



PSG GROUP RESULTS OVERVIEW

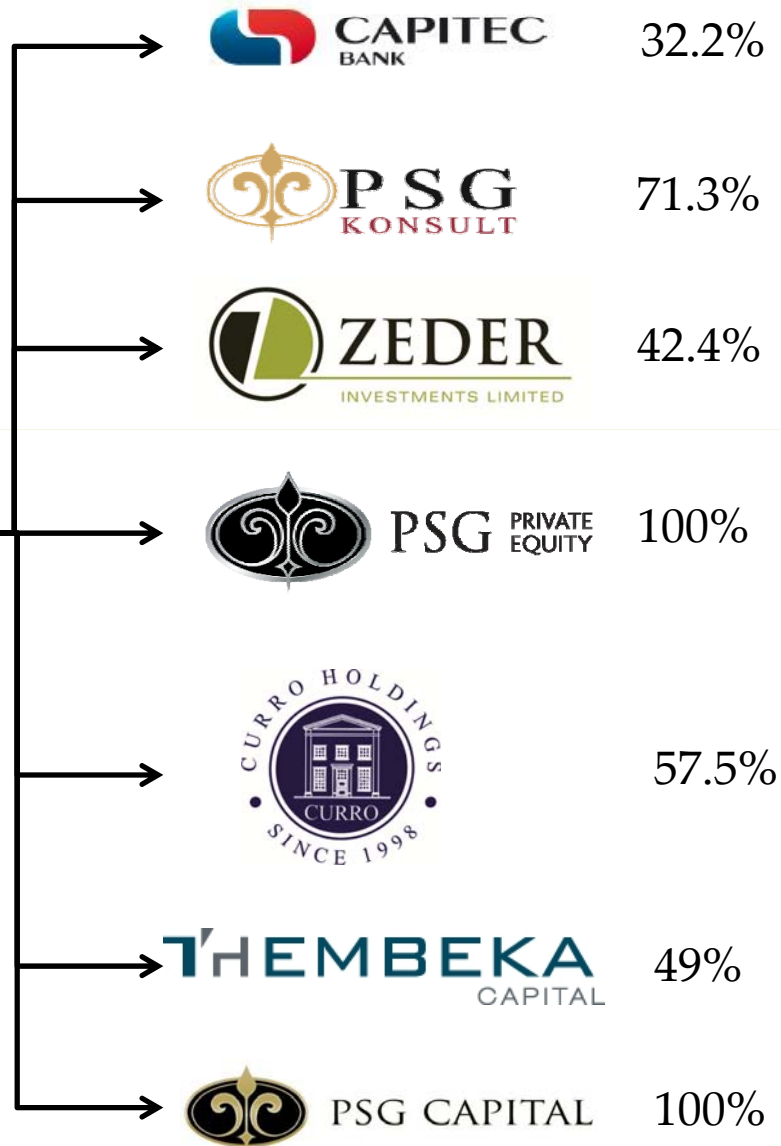
INTERIM RESULTS 31 AUGUST 2012

Group structure



PSG GROUP LIMITED

- R12.9bn market cap
- 42 underlying companies
- 39,000 people



Aug 2012 results overview



- *SOTP value* per share R68.05 at Aug 2012
 - 21.7% higher than Feb 2012
- PSG's *recurring HEPS* increased by 19.9% to 162.5c
- *HEPS* increased by 103.5% to 210.2 c
- Dividend for the 6 months increased by 26.9% to 33 cps



PSG sum of the parts



Investment	Feb 2010 Rm	Feb 2011 Rm	Feb 2012 Rm	Aug 2012 Rm	% of assets	Growth since Feb
Capitec	2,367	5,138	5,978	6,535	43.5%	9%
Curro Holdings			1,118	2,387	15.9%	114%
PSG Konsult	948	1,206	1,483	1,598	10.6%	8%
Zeder	742	1,069	1,067	1,192	7.9%	12%
PSG Private Equity	834	1,242	728	879	5.9%	21%
Thembeke Capital			570	789	5.3%	38%
PSG Corporate (<i>incl. PSG Capital</i>)	361	350	338	338	2.2%	0%
Other investments	400	548	684	1,307	8.7%	91%
Total Assets	5,652	9,553	11,966	15,025	100.0%	
Perpetual pref funding	(541)	(1,028)	(1,188)	(1,229)		
Other debt	(539)	(507)	(463)	(823)		
Total SOTP Value	4,572	8,018	10,315	12,973		26%
Shares in issue (m)	171.8	171.3	184.5	190.6		3%
SOTP value per share (Rand)	26.61	46.81	55.92	68.05		22%



