

PROPOSED RESTRUCTURING BY DISTELL GROUP LIMITED OF ITS OWNERSHIP STRUCTURE

1. Introduction

Remgro shareholders are referred to the Distell Group Limited ("Distell") and Capevin Holdings Limited ("Capevin") detailed announcements, released on the Stock Exchange News Service ("SENS") on 22 June 2017, setting out the terms of the proposed restructuring by Distell of its ownership structure ("Proposed Transaction").

The purpose of this announcement is to disclose the effect of the Proposed Transaction on the Company.

2. Effect of the proposed transaction terms on Remgro

In order to give effect to the Proposed Transaction, Remgro will, through a number of inter-conditional steps, exchange its existing 50% shareholding in Remgro-Capevin Investments Proprietary Limited ("RCI") for additional ordinary shares in Capevin ("RCI-Related Capevin Shares") ("RCI Exchange"). Remgro currently holds 19.0% of the ordinary shares in issue in Capevin pre the RCI Exchange and will, after the RCI Exchange, hold 59.5% in Capevin.

Furthermore, following the RCI Exchange, Remgro will exchange its full Capevin ordinary shareholding for ordinary shares in a new listed entity ("New Distell Exchange"), which new listed entity will be substantially similar to the current Distell ("New Distell"). Remgro will, in addition, receive unlisted B shares in New Distell ("B shares"). The B shares in New Distell will be stapled to those New Distell ordinary shares acquired by Remgro pursuant to the New Distell Exchange in respect of the RCI-Related Capevin Shares, resulting in Remgro replicating RCI's current 52.8% voting rights in Distell. The unlisted B shares will only carry voting rights in New Distell and will have no economic participation, save for the right, if repurchased, to be repurchased at their issue price of R0.00001 per B share and the right, upon liquidation of New Distell, for their holders to be repaid their issue price of R0.00001 per B share before any liquidation payment or distribution is made to the ordinary shareholders of New Distell.

Pursuant to the Proposed Transaction, both Distell and Capevin will be delisted ("Distell Delisting" and "Capevin Delisting") and become wholly-owned subsidiaries of New Distell.

3. Value of the net assets and profits attributable to the net assets

Remgro shareholders are advised that the implementation of the Proposed Transaction will have no impact on the Company's intrinsic asset value or headline earnings attributable to Distell as disclosed in the Company's financial statements. Additionally, Remgro will retain its economic interest in Distell post implementation of the Proposed Transaction.

As at 31 December 2016	Headline earnings ⁽¹⁾	Intrinsic asset value ⁽¹⁾
Distell (30.9% interest ⁽²⁾)	R502m	R9.782bn

Notes:

- (1) Based on LTM numbers as at December 2016 per the interim financial statements
- (2) The Category 2 Transaction relates to 26.4% of Remgro's holding in Distell, as held through RCI, the additional holding is held via listed shares in Capevin that do not form part of the Category 2 Transaction
- (3) As at December 2016 Remgro held 15.6% of the listed Capevin shares, subsequent to the interim results Remgro has increased its holding in Capevin to 19.0%

4. Conditions precedent to the Proposed Transaction

Implementation of the Proposed Transaction is subject to fulfilment or waiver, where capable of waiver, of the following inter-conditional conditions precedent, by no later than Monday, 2 October 2017⁽¹⁾, being the expected effective date of the Proposed Transaction:

- Distell shareholder approval of the New Distell Exchange and Distell Delisting;
- Capevin shareholder approval of the RCI Exchange, the New Distell Exchange and the Capevin Delisting;
- approval of the relevant competition authorities;
- approval of the Takeover Regulation Panel and the JSE Limited;
- registration of the prospectus to be issued by New Distell with the Companies and Intellectual Property Commission;
- the registration of the special resolutions required to restructure New Distell's share capital and to adopt the New Distell memorandum of incorporation;
- waiver by the minority shareholders of Distell and Capevin of mandatory offers by Remgro for their ordinary Distell and Capevin shares pursuant to implementation of the RCI Exchange; and
- within the period prescribed by section 164(7) of the Companies Act, no demands, or valid demands which in aggregate represent not more than 5% of Distell or Capevin shares, are received by Distell or Capevin in accordance with section 115(8) of the Companies Act.

- (1) This date may change to the extent that the requisite approvals of the relevant Competition Authorities are not obtained by Monday, 2 October 2017

5. JSE categorisation

The Proposed Transaction constitutes a Category 2 transaction in terms of paragraph 9.5(a) of the JSE Limited Listings Requirements in respect of the Company, and accordingly no shareholder approval is required.

Stellenbosch
22 June 2017

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