

MONEYWEB HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1998/025067/06)
Share code: MNY ISIN code: ZAE000025409
("Moneyweb" or "the company")

AFRICAN MEDIA ENTERTAINMENT LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1926/008797/06)
Share code: AME SIN code: ZAE000055802
("AME" or "the Offeror")

ANNOUNCEMENT OF FIRM INTENTION BY AME TO MAKE AN OFFER TO ACQUIRE ALL OF THE ISSUED ORDINARY SHARES OF MONEYWEB OTHER THAN SHARES ALREADY HELD BY AME AND TREASURY SHARES

1. INTRODUCTION

Shareholders are advised that on 5 May 2017 the board of directors of the company ("the board") received from AME a firm intention to make an offer ("the Offer") to acquire all of the issued ordinary shares of the company, excluding 1 000 000 ordinary shares already held by AME and 1 197 196 treasury shares held by Moneyweb ("the offer shares" and "the Proposed Transaction").

It is intended that the Proposed Transaction will be implemented by way of a scheme of arrangement in terms of section 114 of the Companies Act, 2008 ("the Act" and "the Scheme").

The proposed transaction constitutes an affected transaction in terms of sections 117 and 118 of the Act, and the board has therefore appointed a sub-committee of the board, comprising of independent non-executive directors Ms SJ Gordon and Messers VW Mcobothi and L Sipoyo ("the independent committee"), to oversee the process, which will involve the appointment of an independent expert acceptable to the Takeover Regulation Panel ("the TRP" and "the Expert"). The expert will provide the independent committee with advice in regard to the offer and the Scheme and make appropriate recommendations to the independent committee on behalf of Moneyweb shareholders.

The recommendations of the board and the independent committee and the report of the Expert will be included in a circular to the shareholders of Moneyweb containing the terms and conditions governing the offer and the Scheme ("the Scheme circular") which will be distributed to shareholders subject to the fulfilment of the conditions set out in paragraph 4 below.

2. TRANSACTION RATIONALE

AME is an established player in the South African media industry, operating mainly in radio and ancillary services. AME has decided to expand its sphere of operations within the media space and, as such, the acquisition of Moneyweb by AME is advantageous to the respective shareholders of AME and Moneyweb for the following reasons, inter alia:

- it enables AME to continue to build scale and presence in the South African media space;
- it provides Moneyweb and AME with the opportunity to provide an integrated and personalised service to their respective target audiences;
- it provides economies of scale and efficiencies;
- it provides Moneyweb with the opportunity to have a single shareholder who will have a vested interest in its growth and development;
- it provides Moneyweb shareholders with an opportunity to benefit from AME's relatively higher market rating;
- it provides Moneyweb shareholders with an opportunity to acquire shares in a larger group of companies with exposure to a wider range of businesses; and
- it provides to Moneyweb shareholders a participation in a more liquid share, given the larger shareholder base in AME post the acquisition.

3. MECHANICS OF THE ACQUISITION BY AME OF THE SCHEME SHARES

The Proposed Transaction will be implemented by way of the Scheme.

The Proposed Transaction and Scheme will be subject to the conditions precedent set out in paragraphs 4.2 ("Proposed Transaction Offer Conditions") and 5 ("the Scheme Conditions") (collectively, "the Proposed Transaction Conditions Precedent").

4. THE PROPOSED TRANSACTION OFFER CONDITIONS

The Offer is subject to fulfilment of the Offer Conditions. AME proposes a cash-based offer with a share alternative. The cash-based offer will be priced at R0.26 per Moneyweb share whilst the offer to be settled in AME shares will be priced at R0.28 per Moneyweb share. The Firm Intention Offer will, subject to the fulfilment of the Proposed Transaction Conditions Precedent, result in R0.26 being payable per Scheme Share in terms of the cash alternative and R0.28 per Scheme Share being discharged in accordance with the share alternative ("the Scheme Consideration").

The Scheme Consideration is equivalent to a 53% premium in terms of the cash alternative and a 65% premium in terms of the share alternative, determined with reference to the 30-day volume-weighted average price ("VWAP") on 8 May 2017 of R0.17 per Moneyweb share.

The Scheme Consideration is equivalent to a 53% premium in terms of the cash alternative and a 65% premium in terms of the share alternative, determined with reference to the closing share price on 8 May 2017 of R0.17 per Moneyweb share.

The share-based Scheme Consideration is to be settled by the issue of shares in AME, based on a Scheme Consideration amount of R0.28 per Moneyweb share and R70.00 per AME share, which equates to an exchange ratio of 250 Scheme Shares for each AME share. The cash-based Scheme Consideration will be settled in cash. Should a Moneyweb shareholder, hold an insufficient number of Moneyweb shares to exchange into an AME share ("fraction of an AME share"), then that portion of the Moneyweb shareholding which is insufficient to exchange into an AME share shall be settled in cash as if that shareholder had elected the cash alternative in respect of the number of Moneyweb shares in question.

