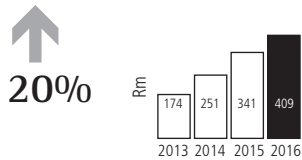
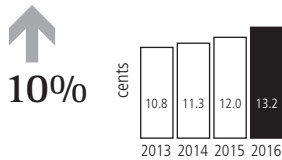


Salient features

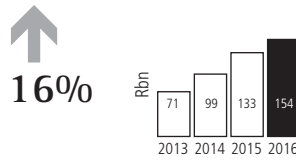
Recurring headline earnings



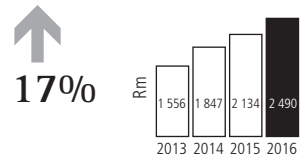
Dividend per share



Assets under management



Gross written premium



Overview

PSG Konsult delivered a commendable 20% growth in recurring headline earnings. This is consistent with the group's long-term growth track record. The year's earnings growth was achieved despite substantially lower earnings from performance fees, having done away with white labels to reduce operational risk and having increased overall marketing spend with the launch of a television advertising campaign, as investors were previously advised. The board is pleased with this set of results, especially when taking into account that the FTSE/JSE All Share Index recorded a negative total return of 7.4% this financial year. The sharp devaluation of the rand and the overall challenging economic environment were also not conducive to growth.

The cash generative nature of the business enabled PSG Konsult to make a substantial investment in IT infrastructure and systems. The primary objective of this investment was to enhance the overall client experience and to improve the scalability and efficiency of the group's core IT-dependent business processes, as well as increase marketing spend to improve brand awareness. In addition, it afforded the group the opportunity to make strategic acquisitions such as a 70% shareholding in one of the leading independent private wealth management businesses in Mauritius, implement select adviser revenue-sharing buyback transactions, and reduce operational risk by disinvesting from certain legacy non-core business activities.

The board approved and declared a final gross dividend of 8.8 cents per share (2015: 8.0 cents per share). This follows the gross interim dividend of 4.4 cents per share (2015: 4.0 cents per share) declared in October 2015, which brings the total gross dividend declared for the 2016 financial year to 13.2 cents per share (2015: 12.0 cents per share), in line with the group's dividend payout policy as approved by the board of directors at the time of listing.

PSG Konsult's key financial performance indicators for the financial year ended 29 February 2016 are shown below:

	29 Feb 16 R000	Change %	28 Feb 15 R000
Earnings attributable to ordinary shareholders	292 924	(14)	340 401
Non-headline items	(622)		(1 140)
Headline earnings	292 302	(14)	339 261
Non-recurring headline earnings*	116 446		1 914
Recurring headline earnings	408 748	20	341 175
Divisional recurring headline earnings			
PSG Wealth	285 505	25	228 320
PSG Asset Management	82 707	–	82 336
PSG Insure	40 536	33	30 519
	408 748	20	341 175
Weighted average number of shares in issue (net of treasury shares) (million)	1 274.2	1	1 261.4
Earnings per share (cents)			
– Recurring headline	32.1	19	27.0
– Headline	22.9	(15)	26.9
– Attributable	23.0	(15)	27.0
Dividend per share (cents)	13.2	10	12.0
Assets under management (Rbn)	154.1	16	132.5
Assets under administration (Rbn)	327.1	6	308.7
Gross written premium (Rbn)	2.5	17	2.1
Number of advisers	711	8	659

* Tax dispute settled

Shareholders are referred to PSG Konsult's announcement made on 11 December 2015. The board subsequently decided to settle this legacy matter, which dates back to 2009, for an amount of R115 million. This amount and the related legal costs incurred were fully provided for in the year-end results and have been treated as non-recurring headline earnings.

PSG Wealth remains a key revenue driver for the group through its formidable adviser base and expanding product and platform business offering. Continued positive client inflows resulted from strengthening the division's competitive position by expanding its adviser network through both organic growth and selected adviser acquisitions. PSG Wealth attracted net managed asset inflows of R12.1 billion during the year under review.

