

UNAUDITED RESULTS

for the six months ended 28 February 2015



PURPLE GROUP LIMITED

CLIENT FUNDS

R791.6^m
47.3% INCREASE

ACTIVE CLIENTS

up 71%

REVENUE

R62.6^m
28% INCREASE

EARNINGS PER SHARE

2 cents
94% INCREASE

DIVIDEND PER SHARE

1 cent

CHAIRMAN'S REPORT

The Executive of the Group set out some two years ago to build an integrated business that would cover investing and trading solutions for everyone. Our range now covers the full spectrum - from short term to long term, from novice investor to sophisticated day trader.

The momentum that has been established now will underpin growth into the future.

As the number of clients and the funds under management increase, the benefits of scale and operating leverage will flow through into profits for shareholders.

The Board is delighted to declare its first dividend out of cash earnings.

CEO'S REPORT

I am grateful to our shareholders and team for their ongoing support and commitment to the plan.

These results build on the significant progress already made over the last two years in the Group's strategic focus and the diversity and resilience of our sources of revenue.

Group Highlights for the six months ended 28 February 2015 compare to the prior period, as follows:

- Revenue increased by 28% to R62.6 million;
- Client funds increased by 47.3% to R791.6 million, comprising:
 - Emperor Asset Management – R522.2 million (increase of 34.8%);
 - GT247.com – R55.1 million (increase of 5.6%);
 - GT Private Broking – R152.2 million (increase of 55.2%); and
 - Easy Equities – R62.1 million (business launched on 27 October 2014); and
- Earnings per Share and Headline Earnings per share increased by 94% to 2 cents per share.

The Group now reports an increased profit before tax and fair value adjustments of R23.6 million compared to R15.0 million generated during the same period last year. This 57% increase demonstrates the group's leverage achieved over its operating cost structure together with the increased strategic focus.

GT247.com

GT247.com posted revenue growth of 35%, driving revenue up to R48.3 million (R35.8 million for 2014) for the period. Nominal value traded by self-directed clients increased 47% to R156.3 billion, supported by an 11% increase in volatility over the period and our increased revenue contribution from services rendered to asset management clients.

GT Private Broking

Revenue grew by 2% in our private client division during the six months ended 28 February 2015, increasing to R10.8 million (R10.6 million for 2014).

Whilst this was a satisfactory result, the strategic focus is on providing high levels of professional service, ensuring high levels of client retention whilst growing key client accounts. The team has done well maintaining and growing client funds by 46% since year-end to R152.2 million at 28 February 2015, which bodes well for future revenue prospects.

Easy Equities

Easy Equities is a secure, share investing platform for everyone. Over sophistication resulted in stockbrokers raising the barriers to entry to the point where the majority of South Africans feel intimidated and excluded from investing in shares.

Ease of use, affordability and knowledge sharing through social engagement are the pillars of the platform experience. The purchase process focuses on brand recognition and not share prices, on what you want to spend and not how many shares you would like, allowing clients to invest as much as they can afford in the brands they love. This is made possible by Fractional Share Rights, a copyright of GT247.com, which confer all of the economic benefits of share ownership, other than voting rights.

Also, having the cheapest cost structure means that 99.35% is invested, putting the maximum capital to work towards generating returns.

Integration to social media platforms allows for sharing of ideas at the point of purchase and client communication is delivered in a fun, friendly, engaging, educational and easy way.

Launched on 27 October 2014, Easy Equities has already opened 4 086 accounts and attracted R62.1 million of client funds. To date the Group has incurred net trading costs of R1.1 million, through subsidising client transaction costs on the online platform.

Emperor Asset Management (EAM)

The group's asset management division posted another year of impressive growth at 97%, increasing asset management fees to R4.6 million (R2.3 million in 2014) for the period.

