

PEREGRINE HOLDINGS REVIEWED CONDENSED CONSOLIDATED PROVISIONAL RESULTS

FOR THE YEAR ENDED 31 MARCH 2018



- SEGMENTAL HEADLINE EARNINGS UP 7% TO R535 MILLION (248.0 CENTS PER SHARE)
- SEGMENTAL HEADLINE EARNINGS RELATING TO OPERATING BUSINESSES UP 7% TO R470 MILLION (218.0 CENTS PER SHARE)
- ANNUITY SEGMENTAL HEADLINE EARNINGS RELATING TO OPERATING BUSINESSES UP 6% TO R362 MILLION
- DIVIDEND UP 10% TO 170 CENTS PER SHARE

PEREGRINE HOLDINGS LIMITED • INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA • REGISTRATION NUMBER 1994/006026/06 • JSE SHARE CODE: PGR • ISIN CODE: ZAE000078127 • "PEREGRINE" OR "THE GROUP" OR "THE COMPANY"

The 12 months ended 31 March 2018 was a reasonable year for markets despite the significant political uncertainty during the period, both locally and internationally. Whilst geopolitical headlines did not seem to dramatically disrupt global equity markets, locally the Group felt the impact of volatility in local equity markets and the strengthening of the Rand against the US Dollar and GB Pound.

Whilst the election of Mr Ramaphosa was a welcome outcome for the country, the impact of "Ramaphoria" has not yet translated into an economic resurgence, as was evident in the contraction in GDP in the first quarter of 2018. Within the context of this environment, the Group performed well and delivered solid results.

As a result of the unbundling of the Group's surplus non-operating assets during the period under review, for ease of comparability, the Group's results for the 12 months ended 31 March 2018 have been presented in such a way so as to separate earnings from the Group's operating businesses from earnings that arose from the Group's surplus non-operating assets.

The main operating businesses in the Group, namely Citadel, Stenham, Peregrine Capital, Peregrine Securities and Java Capital, delivered an increase in earnings of 7% to R470 million. There was strong growth in annuity earnings from Citadel and increased performance fees from Citadel, Peregrine Capital and Stenham Asset Management, countered by a reduction in earnings from Peregrine Securities where revenues were lower primarily as a result of a reduction in higher margin revenue from retail and hedge fund clients. Similarly, Java Capital produced lower earnings primarily as a result of a weaker environment in both general corporate finance and in capital raising (particularly property markets) during the latter part of the financial year.

Across the operating businesses of the Group, annuity earnings grew by 6% to R362 million and accounted for 77% (2017: 78%) of the aggregate earnings of the operating businesses. Variable and performance fee earnings increased by 9% to R108 million, in the main due to higher performance fees earned across the Group, partially offset by lower variable earnings in Peregrine Securities. Almost every business in the Group benefits from a weaker Rand with 42% (33% at the interim reporting stage) of the Group's operating earnings emanating directly from offshore entities in the period under review. It is unsurprising that the strengthening of the Rand against the GB Pound and the US Dollar in the financial year under review had a meaningful yet negative impact on the Group's translated earnings. Adjusting for the impact of this strengthening, headline earnings at an attributable operating level would have grown by 13%.

Included in the results for the last time are earnings from proprietary investments which increased by 11% to R65 million. As previously communicated to investors, in order to remove the unpredictable and volatile returns associated with these investments, the decision was made to unbundle these investments effective 2 October 2017 (discussed in more detail later on in this announcement).

The Group continues to implement its strategy of reinforcing its offering as a highly cash generative, low capital intensive, high return on equity business.

Financial results

Basic earnings attributable to ordinary shareholders amounted to R504 million (2017: R490 million) with basic earnings per ordinary share amounting to 238.5 cents per share (2017: 236.9 cents per share). Headline earnings increased by 6% to R504 million (2017: R476 million) with headline earnings per ordinary share increasing by 4% to 238.5 cents per share (2017: 230.0 cents per share). The reason for the difference between the 6% and 4% is a lower weighted average number of treasury shares, which carry participating rights, in the current year.

Consistent with that of the prior year, in addition to providing the above disclosed IFRS earnings, segmental earnings are disclosed as follows:

- segmental headline earnings increased by 7% to R535 million (2017: R499 million);
- segmental headline earnings per share increased by 7% to 248.0 cents (2017: 231.6 cents per share).

