

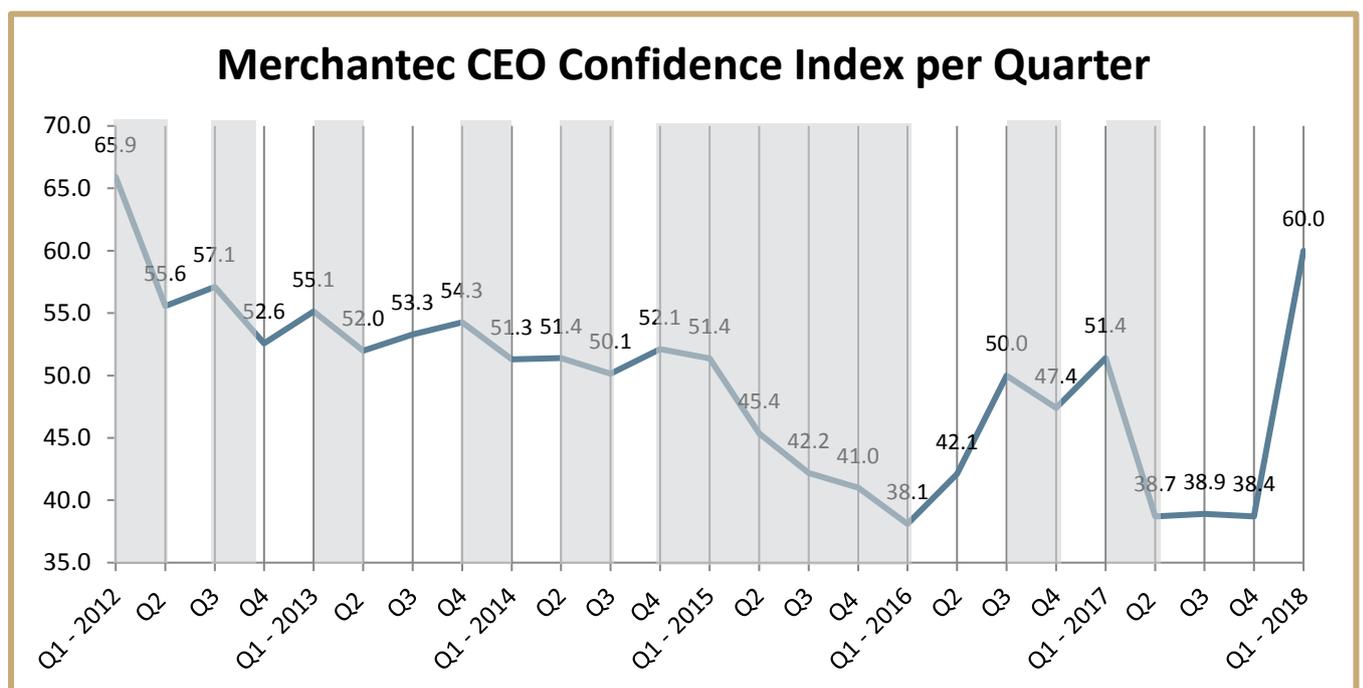
For more information please contact:
 Sabrina Manikkam, Merchantec Capital
 Tel: 011 325 6363
sabrinamanikkam@merchantec.co.za

