



UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2008

CONDENSED CONSOLIDATED INCOME STATEMENTS

	31 Aug 2008 R'000	31 Aug 2007 R'000	29 Feb 2008 R'000
Income			
Commission and fee income	362,416	288,480	637,462
Other operating income	8,593	29,165	36,585
Investment income	10,233	14,991	51,434
Fair value gains and losses on financial instruments	-	-	530
Total income	381,242	332,636	726,011
Expenses	(313,243)	(260,835)	(577,297)
Net income from operating activities	67,999	71,801	148,714
Finance charges	(4,718)	(11,484)	(28,396)
Share of profits of associate company	590	600	928
Net income before taxation	63,871	60,917	121,246
Taxation	(16,148)	(17,560)	(29,934)
Net income of the group	47,723	43,357	91,312
Attributable to:			
Ordinary shareholders	47,117	42,401	89,766
Outside shareholders	606	956	1,546
	47,723	43,357	91,312

ADDITIONAL INFORMATION

Headline earnings reconciliation			
Attributable to ordinary shareholders	47,117	42,401	89,766
Non-headline items	327	(2,466)	(2,706)
Headline earnings for the period	47,444	39,935	87,060
Earnings per share (cents)			
- Attributable	6.4	5.9	12.4
- Headline	6.5	5.5	12.0
Number of shares (million)			
- in issue	732	723	732
- weighted average	732	723	727
Distribution to shareholders (cents)			
- total	2.8	2.4	7.9
- interim	2.8	2.4	2.4
- final	-	-	5.5

CONDENSED CONSOLIDATED BALANCE SHEETS

	31 Aug 2008 R'000	31 Aug 2007 R'000	29 Feb 2008 R'000
Assets			
Fixed assets	22,521	14,628	15,990
Intangible assets	228,419	188,547	191,729
Goodwill	247,179	226,158	224,613
Investment in associate	10,437	14,272	23,631
Financial assets	245,429	161,029	364,427
Contracts for difference & other collateral	243,986	159,287	362,605
Other	1,443	1,742	1,822
Deferred income tax	7,077	4,081	7,315
Inventories	-	-	28
Loans and receivables	136,838	161,515	147,621
Cash and cash equivalents	36,125	117,116	45,253
Total assets	934,025	887,346	1,020,607
Equity			
Ordinary shareholders' equity	414,696	360,997	406,081
Minority interests	1,974	2,134	2,509
Total equity	416,670	363,131	408,590
Liabilities			
Borrowings	325,784	307,426	436,129
Contracts for difference & other collateral	251,906	147,045	380,164
Promissory Notes	30,000	-	-
Other	43,878	160,381	55,965
Deferred income tax	50,889	45,177	41,563
Payables and provisions	115,134	149,213	114,662
Provisions for other liabilities and charges	33,453	28,223	15,337
Trade and other payables	81,681	120,990	99,325
Current income tax liabilities	25,548	22,399	19,663
Total liabilities	517,355	524,215	612,017
Total equity and liabilities	934,025	887,346	1,020,607

ADDITIONAL INFORMATION

Net asset value per share (cents)	56.9	50.2	55.5
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UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2008

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN OWNERS' EQUITY

	31 Aug 2008 R'000	31 Aug 2007 R'000	29 Feb 2008 R'000
Ordinary shareholders' funds at beginning of period	406,081	343,816	343,816
Shares issued	2,000	1,227	16,029
Shares cancelled	-	(163)	-
Movement in fair value reserve	(377)	120	92
Translation reserve	133	-	354
Net income for the period	47,117	42,401	89,766
Capital reduction	-	(26,404)	(43,976)
Dividend paid	(40,258)	-	-
Ordinary shareholders' funds at end of period	414,696	360,997	406,081
Minority interests	1,974	2,134	2,509
Beginning of period	2,509	2,926	2,928
Net income for period	606	956	1,546
Other movements	(14)	-	149
Distribution to shareholders	(1,127)	(1,748)	(2,114)
Total equity at end of period	416,670	363,131	408,590

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	31 Aug 2008 R'000	31 Aug 2007 R'000	29 Feb 2008 R'000
Cash generated from operating activities	86,306	52,094	187,195
Cash (utilised in)/generated from investment activities	(45,748)	55,541	(257,643)
Net cash flow (used in)/ obtained from financing activities	(24,791)	(140,167)	75,519
Net increase/(decrease) in cash and cash equivalents	15,767	(32,532)	5,071
Cash and cash equivalents at beginning of period	5,298	227	227
Cash and cash equivalents at end of period	21,065	(32,305)	5,298
Cash and cash equivalents consists of:			
Petty cash	148	94	64
Current and cheque accounts	33,316	114,717	43,192
Short-term deposits	2,661	2,305	1,997
Bank overdrafts	(15,060)	(149,421)	(39,955)
	21,065	(32,305)	5,298



Notes

Basis of presentation and accounting policies

The condensed consolidated financial statements for the 6 months ended 31 August 2008 are prepared in accordance with International Financial Reporting Standards (IFRS) IAS34 – Interim Financial Reporting.

Review of results and operations

The Company's headline earnings per share increased by 17.3%. Turnover, consisting of commission and other operating income, increased by 16.1% to R371.0 million.

Growth in headline earnings amounted to 18.8%.

Funds under administration was maintained at approximately R50 billion.

Short-term premiums increased to R1,400 million on an annualized basis.

Following the 2008 financial year end the Group made two acquisitions in the form of Multifund (a short-term insurance broker) and Brosist (a short-term insurance administrator). During the forthcoming year PSG Konsult will seek to expand on existing client bases, and to effectively incorporate these recent acquisitions into the company's structure and operations, so as to harness the synergies that exist between these entities.

Effective 1 March 2008 PSG Konsult Ltd issued promissory notes with a face value of R30,000,000. The issue was completed in 2 tranches of R15,000,000 each, maturing on 3 June 2008 and 2 September 2008 respectively. Interest payable on the notes ranged from 12.225% to 12.663% per annum.

The proceeds of the issuance of the promissory notes were applied to settle the purchase considerations of the acquisitions described above. The board regarded the issuance of promissory notes as an appropriate means to raise cost-effective capital.

During the period under review PSG Konsult launched a service offering in property and asset finance business as intermediary. The offering provides clients with an independent advisory and facilitative service in the financing of assets.

Following the launch of the Group's London offices during late 2007, the business has performed satisfactory over the past 6 months. The strategy going forward will be to build on the foundation laid in terms of growth in income and expansion of services provided.

Effective 1 July 2008 the Group sold its 25.1% stake in Intercontinental Trust which is registered in Mauritius. The proceeds on the sale of the Group's interest was R13,999,680, realising a non-headline loss of R327,000. The decision to sell the investment was taken to allow the Group to pursue alternative opportunities in aligning itself with entities providing offshore fiduciary services.

PSG Konsult regards BEE as imperative to conducting business in the present South African socio-economic environment and is committed to the Charter and the principles embodied therein. The Group presently seeks business opportunities aimed at the upliftment of BEE groups and partners.

People

At period-end PSG Konsult had 196 offices with 507 financial planners, stockbrokers and short-term insurance brokers. Our professional associates (accountants and attorneys) numbered 300.

Distribution to shareholders

The board has resolved to make a dividend payment to shareholders of 2.8 cents per share (2007: capital distribution of 2.4 cents per share) in respect of the six months ended 31 August 2008. The following are the salient dates for the payment of the distribution.

Last day of registration: 15 October 2008

Day of payment: 22 October 2008

On behalf of the board

Jaap du Toit
Chairman

Willem Theron
Chief Executive Officer

Hermanus
9 October 2008