

PRESCIENT LIMITED

Prescient Limited - Unaudited Condensed Consolidated Interim Results For The Six Months Ended 30 September 2016

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Unaudited Condensed Consolidated Interim Results
for the Six Months Ended 30 September 2016

Prescient Limited
(Incorporated in the Republic of South Africa)
(Registration number 1936/008278/06)
Share code: FCT
ISIN: ZAE000163531
("Prescient" or "the Company" or "the Group")

Unaudited Interim Results
for the Six Months Ended 30 September 2016

Highlights

- Shareholders Approved the Proposed Transaction with Stellar Capital Partners on 28 October 2016
- Local assets under management of R77.0 billion (September 2015: R67.4 billion)
- Local third party assets under administration of R83.0 billion (September 2015: R64.1 billion) and offshore assets under administration of EUR673.3 million (September 2015: EUR481.4 million)
- Earnings attributable to ordinary shareholders from continuing operations of R15.2 million (September 2015: R12.7 million) with earnings attributable to ordinary shareholders from discontinued operations of R38.3 million (September 2015: R48.9 million)
- Headline earnings per share from continuing operations of 0.95 cents per share (September 2015: 0.80 cents per share)
- Headline earnings per share from discontinued operations of 2.39 cents per share (September 2015: 3.05 cents per share)
- Interim gross dividend of 2.25 cents per share (September 2015: 2.85 cents per share)

Notes to the unaudited condensed consolidated interim financial statements

Basis of preparation and accounting policies

Statement of compliance

The interim financial statements are prepared in accordance with International Financial Reporting Standard (IFRS), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act 71 of 2008 of South Africa and the JSE Listings Requirements. The unaudited condensed consolidated interim financial statements do not include all of the information required for full annual financial statements. These unaudited condensed consolidated interim financial statements have been prepared in accordance with the historical cost basis except for certain financial instruments and investment property which are stated at fair value. The unaudited condensed consolidated interim financial statements are presented in Rand, rounded to the nearest thousand. The accounting policies applied in the presentation of the unaudited condensed consolidated financial statements are in accordance with International Financial Reporting Standards and are consistent with those presented in the previous annual financial statements.

These unaudited condensed consolidated interim financial statements were prepared under the supervision of the financial director, Michael Buckham, CA (SA), and have not been audited or reviewed by Prescient's external auditors. The Board of Directors approved these financial statements on 13 December 2016.

Judgements and estimates

Preparing the unaudited condensed consolidated interim financial statements requires management to make 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.

In preparing these unaudited condensed consolidated interim financial statements, significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2016.

Related party transactions

Prescient Limited and its subsidiaries ("the Group" or "the Company"), in the ordinary course of business, entered into various intercompany transactions with related parties. There were no additional significant related party transactions during the interim period. The Company has related party relationships with subsidiaries, associates and with its key management personnel. There were no significant changes to these relationships, as disclosed at 31 March 2016, during the interim period reported on at 30 September 2016.

Subsequent events

On 28 October 2016, a General Meeting of shareholders, followed by a Scheme Meeting, approved the proposed transaction with Stellar Capital Partners, subject to certain conditions precedent. Shareholders will be appropriately advised once these conditions have been met. Further information relating to the approval of the proposed transaction is included under the review of operations.

With the exception of the item above, there were no material events subsequent to the reporting date.

Review of operations

During the period under review, Prescient Limited shareholders approved the proposed transaction with Stellar Capital Partners, as set out in the circular posted on 30 September 2016. This shareholder approval was obtained at the General Meeting of shareholders and Scheme Meeting held on 28 October 2016. Following this approval by shareholders the transaction is expected to be completed once all conditions precedent are satisfied and the transaction becomes unconditional. These conditions mostly include regulatory approvals for group entities that require approval for change in shareholdings. All these applications are currently being assessed by the respective regulators, which include, but are not limited to, the Central Bank of Ireland, the Financial Services Board and the Jersey Financial Services Commission. Approvals already granted, which were conditions precedent to the transaction, included Competition Commission approval and the successful registration of the relevant company documents with the Companies and Intellectual Properties Commission. Although we do acknowledge that this has been a lengthy process for the Company and its shareholders, we strongly believe that these approvals will be achieved in the short term and the completion of the transaction will follow soon thereafter.

