



**UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	31 Aug 2007 R'000	31 Aug 2006 R'000	28 Feb 2007 R'000
<b>Income</b>			
Commission and fee income	288,480	208,343	454,086
Other operating income	29,165	21,123	68,705
Investment income	14,991	13,422	25,269
Fair value gains and losses on financial instruments	-	-	96
<b>Total income</b>	<b>332,636</b>	<b>242,888</b>	<b>548,156</b>
<b>Expenses</b>	<b>(260,835)</b>	<b>(191,433)</b>	<b>(434,763)</b>
<b>Net income from operating activities</b>	<b>71,801</b>	<b>51,455</b>	<b>113,393</b>
Finance charges	(11,484)	(11,763)	(24,821)
Share of profits of associate company	600	153	389
<b>Net income before taxation</b>	<b>60,917</b>	<b>39,845</b>	<b>88,961</b>
Taxation	(17,560)	(12,870)	(28,269)
<b>Net income of the group</b>	<b>43,357</b>	<b>26,975</b>	<b>60,692</b>
<b>Attributable to:</b>			
Ordinary shareholders	42,401	26,425	58,067
Outside shareholders	956	550	2,625
	<b>43,357</b>	<b>26,975</b>	<b>60,692</b>
<b>Earnings per share (cents)</b>			
- Attributable	5.9	4.3	9.1
- Headline	5.5	4.3	8.7

**ADDITIONAL INFORMATION**

<b>Headline earnings reconciliation</b>			
Attributable to ordinary shareholders	42,401	26,425	58,067
Non-headline items	(2,466)	-	(2,353)
<b>Headline earnings for the period</b>	<b>39,935</b>	<b>26,425</b>	<b>55,714</b>
<b>Number of shares (million)</b>			
- in issue	723	636	695
- weighted average	723	608	638

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	31 Aug 2007 R'000	31 Aug 2006 R'000	28 Feb 2007 R'000
<b>Assets</b>			
Fixed assets	14,628	8,429	12,941
Intangible assets	414,705	301,954	412,624
Deferred income tax	4,081	8,044	5,561
Inventories	-	282	88
Investment in associate	14,272	948	15,039
Equity securities	161,029	174,401	221,200
Loans and receivables	161,515	95,481	215,412
Cash and cash equivalents	117,116	38,246	100,586
<b>Total assets</b>	<b>887,346</b>	<b>627,785</b>	<b>983,451</b>
<b>Equity</b>			
Ordinary shareholders' equity	360,997	208,632	343,819
Minority interests	2,134	762	2,926
<b>Total equity</b>	<b>363,131</b>	<b>209,394</b>	<b>346,745</b>
<b>Liabilities</b>			
Deferred income tax	45,177	28,600	46,302
Borrowings	307,426	191,196	388,268
Payables and provisions	149,213	178,633	187,682
Current income tax liabilities	22,399	19,962	14,454
<b>Total liabilities</b>	<b>524,215</b>	<b>418,391</b>	<b>636,706</b>
<b>Total equity and liabilities</b>	<b>887,346</b>	<b>627,785</b>	<b>983,451</b>

**ADDITIONAL INFORMATION**

Net asset value per share (cents)	50.2	32.9	49.4
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**UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007**

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

	31 Aug 2007 R'000	31 Aug 2006 R'000	28 Feb 2007 R'000
<b>Ordinary shareholders' funds at beginning of period</b>	<b>343,819</b>	<b>86,739</b>	<b>86,739</b>
Shares issued	1,224	103,605	223,589
Shares cancelled	(163)	-	-
Movement in fair value reserve	120	13	44
Movements in reserves	-	-	(30)
Net income for the period	42,401	26,425	58,067
Capital reduction	(26,404)	(8,150)	(17,487)
Dividend paid	-	-	(7,103)
<b>Ordinary shareholders' funds at end of period</b>	<b>360,997</b>	<b>208,632</b>	<b>343,819</b>
<b>Minority interests</b>	<b>2,134</b>	<b>762</b>	<b>2,926</b>
Beginning of period	2,926	764	764
Net income for period	956	550	2,625
Other movements	-	-	251
Distribution to shareholders	(1,748)	(552)	(714)
<b>Total equity at end of period</b>	<b>363,131</b>	<b>209,394</b>	<b>346,745</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	31 Aug 2007 R'000	31 Aug 2006 R'000	28 Feb 2007 R'000
Cash generated from/ (utilised in) operating activities	52,094	(1,515)	(112,989)
Cash generated from/ (utilised in) investment activities	55,541	(188,948)	72,645
Net cash flow (used in)/ obtained from financing activities	(140,167)	164,617	(23,523)
<b>Net decrease in cash and cash equivalents</b>	<b>(32,532)</b>	<b>(25,846)</b>	<b>(63,867)</b>
Cash and cash equivalents at beginning of period	227	64,094	64,094
<b>Cash and cash equivalents at end of period</b>	<b>(32,305)</b>	<b>38,248</b>	<b>227</b>

