

KAP Industrial Holdings Limited

Unaudited results for the six months ended 31 December 2016

Revenue
up by 10%
to R9bn

Operating profit
up by 24%
to R1.1bn

Headline earnings per share
up by 18%

Cash generated from operations
up by 27%

Net asset value
up by 17%

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 non-executive directors

KAP Industrial Holdings Limited (KAP) is a JSE-listed diversified industrial group focused on growth in Africa.

Operational review

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 operational results for the period.

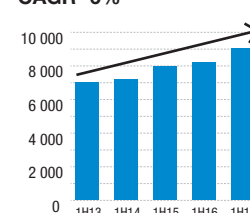
Revenue for the **diversified logistics** segment increased by 9% to R4 473 million while the **operating profit** of the segment increased by 2% to R488 million.

Revenue for the **diversified industrial** segment increased by 12% to R4 637 million while the **operating profit** of the segment increased by 49% to R624 million.

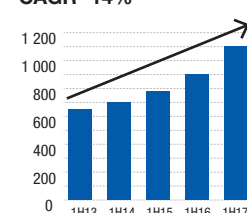
Financial overview

	Dec 2016 Unaudited	Dec 2015 Unaudited	% change
Revenue (Rm)	9 033	8 189	10
Operating profit before capital items (Rm)	1 112	898	24
Cash generated from operations (Rm)	495	391	27
Headline earnings (cents per share)	25.2	21.4	18
Basic earnings (cents per share)	25.3	21.2	19
Net asset value (cents per share)	387	330	17
Segmental revenue (Rm)			
Diversified logistics	4 473	4 099	9
Diversified industrial	4 637	4 142	12
Intersegment revenue elimination	(77)	(52)	
TOTAL	9 033	8 189	10
Segmental operating profit (Rm)			
Diversified logistics	488	478	2
Diversified industrial	624	420	49
TOTAL	1 112	898	24

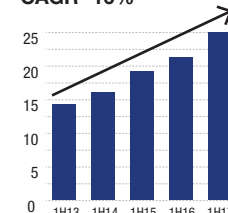
Revenue (Rm)
CAGR* 6%



Operating profit (Rm)
CAGR* 14%



HEPS (cents)
CAGR* 16%



* Compound annual growth rate

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 group'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
 13 February 2017

KAP

Integrated into every day

KAP Industrial provides products and services that touch people's lives every day. Through its six divisions, KAP transports essential products like fuel, cement and food; provides passenger transport; and manufactures a range of everyday products used in your home, car and place of work.

The group provides **contractual logistics services** for bulk commodities like fuel, cement, agriculture and food, using specialised transport equipment under the Unitrans brand. **Personnel, commuter, tourist and intercity passengers** are transported through a range of brands, including Megabus, Mega Coach, Greyhound and Citiliner. KAP also **manufactures a broad range of products** in large-scale, state-of-the-art factories that supply to industrial and retail customers. Products include timber; chipboard and medium-density fibreboard (MDF); polyethylene terephthalate (PET), which is used to make plastic packaging; automotive components and accessories used in all major car brands; and bedding products.



Diversified logistics: **48%** of revenue

Diversified industrial: **52%** of revenue