The proposed transaction includes a subscription of Prescient Holdings Proprietary Limited ("Prescient Holdings") "B" ordinary shares by Stellar

Capital to an amount of R1.427 billion. Following the subscription, Prescient will declare a distribution of the same amount to its shareholders. The application of the distribution will be implemented by way of a scheme with Prescient shareholders in terms of the Companies Act. Upon implementation of the scheme, the Prescient distribution will be applied on behalf of Prescient shareholders, based on their elections, to either receive the distribution in cash, subscribe for Stellar Capital shares or reinvest into Prescient Holdings and its subsidiaries ("PFH") by purchasing "B" ordinary shares from Stellar Capital. Subsequent to the completion of the transaction, PFH will no longer form part of Prescient Limited. Prescient Limited will be renamed to PBT Group Limited to better reflect the ongoing operations and strategic vision of the Company.

From an accounting point of view, the proposed transaction results in an effective disposal of PFH and, in terms of IFRS 5 Non-current assets held for sale and discontinued operations, it was determined that the requirements of this standard have been satisfied in order to reclassify PFH in the consolidated statements of financial position as a non-current asset held for sale and in the consolidated statements of profit or loss and other comprehensive income as a discontinued operation. The disposal of PFH is considered to be highly probable following the approval by the Company's shareholders and only regulatory approval remains as outstanding conditions precedent. Consequently the assets and liabilities of PFH are disclosed as assets and liabilities held for sale under current assets in the consolidated statement of financial position, and the income and expenses associated with PFH are disclosed as profits from discontinued operations in the consolidated statement of profit or loss and other comprehensive income. The comparative profit from PFH for the prior year has been restated to reflect as profits from discontinued operations in the prior year.

The corresponding earnings per share and headline earnings per share have also been reflected as a split between continuing and discontinued operations.

Total income from continuing operations for the period was R297.3 million (September 2015: R264.5 million) with profit before tax from continuing operations being R23.4 million (September 2015: R24.3 million). Headline earnings per share was 3.34 cents per share (September 2015: 3.85 cents per share) whilst headline earnings per share from continuing operations was 0.95 cents per share (September 2015: 0.80 cents per share) and headline earnings per share from discontinued operations was 2.39 cents per share (September 2015: 3.05 cents per share).

The decrease in headline earnings in comparison to the September 2015 interim period can be attributed to significant performance fee income earned on the Prescient China Balanced Fund in the prior reporting period as well as an increase in expenditure associated with the restructure of the Group in relation to the transaction with Stellar Capital.

The weighted average number of shares in issue for the six months ended 30 September 2016 was 1 601 763 111 (September 2015: 1 600 060 980)

Information Management Services
Total revenue for the six months ended 30 September 2016 amounted to R292.6 million compared to R258.8 million for the corresponding period ending 30 September 2015. Profit before tax amounted to R23.3 million (September 2015: R23.3 million). The business continues to operate well despite the general challenging environment. Except for the Africa/ Middle-East component of the business, all segments showed solid growth in both revenue and profitability. The demand for our services remains strong and this should continue for the foreseeable future. The Africa/ Middle-East operation produced satisfactory revenue, but profitability is still negatively affected by the challenges experienced in a fixed price environment. A substantial interest expense resulted from the ongoing negative payment culture in this region. Repatriation of funds to South Africa remains problematic in some areas.

Financial Services
The Financial Services segment results are recognised in profit from discontinued operations of R36.6 million (September 2015: R56.9 million), aside from an immaterial component of profits derived from Prescient Capital Proprietary Limited. Headline earnings per share from discontinued operations was 2.39 cents per share (September 2015: 3.05 cents per share).

Refer to the note on Discontinued Operations for further information.

The focus in the most recent interim period in Prescient Investment Management ("PIM") has been on improving performance across all mandates. Prescient Income Provider Fund continued to perform well against its benchmark and peers and this reflected in the significant growth achieved in this mandate in the retail and institutional space. This was a core driver of the growth in AUM over the period from R74.2 billion at 31 March 2016 to R77.0 billion at 30 September 2016. There has been focus, however, on other mandates and this was reflected in strong performance in the Prescient Positive Return Fund. Refinement of the equity process continues and this is expected to supplement the balanced mandates in the near future.

PIM continued to seek opportunities in the renewable energy space with a number of initiatives getting closer to fruition in the fuller investment of the Prescient Evolution Clean Energy and Infrastructure Debt Fund. The AUM of the fund has grown and many of the projects should come on line in the latter half of the financial year.

As has been communicated in various SENS announcements during the most recent period, PIM continues to make good progress in structuring a meaningful BEE transaction. No agreements have been concluded with respect to a BEE transaction but the various options are being explored to ensure that it is value-enhancing.

The Prescient Optimised Income Fund has also started gaining traction after a low-key introduction in the market. The growth in the fund has been steady, although it is expected to contribute strongly as we believe it should enhance our clients' overall portfolio, particularly in the retail space.

