



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Unaudited 31 Aug 2009 R'000	% Change	Unaudited 31 Aug 2008 R'000	Audited 28 Feb 2009 R'000
<b>Income</b>				
Commission and fee income	373,072		362,416	698,938
Other operating income	16,046		8,593	55,142
Investment income	31,135		10,233	66,865
Fair value gains and losses on financial instruments	(78)		-	1,765
<b>Total income</b>	<b>420,175</b>	10.2	381,242	822,710
<b>Expenses</b>	<b>(337,802)</b>		(313,243)	(655,952)
<b>Net income from operating activities</b>	<b>82,373</b>	21.1	67,999	166,758
Finance charges	(23,588)		(4,718)	(36,197)
Share of profits of associate companies	1,367		590	1,764
<b>Net income before taxation</b>	<b>60,152</b>	(5.8)	63,871	132,325
Taxation	(18,848)		(16,148)	(33,859)
<b>Net income of the group</b>	<b>41,304</b>	(13.5)	47,723	98,466
<b>Other comprehensive income / (expense) net of taxation</b>	<b>142</b>		(244)	(969)
Exchange differences on translating foreign operations	(716)		133	(660)
Fair-value adjustment on investments	858		(377)	(309)
<b>Total comprehensive income for the period</b>	<b>41,446</b>	(12.7)	47,479	97,497
<b>Net income for the period attributable to:</b>				
Owners of the parent	40,603		47,117	97,093
Non-controlling interests	701		606	1,373
	<b>41,304</b>	(13.5)	47,723	98,466
<b>Comprehensive income for the period attributable to:</b>				
Owners of the parent	40,745		46,873	96,124
Non-controlling interests	701		606	1,373
	<b>41,446</b>	(12.7)	47,479	97,497

**ADDITIONAL INFORMATION**

<b>Headline earnings reconciliation</b>				
Attributable to ordinary shareholders	40,603		47,117	97,093
Non-headline items	(1,120)		327	(276)
<b>Headline earnings for the period</b>	<b>39,483</b>	(16.8)	47,444	96,817
<b>Earnings per share (cents)</b>				
- Attributable / diluted	5.5	(14.1)	6.4	13.2
- Headline / diluted	5.4	(16.9)	6.5	13.2
<b>Number of shares (million)</b>				
- in issue/weighted average	733		732	733
<b>Distribution to shareholders (cents)</b>				
- total	2.8		2.8	8.8
- interim	2.8	-	2.8	2.8
- final				6.0

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>Assets</b>				
Property and equipment	22,663		22,521	21,144
Intangible assets	256,756		228,419	233,255
Goodwill	285,495		247,179	251,482
Investment in associate	8,426		10,437	8,190
Financial assets	6,582		167,197	303,596
Contracts for difference	4,147		165,754	302,158
Other	2,435		1,443	1,438
Deferred income tax	8,705		7,077	6,927
Receivables	221,287		215,070	434,736
Contracts for difference	71,279		78,232	282,110
Other	150,008		136,838	152,626
Cash and cash equivalents	87,425		36,125	196,248
<b>Total assets</b>	<b>897,339</b>		934,025	1,455,578
<b>Equity</b>				
Ordinary shareholders' equity	440,698		414,696	443,938
Non-controlling interests	2,052		1,974	2,495
<b>Total equity</b>	<b>442,750</b>		416,670	446,433
<b>Liabilities</b>				
Borrowings	195,756		325,784	798,022
Contracts for difference	57,382		251,906	746,117
Promissory Notes	29,313		30,000	15,000
Other	109,061		43,878	36,905
Deferred income tax	55,430		50,889	48,674
Payables and provisions	168,075		115,134	148,036
Provisions for other liabilities and charges	9,970		33,453	9,081
Trade and other payables	158,105		81,681	138,955
Current income tax liabilities	35,328		25,548	14,413
<b>Total liabilities</b>	<b>454,589</b>		517,355	1,009,145
<b>Total equity and liabilities</b>	<b>897,339</b>		934,025	1,455,578

**ADDITIONAL INFORMATION**

Net asset value per share (cents)	60.4		56.9	60.9
-----------------------------------	------	--	------	------