Recurring headline earnings



	<i>Full year</i> Feb 12 Rm	Aug 11 Rm	Change %	Aug 12 Rm
PSG Konsult	108	43	22%	52
Zeder Investments	115	54	(34%)	35
PSG Private Equity	32	17	108%	35
Thembeke Capital	19	6	(5%)	6
Curro Holdings	(5)	(5)	<i>n/a</i>	(2)
Other	40	18	30%	24
Recurring headline earnings excl. Capitec	309	132	13%	150
Capitec Bank	362	168	35%	226
Recurring headline earnings before funding	671	300	25%	376
Funding	(134)	(71)	<i>n/a</i>	(82)
Recurring headline earnings	537	230	28%	294
Earnings per share (cents)				
- Recurring headline	308.6	135.5	20%	162.5
- Headline	326.2	103.3	103%	210.2



Recurring vs. headline earnings



	<i>Full year</i> Feb 12 Rm	Aug 11 Rm	Aug 12 Rm
Recurring headline earnings	536.5	229.7	293.8
Non-recurring headline earnings	30.6	(54.7)	86.1
PSG Konsult	7.8	1.4	3.1
PSG Private Equity	(32.4)	2.3	-
Thembeke Capital	4.4	0.7	76.1
Zeder Investments	11.6	(17.5)	(10.9)
Marked-to-market profit on liquid investment portfolio	68.6	(1.4)	55.2
Marked-to-market loss on interest rate hedge	(29.8)	(40.5)	(36.7)
Other	0.4	0.3	(0.7)
Total headline earnings	567.1	175.0	379.9



Funding



- Perpetual preference shares remains our preferred “debt” funding instrument
- R1.34bn nominal perpetual prefs in issue
 - Hedged R440m at 8.87% per annum until 31 August 2016
 - Hedged R780m at 8.56% per annum until 31 August 2020
- Raised R330m through the issue of an unlisted 5-year *redeemable* preference share with a fixed rate of 8.63%
- Debt management
 - Min 2x interest cover - currently 2.1x
 - Gearing max 40% of NAV - currently 38.7% of NAV (15.8% of SOTP)



Corporate action and investing



During the last 6 months:

- Raised **R361m** by issuing 5.4 m ordinary shares (~R67.42 per share) – **private placement**
- **Curro** raised R346m (rights issue) and R128m (specific issue to Thembeke). PSG exercised its rights for a further investment of R220m.
- **PSG Konsult** raised R188m in cash by means of a rights issue at R1.75 per share during September 2012
- **Capitec** announced **R2.25bn rights issue** - PSG has undertaken to follow its rights amounting to R725m



Corporate action and investing



During the last 6 months (continued):

- Acquired an effective 58% interest in **CA Sales**, a Botswana based FMCG distributor, for R202m
- **Zeder** acquired 73% interest in **Chayton**, a company that acquires, develops and operates commercial grain production hubs in Sub Sahara Africa, for R277m
- **Zeder** acquired the remaining 74.9% of the share capital in **Agricol**, a seed company operating primarily in the Republic of South Africa, for R150m





CAPITEC
BANK



CAPITEC

Capitec results – Aug 2012



- Capitec adds > 90 000 new clients per month
Total number of active clients now > 4.2m
- 27 new branches, another 28 in next 6 months
- Headline earnings increased by 43% to R700m
- HEPS increased by 35% to 702 cents
- Net transaction fee income increased by 61% to R583m
- Capitec now offers Mastercard



