

Invicta Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1966/002182/06)  
Ordinary Share code: IVT Ordinary Share ISIN ZAE000029773  
Preference Share code: IVTP Preference Share ISIN: ZAE000173399  
("Invicta" or "the Company")

---

## **TRADING STATEMENT FOR THE TWELVE MONTHS PERIOD ENDED 31 MARCH 2016**

---

In terms of section 3.4(b) of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the reporting period will be at least 20% different from that of the prior reporting period.

The Board wishes to advise shareholders that the Company's operating profit for the year to March 2016 is expected to decline between 15% and 20% (a decrease of between R152 million and R203 million) when compared to the operating profit of R1 014 million reported for the prior period. Profit attributable to ordinary shareholders is expected to decline between 25% and 30% (a decrease of between R145 million and R174 million) compared to attributable profit of R579 million reported for the prior reporting period.

Invicta's business operations have shown resilience in exceptionally difficult trading conditions, but have struggled to maintain last year's levels of performance. All three segments of the business showed a decline in operating profit. The decline in performance has been exacerbated by once-off costs incurred this year relating to the relocation of the BMG (Bearing Man Group) head office from Durban to Johannesburg, the costs associated with the development of the new BMG central logistics hub in Johannesburg, and the exclusion of the once-off profit of R69 million that arose in the prior period on the purchase of the remaining 25% share in Kian Ann Engineering. The BMG projects are expected to yield significant efficiencies and additional capacity in the future. Further to this, the attributable profit has further been effected by the businesses incurring higher than normal foreign exchange costs due to increasing interest rates and significant exchange rate volatility experienced during the period.

Shareholders are reminded of the rights issue undertaken on 16 February 2015 which raised R2 250 million through the issue of approximately 33 million shares, which increased the number of shares in issue by 44%. The weighted average number of shares in issue for the year under review increased by 37%, which has had a dilutive effect on earnings per share ("EPS") and headline earnings per share ("HEPS"). Shareholders who followed their rights would hold approximately 44% more shares and this increased number of shares would offset the dilution in earnings per share.

EPS for the year ended 31 March 2016 are expected to decrease in a range of 45% to 50% (a decrease of between 334 cents and 371 cents) compared to 742 cents reported for the prior period. HEPS for the year ended 31 March 2016 are expected to decrease in a range of 47% to 52% (a decrease of between 342 cents and 378 cents) compared to 727 cents reported for the prior period.

Invicta will maintain its dividend policy of a cover ratio of 2.75 x based on normalised attributable earnings.

It is pleasing to report that early indications from trading in the new financial year are that trading conditions appear to be improving.

The financial results on which this trading statement is based and the forward looking statement have not been reviewed or reported on by the Company's auditors. It is anticipated that the financial results for the twelve months ended 31 March 2016 will be published on or about 14 June 2016.

	12 months to 31 March 2015	12 months to 31 March 2016	12 months to 31 March 2016
	Actual	Expected change percentage	Expected values
Operating profit	R1 014 million	-15% to -20%	R811 to R862 million
Attributable profit to ordinary shareholders	R579 million	-25% to -30%	R405 to R434 million
EPS	742 cents	-45% to -50%	371 to 408 cents
HEPS	727 cents	-47% to -52%	349 to 385 cents

Cape Town  
7 June 2016

Sponsor  
Deloitte & Touche Sponsor Services (Pty) Ltd