PSG GROUP LIMITED

2016

ANNUAL REPORT

PSG Group Ltd is an investment holding company consisting of underlying investments that operate across a diverse range of industries which include banking, education, financial services, food and related business, and private equity.

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Chairman's letter

Dear shareholder

It gives me pleasure to report on the 2016 financial year, as it certainly was one of milestones for PSG Group Ltd ("PSG"). Not only did we celebrate our 20th anniversary, but PSG was also included in the JSE's Top 40 and the MSCI Indices for the first time. We furthermore raised R2,2bn in cash in the single largest bookbuild in PSG's history, putting us in a strong position to capitalise on future investment opportunities.

The past year has also seen PSG's share trading liquidity improve from 12% five years ago to 50% as at the end of the 2016 financial year, and our foreign shareholding increase to 10%.

PSG remains a truly South African company with its primary focus on the local market. South Africa, in particular, currently finds itself in challenging times and it is easy to become pessimistic and distracted as a result. Here at PSG, however, we prefer to stay optimistic and focus on the many opportunities this country has to offer.

"The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty."
Winston Churchill

WHO WE ARE

PSG is an investment holding company consisting of a diverse portfolio of underlying investments that operate across a wide range of industries including banking, education, financial services, food and related business, and private equity. Our market capitalisation (net of treasury shares) is approximately R40bn, while we have influence over companies with a combined market capitalisation of approximately R140bn.

There are seven main business units on which we report, namely:

- Capitec (retail banking);
- Curro (private school education);
- PSG Konsult (wealth management, asset management and insurance);
- Zeder (investment in food and related business);
- PSG Private Equity (early-stage investing in high growth sectors);
- Dipeo (BEE investment holding company); and
- PSG Corporate (investment management and treasury services), including PSG Capital (corporate finance) and Grayston Elliot (tax advice).

Since PSG's establishment in November 1995, our aim has been to create value for our shareholders and for the people of South Africa. We believe in conducting sustainable businesses that make a positive contribution to society. Our investments continue to provide solutions to some of the challenges experienced in our country such as education, energy and low-cost banking in order to improve people's lives and our country as a whole.

OUR OBJECTIVE

Our long-term economic goal remains to continuously create wealth for our shareholders through a combination of share price appreciation and the payment of dividends. In order to achieve this, we have invested in a diversified portfolio of businesses with high growth potential that consistently yield above-average returns, while contributing positively to society.

OUR INVESTMENT PHILOSOPHY

The investment universe is complex with a myriad of variables. Good investors base their decisions on sound fundamentals and proven investment principles. PSG aims to be a disciplined investor, remaining committed to its philosophy:

- We invest in:
  - Enterprises with uncomplicated business models operating in industries that we understand;
  - Industries and businesses with attractive growth prospects and high barriers to entry;
  - Focused, talented, hard-working and passionate management.
- We are long-term investors with no predetermined exit strategy.
- Sound corporate governance is non-negotiable – we believe in accurate, transparent and succinct information.
- A key tenet of success is trust – without trust, companies lose clients and leaders lose their teams. We advocate trust through our philosophy of ultimate empowerment. We employ smart, competent individuals and empower them through trust.
- We believe in co-investing with management. Management as owners are generally more focused and dedicated to growing their businesses. This also applies to PSG – the board of directors owns 29,7% of the company.

OUR STRATEGY

PSG has always been good at early-stage investing by building businesses (such as Capitec, Curro and PSG Konsult) alongside entrepreneurs from the development stage:

- We acquire large influential stakes in businesses we believe in and offer investees our strategic input, helping them establish and drive ambitious plans.
- We provide access to capital that helps expedite future growth, both organically and through acquisitions.
- We participate actively at board, and often also at an executive committee level.
- We either serve on or attend audit and risk committee meetings as a measure of ensuring good corporate governance.

Project Internal Focus

Project Internal Focus, our strategy the last couple of years, has primarily been directed at the optimisation, refinement and growth of PSG's existing investment portfolio. This strategy continues to yield positive results and should remain in place for the foreseeable future. We are, however, continuously investigating new investment opportunities in an attempt to find "the next big thing".

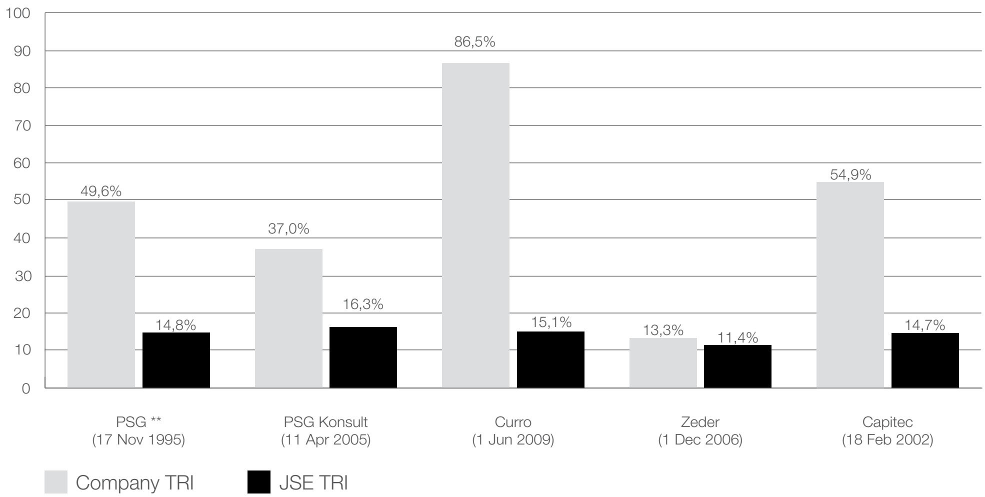
EVALUATING OUR PERFORMANCE

We believe that performance should be measured in terms of the return that an investor receives over time, with a focus on *per share* wealth creation.

When evaluating PSG's performance over the *long term*, one should focus on the *total return index (TRI)* as a 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 reliable means of benchmarking different companies.

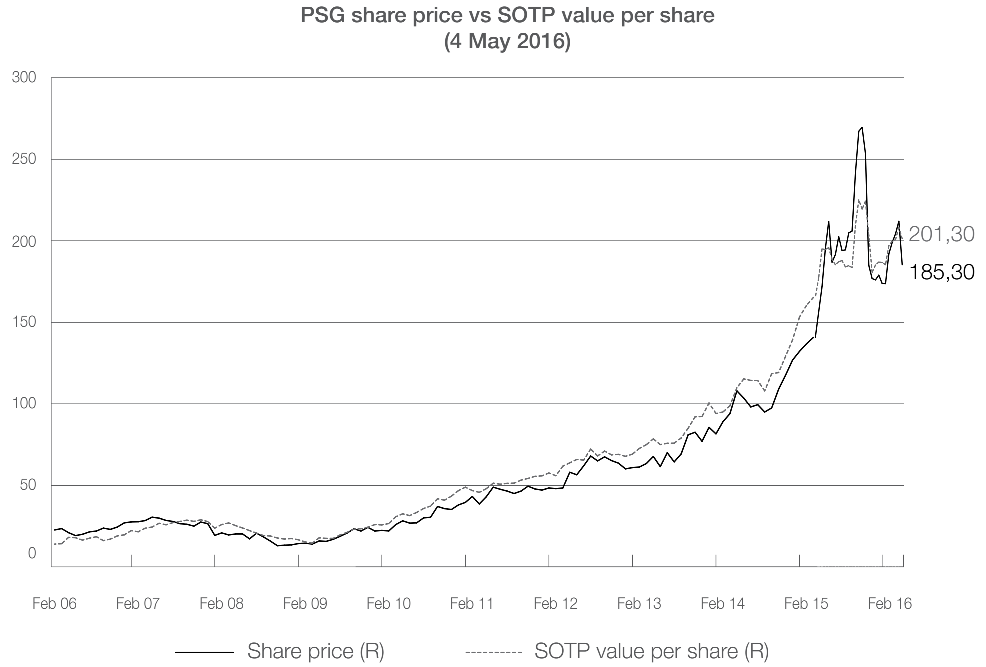
PSG's *TRI* as at 29 February 2016 was 49,6% per annum over the 20-year period since establishment. This means that had you purchased R100 000 worth of PSG shares in November 1995 and reinvested all your dividends, your investment would be worth around R357m today. The same investment in the JSE All Share Index over this period would be worth R1,6m. We are proud of the wealth we have created for our shareholders.

TRI of PSG group companies vs JSE All Share Index TRI *



* *Measured since the respective dates set out above until 29 February 2016.*
** *Capitec unbundling in November 2003 treated as a dividend.*

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 ultimately leads to an increase in the share price. However, an increase in PSG's *SOTP value* per share and share price over time will ultimately depend on sustained growth in the profitability of the underlying investments. Consequently, we 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.



At 29 February 2016, the *SOTP value* per PSG share was R186,67, which equated to a 32% *CAGR* over the last five years. At 4 May 2016, the *SOTP value* per share was R201,30.

Capitec remains PSG's largest investment comprising 39% (2015: 41%) of the *SOTP value's* total assets as at 29 February 2016. While this is significant exposure to a single company, we remain confident that Capitec is well positioned to continue gaining market share and deliver impressive results.

Recurring headline earnings per share for the year ended 29 February 2016 increased by 33% to 787,8 cents, following commendable earnings growth from all our core investments.

OUR INVESTMENTS

When evaluating PSG's core investments, each has definite characteristics which are representative of our aforementioned investment philosophy.

Capitec (30,7%)

- *Simple and focused business model*
  - lending and transaction banking
- *High barriers to entry*
  - regulatory requirements and funding
- *High growth potential*
  - increase in transaction banking clients and growth in loan book
  - significant growth potential given its current market share:
    - 20,6% of the primary banking market
    - 2,5% of the unsecured credit market

We are proud of our investment in Capitec. The *Lafferty Group* recently rated it as "the best bank in the world", while the *SA Customer Satisfaction Index* rated Capitec as "the best bank in South Africa" for the fourth consecutive year.

Capitec's relentless focus on clients and service saw the largest increase in client numbers in its history during the past year. Active clients increased by 1m to 7,3m, while primary banking clients (those clients who make regular deposits, mainly salaries) increased by 0,6m to 3,3m. According to the independent *AMPS* survey for the period to June 2015, 20,6% of South Africans regarded Capitec as their primary bank, up from 18,9% for the period ended 31 December 2014.

Capitec delivered stellar financial results with a 26% increase in *headline earnings* per share for the year ended 29 February 2016. Growing client numbers, combined with increased activity per client, resulted in net transaction fee income increasing by 16% to R3bn (despite the reduction in card processing fees earned since March 2015), now covering 66% of operating expenses (2015: 65%). Capitec managed to grow its gross loan book by R4,6bn to R40,9bn, while maintaining conservative provisioning practices. The average term of the outstanding book decreased from 43 months as at 28 February 2015 to 40 months as at 29 February 2016, while the level of provisions to arrears increased from 196% in 2015 to 223% in 2016.

New regulations aimed at enhancing the sustainability of the credit industry while reducing the cost of credit for consumers, pose real challenges for credit providers. The reduction in the maximum interest rate chargeable on unsecured loans came into effect on 6 May 2016. In addition, new draft regulations regarding the capping of costs on credit life and retrenchment insurance have been issued for comment. However, these new regulations should have a limited impact on Capitec's earnings – its average book yield is in line with the new maximum rate and it only started charging credit life and retrenchment insurance for the first time this month at rates well within the new draft prescribed limits. The introduction of Capitec's credit card offering later this year will likely assist it in gaining further market share and will add another revenue stream for further growth. Competitors on the other hand, who in the past had levied interest on loans at the maximum rate and charged credit life and retrenchment insurance above the new cap, will struggle going forward.

With a strong brand, a simple and cost-effective product, a conservative approach to credit and a healthy capital adequacy position, Capitec remains focused on the financial needs of South Africans. PSG remains a loyal Capitec supporter and we look forward to sharing in its continued success.

Curro (58,3%)

- *Simple and focused business model*
  - private schooling
- *High barriers to entry*
  - capital intensive
- *High growth potential*
  - Curro has less than 10% of the private school market and 0,34% of the total school market in South Africa
  - the local private school market will grow substantially in the next 10 years

Curro is the largest for-profit private school group in Africa, operating 47 campuses with 110 schools and 41 864 learners. Curro is changing the private school industry, with only 20% of learners paying more than R4 000 per month, while 30% of learners pay less than R2 000 per month. With only 0,34% of the total school market occupied by Curro, there is significant room for further growth as Curro continues to pursue its 2020 target of 80 campuses/200 schools with 80 000 learners.

Curro reported pleasing results for the financial year ended 31 December 2015 with *headline earnings* having increased by 79% to R100m.

Education remains key to South Africa's long-term growth and wellbeing. When a business has such exciting growth prospects and contributes to society in a positive way, supporting them is easy. Curro will raise R1,071bn in cash by means of a rights issue this month to help fund further development and acquisition opportunities. PSG has underwritten the rights issue and will invest at least R624m in Curro.

PSG Konsult (61,9%)

- *Simple and focused business model*
  - the provision of financial advisory and insurance services
- *Key competitive advantage*
  - an extensive distribution platform across the country
- *High growth potential*
  - significant growth potential given its current market share:
    - less than 5% of the wealth management market
    - less than 2% of the asset management market
    - less than 1% of the short-term insurance market

With 206 advisory offices and 711 advisors nationwide, PSG Konsult continues to increase its footprint across South Africa, playing a large role in ensuring PSG remains a household name.

The legal and regulatory environment within the industry has become increasingly onerous, which bodes well for our unique 70/30 revenue-sharing model in terms of which the advisor receives 70% of revenue and PSG Konsult 30%. In return, PSG Konsult is responsible for marketing and maintaining the brand, and manages all the necessary compliance, financial and administrative functions on the advisors' behalf. This model ensures that the PSG Konsult offices remain owner-driven and allows the advisors to focus on what they do best.

PSG Konsult is equity-market dependent and despite the challenging economic climate, continued to produce pleasing results. It reported solid growth with a 19% increase in *recurring headline earnings* per share for the financial year ended 29 February 2016, emanating from strong growth by the *PSG Wealth* and *PSG Insure* divisions. Despite the decline in the local equity market in the past financial year, PSG Konsult managed to increase its total assets under management by 16% to R154bn.

PSG Konsult has a talented, committed management team who is determined to continue growing the business in years to come.

Zeder (34,6%)

- *Simple and focused business model*
  - investment in food and related business
- *Strong and focused management throughout the underlying investments*

Zeder continued to effectively execute our *Project Internal Focus* strategy within its portfolio of companies in the past financial year. The drought, constrained consumer spending and currency volatility resulted in a challenging trading environment for food and related business in general. However, despite these challenges, Zeder managed to increase its *recurring headline earnings* per share by 20% and dividend per share by 64%, with the majority of the underlying investments having contributed to the improved performance.

During the 2016 financial year, Zeder's share price consistently traded 20% to 40% below its *SOTP value* per share, largely due to the existing PSG management fee structure. PSG has been working hard to find an alternative to the existing fee structure, that is fair to both Zeder and PSG shareholders. Such alternative will be presented to shareholders in due course for formal approval.

Although trading conditions are likely to remain challenging, Zeder will attempt to capitalise on acquisition opportunities it may present.

PSG Private Equity (100%)

- *High growth potential*
  - early-stage investments in high growth sectors

PSG Private Equity serves as an incubator for the businesses of tomorrow by investing in companies with high growth potential. Its investment portfolio currently consists of 10 companies spanning across various industries and in different stages of maturity. Currently, energy *(Energy Partners)* and education *(Impak)* are considered priority industries as we believe they offer significant growth prospects and have the potential for listing.

Project Internal Focus has played its part in ensuring that the portfolio companies are well capitalised, have good management in place and are positioned to deliver on its growth potential. PSG Private Equity reported encouraging results for the year under review with a 75% increase in *recurring headline earnings* per share, albeit from a low base following challenging trading conditions at select investments in the prior year.

Dipeo (49%)

Black Economic Empowerment ("BEE") remains integral to South Africa and is an important part of PSG. The Stellenbosch BEE Education Trust (of which all beneficiaries are black individuals) owns 51% of Dipeo, with PSG owning the remaining 49%. PSG has provided Dipeo with R800m in preference share funding to acquire select investments, the most significant being interests of 6% in Curro, 4,4% in Pioneer Foods, 4% in Quantum Foods and 20% in Kaap Agri. These investments are all subject to BEE lock-in periods. The Stellenbosch BEE Education Trust will use its share of the value created from these investments to fund gifted but needy black students' education. As at 29 February 2016, Dipeo's *SOTP value* amounted to R1,1bn.

OUR CONTRIBUTION TO SOCIETY

"Education is the most powerful weapon which you can use to change the world."
Nelson Mandela

PSG subscribes to the notion that a great company can never be a drag on society. We contribute to the development and upliftment of South Africans by creating jobs and contributing by way of paying our taxes, donations and sponsorships. We believe in the multiplier effect of investing in and supporting education, and therefore we are involved in the following education-related initiatives:

- *The PSG Group Bursary Loan Scheme at the University of Stellenbosch*
  - We started this initiative in 2007 when PSG and I each donated 100 000 PSG shares, and we have since offered financial support to a number of gifted but needy students. Their fields of study include medicine, law, actuarial science, accounting and investment management. To date, 59 students have been funded through this scheme, with bursaries totalling R2,9m.
- *Akkerdoppies*
  - PSG continues to financially support this 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 disadvantaged communities of Stellenbosch. The school is attended by 160 children and now employs 19 people. We are committed to a long-term relationship with this initiative and anticipate a significant positive contribution to the community.