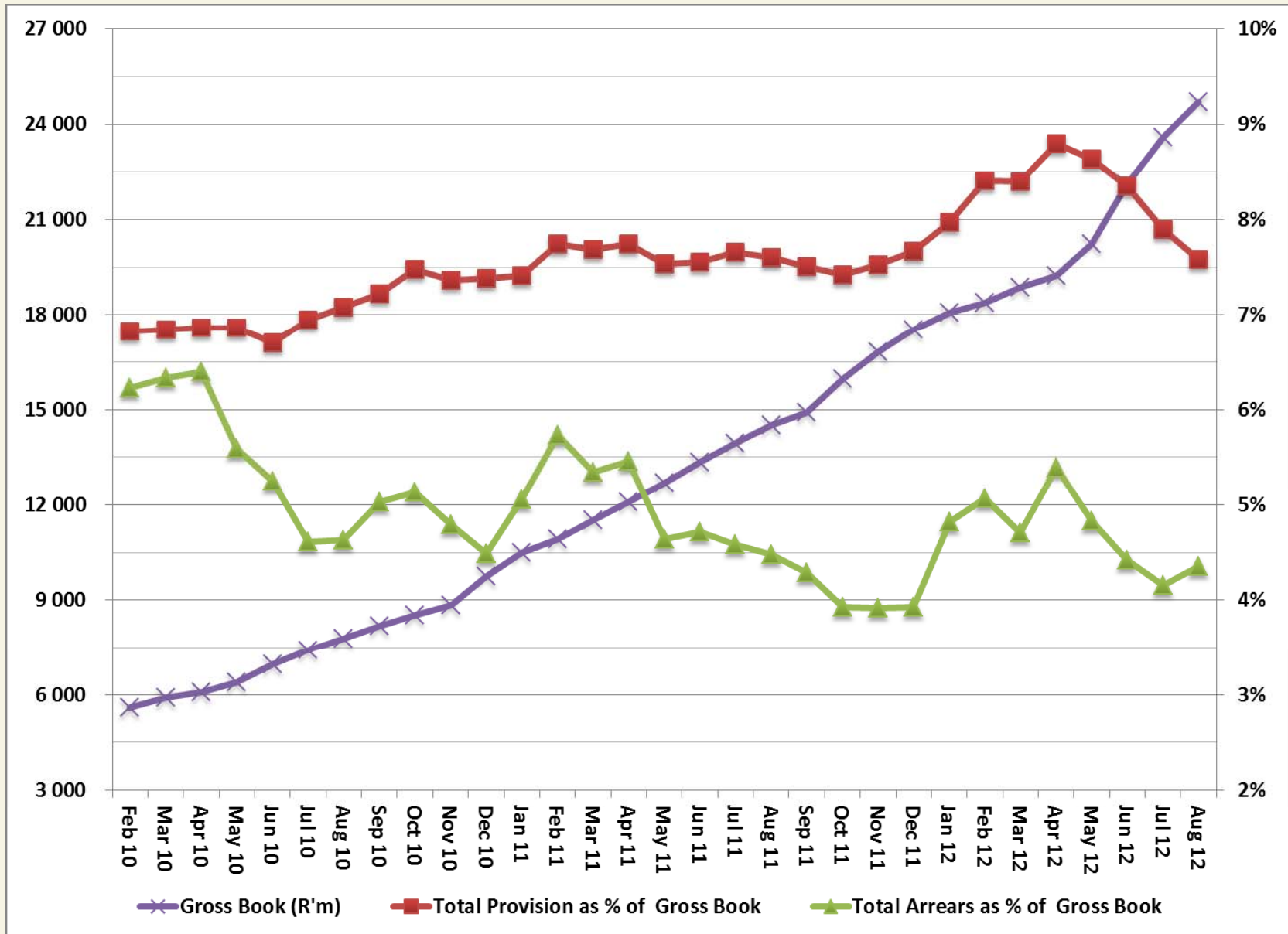
Capitec – unsecured lending



- Capitec product extended - R230 000, 84 months
- Loans with terms >12 months 80% of sales
- Higher income clients (>R15 000 pm)
- Capitec client base: increased affordability & growth in disposable income



Capitec provisions



Capitec – rights issue



- R2.25 bn rights issue announced
 - 14 rights for every 100
 - R160 per share
- PSG undertaken to follow rights – R725m
- Underwriting fee of 3%
- Capital raised:
 - To fund growth in loan book
 - To fund expansion of branch network by between 50 and 75 branches per annum for the next three years
 - Basil III capital adequacy requirements





PSG KONSULT

PSG Konsult – Aug 2012 results



- Recurring headline earnings increased by 20% to R72.6m
 - HEPS increased by 22% to 7.2 cents
 - Main driver of growth came from strong performance of the asset management side of the business
- Raised R188m in rights issue:
 - To fund acquisitions, including Western National Group
 - short term insurance company – pending final regulatory approval
 - Capital adequacy requirements



