



REVIEWED PROVISIONAL FINANCIAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2007

CONDENSED CONSOLIDATED INCOME STATEMENT

	28 Feb 2007 R'000	28 Feb 2006 R'000
Income		
Commission and fee income	454,086	252,857
Other operating income	68,705	65,079
Investment income	25,269	6,279
Fair value gains and losses on financial instruments	96	623
Total income	548,156	324,838
Expenses		
Operating expenses	(434,763)	(257,299)
Net income from operating activities	113,393	67,539
Finance charges	(24,821)	(2,126)
Share of profits of associate company	389	(23)
Net income before taxation	88,961	65,390
Taxation	(28,269)	(14,180)
Net income of the group	60,692	51,210
Attributable to:		
Ordinary shareholders	58,067	50,573
Attributable to outside shareholders	2,625	637
	60,692	51,210

ADDITIONAL INFORMATION

Headline earnings reconciliation		
Attributable to ordinary shareholders	58,067	50,573
Non-headline items	(2,353)	(469)
Headline earnings	55,714	50,104
Earnings per share (cents)		
- attributable	9.10	10.52
- headline	8.73	10.42
Number of shares (million)		
- in issue	695	484
- weighted average	638	478

CONDENSED CONSOLIDATED BALANCE SHEET

	28 Feb 2007 R'000	28 Feb 2006 R'000
Assets		
Property, plant and equipment	12,935	4,967
Intangible assets	412,620	105,540
Investment in associates	15,039	77
Equity securities	221,200	339,818
Deferred income tax	5,561	4,990
Inventories	88	259
Receivables	171,092	38,989
Loans and receivables	44,320	6,558
Cash and cash equivalents	100,586	64,104
Total assets	983,441	565,302
Equity		
Ordinary shareholders' funds	343,816	86,738
Minority interests	2,928	764
Total equity	346,744	87,502
Liabilities		
Borrowings	388,268	379,921
Deferred income tax	46,297	7,681
Provisions for other liabilities and charges	4,570	-
Trade and other payables	183,111	81,896
Current income tax liabilities	14,451	8,302
Total liabilities	636,697	477,800
Total equity and liabilities	983,441	565,302

ADDITIONAL INFORMATION

Net asset value per share (cents)	49.4	18.1
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REVIEWED PROVISIONAL FINANCIAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	28 Feb 2007 R'000	28 Feb 2006 R'000
Ordinary shareholders' funds at beginning of period	86,738	66,904
Shares issued	223,587	3,399
Employee share option scheme costs	-	379
Movement in fair value reserve	44	168
Net income for period	58,067	50,573
Movement in reserves	(30)	-
Capital reduction	(17,487)	(7,655)
Dividend paid	(7,103)	(27,030)
Ordinary shareholders' funds at end of period	343,816	86,738
Minority interests at beginning of period	764	829
Net income for period	2625	637
Other movements	253	(478)
Dividend paid	(714)	(224)
Minority interests at end of period	2,928	764
Total equity at end of period	346,744	87,502

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	28 Feb 2007 R'000	29 Feb 2006 R'000
Cash (used in) / retained from operating activities	(89,058)	41,361
Cash retained from / (used in) investing activities	46,894	(18,055)
Cash flow (used in) / retained from financing activities	(21,703)	19,493
Net (decrease) increase in cash and equivalents	(63,867)	42,799
Cash and cash equivalents at beginning of period	64,094	21,295
Cash and cash equivalents at end of period	227	64,094
Cash and cash equivalents consists of:		
Petty cash	80	39
Current and cheque accounts	90,309	62,813
Short-term deposits	10,197	1,252
Bank overdrafts	(100,359)	(10)
	227	64,094

NORMALISED CONSOLIDATED INCOME STATEMENT (UNAUDITED) *

	28 Feb 2007 R'000	28 Feb 2006 R'000
Income		
Commission and fee income	460,799	246,266
Other operating income	5,502	-
Investment income	5,876	2,206
<i>Total income</i>	472,177	248,472
Expenses		
Operating expenses (excluding amortisation of intangibles)	(379,772)	(219,505)
Amortisation of intangibles	(7,975)	(1,626)
Net income from operating activities	84,430	27,341
Finance charges	(8,529)	(1,813)
Share of profits of associate company	389	-
Net income before taxation	76,290	25,528
Taxation	(24,914)	(7,763)
Net income of the group	51,376	17,765
Attributable to:		
Ordinary shareholders	48,634	17,128
Attributable to outside shareholders	2,742	637
	51,376	17,765

ADDITIONAL INFORMATION (UNAUDITED)*

Normalised headline earnings reconciliation		
Attributable to ordinary shareholders	48,634	17,128
Non-headline items	(2,345)	(529)
Normalised headline earnings	46,289	16,599
Normalised earnings per share (cents)		
- attributable	8.60	4.60
- headline	8.20	4.40
Number of shares (million)		
- in issue	695	379
- weighted average	568	376

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



REVIEWED PROVISIONAL FINANCIAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2007

Notes

Basis of presentation and accounting policies

The condensed consolidated financial statements for the year ended 28 February 2007 are prepared in accordance with International Financial Reporting Standards (IFRS) IAS34 – Interim Financial Reporting. These are the group's condensed consolidated financial statements for the period for which annual financial statements are prepared in terms of IFRS. The condensed consolidated financial statements do not include all of the information required by IFRS for full annual financial statements. The principal accounting policies used in preparing the audited results for the year ended 28 February 2007 are consistent with those applied in the annual financial statements for the year ended 28 February 2006.

