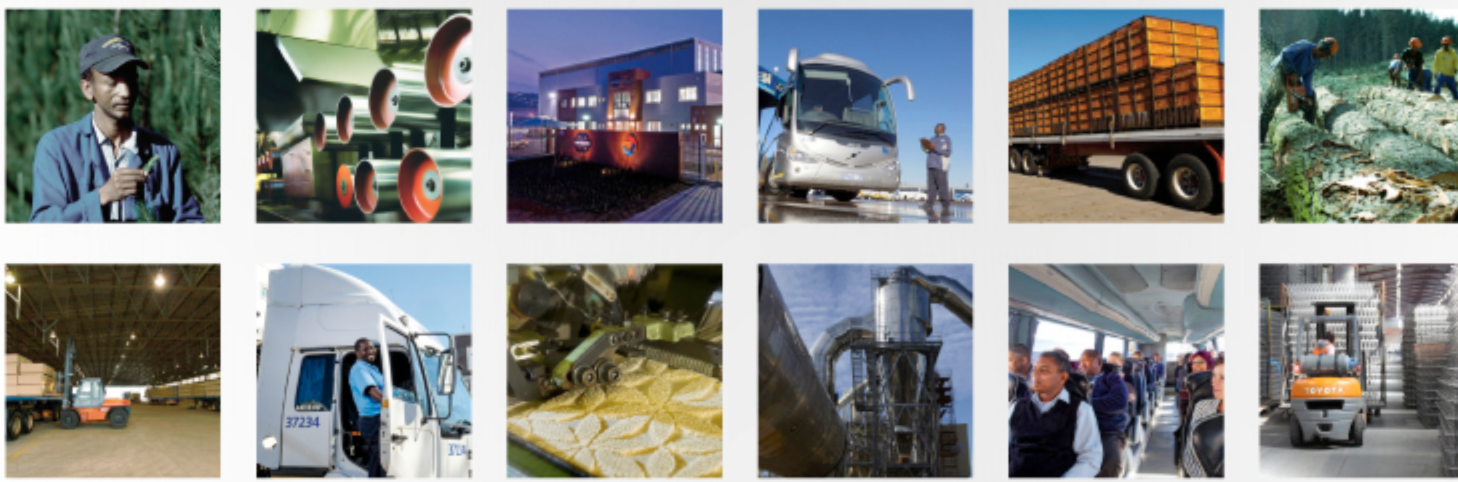
KAP

AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2013



INDUSTRY *IN MOTION*™

INTRODUCTION

JAAP DU TOIT
CHAIRMAN

AGENDA

- Year under review
- Divisional highlights
- Financial performance
- Outlook

INDUSTRY *IN MOTION*™

KAP INDUSTRIAL HOLDINGS

An industrial group focused on:

- Being the leaders in the markets we serve
- Focus on sustainable earnings through diversity in business
- Solid margins by adding value through our specialist skills and assets
- Strong cash flow generation
- Capitalising on African growth

