025,3
Other comprehensive income for the year, net of taxation		
Currency translation adjustments	**15,6**	0,3
Fair value (losses)/gains on investments	**(0,1)**	0,5
Share of other comprehensive income and equity movements of associated companies	**6,4**	42,8
Recycling of share of associated companies' other comprehensive income on disposal	**(1,2)**	(62,9)
Total comprehensive income for the year	**1 536,8**	1 006,0
Attributable to:		
Owners of the parent	**1 132,4**	683,7
Non-controlling interest	**404,4**	322,3
	1 536,8	1 006,0

Abridged group statement of financial position

as at 28 February 2013

	Notes	2013 Rm	2012 Rm
Assets			
Property, plant and equipment		**1 799,7**	654,7
Intangible assets		**1 666,5**	1 114,3
Biological assets		**31,3**	
Investment in ordinary shares of associated companies		**5 961,3**	5 671,5
Investment in preference shares of/loans granted to associated companies		**312,7**	446,1
Deferred income tax assets		**59,5**	51,3
Financial assets linked to investment contracts		**10 272,4**	9 144,7
Cash and cash equivalents		**65,1**	97,2
Other financial assets		**10 207,3**	9 047,5
Other financial assets		**734,0**	751,7
Inventory		**320,8**	
Receivables	6	**2 243,6**	2 491,5
Current income tax assets		**14,6**	6,5
Cash and cash equivalents (including money market investments)		**2 153,2**	628,5
Non-current assets held for sale		**287,7**	
Total assets		**25 857,3**	20 960,8
Equity			
Ordinary shareholders' equity		**5 989,7**	4 759,9
Non-controlling interests		**4 159,8**	3 187,7
Total equity		**10 149,5**	7 947,6
Liabilities			
Insurance contracts		**378,0**	29,9
Deferred income tax liabilities		**243,5**	139,9
Borrowings and other financial liabilities		**2 373,4**	952,2
Financial liabilities under investment contracts	4	**10 272,4**	9 144,7
Payables	6	**2 434,2**	2 729,5
Current income tax liabilities		**6,3**	17,0
Total liabilities		**15 707,8**	13 013,2
Total equity and liabilities		**25 857,3**	20 960,8
Net asset value per share (cents)		**3 261,6**	2 650,1
Net tangible asset value per share (cents)		**2 354,1**	2 029,7

Abridged group statement of changes in equity

for the year ended 28 February 2013

	2013 **Rm**	2012 Rm
Ordinary shareholders' equity at beginning of year	**4 759,9**	3 584,8
Profit for the year	**1 139,8**	703,1
Other comprehensive income	**(7,4)**	(19,4)
Issue of shares	**361,0**	576,6
Share-based payment costs – employees	**14,2**	11,1
Net movement in treasury shares	**(123,4)**	(3,4)
Transactions with non-controlling interest	**7,6**	33,8
Dividend paid	**(162,0)**	(126,7)
Ordinary shareholders' equity at end of year	**5 989,7**	4 759,9
Non-controlling interests at beginning of year	**3 187,7**	3 025,8
Profit for the year	**376,3**	322,2
Other comprehensive income	**28,1**	0,1
Issue of shares	**551,5**	201,5
Share-based payment costs – employees	**3,3**	0,7
Acquisition of subsidiaries	**202,0**	4,8
Transactions with non-controlling interest	**(32,2)**	(240,9)
Dividend paid	**(156,9)**	(126,5)
Non-controlling interests at end of year	**4 159,8**	3 187,7
Total equity	**10 149,5**	7 947,6
Dividend per share (**cents**)		
– interim	**33,0**	26,0
– final	**78,0**	56,0
	111,0	82,0

Abridged group statement of cash flows

for the year ended 28 February 2013

	2013 **Rm**	2012 Rm
Cash generated by operations	**623,9**	576,3
Cash movement in policyholder funds	**(32,1)**	(237,4)
Finance costs and taxation paid	**(467,2)**	(216,0)
Net cash flow from operating activities	**124,6**	122,9
Net cash flow from investing activities	**(12,0)**	(911,5)
Net cash flow from financing activities	**1 183,0**	291,9
Net increase/(decrease) in cash and cash equivalents	**1 295,6**	(496,7)
Exchange gains on cash and cash equivalents	**1,5**	
Cash and cash equivalents at beginning of year	**630,6**	1 127,3
Cash and cash equivalents at end of year	**1 927,7**	630,6
Cash and cash equivalents include:		
Cash and cash equivalents linked to investment contracts	**65,1**	97,2
Borrowings (bank overdrafts)	**(290,6)**	(95,1)

Notes to the abridged group financial statements

for the year ended 28 February 2013

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These abridged group financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), 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 of 2008, as amended; and the Listings Requirements of the JSE Ltd. The accounting policies applied in the preparation of these abridged group financial statements are consistent with those used in the prior financial year, and no new accounting standards, interpretations or amendments to IFRS were relevant to the group's operations.

2. EARNINGS PER SHARE

	2013 Rm	2012 Rm
Profit for the year attributable to owners of the parent	**1 139,8**	703,1
Non-headline items	**(264,8)**	(136,0)
Gross amounts		
Impairment of investments in associated companies	**104,1**	41,0
Net profit on sale/dilution of investments in associated companies	**(728,6)**	(174,6)
Fair value gain on step-up from associated company to subsidiary	**(21,2)**	
Loss on sale/impairment of intangible assets (including goodwill)	**167,9**	11,5
Non-headline items of associated companies	**(23,2)**	(23,7)
Other investment activities	**6,9**	(3,3)
Non-controlling interest	**106,6**	12,1
Taxation	**122,7**	1,0
Headline earnings	**875,0**	567,1
Earnings per share (cents)		
– attributable	**625,5**	404,4
– headline	**480,2**	326,2
– diluted attributable	**620,5**	400,3
– diluted headline	**476,3**	322,9
– recurring headline	**392,3**	308,6
Number of shares (million)		
– in issue (net of treasury shares)	**183,6**	179,6
– weighted average	**182,2**	173,9
– diluted weighted average	**183,7**	175,6

3. BUSINESS COMBINATIONS

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

CA Sales

Effective 1 March 2012, the group acquired an effective 57,7% interest in CA Sales, a business involved in the distribution of fast moving consumer goods throughout Southern Africa. The cash purchase consideration and non-controlling interest recognised amounted to R188,9m and R147,6m, respectively, while goodwill of R300,4m was recognised. Since acquisition, losses of R54m were incurred, mainly due to the winding down of unprofitable operations.

Agricol

Effective 28 March 2012, the group, through Zeder, acquired the remaining 74,9% interest in Agricol, a business involved in plant breeding, production, international trade, processing and distribution of seed. The cash purchase consideration amounted to R150,4m and goodwill of R51,7m was recognised. Profits since acquisition amounted to R25,6m.

3. BUSINESS COMBINATIONS *(continued)*

Chayton and Somawhe

Effective 10 April 2012, the group, through Zeder, acquired the entire shareholding in Chayton, a holding company of farming operations in Zambia. Subsequently, on 31 July 2012, Chayton acquired the entire shareholding in Somawhe, a further farming operation in Zambia. The combined cash purchase consideration amounted to R298,2m and goodwill of R87,3m was recognised. These farming operations are in development phase and losses since acquisition amounted to R25,3m.

Business combinations effected through Curro Holdings

During the year under review, the group, through Curro Holdings, acquired a number of businesses involved in private education. The combined cash purchase consideration amounted to R322m (of which R28,6m is deferred) and goodwill of R109,6m was recognised. Profits since these acquisitions amounted to R21,4m.

