

Stefanutti Stocks Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1996/003767/06)  
Share code: SSK ISIN: ZAE000123766  
("Stefanutti Stocks" or "the Group")

## **TRADING STATEMENT**

In terms of paragraph 3.4 (b) of the Listings Requirements of the JSE Limited, the board of directors of Stefanutti Stocks hereby provides shareholders with a trading update of the Group's results for the year ended 28 February 2019.

The Group has adopted International Financial Reporting Standards (IFRS) 9: *Financial Instruments*, IFRS 15: *Revenue from Contracts with Customers* and IFRS 16: *Leases* effective 1 March 2018. As a consequence of the adoption of the above IFRS standards, the prior year's comparative earnings per share and headline earnings per share have been restated.

As previously reported, the Building business unit is pursuing a number of contractual claims and compensation events on a large public sector power project in South Africa. However, in terms of IAS 37: *Provisions, Contingent Liabilities and Contingent Assets*, the Group has provided R263 million in the current financial year, for potential unrecoverable preliminary and general costs to complete the project. Notwithstanding this provision, the Group continues to actively pursue its contractual rights in terms of the dispute resolution process as set out in the contract.

As a result of the provision, earnings per share is expected to be a loss of between 60,00 cents and 70,00 cents per share, whereas headline earnings per share is expected to be a loss of between 65,00 cents and 75,00 cents per share. The corresponding 2018 restated reporting period reflected earnings per share reported as a loss of 317,77 cents whilst headline earnings per share reflected a profit of 67,51 cents.

The financial information on which this trading statement is based has not been reviewed or reported on by the Group's auditors.

The release of the results for the year ended 28 February 2019 is anticipated to be published on 30 May 2019.

Johannesburg  
16 May 2019  
Sponsor: Bridge Capital Advisors Proprietary Limited