

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 six months ended 31 December 2016 has indicated that:

1. the loss per share is expected to be between 10.0 cents and 10.8 cents compared to the earnings per share of 3.8 cents for the six months ended 31 December 2015; and
2. the headline loss per share is expected be between 8.5 cents and 9.3 cents compared to the headline earnings per share of 3.8 cents for the six months ended 31 December 2015.

The decrease is due primarily for reasons previously disclosed to shareholders in our 2016 Integrated Annual Report, namely:

- Higher claims before premium increases in a large accident and health book in our insurance business. Premium increases were instituted on 1 January 2017 in order to turn this book profitable;
- Higher provisions associated with the large increase in net premium written (before solvency reinsurance);
- Additional costs and investments in people, infrastructure, information technology systems and business processes which are necessary to support the growth of the insurance companies ahead of anticipated premium growth; and
- Business combination expenses associated with the acquisition of Midbrook Lane (Proprietary) Limited and Snowball Wealth Proprietary Limited (these expenses are excluded from the calculation of headline earnings per share).

The financial information on which this trading statement is based has not been reviewed or reported on by the group's auditors. Conduit's interim results for the six months ended 31 December 2016, including further information on the performance of the group, are expected to be released on SENS on or about 22 February 2017.

Johannesburg
17 February 2017

Sponsor
Merchantec Capital