Western Group Holdings

Effective 6 November 2012, the group, through PSG Konsult, increased its interest in Western Group Holdings to 75%. Western Group Holdings is a Namibia-based short-term insurer, operating in Namibia and South Africa. The purchase consideration of the additional 51% interest amounted to R112,2m (of which R53,6m was settled in cash, with the remainder settled through the issue of PSG Konsult ordinary shares), while non-controlling interest and goodwill of R22,1m and R66,6m were recognised, respectively. Profits since acquisition amounted to R4,2m.

4. LINKED INVESTMENT CONTRACTS

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

	Investment contract policy holder Rm	**Equity holders Rm**	**Total Rm**
28 February 2013			
Investment income	**272,0**	**146,3**	**418,3**
Fair value gains and losses on financial instruments	**937,1**	**86,8**	**1 023,9**
Fair value adjustments to investment contract liabilities	**(1 186,6)**		**(1 186,6)**
	22,5	**233,1**	**255,6**
29 February 2012			
Investment income	224,0	163,9	387,9
Fair value gains and losses on financial instruments	422,9	110,8	533,7
Fair value adjustments to investment contract liabilities	(624,1)		(624,1)
	22,8	274,7	297,5

5. MARKETING, ADMINISTRATION AND OTHER EXPENSES

	2013 Rm	2012 Rm
Expenses by nature		
Depreciation and amortisation	**121,8**	51,2
Operating lease rentals	**86,0**	51,2
Employee benefit expenses	**762,0**	526,3
Impairments and losses on disposal	**204,9**	41,1
Commissions paid	**622,1**	491,1
Other	**479,8**	295,4
	2 276,6	1 456,3

Directors' emoluments are disclosed in the directors' report (page 54).

Notes to the abridged group financial statements

for the year ended 28 February 2013

6. RECEIVABLES AND PAYABLES

Included under receivables are PSG Online broker and clearing accounts of which R1,6bn (2012: R2,3bn) 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 payables, with the settlement to the clients taking place within three days after the transaction date.

7. ORDINARY SHARE ANALYSIS

	Shareholders		Shares held	
	Number	**%**	**Number**	**%**
Range of shareholding				
1 – 500	**3 948**	**38,3**	**964 423**	**0,5**
501 – 1 000	**2 115**	**20,5**	**1 629 770**	**0,9**
1 001 – 5 000	**3 080**	**29,9**	**6 924 840**	**3,6**
5 001 – 10 000	**550**	**5,3**	**3 943 921**	**2,1**
10 001 – 50 000	**460**	**4,5**	**9 645 313**	**5,1**
50 001 – 100 000	**48**	**0,5**	**3 337 042**	**1,8**
100 001 – 500 000	**70**	**0,7**	**16 614 019**	**8,7**
500 001 – 1 000 000	**16**	**0,2**	**10 389 885**	**5,5**
Over 1 000 000	**21**	**0,1**	**137 044 724**	**71,8**
	10 308	**100,0**	**190 493 937**	**100,0**
Treasury shares *				
Employee share schemes	**2**		**3 714 061**	
Other	**1**		**13 873 895**	
	10 311		**208 081 893**	
Public and non-public shareholding				
Non-public				
Directors **	**10**	**0,1**	**69 779 419**	**36,6**
Thembeka Capital Ltd (RF) (associated company)	**1**		**9 902 349**	**5,2**
Directors of subsidiaries	**11**	**0,1**	**1 039 329**	**0,5**
Public	**10 286**	**99,8**	**109 772 840**	**57,7**
	10 308	**100,0**	**190 493 937**	**100,0**
Individual shareholders holding 5% or more of shares in issue (net of treasury shares) at 28 February 2013				
Government Employees Pension Fund			**17 891 647**	**9,4**
JF Mouton Family Trust			**23 500 000**	**12,3**
Steinhoff International Group			**37 265 781**	**19,6**
			78 657 428	**41,3**

* *The group advanced loan funding to directors to acquire two million PSG Group shares. These shares were accounted for as treasury shares for the purpose of the financial statements; however, treated as issued shares for purposes of the directors' report and share analysis disclosed above.*

** *Refer to the directors' report (page 54) for further details of directors' holdings.*

Notes to the abridged group financial statements

for the year ended 28 February 2013

8. CORPORATE ACTIONS

Apart from the business combinations set out in note 3, the group's most significant corporate actions included the following:

- Issue of 5,4m PSG Group ordinary shares for R361m cash proceeds.
- PSG Group furnished Capitec with an irrevocable undertaking to the value of R724m to take up its share of their rights offer. PSG Group obtained funding to enable it to do so and has since sold the majority of its Capitec rights offer shares to repay the debt raised in respect thereof. As a result, PSG Group's shareholding in Capitec has reduced from 32,2% to 28,5%, with a non-headline profit of R393m being realised.
- Through Zeder, the group disposed of 15,1% of its interest in Capevin Holdings for R799,8m, and thereby reduced its shareholding to 5,3% (being classified as 'held for sale' at the reporting date). This resulted in a non-headline profit of R441m.

9. PSG FINANCIAL SERVICES LTD

PSG Financial Services Ltd is a wholly owned subsidiary and only asset of PSG Group Ltd, except for the 13 419 479 preference shares which are listed on the JSE Ltd.

10. SUBSEQUENT EVENTS

Significant events subsequent to the reporting date included the group, through Zeder, obtaining control over Capespan by increasing its interest from 37,1% to 71,3% for cash consideration of R348m.

Furthermore the group, through Curro Holdings, acquired a 65% interest in Northern Academy for cash consideration of R150m.

11. SEGMENTAL REPORTING

The group is organised into seven reportable segments, namely Capitec, Curro Holdings, PSG Konsult, PSG Private Equity, Thembeka Capital, Zeder and PSG Corporate. These segments represent the major investments of the group. The services offered by PSG Konsult consist of financial advice, stockbroking and fund management, while Curro Holdings offers private education services. The other segments offer financing, banking, investing and corporate finance services.

Segments operate mainly in the Republic of South Africa. PSG Private Equity and Zeder operate to a lesser extent throughout Southern Africa. Apart from South Africa, significant non-current assets (comprising property, plant and equipment, intangible assets and biological assets) invested in Zambia and Botswana amount to approximately R420m and R360m, respectively. Revenue earned from the sale of goods in jurisdictions other than South Africa amounted to approximately R60m from Zambia and R1,5bn from Botswana.

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. The majority of the segmental income comprises intergroup management fees charged in terms of the respective management agreements.

Headline earnings (segment profit) comprise recurring and non-recurring headline earnings (segment profit). 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 the key valuation tool to measure PSG Group'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 equity accounting methods.

