

**ESOR LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 1994/000732/06)

JSE code: ESR

ISIN: ZAE000184669

("Esor" or "the Company")

**TRADING STATEMENT**

In terms of paragraph 3.4 of the listings requirements of the 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 20% from that of the previous corresponding period.

Esor is currently finalising its financial results for the year ended 28 February 2017 and shareholders are advised that the company expects basic loss per share to be between 38.0 and 38.2 cents compared to a basic earnings per share of 1.0 cent from the previous corresponding period, representing a decrease between 3900% and 3920%.

The Company expects headline loss per share to be between 22.96 and 25.84 cents compared to headline earnings per share of 14.4 cents from the previous corresponding period, representing a decrease between 259% and 279%.

Shareholders are advised that the profit from operations has been negatively affected by losses incurred on the Northern Aqueduct pipeline project for eThekweni of R102 million. Insurance claims have been submitted against the professional indemnity policy, that covers professional negligence by subcontractors, and to date we have accounted for R48 million in insurance recovery. Further insurance claims are being pursued.

Profit before tax was further negatively impacted by the following non-recurring items:

- Impairment of goodwill to the amount of R50 million; and
- Write-down of R51 million on the contingent consideration being the profit earn-out portion following the sale of the business carried on by Franki Africa in 2013.

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

The company's financial results for the year ended 28 February 2017 are expected to be released on SENS during the week ending 26 May 2017.

Germiston  
4 May 2017

Sponsor  
Vunani Corporate Finance