INDUSTRY *IN MOTION*™

YEAR UNDER REVIEW

JO GROVÉ

CEO

INDUSTRY *IN MOTION*™

YEAR UNDER REVIEW

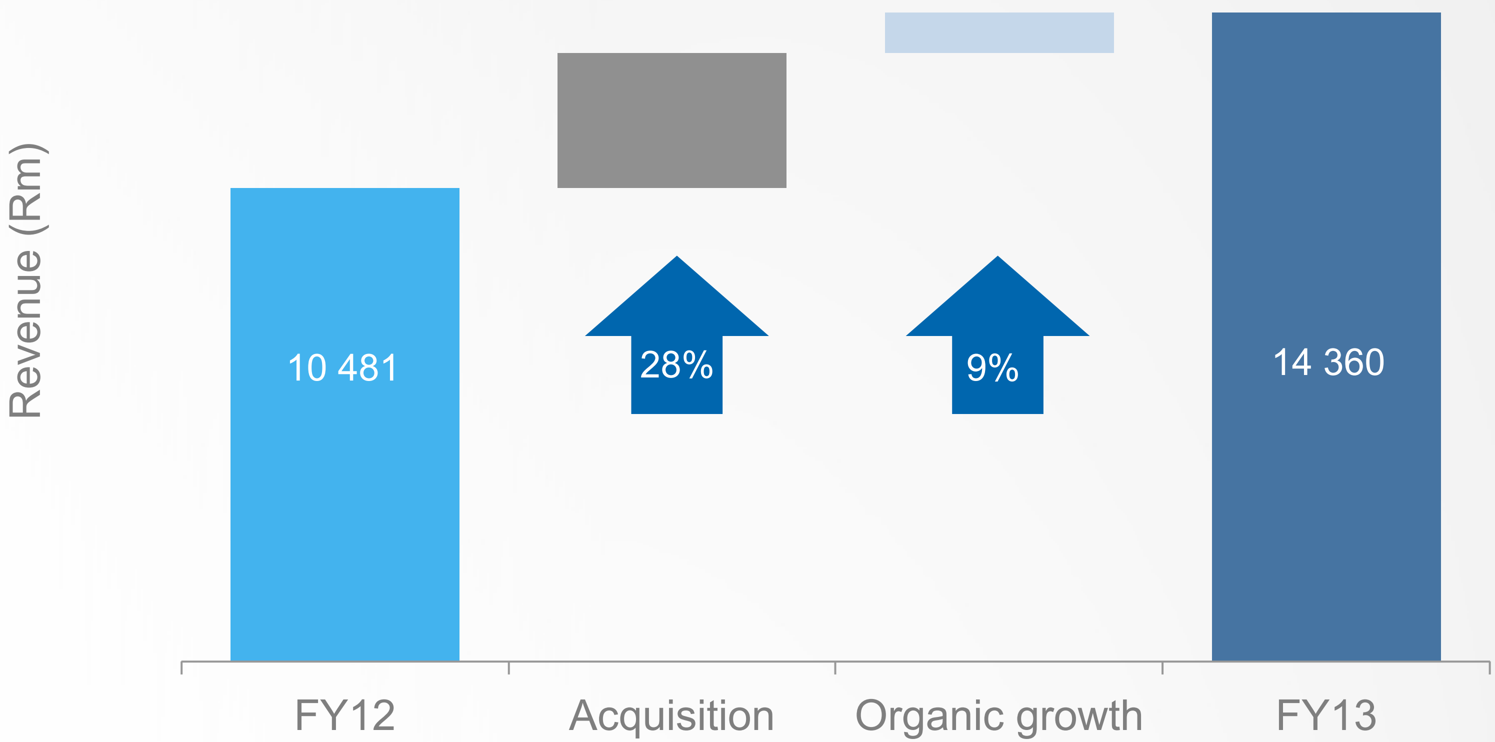
Focus on key future performance drivers

- Cash flow generation
- African growth
- Focus on core strategic industrial assets