Notes to the abridged group financial statements

for the year ended 28 February 2013

11. SEGMENTAL REPORTING *(continued)*

The chief operating decision-maker (the executive committee) evaluates the following information to assess the segments' performance:

Year ended 28 February 2013	Income[3] Rm	Inter-segment income[3] Rm	Recurring headline earnings Rm	Non-recurring headline earnings Rm	Headline earnings (segment profit) Rm	Sum-of-the-parts value[4] Rm
Capitec [1]	410,1		499,9		499,9	6 127,6
Curro Holdings	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	190,7	(61,0)	48,3	56,8	105,1	1 855,1
Net fee income [2]			15,6	13,9	29,5	383,2
Cash, unit trust, hedge fund and share investments				42,9	42,9	1 223,1
BEE funding			32,7		32,7	248,8
Reconciling items						
Funding	39,0	(8,2)	(168,2)	(4,2)	(172,4)	(2 008,1)
Other			(1,6)		(1,6)	34,4
Total	**5 126,5**	**(69,2)**	**714,9**	**160,1**	**875,0**	**13 843,5**

	Rm
Non-headline earnings	264,8
Earnings attributable to non-controlling interest	376,3
Taxation	248,1
Profit before taxation	1 764,2
Reconciliation of segment revenue to IFRS revenue:	
Segment revenue as stated above	
Income	5 126,5
Inter-segment income	(69,2)
Less:	
Net fair value gains and losses on financial instruments	(1 023,9)
Adjustment to investment contract liabilities	1 186,6
Changes in fair value of biological assets	(28,7)
Other operating income	(830,1)
IFRS revenue [5]	4 361,2
Non-recurring headline earnings comprised the following:	
One-off items	107,5
Net fair value gains	42,9
Other [6]	9,7
	160,1

Notes to the abridged group financial statements

for the year ended 28 February 2013

11. SEGMENTAL REPORTING *(continued)*

Year ended 29 February 2012	Income[3] Rm	Inter-segment income[3] Rm	Recurring headline earnings Rm	Non-recurring headline earnings Rm	Headline earnings (segment profit) Rm	Sum-of-the-parts value[4] Rm
Capitec [1]	182,4		362,4		362,4	5 978,3
Curro Holdings	170,3		(5,2)		(5,2)	1 118,0
PSG Konsult	1 461,3		107,9	7,8	115,7	1 482,9
PSG Private Equity	17,2		32,0	(32,4)	(0,4)	727,7
Thembeka Capital [1]			18,7	4,4	23,1	570,3
Zeder	56,0		115,4	11,6	127,0	1 067,0
PSG Corporate	212,3	(60,4)	41,0	68,6	109,6	1 071,0
Net fee income [2]			20,4		20,4	338,3
Cash, unit trust, hedge fund and share investments				68,6	68,6	507,6
BEE funding			20,6		20,6	225,1
Reconciling items						
Funding	14,3	(1,5)	(134,4)	(29,8)	(164,2)	(1 650,2)
Other			(1,2)	0,4	(0,8)	(49,3)
Total	2 113,8	(61,9)	536,6	30,6	567,2	10 315,7

Non-headline earnings	135,9
Earnings attributable to non-controlling interest	322,2
Taxation	104,1
Profit before taxation	1 129,4

Reconciliation of segment revenue to IFRS revenue:

Segment revenue as stated above	
Income	2 113,8
Inter-segment income	(61,9)
Less:	
Net fair value gains and losses on financial instruments	(533,7)
Adjustment to investment contract liabilities	624,1
Other operating income	(226,8)
IFRS revenue [5]	1 915,5

Non-recurring headline earnings comprised the following:

One-off items	(8,6)
Net fair value gains	41,8
Other	(2,6)
	30,6

[1] *Equity accounted*

[2] *Net fee income is after the deduction of salaries, operating expenses and taxation.*

[3] *The total of income and intersegment income comprises the total income (including revenue from sale of goods) per the income statement.*

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

[5] *Includes revenue from sale of goods, investment income and commission and other fee income per the income statement.*

[6] *Includes an underwriting fee from Capitec.*

Notice of annual general meeting

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, 21 June 2013, at 12:15 ("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 2013. The annual report of which this notice forms part, contains the abridged group financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, is available on PSG Group's website *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 resolutions numbers 1 to 10 (inclusive) 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 11 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 J de V du Toit, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

Summary *curriculum vitae* of Mr J de V du Toit

Mr J de V 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.

2.1.2 Ordinary resolution number 2

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

Summary *curriculum vitae* of Mr MM du Toit

Mr MM du Toit graduated with a BSc and MBA degree (cum laude). He started his career with Syfrets Managed Assets as a portfolio manager. He spent six years, of which three were as a director, at George Huysamer & Partners. Mr du Toit was a founding member of Coronation Fund Managers Ltd. He held the position of CEO from 1997 to 2007 and grew Coronation Fund Managers Ltd from a small fund management business to the second largest independent fund manager in South Africa. Coronation Fund Managers Ltd listed on the JSE in June 2003.

He is a non-executive director of various companies, including Pioneer Foods Ltd, and runs an investment management business for family offices and select individuals, Rootstock Investment Management (Pty) Ltd.

2.1.3 Ordinary resolution number 3

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

Summary *curriculum vitae* of Mr JF Mouton

Mr JF Mouton graduated with a BCom (Hons) degree from the University of Stellenbosch and qualified as Chartered Accountant (SA).

Mr Mouton is the founder and chairman of PSG Group. He is also chairman of Zeder Investments Ltd and a non-executive director of numerous other companies, including PSG Konsult Ltd and Steinhoff International Holdings Ltd.

Notice of annual general meeting *(continued)*

Prior to the establishment of PSG Group, he co-founded and served as managing director of the stockbroking firm SMK.

2.1.4 Ordinary resolution number 4

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

Summary *curriculum vitae* of Mr JJ Mouton

Mr JJ Mouton obtained an MPhil Finance degree from the University of Cambridge and holds BAcc (cum laude) and BAcc (Hons) degrees from the University of Stellenbosch. He also qualified as Chartered Accountant (SA).

He joined PSG Group in 2002 and is the manager of PSG Flexible Fund.

2.1.5 Ordinary resolution number 5

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

Summary *curriculum vitae* of Mr CA Otto

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

He is a co-founder of PSG Group and was an executive director since its formation in 1995 until 2009.

Mr Otto has been directly involved in the establishment of PSG Group's investment in micro-finance and subsequent establishment of Capitec Bank Holdings Ltd of which he has been a director since inception. He has also been responsible for 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.

He serves as a non-executive director of various companies, including Agri Voedsel Ltd, Capevin Holdings Ltd, Distell Group Ltd, Kaap Agri Ltd and Zeder Investments Ltd.

The reason for ordinary resolution numbers 1 to 5 (inclusive) is that the memorandum of incorporation of the company and, to the extent applicable, the Companies Act (Act 71 of 2008), as amended ("the Companies Act"), requires that a component of the non-executive directors rotate at the AGM and, being eligible, may offer themselves for re-election as directors.

2.1.6 Ordinary resolution number 6

"Resolved that Mr FJ Gouws, being a new appointment to the board, who retires in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

Summary *curriculum vitae* of Mr FJ Gouws

Mr FJ Gouws graduated with a BAcc degree from the University of Stellenbosch and, after completing his articles, qualified as Chartered Accountant (SA).

Mr Gouws worked for SMK as an insurance and banks analyst, becoming a partner of the firm in 1993. He joined UBS Investment Bank in 1995 and held various positions within this business. Alongside the Heads of Fixed Income, he was responsible for the UBS Securities Division until October 2011. He was appointed as the deputy chief executive officer of PSG Konsult Ltd in July 2012.

The reason for ordinary resolution number 6 is that the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, requires that appointments made by the board must be confirmed by the shareholders. Mr FJ Gouws is accordingly retiring, and, being eligible, offering himself for re-election as a director by the shareholders.

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 7

"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."

Summary of *curriculum vitae* of Mr PE Burton

Mr PE Burton graduated with a BCom (Hons) Financial Management degree and post-graduate Diploma in Tax Law from the University of Cape Town.

Mr Burton 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 is a member of the audit committees of PSG Group, Johnnic Holdings Ltd and Siphumelele Investments Ltd.

2.2.2 Ordinary resolution number 8

"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."

A summary *curriculum vitae* of Mr CA Otto is set out in paragraph 2.1.5 above.

2.2.3 Ordinary resolution number 9

"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."

