

Reunert Limited  
(Incorporated in the Republic of South Africa)  
Registration Number: 1913/004355/06  
ISIN: ZAE000057428  
Ordinary share code: RLO  
Preference share code: RLZP  
("Reunert" or "the Company")

## **REDEMPTION AND DELISTING OF ALL 350 000 ISSUED 5,5% CUMULATIVE PREFERENCE SHARES OF R2,00 EACH ("PREFERENCE SHARES") IN THE ISSUED CAPITAL OF THE COMPANY**

### **1. Introduction**

Shareholders of Reunert Preference Shares ("Preference Shareholders") are advised that the Company has resolved to redeem all the Preference Shares in accordance with Article 3.1.2.5.5 of the Company's Memorandum of Incorporation ("Redemption"). The Preference Shares will be redeemed for R2.10 per Preference Share ("the Redemption Consideration") totalling R735 000 for the 350 000 Preference Shares and will thereafter be delisted from the JSE Limited.

### **2. Rationale**

The Preference Shares have traded minimally over the last two years and the dividend payable to Preference Shareholders has, in real terms, reduced to such a level as to be of very little benefit to Preference Shareholders. The preference dividend is currently 11 cents per Preference Share per annum. Preference Shareholders receive an aggregate of R38 500 per annum on the existing 350 000 Preference Shares. The preference dividend is subject to the payment of dividend withholding tax which further erodes the benefit to Preference Shareholders.

The Redemption is further supported by the fact that the Company is not maintaining the JSE Listings Requirements' requisite spread of preference shareholders, being a minimum of 50 public shareholders, excluding employees and their associates, and the Company does not anticipate that the shareholder spread will significantly improve in future.

The Redemption will, once complete, significantly reduce the administration fees payable by the Company to its Transfer Secretaries as well as to Strate Limited.

### **3. Taxation Implications of the Redemption**

Preference Shareholders are advised to consult their professional advisers regarding their individual tax positions as a result of the Redemption and in particular the receipt by them of the Redemption Consideration.

This paragraph contains a high level summary of the tax implications of the Redemption for Preference Shareholders. This tax analysis is not comprehensive or definitive and does not take account of individual circumstances of Preference Shareholders.

The Redemption will be funded partly from the Company's contributed tax capital on which there is no dividend withholding tax payable and partly from income reserves. No secondary tax on companies' credits will be used in giving effect to the Redemption. The contributed tax

capital of each Preference Share is R2,00 per share. Accordingly, the balance of the redemption amount of 10 cents per share will be funded from income reserves. In terms of the Income Tax Act, Reunert will be required to withhold dividend withholding tax of 15% on the portion of the redemption amount paid from income reserves from all holders of Preference Shares who are not exempt from dividend withholding tax. The amount of the redemption from reserves, net of dividend withholding tax equals 8,5 cents per Preference Share. The Company's tax number is 9100/101/71/7/P and there are 350 000 Preference Shares in issue.

A Preference Shareholder who is not a South African resident for tax purposes may not be liable for the South African taxes set out above. Preference Shareholders are cautioned to consult their professional advisers in this regard.

#### **4. Financial effects**

The total value of the Redemption is R735 000. As a result, the effect on the Company's net asset value, net tangible asset value, earnings and headline earnings per share is insignificant.

#### **5. Salient dates and times**

Circular posted to shareholders	Wednesday, 5 June
Last day to trade to be eligible for the redemption	Friday, 21 June
Suspension of the Preference Shares on the JSE trading system	Monday, 24 June
Record Date in order to receive the Redemption Consideration	Friday, 28 June
Payment of the Redemption Consideration	Monday, 1 July
Listing of Preference Shares terminated on the JSE trading system at commencement of trading on	Tuesday, 2 July

**Notes:**

1. All times given are South African local times.
2. The dates and times are subject to change. Any material changes will be announced on SENS.
3. Share certificates may not be dematerialised or rematerialised after Friday, 21 June 2013.

#### **6. Circular**

A circular setting out full details of the Redemption of the Preference Shares, including salient dates and times and a form of surrender, where applicable, has been posted to Preference Shareholders today, 5 June 2013.

Sandton  
5 June 2013

Transaction Sponsor: Deloitte & Touche Sponsor Services (Pty) Ltd

Sponsor: Rand Merchant Bank (a division of FirstRand Bank Limited)