

RECM and Calibre Limited  
(Incorporated in the Republic of South Africa)  
Registration number 2009/012403/06  
Preference Share Code: RACP  
ISIN: ZAE000145041  
("RAC" or "the Company")



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## **UNDERWRITING OF A RIGHTS OFFER**

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### **1. Introduction**

RAC preference shareholders are referred to the announcement released by JSE-listed Distribution and Warehousing Network Limited ("DAWN") on 2 February 2017 in terms of which DAWN disclosed its intention to raise up to R350 million by way of a rights offer ("the DAWN Rights Offer").

RAC shareholders are advised that RAC and DAWN have entered into an agreement in terms of which RAC will, on an exclusive basis, underwrite the DAWN Rights Offer up to a maximum value of R201 026 865 at a price of R1.00 per DAWN share ("the Underwriting Agreement"). This results in a potential maximum subscription by RAC for 201 026 865 new DAWN shares ("the Underwritten Shares"), equating to a 33.9% shareholding in DAWN and constituting 14.5% of RAC's latest disclosed net asset value.

As consideration for the underwriting, RAC shall be entitled to a fee of R8 041 074, which constitutes 4% of RAC's maximum underwriting commitment.

### **2. Conditions precedent**

The Underwriting Agreement is conditional on the DAWN shareholders approving the resolutions necessary:

- (i) to convert DAWN's authorised share capital from par value shares to shares with no par value;
- (ii) to increase DAWN's authorised share capital from 752 893 603 ordinary shares to 2 000 000 000 ordinary shares;
- (iii) for DAWN to issue additional ordinary shares with voting power that will, upon issue, exceed 30% of the voting power of the ordinary shares currently in issue; and
- (iv) for the placing of the authorised but unissued shares under the control of the DAWN directors for the purposes of implementing the DAWN Rights Offer.

### **3. Rationale for the Underwriting**

The investment opportunity is considered appropriate for RAC.

### **4. Description of the business undertaken by DAWN**

DAWN is listed in the Construction and Materials – Building Materials and Fixtures sector of the JSE lists and distributes its products through an international, strategically positioned branch network in South Africa and selected countries in the rest of Africa and Mauritius. More information is available at [www.dawnltd.co.za](http://www.dawnltd.co.za).

## **5. Financial information in respect of DAWN**

The market value of DAWN shares at the close of business immediately prior to the date of this announcement, being 2 February 2017, was R1.99. Accordingly, the aggregate market value of the Underwritten Shares was, at that date, R400 043 461.

For the six month interim period ended 30 September 2016, being the most recently published financial results of DAWN, DAWN incurred a loss per share of 155.88 cents.

Cape Town  
3 February 2017

Sponsor to RAC: Questco Proprietary Limited