  - Disposal of food assets

INDUSTRY *IN MOTION*™

FINANCIAL HIGHLIGHTS

Revenue increases 37% to R14 360m



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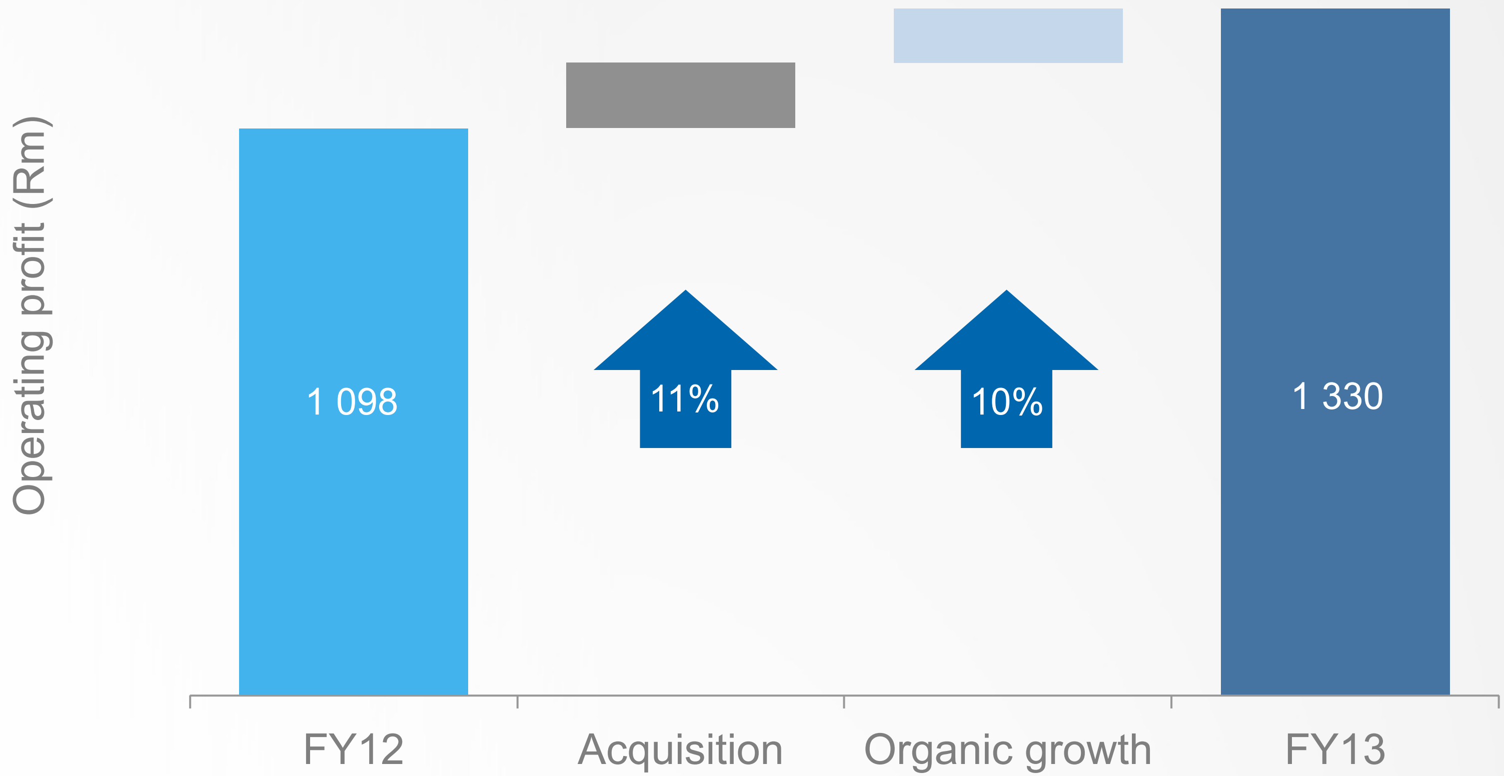
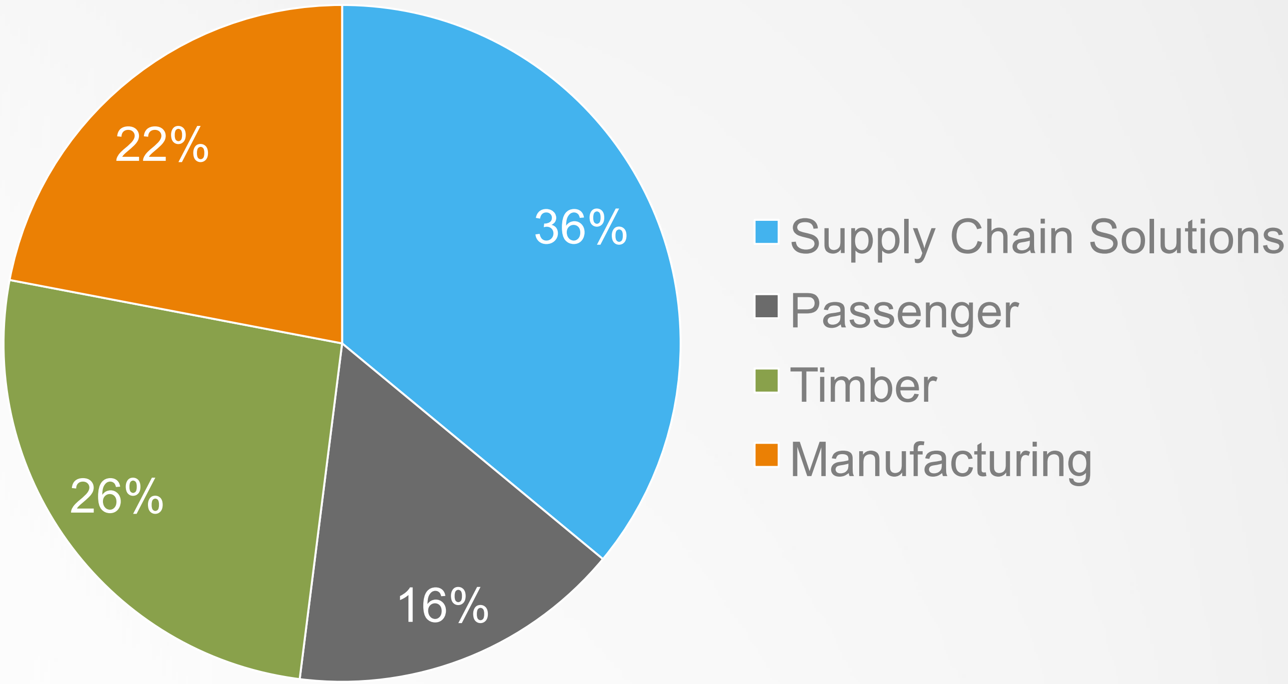
FINANCIAL HIGHLIGHTS

