UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2018

PSG GROUP LIMITED

HIGHLIGHTS

- **Recurring earnings ⬆ 22% to R5,03 per share**
- **Sum-of-the-parts value of R262,80 per share as at 12 October 2018**
- **Interim dividend ⬆ 10% to R1,52 per share**

OVERVIEW

PSG Group Ltd ("PSG" or "PSG Group") is an investment holding company consisting of underlying investments that operate across a diverse range of industries, which include banking, financial services, education and food and related business, as well as early-stage investments in select growth sectors. PSG's market capitalisation (net of treasury shares) is approximately R47bn.

PERFORMANCE

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

SOTP

The calculation of PSG's *SOTP value* is simple and requires limited subjectivity as more than 90% of the value is calculated using JSE-listed share prices, while other investments are included at market-related valuations. At 31 August 2018, the *SOTP value* per PSG share was R272,94 (28 February 2018: R255,17), representing a 7% increase. At 12 October 2018, it was R262,80 per share. The five-year compound annual growth rate ("CAGR") of PSG's *SOTP value* per share and *share price* at 31 August 2018 was 28% and 27%, respectively.

Asset/(liability)	28 Feb 2017 Rm	28 Feb 2018 Rm	31 Aug 2018 Rm	12 Oct 2018 Rm	*Share of total*	*Five-year CAGR^^*
Capitec*	25 727	29 540	**35 582**	**35 116**	*59%*	*40%*
PSG Konsult*	6 084	7 048	**7 858**	**7 882**	*13%*	*23%*
Curro* *(incl. Stadio until unbundling in Oct 2017)*	11 180	7 987	**7 303**	**6 116**	*10%*	*10%*
Zeder*	5 398	4 823	**3 727**	**3 510**	*6%*	*4%*
PSG Alpha	1 909	5 201	**4 961**	**4 829**	*8%*	*26%*
Stadio* *(since unbundling from Curro in Oct 2017)*		2 379	**1 548**	**1 410**		
Other investments**	1 909	2 822	**3 413**	**3 419**		
Dipeo**	812	535	**255**	**68**	*1%*	
Other assets	3 586	2 603	**2 143**	**2 075**	*3%*	
Cash^	1 513	1 000	**531**	**510**		
Pref investments and loans receivable^	2 002	1 558	**1 563**	**1 529**		
Other^	71	45	**49**	**36**		
Total assets	54 696	57 737	**61 829**	**59 596**	*100%*	
Perpetual pref funding*	(1 350)	(1 278)	**(1 289)**	**(1 259)**		
Other debt^	(949)	(949)	**(1 020)**	**(1 029)**		
Total SOTP value	52 397	55 510	**59 520**	**57 308**		
Shares in issue *(net of treasury shares)* (m)	217,5	217,5	**218,1**	**218,1**		
SOTP value per share (R)	240,87	255,17	**272,94**	**262,80**		*28%*
Share price (R)	251,43	217,50	**225,04**	**216,27**		*27%*

** Listed on the JSE Ltd ** SOTP value*

^ Carrying value ^^ Based on share price/SOTP value per share

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

Capitec remains PSG's largest investment comprising 58% of its total SOTP assets as at 31 August 2018 (28 February 2018: 51%), and is the major contributor to PSG's *recurring earnings*.

RECURRING EARNINGS

PSG's *recurring earnings* per share increased by 22% to R5,03 (31 August 2017: R4,12) following commendable performance from the majority of PSG's core investments during the period under review.

	Unaudited Six months ended 31 Aug 2017 Rm	*Change %*	Unaudited Six months ended 31 Aug 2018 Rm	Audited Year ended 28 Feb 2018 Rm
Capitec	628		**756**	1 369
PSG Konsult	147		**174**	348
Curro *(incl. Stadio until unbundling in Oct 2017)*	61		**77**	110
Zeder	27		**73**	205
PSG Alpha *(incl. Stadio since unbundling in Oct 2017)*	66		**76**	172
Dipeo	(34)		**(31)**	(56)
PSG Corporate	(18)		**(25)**	(7)
Other *(mainly pref div income)*	68		**82**	136
Recurring earnings before funding	945	*25*	**1 182**	2 277
Funding *(net of interest income)*	(57)		**(96)**	(135)
Recurring earnings	888	*22*	**1 086**	2 142
Non-recurring items	(107)		**10**	(186)
Headline earnings	781	*40*	**1 096**	1 956
Non-headline items	52		**19**	(42)
Attributable earnings	833	*34*	**1 115**	1 914
Non-recurring items comprise:				
– Unrealised fair value losses on Dipeo's investment portfolio	(98)		**(145)**	(131)
– Other*	(9)		**155**	(55)
	(107)		**10**	(186)
Weighted average number of shares in issue *(net of treasury shares)* (m)	215,4		**216,1**	215,5
Earnings per share (R)				
– Recurring	4,12	*22*	**5,03**	9,94
– Headline	3,63	*40*	**5,07**	9,08
– Attributable	3,86	*34*	**5,16**	8,88
Dividend per share (R)	1,38	*10*	**1,52**	4,15

* PSG's *headline* and *attributable earnings* per share increased by 40% and 34%, respectively, mainly due to the aforementioned increase in *recurring earnings*, as well as a fair value gain recognised by Zeder on its investment in Joy Wing Mau (previously known as Golden Wing Mau), which is in process of being disposed of.

CAPITEC (30,7%)

Capitec is a South African retail bank focused on delivering simplified and affordable banking solutions.

It reported a 20% increase in *headline earnings* per share for the period under review.

Capitec is listed on the JSE and its comprehensive results are available at *www.capitecbank.co.za*.

