



# SEARDEL

INVESTMENT CORPORATION LIMITED

(Incorporated in the Republic of South Africa)  
Registration number: 1968/011249/06  
N Shares share code: SRN; Ordinary Shares share code: SER  
ISIN: ZAE00030144; ISIN: ZAE00029815  
("SearDel" or "the Company")

## POSTING OF CIRCULAR, NOTICE OF GENERAL MEETING, ORDINARY SHARE CLASS MEETING AND N SHARE CLASS MEETING AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

### 1. INTRODUCTION

Holders of SearDel ordinary shares ("Ordinary Shares") and N ordinary shares ("N Shares") (collectively, the "SearDel Shareholders") are referred to the announcement released by SearDel on SENS on Friday, 17 May 2013 and published in the press on 20 May 2013 regarding the acquisition from Hosken Consolidated Investments Limited ("HCI") of a 70% interest in HCI Invest 3 Holdco Proprietary Limited ("SPV"), which, following an internal restructuring within the HCI group, will hold a 63,9% interest in Sabido Investments Proprietary Limited ("Sabido") ("Sabido Acquisition").

SearDel Shareholders are hereby advised that a circular ("Circular") has been posted to SearDel Shareholders on 10 July 2013 containing, *inter alia*:

- details of the Sabido Acquisition; and
- notices of the convening of:
  - the general meeting of the SearDel Shareholders ("General Meeting");
  - a separate class meeting of registered holders of Ordinary Shares ("Ordinary Share Class Meeting");
  - a separate class meeting of registered holders of N Shares ("N Share Class Meeting").

SearDel Shareholders are advised that the Sabido Acquisition is subject to the fulfilment of certain conditions precedent detailed in the Circular and are advised to review the Circular for a summary of the key terms and conditions of the Sabido Acquisition.

### 2. NOTICE OF SEARDEL SHAREHOLDERS' MEETINGS

The General Meeting, the Ordinary Share Class Meeting and the N Share Class Meeting will be held at the offices of SearDel, 1 Moorsom Avenue, Epping Industria II, Cape Town, 7460, on Thursday, 8 August 2013 at 09:00, 09:30 and 10:00 respectively (or earlier if the prior meeting(s) is/are concluded earlier) to consider and, if deemed fit, pass, with or without modification, the resolutions necessary to implement the Sabido Acquisition.

### 3. IMPORTANT DATES AND TIMES

The important dates and times in relation to the General Meeting, the Ordinary Share Class Meeting and the N Share Class Meeting are set out below:

Record date to receive the Circular and notice of the General Meeting, the Ordinary Share Class Meeting and the N Share Class Meeting	Friday, 5 July 2013
Circular and notice of General Meeting, the Ordinary Share Class Meeting and the N Share Class Meeting posted to SearDel Shareholders on	Wednesday, 10 July 2013
Last day to trade in Ordinary Shares and N Shares ("SearDel Shares") in order to be recorded in SearDel's securities register to participate in and vote at the General Meeting, the Ordinary Share Class Meeting and/or the N Share Class Meeting	Friday, 26 July 2013
Record date to be entitled to attend, participate in and vote at the General Meeting, the Ordinary Share Class Meeting and/or the N Share Class Meeting by close of trading on	Friday, 2 August 2013
Proxy forms for the General Meeting, the Ordinary Share Class Meeting and/or the N Share Class Meeting to be received by 09:00 (or may thereafter be lodged by hand with the Company prior to 09:00 on Thursday, 8 August 2013) on	Tuesday, 6 August 2013
General Meeting held at 09:00 on	Thursday, 8 August 2013
Ordinary Share Class Meeting held at 09:30 (or so soon thereafter as the General Meeting convened for 09:00 on the same day and at the same venue, shall have been concluded or adjourned) on	Thursday, 8 August 2013
N Share Class Meeting held at 10:00 (or so soon thereafter as the Ordinary Share Class Meeting convened for 09:30 on the same day and at the same venue, shall have been concluded or adjourned) on	Thursday, 8 August 2013
Results of the General Meeting, the Ordinary Share Class Meeting and the N Share Class Meeting released on SENS on	Thursday, 8 August 2013
Results of the General Meeting, the Ordinary Share Class Meeting and the N Share Class Meeting published in the South African press on	Monday, 12 August 2013

#### Notes:

1. The above dates and times are subject to amendment at the discretion of SearDel. Any such amendment will be released on SENS and published in the South African press.
2. SearDel Shareholders should note that as transactions in SearDel Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five business days after such trade. Therefore, SearDel Shareholders who acquire SearDel Shares after Friday, 26 July 2013 will not be eligible to participate in and vote at the General Meeting, the Ordinary Share Class Meeting and/or the N Share Class Meeting.
3. All dates and times indicated above are South African Standard Times.

