

## KAAP AGRI LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2011/113185/06)

ISIN: ZAE000244711

Share code: KAL

("Kaap Agri" or the "Company")



### VOLUNTARY TRADING UPDATE FOR THE SIX MONTHS ENDED 31 MARCH 2018

Although the drought has impacted Agri-retail sales, Kaap Agri increased revenue for the six-month period ended 31 March 2018, by 5.1% to approximately R3.421 billion, up from R3.256 billion in the previous comparable financial period\*, with like-for-like comparable sales growth of 2.9%. The growth in the value of business transacted was driven mainly by a 17.1% increase in the number of transactions. Product inflation is estimated at 3.7%.

The drought conditions being experienced specifically in the Western Cape have affected the trading results significantly with the negative effect on Wesgraan being heavily weighted to the first six months of the year. Non-Agri retail sales continue to show strong growth despite subdued consumer spending and low economic growth. Fuel retail expansion continues, taking into account timing in respect of regulatory processes with the outlook in this space being positive and existing and acquired sites performing well.

As part of the retail fuel expansion, The Fuel Company ("TFC") owned and managed sites have grown fuel volumes by 40.5% and additional TFC site acquisitions are at various stages of conclusion. The business continues to explore Agri and Retail expansion opportunities.

Improved revenue growth is anticipated for the next six months as consumer confidence shows signs of recovery, store upgrades and expansions contribute more significantly and the revenue from new TFC sites is recognised.

The above financial information is the responsibility of the directors and has not been reviewed or reported on by the Company's external auditors.

Note: \* As announced on SENS on 3 August 2017, the Company has disposed of 50% of its interest in Kaap Agri Namibia ("KAN"), which was previously a wholly-owned subsidiary of the Company. In terms of International Financial Reporting Standards, Kaap Agri's remaining non-controlling interest in KAN is equity accounted from August 2017, while it was consolidated prior to this date. To allow for a meaningful comparison, the above commentary has been prepared on the basis of the consistent treatment of KAN as an equity investment for both the six months ended 31 March 2017 and 31 March 2018.

12 April 2018

Paarl

Sponsor

