



NOVUS HOLDINGS LIMITED
(Formerly known as Paarl Media Group Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2008/011165/06)
Share code: NVS
ISIN: ZAE000202149
("Novus" or "the Company" or "the Issuer")

PRE-LISTING STATEMENT

The definitions and interpretations commencing on page 9 of this Pre-listing Statement shall apply, *mutatis mutandis*, throughout this Pre-listing Statement.

This Pre-listing Statement relates to a private placement by way of an Offer for Subscription by Novus to raise proceeds of between R980 million and R1,136 million (placed within the Offer Price Range). The Offer Shares comprise 80,000,000 new Ordinary Shares. The proceeds received by Novus pursuant to the Offer will be used in the full and final settlement of the Aggregate Repurchase Price by Novus to Media24 pursuant to the Repurchase Agreement. As such, no new capital will be injected into the Company. In addition, Media24 will grant to the Stabilisation Manager 7,500,000 Stabilisation Shares to sell into the market for the Stabilisation Period at a price equal to or higher than the Listing Price. This Pre-listing Statement is not an invitation to the general public to subscribe for or purchase the Offer Shares, but is issued in compliance with the Listings Requirements for information purposes.

2015

Opening date of the Offer at 09:00 on	Friday, 6 March
Last date and time for indications of interest for purposes of book building to be received up until 12:00 on	Thursday, 19 March
Closing Date of the Offer at 12:00 on	Friday, 20 March
Listing Date on	Thursday, 26 March

All dates and times referred to in this Pre-listing Statement are times in South Africa. The dates and times in this Pre-listing Statement are subject to change and any such changes will be released on SENS.

Investing in the Offer Shares involves risks, as set out in the "Risk Factors" commencing on page 41 of this Pre-listing Statement.

**Investment Bank, Sole Bookrunner,
Stabilisation Manager and Sponsor**



Legal Advisor



Legal Advisor



Transfer Secretary



**Independent Reporting
Accountants and Auditors**



Legal Advisor



It is currently estimated that the price at which the Offer Shares will be offered for subscription pursuant to this Pre-listing Statement will be between R12.25 and R14.20 per Offer Share. However, the Offer Price may be outside the Offer Price Range. If the Offer Price is below the Offer Price Range for any reason, or if the Directors in their discretion determine that it would not be advisable to proceed, the Company shall not be obliged to proceed with the Offer, but reserves the right to do so.

There is no minimum capital requirement to be realised by the Offer. The minimum subscription that must be realised by the Company is that which enables it to ensure that the Company has, once the Offer is completed, such number and composition of shareholders as will enable it to meet the shareholder spread requirements, as prescribed by the Listings Requirements and acceptable to the JSE.

The Offer Shares will be issued in dematerialised form only and, accordingly, no physical Documents of Title will be issued or delivered to Successful Applicants. The Offer Shares will rank *pari passu* with all other Ordinary Shares in issue in all respects, including eligibility for dividends. Accordingly no Share has special rights to distributions, capital or profits of the Company. Fractions of Shares will not be issued.

The JSE has granted the Company a listing in respect of up to 347,332,454 Ordinary Shares in the “Business Support Services” sector of the main board of the JSE under the abbreviated name “Novus”, symbol “NVS” and ISIN: ZAE000202149, subject to the fulfilment of the conditions precedent set out in paragraph 14 of Section 2 below. The Listing is expected to be effective from the commencement of business on 26 March 2015.

In order to facilitate the Listing, Media24 and the Company have entered into the Repurchase Agreement. The salient terms, and the manner in which the aforementioned agreement and the Offer have been/will be implemented, are as follows:

- on the Repurchase Date, the Company will:
 - repurchase 80,000,000 Repurchase Shares from Media24; and
 - cancel such Shares as issued shares and, as a result, the authorised share capital of the Company available to be issued will increase (and the issued share capital of the Company will decrease) by the 80,000,000 Repurchase Shares which are so repurchased;
- the aggregate number of Shares that will be allocated to Successful Applicants will be 80,000,000 which is based on the 80,000,000 Shares as required by the Repurchase Agreement. Following the issuance of the Offer Shares to Successful Applicants on the Listing Date, the Company’s entire issued share capital will increase to 347,332,454 Shares (including treasury Shares); and
- the Company will only make payment of the Aggregate Repurchase Price to Media24 after the issuance of Offer Shares to Successful Applicants on the Listing Date.

