

Condensed consolidated interim financial statements

for the six months ended 31 March 2018



Results

Kaap Agri's ongoing retail and fuel diversification strategy has lessened the impact on the trading results of the adverse agricultural conditions experienced specifically in the Western Cape. The largest impact on revenue has been experienced in Wesgraan and the affected trade regions where agri sales have been constrained. Grain handling revenue was significantly curtailed due to reduced harvests. The Group's range expansion and improvement have allowed for strong retail growth in non-agri categories. As part of the retail fuel expansion, The Fuel Company ("TFC") owned and managed sites have grown fuel volumes in line with expectation and additional TFC site acquisitions are at various stages of conclusion. The business continues to explore agri and retail expansion opportunities.

During the period, Kaap Agri increased revenue by 5,4%*, with like-for-like comparable sales growth of 2,9%. The growth in revenue was driven mainly by a 17,1% increase in the number of transactions. Product inflation is estimated at 3,7% (-0,5% excluding fuel).

Recurring headline earnings per share increased by 7,2% to 223,12 cents. Once-off items, predominantly costs associated with the restructuring of TFC, are excluded from headline earnings to calculate recurring headline earnings.

The Group's financial position is sound. Gearing has increased in line with expectation to support growth and expansion, with sufficient facilities available to meet medium-term requirements. Cash generation remains strong.

Dividend

A gross interim dividend of 32,00 cents per share (2017: 29,40 cents) has been approved and declared by the board from income reserves, which represents an 8,8% increase on the previous interim dividend. The interim dividend amount, net of South African dividends tax of 20%, is 25,60 cents per share for those shareholders that are not exempt from dividends tax.

The salient dates for this dividend distribution are:

Declaration date	Monday, 7 May 2018
Last date to trade cum dividend	Tuesday, 5 June 2018
Trading ex dividend commences	Wednesday, 6 June 2018
Record date to qualify for dividend	Friday, 8 June 2018
Payment date	Monday, 11 June 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 June 2018 and Friday, 8 June 2018, both days inclusive.

Prospects

Although the current year remains challenging, our growth strategies are firmly on track to deliver superior returns in line with our strategic medium-term plans and we remain optimistic that the coming agricultural season should improve. Improving our customers engagement experience is paramount and we will continue to invest in our people and into revenue and cash generating capital expenditure. 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.

Kaap Agri remains well positioned to take advantage of its extensive footprint and diverse service offerings to maintain its strong organic growth and to focus on new business opportunities.

Interim financial results

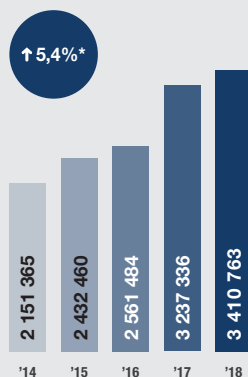
This short-form announcement contains only a summary of the full announcement made on SENS on Monday, 7 May 2018, and is the responsibility of the directors. Please refer to the full announcement for additional information. The full announcement is also available for viewing on Kaap Agri's website at www.kaapagri.co.za or may be requested and obtained in person, at no charge, at the registered office of the company or the company's sponsor during office hours. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

By order of the Board

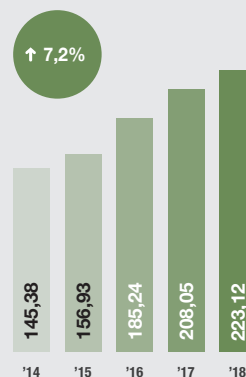
7 May 2018

Salient features

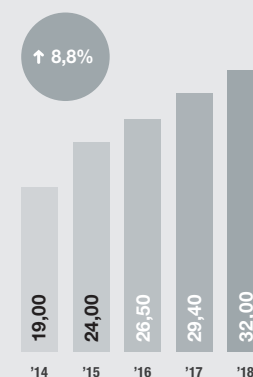
Revenue* R'000



Recurring headline earnings per share Cents



Interim dividend Cents



* 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, certain 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.

	Unaudited 31 March 2018 R'000	Unaudited 31 March 2017 R'000	% Change	Audited 30 September 2017 R'000
Income statement				
Value of business transacted <i>(including total turnover of direct transactions)</i>	4 451 839	4 497 579	(1,0)	8 586 154
Revenue	3 410 763	3 456 683	(1,3)	6 415 697
Profit before tax	216 602	200 871	7,8	333 027
Earnings	156 191	144 706	7,9	241 417
Earnings per share (cents)	221,67	205,37	7,9	342,62
Headline earnings	155 702	144 593	7,7	243 491
Headline earnings per share (cents)	220,97	205,21	7,7	345,56
Recurring headline earnings	157 215	146 593	7,2	247 961
Recurring headline earnings per share (cents)	223,12	208,05	7,2	351,91
Dividend per share (cents)	32,00	29,40	8,8	112,00
Statement of financial position				
Non-current assets	1 125 482	904 176		1 056 193
Current assets	2 391 440	2 282 995		2 329 938
Gross assets	3 516 922	3 187 171		3 386 131
Capital and reserves	1 682 561	1 502 469		1 582 634
Non-current liabilities	39 244	32 838		34 436
Current liabilities	1 795 117	1 651 864		1 769 061
Total equity and liabilities	3 516 922	3 187 171		3 386 131
Net asset value per share (rand)	23,88	21,32		22,46
Shares issued (number – '000)	70 462	70 462		70 462