### 4. PRO FORMA FINANCIAL EFFECTS OF THE SABIDO ACQUISITION

- 4.1 The table below sets out the unaudited *pro forma* financial effects of the Sabido Acquisition on the earnings, diluted earnings, headline earnings and diluted headline earnings per SearDel Share for the year ended 31 March 2013 and the net asset value and the tangible net asset value per SearDel Share at that date.
- 4.2 The unaudited *pro forma* financial effects have been prepared in accordance with the Listings Requirements of the JSE Limited, the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"). The accounting policies used to prepare the unaudited *pro forma* financial effects are consistent with those applied in the preparation of the financial statements for the year ended 31 March 2013.
- 4.3 The unaudited *pro forma* financial effects have been prepared for illustrative purposes only, in order to provide information on how the Sabido Acquisition may have affected the financial results and position of a SearDel Shareholder and, because of their nature, may not give a true reflection of the actual financial effects of the Sabido Acquisition. The unaudited *pro forma* financial effects are the responsibility of the directors of SearDel.

Per SearDel Share	Before the Sabido Acquisition (cents) <sup>1</sup>	After the Sabido Acquisition (cents) <sup>2, 3, 4, 5</sup>	% Change	Notes
Earnings	6,0	9,4	57,9	3
Diluted earnings	5,8	9,2	59,7	3
Headline earnings	2,9	5,3	82,8	3
Diluted headline earnings	2,8	5,1	82,1	3
Net asset value	213,9	267,5	25,1	4
Tangible net asset value	212,0	(195,9)	(192,4)	4
Weighted average number of SearDel Shares in issue ('000)	685 310	1 035 310	51,1	
Diluted weighted average number of SearDel Shares in issue ('000)	710 913	1 060 913	49,2	
Number of SearDel Shares in issue ('000)	682 892	1 032 892	51,3	

#### Notes to the unaudited *pro forma* financial effects

1. The *Before the Sabido Acquisition* column reflects the earnings, diluted earnings, headline earnings and diluted headline earnings per SearDel Share based on the consolidated reviewed results for the year ended 31 March 2013 and the net asset value and the tangible net asset value per SearDel Share based on the consolidated reviewed results as at 31 March 2013.
2. The *After the Sabido Acquisition* column is based on information extracted from the audited financial statements of SPV and the consolidated audited financial statements of Sabido for the year ended 31 March 2013.
3. The effects on earnings, diluted earnings, headline earnings and diluted headline earnings per SearDel Share are based on the following assumptions and information:
  - the Sabido Acquisition was effective 1 April 2012 and the 350 million new N Shares were issued at R1,60 per SearDel Share on this date in settlement of the purchase price;
  - SPV was consolidated with effect from 1 April 2012;
  - SPV issued and allotted the preference shares to the full value of its outstanding loans on 1 April 2012 of R4,4 billion and the preference share dividend of 72% of Prime was calculated from issue date resulting in an interest expense of R271,5 million which will have a continuing effect; and
  - the administrative expenses relating to the Sabido Acquisition, which are once-off in nature, have not been included in the calculation as they are not considered to have a significant impact.
4. The effects on net asset value and tangible net asset value per SearDel Share are based on the following assumptions:
  - the Sabido Acquisition was effective 31 March 2013 and the 350 million new N Shares were issued at R1,60 per SearDel Share on this date in settlement of the purchase price;
  - SPV was consolidated with effect from 31 March 2013;
  - SPV issued and allotted the preference shares to the full value of its outstanding loans on 31 March 2013 of R4,4 billion;
  - the acquisition by SPV of HCI's 63,9% equity interest in Sabido will be effected in terms of the Group restructure provisions of section 45 of the Income Tax Act, 1962 (Act No. 58 of 1962), as amended. As a result a temporary difference will arise to the extent the purchase price differs from the tax base of the Sabido shares of approximately R23,5 million. IFRS dictates that if the parent is able to control the timing reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, the tax effects on the taxable temporary difference should not be recognised. Consequently, no deferred tax liability has been provided for in the unaudited *pro forma* financial effects of SearDel; and
  - the administrative expenses relating to the Sabido Acquisition, which are once-off in nature, have not been included in the calculation as they are not considered to have a significant impact.
5. SearDel's accounting policy in respect of goodwill is to account for all business combinations by applying the acquisition method in accordance with IFRS 3. The excess of the purchase price over the identifiable net assets was recorded as goodwill. The preliminary allocation of the purchase price was based upon a preliminary valuation and the estimates and assumptions are subject to change within the purchase price allocation period (one year from the acquisition date). These changes will affect the goodwill recorded. It is estimated that no amount will be allocated to intangible assets as part of the purchase price allocation exercise.

### 5. WITHDRAWAL OF CAUTIONARY

SearDel Shareholders are referred to the renewal of the cautionary announcement dated 1 July 2013 and are advised that, as the *pro forma* financial effects in relation to the Sabido Acquisition have been disclosed in this announcement, caution is no longer required to be exercised by SearDel Shareholders when dealing in SearDel Shares.

Cape Town  
10 July 2013

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