

**PRESS RELEASE
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PSG KONSULT BOOSTS EARNINGS BY 10% IN SLUGGISH MARKET

PSG Konsult, the independent provider of financial services, has amidst flat market conditions achieved satisfactory results for the six months to August.

Headline earnings per share increased by 9,6% to 5.9 cents per share, after turnover, consisting of commission and other operating income, rose by 21,4% to R472,2 million and attributable earnings by 18,2% to R48 million.

An interim dividend of 2,8 cents per share (2009: 2,8 cents per share) was declared for the period under review.

Assets under administration increased by 12,7% to R82 billion since February 2010, whilst the collection of short-term insurance premiums on behalf of product suppliers, remained steady at R1,45 billion.

PSG Konsult CEO, Willem Theron, said compared to recent profit announcements by other players in the industry, the results can be considered as above average. It was also achieved amidst investment sentiment characterised by hesitancy, with the investing public adopting a wait and see attitude.

“This hesitancy is clearly illustrated by the JSE increasing by only 1,8% during the period under review, compared to a rise of 12,7% in the assets under administration by PSG Konsult.

“It is clear that investors still do not have enough confidence to get actively involved in the markets. Many of the factors influencing confidence are however of an external nature.

“PSG Konsult is nevertheless well positioned, with the necessary assets and broad client base, to capitalise on any improvement in confidence. The group is strategically geared to expand its client base, enlarge assets under administration and to grow premiums from short-term insurance,” Theron said.

The group’s financial planning en medical insurance activities during the period under review were stable.

The recent acquisition of independent short-term insurance brokerages, Boucher Collins in Port Elizabeth and Diagonal Insurance, which has five offices country-wide, are not reflected in the results for the period under review.

PSG Konsult is currently in the process to broaden PSG Online’s offering to clients. Extensive development was done in this regard during the last six months. An announcement can be expected later this month.

Ends

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