At the Listing Date, Novus’ authorised shares will comprise 3,000,000,000 Ordinary Shares and its issued shares will comprise 347,332,454 Ordinary Shares. Consequently, the Offer Shares will represent 23.03% of Novus’ issued Ordinary Shares subsequent to the Offer. The Stabilisation Shares represent up to 2.16% of Novus’ issued Ordinary Shares prior to the Offer.

The Shares are of no par value and, accordingly, the Company does not have a share premium account. The total value of the share capital account as at the Last Practicable Date is R237.9 million. The Company does have treasury shares, which are pursuant to the ESOP and Lambert Retief’s option described in paragraph 65 and 66 of the Pre-listing Statement. The Company only has one class of shares at the Last Practicable Date.

The Offer is not an offer to the public as contemplated in section 95(1)(h) of the Companies Act and, accordingly, no prospectus will be issued or registered in respect of the Offer. The Offer will only be made to Offerees, who, subject to certain conditions, comprise selected institutional investors in South Africa (and who fall within the ambit of section 96(1)(a) of the Companies Act), and to selected institutional investors in other jurisdictions.

The subscription for, and purchase of, Offer Shares involves risks. Investors are referred to the section entitled “Risk Factors” in Section 4 of this Pre-listing Statement.

The Offer is not being made, and the Offer Shares are not being offered or sold, in the USA. Accordingly, the Offer Shares have not been and will not be registered under the US Securities Act, or under any securities laws of any state of, or other jurisdiction in, the USA, and may not be offered or sold within the USA unless the Offer Shares are registered under the US Securities Act or pursuant to an exemption from the registration requirements under the US Securities Act.

See the section entitled “Important Legal Notices” on page 2 of this Pre-listing Statement for more information.

All times referred to in this Pre-listing Statement are times in South Africa and may be amended.

The Offer is subject to the conditions set out in paragraph 14 of Section 2 “Particulars of the Offer” below.

The Directors, whose names are set out in paragraph 41 on page 45 of this Pre-listing Statement collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by the Listings Requirements.

The Independent Reporting Accountants, whose reports are contained in this Pre-listing Statement, have given, and have not withdrawn, prior to the date of this Pre-listing Statement, their written consent to the inclusion of their reports in the form and context in which they appear.

Each of the Company’s advisors, whose name appears on this cover page and on the “Corporate Information and Advisors” page of this Pre-listing Statement, has consented in writing to act in the capacities stated and to its name appearing in this Pre-listing Statement, and has not withdrawn its consent prior to the publication of this Pre-listing Statement.

This Pre-listing Statement is only available in English and copies may be obtained from 6 March 2015 until 20 March 2015 from the Company, the Sponsor and the Transfer Secretaries at their respective physical addresses which appear in the “Corporate Information and Advisors” page of this Pre-listing Statement and on Novus’ website, www.novus.holdings. An abridged version of this Pre-listing Statement will be published on SENS on 4 March 2015 and in the press on 5 March 2015.

Date of issue: 4 March 2015

CORPORATE INFORMATION AND ADVISORS

Directors

Independent non-executive Directors

Uys Meyer (Lead independent Director)
Sandile Zungu
Bernard Olivier
Fred Robertson
Jan Potgieter
Gugulethu Dingaan

Non-executive Directors

Lambert Retief (Chairman of the Board)
Esmaré Weideman
Abduraghman Mayman

Executive Directors

Stephen van der Walt (CEO)
Edward van Niekerk (CFO)
Keith Vroon (COO) *

Company Secretary

Bradley Meyers

Investment Bank, Bookrunner and Sponsor

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Werksmans Inc.
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Sandton
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Place of incorporation: South Africa

Date of incorporation: 5 May 2008

Registered office of Novus

(Formerly known as Paarl Media Group Proprietary Limited)
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Registered office of Media24

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Independent Reporting Accountants and Auditors

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Company's Bankers

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* Alternate executive Director

IMPORTANT LEGAL NOTICES

The definitions and interpretations commencing on page 9 of this Pre-listing Statement apply in this section and throughout this Pre-listing Statement.

Special note with regard to the Offer

Notwithstanding that this document constitutes a pre-listing statement, it is not an “offer to the public” and relates to an Offer for Subscription to the Offerees to whom the Offer will specifically be addressed, and is only addressed to persons to whom the Offer may lawfully be made. In addition, this document is not a prospectus and will not be registered as a prospectus or registered at all with the Commission or with any regulator in any other jurisdiction.