PSG KONSULT (61,4%)

PSG Konsult is a financial services company, focused on providing wealth management, asset management and insurance solutions to clients.

It reported an 18% increase in *recurring earnings* per share for the period under review.

PSG Konsult is listed on the JSE and the Namibian Stock Exchange, and its comprehensive results are available at *www.psg.co.za*.

CURRO (55,4%)

Curro is the largest provider of private school education in Southern Africa.

Its schools-only business (i.e. excluding Stadio's results prior to its unbundling in October 2017) reported a 22% increase in *headline earnings* per share for its six months ended 30 June 2018.

Curro is listed on the JSE and its comprehensive results are available at *www.curro.co.za*.

ZEDER (43,8%)

Zeder is an investor in the broad agribusiness industry. Its largest investment is a 27% interest in Pioneer Foods, comprising 49% of Zeder's total SOTP assets.

It reported a 158% increase in *recurring earnings* per share for the period under review.

Both Zeder and Pioneer Foods are listed on the JSE and their respective comprehensive results are available at *www.zeder.co.za* and *www.pioneerfoods.co.za*.

PSG ALPHA (98,1%)

PSG Alpha serves as incubator to identify and help build the businesses of tomorrow. Given its nature, this portfolio is likely to yield volatile earnings, while providing optionality. Its major investments include shareholdings in Stadio (44,1%), CA Sales (47,7%), Evergreen (50%) and Energy Partners (54,1%).

PSG Alpha reported a 24% decline in *recurring earnings* per share for the period under review following further investments in initially low earnings-yielding start-up businesses such as Stadio and Evergreen.

DIPEO (49%)

Dipeo, a BEE investment holding company, is 51%-owned by the Dipeo BEE Education Trust of which all beneficiaries are black individuals. The trust will use its share of the value created in Dipeo to fund black students' education.

Dipeo's most significant investments include shareholdings in Curro (5,2%), Stadio (3,4%), Pioneer Foods (4,3%), Quantum Foods (4,2%), Kaap Agri (20%) and Energy Partners (15,7%). The investments in Pioneer Foods, Quantum Foods and Energy Partners remain subject to BEE lock-in periods.

Dipeo's *SOTP value* decreased to R521m as at 31 August 2018 (28 February 2018: R1,091m) due to the decline in Pioneer Foods' share price.

PROSPECTS

Despite obvious challenges, PSG remains positive about South Africa and the opportunities it presents. We believe PSG's investment portfolio is suitably positioned to continue yielding above-average returns.

DIVIDENDS

Ordinary shares

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 152 cents (2017: 138 cents) per share from income reserves for the six months ended 31 August 2018. PSG's interim dividend increased by a lower percentage than its *recurring earnings* per share due to continuous investment in early-stage non-dividend paying investments.

The interim dividend amount, net of South African dividends tax of 20%, is 121,6 cents per share for those shareholders that are not exempt from dividends tax. The number of ordinary shares in issue at the declaration date is 231 976 198, 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, 6 November 2018
Trading ex-dividend commences	Wednesday, 7 November 2018
Record date	Friday, 9 November 2018
Payment date	Monday, 12 November 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 November 2018, and Friday, 9 November 2018, both days inclusive.

Preference shares

The directors of PSG Financial Services Ltd ("PSG Financial Services") declared a gross dividend of 421,67 cents per share in respect of the cumulative, non-redeemable, non-participating preference shares for the six months ended 31 August 2018, which was paid on Tuesday, 25 September 2018. The related detailed announcement was disseminated on the JSE's Stock Exchange News Service.

On behalf of the board

Jannie Mouton *Chairman*	**Piet Mouton** *Chief Executive Officer*	**Wynand Greeff** *Chief Financial Officer*

Stellenbosch
16 October 2018

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*, B Mathews^, JJ Mouton**, PJ Mouton (CEO)*, CA Otto^
* *Executive* ** *Non-executive* ^ *Independent non-executive* ^^ *Lead independent*

COMPANY SECRETARY AND REGISTERED OFFICE: PSG Corporate Services (Pty) Ltd, 1st Floor Ou Kollege, 35 Kerk Street, Stellenbosch, 7600; PO Box 7403, Stellenbosch, 7599

TRANSFER SECRETARY: Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196; PO Box 61051, Marshalltown, 2107

SPONSOR: PSG Capital

AUDITOR: PricewaterhouseCoopers Inc

SUMMARY CONSOLIDATED INCOME STATEMENT

	Unaudited		Audited
	Aug 18 6 months Rm	Aug 17 6 months Rm	Feb 18 12 months Rm
Revenue from sale of goods	**6 656**	7 013	13 956
Cost of goods sold	**(5 354)**	(5 894)	(11 934)
Gross profit from sale of goods	**1 302**	1 119	2 022
Income			
Changes in fair value of biological assets	**31**	39	195
Investment income (note 7)	**1 007**	984	2 059
Fair value gains and losses (note 7)	**3 206**	1 479	1 758
Fair value adjustment to investment contract liabilities (note 7)	**(1 787)**	(1 194)	(1 670)
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds (note 7)	**(2 010)**	(1 256)	(1 873)
Commission, school, net insurance and other fee income	**3 625**	2 999	6 799
Other operating income	**131**	198	277
	4 203	3 249	7 545
Expenses			
Insurance claims and loss adjustments, net of recoveries	**(302)**	(336)	(629)
Marketing, administration and other expenses	**(4 207)**	(3 499)	(7 283)
	(4 509)	(3 835)	(7 912)
Net income from associates and joint ventures			
Share of profits of associates and joint ventures	**1 141**	901	1 926
Loss on impairment of associates			(8)
Net loss on sale/dilution of interest in associates	**(10)**	(20)	(14)
	1 131	881	1 904
Profit before finance costs and taxation	**2 127**	1 414	3 559
Finance costs	**(335)**	(256)	(516)
Profit before taxation	**1 792**	1 158	3 043
Taxation	**(268)**	(137)	(616)
Profit for the period	**1 524**	1 021	2 427
Attributable to:			
Owners of the parent	**1 115**	833	1 914
Non-controlling interests	**409**	188	513
	1 524	1 021	2 427