- *Curro*
  - Following the aforementioned rights issue, PSG would have invested in excess of R2,3bn cash in Curro, which plays an important part in educating the South African youth. With the existence of Curro, government can increase its focus on those areas where the availability and quality of education are particularly poor, and in so doing provide proper educational facilities to the disadvantaged. It is with this in mind that we urge government to work alongside Curro, and consider implementing a school voucher system, which has proven to be very successful abroad. Vouchers could be issued by government to subsidise Curro fees. This would relieve pressure on government given the schooling backlog. Curro has also offered extensive bursaries of approximately R28m to its learners.
- *Impak*
  - This company provides grade R to 12 educational products and services to home scholars and learners enrolled at its 418 support centres across the country. Through our investment in this company, we look to further contribute to education in South Africa while also creating business opportunities for entrepreneurs/educators who wish to open a support centre – embracing their passion for education while building a profitable business. We are excited about the growth prospects for this alternative form of education.
- *Stellenbosch BEE Education Trust*
  - We established and initially funded the Stellenbosch BEE Education Trust with R102m in funding, which was subsequently repaid in full. The trust owns 51% in aforementioned Dipeo, which in turn holds interests in various investments associated with PSG. We look forward to seeing this trust assist previously disadvantaged learners in obtaining quality education.
- *PSG BEE Trust*
  - This trust owns 2,5m PSG Group shares and has R5m in cash. This cash, together with future PSG Group dividends, will be used to grant bursaries to disadvantaged learners. It is anticipated that the PSG BEE Trust will fund more than 100 disadvantaged Curro learners next year alone.

It is evident from the aforementioned that PSG makes a significant direct contribution to society. However, as an investment holding company, with each of our underlying investments also having various social development initiatives, we also make a substantial indirect contribution to society. Below are some of the *corporate social investment (CSI)* projects undertaken by investee companies:

- *Kaap Agri*
  - Kaap Agri's *CSI* projects focus on training and skills development. Through the Kaap Agri Academy, the company runs a Farmer Development Programme that trains approximately 25 students per year who are emerging farmers in the Western and Northern Cape. Since its inception, the academy has already produced two AgriSETA award winners for *Best Performing Learner of a Skills Programme*. The top student for 2015 was selected as the vice chairperson of Grain SA. The academy also trains farm workers in various practical skills including welding, chemical handling, equipment maintenance and productivity management.
  - The company offers bursaries and scholarships to students studying agricultural sciences at the University of Stellenbosch, the Cape Peninsula University of Technology (CPUT) and other selected schools. 34 learners are currently benefiting from this programme.
  - Kaap Agri's Care & Grow initiative is aimed at making a difference in the communities within which it conducts its business. This outreach by its various business outlets and employees, is shared with stakeholders in a company newsletter called "Care & Grow".
  - In 2014, Media24 recognised Kaap Agri's contributions to society by awarding them the top prize in the *Unlisted Company Corporate Social Responsibility Investment Awards*.

- *Capespan*
  - Capespan follows an integrated approach in developing its *CSI* initiatives, based on its assessment of the socio-economic, health and educational needs of communities. *CSI* initiatives are developed in partnership with local communities, local government and industry stakeholders. *CSI* projects include support to:
    - Place of Mercy Pre-school Centre, Eastern Cape Province;
    - Thembalethu HIV/Aids Trust, Eastern Cape Province – providing community preventative health and educational programmes to high school learners;
    - Eastern Cape Occupational and Primary Health Care programme, in partnership with local government and export fruit producers;
    - Partners for Possibility (#P4P500) – an Education Leadership Development Programme in partnership with Symphonia for South Africa;
    - Early language and literacy development of children from historically disadvantaged communities in South Africa, in partnership with Wordworks;
    - Financial support to schools located in key fruit production and needy rural areas;
    - Northern Cape Province Occupational and Primary Health Care programme, in partnership with the local government;
    - School Aid UK and RSA, in partnership with Capespan UK and Maersk Shipping Line; and
    - Various community life skills, sport and socio-economic development projects in rural areas and/or needy communities.
  - Staff volunteering is supported by funding allocations based on welfare/NGO projects nominated or sufficiently motivated for, but not covered by the company's *CSI* mandate. This expands the reach of the company to beyond what can be done at a corporate level.
  - In 2015, approximately 5 000 people benefited from projects developed and supported as part of the company's *CSI* initiatives.
- *Zaad*
  - Agricol and Klein Karoo Seed Marketing continue its involvement in training and mentoring of small farmers across South Africa. Currently the projects provide training and supply equipment and resources to 147 small farmers. Several additional *CSI* projects are at an advanced stage of planning. It is estimated that these projects will increase the number of small farmers to approximately 400.
- *Pioneer Foods*
  - Pioneer Foods is involved in various community projects in education, environment and food security. These projects focus on vulnerable groups, such as women and youth in township and rural communities. Pioneer Foods also invests in feeding schemes. Below are a few of the *CSI* projects:
    - Mbekweni Youth Centre – financial assistance of R7,7m for the construction of the Mbekweni Youth Centre;
    - World Wildlife Fund South Africa – 395 hectares of invasive alien plants have been cleared since February 2014;
    - Heart of Kayamandi – township agricultural hub with the capacity to produce approximately 76 800 vegetable bunches every year;
    - School Breakfast Nutrition Programme – breakfast cereals are provided to over 5 300 learners in 10 primary schools;
    - The African Children's Feeding Scheme – about 31 000 children benefited from milk purchased to support 13 feeding centres in Soweto and the surrounding informal settlements; and
    - Food Rescue Projects – include donations to organisations such as Foodbank, as well as CEO contributions (e.g. Ebola Fund and Tyranus Church).

- *Capitec*
  - Capitec's primary *CSI* focus is on improving financial literacy and education through the Capitec Foundation, an independent non-profit organisation.
  - The foundation operates a bursary fund that targets public school learners in grades 10 to 12, with mathematics as a matric subject. The bursaries cover tuition fees for one year.
  - A major project sponsored by the foundation is the Ikamva Youth initiative. This is a volunteer-based group that gives high school learners access to skills, networks and resources that enable them to reach tertiary education and employment opportunities post-matriculation. While more than half of the volunteers are ex-learners, Capitec employees also volunteer their time to this initiative.
  - The eduCate revision programme for grade 12 learners provides learners from disadvantaged backgrounds revision tutoring in mathematics and science. During 2015, 5 800 learners from 116 public schools participated in the programme.
  - Through Capitec's 5-week training programme, 200 to 240 employees (mostly matriculants from humble backgrounds) are trained each month. Given Capitec's rapid growth, more than 15 800 people have been trained to date.
- *PSG Konsult*
  - PSG Konsult invests in educational and social programmes that create future employment and economic empowerment prospects. Below are a few of the *CSI* projects:
    - Adopt-a-School Foundation – during the year under review, PSG Konsult adopted two schools and has committed to increase the contribution towards more schools during the 2017 financial year;
    - Childcare and children homes – centres and homes are provided with monthly food parcels and funding;
    - ASISA Enterprise Development Fund – initiative aimed at driving job creation and economic growth. PSG Konsult has invested R10m in this fund;
    - Bursary and internship programme – this programme is open to students from previously disadvantaged backgrounds. PSG Konsult currently has 17 interns in this programme and a further four interns will be appointed in the next few months;
    - Santam Industry Development Programme – aims to train previously disadvantaged individuals in the short-term insurance environment. As part of this programme, PSG Konsult is providing training to 11 individuals within its short-term administration and Western business units.
- *PSG Private Equity*
  - The investee companies under PSG Private Equity run various projects and make a wide range of contributions in the communities and areas in which they operate. The prevalent themes relate to early childhood development and care, education (particularly pre-school and primary) and youth development.

BOARD OF DIRECTORS AND PSG EXCO

The PSG board comprises three executive and 11 non-executive directors. I serve as the non-executive chairman. Our board has a wealth of knowledge and experience and always acts with the best interest of all stakeholders at heart. Bridgitte Mathews is a new appointee to the board. She is a chartered accountant and will serve as an independent non-executive director. We welcome her and look forward to her contribution.

PSG's day-to-day operations are managed by the senior executives, namely Piet Mouton (CEO), Wynand Greeff (FD) and Johan Holtzhausen (CEO: PSG Capital). They are talented, hardworking individuals with big ambitions for PSG. They have been with PSG for many years and I am excited to see them and their team grow PSG to new heights.

The PSG Executive Committee (Exco) is a subcommittee of the board and the chief operating decision-maker, and comprises the aforementioned three senior executives and myself as chairman. Our non-executive directors and Chemus Taljaard, our in-house tax advisor, are permanent invitees. The PSG Exco:

- Is responsible for determining and implementing the PSG strategy, as approved by the PSG board of directors;
- Acts as the PSG investment committee;
- Acts as the social and ethics committee;
- Is the appointed manager to Zeder;
- Manages PSG Private Equity;
- Acts as the PSG group treasurer, monitors and manages the capital requirements, gearing and liquidity of the group and allocates and invests the group's resources;
- Monitors the group's performance and provides strategic input and direction to the underlying companies;
- Is the custodian of good corporate governance throughout the group; and
- Assumes overall responsibility for the growth and performance of PSG.

OUR FUTURE

South Africa's forecast GDP growth for 2016 is below 1% compared to an average historical annual growth rate of 3% since 1994. Given rising inflation, we can expect further interest rate hikes, which will put additional pressure on the consumer, and ultimately the economy.

However, PSG's companies are well positioned to weather the more challenging environment and to continue growing given their relatively small market share within their respective sectors. This, coupled with a strong balance sheet, should see PSG continue delivering above-market returns.

A WORD OF THANKS

PSG is a group of companies, consisting of a team of smart, talented individuals with complementary skills and a common goal of being the best. I would like to thank each and every one of my colleagues throughout the group for their hard work and devotion during the past year – it remains a privilege to work with you.

To my fellow directors and members of the PSG Exco – thank you for your contribution to making PSG the success it is today.

Last but not least – thank you to all our clients, shareholders, family members and all other stakeholders – your loyal support has allowed us to create significant value over the past 20 years.

I turn 70 this year and have never been more excited about PSG's future than now!

Jannie Mouton

13 May 2016
Stellenbosch

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, 24 June 2016, at Spier Wine Estate, Baden Powell Drive, Stellenbosch.

The timetable is as follows:

08:30	Zeder Investments Ltd
09:20	Curro Holdings Ltd
10:30	Tea
11:00	PSG Konsult Ltd
12:00	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: +27 21 887 9619
Telephone: +27 21 887 9602

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

EXECUTIVE

WL (Wynand) Greeff (46) [1, 2]
BCompt (Hons), CA(SA)
Financial director
Appointed 13 October 2008

JA (Johan) Holtzhausen (45) [1, 2]
Bluris, LLB, HDip Tax
Chief executive officer – PSG Capital
Appointed 13 May 2010

PJ (Piet) Mouton (39) [1, 2]
BCom (Mathematics)
Chief executive officer
Appointed 16 February 2009

NON-EXECUTIVE

JF (Jannie) Mouton (69) [1, 2]
BCom (Hons), CA(SA), AEP
Non-executive chairman
Appointed 25 November 1995

FJ (Francois) Gouws (51)
BAcc, CA(SA)
Chief executive officer – PSG Konsult Ltd
Appointed 25 February 2013

MJ (Markus) Jooste (55) [4]
BAcc, CA(SA)
Chief executive officer – Steinhoff International Holdings N.V.
Appointed 25 February 2002

AB (Ben) la Grange (41)
BCom (Law), BCom (Hons), CTA, CA(SA)
Chief financial officer – Steinhoff International Holdings N.V.
Alternate director to Markus Jooste
Appointed 30 July 2012

JJ (Jan) Mouton (41)
BAcc (Hons), CA(SA), MPhil (Cantab)
Investment professional
Appointed 18 April 2005

W (Willem) Theron (64)
BCompt (Hons), CA(SA)
Chairman – PSG Konsult Ltd
Appointed 2 March 2006

INDEPENDENT NON-EXECUTIVE

PE (Patrick) Burton (63) [3, 4]
BCom (Hons), PG Dip Tax
Director of companies
Appointed 19 March 2001

ZL (KK) Combi (64)
Diploma in Public Relations
Director of companies
Appointed 14 July 2008

J de V (Jaap) du Toit (61) [3, 5]
BAcc, CA(SA), CFA
Director of companies
Appointed 30 January 1996

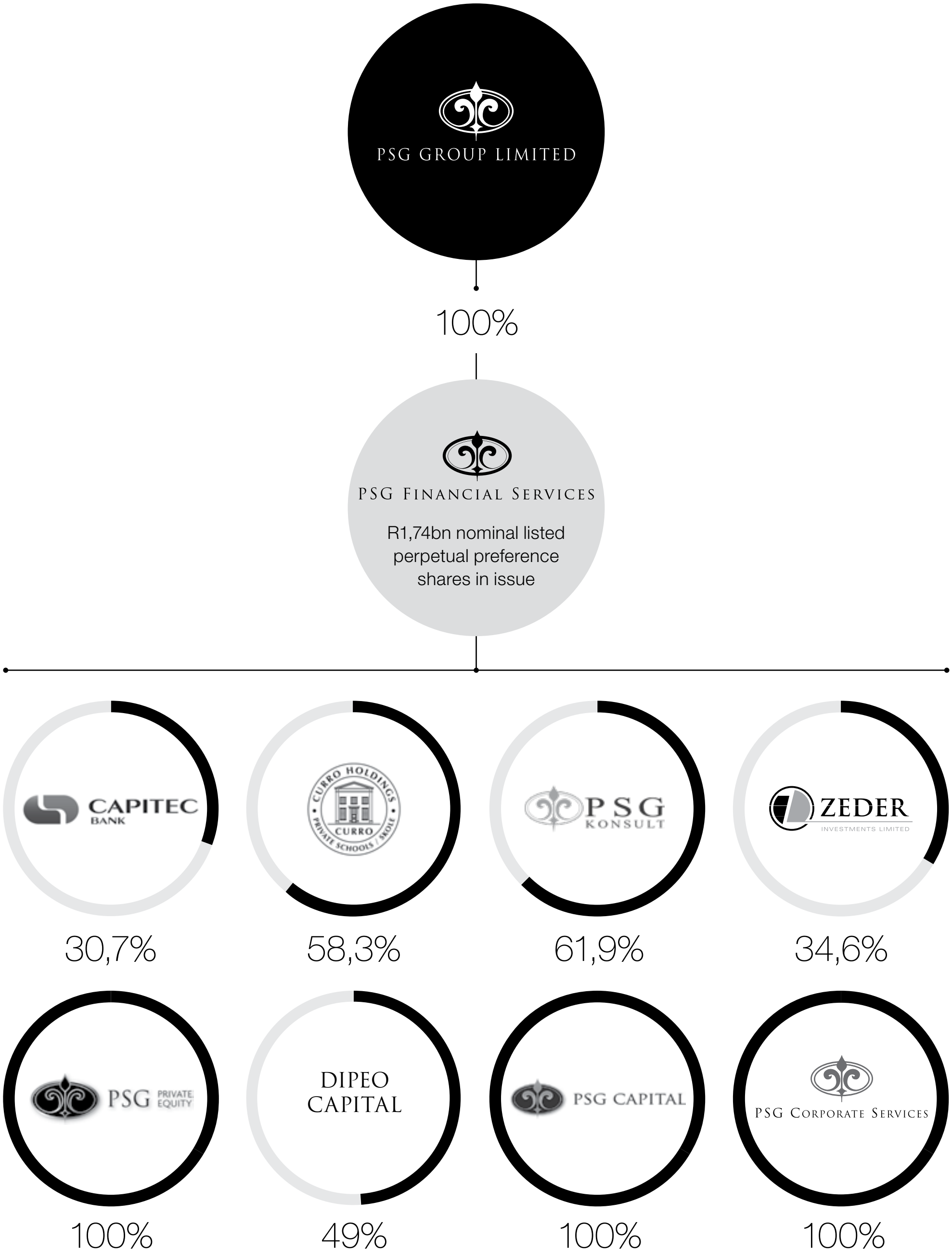
MM (Thys) du Toit (57) [4]
BSc, MBA
Chief executive officer – Rootstock Investment Management (Pty) Ltd
Appointed 29 September 2009

B (Bridgitte) Mathews (46) [3]
BCom (Hons), CA(SA), HDip Tax
Consultant and director of companies
Appointed 3 May 2016

CA (Chris) Otto (66) [2, 3, 4]
BComLLB
Director of companies
Appointed 25 November 1995

[1] *Member of executive committee*
[2] *Member of social and ethics committee*
[3] *Member of audit and risk committee*
[4] *Member of remuneration committee*
[5] *Lead independent director*

Group structure


PSG GROUP LIMITED
100%
PSG Financial Services
R1,74bn nominal listed perpetual preference shares in issue
CAPITEC BANK
30,7%
CURRO HOLDINGS
CURRO
PRIVATE SCHOOLS / SKOLE
58,3%
PSG KONSULT
61,9%
ZEDER INVESTMENTS LIMITED
34,6%
PSG PRIVATE EQUITY
100%
DIPEO CAPITAL
49%
PSG CAPITAL
100%
PSG Corporate Services
100%

Review of operations

SOTP VALUE AND 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 ultimately leads to an increase in the share price. However, an increase in PSG's *SOTP value* per share and share price over time will ultimately depend on sustained growth in the profitability of the underlying investments. Consequently, we 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 investment. The result is that investments in which PSG or an underlying company holds less than 20% and are generally not equity accountable in terms of accounting standards, are included in the calculation of our consolidated *recurring headline earnings*. Marked-to-market fluctuations and once-off items are excluded.