Prescient Investment Management China Limited continued to operate well from a performance perspective, achieving extremely strong peer comparative returns in a very competitive space. The Shanghai-based team has adapted well to the new environment and the close proximity to the relevant market will provide a strong base for the future. The fund has been marketed well in Europe and, although this has resulted in a high level of expenditure in that division, it is important that wider markets are sought for the future growth of the fund.

EMHPrescient in Namibia continues to work hard at growing its client base in a competitive, yet small market. The business is growing beyond break-even but it still requires a significant growth in AUM before it contributes meaningfully to group profitability.

Prescient Fund Services ("PFS") continues to grow organically at an encouraging rate. The local third party assets under administration ("AUA") have grown from R67.6 billion at 31 March 2016 to R83.0 billion at 30 September 2016.

The growth in AUA can be mostly attributed to new segregated administration mandates signed, however a very strong growth area is the alternative administration area that focuses on regulated and unregulated hedge fund administration and private equity administration. The growth in AUA in this business unit has been very strong and that should continue as new mandates representing additional AUA are yet to be implemented.

The traditional asset accounting and transfer agency work has also grown at a good pace and the white label unit trust business continues to grow as new funds are launched and white label clients grow their own portfolios organically.

There is always a requirement for the service offerings to expand into a more comprehensive range and this is always associated with additional consulting and staff costs. Positive operating leverage, however, has resulted in

increased profitability.

Prescient Fund Services Ireland has also grown its AUA and a strong feature has been the growth in offshore offerings from local white label clients in South Africa. This is a good example of the business opportunities that exist from cross selling opportunities within the group.

The Prescient Life team continues to work extremely hard at sourcing new business across the full range of life and retirement products, however the long lead time for these new lines has resulted in disappointing growth in policyholder assets. There are many initiatives that are close to finalisation, however the delay in implementation has created pressure on earnings.

Furthermore, the higher regulatory and compliance demands that have been brought on by the SAM environment have resulted in an allocation of resourcing to these reporting requirements. The new lines have also required substantial system development time and resources which has created pressure on the expense line.

Despite these challenges in Prescient Life the company remains very well capitalised with a suite of products that is comprehensive and compelling.

Prescient Securities has regained traction in terms of both revenue and profitability. This revenue growth is associated with a rejuvenated focus on bolstering its research offering as well as supporting execution capabilities across all asset-classes. Prescient Securities continues to box well-above its weight in both respects, by design.

Prescient Securities concluded two BEE transactions during the period under review placing it in the position of being one of the only rated full-service BEE stockbrokers in South Africa.

These transactions resulted in 51% of the ordinary equity of Prescient Securities being held by third party black shareholders, with effect from 1 July 2016. Although this is a significant transaction for Prescient Securities in terms of its ongoing strategy to become empowered, there were no material accounting consequences to be recorded in the current interim reporting period.

The transaction is encouraging in terms of the additional opportunities the partners bring to the business of stockbroking. On the back of the transaction and improved empowerment credentials, Prescient Securities was admitted to the prestigious ASISA Equity Broking programme.

Prescient Securities also continued to achieve positive ratings in the Spire Awards, held in Johannesburg in October. The awards give recognition to participants in the fixed income and forex markets. Here, they received recognition in the following categories:

- #3 - Best Agency Broker House - Bonds
- #1 - Best Agency Broker House - Listed interest rate derivatives
- #2 - Best Agency Broker House - Listed FX derivatives

Prescient Wealth has turned the corner under new leadership and we are confident that 2017 will produce an improved performance.

Dividend

An interim gross dividend of 2.25 cents per share, in respect of the six months ended 30 September 2016, was declared on 13 December 2016.

Biannually, the directors consider the payment of a dividend, taking into account prevailing circumstances and future cash and capital requirements of the Group in order to determine the appropriate dividend in respect of a particular financial reporting period.

There are 1 669 250 950 shares in issue at the dividend declaration date, of which 30 583 292 are held as treasury shares. The total dividend amount payable is R37.6 million (30 September 2015: R47.5 million).

This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. Dividends are subject to a 15% Dividends Tax (DT) which is a withholding tax levied on non-exempt shareholder recipients of the dividend. The net dividend payable to shareholders who are subject to dividend tax is 1.9125 cents per share, while it is 2.25 cents per share to those shareholders who are exempt from dividend tax. Prescient's income tax reference number is 9725/148/71/3.

In compliance with the listing requirements of the JSE Limited, the following dates are applicable:

| EVENT | Date |
|--------------------------------|----------------------------|
| Last day to trade cum-dividend | Tuesday, 10 January 2017 |
| Shares trade ex-dividend | Wednesday, 11 January 2017 |
| Record date | Friday, 13 January 2017 |
| Payment date | Monday, 16 January 2017 |

Share certificates may not be dematerialised or re-materialised between Wednesday, 11 January 2017 and Friday, 13 January 2017, both dates inclusive.

