

NIVEUS INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1996/005744/06)

Share code: NIV

ISIN: ZAE000169553

("Niveus")

**DISPOSAL OF FORMEX INDUSTRIES PROPRIETARY LIMITED ("FORMEX") BY NIVEUS TO
HOSKEN CONSOLIDATED INVESTMENTS LIMITED ("HCI")**

1. INTRODUCTION

Shareholders are advised that agreement has been reached between HCI and Niveus (the "Parties") whereby HCI will acquire Formex from Niveus for a cash consideration of R23,400,000 (collectively the "Transaction").

2. RATIONALE FOR THE TRANSACTION

As the majority of Niveus' investments are in the gaming and beverage industries, the Parties have agreed that it would be more appropriate for Formex to be housed within HCI which company can employ the expertise of its other manufacturing investments.

3. OVERVIEW OF FORMEX

Formex is primarily engaged in the manufacturing and supply of tubular and exhaust-related components.

4. TERMS OF THE TRANSACTION

Niveus will sell all of the shares and loan claims in Formex to HCI for an amount of R23,400,000 to be settled in cash.

The Transaction will be effective from 14 January 2013.

5. FINANCIAL EFFECTS OF THE TRANSACTION

The table below sets out the financial effects of the Transaction on Niveus shareholders assuming that Niveus implemented the Transaction based on the unaudited interim results of Niveus for the six months ended 30 September 2012. As the *pro forma* financial effects are unaudited and illustrative, they may not give a true reflection of the financial effects of the Transaction. The Niveus directors are responsible for the preparation of the unaudited *pro forma* financial information.

	Before the Transaction - as reported 30 September 2012 ⁽¹⁾	After the Transaction ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	% Change
Earnings per Niveus share (cents)	10.60	8.23	(22.4%)
Headline earnings per Niveus share (cents)	12.68	20.10	58.5%
Net asset value ("NAV") per Niveus share (cents)	467.37	489.22	4.7%
Net tangible asset value ("NTAV") per Niveus share (cents)	415.88	437.73	5.3%
Weighted average number of Niveus shares (thousands)	82,876	82,876	-
Actual number of Niveus shares (thousands)	107,119	107,119	-

Notes:

The unaudited *pro forma* financial information is indicative only and has been based on the assumptions set out below:

1. The financial information shown in the "Before the Transaction" column has been extracted from the unaudited consolidated interim results of Niveus for the six month period ended 30 September 2012.
2. The effects of the Transaction have been calculated using the unaudited consolidated six month results of Formex for the six month period ended 30 September 2012.
3. It has been assumed that the Transaction was effected on 31 March 2012 for income statement purposes and on 30 September 2012 for statement of financial position purposes.
4. Interest earned on the cash received as a result of the Transaction, being R23,400,000, was calculated at a pre-tax rate of 5.46% for the six month period.
5. Once off transaction costs have been excluded from the *pro forma* financial effects.

6. SMALL RELATED PARTY TRANSACTION

HCI is a 52.3% shareholder of Niveus and is accordingly a related party to Niveus in terms of the Listings Requirements. BDO Corporate Finance Proprietary Limited, as the independent professional expert, has confirmed that the Transaction is fair to the shareholders of Niveus and their fairness opinion is available for inspection at Niveus' registered office for a period of 28 days from the date of this announcement. The fairness opinion has been approved by the JSE Limited.

Cape Town

14 January 2013

Investment Bank and Sponsor

Investec Bank Limited

Legal Advisers to Niveus:

Edward Nathan Sonnenbergs Inc