SOTP VALUE

The calculation of the *SOTP value* is simple and requires limited subjectivity as approximately 83% of the value is calculated using JSE-listed share prices, while other investments are included at market-related valuations. At 29 February 2016, the *SOTP value* per PSG share was R186,67 (2015: R163,28) – a 32% *compound annual growth rate (CAGR)* over the last five years. At 4 May 2016, the *SOTP value* per share was R201,30.

Asset/liability	28 Feb 2014 Rm	28 Feb 2015 Rm	29 Feb 2016 Rm	4 May 2016 Rm	*% of total*
Capitec *	5 989	14 549	**16 820**	**19 765**	*43*
Curro *	4 660	6 236	**9 773**	**8 600**	*19*
PSG Konsult *	4 004	5 710	**5 441**	**5 621**	*12*
Zeder *	1 698	3 712	**2 815**	**3 538**	*8*
PSG Private Equity †	949	1 246	**1 367**	**1 380**	*3*
Dipeo *(previously Thembeka)* †	1 243	603	**557**	**624**	*1*
PSG Corporate *(including PSG Capital)* ††	383	1 398	**1 510**	**1 730**	*4*
Other assets *(including cash and preference share investments)* ^	1 122	2 031	**4 358**	**4 614**	*10*
Total assets	20 048	35 485	**42 641**	**45 872**	*100*
Perpetual preference share funding *	(1 393)	(1 411)	**(1 309)**	**(1 358)**	
Other debt ^	(615)	(679)	**(949)**	**(964)**	
Total SOTP value	18 040	33 395	**40 383**	**43 550**	
Shares in issue *(net of treasury shares)* (m)	189,9	204,5	**216,3**	**216,3**	
SOTP value per share (rand)	95,01	163,28	**186,67**	**201,30**	

* *Listed on the JSE Ltd* † *SOTP value* †† *Valuation* ^ *Book value*

Capitec remains PSG's largest investment comprising 39% (2015: 41%) of the *SOTP value's* total assets as at 29 February 2016. Capitec is also the major contributor to PSG's *recurring headline earnings*.

RECURRING HEADLINE EARNINGS

Year ended February	2014 Rm	2015 Rm	*Change %*	2016 Rm
Capitec	571	729		**989**
Curro	21	31		**58**
PSG Konsult	163	214		**254**
Zeder	127	152		**212**
PSG Private Equity	51	59		**113**
Dipeo *(previously Thembeka)*	23	45		**(28)**
PSG Corporate *(including PSG Capital)*	7	38		**69**
Other	39	51		**101**
Recurring headline earnings before funding	1 002	1 319	*34*	**1 768**
Funding	(181)	(177)		**(148)**
Recurring headline earnings	821	1 142	*42*	**1 620**
Non-recurring items	191	432		**(250)**
Headline earnings	1 012	1 574	*(13)*	**1 370**
Non-headline items	47	(14)		**113**
Attributable earnings	1 059	1 560	*(5)*	**1 483**
Weighted average number of shares in issue *(net of treasury shares)* (m)	183,0	192,3	*7*	**205,7**
Earnings per share (cents)				
Recurring headline	448,8	593,6	*33*	**787,8**
Headline	553,2	818,6	*(19)*	**666,2**
Attributable	578,5	811,3	*(11)*	**721,1**
Dividend per share (cents)	133,0	200,0	*50*	**300,0**

Recurring headline earnings for the year ended 29 February 2016 increased by 33% to 787,8 cents per share following strong growth from PSG's core investments.

Headline earnings decreased by 19% to 666,2 cents per share as a result of a *non-recurring headline loss* emanating from PSG Konsult's settlement of a legacy tax matter, and the incurrence of unrealised marked-to-market losses on Dipeo's (previously Thembeka) listed share portfolio in contrast to significant unrealised marked-to-market profits achieved thereon in the prior year.

SIGNIFICANT TRANSACTIONS

The following significant transactions were undertaken during the past financial year:

- PSG raised R267m in cash through the issue of 1,3m ordinary shares at R198 per share by means of a private placement in May 2015, and a further R2,2bn through the issue of 9m ordinary shares at R245 per share by means of a bookbuild in December 2015;
- PSG borrowed R480m by increasing an existing redeemable preference share facility from R450m to R930m for a five-year term at a fixed nacm-rate of 8,325% p.a.;
- PSG invested R438m in cash in the Curro rights offer to fund further expansion;
- Zeder successfully concluded the Capespan scheme of arrangement valued in excess of R500m by acquiring the remaining 25% interest held by minority shareholders other than Capespan management through the issue of Zeder shares; and
- Following the aforementioned Zeder share issue, PSG's interest in Zeder diluted to 32%. PSG subsequently increased its shareholding to 34,6% at an average price of R5,78 per share for a cash consideration of R231m.

CAPITEC BANK

30,7%

Chief executive officer	Gerrie Fourie
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.

Financial results – year ended February	2014	2015	2016
Headline earnings (Rm)	2 017	2 547	**3 222**
HEPS (cents)	1 752	2 209	**2 787**
Growth in HEPS (%)	15	26	**26**
Dividend per share (cents)	663	836	**1 055**
Dividend cover ratio	2,6x	2,6x	**2,6x**
Return on equity (%)	23	25	**27**
Gross loans and advances (Rm)	33 690	36 341	**40 891**
Value of loans advanced (Rm)	18 214	19 417	**24 228**
Repayments (Rm)	21 862	23 787	**28 689**
Loans past due (arrears) (Rm)	2 174	1 964	**2 297**
Arrears to gross loans and advances (%)	6,5	5,4	**5,6**
Provisions for doubtful debts (Rm)	3 637	3 857	**5 131**
Arrears coverage ratio (%)	167	196	**223**
Net transaction fee income (Rm)	1 927	2 608	**3 020**
Net transaction fee income as percentage of operating expenses (%)	59	65	**66**
Number of active clients ('000)	5 388	6 244	**7 269**
Number of branches	629	668	**720**
Number of employees	9 070	10 261	**11 440**

Capitec delivered exceptional financial results despite the tough environment experienced by the banking sector, with a 26% increase in *headline earnings* per share.

Client numbers and net transaction fee income

Active clients increased by 1m to 7,3m, while primary banking clients (those clients who make regular deposits, mainly salaries) increased by 0,6m to 3,3m. According to the independent *AMPS* survey for the period to June 2015, 20,6% of South Africans regarded Capitec as their primary bank, up from 18,9% for the period ended 31 December 2014. The growth in client numbers, combined with increased activity per client, resulted in net transaction fee income increasing by 16% to R3bn (despite the reduction in card processing fees earned since March 2015), now covering 66% of operating expenses (2015: 65%).

Credit

Capitec managed to grow its gross loan book by R4,6bn to R40,9bn, while maintaining conservative provisioning and bad debt write-off policies. The level of provisions to arrears increased from 196% in 2015, to 223% in 2016. After 90 days in arrears, Capitec considers a loan bad and writes it off in full. In addition, Capitec improved its bad debt recoveries by 42% to R854m. The average term of the outstanding book decreased from 43 months as at 28 February 2015, to 40 months as at 29 February 2016.

Capital/liquidity

Capitec's return on equity increased to 27% for the year ended 29 February 2016. It remains well capitalised and has a prudent capital adequacy ratio of 34,9%. Capitec is conservatively leveraged with total assets at five times equity.

Its diversified funding base comprises a healthy blend of wholesale fixed, retail fixed and call deposits. Capitec has a high level of liquidity with R25bn in cash and short-term funds, representing 39,7% of total assets. It is fully compliant with the Basel 3 liquidity ratios.

PSG remains a loyal supporter of Capitec and looks forward to its continued success.

Capitec's comprehensive results for the year ended 29 February 2016 are available at *www.capitecbank.co.za*.

CURRO

58,3%

Chief executive officer	**Chris van der Merwe**
Financial director	**Bernardt van der Linde**

Curro is a provider of private school education.

Financial results – year ended December	2013	2014	2015	2016 *
Headline earnings (Rm)	37	56	100	
HEPS (cents)	12,8	17,2	28,7	
Growth in HEPS (%)	83	34	67	
Number of campuses	26	32	42	**47**
Number of schools	72	80	101	**110**
Number of learners	21 027	28 737	35 970	**41 864**
Number of educators	1 593	1 905	2 339	**2 637**
Learner/teacher ratio	14	15	15	**16**
Total building size (m^2)	261 004	392 314	449 067	**461 312**

* *As at 31 January 2016*

Curro is the largest for-profit private school group in Africa, operating 47 campuses with 110 schools and 41 864 learners.

Curro reported pleasing results for the financial year ended 31 December 2015 with *headline earnings* per share having increased by 67%.

With Curro occupying less than 10% of the private school market and only 0,34% of the total school market in South Africa, there is significant room for further growth as Curro continues to pursue its 2020 target of 80 campuses/200 schools with 80 000 learners.

Curro will raise R1,071bn in cash by means of a rights issue this month to help fund further development and acquisition opportunities. PSG has underwritten the rights issue and will invest at least R624m in Curro.

Curro's comprehensive results for the year ended 31 December 2015 are available at *www.curro.co.za*.

PSG KONSULT

61,9%

Chief executive officer	Francois Gouws
Financial director	Mike Smith

PSG Konsult is a leading financial services company, delivering a broad range of financial services and products. It focuses on providing wealth management, asset management and insurance solutions to clients.

Financial results – year ended February	2014	2015	2016
Recurring headline earnings (Rm)	251	341	**409**
Recurring HEPS (cents)	20,6	27,0	**32,1**
Growth in recurring HEPS (%)	34	31	**19**
Assets under management (Rbn)	99	133	**154**
Gross written premium (Rbn)	1,8	2,1	**2,5**
Number of advisors – PSG Wealth	406	434	**480**
Number of advisors – PSG Insure	212	225	**231**

With 206 advisory offices and 711 advisors nationwide, PSG Konsult has the largest independent advisor network in South Africa.

PSG Konsult has a unique 70/30 revenue-sharing model in terms of which the advisor receives 70% of revenue and PSG Konsult 30%. In return, PSG Konsult is responsible for marketing and maintaining the brand, and manages all the necessary compliance, financial and administrative functions on the advisors' behalf. This model ensures that the PSG Konsult offices remain owner-driven and allows the advisors to focus on what they do best. Given PSG Konsult's aforementioned service offering in a more onerous legal and regulatory environment, more advisors are joining the PSG Konsult network, with the number of advisors having increased by 8% in the past year. This trend will likely continue into the foreseeable future.

PSG Konsult is equity market dependent and despite the challenging economic climate, continued to produce pleasing results. It reported solid growth with a 19% increase in *recurring headline earnings* per share for the financial year ended 29 February 2016, emanating from strong growth by the *PSG Wealth* and *PSG Insure* divisions. Despite the decline in the local equity market in the past financial year, PSG Konsult managed to increase its total assets under management by 16% to R154bn, with *PSG Wealth* and *PSG Asset Management* having had net inflows of R12bn and R4bn, respectively.

We are excited about PSG Konsult's future growth potential given, inter alia, that it occupies less than 5% of the wealth management market, less than 2% of the asset management market, and less than 1% of the short-term insurance market.

PSG Konsult's comprehensive results for the year ended 29 February 2016 are available at *www.psg.co.za*.

ZEDER
INVESTMENTS LIMITED

34,6%

Chief executive officer	Norman Celliers
Managed by the PSG Exco	
Zeder is a JSE-listed investment holding company focused on food and related business.	

Financial results – year ended February	2014	2015	2016
Recurring headline earnings (Rm)	300	414	**632**
Recurring HEPS (cents)	30,6	35,3	**42,4**
Growth in recurring HEPS (%)	19	15	**20**
SOTP value per share (rand)	5,26	9,18	**8,03**
Growth in SOTP value per share (%)	21	75	**(13)**
Dividend per share (cents)	4,5	5,5	**9,0**

Following the conclusion of the Zeder/Capespan scheme of arrangement, Zeder now owns an investment portfolio valued in excess of R14bn, with its 27,2% direct interest in Pioneer Foods representing approximately 66% of the total. Zeder's *SOTP value* per share decreased by 13% to R8,03 during the past financial year, largely due to a 21% decline in Pioneer Foods' share price.

The drought, constrained consumer spending and currency volatility resulted in a challenging trading environment for food and related business in general. However, despite these challenges, Zeder managed to increase its *recurring headline earnings* per share by 20% and dividend per share by 64%, with the majority of the underlying investments having contributed to the improved performance.

Zeder's comprehensive results for the year ended 29 February 2016 are available at *www.zeder.co.za*.

100%

Chief executive officer	Nico de Waal
Managed by the PSG Exco	
PSG Private Equity focuses on early-stage investing in high growth sectors.	

At 29 February 2016, PSG Private Equity's portfolio comprised the following investments:

		Interest	
Investment	**Description**	**2015 %**	**2016 %**
African Unity Group	Life and related insurance	47,5	**47,5**
Alaris Holdings	Antenna-related products	27,3	**27,3**
CA Sales Holdings	FMCG distributor	50,9	**51,2**
CSG Holdings	Construction support services	14,5	**14,5**
Energy Partners	Energy saving solutions	54,0	**57,0**
Entrepo	Unsecured lending	49,0	**Sold**
Impak	Correspondence learning	83,3	**83,3**
IT School Innovation	Education solutions	47,0	**47,0**
Precrete	Mine safety and support services	56,5	**55,8**
Protea Foundry	Non-ferrous foundry	49,9	**Sold**
SNC	Nanofibre technology	28,5	**30,6**
Spirit Capital	Leveraged buy-outs	47,0	**46,8**

PSG Private Equity serves as incubator to find the businesses of tomorrow by investing in companies with high growth potential. Management is actively searching for exciting new investment opportunities, while continuously refining the existing portfolio.

PSG Private Equity reported encouraging results for the year under review with a 75% increase in *recurring headline earnings* per share, albeit from a low base following challenging trading conditions at select investments in the prior year. Given its nature, this portfolio is likely to yield volatile earnings, while providing significant optionality.

Corporate action at PSG Private Equity (and its underlying investments) during the year under review included:

- Recapitalised and acquired an additional interest in *Energy Partners* for R54m;
- Recapitalised and acquired an additional interest in *SNC* for R1,8m;
- Disposed of our investment in *Protea Foundry* for R30m; and
- Disposed of our investment in *Entrepo* for R64m.

DIPEO CAPITAL

49%

Dipeo, a BEE investment holding company, is 51%-owned by the Stellenbosch BEE Education Trust (of which all beneficiaries are black individuals), with PSG owning the remaining 49%. PSG has provided Dipeo with R800m in preference share funding to acquire select investments, the most significant being interests of 6% in Curro, 4,4% in Pioneer Foods, 4% in Quantum Foods and 20% in Kaap Agri. These investments are all subject to BEE lock-in periods. The Stellenbosch BEE Education Trust will use its share of the value created from these investments to fund gifted but needy black students' education. As at 29 February 2016, Dipeo's *SOTP value* amounted to R1,1bn.

PSG CAPITAL

100%

Chief executive officer	**Johan Holtzhausen**
Corporate finance and advisory services	

PSG Capital provides a complete range of corporate finance and advisory services to a broad spectrum of clients. It is a JSE-registered sponsor and designated advisor. Its fields of expertise include, inter alia, mergers and acquisitions, valuations and fairness opinions, capital raisings and listings, JSE and regulatory advice, private equity, BEE, corporate restructurings and debt origination.

PSG Capital is the sponsor, designated advisor and debt sponsor to 36 JSE-listed companies and has numerous unlisted clients. PSG Capital has advised on publicly announced transactions in excess of R210bn over the last number of years.

PSG Capital consistently ranks among the top performers from a *DealMakers* perspective across most categories. Its services and contact details are available at *www.psgcapital.com*.

PSG CORPORATE SERVICES

100%

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 treasurer, allocates capital and determines and monitors the group's gearing, and is the appointed manager to Zeder.

