



Novus Holdings Limited
(Incorporated in the Republic of South Africa)
JSE share code: NVS
ISIN: ZAE000202149
Registration number: 2008/011165/06
("Novus Holdings", "the Company")

TRADING UPDATE

In accordance with paragraph 3.4(b) of the Listings Requirements of the JSE, shareholders are advised that the Group is satisfied that a reasonable degree of certainty exists that the financial results to be reported on for the year ended 31 March 2018 will differ by 20% or more from the financial results of the previous corresponding reporting period.

Factors that negatively impact the Group's earnings per share ("EPS") relative to the comparative period result from the recently renegotiated printing agreement with Media24, the terms of which were disclosed in the announcement disseminated on the Stock Exchange News Service on 26 March 2018, as the Group aims to mitigate the anticipated financial impact thereof on future earnings. Measures taken to date include the closure of Paarl Coldset Pietermaritzburg on 31 March 2018 and the decommissioning of unutilised production equipment at other locations. This resulted in an impairment of impacted assets down to its recoverable amounts, as well as the retrenchment of staff across the Group.

Furthermore, the decrease in EPS is exacerbated by impairments to its Tissue division, which includes both operating assets and goodwill, to reflect an updated valuation of anticipated results to be achieved from this investment.

The total value of the impairments, mainly as a result of the above, is estimated to be between R300m and R350m on PPE and intangibles, and between R60m and R70m on goodwill. For the year ended 31 March 2018, the depreciation charge associated with the impaired assets amounted to R43m. As a result of the mitigating actions described above, the Group incurred retrenchment costs of R23m in the period. Staff costs of R64m were incurred on affected positions during the year ended 31 March 2018.

Management is currently implementing and investigating further measures that will reduce the impact of the renegotiated Media24 printing agreement.

In the light of the above factors, shareholders are advised that the Group expects its basic EPS for the year ended 31 March 2018 to be lower than the corresponding period by at least 60 cents (75%), when compared to the reported EPS of 80.4 cents for the previous corresponding reporting period. Currently, the Group's headline earnings per share ("HEPS") is not expected to be differing by more than 20%, when compared to the reported HEPS of 110.8 cents for the previous corresponding reporting period.

A further trading statement will be released as soon as reasonable certainty has been obtained and the year-end process has been concluded, to provide shareholders with further detail regarding the Group's earnings ranges for basic EPS and HEPS, as required by the JSE Listings Requirements.

The financial information on which this trading statement is based has not been reviewed or reported on by the external auditors of Novus Holdings.

Cape Town

30 April 2018

Sponsor: Investec Bank Limited