Group segmental operating revenue increased by 5% to R2.4 billion (2017: R2.3 billion). Income from equity accounted investees increased significantly to R131 million (2017: R100 million). An annexure disclosing IFRS and segmental earnings is available on the Group's website www.peregrine.co.za.

Segmental cash generated from operating activities amounted to R711 million (2017: R695 million), once again highlighting the highly cash generative nature of the Group.

Segmental results

As a result of the substantial non-controlling interests, including Nala's shareholding in Peregrine SA Holdings, that exist in many of the Group's operations, management believes that headline earnings per reportable segment (which is the basis for the commentary below) better reflects each segment's specific economic benefit to the shareholders of the Group. In addition, operating results are presented before tax and before non-controlling interests in the financial table below. Management believes that this further aids in the understanding of each segment's profitability.

Wealth Management

Despite the difficult investment environment, Citadel continued to capitalise on its position as a leading private client wealth manager in South Africa. The business remains highly geared toward the Rand/US Dollar rate with assets under management negatively impacted by currency strength and weaker global equity markets in the December 2017 to March 2018 period. Assets under management amounted to R43.9 billion at year end (March 2017: R44.6 billion) with gross inflows for the twelve months amounting to a record R4.9 billion (March 2017: R4.5 billion). The client retention rate in the business remains strong at 97%.

Notwithstanding the negative impact of the stronger currency, headline earnings for the twelve months increased by 19% to R207 million (2017: R174 million) on the back of strong annuity earnings growth, sound cost controls, healthy inflows, consistent high client retention and increased performance fees earned.

Asset Management

The Group's Asset Management division comprises a number of fund management businesses. The largest contributor to the division is the Group's hedge fund manager, Peregrine Capital. Headline earnings increased to R68 million (2017: R63 million) primarily as a result of Peregrine Capital's increased management fees and performance fees earned off the back of an overall larger average asset base during the year, notwithstanding lower returns year on year. By year end, Peregrine Capital's asset base decreased to R7.4 billion (March 2017: R8.2 billion) as a result of muted performance in the hedge fund industry during the previous 18 months and the resultant outflows in industry assets.

Stenham

During the first half of the year, further share purchases took place in Stenham, the Group's UK and Guernsey based asset management and trust business resulting in Peregrine's share in Stenham increasing from 88.8% to 100%.

The Group's share of Stenham's headline earnings increased by 49% to R111 million (2017: R74 million), with earnings from operating businesses up by more than 100% to R92 million (2017: R33 million) whilst proprietary gains amounted to R19 million (2017: R41 million).

Stenham Asset Management performed well, primarily as a result of significant performance fees earned off the back of strong investment performance as well as reduced operating costs due to cost savings initiatives. Core revenues in GB Pound terms decreased primarily due to margin pressures and currency effects. Total assets under management and advice increased by approximately \$100 million to \$3.7 billion.

Stenham Trustees continued to perform well. Despite a steadily increasing regulatory cost environment, earnings were significantly up primarily as a result of increased activity and tight cost controls.

The Stenham property portfolio was transferred to Sandown Capital Limited ("Sandown Capital") with effect from 2 October 2017, as part of the restructure and unbundling referred to below.

Broking and Structuring

The continuing difficult local macro trading environment resulted in a decrease in trading margins for Peregrine Securities. As a result of decreased revenues, higher financing and other costs, and the negative impact of currency movements on operating profitability, earnings for broking and structuring (which now includes an offshore element) decreased by 23% to R89 million (2017: R115 million).

Shareholders are referred to the separate announcement, published simultaneously with this results announcement, advising that a non-binding proposal has been received from Legae Holdings Proprietary Limited, an entity representing certain management of Legae Securities and Peregrine Securities and a Black Economic Empowerment consortium, to acquire the Group's shareholding in the Securities business, the Group's single capital intensive business, which proposal, the board, at its board meeting held on 12 June 2018, decided to accept.

Advisory

Java Capital's contribution to earnings amounted to R38 million (2017: R39 million), 4% down on the previous year. Java Capital's strong deal flow in advisory appointments and equity capital markets activity in the first nine months of the year was countered by sharply weakening market conditions in the last quarter of the financial year.

Group

Group investment returns, net of Group costs, fell to R23 million (2017: R34 million). Included are investment returns relating to proprietary assets unbundled on 2 October 2017.