The Offer will only be made to Offerees, who, subject to certain conditions, comprise selected institutional investors in South Africa (within the ambit of section 96(1)(a) of the Companies Act), and to selected institutional investors in other jurisdictions.

The Offer and the distribution of this Pre-listing Statement in jurisdictions other than South Africa may be restricted by law, and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Pre-listing Statement and the Offer do not constitute an offer to issue or sell, or a solicitation of an offer to subscribe for or purchase, any securities in or from any jurisdiction in which such offer or solicitation would be unlawful, including, without limitation, in or from any Affected Jurisdiction. To the extent that this Pre-listing Statement may be sent to any Affected Jurisdiction, it is provided for information purposes only. Persons in Affected Jurisdictions may not accept the Offer. No person accepting the Offer should use the mail of any such Affected Jurisdiction nor any other means, instrumentality or facility in such Affected Jurisdiction for any purpose, directly or indirectly, relating to the Offer. Persons into whose possession this Pre-listing Statement comes must inform themselves about and observe any such restrictions. Save as specifically set out herein, no actions have been taken that would permit a public offering of Offer Shares to occur outside South Africa.

Prospective investors should not treat the contents of this Pre-listing Statement as advice relating to legal, taxation, investment or any other matters and should consult their own professional advisors concerning the consequences of their acquiring, holding or disposing of Offer Shares. Prospective investors should inform themselves as to:

- The legal requirements within their own countries for the purchase, holding, transfer or disposal of Offer Shares;
- Any foreign exchange restrictions applicable to the purchase, holding, transfer or disposal of Offer Shares which they might encounter; and
- The income tax and other tax consequences which may apply to them as a result of the purchase, holding, transfer or disposal of Offer Shares. Prospective investors must rely upon their own representatives, including their own legal advisors and accountants, and not those of the Company, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

The information contained in this Pre-listing Statement constitutes “factual advice” as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act No. 37 of 2002 and should not be construed as an express or implied recommendation, guidance, advice or proposal that any particular transaction in respect of the Offer Shares is appropriate to the particular investment objectives, financial situations or needs of a prospective investor.

USA

The Offer is not being made, and the Offer Shares are not being offered, in the USA. The Offer Shares are being offered and sold only outside the USA in reliance upon Regulation S and have not been, nor will they be, registered under the US Securities Act, or any securities laws of any state of, or other jurisdiction in, the USA. This Pre-listing Statement may not be distributed or forwarded in or into the USA.

The Offer Shares have not been recommended, approved or disapproved by the US Securities and Exchange Commission, any other federal or any state securities commission in the USA or any other USA regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offer Shares nor the accuracy or adequacy of this Pre-listing Statement. Any representation to the contrary is a criminal offence in the USA.

EEA

This Pre-listing Statement has been prepared on the basis that all offers of the Offer Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the EEA, from the requirement to produce a prospectus for offers of the Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which are the subject of the private placement contemplated in this Pre-listing Statement should only do so in circumstances where no obligation arises for the Company or the Bookrunner to produce a prospectus for such offer. Neither the Company nor the Bookrunner has authorised, nor does it authorise, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Bookrunner that constitute the final placement of Offer Shares contemplated in this Pre-listing Statement.

In relation to each Relevant Member State, an offer to the public of any Offer Shares which is the subject of the Offer contemplated by this Pre-listing Statement may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- by the Bookrunner to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the sponsor; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall require the Company or the Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this Pre-listing Statement, the expression “offer to the public” in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to subscribe for any Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive

2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

In the United Kingdom, this Pre-listing Statement has not been approved by an authorised person and is directed only at, and addressed solely to, persons who: (i) are qualified investors, as defined in the Prospectus Directive, who have professional experience in matters relating to investments and who fall within Article 19(5) of the “Order” and/or are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (ii) persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as “**Relevant Persons**”). This Pre-listing Statement is directed only at Relevant Persons and must not be acted on or relied upon in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this Pre-listing Statement relates is available in the United Kingdom only to Relevant Persons and will be engaged in only with such persons.

Stabilisation

In connection with the Offer, the Stabilisation Manager may, subject to law and only during the Stabilisation Period, sell Offer Shares or effect transactions which may support the Offer Price of the Offer Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. Such stabilising action may under no circumstances continue beyond the Stabilisation Period. There is, however, no assurance that the Stabilisation Manager will undertake stabilisation actions. Such transactions may be effected on the JSE and will be carried out in accordance with applicable rules and regulations. Such stabilisation, if commenced, may be discontinued at any time without prior notice and will in any event be discontinued after the Stabilisation Period.

