

Remgro Limited

(Incorporated in the Republic of South Africa)
(Registration number 1968/006415/06)
(Share code: REM) (ISIN: ZAE000026480)
("Remgro" or "the Company")

Detailed terms announcement relating to the potential acquisition of all the shares in the issued share capital of VenFin Limited ("VenFin") (excluding VenFin's interest in Dimension Data Plc ("DiData")) and withdrawal of cautionary announcement

1. Introduction

Further to the cautionary announcement released by Remgro on SENS on Monday 8 June 2009, Remgro shareholders are advised that Remgro has submitted to the board of directors of VenFin a notice of its firm intention to make an offer to acquire the entire issued ordinary share capital of VenFin, on a basis that excludes VenFin's interest in DiData ("the DiData interest") ("the offer" or "the proposed acquisition").

The purpose of this announcement is to provide Remgro shareholders with the salient terms of the proposed acquisition. A circular which contains the details of the proposed acquisition will be dispatched to Remgro shareholders on or about Friday 24 July 2009. A general meeting of Remgro shareholders ("general meeting") will be held at 11:30 on Monday 17 August 2009 at the Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West to consider and, if deemed fit, pass, *inter alia*, the resolutions required to authorise the implementation of the proposed acquisition.

2. Mechanism of the proposed acquisition

Remgro is proposing to acquire, by way of a scheme of arrangement in terms of section 311 of the Companies Act, No. 61 of 1973, as amended (the "Companies Act") ("the scheme"), the entire issued ordinary share capital of VenFin, excluding the VenFin B ordinary shares ("B ordinary shares"). Remgro will make a separate offer to the VenFin B ordinary shareholders to acquire the B ordinary shares on the same commercial terms and otherwise on the same basis as the offer, but with the necessary adjustments. The acceptance of the offer in respect of the B ordinary shares is a condition to the making of the offer and the making of the back-up offer (as defined below), if applicable.

Should the scheme fail for any reason whatsoever, other than as a result of any of the requisite regulatory approvals or change of control consents not being received, Remgro will offer to acquire all the VenFin ordinary shares by way of a general offer (the "back-up offer") on the same terms and conditions, *mutatis mutandis*, as the scheme.

It is the intention of Remgro to invoke the provisions of section 440K of the Companies Act should the proposed acquisition be implemented by way of the back-up offer, and the back-up offer be accepted by VenFin shareholders holding more than 90% of the VenFin ordinary shares in respect of which the back-up offer is made (that is, excluding those VenFin ordinary shares held, at that time, by Remgro and/or its subsidiaries).

The making of the offer is subject to the conditions precedent referred to in paragraph 7 below. The implementation of the scheme will be subject to the further conditions precedent set out in paragraph 8 below.

If the proposed acquisition is implemented, Remgro will offer the participants in the VenFin Share Appreciation Right Scheme, the opportunity to join the Remgro Share Appreciation Right Scheme on the basis of equivalent value, terms, conditions and vesting dates (after taking into account the proposed distribution of the DiData interest to VenFin shareholders) as those applying to those participants in terms of the VenFin Share Appreciation Right Scheme.

The VenFin ordinary shares and B ordinary shares are collectively referred to below as the "VenFin shares" and the relevant shareholders are referred to as "the VenFin shareholders".

3. Purchase consideration

Based on the net asset value ("NAV") of Remgro and VenFin (excluding the DiData interest which has to be distributed to VenFin shareholders as a condition to the implementation of the proposed acquisition) as at the value date of Friday 5 June 2009, VenFin shareholders will receive 1 Remgro share for every 6.25 VenFin shares held on the record date ("the purchase consideration"). The number of Remgro shares in issue increases by approximately 41.6 million as a result of the proposed acquisition. The proposed acquisition will be effective from the operative date of the scheme which is expected to be on or about Monday 21 September 2009.

The purchase consideration results in the following premia to VenFin shareholders:

	Premium (%)
Based on closing price on 5 June 2009 of R20.95	8.5
Based on 30 day VWAP to 5 June 2009 of R19.53	13.0
Based on 60 day VWAP to 5 June 2009 of R18.62	14.4
Based on 90 day VWAP to 5 June 2009 of R17.81	17.7

Notes

1. The value per VenFin share of the DiData interest has been added to the purchase consideration, based on the respective closing prices or VWAP as may be the case, for the purposes of calculating the premia.

The offer has been based on the assumption that no dividend, distribution or similar payment, other than the distribution of the DiData interest, is declared or made by VenFin to VenFin shareholders between the date of this announcement and the date on which the scheme becomes operative or fails or the date on which the back-up offer closes or fails, whichever date is later.

4. Rationale

Remgro is an investment holding company. Its interests consist of investments in banking and financial services, medical services, petroleum products, printing and packaging, mining, food, wine and spirits and various other trade mark products.

VenFin is an investment holding company, focusing on growth investment opportunities. VenFin's experience lies in the telecommunications, media, information technology and other technology sectors.

The merger has numerous benefits for both Remgro and VenFin shareholders.