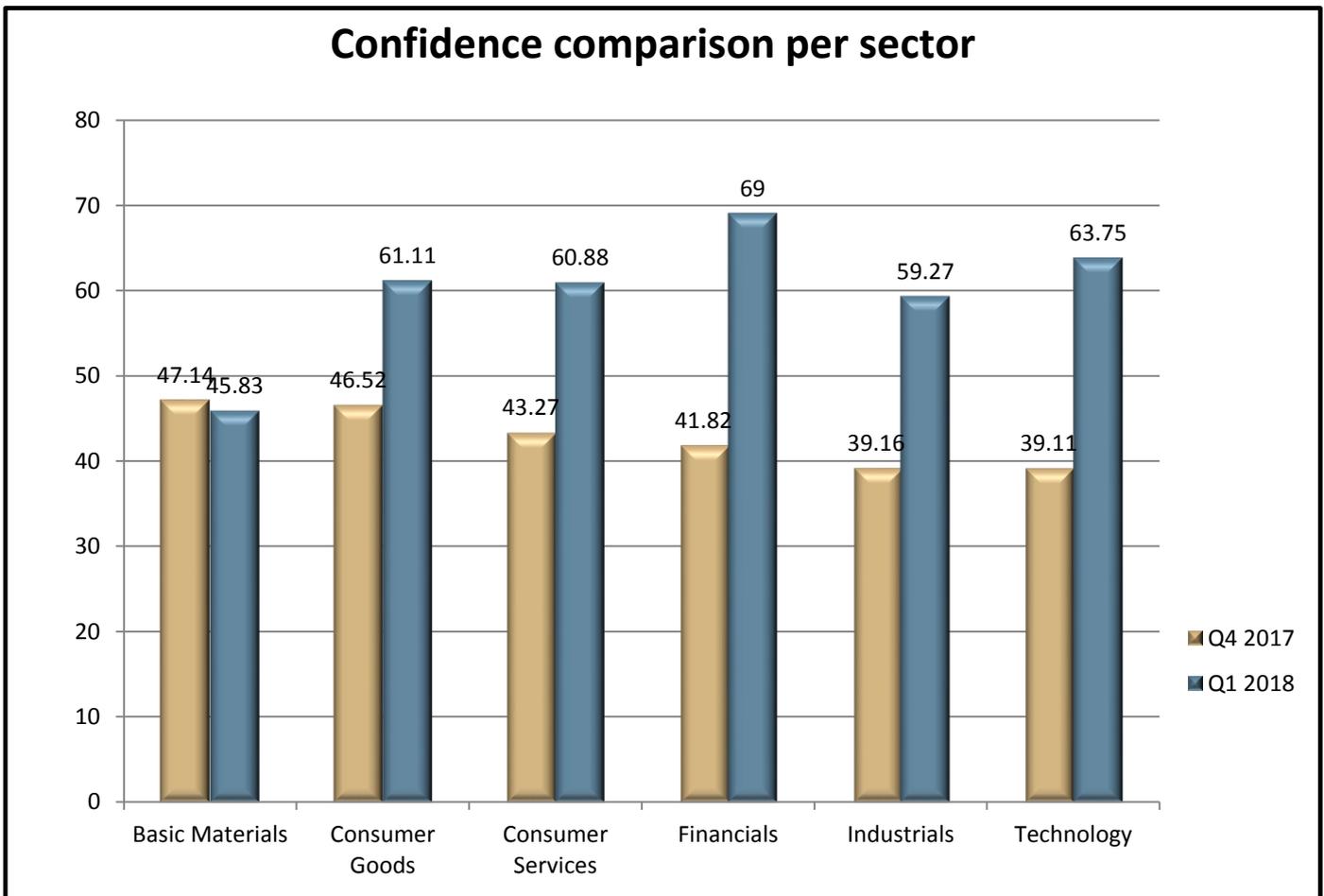
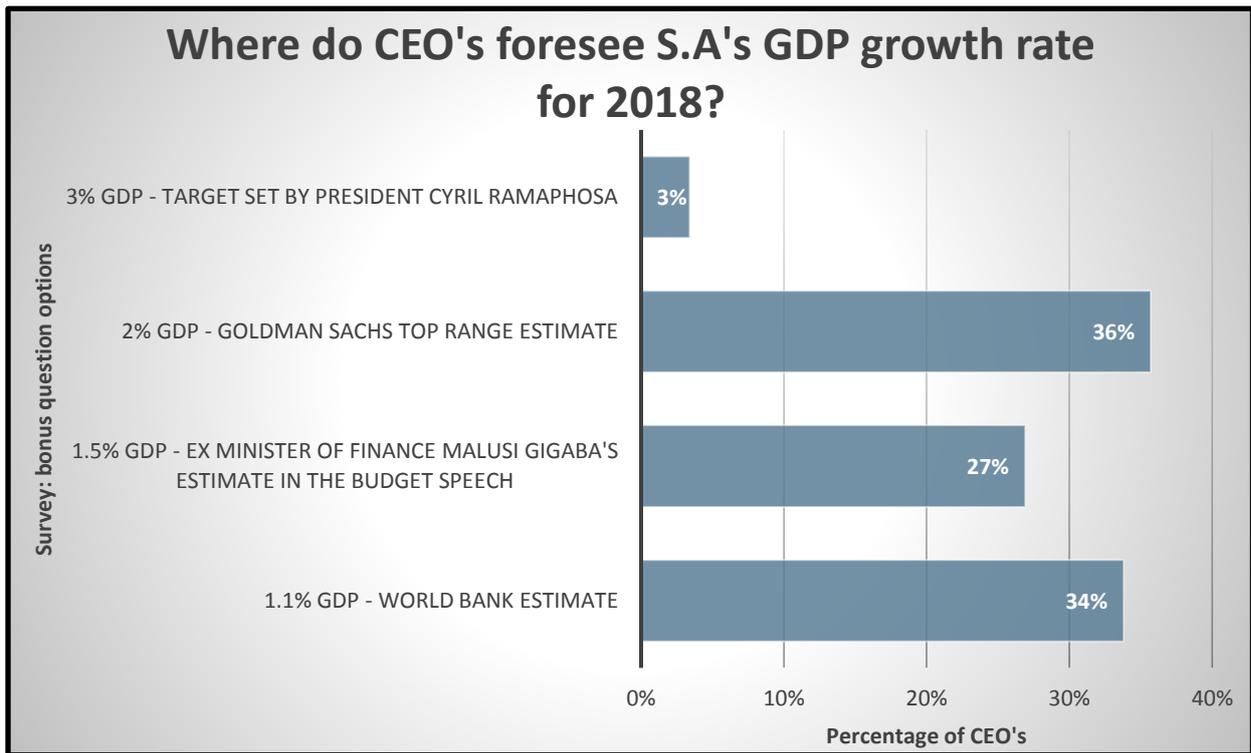
CEO's in high spirits on the back of the election of the new president.