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**

	Unaudited 31 Aug 2009 R'000	Unaudited 31 Aug 2008 R'000	Audited 28 Feb 2009 R'000
<b>Equity attributable to owners of the parent</b>	<b>440,698</b>	<b>414,696</b>	<b>443,938</b>
Beginning of period	443,938	406,081	406,080
Shares issued	-	2,000	2,519
Total comprehensive income for the period	40,745	46,873	96,124
Dividend paid	(43,985)	(40,258)	(60,785)
<b>Equity attributable to non-controlling interests</b>	<b>2,052</b>	<b>1,974</b>	<b>2,495</b>
Beginning of period	2,495	2,509	2,507
Total comprehensive income for the period	701	606	1,373
Other movements	(248)	(14)	(10)
Dividend paid	(896)	(1,127)	(1,375)
<b>Total equity at end of period</b>	<b>442,750</b>	<b>416,670</b>	<b>446,433</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

Net cash retained from operating activities	315,135	86,306	59,662
- Profit before tax	60,152	63,871	132,325
- Adjusted for non-cash items	18,294	29,874	59,043
- Change in working capital	260,486	18,356	(53,463)
- Interest paid	(23,588)	(14,962)	(36,197)
- Income tax paid	(209)	(10,833)	(42,046)
Net cash flow retained / (used) in investment activities	235,861	(45,693)	(258,206)
Net cash flow (used) / retained in financing activities (Note 1)	(659,893)	(24,791)	389,246
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(108,897)</b>	<b>15,822</b>	<b>190,702</b>
Cash and cash equivalents at beginning of period	195,945	5,243	5,243
<b>Cash and cash equivalents at end of period</b>	<b>87,048</b>	<b>21,065</b>	<b>195,945</b>
Cash and cash equivalents consists of:			
Petty cash	81	148	77
Current and cheque accounts (Note 2)	85,266	33,316	191,536
Short-term deposits	2,078	2,661	4,635
	87,425	36,125	196,248
Bank overdrafts	(377)	(15,060)	(303)
	87,048	21,065	195,945

**Notes to the Statement of Cash Flow**

- Cash flow used in financing activities is largely driven by the repayment of collateralised borrowings and overdraft facilities on Contracts For Difference (R611.3 million). The repayments formed part of the restructuring of the CFD facilities.
- Cash balances may vary significantly depending on cash held at the Stockbroking business, mainly due to the timing of the close of the JSE in terms of client settlements. Above balance includes R21.660 million in respect of Stockbroking business cash (Feb 2009: R149.209 million, Aug 2008: R2.982 million net overdraft).

**CONDENSED SEGMENTAL REPORTING**

<b>Operating income</b>			
PSG Online	100,903	88,360	186,488
Topexec Management Bureau	56,368	48,259	99,077
PSG Konsult Financial Planning	290,402	288,879	583,150
Eliminations	(96,302)	(89,693)	(186,523)
	351,371	335,805	682,192
Unallocated segments (Note 1)	37,747	35,204	71,888
<b>Total operating income</b>	<b>389,118</b>	<b>371,009</b>	<b>754,080</b>
<b>Headline earnings</b>			
PSG Online	14,243	16,059	38,703
Topexec Management Bureau	2,758	6,161	11,034
PSG Konsult Financial Planning	37,493	44,814	77,170
	54,494	67,034	126,907
Unallocated segments (Note 1)	(13,891)	(19,917)	(29,814)
<b>Total headline earnings</b>	<b>40,603</b>	<b>47,117</b>	<b>97,093</b>

**Notes to the Condensed segmental reporting**

- The amounts disclosed under "Unallocated segments" comprise those segments not qualifying as reportable segments per definition as stated in IFRS 8. The headline earnings figure disclosed for unallocated segments mainly comprise costs incurred in respect of the PSG Konsult Group's treasury function, executive management and corporate expenses.

**NEW ACCOUNTING STANDARDS ADOPTED**

**IAS 1: Presentation of Financial Statements (Amendment)**

The Group adopted the amendments to IAS 1 relating to the presentation of owner changes in equity and of comprehensive income. The adoption of the amendment to the standard has had no material impact on the reported results or financial position of the Group.

**IFRS 8: Operating segments**

The Group adopted IFRS 8 (effective for annual periods beginning on or after 01 January 2009), a disclosure Standard, which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance. The adoption of IFRS 8 has had no impact on the identification of the Group's reportable segments, reported results or financial position.



