

## Results of scheme meeting and terms of alternative offer

### 1. RESULTS OF SCHEME MEETING

Shareholders are advised that the scheme of arrangement ("the scheme") in terms of section 311 of the Companies Act, 1973 (Act 61 of 1973), as amended, proposed by Remgro between Rainbow and its shareholders was not approved by the requisite majority of scheme members at the scheme meeting held on Tuesday 5 June 2007.

Accordingly the condition precedent relating to the approval thereof by the required majority of shareholders has not been fulfilled and the scheme will not proceed. A copy of the Chairperson's report of the scheme meeting will be available (free of charge) to any Rainbow shareholder during normal business hours from 6 June 2007 at the registered office of Rainbow situated at One The Boulevard, Westway Office Park, Westville.

### 2. THE ALTERNATIVE OFFER

The alternative offer as set out in Annexure 13 to the circular to shareholders, dated 15 May 2007 ("the circular"), with amendments to the maximum acceptances and settlement procedure as detailed in paragraphs 2.5 and 2.6 below, will now become effective. The Rainbow board has approved these amendments.

Set out below are the salient terms and dates, and the procedure for acceptance of the alternative offer.

#### 2.1 Terms of alternative offer

Remgro hereby makes an offer to acquire all Rainbow shares held by Rainbow shareholders (other than Remgro and its subsidiaries) ("offer participants") who are registered on the Rainbow register during the offer period.

The alternative offer can be accepted at any time during the alternative offer period (as set out below) provided shareholders are registered on the Rainbow register as such at the time the transfer secretaries receive their elections. New Rainbow shareholders must have purchased their Rainbow shares by no later than Friday 22 June 2007 to participate in the alternative offer.

#### 2.2 Period of the alternative offer

The offer will remain open from 09:00 on 6 June 2007 ("the opening date") and will close at 12:00 on 29 June 2007 ("the closing date") ("the offer period").

#### 2.3 Salient dates relating to the alternative offer

	2007
Opening date of the offer	Wednesday 6 June
Last date to trade to participate in the alternative offer	Friday 22 June
Rainbow shares trade "ex" the alternative offer	Monday 25 June
Record date for the alternative offer*	Friday 29 June

\* This is the final date for offer participants to be registered on the Rainbow register to participate in the offer. Offer participants registered on the register prior to this date are eligible to participate in the offer at any time during the duration of the offer period, provided they are registered as such at the time the transfer secretaries receive their elections.

#### 2.4 The alternative offer consideration

The alternative offer consideration is:

2.4.1 a cash consideration of R16.00 for every Rainbow share held by offer participants ("cash offer consideration"); or

2.4.2 8.1 Remgro shares for every tranche of 100 offer shares held by offer participants ("share offer consideration"); or

2.4.3 a combination of cash and Remgro shares referred to in paragraphs 2.4.1 and 2.4.2, above,

to be elected by offer participants on condition that the share offer consideration may only be elected in tranches of 100 Rainbow shares each. If offer participants elect to take (in whole or in part) the share offer consideration, any fractional entitlements to Remgro shares will be settled in cash to the amount of R19.75 per 0.1 of a Remgro share.

#### 2.5 Removal of maximum acceptances limitation level

Remgro has agreed to the removal of the maximum acceptances level for the alternative offer. Accordingly offer participants may accept the offer in respect of all their Rainbow shares.

#### 2.6 Procedure for acceptance of the alternative offer

The alternative offer can be accepted at any time during the offer period provided the Rainbow shareholders are registered on the Rainbow register as such at the time the transfer secretaries receive their elections.

Remgro has agreed that acceptances of the alternative offer be settled within five business days after the receipt by the transfer secretaries of the offer participants' aforementioned elections.

**Dematerialised shareholders** who wish to accept the offer must instruct their Central Securities Depository Participant ("CSDPs") or brokers in accordance with the terms of the custody agreements concluded between them, to accept the alternative offer. All acceptances must be received by the transfer secretaries not later than 12:00 on the closing date.

**Certificated shareholders** who wish to accept the alternative offer must complete the form of election acceptance and transfer ("form of election acceptance and transfer") which was attached in the circular (copies of which are available at Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg ("transfer secretaries")) and return it to the transfer secretaries together with the documents of title, to be received by the transfer secretaries not later than 12:00 on the closing date.

### 2.7 Settlement of the alternative offer consideration

2.7.1 The alternative offer consideration due to dematerialised offer participants will be settled as follows:

2.7.1.1 if the dematerialised offer participants elect to receive any part of the alternative offer consideration in cash, and/or if any fractional entitlements to Remgro shares were to be settled in cash as per paragraph 2.4 above, such cash amounts will be transferred within five business days after receipt by the transfer secretaries of such offer participants' elections to such offer participants' CSDPs or brokers accounts and thereafter such offer participants' accounts with their CSDPs or brokers will be credited with the cash offer consideration and/or the cash amounts arising from fractional entitlements to Remgro shares;

2.7.1.2 if the dematerialised offer participants elect to receive any part of the alternative offer consideration in Remgro shares, such offer participants will have the share offer consideration (in dematerialised Remgro shares) credited to their accounts maintained by their CSDPs or brokers within five business days after receipt by the transfer secretaries of such offer participants' elections, in terms of the custody agreements entered into between such offer participants and their CSDPs or brokers; and

2.7.1.3 all elections to receive the alternative offer consideration in cash and/or Remgro shares shall be made, in accordance with the provisions of the custody agreements entered into between such dematerialised offer participants and their CSDPs or brokers at the time of acceptance of the alternative offer.

2.7.2 The alternative offer consideration due to certificated offer participants will be settled as follows:

2.7.2.1 if the certificated offer participants elect to receive any part of the alternative offer consideration in cash and/or if any fractional entitlements to Remgro shares were to be settled in cash as per paragraph 2.4 above, such cash amounts will be posted by ordinary mail to such offer participants at such offer participants' risk to their respective addresses reflected in the register, or if Part D of the form of election acceptance and transfer is completed, will be paid by electronic transfer into the named bank account of the certificated offer participants concerned, within five business days after the receipt by the transfer secretaries of the duly completed form of election acceptance and transfer, together with the relevant documents of title (in negotiable form); and

2.7.2.2 if the certificated offer participants elect to receive any part of the alternative offer consideration in Remgro shares, such offer participants will receive their share offer consideration in certificated Remgro shares to be posted by registered post to such offer participants at such offer participants' risk to their respective addresses reflected in the register, within five business days after the receipt by the transfer secretaries of the duly completed form of election acceptance and transfer, together with the relevant documents of title (in negotiable form).

2.7.2.3 Certificated offer participants' elections to receive the alternative offer consideration in cash or Remgro shares or a combination of cash and Remgro shares must be reflected in the form of election acceptance and transfer, failing which they will be deemed to have elected to receive the cash offer consideration.

Shareholders who do not wish to accept the alternative offer need not take further action and will be deemed to have not accepted the alternative offer on the closing date.

Durban  
5 June 2007

Sponsor to Rainbow



Merchant bank and sponsor to Remgro

Independent adviser to Rainbow



Attorneys to Rainbow



Attorneys to Remgro



Reporting accountants to Rainbow