A summary *curriculum vitae* of Mr J de V du Toit is set out in paragraph 2.1.1 above.

The reason for ordinary resolutions numbers 7 to 9 (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 10

"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 10 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 AGM of the company as required by the Companies Act.

2.4 General authority to issue ordinary shares for cash

Ordinary resolution number 11

"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 at the date of the first such issue, 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 applicant's issued share capital (number of securities) of that class at the date of the first such issue, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders or shares issued to the PSG Group Ltd 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;

– for purposes of determining whether the aforementioned 5% has been or will be reached,

  (i) account must be taken of the dilution effect, in the year of issue of options/convertible securities, by including the number of any equity securities which may be issued in future arising out of the issue of such options/convertible securities; and

  (ii) the securities of a particular class will be aggregated with the securities that are compulsorily convertible into securities of that class and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible. The number of securities of a class which may be issued shall be based on the number of securities of that class in issue at the date of such application less any securities of the class issued during the current financial year, provided that any securities of that class to be issued pursuant to a rights issue (announced, irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were securities in issue at the date of application;

– 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 11 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 (Act 71 of 2008), as amended ("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]				
	Board member	Committee member Audit	Committee member Remcom	Committee member PSG BEE Trust	Total
	R	R	R	R	R
PE Burton [2]	115 560	63 600	7 630	6 360	**193 150**
ZL Combi	115 560				**115 560**
J de V du Toit [3]	115 560	75 150			**190 710**
MM du Toit	115 560		7 630		**123 190**
FJ Gouws	115 560				**115 560**
MJ Jooste [4]	115 560		8 100		**123 660**
JF Mouton [5]	231 120				**231 120**
JJ Mouton	115 560				**115 560**
CA Otto	115 560	63 600	7 630		**186 790**
W Theron	115 560				**115 560**
Total	**1 271 160**	**202 350**	**30 990**	**6 360**	**1 510 860**

Notes:
[1] With effect from 1 March 2013
[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.

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 (Act 71 of 2008), as amended ("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 (Act 71 of 2008), as amended ("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 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 AGM 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 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 (Act 71 of 2008), as amended ("the Companies Act"), the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd ("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 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 Special resolution number 5: Conversion of authorised and issued share capital to shares of no par value

"Resolved as a special resolution that in accordance with the provisions of regulation 31 of the Companies Regulations issued pursuant to the Companies Act (Act 71 of 2008), as amended ("the Companies Act"), and having had sight of the board report in this regard, which was included as annexure A to the notice of this AGM, the authorised and issued share capital of the company be and is hereby reorganised 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, on the basis that each ordinary no par value share shall have the value, preferences, rights and limitations similar or equivalent to the value, preferences, rights and limitations which were attached to such ordinary shares immediately prior to the aforementioned conversion."

In accordance with regulation 31 of the Companies Regulations, a company is entitled, in alignment with the provisions of the Companies Act, to convert its existing authorised and issued share capital from shares with a par value to shares of no par value. The reason for special resolution number 5 is accordingly to obtain the approval of the shareholders to align the company's capital structure with the provisions of the Companies Act. The effect of special resolution number 5, if passed, will be that the current authorised and issued par value ordinary shares will, after the conversion be no par value ordinary shares. However, the value, preferences, rights and limitations attaching to the no par value ordinary shares in the company will not be altered as a result of the conversion.

Notice of annual general meeting *(continued)*

3.5 Special resolution number 6: Consequential amendments to the memorandum of incorporation of the company

"Resolved as a special resolution that, subject to the passing of special resolution number 5, the memorandum of incorporation of the company be amended by the deletion of the existing Schedule 1 thereto and the substitution thereof with the following new Schedule 1:

"**SCHEDULE "1"**

CLASSES OF SHARES

1. 400 000 000 ordinary no par value Shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to –

   – vote on any matter to be decided by the Shareholders and to 1 (one) vote per ordinary Share held in the case of a vote by means of a poll;

   – participate proportionally in any distribution made by the Company; and

   – receive proportionally the net assets of the Company upon its liquidation."

   The date on which the amendments to the memorandum of incorporation as set out herein become effective will be the date that this special resolution is adopted by the shareholders, irrespective of the date of filing thereof with the Companies and Intellectual Properties Commission ("CIPC") or such other date as may be deemed appropriate by the CIPC."

   The reason for special resolution number 6 is to obtain the approval of the shareholders to amend the memorandum of incorporation of the company to reflect that the share capital has been converted to shares of no par value. The effect of special resolution number 6, if passed, will be that the shareholders will have authorised the amendment of the memorandum of incorporation of the company to reflect that the authorised and issued share capital of the company has been converted in accordance with special resolution number 5.

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:

   – the 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 the 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 the 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 the PSG group;

   – the ordinary capital and reserves of the PSG group after the purchase will remain adequate for the purpose of the business of the 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 the PSG group after the purchase will be sufficient for the 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 the PSG group.

Notice of annual general meeting *(continued)*

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 *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 20 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 resolutions numbers 2, 3 and 4 are renewals of resolutions taken at the previous annual general meeting on 22 June 2012.

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, 10 May 2013.
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, 14 June 2013, with the last day to trade being Friday, 7 June 2013.
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 12:00 on Wednesday, 19 June 2013.
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

13 May 2013
Stellenbosch

ANNEXURE A

REPORT OF THE BOARD OF PSG GROUP LTD IN TERMS OF REGULATION 31(7) OF THE COMPANIES REGULATIONS

In accordance with Regulation 31(7) of the Companies Act (Act 71 of 2008), as amended, it is the opinion of the board of directors of PSG Group Ltd ("PSG Group" or the "company") that –

a) the value of the ordinary shares held by the shareholders of PSG Group which are proposed to be converted from ordinary shares with a par value of R0,01 (one cent) each to ordinary shares with no par value (the "Ordinary Share Conversion") will be unaffected by the Ordinary Share Conversion;

b) the company's authorised and issued securities consists only of ordinary shares with a par value of R0,01 (one cent) each, which will be affected by the proposed conversions;

c) there will be no material effect on the rights of the ordinary shareholders as a result of the proposed Ordinary Share Conversion; and

d) there will be no material adverse effects as a result of the proposed Ordinary Share Conversion and no person will receive any compensation as a result of the proposed Ordinary Share Conversion.

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 12:15 at Spier Wine Estate, on Friday, 21 June 2013 ("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 ordinary and special 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.	To accept the presentation of the audited annual financial statements			
2.1.1	Ordinary resolution number 1: To re-elect Mr J de V du Toit as director			
2.1.2	Ordinary resolution number 2: To re-elect Mr MM du Toit as director			
2.1.3	Ordinary resolution number 3: To re-elect Mr JF Mouton as director			
2.1.4	Ordinary resolution number 4: To re-elect Mr JJ Mouton as director			
2.1.5	Ordinary resolution number 5: To re-elect Mr CA Otto as director			
2.1.6	Ordinary resolution number 6: To re-elect Mr FJ Gouws as director			
2.2.1	Ordinary resolution number 7: To re-appoint Mr PE Burton as a member of the audit and risk committee			
2.2.2	Ordinary resolution number 8: To re-appoint Mr CA Otto as a member of the audit and risk committee			
2.2.3	Ordinary resolution number 9: To re-appoint Mr J de V du Toit as a member of the audit and risk committee			
2.3	Ordinary resolution number 10: To re-appoint PricewaterhouseCoopers Inc as the auditor			
2.4	Ordinary resolution number 11: 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: Conversion of authorised and issued share capital to shares of no par value			
3.5	Special resolution number 6: Consequential amendments to the memorandum of incorporation of the company			

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

Signed at ____________________ on this ______ day of ______________ 2013.