PSG Konsult (71.3%)



- Distribution network:
 - 228 offices; 621 brokers/advisors
 - >125,000 clients (HNWI)
- Assets
 - Funds under administration R92bn (Feb'12: R88bn)
 - Funds under management R53bn (Feb'12: R51bn)
- Working towards becoming an integrated financial services company





CURRO

Curro (57.5%)



- Curro moved to JSE main board in July
- R474m rights issue and specific issue
 - creating capacity at existing campuses
 - building 5 new campuses
 - settling acquisitions that was made in the past 6 months
- New learner enrolments for 2013 exceeding expectations
- Education in SA remains a big opportunity





	Schools	Learners
2009 (PSG invested)	3	1 600
2010	5	3 000
2011	12	5 500
2012	22	12 500
2013 estimate	26-28	16 000 – 20 000

- Markets
 - Curro traditional (15)
 - Select schools (2)
 - Meridian schools (3)
 - Nursery schools (2)
- Eventual capacity of the 28 schools is 40 000 learners



Meridian Schools



- Community schools
 - Fees R1 000 to R1 400 per month
 - Larger classes, less subject choices
- Partnership with Schools and Education Investment Fund of South Africa (SEIFSA) (PIC and Old Mutual)
- At least 11 schools over 3 years. Capacity at least 20 000 learners

	Funding	Shareholding
Curro	R40m	65%
SEIFSA	R400m	35%



Curro J-curve



Interim period ending 30-Jun-12

Number of schools	% of eventual capacity	Learner numbers per category	R'000 EBITDA**	EBITDA margin
1	75%-100%	1 240	5 097	26%
5	50%-75%	3 612	14 380	24%
5	25%-50%	2 672	3 412	10%
5	0%-25%	1 313	(3 099)	(31%)
2	Acquired (60%-70%)	1 963	9 378	43%
3	Meridian (30%-50%)	1 399	1 635	21%
21		12 199	30 803	19%

** Pre head-office costs



Curro interim results – June'12



- Turnover increased by 103% to R161m
- EBITDA increased by 226% to R18m
- *Headline loss* of R3.1m (previously R7.7m) due to the high initial costs associated with new schools
 - building capacity
 - PSG supports aggressive organic and acquisitive growth





PSG PRIVATE
EQUITY

PSGPE Sum of the Parts



Investment	%	Feb 10 Rm	Feb 11 Rm	Feb 12 Rm	Aug 12 Rm	Share of portfolio %
CA Sales	57.7%				197	22%
Precrete	21.2%	163	199	161	169	19%
Petmin	12.4%	120	191	242	152	17%
African Unity	49.0%	17	30	71	76	9%
GRW	39.6%	49	56	63	65	7%
Impak	88.9%			21	52	6%
Spirit	28.0%	15	23	46	51	6%
Protea	49.9%	33	38	38	38	4%
Top Fix	29.1%	48	23	32	21	2%
Propell	33.9%	12	16	18	19	2%
Erbacon	12.7%	100	60	14	18	2%
Energy Partners	45.0%			14	14	2%
SNC	32.5%			8	8	1%
Sold investments		275	36			
TOTAL ASSETS		832	672	728	879	100%



PSGPE corporate actions



- Acquired 58% interest in **CA Sales** for ~R200m via PSG Africa
 - CA Sales is an FMCG distributor based in Botswana with operations also in Namibia and South Africa.
 - ETG (the Export Trading Group) has acquired 40% share in CA Sales Holdings
- Further investment of R24m in **Impak** to increase interest from 50% to 89%
- Further investment of R9m in **African Unity** Insurance which increased interest from 43.2% to 49.9%



PSGPE corporate actions



- Interest in **M&S Holdings** (previously Top Fix Holdings) increased from 28% to 38%
 - through the sale of M&S's loss making scaffolding (share buyback and cash consideration)
 - The remaining businesses (personnel placements and safety surveillance) expected to continue to perform profitably
- **Erbacon** recapitalised via a debt restructuring
 - Interest diluted from 27% to 11%



