We are pleased to report that the Group has generated another excellent set of results for the half year ended 31 October 2013 despite continued challenges in the Botswana economic environment. This has been achieved through focusing on growing the core Fast Moving Consumer Goods (“FMCG”) business, maximising return from operations and ensuring that other parts of the Group operate efficiently and effectively. There are a number of exciting projects that Management is working on. More detail is provided under the Segmental reporting section of this publication.

Compared to the comparative period to 31 October 2012 (“prior year”), the Group’s:

- Revenue is up 2%;
- Profit before tax is up 46%;
- Basic earnings per share is up 55% and;
- Net Asset value (excluding non-controlling interests) is up 18%.

These growth rates have been predominantly underpinned by:

a) Continued emphasis on improving our Retail store offering, focusing on the provision of a larger product range, improved quality of service and better understanding our markets’ needs; and

b) Smarter procurement of raw materials in our manufacturing businesses.

We are also pleased to report the Group’s financial position at 31 October 2013 remains strong.

Comirementary

Basis of preparation and accounting policies

The unaudited abridged consolidated financial results of Sefalana Holding Company Limited and its subsidiaries (“Sefalana” / the “Group”) are extracted from the interim Group financial information that has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the Botswana Companies Act, 2003, under the historical cost convention except for the revaluation of certain non-current assets, being land and buildings and investment properties, which are carried at fair value. The accounting policies applied in the preparation of the unaudited financial information for the six month period ended 31 October 2013 (the “period”), are consistent with those applied in the previous period presented and also with those applied in the preparation of the audited financial statements for the year ended 30 April 2013. Financial results of the Group

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Segmental reporting

The Group’s business and geographical segments are reported separately. Inter segment transactions are eliminated and costs of shared services are accounted for in a separate ("Inter- segment or Unallocated") segment.

Review of operations

Trading – Consumer goods

Sefalana Cash and Carry Limited (“Sefcash”) contributed 87% and 56% of the Group’s revenue and profit respectively, for the reporting period. At the beginning of the financial year, Sefcash comprised of 3 Hyper stores (“Sefalana Hyper”), 21 cash and carry stores (“Sefalana Cash and Carry”) and 16 supermarket retail stores (“Shoppers”) across the country. During the period, we increased our market presence by opening additional Shoppers supermarkets in Tsetse and Gabane West, which were very well received by our customers in the area. We will continue to open

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**SEGMENT RESULTS**

**ZAMBIA**

For 6 months ended 31 October 2013

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue P'000</th>
<th>Trading goods P'000</th>
<th>Manufacturing P'000</th>
<th>Property, plant and equipment P'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1 020 182</td>
<td>60 194</td>
<td>109 184</td>
<td>12 190</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(859 266)</td>
<td>(47 663)</td>
<td>(75 875)</td>
<td>(1 125)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>160 916</td>
<td>152 531</td>
<td>123 309</td>
<td>12 065</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>152 531</td>
<td>123 309</td>
<td>118 737</td>
<td>11 944</td>
</tr>
<tr>
<td>Tax</td>
<td>(28 462)</td>
<td>(23 084)</td>
<td>(22 682)</td>
<td>(5 428)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>124 069</td>
<td>99 225</td>
<td>96 056</td>
<td>6 516</td>
</tr>
</tbody>
</table>

**BOOTSWANA**

For 6 months ended 31 October 2013

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue P'000</th>
<th>Trading goods P'000</th>
<th>Manufacturing P'000</th>
<th>Property, plant and equipment P'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>35 452</td>
<td>1 123</td>
<td>9 528</td>
<td>9 010</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(25 281)</td>
<td>(7 563)</td>
<td>(6 367)</td>
<td>(5 979)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>10 171</td>
<td>3 965</td>
<td>3 161</td>
<td>3 031</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>10 171</td>
<td>3 965</td>
<td>3 161</td>
<td>3 031</td>
</tr>
</tbody>
</table>