**NORMALISED CONSOLIDATED INCOME STATEMENT \***

	31 Aug 2007 R'000	31 Aug 2006 R'001	28 Feb 2007 R'000
<b>Income</b>			
Commission and fee income	288,480	174,205	429,840
Other operating income (including short-term administration fees)	29,165	16,398	36,461
Investment income	14,991	2,487	5,876
<b>Total income</b>	<b>332,636</b>	<b>193,090</b>	<b>472,177</b>
<b>Expenses</b>			
Operating expenses (excluding amortisation of intangibles)	(256,133)	(157,508)	(379,772)
Amortisation of intangibles	(4,702)	(2,394)	(7,975)
<b>Net income from operating activities</b>	<b>71,801</b>	<b>33,188</b>	<b>84,430</b>
Finance charges	(11,484)	(3,728)	(8,529)
Share of profits of associate company	600	153	389
<b>Net income before taxation</b>	<b>60,917</b>	<b>29,613</b>	<b>76,290</b>
Taxation	(17,560)	(9,918)	(24,914)
<b>Net income of the group</b>	<b>43,357</b>	<b>19,695</b>	<b>51,376</b>
<b>Attributable to:</b>			
Ordinary shareholders	42,401	19,145	48,634
Outside shareholders	956	550	2,742
	<b>43,357</b>	<b>19,695</b>	<b>51,376</b>

**ADDITIONAL INFORMATION**

<b>Normalised headline earnings reconciliation</b>			
Attributable to ordinary shareholders	42,401	19,695	48,634
Non-headline items	(2,466)	-	(2,345)
<b>Normalised headline earnings for the period</b>	<b>39,935</b>	<b>19,695</b>	<b>46,289</b>
<b>Normalised earnings per share (cents)</b>			
- Attributable	5.9	3.8	8.6
- Headline	5.5	3.8	8.2
<b>Number of shares (million)</b>			
- in issue	723	532	695
- weighted average	723	504	568

\* Normalised income statement to reflect the actual performance of PSG Konsult without the effect of predecessor accounting of the acquisition of PSG Online



## Notes

### Basis of presentation and accounting policies

The condensed consolidated financial statements for the 6 months ended 31 August 2007 are prepared in accordance with International Financial Reporting Standards (IFRS) IAS34 – Interim Financial Reporting.

PSG Konsult acquired the "company assets and liabilities" of PSG Online Holdings Ltd with effect from 1 November 2006. The IFRS on business combinations (IFRS 3) does not apply to business combinations effected between parties that are ultimately controlled by the same entity, otherwise known as common control transactions. The company has elected to apply "predecessor accounting" as determined by the principles generally accepted in the United States of America.

Predecessor accounting has the following implications:

- The transaction is recorded as if it had taken place at the beginning of the earliest period presented (similar to the recognition of a merger transaction).
- The comparative information included in the PSG Konsult results has thus been restated to include the acquisition of PSG Online for the full period;
- The assets and liabilities of the acquired business are recognised at the current book values, therefore no restatement of PSG Online's assets and liabilities to fair value was required;
- The difference between the consideration given and the share capital (including share premium) of the acquired entity is recorded as a separate reserve in the statement of changes in equity ("the common control reserve"). As a result, no goodwill is recognised on acquisition.

To eliminate the effect of predecessor accounting, PSG Konsult Group decided to include a normalised income statement, including the results of PSG Online only from effective date 1 November 2006.

### Review of results and operations

Following the successful integration of the businesses acquired during 2006 the Group has over the past six months focused its efforts on the synergies brought about by these acquisitions. Normalised headline earnings increased by 108,6% to R39,9 million during the period under review. Normalised headline earnings per share increased by 43,5 % to 5,5 cents per share.

Funds under administration increased to R50 billion (Aug 2006 : R23 billion) and PSG Konsult now has 452 (Aug 2006: 397) financial planners and stock brokers operating from 183 (Aug 2006 : 168) offices throughout Southern Africa.

Following the launch of our international stock broking service PSG Konsult is in the process of establishing an office in London. This will enable us to offer a true international service to our clients and at the same time will give us access and an opportunity to offer our services to the large number of South Africans living in the UK.

### Distribution to shareholders

The board has resolved to make a distribution to shareholders of 2.4 cents per share (Aug 2006: 1.7 cents per share) in respect of the six months ended 31 August 2007.

The following are the salient dates for the payment of the distribution.

Last day of registration: 31 August 2007  
Day of payment: 24 October 2007

On behalf of the board

**Jaap du Toit**  
Chairman

Hermanus  
5 October 2007

**Willem Theron**  
Chief Executive Officer