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;
- 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.

Highlights

- The Company's normalised headline earnings per share increased by 86.4%. Turnover, consisting of commission and other operating income, increased by 92.3% to R466.3 million.
- Acquisitive and organic growth contributed 133% and 46% respectively to growth in normalised headline earnings of 179%.
- Funds under administration increased to R42 billion and short-term premiums to R820 million on an annual basis.
- Multinet, Topexec, Advanced Wealth Management and PSG Online were successfully incorporated in the business.
- The PSG Konsult Academy, established in association with the Business School of the University of Stellenbosch, has already trained 583 students in its first year and is recognised throughout the industry.
- PSG Konsult Trust Ltd was established in March 2007, providing trust and fiduciary services to the company's clients.

During the forthcoming year, the company's focus will be on organic growth, rather than acquisitive growth. PSG Konsult will seek to expand on existing client bases, and to effectively incorporate the recent acquisitions into the company's structure and operations, so as to harness the synergies that exist between these entities.

PSG Konsult regards BEE as imperative to conducting business in the present South African economic climate and is committed to the Charter and the principles embodied therein.

Significant acquisitions

The group acquired the Multinet and Topexec businesses for R178 million, with effect 21 April 2006. The total purchase consideration was allocated as follows: assets of R230 million and liabilities of R52 million, including intangible assets of R119 million (brand name and customer relationships), goodwill of R93 million and net deferred tax liability of R34 million. An initial payment was made through the issue of 26,205,883 PSG Konsult shares at 68 cents per share, as well as a cash payment of R81.1 million. The balance of R79.1 million still payable at the year end will be settled in two instalments: 6 March 2007 and 31 August 2007 respectively.

The group also acquired the Advanced Wealth Management business for R97 million, with effect 1 November 2006. Assets of R109 million and liabilities of R12 million were recognised on acquisition, including intangible assets of R38 million (trade name and customer relationships), goodwill of R70 million and a deferred tax liability of R11 million. An initial payment was made through the issue of 38,617,886 PSG Konsult shares, at 123 cents per share, and a cash payment R23.75 million. The balance will be settled on 1 September 2007. On date of acquisition AWM intangible assets amounting to R21 million was sold to advisors, with no resultant profit or loss.

The assets and liabilities of Crest SA Holdings were acquired with effect 1 February 2007. The most significant asset acquired was the 100% investment in Crest Management Services. Due to the late acquisition date of Crest Management Services, the initial acquisition was only accounted for provisionally. The valuation of the intangible assets acquired is in the process of being finalised. In aggregate assets of R34 million and liabilities of R11 million were recognised on acquisition, including intangible assets with an estimated value of R6m (relating to CFD business), goodwill of R4.7 million, investment in the associate, Intercontinental Trust, of R14 million and a deferred tax liability of R2 million. The transaction was settled by the issue of 12,500,000 PSG Konsult shares at 180 cents per share.

PSG Online was acquired for R128 million with effect from 1 November 2006, and settled through the issue of 104,634,146 PSG Konsult shares, at 123 cents per share. The effect of predecessor accounting for the acquisition of PSG Online on the 2006 results was an increase of R13.34 million in the net asset value of the group, and an increase of R33.5 million in the net profit. The effect on the 2007 results is an increased net profit of R9.4 million.

The acquired businesses contributed R158.6 million to normalised revenue and R22.2 million to the normalised headline earnings of the group.

The acquired businesses contributed revenues of R231.6 million and R31.6 million to the headline earnings of the group.

Share issues

During March 2006 a rights issue of 1 share for every 3 ordinary shares held was offered to shareholders and R85 920 397 was raised by the issue of 126,353,526 ordinary shares at 68 cents per share.

During October 2006 R9 840 000 was raised by the issue of 8,000,000 ordinary shares at 123 cents per share to a selected group of financial planners and employees in the employ of PSG Konsult.

In order to partially fund the cash payments of the above acquisitions, the Board regarded a rights offer as an appropriate means to raise cost effective capital. An offer to take up 1 ordinary share for every 25 ordinary shares held at 150 cents per share was extended to shareholders and R40 972 239 was raised by the issue of 27,314,826 shares during March 2007.

People

At year-end PSG Konsult had 179 offices with 431 financial planners, stockbrokers and short-term insurance brokers. Our professional associates (accountants and attorneys) increased to 306.

Review opinion

PricewaterhouseCoopers Incorporated's unmodified review report on the condensed consolidated financial statements contained in this provisional report is available for inspection at the company's registered office.

Distribution to shareholders

A capital distribution of 1.7 cents per share was made to shareholders at the interim stage. The directors have declared a final distribution of 3.8 cents per share (giving a total distribution of 5.5 cents per share) subsequent to year-end to shareholders registered in the books of the company on 28 February 2007, payable 26 April 2007.

Last day of registration
Day of payment

Wednesday, 28 February 2007
Thursday, 26 April 2007

On behalf of the board

Jaap du Toit
Chairman

Hermanus
17 April 2007

Willem Theron
Chief Executive Officer