Operating Segments

The results by operating segments are as follows:

	Continuing operations		Discontinued	Inter-segment revenues R'000	Total R'000
	GT247.com and EAM R'000	Purple Group R'000	Voltbet R'000		
For the six months ended 28 February 2014					
Revenue	48 857	2 075	-	(2 075)	48 857
Trading expenses	(3 239)	-	-	-	(3 239)
Operating expenses	(28 372)	(3 264)	(2 659)	2 075	(32 220)
Earnings before interest, tax, depreciation and amortisation	17 246	(1 189)	(2 659)	-	13 398
Fair value adjustments and other income	257	-	-	-	257
Interest income	-	197	-	-	197
Interest expense	(97)	(503)	-	-	(600)
Depreciation	(885)	(8)	-	-	(893)
Tax	16 521	(1 503)	(2 659)	-	12 359
	(4 713)	269	487	-	(3 957)
Profit/(loss) for the period	11 808	(1 234)	(2 172)	-	8 402
For the six months ended 28 February 2015					
Revenue	62 622	2 032	-	(2 032)	62 622
Trading expenses	(5 087)	-	-	-	(5 087)
Operating expenses	(32 947)	(3 443)	-	2 032	(34 358)
Earnings before interest, tax, depreciation and amortisation	24 588	(1 411)	-	-	23 177
Other income	1 810	-	-	-	1 810
Interest expense	(94)	(290)	-	-	(384)
Depreciation	(955)	(2)	-	-	(957)
Tax	25 349	(1 703)	-	-	23 646
	(7 795)	419	-	-	(7 376)
Profit/(loss) for the period	17 554	(1 284)	-	-	16 270

Directors: Mark Barnes Executive Chairman, Charles Savage Chief Executive Officer, Gary van Dyk Chief Financial and Operations Officer, Dennis Alter Non-executive Director, Craig Carter Non-executive Director, Thembeke Gwagwa Independent Non-executive Director, Ronnie Lubner Non-executive Director

PURPLE GROUP LIMITED	Registered office	Independent auditors	Transfer secretaries	Sponsor
(Incorporated in the Republic of South Africa) (Registration number 1998/013637/06) Share code: PPE ISIN: ZAE000185526	Block B, The Offices of Hyde Park Strouthos Place, Hyde Park, 2196	BDO South Africa Inc. Chartered Accountants Registered Auditors 22 Wellington Road, Parktown, 2193 Private Bag X60500, Houghton, 2041	Link Market Services South Africa (Pty) Ltd Building 8 Deloitte Place The Woodlands 13th Floor, Rennie House 19 Ameshoff Street Braamfontein, 2001	Deloitte & Touche Sponsor Services (Pty) Ltd Building 8 Deloitte Place The Woodlands 20 Woodlands Drive Woodmead, 2196 Private Bag X6 Gallo Manor, 2052

Active clients increased by 25% to 1 733, with a resultant increase in client funds of 34.8%, totalling R522.2 million at 28 February 2015.

With the launch of its first Unit Trust on 1 September 2014 and Hedge Fund on 1 November 2014, EAM is expanding its offering on the asset management front. Our roadmap remains to identify investment excellence and deliver market beating returns, whilst building on a user experience that instils confidence and understanding through complete transparency and a high degree of client engagement.

FINANCIAL DIRECTOR'S REVIEW

The Group generated a 28% increase in half year revenue for the six months ended 28 February 2015, building on the 35% increase in revenue during the prior half year.

Operating expenses increased by 16%, primarily due to additional staff being employed at the front end of the business and legal expenses incurred in establishing the various new asset management products and the launch of the Easy Equities investment platform.

The Group recorded an after tax profit of R16.3 million for the six months ended 28 February 2015, compared to a profit of R8.4 million for the same period last year, a 94% increase.

The Group made a direct investment in Real People Investment Holdings (Pty) Ltd during January 2015, totalling R26 million (as announced on SENS on 15 December 2014). This investment was funded by short term banking facilities of R20 million and the Group's own cash resources.

