PRESS RELEASE

The most volatile agricultural cycle in the existence of Senwes.

The most severe El Niño drought phenomenon in history prevailed during the past season. This was in succession to an already dry 2014/15 season and is largely responsible for the weaker results of Senwes' operational divisions, subsidiaries and joint ventures.

The financial results of the Senwes Group for the 2015/2016 financial year reflect a turnover of R9,2 billion (an increase of 5,4%) and a profit after tax of R156 million (a decrease of 36,8% compared to the previous year). The normalised headline earnings is 79,3 cents/share (175,2 cents/share - 2014/2015). However, cash of R164 million was generated from operating activities, after the payment of dividends and interest of R89 million and R164 million respectively.

The return on equity amounts to 8,5% and as a result Senwes reserved more capital in order to provide for risks.

Dividends

The board of directors declared a final dividend of 20 cents per share (2015 - 26 cents) for the financial year ended 30 April 2016, subject to the approval of shareholders at the annual general meeting.

Key Financial Ratios:

- Diluted normalised headline earnings is 74 cents, (164 cents last year).
- Earnings per share is 90,6 cents.
- Return on opening equity of 8,5%.
- An increase in net asset value of 48,7 cents per share.
- Dividend yield of 3,9% on opening market price which represents a dividend of 45 cents per share.

Prospects

Due to the 32% decrease in hectares planted for the 2016/17 marketing season and low crop yield expectations on the 68% hectares which were planted, Senwes is expecting a challenging 2016/17 financial year. Although the increased commodity prices partially make up for the decreased volumes, expectations are that the producer client will first normalise
debt levels before resuming spending on capital goods. In addition input products for hectares which were not planted were purchased during the previous financial year and retail and direct input businesses will not be able to market their products from the normal basis. The grain business will experience the full impact of the downscaling, as well as the lower crop yields, and will have to start the new year with very low carry-over stock levels.

The drought impacted on the largest part of the summer and winter crop areas of South Africa to a lesser or greater extent, which means that opportunities will also arise during these times. Senwes will continue to increase its focus on the client by means of co-ordinated Integration, by proactively addressing the requirements of the client and by offering business solutions.

Emargo: 1 July 2016.

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