Implementation of the Scheme will not affect the earnings or net asset value of Moneyweb securities and the provisions for pro forma financial effects contemplated in Regulation 101(7)(b)(iv) are therefore not applicable.

However, the illustrative effects on a Moneyweb shareholder accepting the Scheme consideration are set out below:

	Before the offer (based on Moneyweb's financial year ended 30 June 2016)		After the offer (based on the companies' latest financial year ends consolidated)	
	250 Moneyweb shares Cents NAV	250 Moneyweb shares earnings/(loss)	1 AME share Cents NAV	1 AME share Cents EPS
250 Moneyweb shares/cash of 26 cents per share	4 116.12	(1 151.77)	6 500.00	-
250 Moneyweb shares/ 1 AME share	4 116.12	(1 151.77)	2 843.23	502.30

AME is of the view that the Scheme Consideration reflects the full and fundamental value of Moneyweb and will be attractive to the scheme participants, being those shareholders who hold Scheme Shares and who are entitled to vote on the Scheme ("the Scheme Members").

AME confirms that it has sufficient authorised and unissued AME shares to settle the share-based Scheme Consideration and adequate cash resources to settle the cash-based Scheme Consideration, and it has provided the TRP with a bank guarantee from Absa Bank Limited to this effect in accordance with Regulations 111(4) and 111(5).

4.1 Basis on which the Offer will be made

The Offer is made on the basis that:

- (a) the entire issued share capital of Moneyweb comprises of 107 771 800 ordinary shares in issue, of which 1 197 196 are treasury shares held by Moneyweb Proprietary Limited and 1 000 000 are held by AME, thus leaving a balance of 105 574 604 Moneyweb shares to be acquired by AME ("the Scheme Shares");
- (b) Moneyweb shall be entitled, prior to the approval of the Scheme, to make dividend payments to Moneyweb shareholders in the ordinary course and on the same basis as dividends have been calculated and paid historically ("Normal Dividends"). Should Moneyweb declare Normal Dividends after the date hereof but before

- the date on which the Scheme Consideration is to be paid or discharged in terms of the Scheme ("Actual Payment Date"), the Scheme Consideration will be reduced by an amount equal to the dividend per Moneyweb share which has been paid to Moneyweb shareholders;
- (c) no payments or other distributions, other than the Normal Dividends, will be declared or paid between the date hereof and the Actual Payment Date;
 - (d) Moneyweb and its subsidiaries shall not repurchase any Moneyweb shares between the date hereof and the Actual Payment Date;
 - (e) Moneyweb will not incur any further indebtedness, encumber its assets or provide any guarantee or like instrument between the date hereof and the Actual Payment Date, unless with the prior written consent of AME;
 - (f) Moneyweb will not enter into any corporate actions (including, the issue of shares, the granting of share options or warrants or the acquisition of any company or business) between the date hereof and the Actual Payment Date;
 - (g) no material contracts or arrangements of Moneyweb will be capable of being terminated by the counterparties thereto as a result of a change of control of Moneyweb;
 - (h) the Scheme meeting will be convened by the Moneyweb Board to be held by no later than 31 July 2017, or such other date as agreed between Moneyweb and AME in writing;
 - (i) the Scheme will be finally implemented by no later than 31 August 2017 or such later date as agreed between Moneyweb and AME in writing; and
 - (j) upon implementation of the Scheme, application will be made to the JSE to terminate the listing of all the issued shares of Moneyweb.

4.2 The Offer Conditions

The Offer is made subject to fulfilment of the following Offer Conditions:

- (a) By no later than the day before the Offer is announced on the JSE Stock Exchange News Service ("SENS") or in the press, a statement is made by the majority of those directors of Moneyweb who are entitled to vote on the Scheme, that:
 - (i) given the circumstances and the market conditions prevailing at the date of this Firm Intention Offer, they have considered the terms and conditions of the Proposed Transaction and at the time of such statement they are, subject to the favourable opinion of the Independent Expert to be appointed in terms of sections 114(2) and (3) of the Act who will be providing the appropriate independent advice to the independent Moneyweb Board, satisfied with the terms and conditions of the Proposed Transaction;
 - (ii) they intend to support the Scheme and to facilitate the Scheme, to the extent that a board of directors will normally be required to do for purposes of implementation of a scheme; and
 - (iii) they intend to recommend that Scheme Members vote in favour of the Scheme.
- (b) AME will be entitled to waive any one or more of the Offer Conditions or part thereof upon written notice to that effect to Moneyweb prior to the date upon which the Offer Conditions are required to be fulfilled.
- (c) AME will be entitled, in its discretion, to extend the date for the fulfilment of any of the Offer Conditions, for a period of not exceeding 30 days upon written notice to that effect to Moneyweb.