**NOTES**

**Restatement of comparative information**

	Before reclassification R'000	After reclassification R'000
Balance sheet line items affected - 31 August 2008		
Financial assets - Contracts for difference	243,986	165,754
Receivables - Contracts for difference	-	78,232

The Group previously reported various Contracts For Difference instruments held by Online Securities Limited, a 100% subsidiary, as unquoted instruments. It was however decided by management to disclose these instruments as part of receivables in order to facilitate better presentation in terms of IFRS 7 Financial instruments: Disclosures. A total amount of R78.232 million has therefore been reclassified for the period ended 31 August 2008 as disclosed above.

**Basis of presentation and accounting policies**

The condensed consolidated financial statements for the 6 months ended 31 August 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS34 – Interim Financial Reporting.

**Review of results and operations**

The period under review has been a reasonable one for the Group. The Group's financial indicators listed below, clearly proves the value of the Group's diversified income streams and its focus on creating sustainable annuity income. In analysing the indicators below it is worth mentioning that the comparative six months in 2008 was the Group's strongest ever performance over a six month period and included a once-off tax credit of R3 million.

- The Company's headline earnings per share decreased by 16.9%. Turnover, consisting of commission and other operating income, increased by 4.9% to R389.1 million.
- Decline in headline earnings amounted to 16.8%.
- Funds under administration increased to approximately R63 billion (2008: R50 billion) – increase largely due to T-Sec acquisition.
- Short-term premiums increased to R1,450 million on an annualized basis.

**Highlights**

As reported in the press release in respect of the February 2009 results, the Group has acquired the private client stockbroking division of T-Sec for a consideration of R66.4 million. The required Competition Commission approval was obtained during April 2009 and the business and advisors have now been fully integrated into PSG Konsult. The acquisition added 10,500 new private clients to PSG Konsult's existing client base of more than 110,000.

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 Board is pleased to report that PSG Konsult Nhluvuko Limited (the PSG Konsult Group's BEE initiative) is now fully operational and has reported an encouraging profit for the period under review. The primary focus of PSG Konsult Nhluvuko Limited will be commercial and institutional business. The majority shareholder of PSG Konsult Nhluvuko Limited is the PSG Konsult Nhluvuko Employee Trust, whose beneficiaries consist of PSG Konsult Group employees from previously disadvantaged groups.

**Funding and debt**

PSG Konsult has been granted a R30 million facility by PSG Group. The facility is applied to fund the ongoing operations of the the PSG Konsult Group and to take advantage of smaller acquisitions with specific synergies to the PSG Konsult Group. The repayment terms on the facility are flexible and regular deposits can be made into the facility when the PSG Konsult Group has excess cash.

The previously reported promissory notes of R30 million and PSG Group loan of R40 million (current capital balance R33.3 million) remain in place, with interest and capital payments serviced in line with the terms of the agreements.

**People**

At period-end PSG Konsult had 197 offices with 499 financial planners, stockbrokers and short-term insurance brokers. Our professional associates (accountants and attorneys) totalled 304.

**Dividend**

The board resolved to make a dividend payment to shareholders of 2.8 cents per share (2008: 2.8 cents per share) in respect of the six months ended 31 August 2009. The following are the salient dates for the payment of the dividend.

Last day of registration: 16 October 2009  
Day of payment: 22 October 2009

On behalf of the board

**Jaap du Toit**  
Chairman

Hermanus  
8 October 2009

**Willem Theron**  
Chief Executive Officer



PSG Konsult is a leading independent financial services company and offers the following services:

### Financial Planning

High quality, independent advice regarding all aspects of financial planning, including retirement planning, death and disability cover, as well as healthcare insurance.

### Investments

Holistic investment advice and portfolio management services for investors. This includes advice and services on both local and offshore products and investment vehicles.

### Stockbroking

Discretionary portfolio management services, as well as execution only mandates of share transactions. For this purpose the online share trading platform of PSG Online is utilized.

### Short-term Insurance

Specialised advice in respect of short-term insurance for personal and business assets, at the insurance company of your choice.

### Estate and Trust Advisory Services

PSG Konsult Trust is an independent fiduciary services company which offers services to structure a client's estate in respect of his will, property, trusts, insurance, income and estate duty.

### Property and Asset Finance

Products and services include residential bonds (mortgage origination), commercial finance, moveable asset finance (eg vehicles, plant and equipment) and debt consolidations.

### Employee Benefits

Expert and professional advice on all aspects of retirement funding.

### Healthcare

Comprehensive holistic advice on medical cover, niche products and wellness initiatives.