

AUSTRO GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

JSE share code: ASO ISIN: ZAE000090882

("Austro")



UPDATE IN RESPECT OF AUSTRO'S LITIGATION AGAINST JONATHAN FREED AND JUSTIN FREED

Shareholders are referred to Austro's trading statement released on SENS on 5 November 2013, as well as the circular issued to Austro shareholders on 5 November 2013, wherein shareholders were advised that Austro and its subsidiary, New Way Power Proprietary Limited ("**New Way**") (collectively the "**Group**"), had instituted legal action to interdict and restrain each of Jonathan Freed (formerly CEO of New Way and director of Austro) and Justin Freed (formerly Sales Director of New Way and alternate director of Austro) from breaching restraint of trade undertakings, common law and other legal duties owed to the Group.

Austro is pleased to announce that the Group has been granted an interim interdict, pending the final determination of the matter by way of arbitration, which is scheduled to take place during April 2014. The interim interdict restrains Jonathan Freed and Justin Freed, pending the April 2014 arbitration, for a period of 36 months from the date of termination of their respective employment with New Way (being 30 June 2013 and 30 September 2013, respectively), from directly or indirectly carrying on or being interested in any business which sells goods or renders services in competition with New Way, in accordance with the restraint of trade provisions contained in each of Jonathan Freed's and Justin Freed's respective service and restraint agreements with New Way.

The Group remains in discussions with John Deere S.A.S ("**John Deere**") regarding the conclusion of a new distributorship agreement with John Deere in respect of the distribution of John Deere industrial engines and OEM engine spare parts. Austro intends to progress these discussions and the determination by John Deere as to who will be appointed as the new distributor, given the clarity of the status of the aforesaid litigation.

3 December 2013

Sponsor

JAVACAPITAL