Issued share capital

As at 31 March 2018, the Group's shares in issue amounted to 226.066 million and, net of 14.715 million treasury shares (which includes the 3.881 million Peregrine shares purchased by Citadel Investment Services Proprietary Limited), amounted to 211.351 million. The modification to the Peregrine Holdings Limited long-term executive remuneration incentive scheme shortly before the end of the financial year from cash-settled to equity-settled, resulted in the share buyback of 350 000 Peregrine shares.

Dividend

The directors have resolved to declare an ordinary cash dividend of 170 cents per share for the year ended 31 March 2018, which is 10% higher than that of last year's ordinary dividend of 155 cents per share.

The salient dates applicable to the ordinary dividend:

Last date to trade cum dividend	Tuesday, 31 July 2018
Trading ex dividend commences	Wednesday, 1 August 2018
Record date	Friday, 3 August 2018
Payment date	Monday, 6 August 2018

In terms of the JSE Listings Requirements the following additional information is disclosed:

1. The ordinary cash dividend has been declared out of income reserves;
2. The local dividend tax rate is 20%;
3. The gross local dividend amount for the ordinary cash dividend is 170 cents per share for shareholders exempt from paying dividends tax;
4. The net local dividend amount for the ordinary cash dividend is 136 cents per share for shareholders liable to pay dividends tax;
5. The issued share capital of Peregrine is 226 065 696 shares of 0.1 cent each; and
6. Peregrine's tax reference number is 9181924847.

Shares may not be dematerialised or rematerialised between Wednesday, 1 August 2018 and Friday, 3 August 2018, both dates inclusive.

Payment of the dividend will be made to shareholders on Monday, 6 August 2018. In respect of dematerialised shares, the dividend will be transferred to the CSDP/broker accounts on Monday, 6 August 2018. Certificated shareholders' dividend payments will be deposited on or about Monday, 6 August 2018.

Group unbundling

During the year under review, the board resolved to restructure the Group by transferring all surplus non-operating net assets held within the Group (i.e. excess cash, investment in hedge funds and other proprietary investments), to Sandown Capital, then a wholly owned subsidiary of Peregrine, with effect from 2 October 2017.

Having obtained the necessary regulatory approvals, the restructure and subsequent unbundling resulted in Sandown Capital being separately listed on the JSE on Wednesday, 29 November 2017 with the shares in Sandown Capital being unbundled to Peregrine shareholders on Monday, 4 December 2017.

A circular setting out details of the unbundling and the pre-listing statement of Sandown Capital was sent to Peregrine shareholders on Tuesday, 14 November 2017, with further information, including the ratio apportionment of expenditure and market value in respect of the unbundling, being disseminated to shareholders in terms of a SENS announcement published on 30 November 2017.

Directorate

Jonathan Hertz, the previous Group CEO, stepped down on 31 July 2017 and, with effect from 1 August 2017, Robert Katz was appointed as the interim CEO, which appointment was made permanent with effect from 15 November 2017.

Peregrine shareholders were notified, in terms of a SENS announcement published on 19 April 2018, that Claire Coward had been appointed as the CFO of the Group and an executive director of Peregrine with effect from 1 June 2018 (until which date Robert Katz had continued to act as the CFO).

It is the intention of the board, having regard to the Group's racial and gender diversity policies, as well as the desire to optimise the composition of the board and its subcommittees, to propose a number of board changes before the Group's next annual general meeting.

Conclusion

With the unpredictable nature of the returns of the Group's proprietary investments no longer introducing volatility into the Group's earnings (with this year's results being the last set of results which will include any returns on proprietary investments), the Group's return on equity is anticipated to increase appreciably. Focus remains on growing annuity revenue streams and cost containment.

In addition, the dividend payout ratio should increase meaningfully if the Group concludes the above-mentioned transaction to dispose of its single capital intensive business. There remains ongoing appetite for potential acquisitions that are consistent with the highly cash generative profile of the other Peregrine businesses.