EARNINGS PER SHARE AND NUMBER OF SHARES IN ISSUE

		Unaudited		Audited
	Change %	Aug 18 6 months	Aug 17 6 months	Feb 18 12 months
Earnings per share (R)				
– Recurring	*22*	**5,03**	4,12	9,94
– Headline (note 3)	*40*	**5,07**	3,63	9,08
– Attributable	*34*	**5,16**	3,86	8,88
– Diluted headline	*41*	**4,99**	3,55	8,90
– Diluted attributable	*34*	**5,07**	3,78	8,70
Number of shares (m)				
– In issue		**232,0**	231,4	231,4
– In issue (net of treasury shares)		**217,0**	215,4	215,9
– Weighted average		**216,1**	215,4	215,5
– Diluted weighted average		**217,6**	218,3	217,9

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited		Audited
	Aug 18 6 months Rm	**Aug 17 6 months Rm**	**Feb 18 12 months Rm**
Profit for the period	**1 524**	1 021	2 427
Other comprehensive profit/(loss) for the period, net of taxation	**88**	(24)	(92)
Items that may be subsequently reclassified to profit or loss			
Currency translation adjustments	**128**	(13)	(106)
Cash flow hedges	**5**	(3)	(13)
Share of other comprehensive (losses)/income and equity movements of associates	**(41)**	(21)	7
Items that may not be subsequently reclassified to profit or loss			
(Losses)/gains from changes in financial and demographic assumptions of post-employment benefit obligations	**(4)**	13	20
Total comprehensive income for the period	**1 612**	997	2 335
Attributable to:			
Owners of the parent	**1 153**	795	1 847
Non-controlling interests	**459**	202	488
	1 612	997	2 335

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited		Audited
	Aug 18 Rm	Aug 17 Rm	Feb 18 Rm
Assets			
Property, plant and equipment ^	**10 388**	8 330	9 310
Intangible assets ^	**4 526**	3 307	3 825
Biological assets	**494**	468	558
Investment in ordinary shares of associates and joint ventures	**15 062**	13 917	14 318
Investment in preference shares of/loans granted to associates and joint ventures	**183**	247	149
Deferred income tax assets	**340**	220	245
Financial assets linked to investment contracts (note 7)	**26 219**	24 768	24 279
Cash and cash equivalents	**6**	55	1
Other financial assets	**26 213**	24 713	24 278
Other financial assets (note 7)	**33 191**	28 246	29 147
Inventory	**1 824**	1 565	1 723
Trade and other receivables (note 8)	**4 997**	4 473	4 492
Current income tax assets	**77**	80	90
Cash and cash equivalents	**1 916**	2 182	2 278
Non-current assets held for sale (note 15)	**1 202**	34	7
Total assets	**100 419**	87 837	90 421
Equity			
Ordinary shareholders' equity	**17 609**	16 392	17 143
Non-controlling interests	**12 067**	10 943	11 729
Total equity	**29 676**	27 335	28 872
Liabilities			
Insurance contracts	**489**	525	543
Financial liabilities under investment contracts (note 7)	**26 219**	24 768	24 279
Borrowings	**8 442**	6 236	7 332
Other financial liabilities	**89**	104	113
Third-party liabilities arising on consolidation of mutual funds (note 7)	**29 056**	23 645	23 600
Deferred income tax liabilities	**1 196**	823	997
Trade and other payables and employee benefit liabilities (note 8)	**5 148**	4 336	4 630
Current income tax liabilities	**97**	65	55
Non-current liabilities held for sale	**7**		
Total liabilities	**70 743**	60 502	61 549
Total equity and liabilities	**100 419**	87 837	90 421
Net asset value per share (R)	**81,15**	76,09	79,39
Net tangible asset value per share (R)	**60,29**	60,89	61,67

^ *Reclassified as set out in note 16.*

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Change %	Unaudited Aug 18 6 months Rm	Unaudited Aug 17 6 months Rm	Audited Feb 18 12 months Rm
Ordinary shareholders' equity at beginning of the period		**16 934**	15 900	15 900
Previously reported		**17 143**		
Adjustment due to the initial application of IFRS 9 (note 1)		**(209)**		
Total comprehensive income		**1 153**	795	1 847
Issue of shares		**123**	1	1
Share-based payment costs – employees		**36**	33	66
Net movement in treasury shares		**101**		30
Transactions with non-controlling interests		**(140)**	203	135
Dividends paid		**(598)**	(540)	(836)
Ordinary shareholders' equity at end of the period		**17 609**	16 392	17 143
Non-controlling interests at beginning of the period		**11 714**	10 900	10 900
Previously reported		**11 729**		
Adjustment due to the initial application of IFRS 9 (note 1)		**(15)**		
Total comprehensive income		**459**	202	488
Issue of shares		**194**	345	1 399
Share-based payment costs – employees		**19**	15	32
Subsidiaries acquired (note 6.1)		**24**		47
Transactions with non-controlling interests		**(42)**	(243)	(723)
Dividends paid		**(301)**	(276)	(414)
Non-controlling interests at end of the period		**12 067**	10 943	11 729
Total equity		**29 676**	27 335	28 872
Dividend per share (R)				
– Interim	*10*	**1,52**	1,38	1,38
– Final				2,77
		1,52	1,38	4,15

