

NIVEUS INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1996/005744/06)
Share code: NIV
ISIN: ZAE000169553
("Niveus" or "the Company")

UPDATE RELATING TO THE SPECIFIC ISSUE OF SHARES

1. INTRODUCTION

1.1 Shareholders of Niveus ("Shareholders") are referred to the announcement published by the Company on SENS on Thursday, 21 May 2015, wherein Shareholders were advised that Niveus has entered into an agreement with Johnnic Holdings Management Services Limited ("JHMS") ("the Corporate Actions Agreement") relating to the specific issue of 1 750 000 Niveus shares, for cash, at an issue price of R25.80 per share, to JHMS ("the Specific Issue") and the restructuring of the payment terms of the current administration agreement ("the Administration Agreement") between Niveus and JHMS ("the Restructuring"). The Specific Issue and the Restructuring are collectively referred to as the "Corporate Actions".

2. REVISED TERMS OF THE CORPORATE ACTIONS AGREEMENT

2.1 Shareholders are advised that the Corporate Actions Agreement has been amended in that the amount due to Niveus by JHMS, in respect of the Specific Issue, being the amount of R45 150 000 ("the Specific Issue Consideration"), will be settled by JHMS in cash.

3. EXTENSION OF POSTING DATE OF CIRCULAR

3.1 Shareholders are hereby advised that the JSE Limited has granted the Company an extension in relation to the distribution date of the circular relating to the Corporate Actions ("the Circular"), until 14 August 2015.

3.2 Accordingly, Shareholders are hereby advised that the Circular will be distributed to Shareholders on or about 14 August 2015.

3.3 Shareholders will be advised in due course of the salient dates and times relating to the Corporate Actions and the

general meeting of Shareholders to be convened in order for Shareholders to consider and vote on the resolutions required in respect of the Corporate Actions.

4. PRO FORMA FINANCIAL EFFECTS OF THE CORPORATE ACTIONS

- 4.1 The table below sets out the *pro forma* financial effects of the Corporate Actions on the financial position of Niveus, to assist Shareholders in assessing the impact of the Corporate Actions on, *inter alia*, the earnings per share, headline earnings per share, net asset value and tangible net asset value per share.
- 4.2 The *pro forma* financial effects of the Corporate Actions on Shareholders are the responsibility of the directors of Niveus and have been prepared for illustrative purposes only to provide information about how the Corporate Actions would have affected the financial position and results of Niveus and, because of its nature, may not fairly present Niveus' financial position, changes in equity, results of operations and cash flows after the Corporate Actions.
- 4.3 The accounting policies used in calculating the *pro forma* financial effects are consistent with the accounting policies applied in the annual financial statements for the previous reporting period. The *pro forma* financial information have been prepared using the most recent published financial information of Niveus for the year ended 31 March 2015.
- 4.4 The *pro forma* financial information is prepared in terms of the Listings Requirements of the JSE Limited and the guidelines issued by the South African Institute of Chartered Accountants.

	Reviewed results before the Corporate Actions	After the Corporate Actions	Movement (%)
Earnings per share (cents)	69.0	48.9	(29.1%)
Headline earnings per share (cents)	72.4	52.3	(27.8%)
Diluted	67.8	48.1	(29.1%)

earnings per share (cents)			
Diluted headline earnings per share (cents)	71.2	51.4	(27.8%)
Net asset value per share (cents)	1 107	1 102	(0.5%)
Net tangible asset value per share (cents)	1 002	998	(0.4%)

Notes and assumptions:

1. The figures in the "Reviewed results before the Corporate Actions" column have been extracted from the reviewed consolidated financial statements of Niveus for the year ended 31 March 2015.
2. Included in the effect on earnings and headline earnings of the Company is the once-off cash outflow of R45 150 000 payable by Niveus to JHMS in terms of the Restructuring ("the Restructuring Consideration"), in addition to incorporating the proposed management fee of R3 000 000 payable to JHMS as opposed to the R16 653 916 remuneration paid to JHMS in the year ended 31 March 2015, as per the Administration Agreement. Interest earned is assumed to increase due to the increase in cash resources as a consequence of the Corporate Actions resulting in a net cash inflow; it has been assumed that interest is earned at a pre tax rate of 5.2% being the average interest rate currently being earned on surplus funds of the Company, and that the Corporate Actions were effected on 1 April 2014. The transaction costs relating to the Corporate Actions of R243 000 have also been accounted for, after tax.
3. Included in the effect on the net asset value of the Company, is the R45 150 000 decrease in cash relating to the Restructuring Consideration in addition to a decrease in the Company's tax liability owing to the Restructuring Consideration as well as a R45 150 000

increase in both cash and equity owing to the Specific Issue.

4. Tax adjustments have been assumed at a rate of 28%.

Cape Town
28 July 2015

Transaction Adviser and Sponsor
PSG Capital Proprietary Limited

Reporting Accountants
Grant Thornton