

RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2017



PSG GROUP LIMITED

SOTP VALUE of R262,32 per share as at 6 October 2017

INTERIM DIVIDEND ↑ 10% to 138 cents per share

RECURRING HEADLINE EARNINGS stable at 412 cents per share

OVERVIEW

PSG Group Ltd ("PSG") is an investment holding company consisting of underlying investments that operate across a diverse range of industries, which include banking, education, financial services and food and related business, as well as early-stage investments in growth sectors. PSG's market capitalisation (net of treasury shares) is approximately R54bn.

PERFORMANCE

The two key benchmarks in terms of which PSG measures performance are *sum-of-the-parts* ("SOTP") value and *recurring headline earnings* per share as long-term growth in PSG's SOTP value and share price will depend on, inter alia, sustained growth in the *recurring headline earnings* per share of our underlying investments.

SOTP

The calculation of PSG's SOTP value is simple and requires limited subjectivity as 91% of the value is calculated using JSE-listed share prices, while other investments are included at market-related valuations. At 31 August 2017, the SOTP value per PSG share was R261,05 (28 February 2017: R240,87), representing an 8% increase. At 6 October 2017, it was R262,32 per share. The 5-year compound annual growth rate ("CAGR") of both PSG's SOTP value and share price was 31% at 31 August 2017.

Asset/Liability	29 Feb 2016	28 Feb 2017	31 Aug 2017	6 Oct 2017	Share of total	5-year CAGR*
	Rm	Rm	Rm	Rm		
Capitec*	16 820	25 727	31 954	31 689	53%	35%
Curro (incl. Stadio)*	9 773	11 180	8 877	9 653	16%	18%
PSG Konsult*	5 441	6 084	7 210	7 250	12%	34%
Zeder*	2 815	5 398	4 607	4 382	7%	17%
PSG Alpha*	1 367	1 909	2 510	2 530	4%	23%
Dipeo*	557	812	546	480	1%	
Other assets						
Cash [^]	2 895	1 513	1 196	1 163	2%	
Pref investments and loans receivable [^]	1 335	2 002	2 128	2 120	4%	
PSG Corporate ⁺⁺	1 510					
Other [^]	128	71	69	59	1%	
Total assets	42 641	54 696	59 097	59 326	100%	
Perpetual pref funding*	(1 309)	(1 350)	(1 358)	(1 304)		
Other debt [^]	(949)	(949)	(950)	(957)		
Total SOTP value	40 383	52 397	56 789	57 065		
Shares in issue (net of treasury shares) (m)	216,3	217,5	217,5	217,5		
SOTP value per share (R)	186,67	240,87	261,05	262,32		31%
Share price (R)	173,69	251,43	252,60	246,17		31%

* Listed on the JSE Ltd * SOTP value ** Valuation ^ Carrying value

Based on share price/SOTP value per share

Note: PSG's live SOTP is available at www.psggroup.co.za

RECURRING HEADLINE EARNINGS

The six-month period under review saw satisfactory *recurring headline earnings* per share performance from PSG's core investments (Capitec up 17%; Curro up 22%; PSG Konsult up 10%; PSG Alpha up 23%) offset by Zeder's weaker performance (down 75%), being largely invested in the food and related sectors that were negatively affected by particularly tough conditions.

	Six months ended		Year ended
	31 Aug 2016	Change %	31 Aug 2017
	Rm	%	Rm
Capitec	538		628
Curro	47		61
PSG Konsult	132		147
Zeder	79		27
PSG Alpha	49		66
Dipeo	(3)		(34)
PSG Corporate	38		(18)
Other (mainly pref div income)	51		68
Recurring headline earnings before funding	931	1,5	945
Funding (net of interest income)	(49)		(57)
Recurring headline earnings	882	0,7	888
Non-recurring items	126		(107)
Headline earnings	1 008	(22,5)	781
Non-headline items	16		52
Attributable earnings	1 024	(18,7)	833
Weighted average number of shares in issue (net of treasury shares) (m)	214,2	0,6	215,4
Earnings per share (cents)			
- Recurring headline	411,8	0,1	412,1
- Headline	470,5	(22,9)	362,6
- Attributable	477,8	(19,1)	386,4
Dividend per share (cents)	125,0	10,4	138,0

Profit before finance costs and taxation per PSG's consolidated income statement contained in the full announcement decreased by 32% to R1,4bn, mainly as a result of Zeder's weaker financial performance and unrealised fair value losses incurred on Dipeo's investment portfolio, as opposed to unrealised fair value gains achieved in the comparative period last year.

PROSPECTS

Although Zeder in particular experienced strong head winds during the period under review, we believe PSG's investment portfolio should continue yielding above-average returns. PSG currently has R1,2bn cash available for further investments.

DIVIDEND

PSG's policy remains to pay up to 100% of available free cash flow as an ordinary dividend, of which approximately one third is payable as an interim and the balance as a final dividend at year-end. The directors have resolved to declare an interim gross dividend of 138 cents (2016: 125 cents) per share from income reserves for the six months ended 31 August 2017.

The interim dividend amount, net of South African dividend tax of 20%, is 110,4 cents per share for those shareholders that are not exempt from dividend tax. The number of ordinary shares in issue at the declaration date is 231 449 404, and the income tax number of the company is 9950080714.

The salient dates for this dividend distribution are:

Last day to trade cum dividend	Tuesday, 31 October 2017
Trading ex dividend commences	Wednesday, 1 November 2017
Record date	Friday, 3 November 2017
Payment date	Monday, 6 November 2017

Share certificates may not be dematerialised or rematerialised between Wednesday, 1 November 2017, and Friday, 3 November 2017, both days inclusive.

UNAUDITED FINANCIAL RESULTS

This short-form announcement contains only a summary of the information of the full announcement made on the Stock Exchange News Services ("SENS") on Wednesday, 11 October 2017, and is the responsibility of the directors. Please refer to the full announcement for additional information. The full announcement is available for viewing on PSG's website at www.psggroup.co.za or may be requested and obtained in person, at no charge, at the registered office of the company or the company's sponsor during office hours. Any investment decisions should be based on consideration of the full announcement made on SENS.

On behalf of the board

Jannie Mouton
Chairman

Piet Mouton
Chief Executive Officer

Wynand Greeff
Chief Financial Officer

Stellenbosch
11 October 2017

PSG GROUP LTD: Registration number: 1970/008484/06
JSE share code: PSG ISIN code: ZAE000013017

DIRECTORS: JF Mouton (Chairman)*, PE Burton[^], ZL Combi[^], FJ Gouws*, WL Greeff (CFO)*, JA Holtzhausen*, MJ Jooste* (Alt: TLR de Klerk), B Mathews[^], JJ Mouton*, PJ Mouton (CEO)*, CA Otto[^]
* Executive ^ Non-executive ^ Independent non-executive

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SPONSOR: PSG Capital

AUDITOR: PricewaterhouseCoopers Inc