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited		Audited
	Aug 18 6 months Rm	Aug 17 6 months Rm	Feb 18 12 months Rm
Net cash flow from operating activities			
Cash (utilised by)/generated from operations (note 5) *^	**(184)**	(514)	272
Interest income *	**880**	803	1 615
Dividend income *	**539**	544	1 202
Finance costs	**(330)**	(208)	(463)
Taxation paid *	**(197)**	(197)	(532)
Net cash flow from operating activities before cash movement in policyholder funds	**708**	428	2 094
Cash movement in policyholder funds *	**5**	41	(13)
Net cash flow from operating activities	**713**	469	2 081
Net cash flow from investing activities	**(889)**	(448)	(2 937)
Cash flow from businesses/subsidiaries acquired (note 6.1)	**(619)**	(147)	(428)
Cash flow from first-time consolidation of mutual fund (note 6.2)	**10**		
Cash flow from businesses sold	**3**	27	27
Cash flow from deconsolidation of mutual fund (note 6.3)	**(17)**		
Acquisition of ordinary shares in associates and joint ventures	**(290)**	(171)	(598)
Acquisition of property, plant and equipment	**(623)**	(621)	(1 641)
Other investing activities	**647**	464	(297)
Net cash flow from financing activities *	**(667)**	(261)	784
Dividends paid to group shareholders	**(598)**	(540)	(836)
Dividends paid to non-controlling interests	**(301)**	(276)	(414)
Borrowings drawn ^	**598**	689	3 406
Borrowings repaid	**(418)**	(221)	(1 787)
Other financing activities	**52**	87	415
Net decrease in cash and cash equivalents	**(843)**	(240)	(72)
Exchange gains on cash and cash equivalents	**21**	8	9
Cash and cash equivalents at beginning of the period	**993**	1 056	1 056
Cash and cash equivalents at end of the period **	**171**	824	993
Cash and cash equivalents consists of:			
Cash and cash equivalents per the statement of financial position	**1 916**	2 182	2 278
Cash and cash equivalents attributable to equity holders	**1 607**	1 939	1 924
Other clients' cash and cash equivalents	**309**	243	354
Cash and cash equivalents included in non-current assets held for sale per the statement of financial position	**3**		
Cash and cash equivalents linked to investment contracts	**6**	55	1
Bank overdrafts attributable to equity holders (included in borrowings)	**(1 754)**	(1 413)	(1 286)
	171	824	993

* *These line items are impacted by linked investment contracts, consolidated mutual funds and other client-related balances as detailed in note 7.*

** *Available cash held at a PSG Group-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 therein is derecognised and all of the fund's underlying highly liquid debt securities (included in "other financial assets" in the summary consolidated 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-level and invested in the PSG Money Market Fund amounted to R0,5bn (31 August 2017: R1,2bn, 28 February 2018: R1bn) at the reporting date.*

^ *Reclassified as set out in note 16.*

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These summary interim 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 South African Companies Act, 71 of 2008, as amended; and the JSE Listings Requirements.

The accounting policies applied in the preparation of these summary interim 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 revisions to IFRS which are effective for its financial year ending 28 February 2019. Apart from the adoption of IFRS 9 Financial Instruments, these revisions have not resulted in material changes to the group's reported results and disclosures in these summary interim consolidated financial statements.

IFRS 9, adopted by the group effective 1 March 2018, is a new standard which replaced IAS 39 Financial Instruments: Recognition and Measurement. The standard, inter alia, replaced the multiple classification and measurement models in IAS 39 with a single model that has only two categories: amortised cost and fair value. Furthermore, the standard replaced the incurred credit loss impairment model in IAS 39 with an expected credit loss impairment model.

The group applied IFRS 9 retrospectively without restating comparative figures and therefore the group's equity as at 1 March 2018 was adjusted for the differences in the carrying amounts of financial instruments as measured in terms of IFRS 9 and IAS 39, respectively. The resultant impact was an adjustment against ordinary shareholders' equity and non-controlling interests of R209m and R15m, respectively. The group was most significantly impacted by Capitec's application of the expected credit loss impairment model on its loan book. The change to Capitec's equity was R648m, with the resultant impact on PSG Group's equity being R199m in respect of its 30,7% investment in Capitec.

In preparing these summary interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the group's annual financial statements for the year ended 28 February 2018.

2. PREPARATION

These summary interim consolidated financial statements were compiled under the supervision of the group chief financial officer, Mr WL Greeff, CA(SA), and were not reviewed or audited by PSG Group's external auditor, PricewaterhouseCoopers Inc. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditor.

	Unaudited		Audited
	Aug 18 6 months Rm	Aug 17 6 months Rm	Feb 18 12 months Rm
3. HEADLINE EARNINGS			
Profit for the period attributable to owners of the parent	**1 115**	833	1 914
Non-headline items			
Gross amounts	**8**	(88)	30
Loss on impairment of associates			8
Net loss on sale/dilution of interest in associates	**10**	20	14
Profit on sale of businesses		(80)	(85)
Fair value gain on step-up from associate to subsidiary	**(2)**		(11)
Net loss on sale/impairment of intangible assets (including goodwill)	**52**	7	153
Net (profit)/loss on sale/impairment of property, plant and equipment	**(1)**	2	1
Non-headline items of associates	**(51)**	(33)	(31)
Bargain purchase gain		(4)	(18)
Reversal of impairment of non-current assets held for sale			(1)
Non-controlling interests	**(27)**	36	(137)
Taxation			149
Headline earnings	**1 096**	781	1 956
Headline earnings per share (R)	**5,07**	3,63	9,08

4. PSG FINANCIAL SERVICES

PSG Financial Services is a wholly-owned subsidiary of PSG Group, except for the 17 415 770 (31 August 2017: 17 415 770; 28 February 2018: 17 415 770) perpetual preference shares which are listed on the JSE. These preference shares are included in non-controlling interests in the summary consolidated statement of financial position. No separate financial statements are presented in this announcement for PSG Financial Services as it is the only directly held asset of PSG Group.