Forward-looking statements

This Pre-listing Statement contains statements about Novus that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the printing, packaging and tissue manufacturing industries; operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity, capital resources and expenditure; and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditures, acquisition strategy, or future capital expenditure levels, and other economic factors such as, amongst other things, interest and exchange rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Novus cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Novus operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Pre-listing Statement.

All these forward-looking statements are based on estimates and assumptions, all of which, although Novus may believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Many factors (including factors not yet known to the Company, or not currently considered material), could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions.

Prospective investors should keep in mind that any forward-looking statement made in this Pre-listing Statement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company or other matters to which such forward-looking statements relate, not to develop as expected, may emerge from time to time, and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results or matters to differ materially from those contained in any forward-looking statement are not known. Novus has no duty to and does not intend, to update or revise the forward-looking statements contained in this Pre-listing Statement after the date of this Pre-listing Statement, except as may be required by law.

Presentation of financial information

Novus presents its financial statements in South African Rands.

The Company’s financial year ends in March. The audited annual financial statements of the Company contained in this Pre-listing Statement have been prepared in accordance with IFRS.

Novus’ consolidated interim financial statements contained in Annexure 3 are for the six-month period ended 30 September 2014. The interim financial statements for the period ended 30 September 2014 have been reviewed by the Reporting Accountants. The Company has also chosen to present its six-month interim financial statements as they reflect the most recent financial position and performance of the Company as well as the financial information required per the Listing Requirements. After the Listing, the Company will disclose its interim financial statements for the six-month period ended 30 September each year.

The *pro forma* statements of comprehensive income for the forecasted year ending 31 March 2015 and financial position as at 30 September 2014, (refer to Annexure 5) were prepared to show the impact of the Offer as if it had occurred on 1 April 2014, for the purposes of the *pro forma* statement of comprehensive income, and 30 September 2014, for purposes of the *pro forma* statement of financial position. The *pro forma* statements of comprehensive income for the forecast year ending 31 March 2015 and financial position for the period ended 30 September 2014 have been reviewed by the Reporting Accountants.

Authorised and issued shares

As at the Last Practicable Date, Novus’ authorised and issued Shares comprised:

Description	Authorised	Issued
Ordinary Shares	3,000,000,000	319,545,857

The number of issued Shares stated above is prior to the issue of Shares for the ESOP and Lambert Relief’s option as disclosed in paragraphs 65 and 66 respectively. Note the Repurchase Agreement will have a net zero effect on the number of Shares in issue as the same number of Shares that are repurchased will be issued on Listing pursuant to the Repurchase Agreement.

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SUMMARY OF THE OFFER

This summary highlights information from this Pre-listing Statement. It is not complete and does not contain all of the information that readers of this Pre-listing Statement should consider before investing in the Shares. Potential investors should read this Pre-listing Statement carefully in its entirety, including the "Risk Factors" section, the financial statements provided and the notes to those financial statements.

OVERVIEW

The Company is a leader in the industrial group of printing and manufacturing operators, comprising eleven specialised printing plants and one tissue plant across South Africa and providing a comprehensive range of services nationally as well as in parts of Africa.

The Group's success has seen it grow from inception in 2000 to become one of the most comprehensive commercial printing and manufacturing operations in South Africa, with locations in key metropolitan areas. Novus' extensive track record of printing and manufacturing gives it a unique understanding and insight into the needs for the South African and African markets, whilst offering a service comparable to global best practice.

Clients benefit from seamless access to volume resources and extensive print and manufacturing capability through Novus' modern operations across the country, providing a single source for all their requirements. Through the implementation of faster, more advanced technology and highly efficient, fully automated production processes, Novus is able to offer printing and manufacturing of high-quality products, including:

- Magazines
- Retail inserts and catalogues
- Newspapers
- Securitised printing
- Books and directories
- Labels
- Tissue products

The Company is able to effectively use publication gravure, heatset web offset, sheetfed, specialised book, coldset web offset and UV flexographic technology in its printing processes. Waste paper produced in the printing process is used in the manufacturing of tissue products. These are also supported by customised speciality finishing, bindery, distribution and other value add services. Key statistics and highlights relating to Novus' business are as follows:

- Eleven printing and one tissue producing plants situated throughout South Africa
- Level three BEE contributor accreditation and value-adding supplier status
- Printing and binding capacity of 485,000 tonnes per year
- 157,000m² total factory space
- Prints approximately 80% of all South African weekly and monthly magazine titles by volume (as measured by ABC) including some of the following key titles: Dish (DStv), Drum, YOU, Huisgenoot, Sawubona (SAA in-flight), Cosmopolitan and SA Home Owner
- Prints approximately 40%*** of all South African newspapers measured by volume including the following key titles: Sowetan, Daily Sun, Business Day, Sunday Times, Rapport, City Press, Die Burger and Beeld
- Prints and delivers approximately 60 million educational workbooks to 25,000 schools in a year for the South African Department of Basic Education
- Prints and delivers educational material to various countries in Sub-Saharan Africa
- Printed and distributed ballots for the 2007 and 2011 Nigerian elections as well as the 2012 Democratic Republic of Congo's election
- Invested in excess of R3.3 billion since 2000 in printing and manufacturing technology, ensuring that they operate the most modern equipment in all areas of production
- Proactive skills development through the internationally accredited Novus Academy of Print offering a bouquet of technical management, leadership, IT and systems courses and programmes
- Numerous strategic CSI projects focused on education and community engagement

Key financial indicators:

(R'000)	Forecast				
	March 2015	September 2014	March 2014	March 2013	March 2012
Revenue	4,263,500	2,075,282	3,968,755	3,684,166	3,703,027
Headline Earnings	371,700	195,315	406,084	355,586	364,645
HEPS (cents)*	123.13	65.11	135.36	118.53	121.55
Core HEPS (cents)**	130.39	n/a	n/a	n/a	n/a
Pro-forma Core HEPS (cents)**	131.72	n/a	n/a	n/a	n/a
Cash Conversion Ratio	n/a****	62.61%	79.61%	88.76%	101.55%

* The capitalisation issue (the details of which can be found in paragraph 44.1 and Annexure 13) has been applied retrospectively in the calculation of HEPS for prior years and may or may not provide useful information to the user due to the effects of the Restructure.

** Refer to the definition of Core HEPS as per page 9. For comparative periods, no Core HEPS are calculated due to the basis not being comparable due to the Core HEPS adjustments only relating to the current period.

*** Based on Novus management's estimates.

**** As only the income statement has been forecast for the year ending 31 March 2015, the Cash Conversion Ratio for year ending 31 March 2015 could not be calculated using figures shown in this Pre-listing Statement.

KEY STRENGTHS

The Company believes that the following strengths contribute to its success and distinguish it from some of its competitors:

- Offers a diverse range of products catering for every client's needs from the printing of newspapers and magazines, to security printing for election ballots, printing labels, to the production of tissue paper from manufacturing by-products
- Novus is ideally positioned to take advantage of any opportunities within its core competencies which includes the print, packaging and related industries due to its sound financial base and low levels of financial gearing
- Production facilities are situated in the major metropolitan areas in South Africa, which allows for significant national coverage
- World-class production facilities are maintained through the continuing investment in state-of-the-art technology and production processes, which allows greater operational leverage, scale and increased product and service offerings to suit changing market dynamics and customer needs
- A loyal, diversified and long-standing customer base relies on the Company's reliable and high-quality printing, manufacturing and distribution capabilities as well as having contractual commitments to providing printing services to a number of major publishers, retailers and Government bodies and related institutions
- Committed to all of its stakeholders, as highlighted by Novus being a level three BEE contributor and also its continuous commitment to cleaner production processes that is evident in its various environmentally friendly practices
- Successful track record of accretive and transformational acquisitions, greenfield developments and optimisations, which have contributed to the Company offering increased product offerings, scale and efficiency
- Experienced and long-standing management team, with significant experience in growing the Company organically and acquisitively
- The establishment of the Novus Academy of Print has had great success in skills development and empowering people to more meaningful participation in society
- Novus is amongst the leading South African companies in assessing, recognising and mitigating the impact of its production processes on the environment

GROWTH STRATEGY

Novus' intention is to explore opportunities in new and value adding technology, invest in strategic accretive acquisitions and skills that leverage off the Company's current core competencies and areas that are similar to the dynamics and abilities of the printing and related manufacturing industries. Through its growth strategy, Novus' vision is to become a diversified Pan-African company, operating primarily in the domestic market and high growth Sub-Saharan African countries.