Non-executive directors: W Theron (Chairman), JF Mouton, PJ Mouton, J de V du Toit[^], PE Burton*, ZL Combi* ([^] Lead independent; * Independent)
Executive directors: FJ Gouws (Chief Executive Officer), MIF Smith (Chief Financial Officer)
Company secretary: PSG Management Services Proprietary Limited
PSG Konsult head office and registered office: 4th Floor, The Edge, 3 Howick Close, Tyger Waterfront, Tyger Valley, Bellville, 7530, PO Box 3335, Tyger Valley, Bellville, 7536

PSG Asset Management remains a high-growth area and a key focus for the group. The division's retail sales efforts and marketing campaigns are proving effective in raising awareness of the PSG Asset Management brand, leading to strong retail client inflows. PSG Asset Management attracted net inflows of R4.1 billion during the year under review. The focus on generating recurring earnings placed less reliance on performance fees, with these fees contributing only 3.8% of group recurring headline earnings, compared to 7.7% during the previous financial year.

PSG Insure continues to make inroads into the highly competitive short-term insurance market, having achieved 17% growth in gross written premium compared to the prior financial year, with a focus on the quality of new business to achieve profitable growth. No significant catastrophe or other related events occurred during the year under review. The division's insurance advisers, with an ongoing focus on growing the commercial lines side of the business, managed to gain market share without compromising their overall client loss claim ratios. Against the backdrop of a particularly difficult industry environment, this is an achievement that the group is especially pleased with.

Looking forward

The group's aim remains to service existing clients well and gain new clients. Current economic circumstances are uncertain and volatility remains in investment markets. However, the group is confident that it will continue to build its client franchise despite this market outlook. A number of initiatives are in place to ensure this happens. The group's focus on products, platforms and client service excellence through the quality of its advice is proving to be a resilient strategy.

Over the past three years, PSG Konsult re-engineered and refocused its business. Unprofitable or non-core activities were closed, integrated or sold. At the same time, the group invested – and continues to invest – in streamlining and automating processes. This is all with the aim of creating scalable capacity throughout the business.

PSG Konsult will continue to focus on topline revenue growth while still paying due care to its operating margin. The group will also continue to prioritise organic growth in the domestic market, where it has a relatively low, but rapidly expanding market share. Cash flow generation remains strong, and the group will use this to fund current growth initiatives and to pay dividends consistent with its dividend policy.

Changes to the board of directors and management

Jannie Mouton, the founder of PSG Group, has decided to step down as a non-executive director of PSG Konsult. Jannie's decision is based on his belief in the solid strategy and performance of PSG Konsult. Although the board regrets his departure, it respects his decision and wishes him well. The board is pleased to announce that Riaan Stassen, the former chief executive officer of Capitec Bank, will be joining PSG Konsult as an independent non-executive director. These two board changes take effect on 14 April 2016.

Corrie de Bruyn, current chief executive officer of PSG Wealth, will return to his roots and take up a financial adviser position within the Pretoria East office, our largest office, from May 2016. Marilize Lansdell, current head of PSG Wealth investment and trading platform, proved herself as the ideal successor to continue the current strong growth trajectory of the Wealth business. The board would like to thank Corrie for the valuable contribution he has made in helping build PSG Konsult over the years.

Events after the reporting date

To further standardise the revenue-sharing model and provide advisers with the opportunity to invest in the future of the group, PSG Konsult is pleased to advise that the group concluded further asset-for-share transactions in March 2016 with a number of its advisers through its subsidiary, PSG Wealth Financial Planning Proprietary Limited, in terms of section 42 of the Income Tax Act, No. 58 of 1962. These transactions, which were settled largely through the issue of 14 298 161 PSG Konsult shares, will lead to a win-win situation for the group's financial advisers and shareholders.

Financial results

This voluntary short-form announcement is the responsibility of the board of directors of the company. It contains only a summary of the information contained in the full announcement made on the Stock Exchange News Service (SENS) on Thursday, 14 April 2016 and does not contain full or complete details. Please refer to the full announcement for additional information. The full announcement is available for viewing on PSG Konsult's website at www.psg.co.za. It may also be requested and obtained in person, at no charge, at the registered office of the group and the offices of the sponsor during office hours. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement made on SENS and on the group's website as set out above.

The board would like to extend its gratitude to all stakeholders, including shareholders, clients, business partners, management and employees for their efforts and contributions during the past year.

On behalf of the board

Willem Theron
Chairman

Tyger Valley
14 April 2016

Francois Gouws
Chief Executive Officer

Transfer secretary: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107

Listing: Johannesburg Stock Exchange (JSE), Namibian Stock Exchange (NSX)

JSE sponsor: PSG Capital Proprietary Limited **NSX sponsor:** PSG Wealth Management

(Namibia) Proprietary Limited **JSE share code:** KST **NSX share code:** KFS
ISIN code: ZAE000191417 **Auditor:** PricewaterhouseCoopers Inc., Cape Town