**SEGMENT ASSETS AND LIABILITIES**

**ZAMBIA**

31 October 2013

<table>
<thead>
<tr>
<th>Segment</th>
<th>Assets P'000</th>
<th>Liabilities P'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>490 770</td>
<td>161 161</td>
</tr>
<tr>
<td>Cash and bank</td>
<td>(284 209)</td>
<td>(35 141)</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>(64 018)</td>
<td>(83 596)</td>
</tr>
<tr>
<td>Total</td>
<td>406 554</td>
<td>176 652</td>
</tr>
</tbody>
</table>

31 October 2012

<table>
<thead>
<tr>
<th>Segment</th>
<th>Assets P'000</th>
<th>Liabilities P'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>427 528</td>
<td>169 194</td>
</tr>
<tr>
<td>Cash and bank</td>
<td>(253 631)</td>
<td>(53 043)</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>(60 260)</td>
<td>(91 087)</td>
</tr>
<tr>
<td>Total</td>
<td>173 997</td>
<td>90 179</td>
</tr>
</tbody>
</table>

30 April 2013

<table>
<thead>
<tr>
<th>Segment</th>
<th>Assets P'000</th>
<th>Liabilities P'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>435 795</td>
<td>195 250</td>
</tr>
<tr>
<td>Cash and bank</td>
<td>(236 616)</td>
<td>(70 273)</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>(89 019)</td>
<td>(16 112)</td>
</tr>
<tr>
<td>Total</td>
<td>119 180</td>
<td>54 949</td>
</tr>
</tbody>
</table>

stores in suitable locations until we reach our target of 40 Shoppers stores in Botswana. The improved performance of our retail stores during the period contributed significantly to the growth in this segment’s turnover and profit before tax. This has been largely achieved through better product offering and enhancing the shopping experience for our customers. Feedback we have received from our customers in these stores has maintained its competitiveness and grown broadly in line with inflation.

We reported previously that following our detailed Group strategy review in early 2013, we were actively looking at entering into regional markets. We are pleased to notify our shareholders that we have opened our first store outside Botswana in Katima Mulilo, Namibia in January 2014, and have entered into an agreement to purchase 12 additional stores across Namibia. The effective date of this acquisition is expected to be 1 May 2014. No application has been made for Competition Authority approval. It is anticipated that this acquisition will speed up our entry into the Region and will enable us to be a major player in that market in a relatively short space of time. We are excited about this expansion which will increase the size of the Sefalana Group significantly.

Overall this segment has increased its contribution to the overall Group results by 19% compared to the prior period.

**Trading - others**

Brand awareness and development for our three managers (MAN, Tata and Honduras), has continued into the first half of the financial year at Commercial Motors (Pty) Limited (‘CML’). Management is pursuing a number of deals with another third party in the Region which, if successful, will provide significant shareholder value during the second half of the financial year.

**Group results**

On 23 January 2014, Sefalana entered into an agreement with a strategic partner with significant regional expertise in the manufacture of soaps and detergents. This entity manages the operations of the business. We continue to be optimistic about the future of this business as process improvements have been made whilst new markets are being identified. The KSI business is now accounted for as a 25% associate rather than a 50% subsidiary effective 1 May 2013.

**Shareholders**

On 23 January 2014, Sefalana declared an interim gross dividend of 10 (ten) thebe per ordinary share. This dividend will be paid net of applicable withholding taxes as required under the Income Tax Act of Botswana, on or about Friday 7 March 2014 to all shareholders registered in the books of the Company at the last date to register, being close of business on Friday 14 February 2014.

**Dividend**

On 23 January 2014, the Board of Directors of Sefalana Holding Company Limited declared an interim gross dividend of 10 (ten) thebe per ordinary share. This dividend will be paid net of applicable withholding taxes as required under the Income Tax Act of Botswana, on or about Friday 7 March 2014 to all shareholders registered in the books of the Company at the last date to register, being close of business on Friday 14 February 2014.

By order of the Board

M Nguquni

Chairman

Sefalana

23 January 2014