Operating profit increases 21% to R1 330m



INDUSTRY IN MOTION™

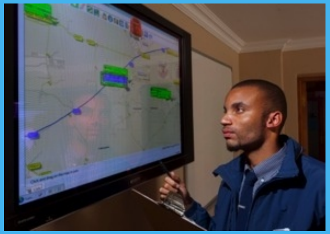
DIVERSIFIED OPERATING PROFIT MIX ENHANCES SUSTAINABLE EARNINGS



INDUSTRY *IN MOTION*™

DIVISIONAL HIGHLIGHTS

LOGISTICS



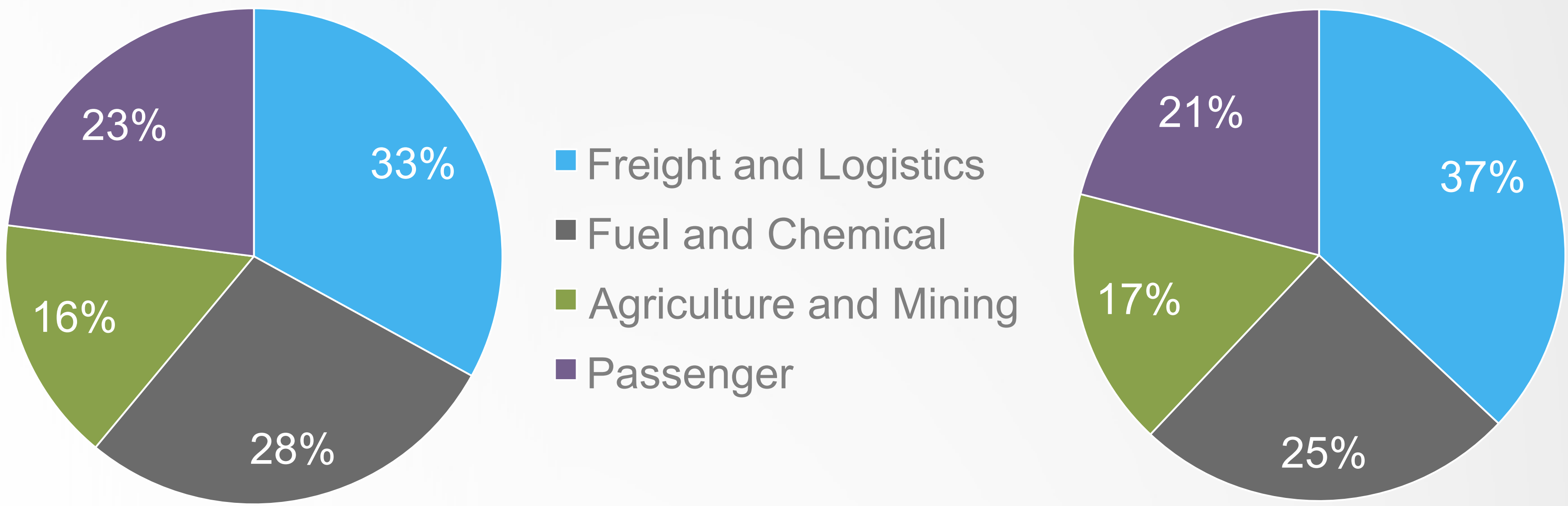
UNITRANS

INDUSTRY *IN MOTION*™

DIVERSE REVENUE COMPOSITION

12 months June 2013

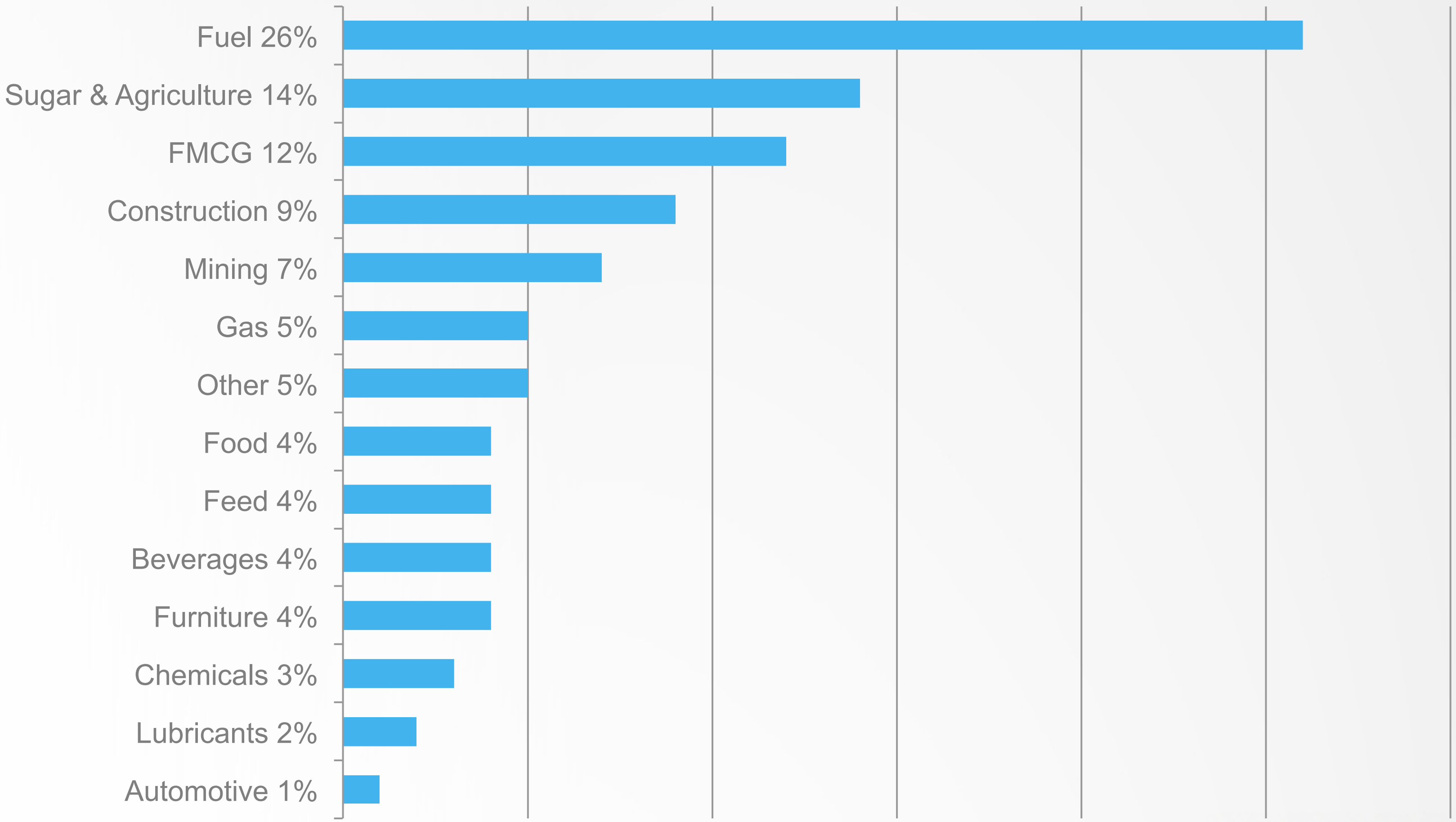
12 months June 2012



INDUSTRY IN MOTION™

USCS* DIVERSE INDUSTRY EXPOSURE

ENHANCES SUSTAINABLE REVENUE GENERATION CAPABILITY

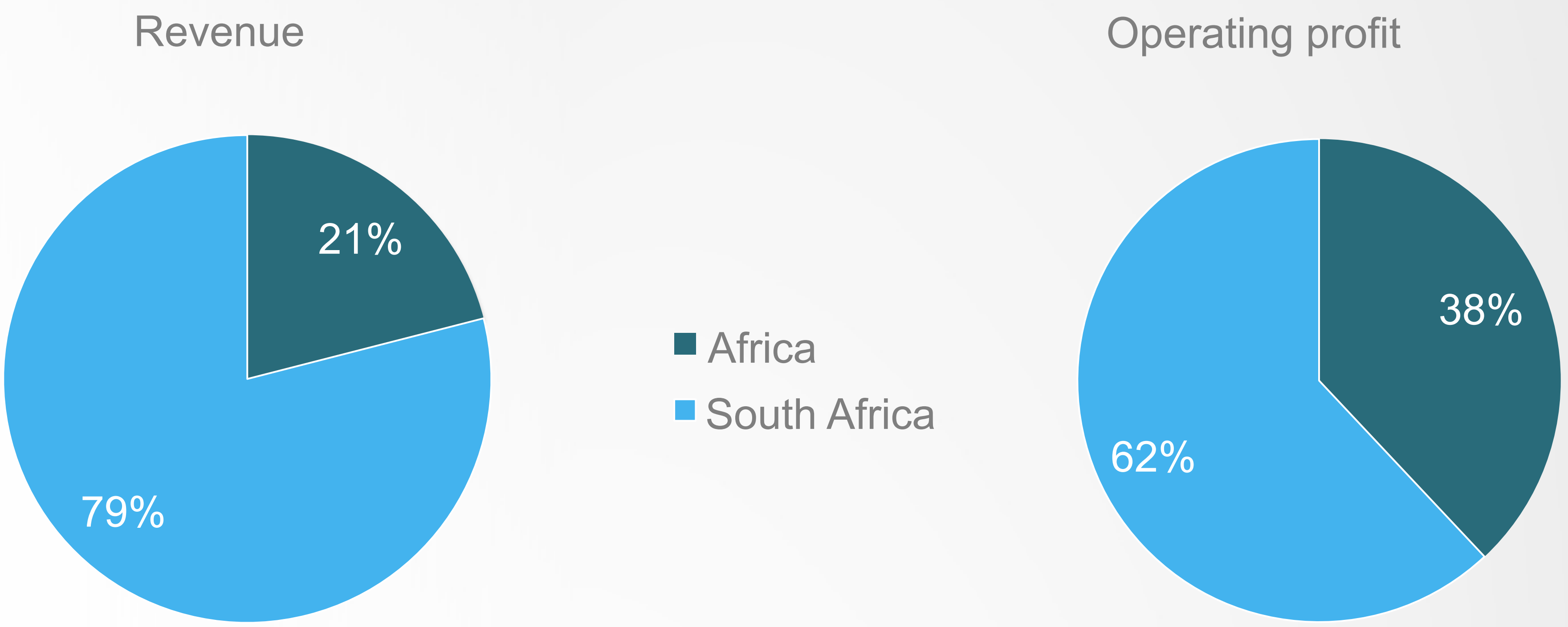


INDUSTRY IN MOTION™

*Unitrans Supply Chain Solutions

USCS STRONG PRESENCE IN AFRICA

FOR THE YEAR ENDED 30 JUNE 2013



INDUSTRY IN MOTION™

PERIOD UNDER REVIEW
LOGISTICS

Gross revenue increases by 8% to R7 042m	↑ (2012: R6 531m)
Operating profit decreases by 2% to R686m	↓ (2012: R701m)

UNITRANS SUPPLY CHAIN SOLUTIONS

- Road freight industry strike negatively impacted on operations during the first half
- Africa operations continue to perform and grow well
- Solid performance from Fuel and Chemical division led by new contracts