STOCK EXCHANGE PERFORMANCE

Year ended February	2016	2015	2014	2013	2012	2011	2010	2009
Market price on the JSE Ltd (cents)								
High for the year	**28 491**	14 675	9 150	7 332	5 365	4 400	2 749	2 100
Low for the year	**13 419**	8 800	5 880	4 470	3 799	2 215	1 302	1 215
Closing	**17 369**	13 681	8 902	6 126	4 700	4 320	2 205	1 456
Volume-weighted average	**20 295**	10 987	7 131	6 076	4 619	3 274	2 100	1 692
Closing price per share/headline earnings per share (times)	**26,1**	16,7	16,1	12,8	14,4	14,1	8,8	22,3
Volume of shares traded ('000)	**102 855**	32 198	17 963	24 272	13 210	20 127	21 326	18 290
Value of shares traded (Rm)	**20 875**	3 538	1 281	1 475	610	659	448	309
Volume-traded/weighted average shares in issue (%)	**50,0**	16,7	9,8	13,3	7,6	12,0	12,3	10,9

OUR TRACK RECORD

Year ended February	2016	2015	2014	2013	2012	2011	2010	2009
Headline earnings per share (cents)	**666,2**	818,6	553,2	480,2	326,2	306,7	249,2	65,3
Headline earnings (Rm)	**1 370**	1 574	1 012	875	567	512	431	110
Recurring headline earnings per share (cents)	**787,8**	593,6	448,8	392,3	308,6	241,9	207,4	174,3
Recurring headline earnings (Rm)	**1 620**	1 142	821	715	537	404	359	293
Distribution per share (cents)								
Normal	**300,0**	200,0	133,0	111,0	82,0	67,0	42,0	57,0
Special								200,0
Ordinary shareholders' equity (Rm)	**13 634**	9 999	6 862	5 990	4 760	3 585	2 947	2 755
Net asset value per share (cents)	**6 364**	4 939	3 751	3 262	2 650	2 156	1 765	1 640
Total assets (Rm)	**71 748**	45 607	33 700	25 857	20 961	17 410	14 686	14 127
Market capitalisation (gross of treasury shares) (Rm)	**40 084**	30 157	18 480	12 747	9 528	8 219	4 211	2 760
Number of shares ('000)								
Issued	**230 779**	220 432	207 589	208 082	202 724	190 262	190 953	189 579
Treasury shares	**(16 543)**	(18 004)	(24 666)	(24 440)	(23 111)	(24 001)	(23 959)	(21 559)
Net	**214 236**	202 428	182 923	183 642	179 613	166 261	166 994	168 020
Weighted average	**205 669**	192 328	182 994	182 224	173 872	167 055	173 113	168 352
Return on equity (based on headline earnings) (%)	**11,6**	18,7	15,8	16,3	13,6	15,7	15,1	3,6
Return on equity (based on recurring headline earnings) (%)	**13,7**	13,5	12,8	13,3	12,9	12,4	12,6	9,7

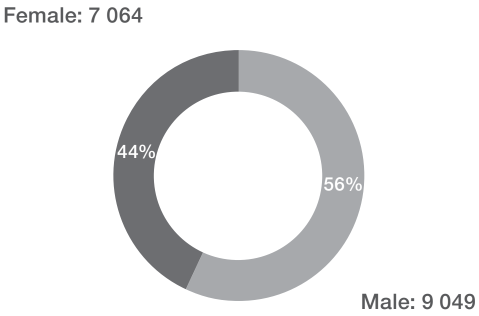
2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
3 050	2 925	2 300	705	520	650	885	986	1 585	1 900	1 550	510	300
1 900	1 570	620	253	255	375	440	527	800	495	445	210	20
2 085	2 720	2 266	700	385	520	476	660	1 000	1 170	1 530	470	225
2 714	2 257	1 060	428	460	512	675	685	1 114	1 172	966	401	78
7,1	5,2	6,4	7,8	5,0	7,4	3,4	4,4	8,3	13,6	32,3	17,9	16,4
43 409	37 787	13 933	48 528	56 204	42 636	47 775	49 009	45 265	30 219	23 443	14 120	22 210
1 178	853	148	208	258	218	322	336	504	354	227	57	17
26,5	30,1	13,7	45,1	50,3	35,5	38,5	36,8	33,1	31,7	32,2	35,7	101,8

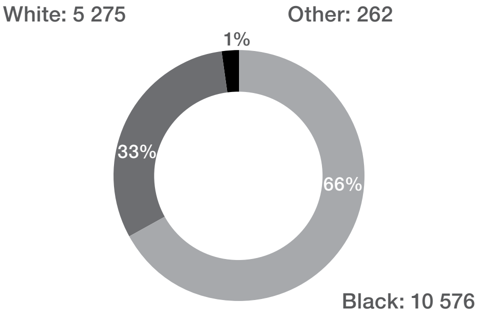
2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
295,1	519,3	351,8	90,0	76,3	70,7	141,0	150,3	120,6	85,9	47,3	25,5	14,4
483	651	358	97	85	85	175	200	165	82	35	10	3
129,5												
212												
112,5	90,0	67,5	45,0	30,0	20,0	50,0	45,0	36,0	25,0			
				70,0	200,0							
3 295	2 373	719	362	336	993	1 218	1 141	1 085	638	535	78	7
1 948	1 585	704	356	320	828	1 015	899	778	669	617	147	34
14 206	5 501	1 833	2 794	2 384	2 594	4 477	3 416	3 474	2 543	1 258	233	25
3 953	4 621	2 701	834	443	624	571	838	1 395	1 117	1 325	249	49
189 579	169 885	119 195	119 195	115 000	120 000	120 000	126 900	139 500	95 445	86 611	52 930	21 818
(20 386)	(20 133)	(17 015)	(17 619)	(10 000)								
169 193	149 752	102 180	101 576	105 000	120 000	120 000	126 900	139 500	95 445	86 611	52 930	21 818
163 505	125 446	101 888	107 519	111 700	120 000	124 204	133 200	136 613	95 445	72 869	39 588	21 818
17,0	42,1	66,3	27,7	12,8	7,7	14,9	18,0	19,1	14,0	11,3	23,8	88,6
7,5												

VALUE ADDED	2016 Rm	2016 %	2015 Rm	2015 %
Total income (including revenue from sale of goods)	**18 638**		16 197	
Dividends received from associates	**574**		392	
Total expenses (excluding employee costs, depreciation and amortisation)	**(14 603)**		(12 327)	
	4 609		4 262	
Non-recurring items				
Impairment charges	**30**		28	
Other	**(36)**		(7)	
	4 603		4 283	
VALUE ALLOCATED				
To employees				
Salaries, wages and other benefits	**2 325**	**51**	2 111	49
To providers of capital	**1 257**	**28**	844	19
Finance costs	**456**	**10**	337	8
Dividends paid				
Owners of the parent	**498**	**11**	273	6
Non-controlling interests	**303**	**7**	234	5
To governments				
Normal tax on companies	**619**	**13**	394	10
To expansion and growth	**402**	**8**	934	22
Depreciation and amortisation	**380**	**8**	295	7
Retained earnings	**22**		639	15
	4 603	**100**	4 283	100

GENDER	Number	%
Male	9 049	56
Female	7 064	44
RACE		
Black (African, Coloured and Indian)	10 576	66
White	5 275	33
Other (mainly Asian)	262	1
EDUCATION		
Up to grade 11	3 036	19
Grade 12	6 689	42
Post-grade 12 (e.g. diploma/certificate)	2 772	17
University degree	2 623	16
Postgraduate university degree or professional qualification	993	6
HIERARCHY		
Executive directors	111	1
Senior management	410	3
Middle/junior management	1 869	12
Operational	10 060	62
Support	3 663	22
TOTAL NUMBER OF EMPLOYEES	**16 113**	

Statistics relate to permanent employees of subsidiaries as at 29 February 2016 and exclude employees of associates and joint ventures.





Corporate governance report

PSG Group Ltd ("PSG Group", "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 year 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 compliance with 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 15 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	15 Apr 2015	23 Jul 2015	12 Oct 2015	23 Feb 2016
PE Burton	√	√	√	√
ZL Combi	√	√	√	√
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*

PSG Group's memorandum of incorporation requires a minimum of one third of the non-executive directors of the company, as well as non-executive directors having served three consecutive years without rotating, to retire by rotation and to offer themselves for re-election by shareholders at the annual general meeting. In addition thereto, the appointment of new directors should be confirmed by shareholders at the first annual general meeting following their appointment. In accordance with the company's memorandum of incorporation, Messrs ZL Combi, J de V du Toit, MM du Toit, JF Mouton and W Theron will retire and offer themselves for re-election by shareholders. In accordance with the company's memorandum of incorporation, the appointment of Ms B Mathews will be presented to shareholders for confirmation.

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 and associated companies have entered into service contracts with those subsidiary and associated companies.

PSG Group is an investment holding 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. Mr J de V du Toit serves as lead independent director of PSG Group.

The PSG Group Nomination Committee considers and recommends appropriate appointments of directors to the board. 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.

The board does not conduct formal appraisals of its members and committees. However, the efficiency of the board and its committees is continuously assessed.

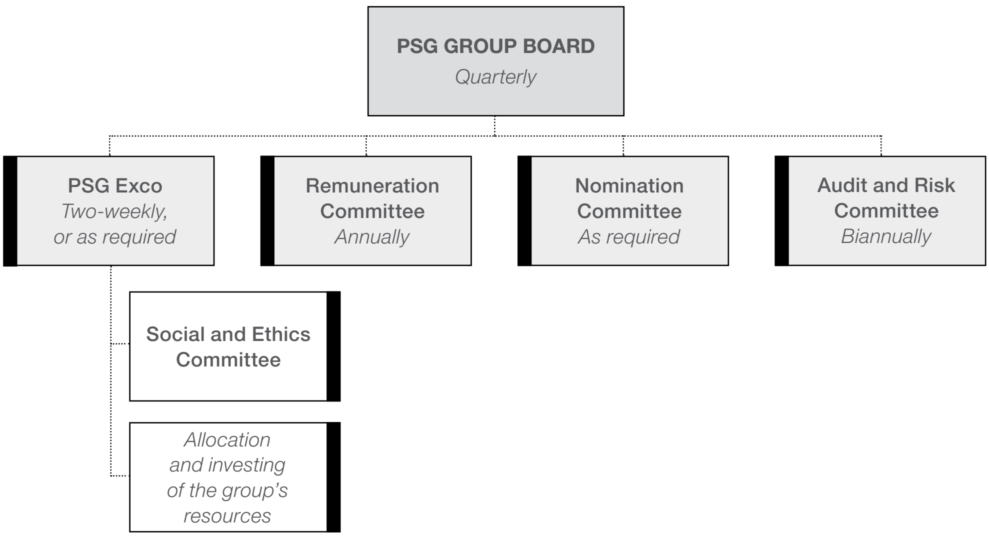
The vast majority of the directors are shareholders in the company.

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) and JA Holtzhausen (executive). Mr JC Taljaard (tax advisor) attends the PSG Exco meetings as a permanent invitee, while there is a standing invitation for non-executive directors to attend. The PSG Exco meets regularly, usually every two weeks, 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. These members are all non-executive directors, with a majority being independent. The committee met once during the past year on 23 February 2016 and all members were present. Each major group subsidiary and associated company has its own remuneration committee.

The remuneration committee is primarily responsible for overseeing the remuneration and incentives of the executive directors and key management, as well as providing strategic guidance to the other remuneration committees in the group. Remuneration packages are benchmarked annually and the remuneration committee takes cognisance of both local and international best remuneration practices in order to ensure that remuneration is fair and reasonable to both the employee and the company.

Remuneration packages comprise guaranteed pay on a cost-to-company basis, performance-based short-term incentives (annual discretionary bonuses based on meeting personal and company performance criteria) and long-term incentives (share options).

Executive directors' remuneration is set out on page 44 of this annual report.

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, 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 meets when required and, as previously stated, is responsible for assisting the board with the appointment of directors by making appropriate recommendations in this regard.

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 2015	9 Oct 2015
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 40 of this annual report. The audit and risk committee operates in accordance with a board-approved charter, which is available from the company secretary for inspection. 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 may 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 seven years, while Messrs PE Burton and CA Otto have served as members for nine years and four years, respectively.

SOCIAL AND ETHICS COMMITTEE

The PSG Group Social and Ethics Committee, which comprises the members of the PSG Exco and Mr CA Otto (chairman), is responsible for 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 Group Social and Ethics Committee is satisfied with the social and ethical matters relating to PSG Group and its subsidiaries.

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. 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, being represented by Mr A Rossouw, is required to issue in terms of section 88(2)(e) of the Companies Act is on page 41 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 compliance with legislation and codes that govern the group's day-to-day operations.

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 systems of internal control and risk management 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 immaterial. The board is accordingly satisfied that the current system of IT governance at group level is 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 BEE and supports same, having invested in various BEE initiatives. PSG Group furthermore pays all its taxes regularly and encourages government to spend its receipts responsibly.

PSG Group has no political affiliations.

Refer to the chairman's letter on page 2 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 PSG Group, 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 being a priority.

Employment equity

The group 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 and as financier for the group. Subsidiary and associated companies develop their own specialist product ranges across a diverse range of industries, which include banking, education, financial services, food and related business, and private equity. The group also provides legal, taxation, financial and regulatory support and advice to listed and non-listed clients.

Distribution

Each underlying 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 significant 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 its implementation is overseen by 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 JSE Listings Requirements.

Summarised consolidated financial statements

These summarised consolidated financial statements comprise a summary of the audited consolidated annual financial statements of PSG Group Ltd for the year ended 29 February 2016.

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

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

REPORT OF THE AUDIT AND RISK COMMITTEE

for the year ended 29 February 2016

The audit and risk committee ("the committee") reports that it has considered the matters set out in the Companies Act, 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.

The committee also acted as the statutory audit committee of certain public company wholly-owned 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 29 February 2016, as well as these summarised consolidated financial statements and, based on the information provided to the committee, considers that the company and group complies, in all material respects, with the requirements of the Companies Act and International Financial Reporting Standards.

J de V du Toit
Chairman

13 May 2016
Stellenbosch

DECLARATION BY THE COMPANY SECRETARY

for the year ended 29 February 2016

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, and that all such returns and notices are true, correct and up to date.

PSG Corporate Services (Pty) Ltd
Per A Rossouw
Company secretary

13 May 2016
Stellenbosch

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the year ended 29 February 2016

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; and the JSE Listings Requirements, and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are applied consistently.

These summarised consolidated financial statements were derived from the consolidated annual financial statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act. Reading these summarised consolidated financial statements, therefore, is not a substitute for reading the consolidated 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 summarised consolidated financial statements set out on pages 43 to 69, were approved by the board of directors of PSG Group Ltd and are signed on its behalf by:

JF Mouton
Chairman

PJ Mouton
Chief executive officer

WL Greeff
Financial director

13 May 2016
Stellenbosch

DIRECTORS' REPORT

for the year ended 29 February 2016

Nature of business

PSG Group Ltd, being an investment holding company, offers a broad range of goods and services through its various subsidiaries, associates and joint ventures. These goods and services mainly comprise financial services (financial advice, stockbroking, fund management, insurance, financing, banking, investing and advisory services), logistical services, food and related goods and services, and private education services. The various activities are set out in further detail in the review of operations section (page 18) of this annual report.

Operating results

The operating results and state of affairs of the group are set out in the attached summarised consolidated income statement and statements of financial position, comprehensive income, changes in equity and cash flows, as well as the notes thereto. For the year under review, the group's recurring headline earnings amounted to R1 620m (2015: R1 142m), headline earnings amounted to R1 370m (2015: R1 574m) and earnings attributable to owners of the parent amounted to R1 483m (2015: R1 560m). The group's profit for the year amounted to R2 203m (2015: R2 191m).

Stated capital

Movements in the number of ordinary shares in issue during the year under review were as follows:

	Number of shares 2016	Number of shares 2015
Shares in issue at beginning of the year, gross of treasury shares	**220 431 723**	207 589 422
Less: Treasury shares		
Held by a subsidiary (PSG Financial Services Ltd)	**(13 908 770)**	(13 908 770)
Held by an associate (Thembeka Capital (RF) Ltd)		(4 852 151)
Held by executives through loan funding advanced	**(2 100 000)**	(2 100 000)
Held by the PSG Group Ltd Share Incentive Trust		(150 000)
Held by the PSG Group Ltd Supplementary Share Incentive Trust	**(1 994 812)**	(3 655 372)
Shares in issue at beginning of the year, net of treasury shares	**202 428 141**	182 923 129
Specific issue (net of share buy-back) in terms of Thembeka Capital (RF) Ltd scheme of arrangement		4 860 032
General issue for cash at R95,00 per share		9 684 032
General issue for cash at R97,00 per share		1 600 000
General issue for cash at R129,00 per share		1 550 388
General issue for cash at R198,00 per share	**1 346 827**	
General issue for cash at R245,00 per share	**9 000 000**	
Movement in treasury shares		
Shares released to participants by the PSG Group Ltd Share Incentive Trust		150 000
Shares released to participants by the PSG Group Ltd Supplementary Share Incentive Trust	**1 460 745**	1 660 560
Shares in issue at end of the year, net of treasury shares	**214 235 713**	202 428 141

Dividends

Details of dividends appear in the summarised consolidated statement of changes in equity.

Directors

Details of the company's directors at the date of this report appear on page 15.