The **Merchantec CEO Confidence Index** recorded a 56.18% increase in CEO confidence between Q4 of 2017 and Q1 of 2018 to a score of 60.0, finally moving above the neutral score line of 50 points, which was last seen in Q1 of 2017. These kind of levels in the overall CCI were last seen in 2012. Economic conditions and Industry growth were the biggest contributors to the massive CEO confidence leap.

Most CEO's have indicated that the election of the new president has had a positive boost on their business. Will this euphoria after the presidential change translate from optimism to actual material change, only time will tell. SA staving off the Moody's junk status contributed to investor confidence. Some CEO's are still sceptical over economic growth prospects following policy changes such as the recent VAT increase as well as the rumblings of land expropriation without compensation. One prominent CEO said that despite the "land issue", RSA's political outlook and business optimism has significantly improved since the December election.

The financial sector recorded the largest increase in overall confidence attributed to economic conditions, industry growth and company growth as major factors. The Industrials sector made a significant comeback being the second largest increase in CEO confidence citing company growth prospects as the reason.

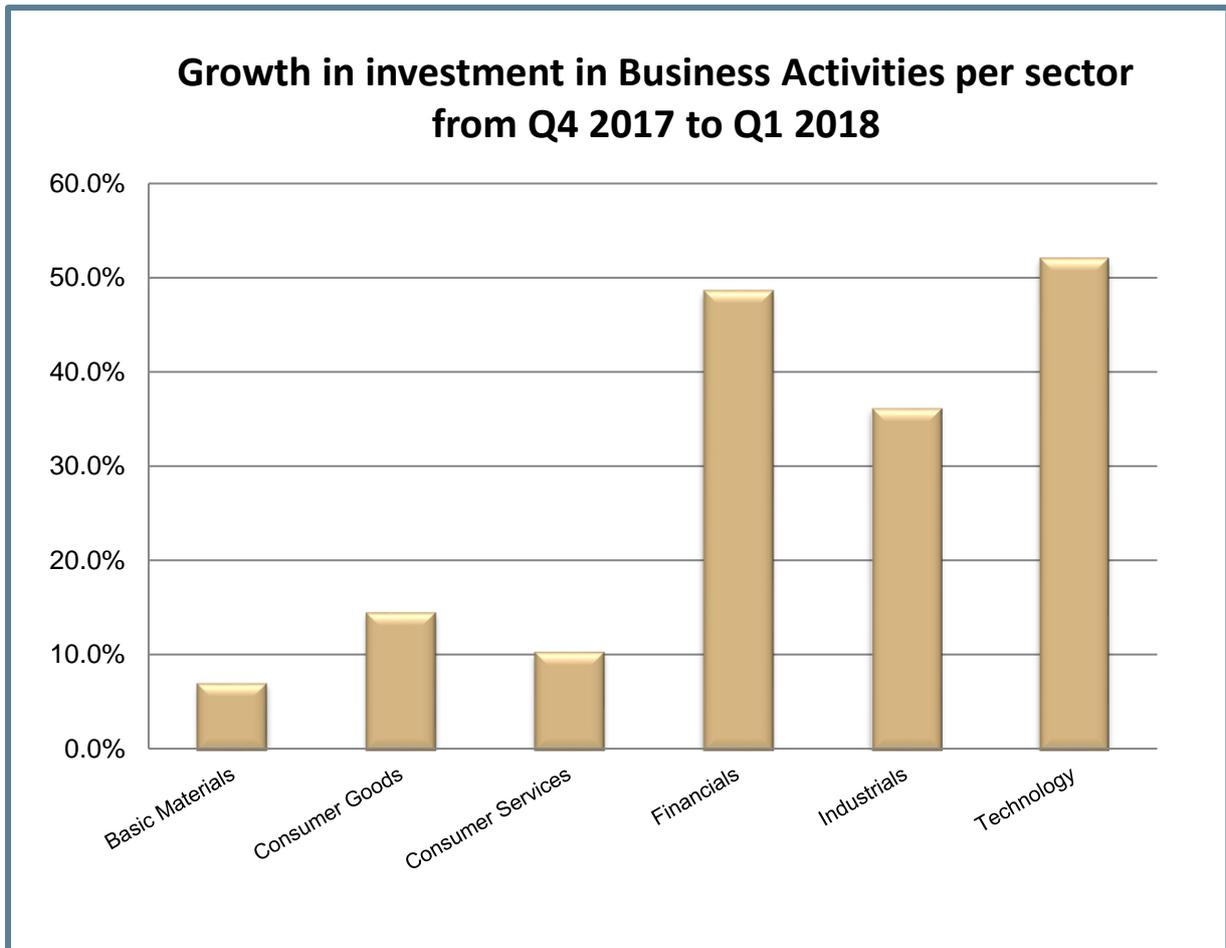




Financials recorded the largest increase in confidence of 65% in Q1 2018. This sentiment was attributed to a 105.3% increase in confidence relating to economic conditions and an increase of 71.1% in industry growth expectations.

Industrials increased by 51.4%, moving to a score of 59.3. The increase in overall confidence was primarily driven by increases in economic conditions and industry growth expectations.

Consumer Services increased by 40.7%. This was driven by a 143.1% increase in confidence relating to economic conditions



For a copy of the first quarter 2018 Merchantec CEO Confidence Index Report or for previous quarterly reports, please email Sabrina Manikkam at sabrinamanikkam@merchantec.co.za or visit [Merchantec CEO Confidence Index](#) for past results.

More about the Merchantec CEO Confidence Index

The Merchantec CEO Confidence Index, which consists of five components, collates views from CEOs of top South African companies and therefore provides a leading indicator into how business leaders perceive local market conditions and the economy going forward.

