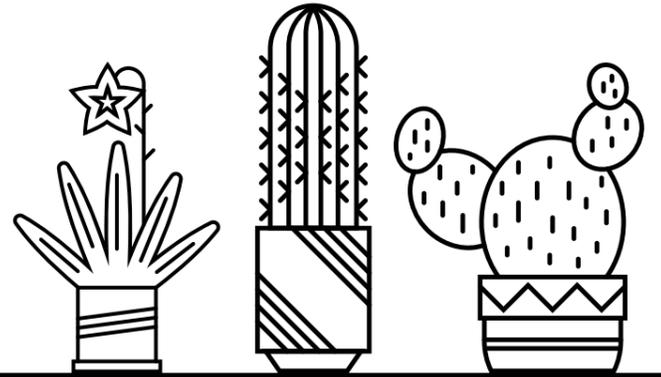


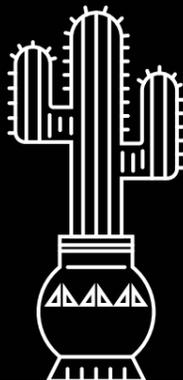
## The CFO Survey 2016 Resilience in any climate



### Equity evaluations Financial performance Cash flow priorities

#### Highest percentages of equity valuation categories

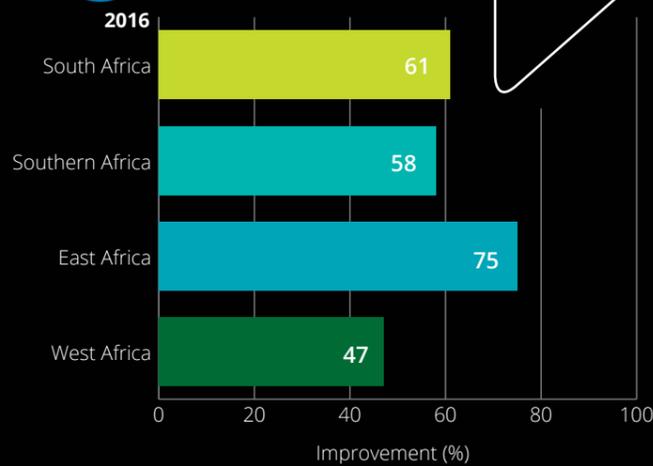
- 46%** South Africa overvalued
- 33%** Southern Africa fairly valued
- 42%** East Africa undervalued
- 40%** West Africa overvalued



#### Key finding

The largest proportion of CFOs in South Africa and West Africa identified equities as overvalued while Southern African CFOs identified them as fairly valued and East African CFOs as undervalued.

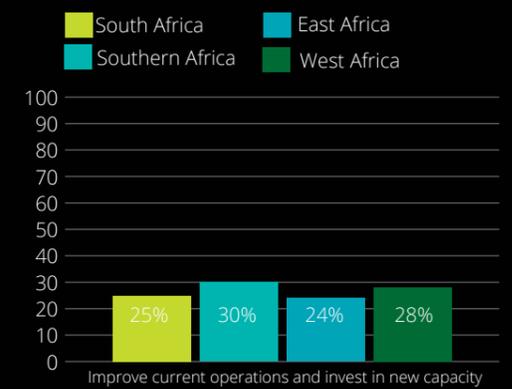
#### Financial performance



#### Key finding

CFOs in South Africa and East Africa reported a more significant improvement in their companies' financial performance than those in West Africa.

#### Cash flow priorities



#### Key finding

All regions indicated a defensive approach when spending cash.

### Top business risk factors

#### South Africa

- Political landscape
- Currency volatility
- Credit ratings
- Margin deterioration due to input cost pressures

#### Southern Africa

- Currency volatility
- Fragile state of global economic recovery
- Financial health of key suppliers or primary customers
- Margin deterioration due to input cost pressures

#### East Africa

- Political landscape
- Margin deterioration due to input cost pressures
- Currency volatility
- Ability to protect market share

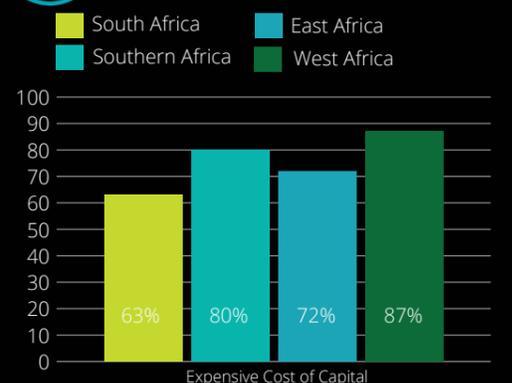
#### West Africa

- Currency volatility
- Political landscape
- Disruptive power supplies
- Margin deterioration due to input cost pressures

#### Key finding

Currency volatility is amongst the top concerns for CFOs in all regions.

### Capital is expensive



#### Strategic approach

#### Key finding

Most respondents view cost of capital as either fairly or very expensive.

### Industry concerns among CFOs

#### South Africa

- Corruption and its impact on doing business
- Unemployment
- Government's response to the budget deficit

#### Southern Africa

- Government's response to the budget deficit
- Effectiveness of government policy
- Corruption and its impact on doing business

#### East Africa

- Corruption and its impact on doing business
- Government's response to the budget deficit
- The relationship and policy dialogue between government and business

#### West Africa

- Effectiveness of government policy
- Corruption and its impact on doing business
- Government's response to the budget deficit

#### Key finding

Poor governance is still a major industry concern for CFOs in all regions.

#### Currently following

#### Likely to adopt

#### South Africa

- Improve operational efficiency and process optimisation
- Increase focus on customer experience
- Reduce operating costs / rationalise operations

- Increase focus on growing channels
- Investing in smart technology
- Expansion on product offering

#### Southern Africa

- Reduce operating costs / rationalise operations
- Improve operational efficiency and process optimisation
- Increase focus on customer experience

- Focus on growing brand equity
- Expansion on product offering / Investing in smart technology / Change staff compliment

#### East Africa

- Improve operational efficiency and process optimisation
- Increase focus on customer experience
- Reduce operating costs / rationalise operations

- Focus on growing brand equity
- Increase focus on revenue growth from emerging markets
- Improve investor confidence / Expansion on product offering

#### West Africa

- Improve operational efficiency and process optimisation
- Reduce operating costs
- Improve investor confidence

- Increase focus on customer experience
- Investing in smart technology
- Consolidation of operations

#### Key finding

Improving operational efficiency and process optimisation is the top strategic consideration in all the regions.