Prospects

Financial Services

A significant portion of the Financial Services segment will be distributed to shareholders by way of a distribution. Because of the transactions set out in the circular, PFH will no longer be part of Prescient Limited and therefore it will be held as an unlisted entity by Stellar Capital, Prescient staff and management, Prescient Empowerment Trust and other minority shareholders. The ultimate holding percentages of each of the parties listed above will be dependent on the elections made prior to the completion of the transaction.

Apart from the change in shareholding as contemplated above, the day to day management of PFH will remain the same as it was before. The unlisted entity will be strengthened by a new shareholder in Stellar Capital which will result in access to new markets. Importantly, PFH will continue to advance the current discussions relating to a BEE transaction at PIM level.

Information Management Services

The distribution of PFH will result in the remaining holdings of the listed entity being Information Management Services operations and private equity and property assets in Prescient Capital. The listed entity will be renamed PBT Group Limited to more accurately reflect the changed nature of the dominant services offered by the remaining businesses.

It is intended that the assets held by Prescient Capital will be realised for cash, which will be utilised to recapitalise PBT Group Limited for the ongoing funding of the Information Management Services' operations as they grow and seek new opportunities.

This rationalisation of the business will ensure that PBT Group Limited continues to operate efficiently within the listed environment and allows the business to generate appropriate returns for its shareholders.

Changes to Management and the Board of Directors

There were a number of changes to the Board during the period and subsequent to the end of the period under review.

Heather Sonn resigned as a member of the Board and as an Audit Committee member on 31 July 2016.

Furthermore, Michael Buckham resigned from his position of Financial Director with effect from 1 February 2017. Murray Louw, the current Chairman of Prescient Limited, has been appointed as the Financial Director with effect from 1 February 2017.

The Board is pleased to announce the appointment of Willem Venter as the Chief Executive Officer of PFH. Willem has 10 years of service in the Prescient Group and with his positive energy and strategic thinking he will add growth and scalability to PFH. The Board wishes him well in his new role.

Forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition and results of the operations of Prescient Limited that, by their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. These may relate to future prospects, opportunities and strategies. If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may differ from those anticipated. By consequence, none of the forward-looking statements have been reviewed or reported on by the Group's auditors.

Company information

Directors: AM Louw (Chairman), H Steyn (CEO),
M Buckham (Financial Director), Z Meyer
(Lead Independent Non-executive), K Moloko
(Independent non-executive),
R van Rooyen (Non-executive)
Registered office: Prescient House, Westlake Business Park,
Otto Close, Westlake, 7945, South Africa
Postal address: PO Box 31142, Tokai, 7966
Registration number: 1936/008278/06
Auditors: KPMG Inc.
Sponsor: Bridge Capital Advisors Proprietary
Limited
Transfer secretaries: Link Market Services
JSE share code: FCT
ISIN: ZAE000163531
Website: www.prescient.co.za

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Notes | Six months unaudited 30 Sep 16 R'000 | Change % | Six months unaudited 30 Sep 15 R'000 |
|---|-------|---|-------------|---|
| Continuing operations | | | | |
| Total income | | 297,316 | 12 | 264,533 |
| Expenses | | (271,268) | 14 | (238,088) |
| Profit from operations | | 26,048 | (2) | 26,445 |
| Other income | | 505 | | 851 |
| Share of loss of equity-accounted investees (net of tax) | | - | | (1,116) |
| Finance costs | | (3,116) | | (1,846) |
| Profit before taxation | | 23,437 | (4) | 24,334 |
| Income tax expense | | (5,174) | | (8,621) |
| Profit from continuing operations | | 18,263 | 16 | 15,713 |
| Discontinued operations | | | | |
| Profit from discontinued operations, (net of tax) | 1.1 | 36,576 | | 56,941 |
| Profit for the period | | 54,839 | (25) | 72,654 |
| Other comprehensive income | | | | |
| Items that are or may be reclassified to profit or loss | | | | |
| Foreign currency translation differences - foreign operations | | (11,011) | | 15,353 |
| Other comprehensive income for the period, net of tax | | (11,011) | | 15,353 |
| Total comprehensive income for the period | | 43,828 | (50) | 88,007 |
| Profit attributable to: | | | | |
| Owners of the Company | | 54,632 | (12) | 62,391 |
| Non-controlling interests | | 207 | | 10,263 |
| Profit for the period | | 54,839 | (25) | 72,654 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | | 46,549 | (40) | 77,744 |
| Non-controlling interests | | (2,721) | | 10,263 |
| Total comprehensive income for the period | | 43,828 | (50) | 88,007 |
| Earnings per share (cents) | | | | |
| - Continuing operations | | 0.95 | 19 | 0.80 |
| - Discontinued operations | | 2.39 | (22) | 3.05 |
| Diluted earnings per share (cents) | | | | |
| - Continuing operations | | 0.95 | 19 | 0.80 |
| - Discontinued operations | | 2.39 | (22) | 3.05 |
| Notes to the statement of comprehensive income | | | | |
| Headline earnings per share (cents) | | | | |
| - Continuing operations | | 0.95 | 19 | 0.80 |
| - Discontinued operations | | 2.39 | (22) | 3.05 |
| Diluted headline earnings per share (cents) | | | | |
| - Continuing operations | | 0.95 | 19 | 0.80 |
| - Discontinued operations | | 2.39 | (22) | 3.05 |
| Dividend per share (cents) | | | | |
| Interim | | 2.25 | (21) | 2.85 |

