
VOLUNTARY TRADING UPDATE FOR THE YEAR ENDED 30 SEPTEMBER 2018

Despite the severe Western Cape drought, Kaap Agri increased revenue by 2.3% to approximately R6.6 billion, up from R6.4 billion in the previous financial year on a statutory basis. However, on a pro forma basis as defined below, revenue increased by 8.4% with like-for-like comparable growth of 6.9%. This growth in revenue was driven mainly by a 12.1% increase in the number of transactions. Product inflation is estimated at 5.1%. However, when excluding the impact of fuel inflation, it is - 0.1%.

The trading results have been negatively affected by the drought conditions experienced in the Western Cape and specifically in the Wesgraan and Agri-Retail divisions. Non-agri retail sales performance has been subdued during the second half of the year due to continued consumer pressure and the overall anticipated improvement during this period did not materialise.

Delays in fuel expansion related regulatory processes have improved, but have negatively impacted new site roll outs during the year. Despite these challenges, The Fuel Company ("TFC") continued with its expansion strategy and annual fuel volumes grew by 15.8%. Including managed sites awaiting regulatory approval, TFC fuel volumes grew by 38.5%, with additional TFC site acquisitions at various stages of conclusion. The business continues to explore Agri and Retail expansion opportunities.

The Company's diversification strategy and ongoing investment into improvements, upgrades and acquisitions continues to generate strong earnings and shareholder returns under the circumstances, with EBITDA increasing by 6.3% for the year, on a statutory basis.

Despite the estimated 11.3% drought related negative impact on recurring headline earnings ("RHE") growth for the year from predominantly the Wesgraan and Agri-Retail divisions, the Group expects RHE for the full year to be between R249.2m and R251.7m, representing an increase of between 0.5% and 1.5% from the previous year, on a statutory basis, with all divisions, except Wesgraan, performing well. Once off items are excluded from headline earnings to calculate recurring headline earnings.

The Company's consolidated financial results for the for the year ended 30 September 2018 will be released on the Stock Exchange News Service of the JSE on or about 29 November 2018.

Pro forma financial information note:

As announced on SENS on 3 August 2017, the Company 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 1 August 2017, while it was consolidated prior to this date. To allow for a meaningful comparison, the above commentary and pro forma adjustments regarding revenue have been prepared for illustrative purposes only and on the basis of the consistent treatment of KAN as an equity investment for both the years ending 30 September 2017 and 30 September 2018.

The pro forma financial effects are presented in accordance with the JSE Listings Requirements, the Guide on Pro Forma Financial Information issued by SAICA and the measurement and recognition requirements of International Financial Reporting Standards. The accounting policies applied in quantifying pro forma adjustments are consistent with Kaap Agri's accounting policies at 30 September 2018. The pro forma financial information is the responsibility of the directors and has not been reviewed or reported on by the Company's external auditors.

R'000	Statutory 12 months ended 30 September 2017 ¹	KAN 10 months ended 31 July 2017 ²	Pro forma 12 months ended 30 September 2017 ³
Revenue	6,415,697	360,584	6,055,113

1. The column titled "Statutory 12 months ended 30 September 2017" has been extracted without adjustment from the Kaap Agri audited results for the period ended 30 September 2017.
2. The column titled "KAN 10 months ended 31 July 2017" represents the unaudited revenue of KAN for the 10-month period ended 31 July 2017.
3. The column titled "Pro forma 12 months ended 30 September 2017" represents the Kaap Agri pro forma revenue after adjustment for the KAN disposal.

All pro forma adjustments will have a continuing effect on the financial results of Kaap Agri.

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14 November 2018

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