

AUSTRO GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

JSE share code: ASO ISIN: ZAE000090882

(“Austro” or the “company”)



MANDATORY OFFER TO BE MADE TO THE SHAREHOLDERS OF AUSTRO

1. INTRODUCTION

Pursuant to an agreement entered into on or about 2 August 2013 (the “**share acquisition agreement**”) amongst David Brouze (“**Brouze**”), Steven Joffe (“**Joffe**”) and Ricophase Proprietary Limited (“**Ricophase**”), with effect from 25 September 2013 (being the date on which the share acquisition agreement was implemented):

- Brouze sold to Ricophase 71 318 750 ordinary shares in Austro at a purchase consideration of R0.4572 per Austro share, being an aggregate consideration of R32 609 668;
- Ricophase purchased an additional 37 681 250 ordinary Austro shares from Joffe at a purchase consideration of R0.5520 per Austro share, being an aggregate consideration of R20 800 332.

2. CONCERT PARTY ARRANGEMENTS

A concert party arrangement has been formally established amongst Brouze and Ricophase in relation to any shares held from time to time by them in Austro.

In addition, in terms of the Companies Act (Act 71 of 2008) (the “**Companies Act**”) and the Takeover Regulations promulgated in terms of the Companies Act (the “**Takeover Regulations**”), Ricophase is deemed also to be acting in concert with each of N Brouze and JJ Brouze (each deemed a concert party pursuant to him being a related party of Brouze), Joffe, Jarrod Friedman (“**Friedman**”), Paul Mansour (“**Mansour**”) and Christian Neuberger (“**Neuberger**”) (each deemed a concert party pursuant to him being a director of Ricophase) and any company controlled by any one or more of Joffe, Friedman, Mansour, Neuberger and/or Brouze and any trust of which any one or more of Joffe, Friedman, Mansour, Neuberger and/or Brouze is a beneficiary or trustee .

3. MANDATORY OFFER

On the implementation of the share acquisition agreement Ricophase, together with the persons with whom Ricophase is acting in concert or deemed to be acting in concert as described in paragraph 2 above (collectively the “**concert parties**”), hold in excess of 35% of the issued share capital of Austro. In consequence, a mandatory offer has been triggered in terms of section 123 of the Companies Act by Ricophase, on its own behalf and on behalf of the concert parties (collectively “**the offeror**”) at a price of 55.2 cents per Austro share, being the highest price at which the offeror acquired Austro shares within the six month period before the commencement of the offer period (constituted by this announcement).

4. TERMS OF THE OFFER

The material terms of the offer to be made by the offeror to all Austro shareholders excluding the offeror (“**the offer**”) are as follows:

2.1 *Offer consideration*

The offeror will extend a cash offer, as required in terms of section 123(4) of the Companies Act, to Austro shareholders other than the offeror to acquire all or part of such Austro shareholders’ shares at an offer price of 55.2 cents per share (the “**offer consideration**”).

2.2 *Conditions precedent to the offer*

The offer is not subject to any conditions precedent. Competition authority approval for the acquisition of control of Austro by Ricophase has been secured.

2.3 *Appointment of an independent board and an independent expert to advise on the fairness and reasonableness of the offer*

In accordance with the provisions of the Companies Act and the Takeover Regulations an independent sub-committee of the Austro board of directors (the “**independent board**”) will be appointed to advise Austro shareholders on the offer.

The independent board will appoint an independent expert, as required in terms of section 114(2) of the Companies Act, read with regulation 90(1) and regulation 110 of the Takeover Regulations to advise and report to the independent board on the offer by way of a fair and reasonable opinion. The independent expert’s full report as well as the independent board’s opinion on the offer and offer consideration will be included in the offer circular to be posted to Austro shareholders, as per paragraph 6 below.

5. EXISTING BENEFICIAL INTEREST IN AUSTRO SHARES HELD BY THE OFFEROR

The concert parties comprising the offeror have the following beneficial interest in Austro shares:

Concert party	Beneficial holding of Austro shares	Percentage of Austro’s issued share capital
Brouze	36 089 945	9.13%
N Brouze	250 000	0.06%
JJ Brouze	250 000	0.06%
The David Brouze Family Trust	-	0%
Joffe	-	0%
The Sades Family Trust	-	0%
Friedman	-	0%
The JSF Family Trust	-	0%
Mansour	-	0%

Neuberger	-	0%
Ricophase	109 000 000	27.57%
Total	145 589 945	36.83%

None of the concert parties hold any options to purchase any other shares in Austro.

6. NO UNDERTAKINGS TO ACCEPT THE OFFER

No Austro shareholder has given any undertaking to accept the offer

7. CASH CONFIRMATION

In accordance with regulations 111(4) and 111(5) of the Takeover Regulations, the Takeover Regulations Panel will be furnished with an irrevocable, unconditional bank guarantee or an irrevocable, unconditional cash confirmation in favour of the offerees (other than such offerees which furnish written irrevocable undertakings not to accept the offer) in respect of the offer for the sole purpose of the offeror fully satisfying the offer consideration.

8. RESPONSIBILITY STATEMENT

The offeror and, to the extent that the information relates directly to Austro, the board:

- accepts responsibility for the information contained in this announcement;
- confirms that to the best of their respective knowledge and belief, the information contained herein is true and correct; and
- confirms that this announcement does not omit anything likely to affect the importance of the information contained in it.

9. COMBINED CIRCULAR POSTING DATE

A combined offer circular to Austro shareholders containing full details in respect of the offer and incorporating the Austro board's view of the offer and the offer consideration is in the process of being prepared. The circular will be posted to Austro shareholders within one month of the date of this announcement.

Shareholders will be advised of the posting of the circular and the opening date of the offer by means of a SENS announcement.

The offer will remain open for acceptance for at least 30 business days after the opening date, which will occur on the date after the date of posting of the circular.

26 September 2013

Corporate advisor, legal advisor and sponsor

JAVACAPITAL

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