Impak – new education venture



- Market leader for home and alternative schooling in SA (5,400 learners, 27% of home school market)
- Home and support centre schooling for Gr 0 – 12 in Afrikaans (Impak) and English (Delta), offering the National Senior Certificate (NSC) at Gr 12
- Scalable support centre model, with 70+ centres across SA
- 2013 prices range from R2k (Gr 0) to R14k (Gr 12) per annum
- Achieved 30% CAGR in learner numbers over 10 years
- Goal of reaching 100 000 learners by 2020, with strong focus on support centres



Impak – SA home school market

- Internationally, alternative schooling is seen to provide solutions to typical problems in schools
- Alternative schooling in US grew 7.4% CAGR since 1999 (vs. 0.2% other US schools) , despite a strong public school system
- Alternative schooling in developed countries enjoy a higher share of the total schooling market compared to South Africa
 - Market share in the United States of 2.9%
 - Formal distance (home) schooling in SA estimated at 0.2% of total school market
- Home schooling has adequate protection in the South African legal framework (SA Schools Act & others)



THEMBEKA
CAPITAL



THEMBEKA

Thembeka (49%)



Investment	Feb 10 Rm	Feb 11 Rm	Feb 12 Rm	Aug 12 Rm	% of assets
Capitec	241	552	641	702	33%
PSG Group	221	437	463	644	31%
Curro Holdings	-	-	-	367	17%
Cash	1	5	296	102	5%
Kaap Agri	-	39	75	75	4%
Pioneer	-	-	-	11	1%
Other	63	111	181	203	10%
Assets sold	366	368	-	-	
Total assets	892	1,514	1,656	2,105	100%
Total liabilities	(302)	(431)	(467)	(495)	
Sum of the parts	590	1,083	1,188	1,610	
Intrinsic value per share	43.73	80.27	88.10	119.34	
Intrinsic Value per share (CGT adjusted)	37.91	69.18	74.40	99.56	
Liabilities vs assets	34%	28%	30%	24%	





ZEDER

Zeder (42.4%)



Investment	Interest	Feb 10 Rm	Feb 11 Rm	Feb 12 Rm	Aug 12 Rm	% of assets
Kaap Agri combined						
Agri Voedsel Beleggings	45%	813	1270	1230	1,069	29.6%
Kaap Agri	34%			205	206	5.7%
KWV Combined						
KWV		215	-	-	-	-
Capevin Holdings	20%	552	691	713	964	26.7%
Capespan	37%	54	85	293	283	7.8%
Chayton	94%				277	7.7%
Agricol	92%	10	27	50	182	5.0%
Suidwes	24%	53	76	83	90	2.5%
Other		268	349	542	542	15.0%
Total investments		1,966	2,498	3,116	3,614	100.0%
Cash and cash equivalents		122	206	78	33	
Other assets and liabilities		(21)	(29)	(109)	(409)	
SUM OF THE PARTS		2,066	2,676	3,085	3,238	
Shares in issue (m)		978	978	978	978	
SOTP per share (R)		2.11	2.74	3.15	3.31	

Zeder results – Aug 2012



- *Recurring HEPS* decreased by 35.1% to 8.5 cents
 - lower earnings from Pioneer Foods
 - initial losses (expected) incurred by Chayton, a startup business in its development phase
 - net interest expense vs net interest income in prior year - debt raised to fund acquisitions - Agricol and Chayton
- *HEPS* decreased by 33% to 5.9 cents
- EPS increased 28% to 11 cents
- Zeder's *SOTP value* increased by 5.1% to R3.31 per share



Zeder (42.4%)



