

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 31 August 2014 has indicated that headline earnings, earnings per share ("EPS"), headline earnings per share ("HEPS"), net asset value per share ("NAV") and tangible net asset value per share ("TNAV") are expected to be as follows:

	Unaudited year ended 31 Aug 2014	Audited year ended 31 Aug 2013	Change	Percentage increase
Headline earnings (R'000)	40 159	39 980	179	0.4%
EPS (cents)	45.4	15.5	29.9	192.9%
HEPS (cents)	15.7	15.6	0.1	0.6%
NAV (cents)	167.9	122.5	45.4	37.1%
TNAV (cents)	120.6	104.2	16.4	15.7%
Number of shares in issue, net of treasury shares ('000)	256 377	256 377		
Weighted average number of shares ('000)	256 377	255 982		

As previously reported, with effect from 1 September 2013 our interest in credit recovery and debt management specialist, Anthony Richards and Associates Proprietary Limited ("ARA"), would be accounted for as an associate - doing away with the Direct segment entirely. The change in accounting treatment required that we fair value our 40% interest in the company and bring to book R75.55 million (29.5 cents per share) in earnings and net asset value. Whilst we view the resultant contribution to 2014 EPS as cosmetic (and rightly excluded from HEPS), we are satisfied that the identical one-off adjustment to NAV reveals a more realistic valuation of the asset.

Where headline earnings for the first half of the year trailed the comparative period by 14.3% (largely as a result of an anomaly in the 2013 tax line), by year-end the shortfall was eliminated and - above all the accounting and tax clutter - headline earnings of R40.16 million narrowly eclipsed last year's R39.98 million.

In 2013, as a subsidiary, the ARA results were consolidated. In 2014, as an associate, the earnings were equity accounted and skewed by the fair value adjustment. To make comparison with the corresponding 12-month period more meaningful, were we to disregard the ARA revaluation and include our share of ARA's profits on a like-for-like equity accounted basis in 2013 and 2014, the resultant profit before tax of R47.30 million for 2014 would compare favourably with the R45.08 million posted in 2013.

Net asset value, including the ARA fair value adjustment, advanced to R430.45 million or 167.9 cents per share. TNAV increased 16.4 cents to 120.6 cents (R309.27 million). A profit on the

disposal of a joint venture asset (excluded from headline earnings) accounts for the difference between HEPS and the increase in TNAV. The group remains completely debt free.

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 results for the year ended 31 August 2014 are expected to be released on or about 27 November 2014.

Johannesburg
17 November 2014

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