
Conduit Capital Limited
Incorporated in the Republic of South Africa
(Registration number 1998/017351/06)
Share code: CND ISIN: ZAE000073128
("Conduit Capital" or "the Group")

DISPOSAL BY CONDUIT CAPITAL OF ITS INVESTMENT IN AMALGAMATED ELECTRONIC CORPORATION LIMITED

1. INTRODUCTION

Shareholders are advised that Conduit Capital has disposed of its investment, being a total of 20 084 816 ordinary shares, in Amalgamated Electronic Corporation Limited ("Amecor") ("Amecor shares"), which represents 27.0% of Amecor's ordinary shares in issue, net of treasury shares, for a total consideration of R40.2 million ("the disposal").

2. THE DISPOSAL

2.1 Nature of Amecor

Amecor, which listed in 2005 in the "Electronic and Electrical Equipment" sector of the main board of the JSE Limited ("JSE"), is the holding company of a number of businesses specialising in the design, manufacture and distribution of electronic security solutions, radio frequency networks, alternative power and power optimisation machinery to the domestic, corporate and industrial sectors in South Africa, neighbouring territories and the overseas market.

2.2 The rationale for the disposal

Though the investment in Amecor in 2010 has clearly proven worthwhile, it does not align with the Group's future strategy. This strategy will be fully articulated in the results announcement for the year ended 31 August 2013. The decision to entertain a bid and indeed to dispose of the investment, thereby monetising the considerable capital gain accounted for over the investment period, was therefore deemed prudent.

The disposal will have the indirect benefit of removing the turbulence associated with accounting for the investment on a mark-to-market basis. The capital proceeds from the sale will be deployed and appropriately utilised within the Group.

2.3 Consideration

The Amecor shares were sold at a price of 200 cents per share for a total cash consideration of R40.2 million.

2.4 Conditions precedent and effective date

The disposal is not subject to any conditions precedent and the effective date thereof is 11 October 2013.

3. PRO FORMA FINANCIAL EFFECTS OF THE DISPOSAL

Having accounted for the capital gain in each reporting period over the life of the investment, the *pro forma* financial effects of the disposal on Conduit Capital's earnings per share, headline earnings per share, net asset value per share and tangible net asset value per share are not significant and are therefore not disclosed in terms of paragraphs 9.15(d) and 9.15(e) of the Listings Requirements of the JSE.

4. CLASSIFICATION OF THE DISPOSAL

The disposal is classified as a Category 2 announcement in terms of the Listings Requirements of the JSE.

Johannesburg
15 October 2013

Sponsor
Merchantec Capital