SUBSEQUENT EVENTS

The directors are not aware of any other matters or circumstances arising since 28 February 2015 up to the date of this announcement, not otherwise dealt with in this announcement.

ACCOUNTING POLICIES

The unaudited condensed group interim financial statements are prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS), the presentation and disclosure requirements of IAS 34 – *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listing Requirements of the JSE Limited and in the manner required by the South African Companies Act, 71 of 2008.

Accounting policies which comply with IFRS have been applied consistently by all entities in the group and are consistent with those applied in the previous financial year. The preparation of these unaudited condensed group interim financial statements for the six months ended 28 February 2015 was supervised by the Financial Director, Gary van Dyk CA (SA).

Any forward looking statements contained in this announcement have not been reviewed or reported on by the Company's auditors.

CASH DIVIDEND TO SHAREHOLDERS

Notice is hereby given that the Board has declared a gross interim cash dividend, for the six months ended 28 February 2015 from income reserves, of 1 cent per share, payable to shareholders recorded in the register on Friday, 24 April 2015. The dividend will be subject to Dividends Tax. The local Dividend Tax rate is 15%.

The Company has no secondary tax on companies credits available. The gross dividend amount is 1.00 cent per ordinary share for shareholders exempt from the Dividend Tax; the net local dividend amount is 0.85 cents per ordinary share for shareholders liable to pay the Dividend Tax. The issued share capital at the declaration date is 860 105 723 ordinary shares (which includes 2 300 000 treasury shares). Shareholders are advised that the last date to trade cum distribution will be Friday, 17 April 2015.

As from commencement of business on Monday, 20 April 2015 all trading in Purple Group shares will be ex dividend. Payment will be made on Tuesday, 28 April 2015.

Share certificates may not be dematerialised or rematerialised between Monday, 20 April 2015 and Friday, 24 April 2015, both days inclusive. The Company's tax reference number is 9552/065/642.

On behalf of the board

Mark Barnes (Executive Chairman)

Charles Savage (Chief Executive Officer)

Gary van Dyk (Chief Financial and Operations Officer)

Johannesburg
27 March 2015

CONDENSED GROUP STATEMENT OF PROFIT AND LOSS

for the six months ended 28 February 2015

	Change 2014 to 2015 %	Unaudited 6 months 28 February 2015 R'000	Unaudited 6 months 28 February 2014 R'000	Audited 12 months 31 August 2014 R'000
Continuing operations				
Revenue	28	62 622	48 857	93 897
Trading expenses	57	(5 087)	(3 239)	(7 814)
Operating expenses	16	(34 358)	(29 561)	(65 491)
Net income	44	23 177	16 057	20 592
Other income	604	1 810	257	218
Earnings before interest, depreciation and amortisation				
Interest income	-	-	197	208
Interest expense	(384)	(384)	(600)	(1 075)
Depreciation and amortisation	(957)	(957)	(893)	(1 982)
Profit before fair value adjustments and tax	57	23 646	15 018	17 961
Fair value adjustments	-	-	-	(31 624)
Profit/(loss) before tax	57	23 646	15 018	(13 663)
Current and deferred tax	-	(7 376)	(4 444)	(1 379)
Profit/(loss) from continuing operations	54	16 270	10 574	(15 042)
Discontinued operations				
Loss from discontinued operations, net of tax	-	-	(2 172)	(2 027)
Profit/(loss) for the period	94	16 270	8 402	(17 069)
Profit/(loss) attributable to:				
Owners of the company	-	16 270	8 402	(17 069)
Non-controlling interest	-	-	-	-
		16 270	8 402	(17 069)
Weighted number of shares in issue at end of period ('000)				
		815 576	817 211	815 576
Earnings per share				
Basic profit/(loss) per share (cents)	94	2.00	1.03	(2.09)
Diluted profit/(loss) per share (cents)	78	1.82	1.02	(2.00)
Earnings per share – continuing operations				
Basic profit/(loss) per share (cents)	55	2.00	1.29	(1.84)
Diluted profit/(loss) per share (cents)	42	1.82	1.28	(1.76)
Earnings per share – discontinued operations				
Basic loss per share (cents)	-	-	(0.27)	(0.25)
Diluted loss per share (cents)	-	-	(0.26)	(0.24)
Headline profit per share				
Profit/(loss) for the period		16 270	8 402	(17 069)
Headline profit for the period		16 270	8 402	(16 366)
Headline profit/(loss) per share (cents)	94	2.00	1.03	(2.01)
Diluted profit/(loss) per share (cents)	78	1.82	1.02	(1.91)