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 12:00 on Wednesday, 19 June 2013.
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.

Abridged standalone financial statements

These abridged standalone financial statements comprise a summary of the audited standalone annual financial statements of PSG Financial Services Ltd ("PSG Financial Services") for the year ended 28 February 2013.

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

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

PSG FINANCIAL SERVICES LIMITED

Approval of annual financial statements

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. 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 company'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; and the manner required by the Companies Act of South Africa, and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

These abridged standalone financial statements were derived from the standalone annual financial statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act of South Africa. Reading these abridged standalone financial statements, therefore, is not a substitute for reading the standalone annual financial statements of PSG Financial Services Ltd.

The company has not appointed an audit committee since the functions in terms of section 94 of the Companies Act of South Africa are performed on its behalf by the audit committee of its holding company, PSG Group Ltd. The audit committee of PSG Group Ltd has confirmed to the directors of the company that these functions have been performed without any exceptions noted in relation to the annual financial statements and that they are satisfied that the auditor was independent of the company.

The audit committee of PSG Group Ltd, the company's holding company, 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 PSG Group Ltd Audit Committee.

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

The annual financial statements, including the abridged standalone financial statements set out on pages 83 to 91, were approved by the board of directors of PSG Financial Services Ltd and are signed on its behalf by:

JF Mouton
Chairman

WL Greeff
Financial director

13 May 2013
Stellenbosch

Declaration by the company secretary

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 of South Africa 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

13 May 2013
Stellenbosch

Directors' report

NATURE OF BUSINESS

The company, through its various subsidiaries and associated companies, offers diversified financial and other services (including 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 22) of this annual report.

OPERATING RESULTS

The operating results and state of affairs of the company are fully set out in the attached income statement and statements of comprehensive income, financial position and changes in equity. The company's profit for the year amounted to R410,9m (2012: R453m).

SHARE CAPITAL

No changes took place in the company's authorised and issued share capital.

DIVIDENDS

Ordinary

Dividends paid during the year amounted to R120m (2012: R144m).

Preference

The directors have declared the following dividends in respect of the cumulative, non-redeemable, non-participating preference shares for the year ended 28 February 2013:

Cents per share	**2013**	2012
Interim	**366,8**	340,3
Final	**351,2**	334,7
Total	**718,0**	675,0

DIRECTORS

Directors of the company at the date of this report appear on page 20. Since the date of the previous report, the only changes were the appointment of Mr FJ Gouws as a non-executive director and Mr AB la Grange as an alternate director to Mr MJ Jooste.

HOLDING COMPANY

The company is a wholly owned subsidiary of PSG Group Ltd, except for the 13 419 479 (2012: 13 419 479) preference shares which are listed on the JSE Ltd.

SHAREHOLDING OF DIRECTORS

At the reporting date and date of this report, the directors held no interest in the preference share capital of the company.

SECRETARY

The secretary of the company is PSG Corporate Services (Pty) Ltd. The business and postal addresses are shown on page 99.

Report of the independent auditor

to the shareholders of PSG Financial Services Ltd

These abridged financial statements, which comprise the abridged statement of financial position as at 28 February 2013, and the abridged statements of income, comprehensive income and changes in equity for the year then ended, and related notes, as set out on pages 85 to 91, are derived from the audited annual financial statements of PSG Financial Services Ltd for the year ended 28 February 2013. We expressed an unmodified audit opinion on those annual financial statements in our report dated 13 May 2013.

These abridged financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa. Reading the abridged financial statements, therefore, is not a substitute for reading the audited annual financial statements of PSG Financial Services Ltd.

Directors' responsibility for the abridged financial statements

The company's directors are responsible for the preparation of an abridged version of the audited annual financial statements in accordance with the requirements of Section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the abridged 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 abridged financial statements derived from the audited annual financial statements of PSG Financial Services Ltd for the year ended 28 February 2013 are consistent, in all material respects, with those annual financial statements, in accordance with the requirements of Section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

Other reports required by the Companies Act

As part of our audit of the annual financial statements for the year ended 28 February 2013, we have read the directors' report, the report of the audit and risk committee and the declaration by the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements or the abridged financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited annual financial statements or the abridged financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc
Director: NH Döman
Registered auditor

13 May 2013
Stellenbosch

Abridged standalone income statement

for the year ended 28 February 2013

	Notes	2013 Rm	2012 Rm
Income			
Investment income	7	**392,1**	639,7
Gain on write-off of related-party borrowings			536,0
Gain on disposal of investment in associated companies		**141,3**	
Total income		**533,4**	1 175,7
Expenses			
Fair value losses on financial assets classified as at fair value through profit or loss		**(40,4)**	(37,8)
Impairment of investment in subsidiaries and associated companies		**(6,0)**	(641,5)
Marketing, administration and other expenses		**(0,5)**	(0,4)
Total expenses		**(46,9)**	(679,7)
Profit before finance costs and taxation		**486,5**	496,0
Finance costs		**(61,0)**	(53,7)
Profit before taxation		**425,5**	442,3
Taxation	8	**(14,6)**	10,7
Profit for the year		**410,9**	453,0

Abridged standalone statement of comprehensive income

for the year ended 28 February 2013

	Notes	2013 Rm	2012 Rm
Profit for the year		**410,9**	453,0
Other comprehensive income for the year			
Fair value gains on investments		**201,3**	56,9
Taxation effect of fair value gains	8	**(62,9)**	(8,0)
Total comprehensive income for the year		**549,3**	501,9

Abridged standalone statement of financial position

as at 28 February 2013

	Notes	**2013 Rm**	2012 Rm
Assets			
Investment in subsidiaries	2	**2 798,7**	2 215,7
Investment in associated companies	3	**1 497,8**	1 455,1
Equity securities	4	**849,9**	648,6
Deferred income tax assets		**21,6**	10,3
Loans and advances	5	**533,0**	412,2
Derivative financial instruments			0,6
Receivables		**63,6**	13,7
Total assets		**5 764,6**	4 756,2
Equity			
Share capital			
Ordinary shares		**47,0**	47,0
Preference shares		**13,4**	13,4
Share premium			
Ordinary shares		**295,3**	295,3
Preference shares		**1 193,7**	1 193,7
Other reserves		**605,2**	473,4
Retained earnings		**716,6**	515,4
Total equity		**2 871,2**	2 538,2
Liabilities			
Borrowings	6	**2 630,2**	2 059,1
Derivative financial instruments		**77,2**	37,4
Deferred income tax liabilities		**138,9**	76,0
Payables		**47,1**	45,0
Current income tax liabilities			0,5
Total liabilities		**2 893,4**	2 218,0
Total equity and liabilities		**5 764,6**	4 756,2

Abridged standalone statement of changes in equity

for the year ended 28 February 2013

	Ordinary shares		Preference shares				
	Share capital Rm	Share premium Rm	Share capital Rm	Share premium Rm	Other reserves Rm	Retained earnings Rm	Total Rm
Balance at 1 March 2011	45,9	92,2	11,9	1 064,1	424,5	287,4	1 926,0
Profit for the year						453,0	453,0
Other comprehensive income					48,9		48,9
Transactions with owners	1,1	203,1	1,5	129,6	–	(225,0)	110,3
Issue of ordinary shares	1,1	203,1					204,2
Issue of preference shares			1,5	130,2			131,7
Share issue costs				(0,6)			(0,6)
Dividend – ordinary shares						(144,0)	(144,0)
Dividend – preference shares						(81,0)	(81,0)
Balance at 29 February 2012	47,0	295,3	13,4	1 193,7	473,4	515,4	2 538,2
Profit for the year						**410,9**	**410,9**
Other comprehensive income					**138,4**		**138,4**
Transactions with owners	**–**	**–**	**–**	**–**	**(6,6)**	**(209,7)**	**(216,3)**
Transfer between reserves					**(6,6)**	**6,6**	**–**
Dividend – ordinary shares						**(120,0)**	**(120,0)**
Dividend – preference shares						**(96,3)**	**(96,3)**
Balance at 28 February 2013	**47,0**	**295,3**	**13,4**	**1 193,7**	**605,2**	**716,6**	**2 871,2**