5. THE SCHEME CONDITIONS

The Scheme will be subject to (and will become operative on the relevant operative date upon) the fulfilment of the following Scheme Conditions:

- (a) No distributions (as such term is defined in the Act) having been declared and or paid, other than the Normal Dividends, between the date of the Firm Intention Offer and the Actual Payment Date.
- (b) No increase in or amendments to the share capital of Moneyweb having been effected between the date of the Firm Intention Offer and the Actual Payment Date.
- (c) The Scheme having been approved by a majority representing not less than 75% (seventy five percent) of the votes exercised by the Scheme Members present and voting, either in person or by proxy, at the Scheme meeting.
- (d) The Scheme not having been opposed by 15% (fifteen percent) or more of the voting rights exercised by Scheme Members present and voting, or, should the Scheme have been opposed by 15% (fifteen percent) or more of the voting rights exercised by Scheme Members present and voting, no Scheme Member who voted against the Scheme requires Moneyweb to seek court approval in terms of section 115(3) of the Act. This condition may be waived by AME.
- (e) If the Scheme is opposed by 15% (fifteen percent) or more of the voting rights exercised by Scheme Members present and voting, and a Scheme Member who voted against the Scheme requires Moneyweb to seek court approval and AME waives the condition precedent set out in paragraph (d) above and Moneyweb does not elect to

treat the special resolution as a nullity in terms of section 115(5) of the Act, the court having approved the special resolution in terms of section 115(3) of the Act.

- (f) No leave to review the Scheme being granted by a court on an application within 10 (ten) business days after the vote, to any person who voted against the Scheme and who applied to the court for a review of the Scheme in terms of section 115(7) of the Act. This condition may be waived by AME on condition that the court approves the special resolution in terms of section 115(3) of the Act.
- (g) Within the period prescribed under section 164(7) of the Act, no valid demands are received by Moneyweb in terms of such section in respect of Moneyweb shares representing, in aggregate, more than 5% (five percent) of the total issued shares in Moneyweb. This condition may be waived by AME on written notice to Moneyweb to that effect.
- (h) The receipt of, inter alia, the following regulatory approvals in respect of the implementation of the Scheme (either conditionally or subject to conditions acceptable to the party on whom the condition will be enforceable):
 - (i) The TRP.
 - (ii) The Johannesburg Stock Exchange ("the JSE"), to the extent necessary.
 - (iii) The South African Competition Authorities, to the extent necessary.
 - (iv) The Financial Surveillance Department of the South African Reserve Bank.
 - (v) Any other regulatory approvals that may be required in order for AME to take control of Moneyweb.
- (i) AME will be entitled to waive those Scheme Conditions which are capable of being waived in law.
- (j) AME will be entitled, in its discretion, to extend the date for the fulfilment of any of the Scheme Conditions for a period not exceeding 30 days upon written notice to that effect to Moneyweb.

6. SHAREHOLDER UNDERTAKING

Once the independent committee of Moneyweb has resolved to proceed with the Scheme (after a positive fair and reasonable opinion from the independent Expert and approval from the independent committee), AME will obtain an irrevocable undertaking in writing from Moneyweb's holding company, Caxton and CTP Publishers and Printers Limited, to the effect that:

1. it will not dispose of any Scheme Shares prior to the Scheme Meeting; and
2. it will accept AME shares in respect of all its Scheme Shares.

The irrevocable undertaking will not be capable of amendment or withdrawal for a period of six months after its issue.

7. INDICATIVE TIMING

AME envisages the following key dates in regard to the Scheme, namely:

Event	Indicative date
Formal JSE/TRP approval of the Scheme circular	25 May 2017
Scheme circular posted to shareholders, including notice of General Meeting	29 May 2017
General Meeting to approve Scheme	30 June 2017
Expected date of receipt of compliance certificate from Takeover Regulation Panel (assuming no shareholders exercise their rights in terms of section 115(3)(a) and (b))	31 July 2017
Expected Operative Date/Delisting date	7 August 2017
Termination of Moneyweb listing on the JSE	8 August 2017

Please note that this indicative timeline is subject to timing of regulatory approvals.

8. TERMINATION OF THE LISTING OF MONEYWEB

Should the Scheme be implemented as contemplated in this announcement, Moneyweb will become a wholly-owned subsidiary of the Offeror and the listing of the company on the JSE will be terminated.

9. SCHEME CIRCULAR

The Scheme circular relating to the Proposed Transaction incorporating the terms of the Scheme the notice of the Scheme meeting, a form of proxy, a form of election and a form of surrender will be posted to Moneyweb shareholders on or about Monday, 29 May 2017. The salient dates and times in relation to the Scheme will be published on the date of posting the Scheme circular and will also be contained in the Scheme circular.

10. RESPONSIBILITY STATEMENT

The boards of Moneyweb and AME and the independent committee accept responsibility for the information contained in this announcement, and certify that, to the best of their respective knowledge and belief, the information is true and, where

appropriate, this announcement does not omit anything likely to affect the importance of the information included.

11. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Following the release of this firm intention announcement, the cautionary announcements previously published by the company, the last of which appeared on 6 April 2017, are hereby withdrawn.

Johannesburg
16 May 2017

Designated Advisor to Moneyweb and Sponsor to AME
ARBOR CAPITAL

Corporate Advisor to AME
PWC

Attorneys to Moneyweb and AME
FLUXMANS ATTORNEYS

Auditors to Moneyweb
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