EARNINGS PER SHARE

| | Unaudited 30 Sep 2016 | Unaudited 30 Sep 2015 Restated |
|---|--------------------------|--------------------------------------|
| Shares | | |
| Actual number of shares in issue at the end of the period | 1,669,250,950 | 1,667,461,093 |
| Weighted average number of shares in issue at the end of the period | 1,601,763,111 | 1,600,060,980 |
| Weighted average number of treasury shares | 30,424,957 | 29,137,952 |
| Weighted average number of forfeitable share plan shares | 37,062,882 | 21,779,756 |

| | R'000 | R'000 |
|--|---------|---------|
| Reconciliation of headline earnings | | |
| Continuing operations | | |
| Earnings attributable to shareholders | 18,263 | 15,713 |
| Non-controlling interests | (2,784) | (2,770) |
| Earnings attributable to forfeitable share plan shareholders | (328) | (224) |
| Earnings attributable to ordinary shareholders | 15,151 | 12,719 |
| Headline earnings attributable to ordinary shareholders | 15,151 | 12,719 |

| | Unaudited 30 Sep 2016 | Unaudited 30 Sep 2015 | Audited 31 Mar 2016 |
|--|--------------------------|--------------------------|------------------------|
| Discontinued operations | | | |
| Earnings attributable to shareholders | 36,576 | 56,941 | 56,941 |
| Non-controlling interests | 2,577 | (7,493) | (7,493) |
| Earnings attributable to forfeitable share plan shareholders | (885) | (599) | (599) |
| Earnings attributable to ordinary shareholders | 38,268 | 48,849 | 48,849 |
| Headline earnings attributable to ordinary shareholders | 38,268 | 48,849 | 48,849 |
| Unaudited condensed consolidated segment report | | | |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | Unaudited 30 Sep 2016 R'000 | Unaudited 30 Sep 2015 R'000 | Audited 31 Mar 2016 R'000 |
|---|-------|-----------------------------------|-----------------------------------|---------------------------------|
| Assets | | | | |
| Non-current assets | | 408,422 | 10,822,375 | 11,667,621 |
| Property and equipment | | 24,617 | 27,877 | 29,241 |
| Investment property | | 32,612 | 29,953 | 35,728 |
| Goodwill and intangible assets | | 320,918 | 414,622 | 397,960 |
| Deferred tax asset | | 7,746 | 10,937 | 14,197 |
| Long-term loans and other receivables | | 497 | 52,386 | 54,186 |
| Investment in equity-accounted investees | | 289 | 13,811 | 9,658 |
| Financial assets at fair value through profit or loss | | 21,743 | 159,704 | 151,439 |
| Linked investments backing policyholder funds | | - | 10,113,085 | 10,975,212 |
| Current assets | | 12,900,339 | 491,949 | 1,077,824 |
| Inventory | | 45,106 | 41,025 | 35,688 |
| Trade and other receivables | | 144,210 | 224,744 | 214,959 |
| Amounts owing by clients and clearing houses | | - | 73,565 | 621,963 |
| Taxation receivable | | 24,278 | 25,840 | 13,623 |
| Cash and cash equivalents | | 14,753 | 126,775 | 191,591 |
| Assets held-for-sale | 1.3 | 12,671,992 | - | - |