- Overall economic environment affected volumes and margins

INDUSTRY *IN MOTION*™

PERIOD UNDER REVIEW
LOGISTICS

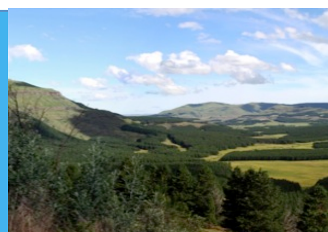
PASSENGER

- Limited impact from road passenger industry strike
- Personnel transport continues to grow on the back of new contractual business
- Increased intercity passengers numbers and higher fares
- Gautrain feeder services continue to perform well

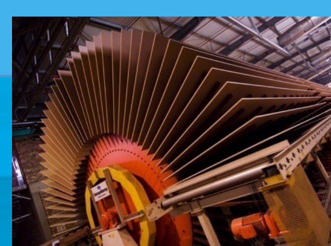
INDUSTRY *IN MOTION*™

INTEGRATED TIMBER

KAP



PG BISON



INDUSTRY *IN MOTION*™

PERIOD UNDER REVIEW
INTEGRATED TIMBER

Gross revenue increases by **5%** to R2 392m	⬆ (2012: R2 286m)
Operating profit increases by **27%** to R347m	⬆ (2012: R273m)

- Restructure benefits support operating profit growth
- Product and customer rationalisation improves cash flow and margin
- Increased volumes as a result of positive market response to restructure
- Woodchem and other integrated businesses benefit from increased volumes

INDUSTRY *IN MOTION*™

MEDIUM-DENSITY FIBREBOARD PLANT

- Plant to be commissioned October 2013
- Rated capacity of new plant 380m^3 per day (current production 180m^3 per day)