For Remgro shareholders, the benefits of the proposed acquisition include:

- the majority of assets acquired have stable cash flows;
- increasing Remgro's relative exposure to unlisted investments;
- removing potential conflicts of interest between Remgro and VenFin;
- exposure to investment sectors not represented in the current portfolio; and
- access to potentially high growth investment opportunities.

5. Pro forma financial effects of the proposed acquisition on Remgro shareholders

The unaudited *pro forma* financial effects of the proposed acquisition on Remgro shareholders set out below are based on the Remgro results for the 12 month period to 31 March 2009 and the VenFin results for the 12 month period to 31 December 2008.

The unaudited *pro forma* financial effects are the responsibility of the board of directors of Remgro and have been prepared for illustrative purposes only and because of their *pro forma* nature may not give a fair reflection of Remgro's financial position or results of operations after the proposed acquisition.

The unaudited *pro forma* financial effects of the proposed acquisition on Remgro shareholders are set out below:

	Before the proposed acquisition ⁽¹⁾	Change due to the proposed acquisition	After the proposed acquisition ^{(2), (3), (4)}	% change
Earnings per share ("EPS") (cents)	9,607.9	(780.9)	8,827.0	(8.1)
Continuing operations	599.2	(50.7)	548.5	(8.5)
Discontinued operations	9,008.7	(730.2)	8,278.5	(8.1)
Headline EPS (cents)	987.7	(57.3)	930.4	(5.8)
Continuing operations	671.5	(31.7)	639.8	(4.7)
Discontinued operations	316.2	(25.6)	290.6	(8.1)
Diluted EPS (cents)	9,570.4	(785.2)	8,785.2	(8.2)
Continuing operations	584.6	(49.9)	534.7	(8.5)
Discontinued operations	8,985.8	(735.3)	8,250.5	(8.2)
Diluted headline EPS (cents)	954.8	(55.3)	899.5	(5.8)
Continuing operations	659.2	(31.1)	628.1	(4.7)
Discontinued operations	295.6	(24.2)	271.4	(8.2)
NAV per share (Rand)⁽⁵⁾	80.75	(0.22)	80.53	(0.3)
Net tangible asset value per share (Rand)	79.91	(0.15)	79.76	(0.2)
Number of shares in issue (millions)	471.5	41.6	513.1	8.8
Weighted average number of shares in issue (millions)	471.8	41.6	513.4	8.8

Notes and assumptions

- The financial information in the "Before the proposed acquisition" column has been based on:
 - for income statement purposes, Remgro's published and audited income statement for the 12 month period ended 31 March 2009; and
 - for balance sheet purposes, Remgro's published and audited balance sheet as at 31 March 2009.
- The unaudited *pro forma* income statement of Remgro has been prepared assuming that Remgro acquired VenFin with effect from 1 April 2008 for income statement purposes.
- The unaudited *pro forma* balance sheet of Remgro has been prepared assuming that the proposed acquisition was effected on 31 March 2009 for balance sheet purposes.
- The number of shares in issue increases by approximately 41.6 million as a result of the proposed acquisition.
- The NAV per share shown above in the unaudited *pro forma* financial effects is the NAV per share which is based on the carrying value of assets, whereas the proposed acquisition is done on the market NAV's and is NAV neutral to Remgro shareholders.

Remgro management expects that the proposed acquisition will be cash flow accretive in the financial year to 31 March 2010.

6. Shareholder support

Following the cautionary announcement released on SENS on Monday 8 June 2009, Remgro has held discussions with a number of its major shareholders, who have indicated support for the proposed acquisition.

At this stage Remgro has obtained signed undertakings of support from Remgro shareholders who, at the date of this announcement, held 165,123,978 Remgro ordinary shares or 37.9% of the shares eligible to vote at the general meeting.

In addition, at this stage Remgro has obtained signed undertakings of support from VenFin shareholders who, at the date of this announcement, held 80,865,815 VenFin ordinary shares or 47.3% of the shares eligible to vote at the scheme meeting.

7. Conditions precedent to the offer ("offer conditions")

Remgro will only make the offer once the following offer conditions have been fulfilled (or waived by Remgro, if applicable):

- by no later than Thursday 9 July 2009, the VenFin board of directors:
 - receive advice from an appropriate independent expert confirming that the offer is fair to VenFin shareholders; and
 - pass a resolution in terms of which they state that on the basis of the above advice they intend to recommend that the holders of VenFin ordinary shares vote in favour of the scheme or accept the back-up offer (if applicable);
- by no later than Monday 20 July 2009, the board of directors of Remgro receive advice from an appropriate independent expert confirming that the proposed acquisition is fair to Remgro shareholders;
- by no later than Thursday 9 July 2009, the holders of VenFin B ordinary shares ("B shareholders") accept an offer from Remgro to purchase all the VenFin B ordinary shares held by them on the same commercial terms and otherwise *mutatis mutandis* on the same basis as the offer made to the ordinary shareholders, save that the offer to the B shareholders (and on acceptance thereof the resultant agreement) will not be subject to all the scheme conditions referred to in paragraph 8 below, but will instead be subject only to the conditions precedent in paragraphs 8.1, 8.2, 8.7 and 8.8; and
- by no later than Tuesday 30 June 2009, the VenFin board irrevocably and unconditionally undertakes in writing in favour of Remgro not to make any distributions to the VenFin shareholders, other than the distribution of the DiData interest, between the date of this announcement and the date on which the scheme becomes operative or fails or the date upon which the back-up offer closes or fails, whichever date is the later.