| | | | |
|--|------------|------------|------------|
| Total assets | 13,308,761 | 11,314,324 | 12,745,445 |
| Equity | | | |
| Stated capital | 748,130 | 665,969 | 667,660 |
| Reserves | 601 | 8,466 | 7,066 |
| Retained income | 173,060 | 151,507 | 152,451 |
| Total equity attributable to owners of the Company | 921,791 | 825,942 | 827,177 |
| Non-controlling interests | 21,445 | 22,932 | 24,064 |
| Total equity | 943,236 | 848,874 | 851,241 |
| Liabilities | | | |
| Non-current liabilities | 21,979 | 10,138,570 | 11,018,427 |
| Deferred tax liability | 13,240 | 13,946 | 13,548 |
| Policyholder investment contract liabilities | - | 10,113,085 | 10,974,330 |
| Loans payable | 8,739 | 11,539 | 30,549 |
| Current liabilities | 12,343,546 | 326,880 | 875,777 |
| Trade and other payables | 39,209 | 112,556 | 106,393 |
| Amounts owing to clients and clearing houses | - | 71,712 | 620,802 |
| Loans payable | 1,157 | 62,943 | 9,377 |
| Current tax payable | 3,023 | 6,921 | 44,126 |
| Bank overdraft | 36,493 | 72,748 | 95,079 |
| Liabilities held-for-sale | 1.3 | 12,263,664 | - |
| Total liabilities | 12,365,525 | 10,465,450 | 11,894,204 |
| Total equity and liabilities | 13,308,761 | 11,314,324 | 12,745,445 |

UNAUDITED CONDENSED CONSOLIDATED SEGMENT REPORT

| | | Financial Services | | | |
|---------------------------------|------------|----------------------|--------------|----------------------|--|
| | | Six months unaudited | | Six months unaudited | |
| | | 30 Sep 16 | | 30 Sep 15 | |
| | | R'000 | | R'000 | |
| | Continuing | Discontinued | Continuing | Discontinued | |
| Segment external total income | 4,730 | 200,894 | 5,727 | 187,104 | |
| Segment profit before tax | 186 | 53,192 | 1,004 | 69,112 | |
| Segment assets * | 74,620 | 12,604,668 | 10,686,121 | - | |
| Segment liabilities | (8,537) | (12,263,664) | (10,359,980) | - | |
| Information Management Services | | | | | |
| | | Six months unaudited | | Six months unaudited | |
| | | 30 Sep 16 | | 30 Sep 15 | |
| | | R'000 | | R'000 | |
| | Continuing | Discontinued | Continuing | Discontinued | |
| Segment external total income | 292,586 | - | 258,806 | - | |
| Segment profit before tax | 23,251 | - | 23,330 | - | |
| Segment assets * | 253,854 | - | 235,093 | - | |
| Segment liabilities | (93,324) | - | (105,470) | - | |
| Group | | | | | |
| | | Six months unaudited | | Six months unaudited | |
| | | 30 Sep 16 | | 30 Sep 15 | |
| | | R'000 | | R'000 | |
| | Continuing | Discontinued | Continuing | Discontinued | |
| Group external total income | 297,316 | 200,894 | 264,533 | 187,104 | |
| Group profit before tax | 23,437 | 53,192 | 24,334 | 69,112 | |
| Segment assets * | 328,474 | 12,604,668 | 10,921,214 | - | |
| Segment liabilities | (101,861) | (12,263,664) | (10,465,450) | - | |

* Goodwill is not managed as part of segment assets, and has therefore been excluded