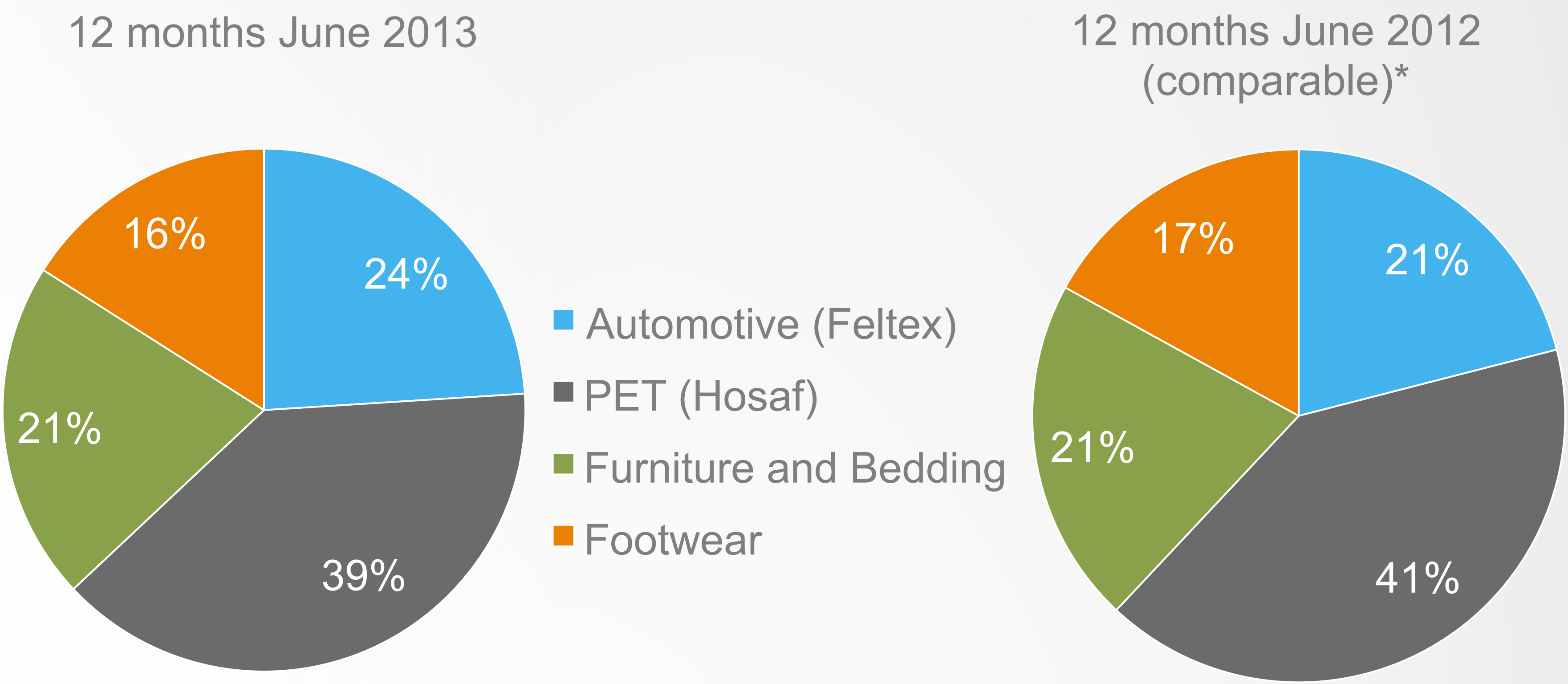
MANUFACTURING

KAP

KAP

INDUSTRY ***IN MOTION***™

MANUFACTURING REVENUE COMPOSITION



INDUSTRY *IN MOTION*™

*Includes traditional KAP revenue for the year ended 30 June 2012

PERIOD UNDER REVIEW
MANUFACTURING

Gross revenue increases by 7% to R5 076m	⬆ (2012: R4 730m)*
Operating profit increases by 23% to R297m	⬆ (2012: R242m)*

- Automotive (Feltex) revenue supported by strong vehicle manufacturing demand
- PET (Hosaf) efficiencies and growing demand supports performance
- Raw material price volatility hinders Vitafoam's performance
- Improved performance from DesleeMattex and BCM
- Challenging retail environment impacts on Jordan, although industrial footwear performed well

INDUSTRY *IN MOTION*™

*Includes traditional KAP FY12 results

FINANCIAL PERFORMANCE

JOHN HAVEMAN
CFO

INDUSTRY IN MOTION™

FINANCIAL HIGHLIGHTS

	Jun 2013	Jun 2012	% increase
Revenue* (Rm) from continuing operations	**14 360**	10 481	37
Operating profit before capital items (Rm) from continuing operations	**1 330**	1 098	21
Cash generated from operations (Rm)	**2 254**	1 906	18
Headline earnings per share (cents)	**29.1**	24.2	20

* *Reclassification of R 291 million was done between revenue and cost of sales in the Logistics segment to bring prior year disclosure in line with current year disclosure. This change had a nil impact on operating profit.*

INCOME STATEMENT

	Rand million		
	Jun 2013	**Jun 2012**	**% increase**
Revenue	**14 360**	10 481	37
Operating profit before capital items	**1 330**	1 098	21
Capital items	**20**	81	
Operating profit	**1 350**	1 179	15
Net finance costs	**(368)**	(381)	
Associate companies	**9**	11	
Profit before taxation	**991**	809	22
Taxation	**(274)**	(218)	
Profit from continuing operations	**717**	591	21
(Loss)/profit from discontinued operations	**(6)**	5	
Minorities	**(34)**	(22)	
Net profit	**677**	574	18

INDUSTRY *IN MOTION*™

CAPITAL ITEMS

	Rand million	
	Jun 2013	**Jun 2012**
From continuing operations		
Foreign currency translation reserve released on disposal of subsidiary	**-**	6
Impairments	**(29)**	(24)
Gain on bargain purchase	**-**	93
Profit on sale of property, plant and equipment	**49**	6
Gross capital items	**20**	81
Taxation	**(5)**	3
Capital items after taxation	**15**	84

INDUSTRY *IN MOTION*™

CONSOLIDATED BALANCE SHEET

	Rand million	
	Jun 2013	**Jun 2012**
Property, plant and equipment & investment properties	**6 413**	6 129
Intangible assets and goodwill	**1 311**	1 311
Biological assets	**1 761**	1 656
Net working capital and short term loans	**339**	777
Other assets	**202**	159
Net assets held for sale	**284**	15
Assets	**10 310**	10 047
Total equity	**6 301**	5 683
Net interest-bearing borrowings	**3 079**	3 540
Interest-bearing borrowings	**4 411**	4 886
Cash and cash equivalents	**(1 332)**	(1 346)
Other liabilities	**930**	824
Equity and liabilities	**10 310**	10 047
Net asset value per share (cents)	**263**	238

INDUSTRY *IN MOTION*™

TIMBER PLANTATIONS

	Rand million	
	Jun 2013	Jun 2012
Opening balance	**1 651**	1 446
Acquired on acquisition of subsidiary	**-**	74
Net revaluation	**105**	131
Closing balance	**1 756**	1 651

INDUSTRY *IN MOTION*™

CONSOLIDATED CASH FLOW

	Rand million	
	Jun 2013	Jun 2012
EBITDA	**2 083**	1 727
Non-cash items	**(54)**	(100)
Cash generated before working capital changes	**2 029**	1 627
Working capital changes	**225**	279
Inventory	**(136)**	(11)
Accounts receivable	**(73)**	176
Accounts payable	**434**	114
Cash generated from operations	**2 254**	1 906
Interest	**(372)**	(375)
Taxation	**(133)**	(68)
Dividends	**(158)**	(3)
Net cash inflow from operating activities	**1 591**	1 460