	Unaudited		Audited
	Aug 18 6 months Rm	Aug 17 6 months Rm	Feb 18 12 months Rm
5. CASH (UTILISED BY)/GENERATED FROM OPERATIONS			
Profit before taxation	**1 792**	1 158	3 043
Share of profits of associates and joint ventures	**(1 141)**	(901)	(1 926)
Depreciation and amortisation	**282**	247	503
Investment income	**(1 007)**	(984)	(2 059)
Finance costs	**335**	256	516
Working capital changes and other non-cash items ^	**(445)**	(290)	195
Cash (utilised by)/generated from operations ^	**(184)**	(514)	272

^ *Reclassified as set out in note 16.*

6. BUSINESSES/SUBSIDIARIES ACQUIRED, FIRST-TIME CONSOLIDATION OF MUTUAL FUND AND DECONSOLIDATION OF MUTUAL FUND

6.1 Businesses/subsidiaries acquired

Businesses/subsidiaries acquired by the group during the period under review included:

Cooper College (Pty) Ltd and related entities ("Cooper")

During April 2018, the group, through Curro Holdings Ltd ("Curro"), acquired an effective interest of 97% in Cooper for a cash consideration of R210m. Cooper operates a private school in Randburg, South Africa, being complementary to Curro's existing operations. Goodwill of R84m arose in respect of, inter alia, the workforce, expected synergies, economies of scale and the business's growth potential.

MBS Education Investments (Pty) Ltd and Milpark Education (Pty) Ltd ("Milpark")

During March 2018, the group, through Stadio Holdings Ltd ("Stadio"), being a subsidiary of PSG Alpha Investments (Pty) Ltd ("PSG Alpha"), acquired an effective interest of 87,2% in Milpark for a cash consideration of R211m (of which R4m was deferred and subsequently paid) and the issue of Stadio shares worth R51m. Milpark is involved in the private higher education sector in South Africa, offering complementary services to Stadio's existing operations. Goodwill of R222m arose in respect of, inter alia, the workforce, expected synergies, economies of scale and the business's growth potential.

Interactive Tutor (Pty) Ltd ("Media Works")

During May 2018, the group, through FutureLearn Holdings (Pty) Ltd, being a subsidiary of PSG Alpha, acquired all the issued share capital of Media Works for a cash consideration of R109m, of which R15m was deferred and remains outstanding. Media Works provides adult education and training services in South Africa. Goodwill of R88m arose in respect of, inter alia, the workforce, expected synergies, economies of scale and the business's growth potential.

Baobab Primary School operations and properties ("Baobab")

During July 2018, the group, through Curro, acquired the business operations and properties of Baobab for a cash consideration of P65m (R84m). Baobab operates a private school in Gaborone, Botswana, being complementary to Curro's existing operations. Goodwill of R19m arose in respect of, inter alia, the workforce, expected synergies, economies of scale and the business's growth potential.

The amounts of identifiable net assets of businesses/subsidiaries acquired, as well as goodwill and non-controlling interest recognised from business combinations during the period under review, can be summarised as follows:

	Unaudited					
	Cooper Rm	Milpark Rm	Media Works Rm	Baobab Rm	Other Rm	Total Rm
Identifiable net assets acquired	134	46	24	65	111	380
Goodwill recognised	84	222	88	19	79	492
Non-controlling interests recognised	(8)	(6)	(3)		(7)	(24)
Derecognition of investment in associate					(13)	(13)
Total consideration	210	262	109	84	170	835
Ordinary shares issued by a subsidiary		(51)			(8)	(59)
Deferred/contingent consideration		(4)	(15)		(60)	(79)
Cash consideration paid	210	207	94	84	102	697
Cash consideration paid	(210)	(207)	(94)	(84)	(102)	(697)
Cash and cash equivalents acquired	2	34	17	9	16	78
Cash flow from businesses/subsidiaries acquired	(208)	(173)	(77)	(75)	(86)	(619)

6. BUSINESSES/SUBSIDIARIES ACQUIRED, FIRST-TIME CONSOLIDATION OF MUTUAL FUND AND DECONSOLIDATION OF MUTUAL FUND (continued)

6.1 Businesses/subsidiaries acquired (continued)

Transaction costs relating to the business combinations were immaterial and expensed in the summary consolidated income statement.

The aforementioned business combinations have been provisionally accounted for and do not contain any contingent consideration or indemnification asset arrangements, unless otherwise stated. Non-controlling interests were measured with reference to their proportionate share of the identifiable net assets acquired.

Had the aforementioned businesses combinations been accounted for with effect from 1 March 2018 instead of their respective acquisition dates, the summary consolidated income statement would have reflected additional revenue of R313m and profit for the period of R1m.

Receivables of R120m are included in the identifiable net assets acquired, which are all considered to be recoverable. The fair value of these receivables approximates its carrying value.