Notes to the abridged standalone financial statements

for the year ended 28 February 2013

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These abridged standalone financial statements, which should be read in conjunction with each of PSG Group Ltd ("PSG") and PSG Financial Services Ltd's ("PSL") group annual financial statements, have been derived from the standalone annual financial statements of PSL. The principal accounting policies applied in the preparation of these abridged standalone financial statements are the same as those of PSG, as set out on page 63. These policies have been consistently applied to all the years presented. PSL has only presented abridged standalone financial statements in this annual report, as PSL is the only significant asset of PSG. The group annual financial statements of PSL are therefore very similar to those of PSG, an abridged version of which have been presented on pages 60 to 68.

2. INVESTMENT IN SUBSIDIARIES

	Interest held directly		Carrying value	
	2013	2012	**2013**	2012
Company	**%**	%	**Rm**	Rm
35 Kerkstraat Beleggings Ltd	**100,0**	100,0		
Arch Equity Corporate Services (Pty) Ltd	**100,0**	100,0		
Curro Holdings Ltd	**57,5**	63,1	**485,5**	265,8
Ou Kollege Beleggings Ltd	**100,0**	100,0	**48,2**	48,2
Paladin Capital Ltd *	**100,0**	100,0		627,8
PSG Africa Holdings (Pty) Ltd	**94,2**		**317,0**	
PSG Capital (Pty) Ltd	**100,0**	100,0	**3,6**	3,6
PSG Channel Holdings Ltd	**100,0**	100,0	**12,5**	12,5
PSG Corporate Services (Pty) Ltd	**100,0**	100,0	**52,3**	52,3
PSG Konsult Ltd	**65,4**	71,3	**513,8**	467,6
PSG Private Equity (Pty) Ltd *	**100,0**		**627,9**	
Zeder Investments Ltd **	**42,4**	42,4	**737,9**	737,9
			2 798,7	2 215,7

* *At the prior reporting date, PSG Private Equity (Pty) Ltd was a wholly owned subsidiary of Paladin Capital Ltd. During the year, the aforementioned shareholding was unbundled to PSG Financial Services Ltd, with the result that PSG Financial Services Ltd now holds 100% directly in each of these companies. PSG Private Equity (Pty) Ltd houses PSG Group Ltd's private equity portfolio, with Paladin Capital Ltd being dormant.*

** *Zeder Investments Ltd is a subsidiary of the company through its 42,4% (2012: 42,4%) shareholding, board representation and a management agreement in terms of which PSG Corporate Services (Pty) Ltd provides management and administrative services to a subsidiary of Zeder Investments Ltd.*

All of the above subsidiaries are incorporated in the Republic of South Africa. Details of the nature of activities of significant subsidiaries are disclosed in the front section of this annual report. Further details of investments are available at the registered offices of the relevant group companies.

Notes to the abridged standalone financial statements

for the year ended 28 February 2013

3. INVESTMENT IN ASSOCIATED COMPANIES

	Interest held directly		Carrying value	
	2013	2012	**2013**	2012
Company	**%**	%	**Rm**	Rm
Listed				
Capitec Bank Holdings Ltd	**28,5**	32,5	**1 484,0**	1 439,4
Unlisted				
Propell Group Holdings (Pty) Ltd	**30,0**	34,5	**13,8**	15,7
Siyavula Education (Pty) Ltd	**25,0**			
			1 497,8	1 455,1

Details of the nature of activities of significant associated companies are disclosed in the front section of this annual report.

4. EQUITY SECURITIES

The equity securities represent 13 873 895 ordinary shares in PSG Group Ltd, the company's JSE-listed holding company, and are classified as available-for-sale.

5. LOANS AND ADVANCES

	2013 Rm	2012 Rm
Secured loans	**24,1**	
Unsecured loans to subsidiaries		
Ou Kollege Beleggings Ltd	**26,6**	26,6
Paladin Capital Ltd	**73,0**	
PSG Capital (Pty) Ltd	**1,9**	1,9
PSG Corporate Services (Pty) Ltd	**158,6**	158,6
Preference shares in associated companies of a subsidiary	**248,8**	225,1
	533,0	412,2
Current portion	**260,1**	187,1
Non-current portion	**272,9**	225,1

All loans are unsecured, interest-free with no fixed terms of repayment, except if otherwise stated.

The loan to PSG Corporate Services (Pty) Ltd is made up out of advances bearing interest at fixed rates ranging from 12,5% to 12,7% NACS which are repayable between October 2013 and January 2014.

The preference shares in associated companies of a subsidiary are redeemable within two years (2012: three years) and carry dividend rates that are linked to prime.

Notes to the abridged standalone financial statements

for the year ended 28 February 2013

		2013 Rm	2012 Rm
6.	**BORROWINGS**		
	Unsecured promissory notes	**246,9**	218,9
	Unsecured loan from holding company	**1 815,9**	1 519,1
	Unsecured loans from subsidiaries	**567,4**	271,1
	Unsecured loan from Standard Bank of South Africa		50,0
		2 630,2	2 059,1
	Current portion	**2 630,2**	1 840,2
	Non-current portion		

Unsecured promissory notes carries interest at fixed rates ranging between 12,2% and 12,7% NACS and are repayable between October 2013 and January 2014.

The unsecured loans from the holding and subsidiary companies are interest-free and have no fixed terms of repayment.

The unsecured loan from Standard Bank of South Africa carried interest at prime less 1% and was repayable on demand.

		2013 Rm	2012 Rm
7.	**INVESTMENT INCOME**		
	Interest income		
	Preference dividend income	**24,0**	20,6
	Loans and advances	**31,1**	32,5
	Dividend income		
	Equity securities classified as available-for-sale	**12,3**	10,2
	Dividends from subsidiaries	**173,1**	469,8
	Dividends from associated companies	**151,6**	106,6
		392,1	639,7
8.	**TAXATION**		
	Current taxation	**(25,9)**	(0,9)
	Current year	**(26,4)**	(0,5)
	Prior year over/(under)provision	**0,5**	(0,4)
	Deferred taxation – current year	**11,3**	11,6
		(14,6)	10,7

The components of other comprehensive income carried a tax charge of R62,9m (2012: R8m). The current taxation related mainly to a capital gain made on part disposal of an investment in an associated company (refer note 3).

Notes to the abridged standalone financial statements

for the year ended 28 February 2013

9. NON-CASH TRANSACTIONS

The company does not have any cash and cash equivalents, and transactions are mainly effected through intergroup loan accounts. Accordingly, no statement of cash flows has been presented.

	Shareholders		Shares held	
	Number	**%**	**Number**	**%**
10. PREFERENCE SHARE ANALYSIS				
Range of shareholding				
1 – 500	**727**	**23,9**	**224 453**	**1,7**
501 – 1 000	**628**	**20,7**	**492 280**	**3,7**
1 001 – 5 000	**1 234**	**40,6**	**2 918 386**	**21,7**
5 001 – 10 000	**243**	**8,0**	**1 776 783**	**13,2**
Over 10 000	**208**	**6,8**	**8 007 577**	**59,7**
	3 040	**100,0**	**13 419 479**	**100,0**

No individual shareholders held 5% or more of the issued shares at 28 February 2013, nor were any shares held by non-public shareholders.