Date: 12 JUNE 2018
JOHANNESBURG, SOUTH AFRICA

Signed: 
ROBERT KATZ
Group CEO


SEAN MELNICK
Non-executive Chairman

Directors: SA Melnick^ (Chairman); RE Katz (CEO); C Coward (CFO); M Yachad; BC Beaver*; P Goetsch^; LN Harris#; S Sithole*; SI Stein*
^ Non-executive *Independent non-executive #Lead independent non-executive

Company secretary and registered office: Peregrine Management Services Proprietary Limited, 6A Sandown Valley Crescent, Sandown, Sandton, 2196 (PO Box 650361, Benmore, 2010), Telephone: +27 11 722 7400 Fax: +27 11 722 7410

Transfer Secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107)

Joint Sponsor: Java Capital

Joint Independent Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited



FURTHER DETAIL AND A PRINT-FRIENDLY VERSION OF THESE RESULTS ARE AVAILABLE FROM THE COMPANY'S WEBSITE AT WWW.PEREGRINE.CO.ZA ON WEDNESDAY, 13 JUNE 2018.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	% change 2017 to 2018	Reviewed 2018 R'000	Audited 2017 R'000
Operating revenue	8	2 489 142	2 307 195
Investment and other income	-61	62 850	161 777
Total revenue	3	2 551 992	2 468 972
Operating expenses	7	(1 927 771)	(1 798 393)
Profit from operations	-7	624 221	670 579
Net interest received	>100	92 597	42 549
Interest received		140 840	105 760
Interest paid		(48 243)	(63 211)
Share of profits from equity accounted investees	31	130 798	100 006
Profit before taxation and capital items		847 616	813 134
Capital items		-	21 305
Profit before taxation	2	847 616	834 439
Taxation		(163 283)	(131 492)
Profit for the year	-3	684 333	702 947
Other comprehensive income for the year net of taxation			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		24 898	(334 350)
Total comprehensive income for the year		709 231	368 597
Profit for the year attributable to :			
Equity holders of the company	2	513 176	501 850
Non-controlling interests	-15	171 157	201 097
	-3	684 333	702 947
Total comprehensive income for the year attributable to :			
Equity holders of the company		536 783	208 424
Non-controlling interests		172 448	160 173
		709 231	368 597
Basic earnings per ordinary share (cents) ¹	1	238,5	236,9

RECONCILIATION OF HEADLINE EARNINGS

	% change 2017 to 2018	Reviewed 2018 R'000	Audited 2017 R'000
Profit for the year attributable to equity holders	2	513 176	501 850
Adjustment relating to earnings attributable to participating treasury shares ¹		(9 252)	(11 933)
Profit attributable to ordinary shareholders	3	503 924	489 917
Gross effect of gain on disposal of investment in equity accounted investee		-	(18 573)
Tax effect of gain on disposal of investment in equity accounted investee		-	4 160
Non-controlling interest effect of gain on disposal of investment in equity accounted investee		-	2 018
Gross effect of gain on disposal of intangible assets ²		-	(2 225)
Non-controlling interest effect of gain on disposal of intangible assets		-	436
Headline earnings ³	6	503 924	475 733
Headline earnings per ordinary share (cents)	4	238,5	230,0
Cash dividend paid per ordinary share in respect of the previous year (cents)	-	155,0	155,0
Cash dividend per ordinary share declared subsequent to 31 March (cents)	10	170,0	155,0
Number of ordinary shares in issue ('000)		226 066	226 066
Treasury shares held ('000)		14 715	15 611
Weighted average number of ordinary shares in issue ('000)		211 293	206 820

¹ The participating treasury shares held at reporting date could potentially have a dilutive effect on conversion to ordinary shares. Diluted earnings per share has not been disclosed as the participating treasury shares have an anti-dilutive effect.

² No tax effect.