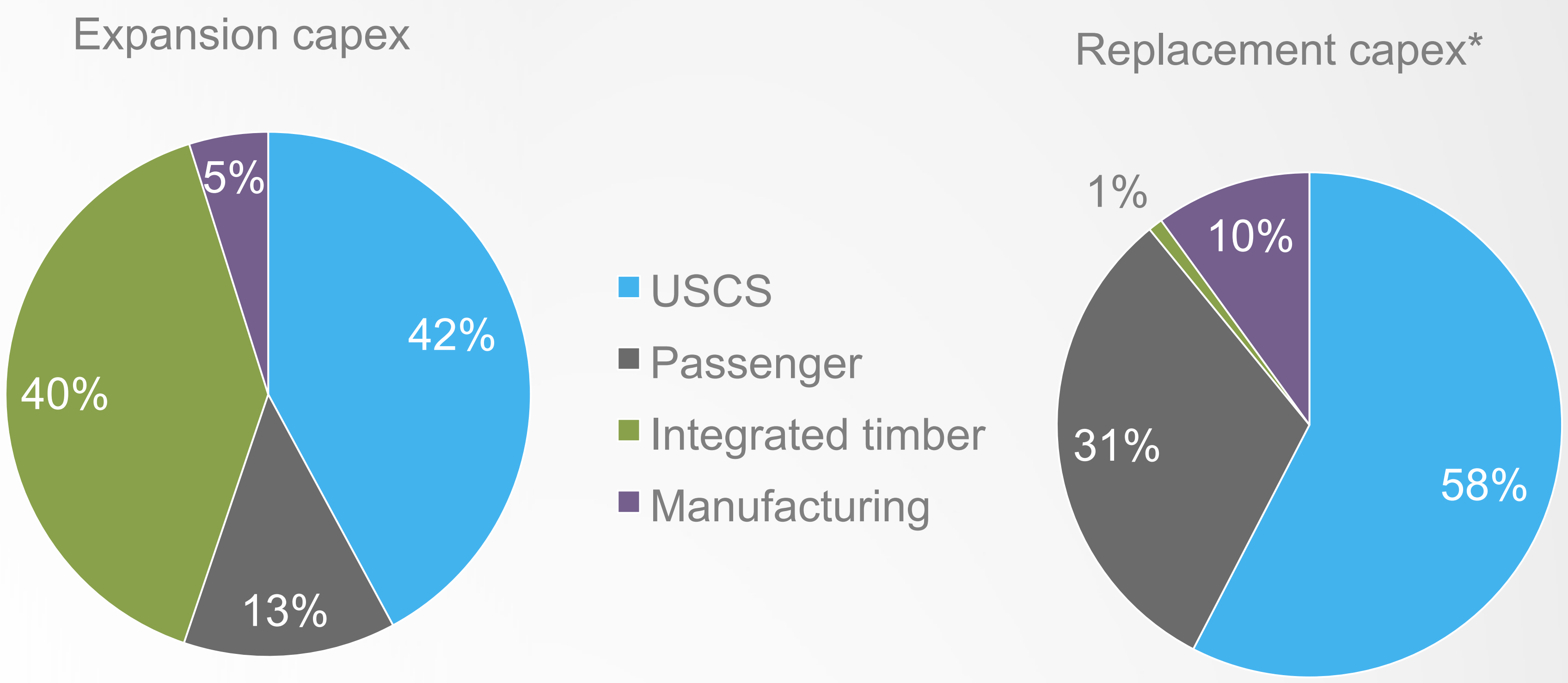
INDUSTRY *IN MOTION*™

CONSOLIDATED CASH FLOW
CONTINUED

	Rand million	
	Jun 2013	**Jun 2012**
Cash inflow from operating activities	**1 591**	1 460
Investing activities	**(1 167)**	(617)
Expansion capex	**(596)**	(419)
Replacement capex, net of disposals and government grants	**(470)**	(346)
(Acquisitions)/disposals of subsidiaries	**(101)**	148
Cash flow after investing activities	**424**	843
Financing activities	**(478)**	(253)
Movement in cash and cash equivalents	**(54)**	590

INDUSTRY *IN MOTION*™

CAPITAL EXPENDITURE
SEGMENTAL BREAKDOWN



INDUSTRY *IN MOTION*™

Replacement capex allocation calculated as breakdown of PPE additions (R651m)

CAPITAL STRUCTURE

	Jun 2013	Jun 2012
Total equity (Rm)	**6 301**	5 683
Ordinary shareholders' funds (Rm)	**6 166**	5 564
Minority interests (Rm)	**135**	119
Net interest-bearing debt (Rm)	**3 079**	3 540
Net debt to equity (%)	**50%**	64%
EBITDA interest cover (times)	**5.7**	4.5
Net debt to EBITDA (times)	**1.5**	2.0