Some of the key strategic opportunities which the Company intends to pursue include the following:

- Extension and further diversification of product offerings from traditional print businesses into other value adding related industries such as tissue manufacturing and packaging:
 - Capital expenditure in excess of R35 million has been committed to packaging gravure equipment for the production of wet glue labels whilst a further R70 million is planned to be incurred on this project
 - An additional tissue mill of R23 million is currently on order from Italy and a further R80 million is planned to be incurred on this expansionary project which is expected to expand current tissue production capacity by 300%
- Increase its geographic presence in Africa by identifying strategic partnerships and growth areas to provide product and service offerings
- Building of a formidable and multi-disciplinary workforce through the expansion of the Novus Academy of Print that would result in the up-skilling of its current staffing complement and the integration of its product and service offering
- Investing and maintaining its world-class facilities and production processes to increase the quality of its products and services while improving the efficiency and scalability of its operations

The Offer The Offer comprises an offer by the Company by way of a subscription for the Offer Shares. The Offer will follow a book build process of 80,000,000 Shares, priced between R12.25 and R14.20 per Offer Share. The Offer Shares will comprise 23.03% of the Shares in issue after the Listing (including treasury Shares). The Bookrunner may, however, determine that the Offer will comprise a higher or lower price per Offer Shares.

The Offer Price will be determined by the Bookrunner after the completion of the book build, which is currently scheduled to be on 20 March 2015. Once determined, the Offer Price will be communicated to the Applicants.

Use of proceeds The proceeds received by Novus pursuant to the Offer will be used to make full and final settlement of the Aggregate Repurchase Price by Novus to Media24 pursuant to the Repurchase Agreement.

Rationale for the Listing The main purpose of the Offer and the Listing is to:

- Enhance the profile of Novus' brand
- Provide a capital raising platform for funding to facilitate organic and acquisitive growth prospects
- Enable the Company to retain and attract key staff by affording them the opportunity to participate in the equity and future growth of the business
- Allow institutions the opportunity to participate directly in Novus' equity
- Increase transparency of the business and assist in unlocking new opportunities, particularly in Sub-Saharan Africa

Offer period The opening date of the Offer is at 09:00 on 6 March 2015.

The closing date of the Offer is at 12:00 on 20 March 2015.

Bookrunner The Bookrunner for the Offer is Investec Bank.

Admission and Listing The JSE has granted the Company a listing in respect of up to 347,332,454 Shares in the "Business Support Services" sector under the abbreviated name "Novus", share code "NVS" and ISIN: ZAE000202149, subject to the fulfilment of certain conditions (including the JSE's spread requirements, as set out in the Listings Requirements), being attained.