³ Annexure A, disclosing the reconciliation of IFRS and Segmental headline earnings, is available on the Group's website.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed 2018 R'000	Audited 2017 R'000
Assets		
<i>Non-current assets</i>	6 991 182	7 745 954
Property, plant and equipment	121 677	129 335
Intangible assets	658 055	662 536
Investment in equity accounted investees	373 594	341 425
Investments linked to policyholder investment contracts	5 670 093	6 013 781
Financial investments	46 334	485 244
Loans and receivables	31 768	15 265
Deferred taxation	89 661	98 368
<i>Current assets</i>	18 679 074	19 640 590
Financial investments	87 174	537 265
Loans and receivables	163 863	95 987
Trade and other receivables	441 329	434 061
Amounts receivable in respect of stockbroking activities	15 301 667	15 802 935
Taxation	18 318	18 862
Cash and cash equivalents	2 666 723	2 751 480
Total assets	25 670 256	27 386 544
Equity and liabilities		
<i>Equity</i>	2 517 853	3 538 039
Equity attributable to equity holders of the company	2 106 366	3 063 188
Non-controlling interests	411 487	474 851
<i>Non-current liabilities</i>	6 132 060	6 498 581
Policyholder investment contract liabilities	5 670 093	6 013 781
Interest-bearing borrowings	423 258	349 979
Loans and other payables	29 385	123 885
Deferred taxation	9 324	10 936
<i>Current liabilities</i>	17 020 343	17 349 924
Interest-bearing borrowings	52 468	42 800
Loans and other payables	-	161 050
Financial instrument liabilities	31 339	215 625
Trade and other payables	777 952	857 129
Amounts payable in respect of stockbroking activities	16 114 151	16 040 340
Taxation	44 433	32 980
Total equity and liabilities	25 670 256	27 386 544

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total capital and reserves R'000	Non-controlling interests R'000	Total equity R'000
Reviewed - 2018			
Balance at 31 March 2017	3 063 188	474 851	3 538 039
Profit for the year	513 176	171 157	684 333
Other comprehensive income for the year	23 607	1 291	24 898
Transactions with owners recorded directly in equity:	(1 493 605)	(235 812)	(1 729 417)
Dividends paid ¹	(326 207)	(247 891)	(574 098)
Distribution in specie ²	(1 198 780)	(32 902)	(1 231 682)
Disposal of Sandown Capital Limited shares (net of taxation) ³	27 463	-	27 463
Share-based payments	52 874	-	52 874
Disposal of participating treasury shares ⁴	117 273	-	117 273
2015 deferred remuneration scheme 2 settlement ⁴	(80 136)	-	(80 136)
Acquisition of participating treasury shares ⁵	(97 470)	-	(97 470)
Repurchase of treasury shares ⁶	(7 955)	-	(7 955)
Repurchase and cancellation of shares of subsidiary	19 333	(111 841)	(92 508)
Disposal of investment in subsidiary company	-	(708)	(708)
Subscription of shares in new subsidiary ⁷	-	24 108	24 108
Additional subscription of shares in subsidiary ⁸	-	133 422	133 422
Balance at 31 March 2018	2 106 366	411 487	2 517 853
Audited - 2017			
Balance at 31 March 2016	3 227 760	547 774	3 775 534
Profit for the year	501 850	201 097	702 947
Other comprehensive income for the year	(293 426)	(40 924)	(334 350)
Transactions with owners recorded directly in equity:	(372 996)	(233 096)	(606 092)
Dividends paid	(316 538)	(192 401)	(508 939)
Share-based payments	17 793	-	17 793
Disposal of participating treasury shares	107 070	-	107 070
2013 deferred remuneration scheme 1 settlement	(107 145)	-	(107 145)
Acquisition of participating treasury shares	(82 918)	-	(82 918)
Repurchase and cancellation of shares of subsidiary	8 742	(44 646)	(35 904)
Subscription of shares in new subsidiary	-	451	451
Additional subscription of shares in subsidiary	-	3 500	3 500
Balance at 31 March 2017	3 063 188	474 851	3 538 039

1 Dividends paid to equity holders of the company relate to the 155 cents per share which was paid on Monday, 7 August 2017.

2 Distribution in specie relates to the unbundling and distribution by Peregrine Holdings Limited ("PGR") of all its shares in Sandown Capital Limited ("Sandown Capital"), being 100% of the issued share capital of Sandown Capital, in the ratio of one Sandown Capital share for every one PGR share held at close of trade on Friday, 1 December 2017, being the unbundling record date, as detailed in the Circular to Peregrine shareholders issued on Tuesday, 14 November 2017 ("Restructure and Unbundling Circular").

3 As a result of the restructure and unbundling, as detailed in the Restructure and Unbundling Circular, the Group received 10 484 314 Sandown Capital shares as a result of 10 484 314 PGR shares (which shares are held as treasury shares) held by the Group at the unbundling record date. On the 29 March 2018, the Group entered into an off-market transaction whereby it sold 10 484 314 Sandown Capital shares at R3.40 per share.

4 During the course of September 2017, 5 126 190 PGR shares, which carried participating rights, were disposed of as a result of the early vesting of the Citadel 2015 deferred remuneration scheme 2 and the proceeds thereon were paid to the participants, conditional on an extended twelve month lock-in period to 31 March 2021.

