

KAP Industrial Holdings Limited **Audited results#** for the year ended 30 June 2017



Kap Industrial Holdings Limited (KAP) is a JSE-listed diversified industrial group consisting of industrial, chemical and logistics businesses.

KAP produces a broad range of products in large-scale, state-of-the-art facilities that supply to industrial and retail customers. Products include construction timber under the **Thesen** brand; **PG Bison** chipboard and MDF used in a variety of home furnishings under the **BisonBord**, **SupaWood** and **MelaWood** brands; automotive components and accessories used by leading car manufacturers under various brands that include **Maxe**, **Rhino Linings** and **Auto Armor**; and mattresses under the **Restonic** and **Genessi** brands, together with other associated bedding components. The company, under various brands that include **Safripol**, is also a major producer of the polymers used in the production of a variety of plastic products, including packaging, bottles, pipes, etc. KAP provides logistics services for bulk commodities such as fuel, chemicals, cement, agricultural products and food, using specialised transport equipment under the **Unitrans** and **Xinergistix** brands. Personnel, commuter, tourist and intercity passengers are transported by the company through a range of brands that include **Megabus**, **Mega Coach**, **Greyhound** and **Citiliner**. **KAP's operations are integrated into your every day.**

Revenue from continuing operations up by 23% to R20bn	Operating profit from continuing operations up by 25% to R2.5bn	Cash generated from operations of R3bn	Headline earnings per share from continuing operations up by 15.4%	Net asset value per share up by 17%	Dividend per share increased by 17%
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Strategy execution

The group continued to grow through investment in strategically aligned businesses and operations with high barriers to entry, which enhance the group's quality of earnings in respect of sustainability, solid margins and strong cash conversion. The disciplined execution of the group's strategy produced pleasing results for the period.

Financial overview

	June 2017 Audited*	June 2016 Audited*	% change
Revenue* (Rm)	19 783	16 047	23
Operating profit before capital items* (Rm)	2 499	1 997	25
Cash generated from operations (Rm)	2 958	3 285	(10)
Headline earnings* (cents per share)	55.6	48.2	15
Basic earnings* (cents per share)	54.6	47.6	15
Headline earnings (cents per share)	54.2	47.8	13
Basic earnings (cents per share)	52.2	47.1	11
Dividend declared (cents per share)	21	18	17
Net asset value (cents per share)	415	355	17

* From continuing operations

Extracted financial information from the audited results for the year ended 30 June 2017

About this short-form announcement

This short-form announcement ("this announcement") is the responsibility of the directors. It should be noted that this announcement is only a summary of the information in the detailed announcement and therefore does not contain full or complete details.

Any investment decisions by investors and/or shareholders should be based on the information in the detailed announcement.

The detailed announcement has been published on SENS and the company's website on www.kap.co.za and is available for inspection at the registered office

of the company and the offices of the sponsor, free of charge to investors and/or shareholders, during office hours (09:00 – 17:00) from Monday to Friday. Copies of the detailed announcement may be requested by emailing info@kap.co.za or by telephoning Johann Pieterse on 011 445 3000.

By order of the board

Steinhoff Secretarial Services Proprietary Limited

14 August 2017

Corporate information

KAP Industrial Holdings Limited ("KAP" or "the company" or "the group")

Non-executive directors: J de V du Toit (Chairman)*, KJ Grové (Deputy chairman), MJ Jooste, AB la Grange, IN Mkhari*, SH Müller*, SH Nomvete*, PK Quarmby*, DM van der Merwe, CJH van Niekerk* **Executive directors:** GN Chaplin (Chief executive officer), FH Olivier (Chief financial officer)

Registration number: 1978/000181/06 | **Share code:** KAP | **ISIN:** ZAE000171963 | **Registered address:** 28 6th Street, Wynberg, Sandton, 2090

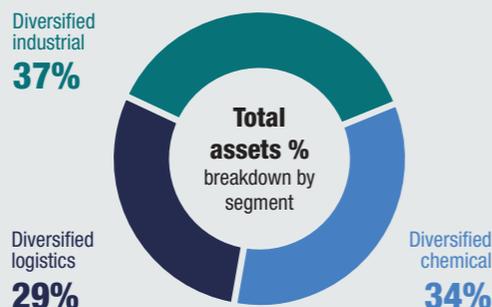
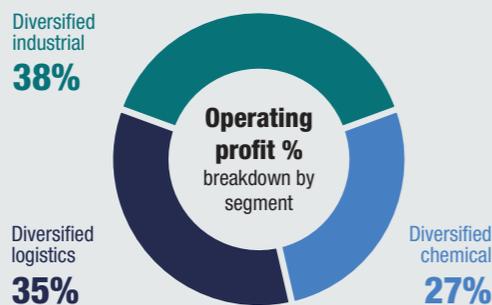
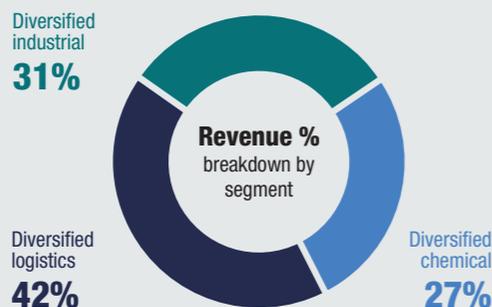
Postal address: PO Box 18, Stellenbosch, 7599 | **Telephone:** 021 808 0900 | **Facsimile:** 021 808 0901 | **E-mail:** info@kap.co.za

Transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Bierman Avenue, Rosebank, 2196

Company secretary: Steinhoff Secretarial Services Proprietary Limited | **Auditors:** Deloitte & Touche | **Sponsor:** PSG Capital Proprietary Limited

* Independent

Segmental overview



Diversified industrial

Integrated timber
Forestry and timber manufacturing operations with primary and secondary processing

Automotive components
Manufacture of components used in new vehicle assembly and retail vehicle accessories

Integrated bedding
Manufacture of foam, fabrics, springs, bases and mattresses

Diversified chemical

Safripol
Manufacture of high-density polyethylene (HDPE) and polypropylene (PP)

Hosaf
Manufacture of polyethylene terephthalate (PET)

Woodchem
Manufacture of urea formaldehyde (UF) resin and impregnated paper

Diversified logistics

Contractual logistics
Specialised contractual supply chain and logistics services

Passenger transport
Personnel, commuter, intercity and tourism transport