Directors' emoluments
The following directors' emoluments were paid by the company and its subsidiaries in respect of the year ended 29 February 2016:

Cash-based remuneration

Audited	Fees R'000	Basic salary R'000	Company contri-butions R'000	Perfor-mance-related R'000	**Total 2016 R'000**	**Total 2015 R'000**
Executive						
WL Greeff		3 165	45	4 815	**8 025**	7 500
JA Holtzhausen		3 081	129	6 667	**9 877**	8 000
PJ Mouton		3 518	13	5 297	**8 828**	8 250
Non-executive						
PE Burton [1]	461				**461**	407
ZL Combi [2]	571				**571**	434
J de V du Toit [3]	458				**458**	565
MM du Toit	141				**141**	132
FJ Gouws [6, 9, 10, 11, 14]		4 240	67	12 300	**16 607**	12 400
MJ Jooste [4]	142				**142**	132
JF Mouton [5]	265	2 982	61	4 426	**7 734**	5 728
JJ Mouton [6, 7, 12, 14]		1 570	24	6 200	**7 794**	7 693
CA Otto [8]	1 712				**1 712**	1 600
W Theron [13, 14]	927				**927**	894
	4 677	18 556	339	39 705	**63 277**	53 735

1 *R221 159 (2015: R206 690) was paid in respect of PSG Group Ltd directors' fees, the balance represents fees received at a subsidiary level.*
2 *R132 306 (2015: R123 650) was paid in respect of PSG Group Ltd directors' fees, the balance represents fees received at a subsidiary level.*
3 *R218 355 (2015: R204 070) was paid in respect of PSG Group Ltd directors' fees, the balance represents fees received at a 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 Ltd. However, he remains a 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 a subsidiary company during the year.*
7 *R132 306 (2015: R123 650) was paid in respect of PSG Group Ltd directors' fees to PSG Asset Management (Pty) Ltd, a subsidiary.*
8 *R213 872 (2015: R199 880) was paid in respect of PSG Group Ltd directors' fees, the balance represents fees received at a subsidiary level.*
9 *R132 306 (2015: R123 650) was paid in respect of PSG Group Ltd directors' fees to PSG Konsult Management Services (Pty) Ltd, a subsidiary.*
10 *Total performance-related bonus awarded on a subsidiary level was R15m (2015: R12m), of which R10,5m (2015: R8,4m) was paid out. The deferred portion will be paid in two amounts of R2,3m (2015: R1,8m) each, should the director remain in the subsidiary's service for one and two years, respectively.*
11 *In respect of Mr FJ Gouws, who is a United Kingdom tax resident, a subsidiary was obliged to pay United Kingdom National Insurance in an amount of R5,1m (2015: R2,1m).*
12 *A once-off amount of R1,2m was paid to Mr JJ Mouton by a subsidiary during the year under review in recognition of changes made to his terms and conditions of employment.*
13 *R132 306 (2015: R123 650) was paid in respect of PSG Group Ltd directors' fees, the balance represents fees received at a subsidiary level.*
14 *In terms of the PSG Konsult Group Share Incentive Scheme, these directors have been awarded PSG Konsult Ltd share options as set out in the table opposite:*

Equity-based remuneration (PSG Konsult Ltd share options granted in terms of PSG Konsult Group Share Incentive Scheme)

Audited	**Number of share options as at 28 Feb 2015**	Number of share options during year Granted	Vested	Market price per share on vesting date R	Vesting price per share R	Date granted	**Number of share options as at 29 Feb 2016**
FJ Gouws	10 000 000				1,83	01/07/2012	**10 000 000**
	12 500 000		(3 125 000)	7,50	2,83	01/03/2013	**9 375 000**
	6 350 000				5,06	01/03/2014	**6 350 000**
		895 186			7,27	01/04/2015	**895 186**
	28 850 000	895 186	(3 125 000)				**26 620 186**
JJ Mouton	300 000		(75 000)	7,40	2,83	01/03/2013	**225 000**
	300 000				5,06	01/03/2014	**300 000**
		2 500 000			7,27	01/04/2015	**2 500 000**
	600 000	2 500 000	(75 000)				**3 025 000**
W Theron	2 900 615		(1 450 308)	7,50	1,54	01/03/2011	**1 450 308**
	3 000 000		(750 000)	7,50	2,83	01/03/2013	**2 250 000**
	5 900 615	–	(2 200 308)				**3 700 308**
Total	35 350 615	3 395 186	(5 400 308)				**33 345 494**

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

Audited	Number of share options as at 28 Feb 2015	Number of share options during year Granted	Number of share options during year Vested	Market price per share on vesting date R	Vesting price per share R	Date granted	Number of share options as at 29 Feb 2016
Executive							
WL Greeff	61 296		(61 296)	174,97	39,61	28/02/2011	–
	45 358		(22 680)	174,97	47,39	29/02/2012	**22 678**
	78 134		(26 045)	174,97	61,50	28/02/2013	**52 089**
	601 428		(150 357)	174,97	83,23	28/02/2014 *	**451 071**
	57 406				136,84	28/02/2015	**57 406**
		54 871			178,29	29/02/2016	**54 871**
	843 622	54 871	(260 378)				**638 115**
JA Holtzhausen	49 441		(49 441)	174,97	39,61	28/02/2011	–
	49 895		(24 948)	174,97	47,39	29/02/2012	**24 947**
	77 653		(25 885)	174,97	61,50	28/02/2013	**51 768**
	602 244		(150 561)	174,97	83,23	28/02/2014 *	**451 683**
	58 986				136,84	28/02/2015	**58 986**
		52 880			178,29	29/02/2016	**52 880**
	838 219	52 880	(250 835)				**640 264**
PJ Mouton	75 465		(75 465)	174,97	39,61	28/02/2011	–
	56 420		(28 211)	174,97	47,39	29/02/2012	**28 209**
	96 789		(32 263)	174,97	61,50	28/02/2013	**64 526**
	661 884		(165 471)	174,97	83,23	28/02/2014 *	**496 413**
	74 693				136,84	28/02/2015	**74 693**
		83 993			178,29	29/02/2016	**83 993**
	965 251	83 993	(301 410)				**747 834**
Non-executive							
JF Mouton	127 881		(127 881)	199,48	26,16	22/04/2010	–
	50 488		(50 488)	174,97	39,61	28/02/2011	–
	102 028		(51 014)	174,97	47,39	29/02/2012	**51 014**
	128 373		(42 791)	174,97	61,50	28/02/2013	**85 582**
	643 824		(160 956)	174,97	83,23	28/02/2014 *	**482 868**
	94 936				136,84	28/02/2015	**94 936**
	1 147 530	–	(433 130)				**714 400**
Total	3 794 622	191 744	(1 245 753)				**2 740 613**

* *Included in the 28 February 2014 share option allocation is a once-off allocation of 500 000 PSG Group Ltd share options each for a total of 2 million PSG Group Ltd share options, which was made to appropriately incentivise the aforementioned four directors. Retention of these directors' services are considered key to PSG Group Ltd's continued success. During the year under review, 25% of these share options vested.*

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 (chief executive officer), WL Greeff (financial director) and JA Holtzhausen (executive). All being directors of PSG Group Ltd, their remuneration is detailed on page 44. The duties and responsibilities of the Exco are set out in the chairman's letter (page 2) and corporate governance report (page 32) of this annual report.

Shareholding of directors

The shareholding of directors, excluding the participation in the share incentive schemes (already disclosed above), in the issued share capital of the company as at 29 February 2016 was as follows:

	Beneficial		Non-beneficial	**Total shareholding 2016**		**Total shareholding 2015**	
Audited	Direct	Indirect [1]	Indirect	**Number**	**%**	**Number**	**%**
PE Burton		191 675	100 000	**291 675**	**0,1**	291 675	0,1
ZL Combi [2]	490 000			**490 000**	**0,2**	490 000	0,2
J de V du Toit [4]				**–**		3 840 000	1,9
MM du Toit [3, 4]		232 000		**232 000**	**0,1**	5 479 516	2,7
WL Greeff		1 261 373		**1 261 373**	**0,6**	1 180 995	0,6
JA Holtzhausen	814 237	500 000		**1 314 237**	**0,6**	1 263 402	0,6
JF Mouton		50 189 777		**50 189 777**	**23,2**	49 713 856	24,3
JJ Mouton	115 000	1 403 350		**1 518 350**	**0,7**	1 518 350	0,7
PJ Mouton	54 148	5 356 670		**5 410 818**	**2,5**	5 359 408	2,6
CA Otto	108		3 434 621	**3 434 729**	**1,6**	3 501 929	1,7
W Theron	10 000		157 502	**167 502**	**0,1**	167 502	0,1
Total	1 483 493	59 134 845	3 692 123	**64 310 461**	**29,7**	72 806 633	35,5

1 *Includes, inter alia, shares held by trusts of which the directors are discretionary beneficiaries.*

2 *Subsequent to year-end Mr ZL Combi disposed of 80 000 PSG Group Ltd ordinary shares. Save for the aforementioned, there have been no changes in the shareholding of directors between year-end and the date of this report.*

3 *Included are single stock future contracts amounting to 232 000 (2015: 400 000) PSG Group Ltd shares.*

4 *Related parties of Messrs J de V du Toit and MM du Toit have entered into total return swap agreements with a third party in respect of 1 280 000 and 2 452 830 PSG Group Ltd ordinary shares, respectively. In terms of the total return swap agreements, the third party will retain voting rights, while the related parties of Messrs J de V du Toit and MM du Toit will be entitled to capital growth and other investment returns measured until 30 June 2018 and 30 June 2020, respectively.*

REPORT OF THE INDEPENDENT AUDITOR

to the shareholders of PSG Group Ltd

These summarised consolidated financial statements, which comprise the summarised consolidated statement of financial position as at 29 February 2016, and the summarised 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 49 to 69, are derived from the audited consolidated annual financial statements of PSG Group Ltd for the year ended 29 February 2016. We expressed an unmodified audit opinion on those consolidated annual financial statements in our report dated 13 May 2016.

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

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of a summarised 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, as applicable to summarised financial statements, and for such internal controls as the directors determine is necessary to enable the preparation of summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the summarised group 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 summarised consolidated financial statements derived from the audited consolidated annual financial statements of PSG Group Ltd for the year ended 29 February 2016 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, as applicable to summarised financial statements.

Other reports required by the Companies Act

The "Other reports required by the Companies Act" paragraph in our audit report dated 13 May 2016 states that as part of our audit of the consolidated annual financial statements for the year ended 29 February 2016, we have read the directors' report, the audit and risk committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated annual financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the consolidated annual financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised consolidated financial statements or our opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered auditor

13 May 2016
Stellenbosch

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 29 February 2016

	Notes	2016 Rm	2015 Rm
Assets			
Property, plant and equipment		**6 233**	4 869
Intangible assets		**2 714**	2 647
Biological assets		**406**	274
Investment in ordinary shares of associates and joint ventures		**12 061**	10 755
Investment in preference shares of/loans granted to associates and joint ventures		**105**	309
Deferred income tax assets		**192**	179
Financial assets linked to investment contracts	6	**19 836**	14 223
Cash and cash equivalents		**115**	27
Other financial assets		**19 721**	14 196
Other financial assets	5.2	**21 448**	5 311
Inventory		**1 619**	1 181
Trade and other receivables	7	**5 156**	4 085
Current income tax assets		**40**	49
Cash and cash equivalents		**1 862**	1 619
Non-current assets held for sale	9	**76**	106
Total assets		**71 748**	45 607
Equity			
Ordinary shareholders' equity		**13 634**	9 999
Non-controlling interests		**10 128**	9 097
Total equity		**23 762**	19 096
Liabilities			
Insurance contracts		**607**	574
Financial liabilities under investment contracts	6	**19 836**	14 223
Borrowings		**5 604**	4 756
Other financial liabilities		**102**	137
Third-party liabilities arising on consolidation of mutual funds	5.2	**15 729**	2 057
Deferred income tax liabilities		**617**	631
Trade and other payables and employee benefit liabilities	7	**5 286**	4 078
Current income tax liabilities		**205**	55
Total liabilities		**47 986**	26 511
Total equity and liabilities		**71 748**	45 607
Net asset value per share (rand)		**63,64**	49,39
Net tangible asset value per share (rand)		**50,97**	36,32

SUMMARISED CONSOLIDATED INCOME STATEMENT

for the year ended 29 February 2016

	Notes	2016 Rm	2015 Rm
Revenue from sale of goods		**12 964**	10 981
Cost of goods sold		**(11 215)**	(9 532)
Gross profit from sale of goods		**1 749**	1 449
Income			
Changes in fair value of biological assets		**244**	144
Investment income	6	**974**	764
Fair value gains and losses	6	**643**	1 400
Fair value adjustment to investment contract liabilities	6	**(1 439)**	(1 483)
Commission, net insurance premiums and other fee income		**5 155**	4 309
Other operating income *		**98**	82
		5 675	5 216
Expenses			
Insurance claims and loss adjustments, net of recoveries		**(519)**	(424)
Marketing, administration and other expenses *		**(5 574)**	(4 776)
		(6 093)	(5 200)
Net income from associates and joint ventures			
Share of profits of associates and joint ventures		**1 609**	1 448
Reversal of impairment/(impairment loss) of associates and joint ventures		**8**	(4)
Net profit on sale/dilution of interest in associates *		**295**	11
		1 912	1 455
Profit before finance costs and taxation		**3 243**	2 920
Finance costs		**(456)**	(337)
Profit before taxation		**2 787**	2 583
Taxation		**(584)**	(392)
Profit for the year		**2 203**	2 191
Attributable to:			
Owners of the parent		**1 483**	1 560
Non-controlling interests		**720**	631
		2 203	2 191

* *Reclassified as set out in note 12.*

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 29 February 2016

	2016 Rm	2015 Rm
Profit for the year	**2 203**	2 191
Other comprehensive loss for the year, net of taxation	**(73)**	(79)
Items that may be subsequently reclassified to profit or loss		
Currency translation adjustments	**(105)**	(18)
Reclassification of currency translation adjustments		(1)
Cash flow hedges	**22**	(8)
Reclassification of cash flow hedges		25
Share of other comprehensive income/(loss) and equity movements of associates	**2**	(59)
Reclassification of share of other comprehensive income and equity movements of associates upon disposal	**(1)**	
Items that may not be subsequently reclassified to profit or loss		
Gains/(losses) from changes in financial and demographic assumptions of post-employment benefit obligations	**9**	(18)
Total comprehensive income for the year	**2 130**	2 112
Attributable to:		
Owners of the parent	**1 516**	1 496
Non-controlling interests	**614**	616
	2 130	2 112

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2016

	Notes	2016 Rm	2015 Rm
Ordinary shareholders' equity at beginning of the year		**9 999**	6 862
Total comprehensive income		**1 516**	1 496
Issue of shares		**2 455**	2 881
Share buy-back			(1 140)
Share-based payment costs – employees		**51**	46
Net movement in treasury shares		**56**	138
Transactions with non-controlling interests		**55**	(11)
Dividends paid		**(498)**	(273)
Ordinary shareholders' equity at end of the year		**13 634**	9 999
Non-controlling interests at beginning of the year		**9 097**	5 607
Total comprehensive income		**614**	616
Issue of shares		**1 515**	2 852
Share-based payment costs – employees		**19**	15
Subsidiaries acquired	5.1	**6**	346
Transactions with non-controlling interests		**(820)**	(105)
Dividends paid		**(303)**	(234)
Non-controlling interests at end of the year		**10 128**	9 097
Total equity		**23 762**	19 096
Dividend per share (cents)			
Interim		**100**	55
Final		**200**	145
		300	200

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 29 February 2016

	Notes	2016 Rm	2015 Rm
Cash flow from operating activities			
Cash generated from operations	4	**900**	661
Interest income		**861**	596
Dividend income		**680**	530
Finance costs		**(464)**	(327)
Taxation paid		**(446)**	(384)
Cash flow from operating activities before cash movement in policyholder funds		**1 531**	1 076
Cash movement in policyholder funds		**88**	(24)
Cash flow from operating activities		**1 619**	1 052
Cash flow from investing activities		**(4 181)**	(3 502)
Cash flow from subsidiaries acquired	5.1	**(274)**	(584)
Cash flow from consolidation of mutual funds	5.2	**96**	(1 175)
Acquisition of ordinary shares in associates		**(62)**	(350)
Proceeds from disposal of ordinary shares in associates		**111**	20
Acquisition of property, plant and equipment		**(1 504)**	(1 425)
Other investing activities *		**(2 548)**	12
Cash flow from financing activities		**2 754**	1 669
Dividends paid to group shareholders		**(498)**	(273)
Dividends paid to non-controlling interests		**(303)**	(234)
Capital contributions by non-controlling interests		**733**	293
Net acquisition from non-controlling interests		**(229)**	(508)
Increase in borrowings		**1 134**	1 122
Borrowings repaid		**(632)**	(191)
Proceeds from disposal of holding company's treasury shares		**94**	64
Shares issued		**2 455**	1 396
Increase/(decrease) in cash and cash equivalents		**192**	(781)
Exchange (losses)/gains on cash and cash equivalents		**(17)**	26
Cash and cash equivalents at beginning of the year		**826**	1 581
Cash and cash equivalents at end of the year *		**1 001**	826
Cash and cash equivalents consist of:			
Cash and cash equivalents attributable to equity holders		**1 696**	1 480
Cash and cash equivalents linked to investment contracts		**115**	27
Other clients' cash and cash equivalents		**166**	139
Cash and cash equivalents attributable to equity holders and included in non-current assets held for sale			3
Bank overdrafts attributable to equity holders (included in borrowings)		**(976)**	(823)
		1 001	826

* *Available cash held at a PSG Group head office level is invested in the PSG Money Market Fund. As a result of the group's consolidation of the PSG Money Market Fund, the cash invested in same is derecognised and all of the fund's underlying highly liquid debt securities (included in other financial assets on the face of the statement of financial position) are recognised. Third parties' cash invested in the PSG Money Market Fund are recognised as a payable and included under "third-party liabilities arising on consolidation of mutual funds". Available cash held at a PSG Group head office level and invested in the PSG Money Market Fund amounted to R2,9bn (2015: R0,3bn) at the reporting date. The increase of R2,6bn has been included under "other investing activities". The increase in available cash held at a PSG Group head office level is mainly as a result of the capital raisings detailed in the review of operations section of this annual report.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 29 February 2016

1. **Basis of presentation and accounting policies**

   These summarised consolidated financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, 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 Companies Act and the JSE Listings Requirements.

   The accounting policies applied in the preparation of these summarised consolidated financial statements are consistent in all material respects with those used in the prior year's consolidated annual financial statements. The group also adopted the various other revisions to IFRS which were effective for its financial year ended 29 February 2016. These revisions have not resulted in material changes to the group's reported results and disclosures in these summarised consolidated financial statements.

2. **PSG Financial Services Ltd**

   PSG Financial Services Ltd is a wholly-owned subsidiary of PSG Group Ltd, except for the 17 415 770 (2015: 17 415 770) perpetual preference shares which are listed on the JSE. These preference shares are included in non-controlling interests in the statement of financial position.