6.2 First-time consolidation of mutual fund

During the period under review, the group commenced consolidation of the PSG Wealth Global Preservation Feeder Fund as a result of PSG Asset Management managing same and following an increase in policyholder funds (i.e. financial assets linked to investment contracts) invested in this mutual fund. The consolidation of this mutual fund resulted in an additional R679m of “other financial assets” and R689m of “third-party liabilities arising on consolidation of mutual funds” being recognised in the statement of financial position. Furthermore, cash and cash equivalents of R10m held by the mutual fund was recognised upon consolidation.

6.3 Deconsolidation of mutual fund

During the period under review, the group deconsolidated the PSG Multi-Management Foreign Flexible Fund of Funds following its merger with the PSG Wealth Global Flexible Feeder Fund and the resultant decrease in the effectve interest held therein. The deconsolidation of this mutual fund resulted in the derecognition of R27m of “other financial assets”, R186m of “trade and other receivables”, R228m of “third-party liabilities arising on consolidation of mutual funds” and R2m of “trade and other payables” from the statement of financial position. Furthermore, cash and cash equivalents of R17m held by the mutual fund was derecognised upon deconsolidation.

7. LINKED INVESTMENT CONTRACTS, CONSOLIDATED MUTUAL FUNDS AND OTHER CLIENT-RELATED BALANCES

Linked investment contracts are represented by PSG Life Ltd (an existing subsidiary of PSG Konsult Ltd (“PSG Konsult”)) 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.

As a result of the group’s consolidation of mutual funds which it controls in accordance with IFRS 10, the group’s investments in these mutual funds have been derecognised and all the funds’ underlying assets have been recognised. Third parties’ funds invested in the respective mutual funds are recognised as a payable and included under “third-party liabilities arising on consolidation of mutual funds”.

The summary consolidated income statement impact recognised from the assets and liabilities pertaining to the linked investment contracts, consolidated mutual funds and other client-related balances are split from the corresponding summary consolidated income statement line items attributable to the equity holders of the group below:

	Client-related balances Rm	Equity holders Rm	Total Rm
Six months ended 31 August 2018 (unaudited)			
Investment income	765	242	1 007
Fair value gains and losses	3 058	148	3 206
Fair value adjustment to investment contract liabilities	(1 787)		(1 787)
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds	(2 010)		(2 010)
Various other line items	(26)		(26)
	–		

7. LINKED INVESTMENT CONTRACTS, CONSOLIDATED MUTUAL FUNDS AND OTHER CLIENT-RELATED BALANCES (continued)

	Client-related balances Rm	Equity holders Rm	Total Rm
Six months ended 31 August 2017 (unaudited)			
Investment income	758	226	984
Fair value gains and losses	1 738	(259)	1 479
Fair value adjustment to investment contract liabilities	(1 194)		(1 194)
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds	(1 256)		(1 256)
Various other line items	(46)		(46)
	–		
Year ended 28 February 2018 (audited)			
Investment income	1 601	458	2 059
Fair value gains and losses	2 037	(279)	1 758
Fair value adjustment to investment contract liabilities	(1 670)		(1 670)
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds	(1 873)		(1 873)
Various other line items	(95)		(95)
	–		

The summary consolidated statement of cash flows impact recognised from the assets and liabilities pertaining to the linked investment contracts, consolidated mutual funds and other client-related balances are split from the corresponding summary consolidated statement of cash flows line items attributable to the equity holders of the group below:

	Unaudited					
	Aug 18 6 months			Aug 17 6 months		
	Client-related balances Rm	Equity holders Rm	Total Rm	Client-related balances Rm	Equity holders Rm	Total Rm
Cash (utilised by)/generated from operations ^	**(755)**	**571**	**(184)**	(610)	96	(514)
Interest income	**593**	**287**	**880**	496	307	803
Dividend income	**106**	**433**	**539**	174	370	544
Finance costs		**(330)**	**(330)**		(208)	(208)
Taxation paid	**19**	**(216)**	**(197)**	(6)	(191)	(197)
Cash movement in policyholder funds	**5**		**5**	41		41
Net cash flow from operating activities ^	**(32)**	**745**	**713**	95	374	469
Net cash flow from investing activities	**(8)**	**(881)**	**(889)**		(448)	(448)
Net cash flow from financing activities ^		**(667)**	**(667)**	100	(361)	(261)
Net (decrease)/increase in cash and cash equivalents	**(40)**	**(803)**	**(843)**	195	(435)	(240)
Exchange gains on cash and cash equivalents		**21**	**21**		8	8
Cash and cash equivalents at beginning of the period	**355**	**638**	**993**	103	953	1 056
Cash and cash equivalents at end of the period	**315**	**(144)**	**171**	298	526	824

^ *Reclassified as set out in note 16.*

7. LINKED INVESTMENT CONTRACTS, CONSOLIDATED MUTUAL FUNDS AND OTHER CLIENT-RELATED BALANCES (continued)

	Audited Feb 18 12 months		
	Client-related balances Rm	Equity holders Rm	Total Rm
Cash (utilised by)/generated from operations	(1 240)	1 512	272
Interest income	1 013	602	1 615
Dividend income	421	781	1 202
Finance costs		(463)	(463)
Taxation paid	(29)	(503)	(532)
Cash movement in policyholder funds	(13)		(13)
Net cash flow from operating activities	152	1 929	2 081
Net cash flow from investing activities		(2 937)	(2 937)
Net cash flow from financing activities	100	684	784
Net increase/(decrease) in cash and cash equivalents	252	(324)	(72)
Exchange gains on cash and cash equivalents		9	9
Cash and cash equivalents at beginning of the year	103	953	1 056
Cash and cash equivalents at end of the year	355	638	993

8. TRADE AND OTHER RECEIVABLES AND PAYABLES

Included under trade and other receivables are PSG Online broker and clearing accounts of which R1,4bn (31 August 2017: R1,3bn; 28 February 2018: R1,4bn) represents amounts owing by the JSE for trades conducted during the last few days before the reporting date. 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. All such balances have subsequently been settled accordingly.

