

ITALTILE LIMITED CONDENSED GROUP RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015 AND CAUTIONARY ANNOUNCEMENT



System-wide turnover R3,08 billion 2014: R2,72 billion 13% increase	Trading profit R531 million 2014: R459 million 16% increase	Earnings per share 44,3 cents 2014: 36,7 cents 21% increase
Headline earnings per share 43,4 cents 2014: 35,7 cents 22% increase	Net asset value 332 cents 2014: 271 cents 23% increase	Dividends per share 14,0 cents 2014: 12,0 cents 17% increase

“In a competitive trading environment which rewards high quality customer service, our people gave us the edge.” Nick Booth, CEO

Overview

Italtile Limited is a franchisor and retailer of local and imported tiles, sanitaryware, bathware, laminated flooring and other related home-finishing products. The Group's Retail brands are CTM, Italtile Retail and TopT, comprising a total network of 133 stores in Southern and East Africa. The retail operation is strategically supported by a vertically integrated Supply Chain, investments in key suppliers, and an extensive property portfolio.

The performance reported for the six months under review is primarily attributable to:

- management's commitment to instilling retail excellence across the key customer-facing components of the Group's offering, which resulted in improved levels of customer satisfaction and increased sales for the period;
- the benefits realised from implementation of the Business Optimisation Programme in the Group's Supply Chain and Support Services divisions and expansion of the programme into the Retail brand operations; and
- the Group's strategic investments in its principal local suppliers, Ceramic Industries Proprietary Limited ("Ceramic") and Ezeetile, which delivered pleasing returns and continued to support the business's growth agenda.

Operations

Retail brands: All three of the Group's brands grew turnover and profit, and gained market share across most of their merchandise categories.

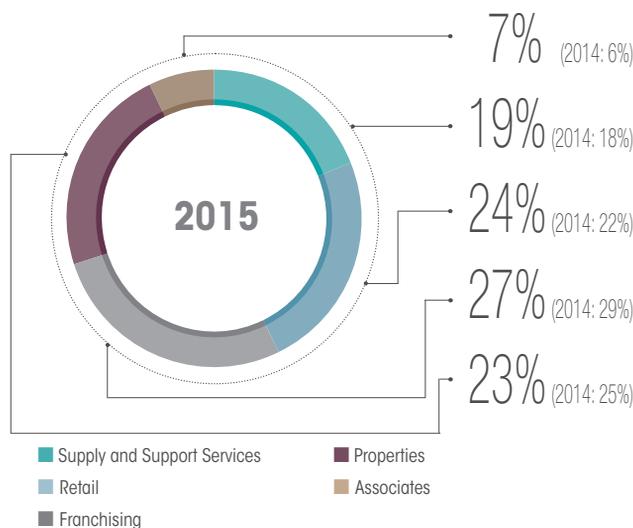
Supply Chain: Each of the component businesses, International Tap Distributors ("ITD"), Distribution Centre and Cedar Point, recorded improved sales and a notable improvement in stock management and cost containment.

Investment in associates: The total contribution to Group profits from its associates, Ceramic and Ezeetile, increased 63%.

Cautionary announcement

Italtile shareholders are advised that the Company has entered into discussions regarding potential corporate actions, which, if successful, may have a material effect on the price of the Company's securities. Accordingly, shareholders are advised to exercise caution when dealing in Italtile's securities until a further announcement in this regard is made.

Contribution to Group profit before tax



Short form announcement

This announcement is a summarised version of the full announcement in respect of Italtile's Reviewed Condensed Group results for the six months ended 31 December 2015. As such, it does not contain full or complete details pertaining to the Group's results. Any investment decisions should be based on consideration of the full announcement as published on SENS on 11 February 2016 and on the Group's website at www.italtile.com.

The full announcement is also available for inspection at the registered offices of Italtile and its sponsors, Merchantec Capital, during business hours, and copies may be obtained at no cost on request from the Company Secretary, who is contactable on +27 11 882 8200 or lizw@rootginger.co.za. This short form announcement is the responsibility of the directors.

Share code: ITE **ISIN:** ZAE000099123

Registration number: 1955/000558/06

Incorporated in the Republic of South Africa ("Italtile" or "the Group" or "the Company")

Registered office: The Italtile Building, cnr William Nicol Drive and Peter Place, Bryanston (PO Box 1689, Randburg 2125)

Transfer secretaries: Computershare Investor Services Proprietary Limited

Company Secretary: E J Willis **Sponsor:** Merchantec Capital **Auditor:** Ernst & Young Inc.



www.italtile.com