Notice of general meeting

Notice is hereby given of the general meeting of preference shareholders of PSG Financial Services Ltd ("PSG Financial Services" or "the company") to be held in the boardroom, 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, on Thursday, 20 June 2013, at 09:00 ("the general meeting").

Purpose

The purpose of the general meeting is to transact the business set out in the agenda below.

Agenda

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

   Note:
   For the ordinary resolutions to be adopted, at least 75% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof, as required in terms of the memorandum of incorporation of the company and by the Listings Requirements of the JSE Ltd ("the JSE").

1.1 Unissued cumulative, non-redeemable, non-participating preference shares placed under control of the directors

Ordinary resolution number 1

"Resolved that the unissued cumulative, non-redeemable, non-participating preference shares in the company ("the preference shares") be and are hereby placed under the control of the directors until the next annual general meeting of the ordinary shareholder of the company and that the directors be and are hereby authorised to issue any such preference shares as they may deem fit provided that any preference shares issued pursuant to this authority shall rank *pari passu* with the existing issued preference shares and such authority shall be limited to issuing such number of preference shares which, when taken together, do not exceed a cumulative clean subscription price of R300 million (i.e. the cumulative subscription payable for the preference shares less accrued dividends on such preference shares), subject to the Companies Act (Act 71 of 2008), as amended, the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE Ltd, save that the aforementioned R300 million limitation shall not apply to any preference shares issued in terms of a rights offer."

The reason for ordinary resolution number 1 is that the board requires authority from the preference shareholders in terms of its memorandum of incorporation and in terms of the Listings Requirements of the JSE to issue further listed preference shares from its existing unissued preference share capital. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue listed preferences shares as may be required, inter alia, in terms of capital raising exercises and to maintain a healthy capital adequacy ratio. This general authority is subject to the restriction that it is limited to issuing such number of preference shares which, when taken together, do not exceed a cumulative clean subscription price of R300 million, that preference shares issued in terms thereof shall rank *pari passu* in all respects with the listed preference shares already in issue and that it shall only be valid until the next annual general meeting of the ordinary shareholder(s) of the company.

1.2 General authority to issue preference shares for cash

Ordinary resolution number 2

"Resolved that, to the extent required by the Listings Requirements of the JSE Ltd ("the JSE"), if applicable, the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of its unissued cumulative, non-redeemable, non-participating preference shares in the company placed under their control for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE, to the extent applicable, including, 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 the aggregate in any one financial year may not exceed 15% of the applicant's issued share capital (number of securities) of that class at the date of the first such issue, it being recorded that preference shares issued pursuant to a rights offer to preference shareholders shall not diminish the number of ordinary shares that comprise the 15% of the preference shares that can be issued in terms of this ordinary resolution. For purposes of determining whether the aforementioned 15% has been or will be reached, the securities of a particular class will be aggregated with the securities that are compulsorily convertible into securities of that class and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible. The number of securities of a class which may be issued shall be based on the number of securities of that class in issue at the date of such application less any securities of the class issued during the current financial year, provided that any securities of that class to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were securities in issue at the date of application;

– 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 should 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

and it being resolved, for the avoidance of doubt, that the company shall not be required to comply with the provisions of the authority contained in this resolution should same not be required by the Listings Requirements of the JSE."

For listed entities wishing to issue listed ordinary shares for cash, it is necessary for the board to obtain the prior authority of ordinary shareholders in accordance with the Listings Requirements of the JSE. It is not clear whether the JSE will apply this requirement to the issue of listed preference shares for cash. The reason for this resolution is that in the interests of prudence and good corporate governance, the company is obtaining, to the extent required, the approval of its preference shareholders for general issues of preference shares for cash in the event that such authority is deemed to be a requirement in terms of the Listings Requirements of the JSE. Should it transpire that such authority is not required, the company will naturally not be bound to adhere to the terms of the authority granted in terms of this resolution.

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

2. Conversion of share capital to shares of no par value

2.1 Special resolution number 1: Conversion of authorised and issued preference share capital to preference shares of no par value

"Resolved as a special resolution that in accordance with the provisions of regulation 31 of the Companies Regulations issued pursuant to the Companies Act (Act 71 of 2008), as amended ("the Companies Act"), and having had sight of the board report in this regard, which was included as annexure A to the notice of this general meeting, the authorised and issued share capital of the company be and is hereby reorganised by 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, on the basis that each no par value preference share shall have the value, preferences, rights and limitations similar or equivalent to the value, preferences, rights and limitations which were attached to such preference shares immediately prior to the aforementioned conversion provided that the aforementioned conversion shall further be subject to the requisite approval of the ordinary shareholder of the company."

2.2 Special resolution number 2 (non-binding): Conversion of authorised and issued ordinary share capital to ordinary shares of no par value

"Resolved as a non-binding special resolution that in accordance with the provisions of regulation 31 of the Companies Regulations issued pursuant to the Companies Act (Act 71 of 2008), as amended ("the Companies Act"), and having had sight of the board report in this regard, which was included as annexure A to the notice of this general meeting, the authorised and issued share capital of the company be and is hereby reorganised 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, on the basis that each ordinary no par value share shall have the value, preferences, rights and limitations similar or equivalent to the value, preferences, rights and limitations which were attached to such ordinary shares immediately prior to the aforementioned conversion, provided that the aforementioned conversion shall be subject to the requisite approval of the ordinary shareholder of the company and it being recorded that this authorisation is being obtained in the interests of transparency and is accordingly a non-binding resolution."

In accordance with regulation 31 of the Companies Regulations, a company is entitled, in alignment with the provisions of the Companies Act, to convert its existing authorised and issued share capital from shares with a par value to shares of no par value. The reason for special resolution number 1 is accordingly to obtain the approval of the preference shareholders to align the company's preference share capital structure with the provisions of the Companies Act. The reason for the non-binding special resolution number 2 is that the company, in the interests of transparency and good corporate governance, is giving preference shareholders an opportunity to consider and vote on this non-binding special resolution. No authority is required from preference shareholders to convert the ordinary share capital as contemplated in special resolution number 2 and the company shall accordingly in no way be limited by or restricted by the outcome of preference shareholders' vote in respect of special resolution number 2.

The effect of special resolution number 1, if approved by preference shareholders, will be that the current authorised and issued par value preference shares will, after the conversion be no par value preference shares. However, the value, preferences, rights and limitations attaching to the no par value preference shares in the company will not be altered as a result of the conversion. The effect of special resolution number 2, if approved by the ordinary shareholder of the company, will be that the current authorised and issued par value ordinary shares will, after the conversion be no par value ordinary shares. However, the value, preferences, rights and limitations attaching to the no par value ordinary shares in the company will not be altered as a result of the conversion.