Remgro will be entitled to waive any of the offer conditions above upon written notice to that effect to VenFin prior to the date of the fulfilment of the condition. In addition, Remgro will be entitled to, subject to the approval of the Securities Regulation Panel ("SRP") (if applicable), extend the date for fulfilment of any of the offer conditions by 45 days in its own discretion upon written notice to that effect to VenFin. The dates for fulfilment of all or any of the offer conditions may in any event be extended by agreement in writing between Remgro and VenFin, subject to the approval of the SRP, if applicable.

8. Conditions precedent to the scheme ("scheme conditions")

The scheme (if proposed) will be subject to (and will become operative upon) the fulfilment of the following conditions precedent:

- VenFin distributing the DiData interest to VenFin shareholders before or on Friday 31 July 2009;
- the requisite majority of Remgro shareholders in general meeting passing all the shareholders' resolutions required for the implementation of the offer before or on Monday 31 August 2009;
- the High Court of South Africa ordering the convening of a scheme meeting of VenFin ordinary shareholders before or on Friday 31 July 2009;
- the scheme being approved by a majority representing not less than three-fourths of the votes exercisable by the VenFin ordinary shareholders present and voting, either in person or by proxy, at the scheme meeting before or on Monday 31 August 2009;
- the relevant Court sanctioning the scheme before or on Saturday 31 October 2009;
- a certified copy of the order of Court sanctioning the scheme being registered by the Companies and Intellectual Properties Registration Office ("CIPRO") before or on Saturday 31 October 2009;
- in respect of the implementation of the scheme, approval having been obtained, to the extent required, from:
 - the Competition Authorities;
 - the South African Reserve Bank;
 - the JSE Limited ("JSE"); and
 - any other relevant regulatory authorities,
 (either unconditionally or subject to conditions acceptable to the party against whom the condition will be enforceable), before or on Saturday 31 October 2009; and
- any third party who will acquire a right or option, or to whom a deemed offer will be made, to acquire any shares held by VenFin and/or any of its subsidiaries in any other company, as result of the proposed acquisition, waive such right, option or deemed offer in writing by before or on Tuesday 14 July 2009.

Remgro will be entitled to waive the scheme condition in paragraph 8.8 above, in whole or in part, if applicable, upon written notice to that effect to VenFin prior to the date required for fulfilment of the condition. In addition, Remgro will be entitled to, subject to the approval of the SRP, extend the date for fulfilment of any of the offer conditions by 45 days in its own discretion upon written notice to that effect to VenFin. The dates for fulfilment of all or any of the scheme conditions may in any event be extended by agreement in writing between Remgro and VenFin, subject to the approval of the SRP (if applicable).

9. Related party acquisition and appointment of independent advisor

Some of Remgro's directors are considered related parties as a result of the combined 20% economic interest that they hold in VenFin shares. As such, the interests of the Remgro directors will be taken into account in determining a quorum at the general meeting of Remgro shareholders where Remgro shareholders will vote on the resolutions required to be passed to implement the proposed acquisition, however, the voting rights attaching to the shareholdings of these related parties (and the voting rights of their associates) will not be taken into account in determining the results of the voting at such meeting in relation to the resolutions proposed in connection with the proposed acquisition.

In terms of the JSE Listings Requirements, a fairness opinion from an independent advisor, acceptable to the JSE, is required for a related party transaction. Deutsche Securities SA (Pty) Ltd ("Deutsche") has therefore been appointed by the board of directors of Remgro as the independent advisor and will consider the terms and conditions of the proposed acquisition and whether such terms and conditions are fair to Remgro shareholders. The full opinion of Deutsche and the basis for their opinion will be included in the circular to Remgro shareholders referred to in paragraph 1 above.

10. Salient dates and times

	2009
Circular to be posted to Remgro shareholders on or about	Friday 24 July
Last day for Remgro shareholders to lodge forms of proxy for the general meeting by 11:30 on	Thursday 13 August
General meeting of Remgro shareholders to be held at 11:30 on	Monday 17 August
Results of the general meeting released on SENS on	Monday 17 August
Results of the general meeting published in the South African press on	Tuesday 18 August

Notes

- All times shown above are South African local times.
- The above dates and times are subject to change. Any change will be released on SENS.

11. VenFin announcement

Remgro shareholders are also referred to the separate announcement that has been made by VenFin today, 23 June 2009, relating to the offer, which can be obtained on VenFin's website, www.venfin.com.

12. Withdrawal of cautionary announcement

Remgro shareholders are advised that, as a result of the publication of this announcement, the relevant cautionary announcement is now withdrawn and caution is no longer required to be exercised by shareholders when dealing in their securities.

Stellenbosch
23 June 2009

Merchant bank and sponsor to Remgro



Attorneys to Remgro



Independent advisor

