

Austro Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 2001/029771/06)
Share code: ASO ISIN: ZAE000090882
("Austro" or "the company")

SPECIFIC REPURCHASE OF AUSTRO SHARES AND CAUTIONARY ANNOUNCEMENT

INTRODUCTION

Shareholders are referred to the announcement published over SENS on Friday, 10 December 2010 advising shareholders that Mr Richard Moss had resigned from the Austro board as managing director of the Austro group's Wood Division, with effect from 31 December 2010. As part of the exit arrangements, Austro has agreed to facilitate the monetisation of certain of the Austro shares owned by the Richard Moss Family Trust and certain other of Richard Moss' immediate relations.

SPECIFIC REPURCHASE AND ANCILLARY ARRANGEMENTS

Subject to Austro receiving the approvals required in terms of the Companies Act (Act 61 of 1973, as amended), Austro's articles of association and the requirements of section 5.69 of the Listings Requirements of the JSE Limited Austro will, by way of specific repurchase ("the specific repurchases"), purchase from:

1. the Richard Moss Family Trust 14 238 889 Austro shares (the "Moss Family Trust's Austro shares") at a purchase price 48,9 cents per share (ex the 2 cent dividend that will be paid by Austro to its members reflected on Austro's register as at Friday, 17 December 2010 and which payment is to be effected on Monday, 20 December 2010 (the "December 2010 dividend")) for an aggregate buyback consideration of R6 962 816,72;
2. Peter John Moss, Richard's brother, 1 100 000 Austro shares ("Peter Moss' Austro shares") at a purchase price of 48,9 cents per share (ex the December 2010 dividend), for an aggregate buyback consideration of R537 900;
3. John Richard Moss, Richard's father 1 347 000 Austro shares (John Moss' Austro shares") at a purchase price of 48,9 cents per share (ex the December 2010 dividend), for an aggregate buyback consideration of R658 683.

The buyback consideration payable in respect of the Moss Family Trust's Austro shares, Peter Moss' Austro shares and John Moss' Austro shares (collectively the "buyback shares") will be payable by Austro against registration of transfer of the buyback shares into the name of Austro or any wholly-owned subsidiary nominated by Austro to purchase the buyback shares.

If by 31 March 2011, the buyback shares have not been bought back by Austro (or any wholly-owned subsidiary of Austro) then, the beneficial owners of the buyback shares have been afforded a put option exercisable against David Brouze ("Brouze"), a non-executive director of the company,

to require Brouze to purchase the buyback shares at 48,9 cents per buyback share.

DOCUMENTATION AND APPROVAL

The implementation of the specific repurchase of the buyback shares is subject to the securing of approval given in terms of a special resolution of Austro's shareholders (excluding Richard Moss, Peter John Moss, John Richard Moss and/or any of their associates).

A circular providing further information of the specific repurchase and containing a notice of general meeting will be posted to Austro shareholders in due course.

FINANCIAL EFFECTS AND CAUTIONARY

The financial effects of the specific repurchases have not been finalised and will be published in due course. Pending further announcements, shareholders are advised to continue to exercise caution when dealing in their shares.

14 December 2010

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