	2016 Rm	Change %	2015 Rm
3. Headline earnings			
Profit for the year attributable to owners of the parent	**1 483**		1 560
Non-headline items			
Gross amounts	**(283)**		11
Impairment of investment in associates	**(8)**		4
Net profit on sale/dilution of investment in associates	**(295)**		(11)
Net profit on sale of investment in subsidiaries	**2**		
Fair value gain on step-up from associate to subsidiary	**(4)**		(45)
Net loss on sale/impairment of intangible assets (including goodwill)	**14**		38
Net profit on sale/reversal of impairment of property, plant and equipment	**(18)**		(17)
Non-headline items of associates	**29**		44
Bargain purchase gain	**(4)**		
Impairment of available-for-sale financial assets	**1**		
Reclassification of currency translation adjustments			(2)
Non-controlling interests	**166**		6
Taxation	**4**		(3)
Headline earnings	**1 370**		1 574
Earnings per share (cents)			
Recurring headline	**787,8**	*33*	593,6
Headline	**666,2**	*(19)*	818,6
Attributable/basic	**721,1**	*(11)*	811,3
Diluted headline	**645,6**	*(20)*	807,4
Diluted attributable/basic	**698,6**	*(13)*	800,2
Number of shares (m)			
In issue	**230,8**		220,4
In issue (net of treasury shares)	**214,2**		202,4
Weighted average	**205,7**		192,3
Diluted weighted average	**208,9**		195,0

During the year, Golden Wing Mau, an associate of the group through Zeder's investment in Capespan Group Ltd ("Capespan"), merged as equals with Joyvio. Both Golden Wing Mau and Joyvio are leading players in China's fresh fruit business and the merger resulted in the group's interest in Golden Wing Mau diluting from 25% to 11,3%. The group continues to exercise significant influence through, inter alia, board representation. The dilution gain of R277m consequently recognised by the group was determined with reference to the fair value at which the merger was concluded, being above the carrying value of the investment. The fair value was determined by the appointed appraiser using the discounted cash flow method and price-to-sales ratios.

	2016 Rm	2015 Rm
4. Cash generated from operations		
Profit before taxation	**2 787**	2 583
Share of profits of associates and joint ventures	**(1 609)**	(1 448)
Depreciation and amortisation	**380**	295
Investment income	**(974)**	(764)
Finance costs	**456**	337
Working capital changes and other non-cash items	**(140)**	(342)
	900	661

5. Business combinations

5.1 Subsidiaries acquired

The group's most significant subsidiaries acquired during the year under review included:

Aspen Logistics (Pty) Ltd ("Aspen Logistics")
During March 2015, the group, through Capespan, acquired 75% of the issued share capital of Aspen Logistics for a cash consideration of R5m. Capespan South Africa's fruit logistical operations were integrated with Aspen Logistics and subsequently rebranded as Contour Logistics. Contour Logistics is a logistical solutions service provider supporting Capespan's operations. Goodwill arose in respect of, inter alia, synergies pertaining to the integration of the logistical activities.

Novo Packhouse business operations ("Novo Packhouse")
During March 2015, the group, through Capespan, acquired the business operations of Novo Packhouse, including its coldstores, equipment and inventory, for a cash consideration of R120m. Novo Packhouse complements the group's existing coldstore operations in South Africa. No goodwill arose in respect of this business combination.

Theewaterskloof farming operations ("Theewaterskloof")
During March 2015, the group, through Capespan, acquired the farming operations of Theewaterskloof, a pome fruit farm, for a cash consideration of R120m. Theewaterskloof complements the group's existing farming operations in South Africa. No goodwill arose in respect of this business combination.

Agriseeds Pvt Ltd ("Agriseeds")
During October 2015, the group, through Zaad Holdings Ltd ("Zaad"), acquired 80% of the issued share capital of Agriseeds. Agriseeds operates in the seed marketing industry and goodwill arose in respect of, inter alia, expected synergies.

St Dominic's Academy business operations ("St Dominic's")
During March 2015, the group, through Curro, acquired the business operations and properties of St Dominic's, a school in Newcastle, KwaZulu-Natal Province of South Africa for a nominal cash consideration. St Dominic's complements the group's existing private schooling operations in South Africa. A bargain purchase gain arose in respect of this business combination.

Other
Other business combinations comprise various smaller acquisitions, none of which are significant to an understanding of these summarised consolidated financial statements. Goodwill recognised from these business combinations can be attributed to the workforce, expected synergies, economies of scale and the businesses' growth potential.

5. **Business combinations** *(continued)*

5.1 Subsidiaries acquired *(continued)*

The amounts of identifiable net assets acquired, as well as goodwill and non-controlling interests recognised from business combinations, can be summarised as follows:

	Aspen Logistics Rm	Novo Packhouse Rm	Theewaters-kloof Rm	Agriseeds Rm	Subtotal Rm
Identifiable net (liabilities)/assets acquired	(7)	120	120	33	266
Goodwill recognised	10			6	16
Non-controlling interests recognised	2			(7)	(5)
Cash consideration paid	5	120	120	32	277
Cash consideration paid	(5)	(120)	(120)	(32)	(277)
Cash and cash equivalents acquired	1			2	3
Cash flow from subsidiaries acquired	(4)	(120)	(120)	(30)	(274)

	Subtotal Rm	St Dominic's Rm	Other Rm	Total Rm
Identifiable net assets/(liabilities) acquired	266	4	(2)	268
Goodwill recognised	16		11	27
Bargain purchase gain		(4)		(4)
Non-controlling interests recognised	(5)		(1)	(6)
	277	–	8	285
Deferred purchase consideration			(2)	(2)
Subsidiary equity securities transferred			(3)	(3)
Cash consideration paid	277	–	3	280
Cash consideration paid	(277)		(3)	(280)
Cash and cash equivalents acquired	3	2	1	6
Cash flow from subsidiaries acquired	(274)	2	(2)	(274)

5. Business combinations *(continued)*

5.1 Subsidiaries acquired *(continued)*

Transaction costs relating to aforementioned business combinations were insignificant and expensed in the income statement.

The aforementioned business combinations do not contain any contingent consideration or indemnification asset arrangements. Accounting for the aforementioned business combinations have been finalised.

Had the aforementioned entities been consolidated with effect from 1 March 2015 instead of their respective acquisition dates, the summarised consolidated income statement would have reflected additional revenue from sale of goods and income of R168m and profit after tax of R20m.

Receivables of R132m are included in the identifiable net assets acquired, which are all considered to be recoverable. The fair value of these receivables approximate its carrying value.

5.2 Consolidation of mutual funds

During the second half of the year under review, the group commenced consolidation of the PSG Wealth Enhanced Interest Fund, PSG Wealth Creator Fund of Funds and the PSG Wealth Moderate Fund of Funds, following an increase in policyholder funds (i.e. financial assets linked to investment contracts) invested in same. These collective investment schemes are managed by PSG Asset Management.

The consolidation of the mutual funds resulted in R13bn of "other financial assets" and R13bn of "third-party liabilities arising on consolidation of mutual funds" being recognised in the statement of financial position. These balances relate to third parties' funds invested in the aforementioned mutual funds.

Cash and cash equivalents held by the mutual funds of R96m was recognised upon consolidation.

6. **Linked investment contracts**

These represent PSG Life Ltd clients' assets held under investment contracts, which are linked to a corresponding liability. Accordingly, the value of policy benefits payable is directly linked to the fair value of the supporting assets and therefore the group is not exposed to the financial risks associated with these assets and liabilities. The impact on the 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:

29 February 2016	Investment contract policy-holders Rm	Equity holders Rm	Total Rm
Investment income	**351**	**623**	**974**
Fair value gains and losses	**1 088**	**(445)**	**643**
Fair value adjustment to investment contract liabilities	**(1 439)**		**(1 439)**
	–	**178**	**178**
28 February 2015			
Investment income	302	462	764
Fair value gains and losses	1 184	216	1 400
Fair value adjustment to investment contract liabilities	(1 483)		(1 483)
	3	678	681

7. **Trade and other receivables and payables**

Included under trade and other receivables are PSG Online broker- and clearing accounts of which R2,5bn (2015: R1,9bn) represents amounts owing by the JSE 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 trade and other payables, with the settlement to clients taking place within three days after the transaction date.

8. **Corporate actions**

Apart from the transactions set out in note 5.1, the group's most significant corporate actions are detailed in the review of operations section of this annual report.

9. **Non-current assets held for sale**

The non-current assets held for sale at the reporting date comprised PSG Private Equity's interest in African Unity Group (Pty) Ltd (an insurer) and PSG Konsult's interest in Xinergistix Ltd (a logistical service supplier), both being associates. The prior year non-current assets held for sale comprised mainly PSG Private Equity's interest in GRW Holdings (Pty) Ltd (an associate), and Zeder's interest, through Capespan, in Addo Cold Storage (Pty) Ltd (a subsidiary). The assets held at the previous reporting date were disposed of during the year under review.

10. Financial instruments

10.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

These summarised consolidated financial statements do not include all financial risk management information and disclosures set out in the consolidated annual financial statements, and therefore they should be read in conjunction with the group's consolidated annual financial statements for the year ended 29 February 2016. Risk management continues to be carried out by each major entity within the group under policies approved by the respective boards of directors.

10.2 Fair value estimation

The group, through PSG Life Ltd, issues linked investment contracts where the value of the policy benefits (i.e. liability) is directly linked to the fair value of the supporting assets, and as such does not expose the group to the market risk relating to fair value movements.

The information below analyses financial assets and liabilities, which are carried at fair value, by level of hierarchy as required by IFRS 13. The different levels in the hierarchy are defined below:

Level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

Level 2
Financial instruments that trade in markets that are not considered to be active but are valued (using valuation techniques) based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter traded derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. If all significant inputs in determining an instrument's fair value are observable, the instrument is included in level 2.

Level 3
If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

The carrying value of financial assets and liabilities carried at amortised cost approximates their fair value, while those measured at fair value in the statement of financial position can be summarised as follows:

10. **Financial instruments** *(continued)*
   10.2 Fair value estimation *(continued)*

29 February 2016	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets				
Derivative financial assets		**92**		**92**
Equity securities	**1 747**	**1 021**	**69**	**2 837**
Debt securities	**846**	**1 421**	**23**	**2 290**
Unit-linked investments		**28 407**	**1 311**	**29 718**
Investment in investment contracts		**74**		**74**
Closing balance	**2 593**	**31 015**	**1 403**	**35 011**
Liabilities				
Derivative financial liabilities		**32**	**65**	**97**
Investment contracts		**18 173**	**1 299**	**19 472**
Trade and other payables			**5**	**5**
Third-party liabilities arising on consolidation of mutual funds		**15 729**		**15 729**
Closing balance	**–**	**33 934**	**1 369**	**35 303**
28 February 2015				
Assets				
Derivative financial assets		78		78
Equity securities	1 025	1 305	82	2 412
Debt securities	477	154		631
Unit-linked investments		11 333	1 117	12 450
Investment in investment contracts		226	1	227
Closing balance	1 502	13 096	1 200	15 798
Liabilities				
Derivative financial liabilities		69	64	133
Investment contracts		12 283	1 107	13 390
Trade and other payables			13	13
Third-party liabilities arising on consolidation of mutual funds		2 057		2 057
Closing balance	–	14 409	1 184	15 593

10. Financial instruments *(continued)*

10.2 Fair value estimation *(continued)*

The following table presents changes in level 3 financial instruments during the respective years:

	2016		2015	
	Assets Rm	Liabilities Rm	Assets Rm	Liabilities Rm
Opening balance	**1 200**	**1 184**	2 532	2 545
Additions	**453**	**406**	3 337	3 304
Disposals	**(790)**	**(785)**	(4 764)	(4 763)
Fair value adjustments	**540**	**559**	95	96
Other movements		**5**		2
Closing balance	**1 403**	**1 369**	1 200	1 184

Unit-linked investments and debt securities represent the largest portion of the level 3 financial assets and relate to units and debentures held in hedge funds that are priced monthly. The prices are obtained from the asset managers of the particular hedge funds. These are held to match investment contract liabilities, and as such any change in measurement would result in a similar adjustment to investment contract liabilities.

Derivative financial assets, equity securities, debt securities and unit-linked investments are all included in "other financial assets" in the statement of financial position, while "other financial liabilities" comprised mainly derivative financial liabilities.

There have been no significant transfers between level 1, 2 or 3 during the year under review, nor were there any significant changes to the valuation techniques and inputs used to determine fair values. Valuation techniques and main inputs used to determine fair value for financial instruments classified as level 2 can be summarised as follows:

Instrument	Valuation technique	Main inputs
Derivative financial assets and liabilities	Exit price on recognised over-the-counter platforms	Not applicable
Debt securities	Valuation model that uses the market inputs (yield of benchmark bonds)	Bond interest rate curves Issuer credit ratings Liquidity spreads
Unit-linked investments	Quoted put (exit) price provided by the fund manager	Not applicable – prices available publicly
Investment in investment contracts	Prices are obtained from the insurer of the particular investment contract	Not applicable – prices provided by registered long-term insurers
Investment contracts	Current unit price of underlying unitised financial asset that is linked to the liability, multiplied by the number of units held	Not applicable
Third-party liabilities arising on consolidation of mutual funds	Quoted put (exit) price provided by the fund manager	Not applicable – prices available publicly

11. Capital commitments, contingencies, suretyships and events subsequent to the reporting date

Capital commitments

- Curro continues with its expansion and development of new campuses. At the reporting date, authorised and contracted capital expenditure amounted to R738m, while authorised but not yet contracted capital expenditure amounted to R1,3bn.

Contingencies and suretyships

- A 49% associate of Capespan has a R250m facility with the Land Bank. The Capespan group has provided surety for the associate's facility in a maximum amount of R123m. The associate uses this facility to provide interest-bearing production loans to fruit producers. At year-end, the outstanding balance due by the associate to the Land Bank was R124m, while the associate held loan receivable balances of R131m against fruit producers. The associate has met all obligations in terms of its facility with the Land Bank and the associate's loan receivable balances are secured by property, plant and equipment and inventory.
- The South African Revenue Service has issued revised assessments in respect of value-added tax against a subsidiary of Capespan. The amount at risk (including penalties and interest) is R49m. Management has obtained tax advice that supports the subsidiary's current tax treatment.
- Since 2013, Capitec reported that the National Credit Regulator ("NCR") alleged that Capitec had contravened the National Credit Act. The National Credit Tribunal dismissed the NCR's application and the NCR lodged an appeal. The appeal was heard in the Gauteng High Court before a bench of three judges on 24 February 2016. On 23 March 2016 the court delivered its judgement and dismissed the NCR's appeal.

  During February 2016, Capitec became aware of another referral made by the NCR to the National Consumer Tribunal, which referral is being contested by Capitec.

  It is, and remains, impracticable to estimate the financial effect of any possible outcome of either of the referrals. Capitec is, and remains, of the view that the matters will be satisfactorily resolved through due process.

Events subsequent to the reporting date

- Effective March 2016, Curro acquired the business operations and properties of Windhoek Gymnasium for a cash consideration of R185m.
- Effective March 2016, PSG Konsult concluded asset-for-share transactions whereby 14,3m shares were issued to advisors to further standardise the revenue-sharing model. As a result, the group's interest in PSG Konsult diluted to 61,3%.
- Curro plans to raise a further R1,1bn through a rights offer to fund future growth. The rights offer has been fully underwritten by PSG Financial Services Ltd.
- On 10 August 2014, African Bank Ltd ("African Bank") was placed into curatorship. Capitec is a participant in a consortium that has underwritten the recapitalisation of African Bank. The other members of the consortium comprise the Public Investment Corporation and five other South African retail banks The banks have a maximum exposure of R2,5bn of the recapitalisation. The participation level of each of the banks is based on a formula agreed on between the banks. The recapitalisation occurred during March 2016.

12. Reclassification of prior year figures

Given the extent of the net profit on sale/dilution of interest in associates during the year under review, management has decided to disclose same separately on the face of the income statement. The prior year comparative (comprising a R13m profit and a R2m loss) has been removed from "other income" and "marketing, administration and other expenses", and disclosed in "net profit on sale/dilution of interest in associates" on the face of the income statement.

The aforementioned reclassification had no impact on previously reported profitability, assets, liabilities, equity or cash flows.

The effect of the aforementioned reclassification on the group's results are as follows:

	Previously reported Rm	Now reported Rm	Change Rm
Summarised consolidated income statement			
Other operating income	95	82	(13)
Marketing, administration and other expenses	(4 778)	(4 776)	2
Net profit on sale/dilution of interest in associates		11	11
			–

13. Segment report

The group's classification into seven reportable segments, namely: Capitec, Curro, PSG Konsult, Zeder, PSG Private Equity, Dipeo, and PSG Corporate, remains unchanged. These segments represent the major investments of the group. The services offered by PSG Konsult consist of financial advice, stock broking, asset management and insurance, while Curro offers private education services. The other segments offer financing, banking, investing and advisory services. All segments operate predominantly in the Republic of South Africa. However, the group has exposure to offshore operations mainly through Zeder's investments in Capespan, Zaad and Agrivision Africa, and PSG Private Equity's investment in CA Sales Holdings (Pty) Ltd.

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. Intersegment income mainly comprises intergroup management fees charged in terms of the respective management agreements.

Headline earnings comprise recurring and non-recurring headline earnings. Recurring headline earnings are calculated on a proportional basis, and include the proportional headline earnings of underlying investments, excluding marked-to-market adjustments and once-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 once-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 a key valuation tool used 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 the equity method of accounting.

