

# **SENWESBEL LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1996/017629/06)  
("Senwesbel")



JOINT PRESS RELEASE BY NWK HOLDINGS  
LIMITED AND SENWESBEL LIMITED

## **Producer investment companies in the Northwest join hands in unique transaction**

**Two local producer controlled investment companies in the agricultural sector jointly announced their intention to merge. NWK Holdings Limited from Lichtenburg and Senwesbel Limited from Klerksdorp, respectively the holding companies of NWK Limited and Senwes Limited, indicated their intention to join hands in order to form a producer holding company which could serve as a platform for consolidation and growth of agricultural enterprises.**

"The transaction is structured in such a manner that the shareholders of Senwesbel will acquire a 59% interest and the shareholders of NWK Holdings Limited will acquire a 41% interest in the joint venture. The "new" holding company will be the majority shareholder in NWK and Senwes, which will autonomously continue with their business activities.

"The South African agricultural sector is inevitably moving towards consolidation. International competitors are moving their business to Africa and South African investors are actively seeking investments in the Southern African agricultural sector. The boards of directors of the two companies therefore decided to join forces. The directors are of the opinion that a more competitive, diversified agricultural investment company, controlled by producers, will be able to successfully respond to these changing market conditions. In a cyclical agricultural production environment with many challenges, high input costs and low margins, the shareholders of the Companies, after successful implementation, can use the opportunity to increase share investments, thereby utilising future value unlocking opportunities," said Heinrich Kruger, Chairman of NWK Holdings Limited.

The proposed merger should create a strong producer base which will support the shareholders of the respective operating investment companies with the mitigation and diversification of geographic and commodity risks. Against the background of high levels of competition by international and local role-players in the procurement of grain and provision

of input products, the larger producer shareholder block will be able to participate in local and global opportunities, whilst contributing to the sustainability of their communities in rural areas and strengthening food production. "The transaction was structured in such a manner that the operating companies of both Senwes and NWK will continue. The trademarks, infrastructure and client-base of each operating company, will be preserved, thereby ensuring that the day-to-day-contact with both companies will not change," said Dries Kruger, Chairman of Senwesbel Limited.

The proposed merger is subject to approval by shareholders and regulatory authorities, such as the Competition Commission. Shareholders will be invited to attend road shows to be hosted by the Companies in due course, where more information will be made available.

A comprehensive announcement regarding the Proposed Merger will be made in the daily press and will be available on the websites of NWK Limited and Senwes Limited respectively.

*ENDS.*

*ISSUED BY INFOWORKS ON 14 MAY 2014 FOR AND ON BEHALF OF NWK HOLDINGS LIMITED AND SENWESBEL LIMITED*

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