2.3 Special resolution number 3: Consequential amendments to the memorandum of incorporation of the company

"Resolved as a special resolution that, subject to the passing of special resolution number 1 and subject to the requisite approval of the ordinary shareholder of the company, the memorandum of incorporation of the company be amended by:

(i) the deletion of the existing clause 46.1.1 thereof which reads as follows:

"46.1.1 *"issue price" means the actual issue price of each preference share, being the par value of a preference share plus the premium at which a preference share is allotted and issued;"*

and the substitution thereof with the following clause 46.1.1:

"46.1.1 *"issue price" means the actual issue price of each preference share as determined by the directors from time to time;"*

(ii) the deletion of the existing clause 46.1.3 thereof which reads as follows:

"46.1.3 *"deemed value" means the deemed value of each preference share for purposes of calculation of the preference dividend, being an amount determined by the directors at the time of allotment and issue of the first preference share/s, notwithstanding the issue price of each preference share which may vary because of a difference in the premium at which the preference shares may be issued from time to time;"*

and the substitution thereof with the following clause 46.1.3:

"46.1.3 *"deemed value" means the deemed value of each preference share for purposes of calculation of the preference dividend, being an amount determined by the directors at the time of allotment and issue of the first preference share/s, notwithstanding the issue price of each preference share which may vary;"*

(iii) the deletion of the existing Schedule 1 thereto and the substitution thereof with the following new Schedule 1:

"**SCHEDULE "1"**

CLASSES OF SHARES

1. 1 000 000 000 ordinary no par value Shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to –
   - vote on any matter to be decided by the Shareholders and to 1 (one) vote per ordinary Share held in the case of a vote by means of a poll;
   - participate proportionally in any distribution made by the Company; and
   - receive proportionally the net assets of the Company upon its liquidation.

2. 20 000 000 cumulative, non-redeemable, non-participating, variable rate preference shares each of no par value, of the same class, which rank *pari passu* to each other, being subject to the rights, privileges, restrictions and conditions as set out in clause 46 of this Memorandum of Incorporation."

   The date on which the amendments to the memorandum of incorporation as set out herein become effective will be the date that the special resolution approving such amendments to the memorandum of incorporation is adopted by the ordinary shareholder of the company at the annual general meeting of the company to be held on Thursday, 20 June 2013, irrespective of the date of filing thereof with the Companies and Intellectual Properties Commission ("CIPC") or such other date as may be deemed appropriate by the CIPC."

   The reason for special resolution number 3 is to obtain the approval of the preference shareholders to amend the memorandum of incorporation of the company to reflect, subject to the approval of special resolution number 1, that the preference share capital has been converted to shares of no par value. The effect of this special resolution, if passed, will be that the preference shareholders will have authorised the amendment of the memorandum of incorporation of the company to reflect that the authorised and issued preference share capital of the company has been converted in accordance with special resolution number 1 and the authorised and issued ordinary share capital of the company has, subject to the approval of the ordinary shareholder, been converted in accordance with special resolution number 2.

VOTING

1. The date on which preference shareholders ("preference shareholders" or "shareholders") must have been recorded as such in the preference share register maintained by the transfer secretaries of the company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 10 May 2013.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to vote to attend and vote at this meeting is Friday, 14 June 2013, with the last day to trade being Friday, 7 June 2013.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the general meeting and must accordingly bring a copy of their identity document, passport or driver's licence to the general meeting. 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 general meeting 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 general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the general meeting.
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 09:00 on Tuesday, 18 June 2013.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the general meeting 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 general meeting 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

13 May 2013
Stellenbosch

ANNEXURE A

REPORT OF THE BOARD OF PSG FINANCIAL SERVICES LTD IN TERMS OF REGULATION 31(7) OF THE COMPANIES REGULATIONS

In accordance with Regulation 31(7) of the Companies Act (Act 71 of 2008) as amended, it is the opinion of the board of directors of PSG Financial Services Ltd ("PSG Financial Services" or "the company") that –

a) the value of the ordinary shares held by the sole ordinary shareholder, PSG Group Ltd, which are proposed to be converted from ordinary shares with a par value of R0,08 (eight cents) each ("the Ordinary Shares") to ordinary shares with no par value ("the Ordinary Share Conversion") will be unaffected by the Ordinary Share Conversion;

b) the value of the authorised cumulative, non-redeemable, non-participating, variable rate preference shares ("the Preference Shares") held by the preference shareholders of the company which are proposed to be converted from Preference Shares with a par value of R1,00 (one rand) each to Preference Shares without a par value ("the Preference Share Conversion"), will be unaffected by the Preference Share Conversion;

c) the company's authorised securities consist of Ordinary Shares and Preference Shares and the issued securities consist of Ordinary Shares with a par value of R0,08 (eight cents) each and Preference Shares with a par value of R1,00 (one rand) each which will be affected by the proposed conversions;

d) there will be no material effect on the rights of the sole ordinary shareholder, PSG Group Ltd, nor on the rights of the preference shareholders as a result of the proposed conversions; and

e) there will be no material adverse effects as a result of the proposed conversions and no person will receive any compensation as a result of the proposed conversions.

PSG FINANCIAL SERVICES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1919/000478/06)
JSE share code: PGFP
ISIN code: ZAE000096079
("PSL" or "the company")

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

For use at the general meeting of preference shareholders of the company to be held on Thursday, 20 June 2013, at 09:00 in the boardroom, 1st Floor, Ou Kollege, 35 Kerk Street, Stellenbosch ("the general meeting").

I/We (Full name in print) ____________________

of (address) ____________________

being the registered holder of ____________________ preference shares hereby appoint:

1. ____________________ or failing him/her,

2. ____________________ or failing him/her,

3. the chairman of the general meeting,

as my proxy to vote for me/us at the general meeting for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special 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 preference shares registered in my/our name(s) in accordance with the following instructions (see Notes):

		Number of preference shares		
		In favour of	Against	Abstain
1.1	Ordinary resolution number 1: Unissued preference shares placed under control of the directors			
1.2	Ordinary resolution number 2: General authority to issue preference shares for cash			
2.1	Special resolution number 1: Conversion of authorised and issued preference share capital to preference shares of no par value			
2.2	Special resolution number 2 (non-binding): Conversion of authorised and issued ordinary share capital to ordinary shares of no par value			
2.3	Special resolution number 3: Consequential amendments to the memorandum of incorporation of the company			

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 ____________________ 2013.

Signature(s) ____________________

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

____

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

Notes

1. A PSG Financial Services Ltd preference shareholder ("the shareholder" or "PSG Financial Services 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 general meeting". The person whose name appears first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A PSG Financial Services shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of preference 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 general meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the general meeting, or any other proxy to vote or to abstain from voting at the general meeting 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 preference shares, any one of such persons may vote at the meeting in respect of such preference shares as if he/she was solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such preference 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 preference 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 09:00 on Tuesday, 18 June 2013.
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 general meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

Administration

Details of PSG Group Ltd
Registration number 1970/008484/06
Share code: PSG
ISIN code: ZAE000013017

Secretary and registered office
PSG Corporate Services (Pty) Ltd
Registration number 1996/004840/07
Ou Kollege
35 Kerk Street
Stellenbosch 7600
PO Box 7403
Stellenbosch 7599
Telephone +27 21 887 9602
Facsimile +27 21 887 9619

Transfer secretary
Computershare Investor Services (Pty) Ltd
Ground Floor
70 Marshall Street
Johannesburg 2001
PO Box 61051
Marshalltown 2107

Details of PSG Financial Services Ltd
Registration number 1919/000478/06
Share code: PGFP
ISIN code: ZAE000096079

Corporate advisor and sponsor
PSG Capital

Broker
PSG Online

Auditor
PricewaterhouseCoopers Inc

Principal banker
FirstRand Ltd

Website address
www.psggroup.co.za

Shareholders' diary

	2013
Financial year-end	28 February
Profit announcement	15 April
Annual general meetings	
– PSG Financial Services Ltd	20 June
– PSG Group Ltd	21 June
General meeting of PSG Financial Services Ltd preference shareholders	20 June
Interim report for the six months ending August 2013	14 October

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