

Raubex Group Limited

(Incorporated in the Republic of South Africa)

Registration number 2006/023666/06

Share Code: RBX

ISIN Code: ZAE000093183

("Raubex" or "the Company")

PROPOSED SPECIFIC REPURCHASE OF RAUBEX SHARES

1. INTRODUCTION

Raubex has concluded an agreement ("**Repurchase Agreement**") with Freddie Kenney, a non-executive director of Raubex and 100% shareholder of Kenworth (Pty) Ltd ("**the Party**"), in terms of which Raubex will acquire 7 500 000 Raubex ordinary shares ("**Raubex Shares**") from Kenworth (Pty) Ltd, subject to the terms and conditions referred to below, at a price of R16.00 per Raubex Share (the "**Specific Repurchase**").

2. RATIONALE FOR THE SPECIFIC REPURCHASE

The Raubex board of directors believe that the Specific Repurchase, at the purchase price of R16.00 per Raubex Share is at a discount to Raubex's intrinsic value and consider this acquisition opportunity to be a very efficient use of Raubex's cash.

The repurchase price of R16.00 per Raubex Share represents a discount of:

- 13,8% to the closing price on Wednesday 18 May 2016; and
- 11,7% to the 30 day volume weighted average price up to and including Wednesday, 18 May 2016 ("**VWAP**")

The Raubex Shares which are the subject of the Specific Repurchase represent 55,7% of the Party's shares in Raubex. The Party intends utilising the cash received from the Specific Repurchase to fund a private development project.

3. TERMS OF THE SPECIFIC REPURCHASE

Raubex has agreed to acquire 7 500 000 Raubex shares at a price of R16.00 per Raubex Share subject, to the conditions precedent set out below:

- The shareholders of Raubex (excluding the Party) approving the necessary special resolution, by way of specific authority, required to implement the Specific Repurchase;
- The receipt of the necessary approvals from the JSE Limited;
- The board of directors of Raubex approving the Specific Repurchase in terms of the Repurchase Agreement and adopting the requisite resolutions in accordance with section 46 and 48 of the Companies Act, 71 of 2008, as amended ("**Companies Act**").

The repurchase of the Raubex Shares and the payment of the purchase consideration in terms of the Specific Repurchase will take place on the first business day after the fulfilment of the last of the conditions precedent referred to above ("**Repurchase Date**"). The Raubex Shares repurchased will be cancelled and their listing terminated on or, as soon as possible after the Repurchase Date.

4. CATEGORISATION

In terms of the JSE Listing Requirements the Specific Repurchase is with a related party as:

- Freddie Kenney is a non-executive director of Raubex;
- Kenworth (Pty) Ltd is an associate, as defined in the JSE Listing Requirements, of Freddie Kenney.

Consequently in terms of the JSE Listing Requirements, in order to implement the Specific Repurchase a special resolution of the Company must be passed by securities holders excluding the above mentioned director and associate. As the purchase price of R16.00 per Raubex Share is at a discount to the 30 day VWAP, a fairness opinion is not required.

In terms of the JSE Listing Requirements, the votes of the Party will be taken into account in determining whether a quorum of shareholders is present at the general meeting, but such votes will not be taken into account in determining the results of the voting at the general meeting.

5. IMPACT ON THE FINANCIAL INFORMATION OF RAUBEX

The Specific Repurchase will be funded from Raubex's internal cash resources and will result in a decrease in equity as a result of the repurchase of Raubex Shares.

6. CIRCULAR TO SHAREHOLDERS

A circular, including a notice of general meeting, detailing the terms of the Specific Repurchase and actions required by shareholders will be posted to shareholders on or about 20 June 2016. It is expected that the general meeting will be held on or about 19 July 2016.

Centurion
19 May 2016

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