## Unaudited Group Financial Results for the six months ended 31 October 2016 & dividend announcement

<table>
<thead>
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<th>Revenue</th>
<th>P'000</th>
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<td>6 months to 31 October 2016</td>
<td>2 005 599</td>
<td>1 840 304</td>
<td>3 825 367</td>
<td>1 630 816</td>
<td>2 135 765</td>
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<td>6 months to 31 October 2015</td>
<td>1 628 320</td>
<td>1 476 005</td>
<td>3 900 825</td>
<td>1 539 093</td>
<td>2 096 499</td>
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### Overview of operations
- **Trading – consumer goods**: Sefalana Group
  - **Sefalana Cash & Carry Limited** contributed 60% and 48% of the Group’s turnover and profit before tax (PBT) respectively. Turnover amounted to just over P1 billion, which was significantly down from the prior period. Retailers have been under pressure since this year - especially in the Southern African region - as a result of a significant reduction in gross profit compared to the comparative period. This was a result of both a reduction in the level of competition. Overall profitability for this segment fell 10%.

### Financial highlights
- **Revenue**: P2.005 billion – up 49% on prior year.
- **Profit before tax (EBITDA)**: P282.5 million – up 40% on prior year.
- **Earnings before interest, tax, and amortisation (EBIT)**: P219.4 million, up 35% on prior year on group and P161.4 million – marginally up on the prior year.

### Segmental Reporting
- The Group’s results are divided into two segments, namely Retail and Wholesale.
- The company’s operating results are reported directly with our customers, providing feedback, equal opportunity, and other services in areas of interest to our community.

### Commentaries
- **Namibia**: Metalo (Namibia) Limited reported 52% and 23% of revenue and profit before tax for the period, respectively. Turnover amounted to P104 million, a growth of almost 24% on the prior-year period. Profit before tax amounted to P23, up 34% from the prior period. During the period, we have seen significant increase in consumer spending in our market at home. Our brand and through focusing on providing customers with value and service.
- **Botswana**: We are proud to have achieved a significant presence in Namibia in less than three years. This achievement and our operations in other overseas offices inside our four main stores in this region and in the forthcoming year. We are excited about being able to offer our customers the services of some of our local post office in our stores whilst they do their grocery shopping.

### NEW BUSINESS
- The Group’s overall profit before tax (“PBT”) for the six months to 31 October 2016 was P81.1m – marginally down on the comparable period of P83.0m, PBT marginally down on prior period; and
- **Revenue was P2.0 billion – up 9% on prior year**.
- **Profit before tax was P81.1m – marginally down on prior period; and**
- **Profit before share of results of associate and joint venture**
  - **Share of results of associate and joint venture**: P18.7m – marginally down on prior period. Regular income from servicing of vehicles and sale of parts was achieved and continues to grow.

### Earnings before interest and tax and amortisation (EBITA)
- P81.7 million, up 13% on prior period. The Group's overall profit before tax (“PBT”) for the six months to 31 October 2016 was P81.1m – marginally down on the comparable period of P83.0m, PBT marginally down on prior period; and
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### PROFIT FOR THE PERIOD
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### Combined Group
- The Group’s overall profit before tax (“PBT”) for the six months to 31 October 2016 was P81.1m – marginally down on the comparable period of P83.0m, PBT marginally down on prior period; and
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The Delta Fresh range of products was re-launched in August 2016 with a newer and fresher look. We are happy with the progress this product has made in the market and anticipate growth of this premium brand during FY 2017.

**Properties**

In November 2016 we commenced development of a large Car and Cash Centre in Mogoditshane. We have been actively searching for suitable sites in that area and we look to establish a significant presence there by late 2017.

During 2017 we intend to continue development of a series of managed walk-in shops. We are currently evaluating the most appropriate brands to utilise in this development. We will be opening the first shop in the second quarter of 2017.

**Nambé**

With the entry into the Lesotho market, we purchased a warehousing of just over 3,500 sqm in May and are in the process of acquiring additional warehousing of 5,000 sqm from which we are operating. We are in search of further sites for additional stores as we look to grow our presence in the country over the next few years.

**Zambia**

Our Zambian property was fully let throughout the period and continues to generate a good rental income. We have managed to continue to service all our debt obligations. We have no immediate plans to dispose of any of the property assets and are not aware of any property that is in the process of being repossessed by any of the banks in Zambia. All the bank advances are on a current basis and are secured by fixed charges on the properties.

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**Prospects**

**Entry into Lesotho**

In December 2016 Sefalana entered the Lesotho market through the takeover of the country’s largest cash and carry outlet, TFS wholesalers in Maseru. The acquisition gives us a very strong position in a market that we believe will have a growth of 5% per annum and one that looks very promising due to a high penetration of its rural population with a booming tourism industry.

**Rights and entry into South Africa**

Our Rights issue program completed in December 2016 was adequate to meet the required capital requirements. The proceeds of this Rights issue, together with the funds from the Lesotho transaction and the internally generated funds, will be used for the expansion plans into South Africa. This is a very exciting investment opportunity for us, due to the high growth potential of the South African market.

This dividend will be paid out of nil applicable profits. We had nil applicable profits for the year ended 31 October 2016 and accordingly there is no dividend payment for the year ended 31 October 2016. Any dividend in respect of the year ended 31 October 2017 will be paid at the discretion of our directors.

**Directors**

There have been no changes to the board during the current period.

**Dividends**

On 29 January 2017, the board of Directors of Sefalana holding Company (Pty) Ltd declared a final gross dividend of P25.63 per Ordinary share. For the last three years an interim dividend payment of 10.00 (ten) thebe per ordinary share. For the last three years an interim dividend payment of 10.00 (ten) thebe per ordinary share. For the last three years an interim dividend payment of 10.00 (ten) thebe per ordinary share. For the last three years an interim dividend payment of 10.00 (ten) thebe per ordinary share. For the last three years an interim dividend payment of 10.00 (ten) thebe per ordinary share.