

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" or the "Group")

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## **SETTLEMENT WITH SOUTH AFRICAN REVENUE SERVICE ("SARS") AND TRADING STATEMENT**

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Shareholders are referred to Invicta's trading statement released on SENS on 15 June 2018 ("prior SENS announcement"), and the Company's Audited Annual Consolidated Financial Statements for the year ended 31 March 2018, wherein the Company announced an additional R400 million taxation provision relating to certain transactions ("the transactions") that Invicta entered into several years ago. This additional provision increased the total amount provided for in respect of these transactions to R550 million at 31 March 2018.

As stated in the prior SENS announcement the board remains of the view "that the transactions are tax compliant. However, the board is also of the view that the ongoing uncertainty is affecting the Group and hampering its ability to use equity to fund expansion, and therefore that a pragmatic solution which provides certainty is preferable to potentially protracted and costly litigation which would also require significant management time and result in material opportunity cost for the Group."

Shareholders are advised that settlement has been reached with SARS, in terms of which Invicta will pay a total amount of R750 million over the course of the next four years. This will result in Invicta raising an additional taxation provision of R200 million during the current financial year.

The payment terms provide that R300 million is payable within 30 days of 27 September 2018 ("the First Payment"), R100 million per annum is payable for the next three years on or before the first, second and third anniversary dates of the First Payment, and R150 million is payable on or before the fourth anniversary date of the First Payment. The Company has the right to accelerate any of the payments. Interest will be charged on all outstanding amounts until date of payment in terms of the Income Tax Act, 58 of 1962.

The settlement amount is in full and final settlement of SARS's disputes in relation to the transactions (which have either matured or been unwound, as the case may be) and will enable Invicta to move on and to focus on its business.

## **TRADING STATEMENT IN TERMS OF PARAGRAPH 3.4(b) OF THE JSE LIMITED LISTINGS REQUIREMENTS**

Should the results for the six months ending 30 September 2018 be in line with those of the previous corresponding period, the effect of the settlement and the resulting additional taxation provision would result in the Company's profit attributable to ordinary shareholders for the six months ending 30 September 2018 decreasing by 77% (R200 000 000), off a base of R260 651 000 reported for the previous corresponding period.

Using this same basis, Earnings Per Share ("EPS") would decrease by 77% (187 cents), off a base of 244 cents reported for the previous corresponding period, Headline Earnings Per Share ("HEPS") would decrease by 82% (187 cents), off a base of 227 cents reported for the previous corresponding period.

The financial results on which this trading statement is based have not been reviewed or reported

on by the Company's auditors. It is anticipated that the financial results for the six months ending 30 September 2018 will be published on or about 19 November 2018 and a further trading update will be made closer to the time if appropriate.

Cape Town  
27 September 2018

Sponsor  
Deloitte & Touche Sponsor Services (Pty) Ltd