

PSG GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1970/008484/06)
JSE Limited ("JSE") share code: PSG
ISIN code: ZAE000013017
("PSG Group")

**PSG FINANCIAL SERVICES LIMITED**

(Incorporated in the Republic of South Africa)
(Registration number: 1919/000478/06)
JSE share code: PGFP
ISIN code: ZAE000096079



TRADING STATEMENT FOR THE SIX-MONTH PERIOD ENDED 31 AUGUST 2018

PSG Group, an investment holding company, continues to use the sum-of-the-parts ("SOTP") value and recurring earnings per share benchmarks to provide management and investors with a realistic and transparent way of evaluating PSG Group's performance.

The calculation of PSG Group's SOTP value is simple and requires limited subjectivity as more than 90% of the value is calculated using JSE-listed share prices, while other investments are included at market-related valuations.

PSG Group's recurring earnings is the sum of its effective interest in that of each of its underlying investments. The result is that investments in which PSG Group holds less than 20% and are generally not equity accountable in terms of accounting standards, are equity accounted for the purpose of calculating the consolidated recurring earnings. Once-off items and marked-to-market fluctuations are excluded from recurring earnings.

In terms of the Listings Requirements of the JSE, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will show a 20% or more difference from those of the previous corresponding period.

PSG Group hereby advises that a reasonable degree of certainty exists that:

- Its SOTP value per share as at 31 August 2018 was R272.94, being 7.0% higher than the R255.17 reported as at 28 February 2018;
- For the six-month period ended 31 August 2018:
 - Recurring earnings per share will be between R5.00 and R5.05, being between 21.4% and 22.6% higher than the R4.12 reported for the six-month period ended 31 August 2017;
 - Headline earnings per share will be between R5.05 and R5.10, being between 39.1% and 40.5% higher than the R3.63 reported for the six-month period ended 31 August 2017; and
 - Attributable earnings per share will be between R5.12 and R5.20, being between 32.6% and 34.7% higher than the R3.86 reported for the six-month period ended 31 August 2017.

The six-month period under review saw commendable recurring earnings performance from the majority of PSG Group's core investments.

Headline and attributable earnings per share increased by higher margins than recurring earnings per share mainly due to a fair value gain recognised by Zeder on its investment in Joy Wing Mau (previously known as Golden Wing Mau), which is in process of being disposed of as detailed in Zeder's announcement made on the JSE's Stock Exchange News Service ("SENS") on 21 September 2018.

PSG Group's live SOTP is available on its website at www.psggroup.co.za.

This financial information has not been reviewed or reported on by the auditor of PSG Group. The unaudited results for the six-month period ended 31 August 2018 will be published on or about 16 October 2018.

Stellenbosch
12 October 2018

Sponsor
PSG Capital



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