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| R'000 | Stated capital | Translation reserve | Treasury shares | Share-based Payment reserve | Retained income | Total | Non-controlling interests | Total equity |
|---|----------------|---------------------|-----------------|-----------------------------|-----------------|----------|---------------------------|--------------|
| Balance at 1 April 2014 | 664,701 | 6,414 | (14,501) | 801 | 138,576 | 795,991 | 14,140 | 810,131 |
| Total comprehensive income for the period | - | - | - | - | 62,391 | 62,391 | 10,263 | 72,654 |
| Profit for the period | - | - | - | - | 62,391 | 62,391 | 10,263 | 72,654 |
| Total other comprehensive income | - | 15,353 | - | - | - | 15,353 | - | 15,353 |
| Total comprehensive income for the period | - | 15,353 | - | - | 62,391 | 77,744 | 10,263 | 88,007 |
| Transactions with owners recognised directly in equity | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | |
| Treasury shares bought | - | - | (203) | - | - | (203) | - | (203) |
| Dividends declared during the period | - | - | - | - | (49,460) | (49,460) | (1,471) | (50,931) |
| Issue of ordinary shares | 1,268 | - | - | - | - | 1,268 | - | 1,268 |
| Equity-settled share-based payments | - | - | - | 602 | - | 602 | - | 602 |
| Total contributions by and distributions to owners of the Company | 1,268 | - | (203) | 602 | (49,460) | (47,793) | (1,471) | (49,264) |
| Total transactions with owners of the Company | 1,268 | 15,353 | (203) | 602 | 12,931 | 29,951 | 8,792 | 38,743 |
| Balance at 30 September 2015 | 665,969 | 21,767 | (14,704) | 1,403 | 151,507 | 825,942 | 22,932 | 848,874 |
| Balance at 1 April 2016 | 667,660 | 20,899 | (16,576) | 2,743 | 152,451 | 827,177 | 24,064 | 851,241 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | - | - | - | - | 54,632 | 54,632 | 207 | 54,839 |
| Total other comprehensive income | - | (8,083) | - | - | - | (8,083) | (2,928) | (11,011) |
| Total comprehensive income for the period | - | (8,083) | - | - | 54,632 | 46,549 | (2,721) | 43,828 |
| Transactions with owners recognised directly in equity | | | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | | | |
| Treasury shares bought | - | - | 160 | - | - | 160 | - | 160 |
| Dividends declared during the period | - | - | - | - | (31,716) | (31,716) | (2,205) | (33,921) |
| Issue of ordinary shares | 80,470 | - | - | - | - | 80,470 | - | 80,470 |
| Equity-settled share-based payments | - | - | - | 1,458 | - | 1,458 | - | 1,458 |
| Total contributions by and distributions to owners of the Company | 80,470 | - | 160 | 1,458 | (31,716) | 50,372 | (2,205) | 48,167 |
| Changes in ownership | | | | | | | | |
| Interest in subsidiaries | - | - | - | - | (2,307) | (2,307) | 2,307 | - |
| Acquisition of NCI without a change in control | - | - | - | - | (2,307) | (2,307) | 2,307 | - |
| Total changes in ownership interest in subsidiaries | - | - | - | - | (2,307) | (2,307) | 2,307 | - |
| Total transactions with owners of the Company | 80,470 | - | 160 | 1,458 | (34,023) | 48,065 | 102 | 48,167 |
| Balance at 30 September 2016 | 748,130 | 12,816 | (16,416) | 4,201 | 173,060 | 921,791 | 21,445 | 943,236 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months unaudited Six months unaudited

| | 30 Sep 2016 | 30 Sep 2015 |
|--|-------------|-------------|
| | R'000 | R'000 |
| Cash flows from operating activities | | |
| Profit for the period | 54,839 | 72,654 |
| Income tax expense | 21,789 | 20,792 |
| Non-cash movements and adjustments to profit before tax | (297,590) | (445,430) |
| Changes in working capital | (6,748) | (11,156) |
| Cash generated from policyholder activities | 301,564 | 449,466 |
| Dividends received | 2,487 | 1,283 |
| Dividends paid | (33,921) | (50,931) |
| Interest received | 13,295 | 9,499 |
| Interest paid | (6,937) | (4,297) |
| Tax paid | (45,156) | (35,599) |
| Net cash inflow from operating activities | 3,622 | 6,281 |
| Cash flow from investing activities | | |
| Acquisition of property and equipment | (10,275) | (3,830) |
| Acquisition of intangible assets | (1,709) | (4,427) |
| Investment in equity-accounted investee | - | (11) |
| Advance of long-term loans receivable | (9,788) | (512) |
| Acquisition of financial assets at fair value | (79,349) | (369) |
| Net cash outflow from investing activities | (101,121) | (9,149) |
| Cash flow from financing activities | | |
| (Sale)/acquisition of own shares | (160) | 203 |
| Issue of shares | 80,470 | - |
| Increase/(decrease) in loans payable | 5,710 | (318) |
| Cash inflow/(outflow) from financing activities | 86,020 | (115) |
| Net decrease in cash and cash equivalents | (11,479) | (2,983) |
| Effect of exchange rate fluctuations on cash held | (9,916) | 7,742 |
| Net cash and cash equivalents at the beginning of the period | 96,512 | 49,268 |
| Net cash and cash equivalents at the end of the period | 75,117 | 54,027 |
| Comprising | | |
| Cash and cash equivalents | 167,842 | 126,775 |
| Bank overdraft | (92,725) | (72,748) |
| Net cash and cash equivalents at the end of the period | 75,117 | 54,027 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Discontinued operations

In October 2016 shareholders approved the distribution of Prescient Holdings Proprietary Limited and all its subsidiaries ("PFH") to shareholders as per the proposed transaction with Stellar Capital as communicated to shareholders in the Circular posted on 30 September 2016. This approval constituted a decision to effectively sell the PFH businesses out of Prescient Limited and therefore required the disclosure of PFH as discontinued operations. The details of the results of the discontinued operations are included in this note.

