



ITALTILE Limited

Italtile Limited short form announcement for the year ended 30 June 2015

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 126 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 Group's improved performance reported in this review period is primarily attributable to better execution of retail principles and best practice in store, as well as enhancements in the key back-end functions: suppliers, systems and logistics.

OPERATIONS

Retail brands: The Group's retail operation performed soundly, demonstrated by each brand's double digit growth and gain in market share across most trading regions and merchandise categories.

Supply chain: Each of the businesses, ITD, Cedar Point and Distribution Centre, increased turnover and profitability, reflecting improved sales to the store network across the Group's brand portfolio.

Investment in associates: Italtile holds strategic stakes in its key suppliers, Ceramic Industries (Pty) Ltd and Ezeetile. These investments delivered a 114% improvement in total contribution to Group profits.

Financial highlights – year ended 30 June 2015

	TOTAL			CONTINUING OPERATIONS		
	2015 Reviewed	2014 Audited	% change	2015 Reviewed	2014 Audited	% change
System-wide turnover (Rm)*	5 225	4 492	16	5 225	4 461	17
Trading profit (Rm)	905	740	22	905	751	21
Earnings per share (cents)	75.9	55.3	37	75.9	57.4	32
Headline earnings per share (cents)	71.6	57.6	24	71.6	58.7	22
Net asset value (cents)	296	242	22	296	242	22
Dividends per share (cents)	25.0	19.0	32	25.0	19.0	32

*Aggregation of Group consolidated turnover and franchise store turnover (not reviewed).

"The first phase of the Group's Business Optimisation Programme, designed to grow the business and gain market share through delivering an optimum shopping experience for customers, was implemented in the back-end Supply Chain and Support Services divisions, delivering satisfactory results. In the second phase, the programme will be rolled out to the front-end retail operation, which is anticipated to provide further growth opportunities." *Nick Booth, CEO*

SHORT FORM ANNOUNCEMENT

This announcement is a summarised version of the full announcement in respect of Italtile's Reviewed Condensed Group results for the year ended 30 June 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 27 August 2015 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 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. The 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, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107)

Executive directors: N Booth (Chief Executive Officer), B G Wood (Chief Financial Officer), J N Potgieter (Chief Operating Officer)

Non-executive directors: G A M Ravazzotti (Non-executive Chairman), S M du Toit, S I Gama, N Medupe, S G Pretorius, A Zannoni* (*Italian)

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



www.italtile.com