

Untitled

Disposal of minority investment in Heunis Steel Proprietary Limited

Distribution and Warehousing Network Limited

(Incorporated in the Republic of South Africa)

(Registration number 1984/008265/06)

Share code: DAW & ISIN code: ZAE000018834

(“DAWN” or “the Company” or “the Group”)

DISPOSAL OF MINORITY INVESTMENT IN HEUNIS STEEL PROPRIETARY LIMITED

INTRODUCTION

DAWN is pleased to announce that the Group has entered into an agreement to dispose of the 49%

equity stake held in the issued share capital of Heunis Steel (Proprietary) Limited (“Heunis”), an

associate investment.

NATURE OF HEUNIS BUSINESS

Heunis is a steel fabrication business specialising in corrugated roof sheeting and rainwater solutions

with exposure mainly to the building and construction markets in South Africa.

RATIONALE

As stated at the release of the unaudited interim results for the six months ended 30

September 2016, the Group wishes to exit certain assets deemed to be of a non-core nature.

Furthermore, the Group will be realising cash from this transaction which will be used to reduce the

Group’s net debt position.

SALE CONSIDERATION

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The Group's total cash proceeds from realising this investment shall be an all-inclusive amount of

R50 million. The sale of shares consideration of R27 million is to be in cash by no later than 30

January 2017. In addition to the sale of shares consideration the Group will be receiving a dividend

of R23 million by no later than 30 January 2017.

CONDITIONS PRECEDENT AND EFFECTIVE DATE

The Disposal is subject to the fulfilment of, inter alia, the declaration and payment of a dividend (as

outlined earlier in this announcement) by no later than 30 January 2017. The effective date will be

no later than 31 January 2017.

CATEGORISATION

The Disposal falls below the threshold of the categorisation of transactions which require disclosure

in terms of the JSE Limited's Listings Requirements. Nevertheless, the board of DAWN deemed it

necessary to inform shareholders of the disposal.

Johannesburg, 15 December 2016

Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited

Legal Advisor: Webber Wentzel Inc.

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