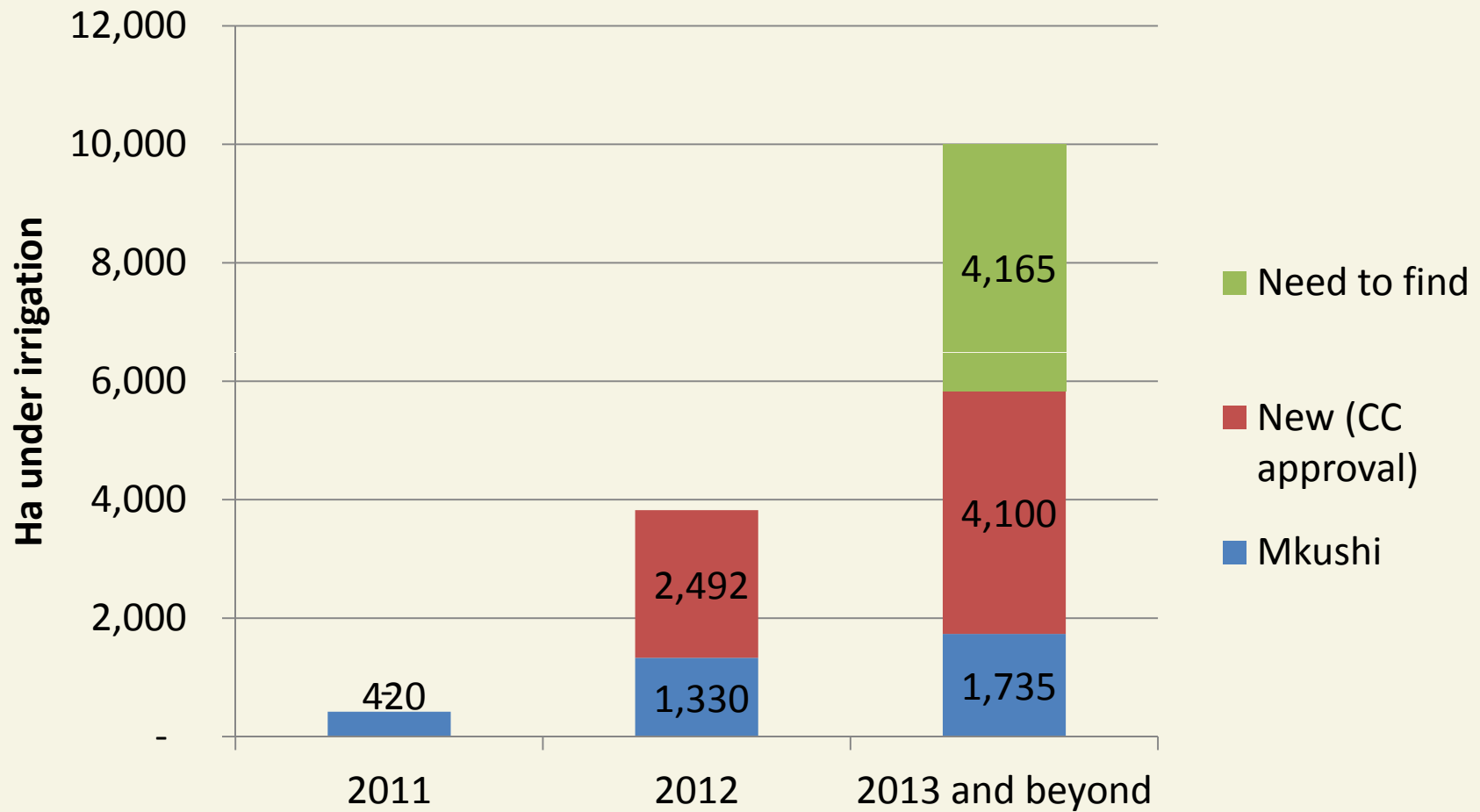
- Capevin Holdings scheme of arrangement
 - Structure simplified
 - R105m value created for Zeder
 - Zeder now holds 20.3% in Capevin Holdings
 - Distell great performance
- Pioneer Foods
 - Margin compression – higher wheat prices
 - Remain optimistic in long run
- Distell (Capevin) and Pioneer Foods 56.3% (Feb'12: 62.4%) of portfolio



Chayton current farm



Chayton growth



Chayton's project



- Currently invested R277m for a 73% share
- Require a further R200-250m equity to complete medium term goals in Zambia of 10,000 ha under irrigation
- Opportunities in other African countries in the pipeline
- Corporate farming model which will later include related agribusiness opportunities like seed, storage, fertilizer, processing
- Target African countries where the tsunami of decolonisation and nationalisation have passed
- Water (for irrigation) is key to strategy and actively building dams
- IRR on consolidated business model: *15%-25% p.a. in \$ terms*
 - *Two key model inputs: commodity price movements and input costs*



More information



- www.psggroup.co.za
- www.psgkonsult.co.za
- www.paladincapital.co.za
- www.zeder.co.za
- www.curro.co.za
- www.capitec.co.za
- www.thembekacapital.co.za





QUESTIONS?