

CONDUIT CAPITAL LIMITED
Incorporated in the Republic of South Africa
(Registration number 1998/017351/06)
Share code: CND ISIN: ZAE000073128
("Conduit" or "the group")

TRADING STATEMENT

In terms of the Listings Requirements of JSE Limited, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the period to be reported on will differ by more than twenty percent from that of the previous corresponding period. Accordingly, a review by management of the financial results for the year ended 30 June 2016 has indicated that:

1. the loss per share is expected to be between 8.4 cents and 7.0 cents compared to the earnings per share of 13.2 cents for the ten months ended 30 June 2015;
2. the headline loss per share is expected to be between 3.6 cents and 2.0 cents compared to the headline earnings per share of 13.4 cents for the ten months ended 30 June 2015; and
3. net asset value per share ("NAV") is expected to be between 173.7 cents and 175.1 cents, reflecting a decrease of between 2.2% and 1.4% compared to the NAV of 177.6 cents as at 30 June 2015.

Earnings per share includes an impairment to the group's investment in an associate, which is excluded from the calculation of headline earnings per share. The decline in earnings per share and headline earnings per share is driven primarily by new business reserving strain¹ in the insurance division and mark-to-market losses in the group's equity portfolio.

The financial information on which this trading statement is based has not been reviewed or reported on by the group's auditors. Conduit's audited financial results for the year ended 30 June 2016, including further information on the performance of the group, are expected to be released on SENS on or before 30 September 2016.

Johannesburg
28 September 2016

Sponsor
Merchantec Capital

¹ New business reserving strain occurs during the first year of the introduction of new insurance business when an IBNR reserve (for claims Incurred But Not Reported) needs to be established for the new business. After the first year, the reserve only has to be maintained, which has a less pronounced impact on earnings.