9. CORPORATE ACTIONS

Apart from the transactions set out in note 6 and the corporate action detailed in the commentary section of this announcement, the group, through PSG Alpha, invested a further R275m in Evergreen Retirement Holdings (Pty) Ltd ("Evergreen") during the period under review for a total investment of R675m to date. Evergreen is one of South Africa's leading providers of retirement lifestyle living.

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 risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

These summary interim 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 28 February 2018. Risk management continues to be carried out by each 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 in the supporting assets.

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: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: input other than quoted prices included within level 1 that is observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: input for the asset or liability that is not based on observable market data (that is, unobservable input).

10. FINANCIAL INSTRUMENTS (continued)

10.2 Fair value estimation (continued)

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

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
31 August 2018 (unaudited)				
Assets				
Derivative financial assets		**67**		**67**
Equity securities	**3 112**	**381**	**29**	**3 522**
Debt securities	**869**	**1 890**		**2 759**
Unit-linked investments	**3**	**48 195**	**525**	**48 723**
Investment in investment contracts		**17**		**17**
Non-current assets held for sale			**1 182**	**1 182**
Closing balance	**3 984**	**50 550**	**1 736**	**56 270**
Liabilities				
Derivative financial liabilities		**44**	**39**	**83**
Investment contracts		**25 595**	**504**	**26 099**
Trade and other payables			**114**	**114**
Third-party liabilities arising on consolidation of mutual funds		**29 056**		**29 056**
Closing balance	**–**	**54 695**	**657**	**55 352**
31 August 2017 (unaudited)				
Assets				
Derivative financial assets		45		45
Equity securities	2 876	592	51	3 519
Debt securities	805	2 986		3 791
Unit-linked investments		39 904	947	40 851
Investment in investment contracts		16		16
Closing balance	3 681	43 543	998	48 222
Liabilities				
Derivative financial liabilities		58	42	100
Investment contracts		23 680	935	24 615
Trade and other payables			43	43
Third-party liabilities arising on consolidation of mutual funds		23 645		23 645
Closing balance	–	47 383	1 020	48 403
28 February 2018 (audited)				
Assets				
Derivative financial assets		43		43
Equity securities	2 330	1 312	679	4 321
Debt securities	922	1 501		2 423
Unit-linked investments		41 481	719	42 200
Investment in investment contracts		15		15
Closing balance	3 252	44 352	1 398	49 002
Liabilities				
Derivative financial liabilities		70	39	109
Investment contracts		23 421	698	24 119
Trade and other payables			45	45
Third-party liabilities arising on consolidation of mutual funds		23 600		23 600
Closing balance	–	47 091	782	47 873

10. FINANCIAL INSTRUMENTS (continued)

10.2 Fair value estimation (continued)

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

	Unaudited				Audited	
	Aug 18		Aug 17		Feb 18	
	Assets Rm	Liabilities Rm	Assets Rm	Liabilities Rm	Assets Rm	Liabilities Rm
Opening balance	**1 398**	**782**	1 161	1 251	1 161	1 251
Additions	**125**	**292**	256	277	1 188	542
Disposals	**(354)**	**(447)**	(441)	(528)	(915)	(1 029)
Fair value adjustments	**520**	**30**	22	20	31	18
Other movements	**47**				(67)	
Closing balance	**1 736**	**657**	998	1 020	1 398	782

Unit-linked investments represent the largest portion of the level 3 financial assets and relate to units 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, which in turn represent the largest portion of level 3 financial liabilities.

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

There have been no significant transfers between level 1, 2 or 3 during the period 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 and liquidity spreads
Unit-linked investments	Quoted exit price provided by the fund manager	Not applicable – daily prices are publicly available
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 exit price provided by the fund manager	Not applicable – daily prices are publicly available

11. SEGMENT REPORT

The group's classification into seven reportable segments, namely: Capitec, PSG Konsult, Curro, Zeder, PSG Alpha, 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 operations outside the Republic of South Africa through, inter alia, Curro, Zeder's investments in Pioneer Food Group Ltd, Capespan Group Ltd ("Capespan"), Zaad Holdings Ltd and Agrivision Africa, and PSG Alpha's investments in Stadio and CA Sales Holdings 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, intergroup advisory fees and interest income.

Recurring earnings are calculated on a proportional basis, and include the proportional 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 earnings. Non-recurring earnings include once-off gains and losses and marked-to-market fluctuations, as well as the resulting taxation charge on these items.

SOTP is a key valuation tool used to measure PSG'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 summary consolidated statement of financial position since the latter are measured using the relevant accounting standards which include historical cost and the equity method of accounting.