CONDENSED GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 28 February 2015

	Unaudited 6 months 28 February 2015 R'000	Unaudited 6 months 28 February 2014 R'000	Audited 12 months 31 August 2014 R'000
Profit/(loss) for the period	16 270	8 402	(17 069)
Other comprehensive income			
Items that may be reclassified subsequently to profit/loss			
Foreign currency translation reserve	(145)	(181)	140
Tax effect	-	-	-
Total comprehensive profit/(loss)	16 125	8 221	(16 929)
Total comprehensive profit/(loss) attributable to:			
Owners of the company	16 125	8 221	(16 929)
Non-controlling interest	-	-	-
	16 125	8 221	(16 929)

CONDENSED GROUP STATEMENT OF CASH FLOWS

For the six months ended 28 February 2015

	Unaudited 6 months 28 February 2015 R'000	Unaudited 6 months 28 February 2014 R'000	Audited 12 months 31 August 2014 R'000
Cash flow generated by operating activities	178 017	28 030	18 355
Cash flow utilised in investing activities	(26 571)	(1 700)	(2 848)
Cash flow utilised in financing activities	(12 044)	-	(3 670)
Net increase in cash and cash equivalents	139 402	26 330	11 837
Cash and cash equivalents at the beginning of the period	131 362	119 525	119 525
Cash and cash equivalents at the end of the period	270 764	145 855	131 362

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

As at 28 February 2015

	Unaudited 6 months 28 February 2015 R'000	Unaudited 6 months 28 February 2014 R'000	Audited 12 months 31 August 2014 R'000
ASSETS			
Equipment	2 819	2 617	2 716
Intangible assets and goodwill	208 007	206 815	207 560
Other investments	25 999	36 230	3 628
Long-term receivables	740	598	3 156
Deferred tax assets	29 375	22 695	28 645
Total non-current assets	266 940	268 955	245 705
Trade and other receivables	10 262	5 578	4 448
Cash and cash equivalents	293 610	150 237	134 111
Total current assets	303 872	155 815	138 559
Total assets	570 812	424 770	384 264
EQUITY AND LIABILITIES			
Share capital and premium	450 474	458 704	458 704
Accumulated Loss	(216 994)	(207 793)	(233 264)
Other reserves	20 370	17 534	19 259
Equity attributable to owners	253 850	268 445	244 699
Bank overdraft	22 846	4 382	2 749
Tax payable	6 150	1 598	-
Loans and borrowings	-	7 505	3 844
Trade and other payables	287 966	142 840	132 972
Total current liabilities	316 962	156 325	139 565
Total equity and liabilities	570 812	424 770	384 264
Net asset value per ordinary share (cents)	31.12	32.91	30.00

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

For the six months ended 28 February 2015

	Unaudited 6 months 28 February 2015 R'000	Unaudited 6 months 28 February 2014 R'000	Audited 12 months 31 August 2014 R'000
Balance at beginning of period	244 699	276 028	276 028
Profit/(loss) for the period	16 270	8 402	(17 069)
Share based payments	1 256	501	1 905
Foreign currency translation reserve	(145)	(181)	140
Dividends paid	(8 230)	(16 305)	(16 305)
Balance at end of period	253 850	268 445	244 699