The Merchantec CEO Confidence Index is a copyright report prepared quarterly by Merchantec Capital. The survey collates responses from over 1 000 top CEOs, primarily from the listed environment.

About Merchantec Capital

Merchantec Capital is one of the largest independent Equity & Debt Sponsor, Research and Corporate Finance Advisory companies in South Africa, with offices in Johannesburg, Cape Town and Windhoek, Namibia.



Disclaimers: The data provided in this report is for information purposes only and for no other purpose. Whilst every effort has been made to ensure that the information contained in this report is accurate, Merchantec (Proprietary) Limited ("Merchantec") does not guarantee the sequence, accuracy, or completeness or any other aspect of the data nor shall Merchantec or any of its directors, officers, employees or agents be liable in any way to the reader or to any other person (natural or juristic) whatsoever for any delays, inaccuracies, errors in, or omissions in respect of such data or the transmission thereof. Merchantec takes no responsibility for any loss or damage suffered by any person as a result of reliance upon the information contained herein. Any investments referred to herein may involve significant risk, are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. The value of, or income from, any investments referred to herein may fluctuate and/or be affected by changes in exchange rates. Past performance is not indicative of future results. Investors are expected to make their own investment decisions without relying on this publication. Only investors with sufficient knowledge and experience in financial and business matters to evaluate the relevant merits and risks should consider an investment in any issuer or market discussed herein. Disclosures: The inventories of Merchantec may from time to time include securities mentioned herein. Given that traditional brokerage payment alone would not cover the costs of producing this research; a subscription-based model has been employed where subscribers (including some companies being researched) are contributing a nominal amount per month for access to the on-going research. Merchantec and/or its affiliates and any of its or their officers may have an interest in transactions and/or securities referred to herein. Merchantec and/or its affiliates may perform services, for, or solicit business from, any company referred to herein. Copyright: In terms of the Copyright Act 98 of 1978, as amended, no part of this report may be reproduced in any form or by any means, including photocopying, without the prior written consent of Merchantec.