13. Segment report *(continued)*

The chief operating decision-maker (the PSG Group Executive Committee) evaluates the following information to assess the segments' performance:

29 February 2016	Income [2] Rm	Inter-segment income [2] Rm	Recurring headline earnings (segment profit) Rm	Non-recurring headline earnings Rm	Headline earnings Rm	SOTP value [4] Rm
Capitec [1]			989		989	16 820
Curro	1 415		58		58	9 773
PSG Konsult	3 452		254	(72)	182	5 441
Zeder	9 606		212	(27)	185	2 815
PSG Private Equity	4 210		113	(2)	111	1 367
Dipeo	(310)		(28)	(170)	(198)	557
PSG Corporate (incl. PSG Capital)	308	(166)	69	21	90	1 510
Funding	136	(12)	(148)		(148)	(2 258)
Other			101		101	4 358
Total	**18 817**	**(178)**	**1 620**	**(250)**	**1 370**	**40 383**
Non-headline items					113	
Earnings attributable to non-controlling interests					720	
Taxation					584	
Profit before taxation					**2 787**	

13. **Segment report** *(continued)*

28 February 2015	Income [2, 6] Rm	Inter-segment income [2] Rm	Recurring headline earnings (segment profit) Rm	Non-recurring headline earnings Rm	Headline earnings Rm	SOTP value [4] Rm
Capitec [1]			729		729	14 549
Curro	1 013		31		31	6 236
PSG Konsult	2 939		214	(1)	213	5 710
Zeder	8 989		152	(52)	100	3 712
PSG Private Equity	2 915		59	(9)	50	1 246
Dipeo and Thembeka	242		45	432	477	603
PSG Corporate (incl. PSG Capital) [5]	326	(260)	38	87	125	1 398
Funding [5]	65	(32)	(177)	(25)	(202)	(2 090)
Other [5]			51		51	2031
Total	16 489	(292)	1 142	432	1 574	33 395
Non-headline items					(14)	
Earnings attributable to non-controlling interests					631	
Taxation					392	
Profit before taxation					2 583	

13. Segment report *(continued)*

	2016 Rm	2015 Rm
Reconciliation of segment revenue to IFRS revenue:		
Segment revenue as stated above:		
Income	**18 817**	16 489
Intersegment income	**(178)**	(292)
Less:		
Changes in fair value of biological assets	**(244)**	(144)
Fair value gains and losses	**(643)**	(1 400)
Fair value adjustment to investment contract liabilities	**1 439**	1 483
Other operating income	**(98)**	(82)
IFRS revenue [3]	**19 093**	16 054
Non-recurring headline earnings comprised the following:		
Non-recurring items from investments	**(271)**	370
Net fair value gains on liquid investment portfolio		2
Other gains	**21**	60
	(250)	432

[1] *Equity method of accounting applied.*
[2] *The total of "income" and "intersegment income" comprises the total of "revenue from sale of goods" and "income" per the income statement.*
[3] *IFRS revenue comprises "revenue from sale of goods", "investment income" and "commission, net insurance premiums and other fee income" as per the income statement.*
[4] *SOTP is a key valuation tool used to measure the group's performance, but does not necessarily correspond to net asset value.*
[5] *Reallocations in respect of recurring headline earnings and SOTP value have been made between "PSG Corporate", "Funding" and "Other" in order to ensure consistent presentation between the years presented.*
[6] *"Income" has been restated to reflect the reclassification from "other operating income" to "net profit on sale/dilution of interest in associates", as set out in note 12.*

	Shareholders Number	%	Shares held Number	%
14. Ordinary shareholder analysis				
Range of shareholding				
1 – 500	**14 020**	**61,6**	**2 804 433**	**1,3**
501 – 1 000	**3 507**	**15,4**	**2 657 680**	**1,2**
1 001 – 5 000	**3 828**	**16,8**	**8 536 590**	**3,9**
5 001 – 10 000	**649**	**2,8**	**4 663 459**	**2,2**
10 001 – 50 000	**556**	**2,4**	**11 862 641**	**5,5**
50 001 – 100 000	**73**	**0,3**	**5 357 316**	**2,5**
100 001 – 500 000	**115**	**0,5**	**26 385 593**	**12,2**
500 001 – 1 000 000	**12**	**0,1**	**9 520 801**	**4,4**
Over 1 000 000	**23**	**0,1**	**144 547 200**	**66,8**
	22 783	**100,0**	**216 335 713**	**100,0**
Treasury shares				
Employee share scheme	**1**		**534 066**	
Shares held by a subsidiary	**1**		**13 908 770**	
	22 785		**230 778 549**	
Public and non-public shareholding				
Non-public (directors) *	**10**		**64 310 461**	**29,7**
Public	**22 773**	**100,0**	**152 025 252**	**70,3**
	22 783	**100,0**	**216 335 713**	**100,0**
Individual shareholders (excluding directors) holding 5% or more of shares in issue (net of treasury shares) at 29 February 2016				
Public Investment Corporation (including Government Employees Pension Fund)			**13 028 351**	**6,0**
Steinhoff International Holdings N.V. and its subsidiaries			**55 525 295**	**25,7**
			68 553 646	**31,7**

* *Refer to the directors' report for further details of directors' holdings.*

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, 24 June 2016, at 12:00 ("the AGM").

Purpose

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

Agenda

- 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 29 February 2016. The annual report, of which this notice forms part, contains the summarised consolidated financial statements and the aforementioned reports. The annual financial statements, including the unmodified audit opinion, are available on PSG Group's website at *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.

- 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 11 (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 12 to be adopted, at least 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

1. Retirement, re-election and confirmation of appointment of directors

1.1 Ordinary resolution number 1

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

Summary curriculum vitae of Mr ZL (KK) Combi

KK holds a diploma in public relations and was awarded the Ernst & Young South African Entrepreneur of the Year award in 2000, as well as the World Entrepreneur of the Year in Managing Change award in 2001. He is a member of the Institute of Directors and currently serves on the boards of various companies as a non-executive director.

1.2 Ordinary resolution number 2

"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, offers himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr J de V (Jaap) du Toit

Jaap is a Chartered Accountant (SA) and Chartered Financial Analyst. Jaap currently serves on the boards of various listed and unlisted companies as a non-executive director.

1.3 Ordinary resolution number 3

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

Summary curriculum vitae of Mr MM (Thys) du Toit

Thys graduated with a BSc and MBA degree (cum laude). He was a founding member of Coronation Fund Managers Ltd and held the position of chief executive officer from 1997 to 2007. Thys currently serves on the boards of various companies as a non-executive director and runs an investment management business for family offices and select individuals, Rootstock Investment Management (Pty) Ltd.

1.4 Ordinary resolution number 4

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

Summary curriculum vitae of Mr JF (Jannie) Mouton
Jannie is a Chartered Accountant (SA) and the founder of PSG Group. Prior to the establishment of PSG Group, he co-founded and served as managing director of the stockbroking firm, SMK. Jannie currently serves on the boards of various companies as a non-executive director, including as chairman of Zeder Investments Ltd.

1.5 Ordinary resolution number 5
"Resolved that Mr W Theron, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible, offers himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr W (Willem) Theron
Willem is a Chartered Accountant (SA) and founded the accounting firm Theron du Plessis in Middelburg in 1976. In 1998, he founded PSG Konsult Ltd and held the position of chief executive officer until 30 June 2013, whereafter he was appointed as non-executive chairman.

1.6 Ordinary resolution number 6
"Resolved that Ms B Mathews' appointment as director, in terms of the memorandum of incorporation of the company, be and is hereby confirmed."

Summary curriculum vitae of Ms B (Bridgitte) Mathews
Bridgitte is a Chartered Accountant (SA) and currently serves on the boards of various companies as non-executive director. She has been a member of the African Women Chartered Accountants since 2007 and a member of the Institute of Directors since 2011.

The reason for ordinary resolutions numbers 1 to 5 (inclusive) is that the memorandum of incorporation of the company, the Listings Requirements of the JSE Ltd ("JSE") and, to the extent applicable, the South African Companies Act, 71 of 2008, as amended ("the Companies Act"), require that a component of the non-executive directors rotate at every annual general meeting of the company and, being eligible, may offer themselves for re-election as directors.

The reason for ordinary resolution number 6 is that the memorandum of incorporation of the company and the Listings requirements of the JSE require that any director appointed by the board of the company be confirmed by the shareholders at the annual general meeting of the company.

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.

2.1 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 curriculum vitae of Mr PE (Patrick) Burton
Patrick graduated with a BCom (Hons) Financial Management degree and postgraduate Diploma in Tax Law. He is a founding director of Siphumelele Investments Ltd, a black economic empowerment company, and currently serves on the boards of various companies as a non-executive director.

2.2 Ordinary resolution number 8
"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 of Jaap's curriculum vitae has been included in paragraph 1.2 above.

2.3 Ordinary resolution number 9

"Resolved that Ms B Mathews, being eligible, be and is hereby 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 of Bridgitte's curriculum vitae has been included in paragraph 1.6 above.

2.4 Ordinary resolution number 10

"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."

Summary curriculum vitae of Mr CA (Chris) Otto

Chris graduated BComLLB from Stellenbosch University and is a founding director of PSG Group. He currently serves on the boards of various companies within the group as a non-executive director, including Capitec Bank Holdings Ltd, Zeder Investments Ltd and Kaap Agri Ltd.

The reason for ordinary resolutions numbers 7 to 10 (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.

3. **Re-appointment of auditor**

Ordinary resolution number 11

"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 11 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 annual general meeting of the company as required by the Companies Act.

4. **General authority to issue ordinary shares for cash**

Ordinary resolution number 12

"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 company's memorandum of incorporation, the Companies Act and the Listings Requirements of the JSE ("Listings Requirements"), 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 under this authority may not exceed, in the aggregate, 5% of the company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders, 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 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. As at the date of this notice of AGM, 5% of the company's issued ordinary share capital (net of treasury shares) amounts to 10 817 280 ordinary shares;
- 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 business days prior to the date that the price of the issue is agreed between the company 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 and not to related parties;

- any such issue will only be comprised of 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
- in the event that the securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS."

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions and/or to duly approved share incentive schemes), it is necessary for the board of the company to obtain the prior authority of the shareholders in accordance with the Listings Requirements and the memorandum of incorporation of the company. Accordingly, the reason for ordinary resolution number 12 is to obtain a general authority from shareholders to issue shares for cash in compliance with the Listings Requirements and the memorandum of incorporation of the company.

For this resolution to be adopted, 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.

- To consider and, if deemed fit, pass, with or without modification, the following special resolutions:

Note:
For any of the special resolutions numbers 1 to 5 (inclusive) to be adopted, at least 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

5. **Remuneration of non-executive directors**
Special resolution number 1
"Resolved, in terms of section 66(9) of 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, provided that this authority will be valid until the next annual general meeting of the company:

	Proposed annual remuneration [1]				
		Committee member			
	Board member R	Audit and Risk R	Remune-ration R	PSG BEE Trust R	Total R
PE Burton [2]	141 567	77 922	9 354	7 797	236 640
ZL Combi	141 567				141 567
J de V du Toit [3]	141 567	92 072			233 639
MM du Toit	141 567		9 354		150 921
FJ Gouws	141 567				141 567
MJ Jooste [4]	141 567		9 926		151 493
B Mathews	141 567	77 922			219 489
JF Mouton [5]	283 134				283 134
JJ Mouton	141 567				141 567
CA Otto	141 567	77 922	9 354	6 599	235 442
W Theron	141 567				141 567
Total	1 698 804	325 838	37 988	14 396	2 077 026

Notes:
[1] *With effect from 1 March 2016*
[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 a 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 of the company.

6. Inter-company financial assistance

6.1 Special resolution number 2: Inter-company financial assistance

"Resolved, in terms of section 45(3)(a)(ii) of 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 of the company, 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.

6.2 Special resolution number 3: Financial assistance for the subscription and/or purchase of shares in the company or a related or inter-related company

"Resolved, in terms of section 44(3)(a)(ii) of 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 sections 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 the company or 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 the company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the company or 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 annual general meeting of the company, to provide financial assistance to any company or corporation which is related or inter-related to the company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the company or any 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 the company or 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.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the company, that immediately after providing any financial assistance as contemplated in special resolution numbers 2 and 3 above:

- the assets of the company (fairly valued) will equal or exceed the liabilities of the company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the company);
- the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the company as contained in the company's memorandum of incorporation have been met.

7. Share repurchases by the company and its subsidiaries

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, the memorandum of incorporation of the company and the Listings Requirements, including, inter alia, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system 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 repurchase, 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 company and its subsidiaries ("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 the 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; and
- the company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the Listings Requirements."

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 for the acquisition by the company or by a subsidiary of the company of shares issued by the company on the basis reflected in special resolution number 4. 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.

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.

8. Amendments to memorandum of incorporation

Special resolution number 5: Amendment to the memorandum of incorporation of the company in relation to fractions

"Resolved, as a special resolution, that the memorandum of incorporation of the company be and is hereby amended by the deletion of existing heading of clause 7 in its entirety and the substitution therefore with the following heading "CONSOLIDATION, SUBDIVISION, REDUCTION OF CAPITAL AND FRACTIONAL ENTITLEMENT" and by the deletion of existing clause 7.3 in its entirety, and the substitution thereof with the following new clause 7.3:

"If a fraction of a Share comes into being as a result of any action contemplated in clause 7.1 or any other corporate action, the Board may, subject to compliance with the JSE Listings Requirements, to the extent applicable, round all allocations of Shares down to the nearest whole number and make a cash payment for any fractional entitlement. Notwithstanding the aforementioned to the extent that the JSE advises of another principle to apply to fractional entitlements, the Board may apply such principle."

The reason for special resolution number 5 is to obtain the required approval from shareholders to amend the memorandum of incorporation of the company in the manner that aligns the memorandum of incorporation with the recent amendments to the Listings Requirements.

The effect of special resolution number 5 is that the company will have the necessary authority to amend the memorandum of incorporation in the manner set out in special resolution number 5, which amendments have also been approved by the JSE.

9. 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 repurchase shares of the company as set out in special resolution number 4 to the extent that the directors, after considering the maximum number of shares to be repurchased, are of the opinion that the position of the group would not be compromised as to the following:

   - the 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 repurchase;
   - the consolidated assets of the 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 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 group;

- the ordinary capital and reserves of the group after the repurchase will remain adequate for the purpose of the business of the group for a period of 12 months after the AGM and after the date of the share repurchase; and
- the working capital available to the group after the repurchase will be sufficient for the group's requirements for a period of 12 months after the date of the notice of the AGM.

General information in respect of major shareholders, 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 at *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 directors, whose names appear on page 15 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 have been made and that this notice of AGM contains all information required by the Listings Requirements.
3. Special resolutions numbers 2, 3 and 4 are renewals of resolutions taken at the previous annual general meeting held on 19 June 2015.

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, 13 May 2016.
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, 17 June 2016, with the last day to trade being Thursday, 9 June 2016.
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 shareholder of the company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by 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 provided on the inside back cover of this annual report by not later than 12:00 on Wednesday, 22 June 2016.
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
Per A Rossouw
Company secretary

13 May 2016
Stellenbosch

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 12:00 at Spier Wine Estate, on Friday, 24 June 2016 ("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 resolutions 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
1.1	Ordinary resolution number 1: To re-elect Mr ZL Combi as director			
1.2	Ordinary resolution number 2: To re-elect Mr J de V du Toit as director			
1.3	Ordinary resolution number 3: To re-elect Mr MM du Toit as director			
1.4	Ordinary resolution number 4: To re-elect Mr JF Mouton as director			
1.5	Ordinary resolution number 5: To re-elect Mr W Theron as director			
1.6	Ordinary resolution number 6: To confirm Ms B Mathews' appointment as director			
2.1	Ordinary resolution number 7: To re-appoint Mr PE Burton as a member of the audit and risk committee			
2.2	Ordinary resolution number 8: To re-appoint Mr J de V du Toit as a member of the audit and risk committee			
2.3	Ordinary resolution number 9: To appoint Ms B Mathews as a member of the audit and risk committee			
2.4	Ordinary resolution number 10: To re-appoint Mr CA Otto as a member of the audit and risk committee			
3.	Ordinary resolution number 11: To re-appoint PricewaterhouseCoopers Inc. as the auditor			
4.	Ordinary resolution number 12: General authority to issue ordinary shares for cash			
5.	Special resolution number 1: Remuneration of non-executive directors			
6.1	Special resolution number 2: Inter-company financial assistance			
6.2	Special resolution number 3: Financial assistance for acquisition of shares in a related or inter-related company			
7.	Special resolution number 4: Share buy-back by PSG Group and its subsidiaries			
8.	Special resolution number 5: Amendment to the memorandum of incorporation of PSG Group in relation to fractions			

Please indicate your voting instruction by way of inserting the number of shares or by a cross in the space provided should you wish to vote all of your shares.

Signed at ____________________ on this ________ day of ____________________ 2016.

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 or by the insertion of a cross if all shares should be voted on behalf of that shareholder. 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 shareholder, 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, 22 June 2016.
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.

Summarised standalone financial statements

These summarised standalone financial statements comprise a summary of the audited standalone annual financial statements of PSG Financial Services Ltd for the year ended 29 February 2016.

The standalone annual financial statements, including these summarised 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 Ltd's external auditor, PricewaterhouseCoopers Inc.

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

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; the manner required by the Companies Act; and the JSE Listings Requirements, and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

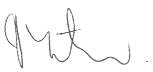
These summarised standalone financial statements were derived from the standalone annual financial statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act. Reading these summarised standalone financial statements, therefore, is not a substitute for 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, are performed on its behalf by the audit committee of its holding company, PSG Group Ltd. The audit and risk 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 and risk 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 and Risk 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 summarised 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	**PJ Mouton**	**WL Greeff**
Chairman	Chief executive officer	Financial director

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, and that all such returns and notices are true, correct and up to date.