PFH was not previously classified as held-for-sale or as a discontinued operation. The comparative condensed consolidated statement of profit or loss and other comprehensive income has been restated to show discontinued operations separately from continuing operations.

| | For the six months ended 30 September | |
|---|---------------------------------------|-----------|
| | 2016 | 2015 |
| | R'000 | R'000 |
| 1.1 Results of discontinued operations | | |
| Revenue | 201,800 | 187,700 |
| Expenses | (148,608) | (118,588) |
| Results from operating activities | 53,192 | 69,112 |
| Income tax | (16,616) | (12,171) |
| Results from operating activities, net of tax | 36,576 | 56,941 |

Profit for the period from discontinued operations of R39.15 million (2015: R49.45 million) was attributable to the owners of the Company. Of the profit from continuing operations of R18.26 million (2015: R15.71 million), an amount of R15.48 million was attributable to the owners of the company (2015: R12.94 million).

| | For the six months ended 30 September | |
|---|---------------------------------------|----------|
| | 2016 | 2015 |
| | R'000 | R'000 |
| 1.2 Cash flows from/(used in) discontinued operations | | |
| Net cash from operating activities | 49,996 | 18,424 |
| Net cash (used in)/from investing activities | (84,812) | 16,163 |
| Net cash from/(used in) financing activities | 23,478 | (31,221) |
| Net cash flow for the period | (11,338) | 3,366 |

| | 2016 |
|---|------------|
| | R'000 |
| 1.3 Major classes of assets and liabilities classified as held for sale | |
| Property and equipment | 7,719 |
| Goodwill and intangibles | 75,333 |
| Deferred tax assets | 8,856 |
| Long-term loans and other receivables | 63,477 |
| Investment in equity-accounted investees | 3,005 |
| Financial assets at fair value through profit or loss | 221,078 |
| Linked investments backing policyholder funds | 11,250,580 |
| Trade and other receivables | 75,624 |
| Amounts owing by clients and clearing houses | 809,360 |
| Taxation receivable | 3,871 |
| Cash and cash equivalents | 153,089 |
| Assets held-for-sale | 12,671,992 |
| Deferred tax liability | 910 |
| Policyholder investment contract liabilities | 11,250,580 |
| Loans payable | 70,489 |
| Trade and other payables | 76,508 |
| Amounts owing to clients and clearing houses | 806,421 |
| Current tax payable | 2,524 |
| Bank overdraft | 56,232 |
| Liabilities held-for-sale | 12,263,664 |

2. Fair value disclosure and hierarchy

The table below analyses financial instruments carried at fair value by valuation method. Fair values are determined according to the following hierarchy based on the requirements in IFRS 13 Fair Value Measurement.

| | |
|---------|---|
| Level 1 | Unadjusted quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets that the company can access at the measurement date. |
| Level 2 | Valuation techniques using observable inputs: quoted prices (other than those included in level 1) for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are less than active and financial assets and liabilities valued using models where all significant inputs are observable directly or indirectly from market data. |
| Level 3 | Valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more inputs are unobservable and have a significant effect on the instrument's valuation. |

| R'000 | Level 1 | Level 2 | Level 3 | Total |
|--|-----------|------------|---------|------------|
| 2016 September | | | | |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | 21,093 | 650 | - | 21,743 |
| Linked investments backing policyholder contract funds | - | - | - | - |
| Total financial assets measured at fair value | 21,093 | 650 | - | 21,743 |
| Financial liabilities | | | | |
| Policyholder investment contract liabilities | - | - | - | - |
| Total financial liabilities measured at fair value | - | - | - | - |
| R'000 | Level 1 | Level 2 | Level 3 | Total |
| 2015 September | | | | |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | 138,021 | 21,683 | - | 159,704 |
| Linked investments backing policyholder contract funds | 9,167,795 | 945,290 | - | 10,113,085 |
| Total financial assets measured at fair value | 9,305,816 | 966,973 | - | 10,272,789 |
| Financial liabilities | | | | |
| Policyholder investment contract liabilities | - | 10,113,085 | - | 10,113,085 |
| Total financial liabilities measured at fair value | - | 10,113,085 | - | 10,113,085 |

| R'000 | Level 1 | Level 2 | Level 3 | Total |
|--|------------|------------|---------|------------|
| 2016 March | | | | |
| Financial assets | | | | |
| Financial assets at fair value through profit or loss | 112,716 | 38,723 | - | 151,439 |
| Linked investments backing policyholder contract funds | 10,244,977 | 730,235 | - | 10,975,212 |
| Total financial assets measured at fair value | 10,357,693 | 768,958 | - | 11,126,651 |
| Financial liabilities | | | | |
| Policyholder investment contract liabilities | - | 10,974,330 | - | 10,974,330 |
| Total financial liabilities measured at fair value | - | 10,974,330 | - | 10,974,330 |

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