5 The Citadel 2017 deferred remuneration scheme 3 was initiated during the month of September 2017, with an effective date of 1 October 2017 and a maturity date of 31 March 2022, the terms of which provide the participants with the right to participate in an asset pool, which is settled through an attribution of profits over the service period. In this regard, 3 417 590 PGR shares, which carry participating rights, were acquired in the month of September 2017. On the 19 January 2018, the Group entered into an off-market transaction whereby it swapped 3 417 590 Sandown Capital shares for PGR shares in the ratio of 1 PGR share for every 7.383 Sandown Capital share, resulting in the Group holding an additional 462 915 PGR shares at the reporting date.

6 The modification to the Peregrine Holdings long term executive remuneration incentive scheme shortly before the end of the financial year from cash-settled to equity-settled resulted in the share buyback of 350 000 PGR shares. These shares could potentially have a dilutive effect on conversion to ordinary shares. Diluted earnings per share has not been disclosed as the dilutive effect of the shares is considered immaterial.

7 During the course of September 2017, Peresec International Limited was incorporated with an initial issued share capital of R17 million (£1 million), with a further capitalisation of R52 million (£3 million) taking place on 1 March 2018, of which 65% was subscribed for by Peregrine International Holdings Limited, a wholly-owned subsidiary of PGR and 35% by a non-controlling shareholder.

8 During the course of November 2017, Peregrine Securities Proprietary Limited, a subsidiary company of Peregrine SA Holdings Proprietary Limited ("PSA"), which company is a 80% held subsidiary of PGR, was further capitalised by way of the capitalisation of shareholder loans of R137 million and the injection of cash of R243 million, of which 65% was provided by PSA and the balance of 35% by the non-controlling shareholder.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Reviewed 2018 R'000	Audited 2017 R'000
Cash flow from operating activities	422 785	219 257
Cash flow from operating activities excluding stockbroking activities	780 924	491 612
Cash flow from stockbroking activities	145 270	175 091
Net interest and dividends received	222 758	195 086
Cash dividends paid	(574 098)	(508 939)
Taxation paid	(152 069)	(133 593)
Cash flow from investing activities	(252 785)	(346 267)
Net disposal of financial investments and other assets	56 596	372 992
Net purchase of property, plant and equipment	(15 827)	(57 579)
Acquisitions of subsidiary company	(18 451)	-
Net disposals of interest in equity accounted investee companies	-	7 699
De-recognition on the unbundling of Sandown Capital Limited	(174 479)	-
De-recognition on loss of control of hedge fund	(100 624)	(679 830)
Proceeds on sale of intangible assets	-	10 451
Cash flow from financing activities	(241 339)	311 117
Net disposal of treasury shares	11 848	24 152
Settlement of Citadel deferred remuneration scheme	(80 136)	(107 145)
Net cash flow from equity transactions with non-controlling interest	65 022	(31 953)
Loans and receivables settled/(advanced)	54 690	(53 967)
Net (advances)/settlement of financial liabilities	(292 763)	480 030
Net (decrease)/increase in cash and cash equivalents	(71 339)	184 107
Cash and cash equivalents at beginning of the year	2 751 480	2 667 583
Effects of exchange rate changes on cash and cash equivalents	(13 418)	(100 210)
Cash and cash equivalents at end of the year	2 666 723	2 751 480