PSG Corporate Services (Pty) Ltd
Per A Rossouw
Company secretary

13 May 2016
Stellenbosch

DIRECTORS' REPORT

for the year ended 29 February 2016

Nature of business

PSG Financial Services Ltd, being an investment holding company, offers, through its various subsidiaries, associates and joint ventures, a broad range of goods and services. These goods and services mainly comprise financial services (financial advice, stockbroking, fund management, insurance, financing, banking, investing and advisory services), logistical services, food and related goods and services, and private education services. The various activities are set out in further detail in the review of operations section (page 18) of this annual report.

Operating results

The operating results and state of affairs of the company are set out in the attached summarised income statement and summarised statements of financial position, comprehensive income, changes in equity and notes thereto. The company's profit for the year amounted to R598m (2015: R422m).

Stated capital

The company issued 11 696 079 ordinary shares during the prior year. No other changes took place in the company's issued share capital.

Dividends

Ordinary

Dividends declared and paid during the current and prior year are set out in the statement of changes in equity.

Preference

The directors have declared the following dividends in respect of the cumulative, non-redeemable, non-participating preference shares:

Cents per share	2016	2015
Interim	**390,8**	380,6
Final	**404,2**	382,2
Total	**795,0**	762,8

Directors

The directors of the company are exactly the same as PSG Group Ltd's (which appear on page 15).

Holding company

The company is a wholly-owned subsidiary of PSG Group Ltd, except for the 17 415 770 (2015: 17 415 770) preference shares which are listed on the JSE.

Shareholding of directors

The directors held no interest in the preference share capital of the company during the year under review, nor at any time up to the date of this report.

Secretary

The secretary of the company is PSG Corporate Services (Pty) Ltd. The business and postal addresses are set out on the inside back cover.

REPORT OF THE INDEPENDENT AUDITOR

to the shareholders of PSG Financial Services Ltd

These summarised standalone financial statements, which comprise the summarised standalone statement of financial position as at 29 February 2016, and the summarised standalone 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 29 February 2016. We expressed an unmodified audit opinion on those annual financial statements in our report dated 13 May 2016.

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

Directors' responsibility for the summarised financial statements
The directors are responsible for the preparation of a summarised version of the audited standalone annual financial statements in accordance with the requirements of section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act, as applicable to summarised financial statements, and for such internal controls as the directors determine is necessary to enable the preparation of summarised standalone financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the summarised standalone 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 summarised standalone financial statements derived from the audited standalone annual financial statements of PSG Financial Services Ltd for the year ended 29 February 2016 are consistent, in all material respects, with those standalone annual financial statements, in accordance with the requirements of Section 8.57 of the JSE Listings Requirements, and the requirements of the Companies Act, as applicable to summarised financial statements.

Other reports required by the Companies Act
The "Other reports required by the Companies Act" paragraph in our audit report dated 13 May 2016 states that as part of our audit of the standalone annual financial statements for the year ended 29 February 2016, we have read the directors' report, the audit and risk committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited standalone annual financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the standalone annual financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised standalone financial statements or our opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered auditor

13 May 2016
Stellenbosch

SUMMARISED STANDALONE STATEMENT OF FINANCIAL POSITION

as at 29 February 2016

	Notes	2016 Rm	2015 Rm
Assets			
Investment in subsidiaries	2	**4 754**	5 487
Investment in associates	3	**3 219**	1 484
Equity securities	4	**2 416**	1 903
Deferred income tax		**3**	10
Loans and advances	5	**1 116**	1 276
Derivative financial instruments		**11**	35
Receivables			23
Total assets		**11 519**	10 218
Equity			
Stated capital			
Ordinary shares		**1 827**	1 827
Preference shares		**1 506**	1 506
Other reserves		**1 791**	1 460
Retained earnings		**2 308**	1 022
Total equity		**7 432**	5 815
Liabilities			
Borrowings	6	**3 484**	3 956
Derivative financial instruments		**11**	35
Deferred income tax		**521**	345
Trade and other payables		**71**	67
Total liabilities		**4 087**	4 403
Total equity and liabilities		**11 519**	10 218

SUMMARISED STANDALONE INCOME STATEMENT

for the year ended 29 February 2016

	Notes	2016 Rm	2015 Rm
Income			
Investment income	7	**619**	437
Gain on disposal of investment in associate			5
Fair value gains on derivative financial instruments			2
Total income		**619**	444
Expenses			
Marketing, administration and other expenses *			
Total expenses		**–**	–
Profit before finance costs and taxation		**619**	444
Finance costs		**(19)**	(22)
Profit before taxation		**600**	422
Taxation	8	**(2)**	
Profit for the year		**598**	422

* *Marketing, administration and other expenses are less than R1m.*

SUMMARISED STANDALONE STATEMENT OF COMPREHENSIVE INCOME

for the year ended 29 February 2016

	Notes	2016 Rm	2015 Rm
Profit for the year		**598**	422
Other comprehensive income			
Fair value gains on equity securities		**513**	665
Taxation on fair value gains	8	**(182)**	(124)
Total comprehensive income for the year		**929**	963

SUMMARISED STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2016

	Stated capital				
	Ordinary shares Rm	Prefer-ence shares Rm	Other reserves Rm	Retained earnings Rm	Total Rm
Balance at 1 March 2014	342	1 506	919	766	3 533
Profit for the year				422	422
Other comprehensive income					
Fair value gains on equity securities			541		541
Transactions with owners	1 485	–	–	(166)	1 319
Issue of ordinary shares	1 485				1 485
Dividend – ordinary shares				(33)	(33)
Dividend – preference shares				(133)	(133)
Balance at 28 February 2015	1 827	1 506	1 460	1 022	5 815
Profit for the year				**598**	**598**
Other comprehensive income					
Fair value gains on equity securities			**331**		**331**
Transactions with owners	**–**	**–**	**–**	**688**	**688**
Common control transaction			**2 126**		**2 126**
Transfer between reserves			**(2 126)**	**2 126**	**–**
Dividend – ordinary shares				**(1 300)**	**(1 300)**
Dividend – preference shares				**(138)**	**(138)**
Balance at 29 February 2016	**1 827**	**1 506**	**1 791**	**2 308**	**7 432**

NOTES TO THE SUMMARISED STANDALONE FINANCIAL STATEMENTS

for the year ended 29 February 2016

1. Basis of presentation and accounting policies

These summarised standalone financial statements, which should be read in conjunction with either PSG Group Ltd ("PSG") or PSG Financial Services Ltd's ("PSL") consolidated annual financial statements, have been derived from the standalone annual financial statements of PSL, which have been 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 and the JSE Listings Requirements. PSL has only presented summarised standalone financial statements in this annual report, as PSL is the only significant asset of PSG. The consolidated annual financial statements of PSL are therefore very similar to those of PSG, a summarised version of which have been presented on pages 39 to 69.

The principal accounting policies applied in the preparation of these summarised standalone financial statements are similar to those of PSG, as set out in note 1 to PSG's summarised consolidated financial statements. These policies have been consistently applied to all the years presented.

2. Investment in subsidiaries

	Interest held directly		Carrying value	
Company	**2016 %**	**2015 %**	**2016 Rm**	**2015 Rm**
Curro Holdings Ltd [1]	**58,3**	57,1	**1 877**	1 206
Dipeo Capital (RF) (Pty) Ltd	**49,0**	49,0		
Ou Kollege Beleggings Ltd	**100,0**	100,0	**48**	48
PSG Africa Holdings (Pty) Ltd	**98,0**	98,0	**317**	317
PSG Capital (Pty) Ltd	**100,0**	100,0	**4**	4
PSG Corporate Services (Pty) Ltd	**100,0**	100,0	**52**	52
PSG Konsult Ltd	**61,9**	62,7	**514**	514
PSG Private Equity (Pty) Ltd	**100,0**	100,0	**490**	490
Thembeka Capital (RF) Ltd [2]		100,0		1 627
Zeder Investments Ltd [3]	**34,6**	33,8	**1 439**	1 216
Other	**100,0**	100,0	**13**	13
			4 754	5 487

[1] *During the year, the company's direct interest in Curro Holdings Ltd increased mainly as a result of the distribution from Thembeka Capital (RF) Ltd detailed below. The company's interest in Curro Holdings Ltd diluted marginally during the year as a result of shares being issued in terms of Curro Holdings Ltd's share incentive scheme.*

[2] *During the prior year, the company acquired the 49% interest previously held by PSG Private Equity (Pty) Ltd, a subsidiary, in Thembeka Capital (RF) Ltd. Furthermore, PSG Group Ltd, being the company's holding company, acquired the remaining 51% interest in Thembeka Capital (RF) Ltd by way of a scheme of arrangement, whereafter PSG Group Ltd disposed of such interest to the company in exchange for the issue of shares. During the year, Thembeka Capital (RF) Ltd distributed its remaining assets (which mainly included interests of 2,5% in Capitec Bank Holdings Ltd and 1,3% in Curro Holdings Ltd) to the company in terms of section 47 of the Income Tax Act and commenced liquidation proceedings.*

[3] *Zeder Investments Ltd is a subsidiary of the company through its 34,6% (2015: 33,8%) shareholding, board representation and a management agreement in terms of which PSG Corporate Services (Pty) Ltd (being a wholly-owned subsidiary of the company) provides management and administrative services to a subsidiary of Zeder Investments Ltd. During the year, the company's interest in Zeder Investments Ltd diluted to 32%, whereafter the company increased it's shareholding to 34,6% for a cash consideration of R231m.*

2. Investment in subsidiaries *(continued)*

Only significant subsidiaries are disclosed opposite, with all being 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 subsidiaries are available at the registered offices of the relevant group companies.

3. Investment in associates

	Interest held directly		Carrying value	
	2016	**2015**	**2016**	**2015**
Company	**%**	**%**	**Rm**	**Rm**
Capitec Bank Holdings Ltd	**30,7**	28,2	**3 219**	1 484

Details of Capitec Bank Holdings Ltd's operations are disclosed in the front section of this annual report.

4. Equity securities

Equity securities consist of 13 908 770 (2015: 13 908 770) ordinary shares in PSG Group Ltd, the company's JSE-listed holding company, and are classified as available-for-sale.

5. Loans and advances

	2016 Rm	2015 Rm
Unsecured loan [1]		812
Unsecured loans to wholly-owned subsidiaries [2]	**111**	111
Preference share investments		
Subsidiary [1]	**895**	247
Associate [3]	**8**	8
Other [4]	**102**	98
	1 116	1 276
Current portion	**111**	1 170
Non-current portion	**1 005**	106

[1] *The loan receivable from a subsidiary at 28 February 2015 carried interest at prime plus 2% and was converted during the year into unsecured preference shares with a similar dividend rate, being redeemable during March 2018. The unsecured preference shares held at 28 February 2015 carried prime-linked dividend rates ranging between 9,7% and 11,3%, and were redeemed during the year under review.*

[2] *These loans are interest-free with no fixed terms of repayment.*

[3] *These preference shares are unsecured, carry no dividend rate and are redeemable during November 2017.*

[4] *Preference shares with a carrying value of R66m (2015: R65m) are secured, carry a fixed dividend rate of 8,44% and are redeemable during May 2020. The counterparty to same is related to Mr FJ Gouws, a director of the company. The remaining preference shares are unsecured, carry a dividend rate of prime less 1% and are redeemable during September 2017.*

	2016 Rm	2015 Rm
6. Borrowings		
Current		
Unsecured loan from holding company [1]	**1 979**	1 645
Unsecured loans from wholly-owned subsidiaries [1]	**1 505**	2 221
Unsecured bank borrowings [2]		90
	3 484	3 956

[1] These loans are interest-free with no fixed terms of repayment.
[2] This loan carried interest at 7,5% and was repaid shortly after the prior reporting date.

	2016 Rm	2015 Rm
7. Investment income		
Interest income – loans and advances	**23**	23
Dividend income		
Preference share dividend income	**123**	44
Equity securities classified as available-for-sale	**34**	20
Dividends from subsidiaries	**124**	120
Dividends from associates	**315**	230
	619	437
8. Taxation		
Current taxation – current year	**(1)**	
Deferred taxation – current year	**(1)**	
	(2)	–

Components of other comprehensive income carried a tax charge of R182m (2015: R124m).

9. Non-cash transactions

The company does not have any cash and cash equivalents, and transactions are effected through the intergroup loan accounts. Accordingly, no statement of cash flows has been presented. Significant movements in assets and liabilities relating to investment and financing activities have been summarised opposite.

	2016 Rm	2015 Rm
9. Non-cash transactions *(continued)*		
Investing activities		
Additional investment in subsidiaries	**(651)**	(2 324)
Proceeds on disposal of investment in associates		19
Increase in loans and advances		(712)
Redemption of preference share investments	**247**	20
Increase in loans to wholly-owned subsidiaries		(50)
	(404)	(3 047)
Financing activities		
Issue of ordinary shares		1 485
Increase in borrowings	**1 303**	1 317
Dividend paid to ordinary shareholder	**(1 300)**	(33)
Dividend paid to preference shareholders	**(135)**	(128)
	(132)	2 641

10. Preference share analysis

	Shareholders		Shares held	
Range of shareholding	**Number**	**%**	**Number**	**%**
1 – 2 000	**1 696**	**64,9**	**1 405 848**	**8,1**
2 001 – 5 000	**477**	**18,3**	**1 558 414**	**8,9**
5 001 – 10 000	**192**	**7,3**	**1 446 549**	**8,3**
10 001 – 100 000	**224**	**8,6**	**5 635 478**	**32,4**
100 001 – 500 000	**19**	**0,7**	**3 512 276**	**20,2**
Over 500 001	**5**	**0,2**	**3 857 205**	**22,1**
Public shareholding	**2 613**	**100,0**	**17 415 770**	**100,0**

Apart from Standard Chartered and Allan Gray Stable Fund holding 2 398 383 (13,8%) and 1 081 163 (6,2%) of the company's issued preference shares, respectively, no other individual shareholder or fund held 5% or more of the issued preference shares as at 29 February 2016, nor were any shares held by non-public shareholders.

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 building, 35 Kerk Street, Stellenbosch, on Thursday, 23 June 2016, 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
- To consider and, if deemed fit, approve, with or without modification, the following ordinary 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 ("JSE").

1. **Ordinary resolution number 1: Unissued cumulative, non-redeemable, non-participating preference shares placed under the control of the directors**
   "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 or general meeting of preference shareholders of the company, whichever is the latest, 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 South African Companies Act, 71 of 2008, as amended ("the Companies Act"), the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE ("Listings Requirements"), 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 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 preference 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 be valid until the next annual general meeting of the ordinary shareholder of the company or general meeting of preference shareholders of the company, whichever is the latest.

2. **Ordinary resolution number 2: General authority to issue preference shares for cash**
   "Resolved that, to the extent required by the Listings Requirements, if applicable, the directors of the company be and are hereby authorised, by way of a general authority, to allot and issue any of the 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 company's memorandum of incorporation, the Companies Act and the Listings Requirements, to the extent applicable, including that:

   - the approval shall be valid until the date of the next annual general meeting of the ordinary shareholder of the company or general meeting of preference shareholders of the company, whichever is the latest, provided it shall not extend beyond fifteen months from the date of this resolution;

- the general issues of shares for cash, in the aggregate, under this authority, may not exceed 15% of the company's issued share capital (number of securities) of that class as at the date of this notice of the general meeting, it being recorded that preference shares issued pursuant to a rights offer to preference shareholders shall not diminish the number of preference shares that comprise the 15% of the preference shares that can be issued in terms of this ordinary resolution. As at the date of this notice of general meeting, 15% of the issued listed preference shares of the company amounts to 2 612 365 preference shares;
- in determining the price at which an issue of preference 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 business 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 and not to related parties;
- any such issue will only comprise 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
- in the event that the securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS,

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."

For listed entities wishing to issue listed ordinary shares for cash, it is necessary for the board of the company to obtain the prior authority of ordinary shareholders in accordance with the Listings Requirements. 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. 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.

Voting

1. The date on which preference shareholders ("preference shareholders" or "shareholders") must be 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, 13 May 2016.
2. The date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at this meeting is Friday, 17 June 2016, with the last day to trade being Thursday, 9 June 2016.
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 shareholder of the company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by 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 provided on the inside back cover of this annual report by not later than 09:00 on Tuesday, 21 June 2016.
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.

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
Per A Rossouw
Company secretary

13 May 2016
Stellenbosch

PSG Financial Services Limited

(Incorporated in the Republic of South Africa)
(Registration number 1919/000478/06)
(a wholly-owned subsidiary of PSG Group Ltd)
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, 23 June 2016, at 09:00 in the boardroom, 1st Floor Ou Kollege building, 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 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.	Ordinary resolution number 1: Unissued preference shares placed under control of the directors			
2.	Ordinary resolution number 2: General authority to issue preference shares for cash			

Please indicate your voting instruction by way of inserting the number of preference shares or by a cross in the space provided should you wish to vote all of your shares.

Signed at ______________________ on this ________ day of ______________ 2016.

Signature(s) ____

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

Each PSL preference 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 PSL preference shareholder ("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 or by the insertion of a cross if all shares should be voted on behalf of that shareholder. 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 general 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 shareholder, 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, 21 June 2016.
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
First floor
Ou Kollege building
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 Bank Ltd

Website address
www.psggroup.co.za

SHAREHOLDERS' DIARY

	2016
Financial year-end	29 February
Profit announcement	18 April
Annual general meetings	
– PSG Financial Services Ltd	23 June
– PSG Group Ltd	24 June
General meeting of PSG Financial Services Ltd preference shareholders	23 June
Interim report for the six months ending 31 August 2016	12 October

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