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

Six months ended 31 August 2018 (unaudited)	**Income** Rm**	**Inter-segment income** Rm**	**Recurring earnings (segment profit) Rm**	**Non-recurring earnings Rm**	**Headline earnings Rm**	**SOTP value^^ Rm**
Capitec*			756		756	35 582
PSG Konsult	2 298		174		174	7 858
Curro	1 272		77		77	7 303
Zeder	3 971		73	153	226	3 727
PSG Alpha	3 584		76	(14)	62	4 961
Dipeo	(352)		(31)	(145)	(176)	255
PSG Corporate	56	(7)	(25)		(25)	
Funding	43	(6)	(96)	16	(80)	(2 309)
Other			82		82	2 143
Total	10 872	(13)	1 086	10	1 096	59 520
Non-headline items					19	
Earnings attributable to non-controlling interests					409	
Taxation					268	
Profit before taxation					1 792	

11. SEGMENT REPORT (continued)

Six months ended 31 August 2017 (unaudited)	Income** Rm	Inter-segment income** Rm	Recurring earnings (segment profit) Rm	Non-recurring earnings Rm	Headline earnings Rm	SOTP value^^ Rm
Capitec*			628		628	31 954
PSG Konsult	2 098		147		147	7 210
Curro	1 113		61		61	8 877
Zeder	4 627		27	4	31	4 607
PSG Alpha	2 591		66	2	68	2 510
Dipeo	(255)		(34)	(98)	(132)	546
PSG Corporate	35	(7)	(18)		(18)	
Funding	93	(33)	(57)	(15)	(72)	(2 308)
Other			68		68	3 393
Total	10 302	(40)	888	(107)	781	56 789
Non-headline items					52	
Earnings attributable to non-controlling interests					188	
Taxation					137	
Profit before taxation					1 158	

Year ended 28 February 2018 (audited)	Income** Rm	Inter-segment income** Rm	Recurring earnings (segment profit) Rm	Non-recurring earnings Rm	Headline earnings Rm	SOTP value^^ Rm
Capitec*			1 369		1 369	29 540
PSG Konsult	4 188		348		348	7 048
Curro	2 145		110	(1)	109	7 987
Zeder	8 903		205	(21)	184	4 823
PSG Alpha	6 311		172	(22)	150	5 201
Dipeo	(304)		(56)	(131)	(187)	535
PSG Corporate	196	(47)	(7)		(7)	
Funding	155	(46)	(135)	(11)	(146)	(2 227)
Other			136		136	2 603
Total	21 594	(93)	2 142	(186)	1 956	55 510
Non-headline items					(42)	
Earnings attributable to non-controlling interests					513	
Taxation					616	
Profit before taxation					3 043	

11. SEGMENT REPORT (continued)

	Unaudited		Audited
	Aug 18 6 months Rm	Aug 17 6 months Rm	Feb 18 12 months Rm
Reconciliation of segment revenue to IFRS revenue:			
Segment revenue as stated above:			
Income	**10 872**	10 302	21 594
Intersegment income	**(13)**	(40)	(93)
Less:			
Changes in fair value of biological assets	**(31)**	(39)	(195)
Fair value gains and losses	**(3 206)**	(1 479)	(1 758)
Fair value adjustment to investment contract liabilities	**1 787**	1 194	1 670
Fair value adjustment to third-party liabilities arising on consolidation of mutual funds	**2 010**	1 256	1 873
Other operating income	**(131)**	(198)	(277)
IFRS revenue^	**11 288**	10 996	22 814
Non-recurring earnings comprised the following:			
Non-recurring items from investments	**(6)**	(92)	(175)
Other gains/(losses)	**16**	(15)	(11)
	10	(107)	(186)

* *Equity method of accounting applied.*

** *The total of "income" and "intersegment income" comprises the total of "revenue from sale of goods" and "income" per the summary consolidated income statement.*

^ *IFRS revenue comprises "revenue from sale of goods", "investment income" and "commission, school, net insurance and other fee income" as per the summary consolidated income statement.*

^^*SOTP is a key valuation tool used to measure the group's performance, but does not necessarily correspond to net asset value.*

12. CAPITAL COMMITMENTS, CONTINGENCIES AND SURETYSHIPS

The group's most significant capital commitments comprise Curro's construction of six new campuses to the value of R400m and the expansion of existing campuses to the value of R700m.

Apart from the aforementioned, capital commitments, contingencies and suretyships similar to those disclosed in the group's annual financial statements for the year ended 28 February 2018 remained in effect during the period under review.

13. RELATED-PARTY TRANSACTIONS

Related-party transactions similar to those disclosed in the group's annual financial statements for the year ended 28 February 2018 took place during the period under review.

14. EVENTS SUBSEQUENT TO THE REPORTING DATE

No material event, apart from those already disclosed elsewhere in this announcement, occurred between the reporting date and the date of approval of these summary interim consolidated financial statements.

15. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale as at 31 August 2018 relates mainly to the disposal of Capespan's, a subsidiary of Zeder, 9,2% interest in Joy Wing Mau. Joy Wing Mau is based in China and focuses on fruit production, packing, storage, wholesale, export, import and distribution to retailers. The disposal became effective subsequent to the reporting date and is in process of being implemented.

16. RECLASSIFICATION OF PRIOR PERIOD FIGURES

Computer software previously incorrectly classified by Curro, a subsidiary, as "property, plant and equipment" has been reclassified to "intangible assets". This reclassification had no impact on previously reported equity, liabilities, profitability or cash flows; however, it had the following impact on the summary consolidated statement of financial position at 31 August 2017:

Statement of financial position	Previously reported Rm	Now reported Rm	Change Rm
Property, plant and equipment	8 363	**8 330**	(33)
Intangible assets	3 274	**3 307**	33
			–

Borrowings raised by PSG Konsult, a subsidiary, have been reclassified from "net cash flow from operating activities" to "net cash flow from financing activities" to reflect the nature thereof more accurately. This reclassification had no impact on previously reported assets, equity, liabilities or profitability; however, it had the following impact on the summary consolidated statement of cash flows for the period ended 31 August 2017:

Statement of cash flows	Previously reported Rm	Now reported Rm	Change Rm
Net cash flow from operating activities			
Cash utilised by operations	(414)	**(514)**	(100)
Net cash flow from financing activities			
Borrowings drawn	589	**689**	100
			–