SEGMENTAL ANALYSIS

	Total revenue R'000	Interest and share of profits from equity accounted investees R'000	Profit from ordinary activities ¹ R'000	Headline earnings R'000	% change in headline earnings 2017 to 2018
Reviewed - 2018 *					
Wealth and Asset Management	1 208 786	32 394	490 080	274 629	16
Wealth Management	942 695	20 840	289 434	206 605	19
Asset Management	266 091	11 554	200 646	68 024	9
Broking and Structuring	740 410	79 574	172 913	88 549	-23
Stenham	518 522	20 579	125 357	110 824	49
Advisory	-	43 814	43 814 ²	37 680	-4
Subtotal from reportable segments	2 467 718	176 361	832 164	511 682	10
Group	74 712	52 020	50 812	22 803	-33
Total from reportable segments	2 542 430	228 381	882 976	534 485	7
Operating Businesses	2 440 266	227 993	790 932	469 831	7
Surplus Balance Sheet	102 164	388	92 044	64 654	11
Stenham	33 755	367	25 720	18 807	-54
Group	68 409	21	66 324	45 847	>100
Total from reportable segments	2 542 430	228 381	882 976	534 485	7
Non-reportable segments and reconciling items³	9 562	(4 986)	(35 360)	(30 561)	
Total per Consolidated Statement of Comprehensive Income	2 551 992	223 395	847 616	503 924	6
Audited 2017 *					
Wealth and Asset Management	1 038 925	25 465	401 232	236 531	
Wealth Management	821 763	12 319	224 427	173 927	
Asset Management	217 162	13 146	176 805	62 604	
Broking and Structuring	803 857	49 248	243 035	115 082	
Stenham	506 330	17 189	99 910	74 369	
Advisory	-	45 494	45 494 ²	39 125	
Subtotal from reportable segments	2 349 112	137 396	789 671	465 107	
Group	67 086	10 691	43 540	34 141	
Total from reportable segments	2 416 198	148 087	833 211	499 248	
Operating Businesses	2 323 986	168 532	747 951	441 061	
Surplus Balance Sheet	92 212	(20 445)	85 260	58 187	
Stenham	33 106	180	57 429	41 259	
Group	59 106	(20 625)	27 831	16 928	
Total from reportable segments	2 416 198	148 087	833 211	499 248	
Non-reportable segments and reconciling items³	52 774	(5 532)	(20 077)	(23 515)	
Total per Consolidated Statement of Comprehensive Income	2 468 972	142 555	813 134	475 733	

Note : Group funding costs are disclosed as part of "Group" and have not been allocated to the underlying operating reportable segments.

¹ Profit from ordinary activities is synonymous with profit before taxation and capital items per the condensed consolidated statement of comprehensive income.

² Represents 50% of profit after taxation.

³ The non-reportable segment refers to the Group's consolidated proprietary hedge investments which do not meet the quantitative thresholds for determining reportable segments. The reconciling items relate primarily to the difference in classification of Citadel's long term deferred remuneration schemes for IFRS purposes and that applied for purposes of providing information to the Chief Operating Decision Makers. Management treats the 2013 scheme (which was initiated during 2014 financial year and is settled in Peregrine Holdings Limited ("PGR") shares) as an expense as profits are earned, but for IFRS purposes, it is a share-based payment arrangement, in which the grant date fair value is recognised over the five year vesting period to 31 March 2018. The Citadel 2015 deferred remuneration scheme 2 was initiated during the 2016 financial year, the terms of which provide the participants with the right to participate in an asset pool, partly comprising of PGR shares, which is settled through an attribution of profits over the service period (with the first application thereof being in the March 2017 financial year). The IFRS effects arise from the obligation being initially measured using the projected unit method in the year of inception.

* Annexure C, disclosing the Segment statement of comprehensive income split between Operating Business and Surplus Balance Sheet, is available on the Group's website.

NOTES AND COMPLIANCE

The condensed consolidated provisional financial statements of the Peregrine Group as at and for the year ended 31 March 2018 comprise the company and its subsidiaries ("the Group") results and the Group's interests in equity accounted investees.

Basis of preparation

The condensed consolidated provisional financial statements are prepared in accordance with the JSE Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require provisional reports to be prepared on a consolidated basis in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 - Interim Financial Reporting.

The accounting policies applied in the preparation of the condensed consolidated provisional financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements as at and for the year then ended 31 March 2017.

In preparing these condensed consolidated provisional financial statements management made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 March 2017.

The Group's results are prepared under the supervision of R E Katz CA (SA), the Group Chief Executive Officer, who at the time of preparation of these results acted as the Chief Financial Officer.

Review report

These condensed consolidated provisional financial statements for the year ended 31 March 2018 have been reviewed by Deloitte & Touche, who expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available for inspection at the company's registered office together with the condensed consolidated provisional financial statements identified in the auditor's review report.

The auditor's review report does not necessarily report on all of the information contained in the announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's review engagement they should obtain a copy of the auditor's review report together with the accompanying financial information from the issuer's registered office.

Any prospects detailed in this announcement have not been reviewed or reported on by the auditors.