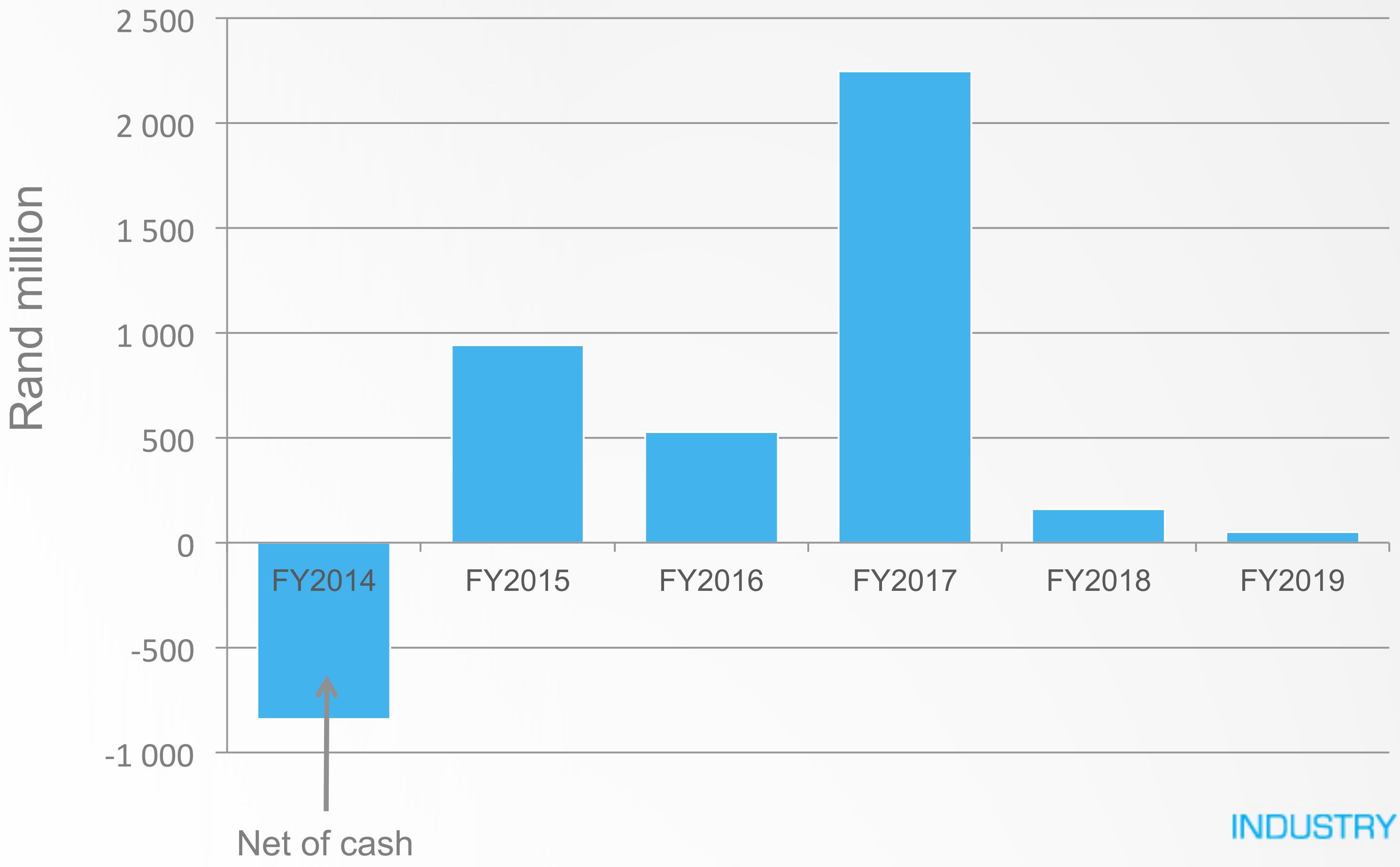
INDUSTRY *IN MOTION*™

NET INTEREST-BEARING DEBT

	Rand million	
	Jun 2013	**Jun 2012**
Net interest-bearing debt	**3 079**	3 540
Steinhoff	**3 242**	3 647
Other	**(163)**	(107)
Movement in net debt		
Opening balance	**3 540**	3 711
Repayment of Steinhoff loan	**(405)**	(50)
Net debt raised/(repaid)	**(56)**	(121)
Closing balance	**3 079**	3 540

INDUSTRY *IN MOTION*™

MATURITY OF NET INTEREST-BEARING DEBT



INDUSTRY IN MOTION™

DIVIDEND

	Jun 2013	Jun 2012	% increase
Headline earnings per share (cents)	**29.1**	24.2	20
Dividend declared per share (cents)	**8**	6	33
Headline earnings cover (times)	**3.6**	4.0	

INDUSTRY *IN MOTION*™

OUTLOOK

JO GROVÉ
CEO

OUTLOOK

LOGISTICS

- Economic outlook expected to remain challenging
- Focus on cost containment and heightened efficiencies
- Capitalise on increased supply chain and passenger contracts in Africa

INTEGRATED TIMBER

- Focus on revenue growth and cost efficiencies
- MDF (medium-density fibreboard) upgrade completed by October 2013

MANUFACTURING

- Automotive (Feltex): Volumes expected to grow despite planned vehicle model change-overs
- PET (Hosaf): Strong PET market demand expected to continue

NEW OPPORTUNITIES

INDUSTRY *IN MOTION*™

KAP

THANK YOU

APPENDIX

INDUSTRY IN MOTION™

TAX RATE

	Jun 2013 %	Jun 2012 %
RSA statutory tax rate	**28**	28
Tax rate adjustments		
Effect of profit of associate companies	**(0.3)**	(0.4)
Prior year adjustments	**(0.3)**	(0.1)
Capital gains taxation	**0.3**	-
Unrecognised taxation losses and deductible temporary differences	**(0.3)**	-
Permanent differences, items charged at capital rates and other	**0.2**	(5.0)
Deferred taxation rate adjustments	**-**	4.8
Different statutory taxation rates of subsidiaries in foreign jurisdictions	**-**	(0.3)
Effective tax rate	**27.6**	27.0
	Rand million	
Current tax	**130**	100
Deferred tax	**144**	118
Total tax charge	**274**	218
Group assessed losses	**2 426**	2 743

INDUSTRY *IN MOTION*™

SHARES IN ISSUE

	Millions	
	Jun 2013	Jun 2012
Shares in issue		
Opening balance	**2 337**	1 913
Shares issued during the year	**9**	424
Closing balance	**2 346**	2 337
Diluted, weighted shares in issue		
Shares in issue – opening balance	**2 337**	1 913
Weighted effect of shares issued during the year	**5**	106
Weighted shares in issue	**2 342**	2 019
Dilutive effect of share schemes	**9**	13
Diluted, weighted shares in issue	**2 351**	2 032