Acquisitions

1. Peregrine's shareholding in Stenham Limited increased from 88.81% to 100% following the buy-back and subsequent cancellation of its own shares in two tranches.
2. Peregrine Treasury Solutions Proprietary Limited ("PTS"), a wholly-owned subsidiary of Citadel Holdings Proprietary Limited, acquired the entire issued share capital of Impex Treasury Solutions Proprietary Limited ("Impex Treasury") with effect from 1 April 2017 for a total cash consideration of R20 million. Impex Treasury was acquired as it is aligned with the business profile of PTS. In the twelve months to 31 March 2018, Impex Treasury contributed revenue of R28.9 million and profit after taxation of R8.5 million.

The acquisition had the following effect on the Group's assets and liabilities assumed at the acquisition date. The fair values reflected below represent their carrying values at the date of acquisition and therefore no fair value adjustments were recognised on acquisition. The gross acquired trade receivables amounted to R2.1 million. Trade receivables were not impaired and the full amount had been received subsequent to the acquisition and before year-end. The goodwill arising from the acquisition consists of the surplus above net assets and the customer relationships acquired and is presented in Intangible assets on the face of the Statement of Financial Position.

	Reviewed 2018
	R'000
Identifiable assets	9 894
Intangibles - Customer relationships	6 000
Deferred taxation	245
Trade and other receivables	2 100
Cash and cash equivalents	1 549
Identifiable liabilities	(3 877)
Trade and other payables	(3 224)
Taxation	(653)
Fair value of identified net assets assumed	6 017
Goodwill arising on acquisition	13 983
Fair value of total net assets assumed	20 000

Group restructure and unbundling

With effect from 2 October 2017, Peregrine Holdings Limited transferred to Sandown Capital Limited, then a wholly-owned subsidiary, all the attributable surplus balance sheet investments within the Group. The effect of the restructure and unbundling on the Group's assets and liabilities is presented below. The restructure and unbundling resulted in the operating entities within the Group (which generate predominantly annuity earnings) being housed within Peregrine Holdings Limited. The intention of the Peregrine board then being, subject to working capital requirements, to seek new opportunities in investments that meet the Group's required return on equity parameters and cash required to retire debt within the operating entities, to declare and pay a dividend equivalent to a substantial portion of each year's headline earnings.

The fair values reflected below represent the carrying values as at 2 October 2017 of the unbundled assets and liabilities:

	Reviewed 2018
	R'000
Identifiable assets unbundled	1 385 935
Financial investments	1 178 865
Trade and other receivables	28 148
Taxation	4 443
Cash and cash equivalents	174 479
Identifiable liabilities unbundled	(154 253)
Loans and other payables	(136 110)
Trade and other payables	(12 316)
Deferred taxation	(5 827)
Surplus net assets unbundled	1 231 682
Non-controlling interest	(32 902)
Attributable surplus net assets	1 198 780

NOTES AND COMPLIANCE (CONTINUED)

Events subsequent to reporting date

The directors are not aware of any other matters or circumstances, other than the receipt of the non-binding proposal to acquire the Group's 65% shareholding in its Securities business which the board, at its board meeting held on 12 June 2018, decided to accept, and is referred to in the commentary which forms part of this announcement and in more detail in a separate announcement, arising subsequent to the end of the reporting period which significantly affect the financial position of the Group or the results of its operations.

Contingent liabilities and guarantees issued

Contingent liabilities as at 31 March 2018 amounted to R24.4 million (2017: R109.7 million). The contingent liabilities comprise primarily of one day's variation margin due from broking clients, all of which were settled subsequent to reporting date. The composition of the contingent liabilities remains unchanged. There were no new guarantees issued during the reporting period.

Commitments

Operating lease commitments as at 31 March 2018 amounted to R389 million (2017: R451 million).

Supplementary information

Asset value per share

	31 March 2018	31 March 2017
Net tangible asset value per ordinary share (cents)	674,5	1121,0
Net asset value per ordinary share (cents)	978,7	1420,9

Applicable exchange rates

	Average rates	Closing rates
USD:ZAR		
31 March 2018	13,00	11,85
31 March 2017	14,05	13,41
GBP:ZAR		
31 March 2018	17,22	16,62
31 March 2017	18,41	16,77

This announcement does not include the information required pursuant to paragraph 16A(j) of IAS34. The full reviewed provisional results report is available on Peregrine's website, at Peregrine's registered offices and upon request.