Subscription conditions	<p>There is no minimum capital requirement to be realised by the Offer. The minimum subscription that must be realised by the Company is that which enables it to ensure that the Company has, once the Offer is completed, such number and composition of shareholders as will enable it to meet the shareholder spread requirements, as prescribed by the Listings Requirements and acceptable to the JSE.</p> <p>The Listings Requirements provide that a minimum of 20% of the Shares must be held by the public (as defined by the Listings Requirements). The Listing will not proceed if this minimum requirement is not achieved, and any acceptance of the Offer shall not take effect and no person shall have any claim whatsoever against the Company, the Bookrunner or any other person as a result of the failure of any condition.</p> <p>If the Offer Price is below the Offer Price Range for any reason, or if the Directors in their discretion so determine that it would not be advisable to proceed, the Company shall not be obliged to proceed with the Offer, but reserves the right to do so.</p>
Eligibility to participate in the Offer	<p>The Offer is being made to Eligible Investors only, namely:</p> <ol style="list-style-type: none"> i. selected institutional and other investors in South Africa to whom the Offer is specifically addressed; and ii. selected institutional investors in other jurisdictions (other than Canada, Australia, Japan or any other jurisdiction where the dissemination of this Pre-listing Statement or the making of the Offer may be illegal or fails to conform to the laws of such jurisdiction) to whom the Offer is specifically addressed provided that such institutional investors are: (a) Eligible Investors (as contemplated on page 2) if the Offer is made in the EEA; (b) Relevant Persons (as contemplated on page 3) if the Offer is made in the United Kingdom; and (c) fall within the Exemption contemplated on page 2 if the Offer is made in the United States.
Lock-up Agreement	<p>Media24</p> <p>Media24 has agreed with the Company that it will not, without the prior consent of the Company, sell or otherwise dispose of any of the Ordinary Shares it owns prior to the Listing for a period of six months following the Listing Date, except to the extent as per the Repurchase Agreement and as required per Stabilisation discussed below.</p> <p>Adbait</p> <p>Adbait has agreed with the Company the following lock-up conditions:</p> <ul style="list-style-type: none"> • For the first year after the Listing Date, Adbait will retain at least 85% in number of its Shares in Novus after the date of Listing; • For the second year after the Listing Date, Adbait will retain at least 75.2% in number of its Shares in Novus after the date of Listing; and • From the third year after the Listing Date, Adbait can freely dispose of its remaining Shares <p>Adbait shall be entitled to distribute all its Shares held in Novus (and not only some) at any time after the Listing Date to its sole shareholder, Huguenot Finance Proprietary Limited (Registration number 2007/014795/07), who shall likewise be bound by the above-mentioned lock-up conditions.</p> <p>The lock-ups referred to in this paragraph and in the “Particulars of the Offer” section shall not preclude any person who acquires Offer Shares in connection with the Offer from trading in and transferring any Ordinary Shares. For the avoidance of doubt, the lock-ups referred to in this paragraph and set out in the “Particulars of the Offer” section shall not apply to transactions relating to Shares (or other securities of the Company) traded in open market transactions after the completion of the Offer.</p>
Stabilisation	<p>Media24 has granted a 30-day option grant to the Bookrunner a 30-day option to sell additional Shares up to 7,500,000 Shares or effect transactions, which may support the market price of the Ordinary Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date, on the same terms and conditions as those applicable to the Offer, for the purpose of maintaining stability in the price of the Shares after the Listing.</p>
JSE Sponsor	<p>Investec Bank is the JSE sponsor for the Company.</p>
Stabilisation Manager	<p>Investec Bank is the Stabilisation Manager.</p>

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 9 of this Pre-listing Statement apply, *mutatis mutandis*, to the following important dates and times relating to the Offer and the Listing:

Key action	2015
Publication of the Pre-listing Statement on	Wednesday, 4 March
Release of the abridged Pre-listing Statement on SENS on	Wednesday, 4 March
Publication of the abridged Pre-listing Statement in the press on	Thursday, 5 March
Opening date of the Offer at 09:00 on	Friday, 6 March
Last date and time for indications of interest for purposes of book building to be received up until 12:00 on	Thursday, 19 March
Closing Date of the Offer at 12:00 on	Friday, 20 March
Successful Applicants advised of allocations on	Friday, 20 March
Publication date of the final Offer Price and final number of Offer Shares released on SENS on	Friday, 20 March
Publication date of the final Offer Price and final number of Offer Shares published in the press on	Monday, 23 March
Payment date for allocated Novus Shares on	Tuesday, 24 March
Listing Date on	Thursday, 26 March
Accounts at CSDP or broker updated and credited in respect of Dematerialised Shareholders on	Thursday, 26 March

Notes:

1. The above dates and times are subject to amendment. Any such material amendment or other material amendments to this Pre-listing Statement will be released on SENS and published in the South African Press.
2. All times quoted in this Pre-listing Statement are local times in South Africa on a 24-hour basis, unless specified otherwise.

DEFINITIONS, GLOSSARY AND INTERPRETATION

In this Pre-listing Statement and its annexures, unless otherwise stated or the context clearly indicates otherwise, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing one gender include the other genders and references to a person include juristic persons and associations of persons and *vice versa*:

“ABC”	the ABC is a non-profit organisation registered in terms of Section 21 of the Companies Act, based on a bi-partite agreement between advertisers, advertising agencies and media owners;
“Adbait” or “Adbait (Pty) Ltd”	Adbait Proprietary Limited (registration number 2014/146370/07), a private company duly registered and incorporated in accordance with the laws of South Africa and its permitted successor in title to all the Shares (and not only some) acquired in terms of the Flip-Up Agreement, being Huguenot Finance Proprietary Limited (registration number 2007/014795/07) as the sole shareholder of Adbait;
“Affected Jurisdiction”	a jurisdiction where the dissemination of the Pre-listing Statement or the making of the Offer may be illegal or fails to conform to the laws of such jurisdiction or requires any type of registration or the like with any regulator or public body or the like, including, without limitation, the USA, Canada, Australia and Japan (absent an applicable exemption from registration requirements);
“Aggregate Repurchase Price”	the aggregate repurchase price owing by the Company to Media24 in terms of the Repurchase Agreement, being an amount equal to the proceeds received by the Company from the Offer;
“Applicants”	investors who provide applications for Offer Shares to the Bookrunner prior to the Closing Date;
“BEE”	Black Economic Empowerment (BEE) is a programme launched by the South African government to redress the inequalities of Apartheid by giving certain previously disadvantaged groups (Blacks, Coloureds, Indians, and Chinese who arrived before 1994) of South African citizens economic privileges previously not available to them;
“Board” or “Directors”	the board of directors of Novus as at the Last Practicable Date, whose names are listed in paragraph 41.1 of Section 5 of this Pre-listing Statement;
“Bookrunner”, “Investec”, “Investment Bank”, “Stabilisation Manager” or “Sponsor”	the Corporate Finance division of Investec Bank Limited (registration number: 1969/004763/06), a public company duly registered and incorporated in terms of the company laws of South Africa and its subsidiaries;
“Broker”	any person registered as a broking member in equities in terms of the rules of the JSE in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“Cash Conversion Ratio”	cash generated from operations less capital expenditure spent on property, plant and equipment and intangible assets per the cash flow statements prepared in terms of IFRS divided by EBIT;
“CEO”	chief executive officer;
“Certificated Shareholders”	Shareholders who hold Certificated Shares;
“Certificated Shares”	Ordinary Shares that are not dematerialised in terms of the Companies Act, the Financial Markets Act and the requirements of Strate, title to which is represented by a share certificate or other Documents of Title;
“CFO”	chief financial officer;
“CGT”	the tax levied on the taxable capital gain as determined in the Eighth Schedule to the Income Tax Act and which is included in taxable income in terms of section 26A of the Income Tax Act;
“Closing Date”	the closing date of the Offer, expected to be 12:00 on 20 March 2015, but which may be amended by the Company by way of an announcement released on SENS and published in the South African Press;
“COO”	chief operating officer;
“Commission”	the Companies and Intellectual Property Commission established in terms of the Companies Act;
“Common Monetary Area” or “CMA”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Competition Commission”	the Competition Commission is a statutory body constituted in terms of the Competition Act, No 89 of 1998 by the government of South Africa empowered to investigate, control and evaluate restrictive business practices, abuse of dominant positions and mergers in order to achieve equity and efficiency in the South African economy;
“Competition Tribunal”	the Competition Tribunal has jurisdiction throughout South Africa and adjudicates competition matters in accordance with the Competition Act, Act 89 of 1998;
“Coldset”	printing process in which the ink dries naturally through evaporation and absorption into the paper;
“Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended and substituted from time to time;

“Core HEPS”	core headline earnings per share exclude once-off and non-operating items in addition to those already excluded under Headline Earnings as calculated in terms of circular 02/2013 issued by SAICA. These adjustments include the reversal of the Listing fees of R6.3 million and taxation of approximately R15.6m due to past tax rollover relief lapsing because of Media24’s shareholding in Novus falling below 70% after Listing. Novus believes that it is a useful measure for shareholders of the Group’s sustainable operating performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies;
“Correll Tissue”	Paarl Tissue Proprietary Limited (trading as Correll Tissue) (registration number 2013/207938/07), a private company duly registered and incorporated in accordance with the laws of South Africa and a wholly owned Subsidiary of Novus;
“Creditors Days”	trade and other payables plus related party payables divided by Purchases (inclusive of VAT) multiplied by 365 days;
“CSDP”	Central Securities Depository Participant, a participant as defined in section 1 of the Financial Markets Act;
“CTC”	Contributed Tax Capital, as defined under the Income Tax Act;
“DBE”	the South African Department of Basic Education;
“Debt to Equity Ratio”	total liabilities divided by total equity;
“Debtors Days”	trade and other receivables plus related party receivables divided by revenue (inclusive of VAT) multiplied by 365 days;
“Dematerialised Shares”	Ordinary Shares that have been dematerialised in terms of the Companies Act, the Financial Markets Act and Strate, and ownership of which is recorded in a sub-register of Shareholders administered by a CSDP, which sub-register forms part of the Company’s Register;
“Directors”	the directors of Novus from time to time;
“Documents of Title”	share certificates or any other documents of title to Certificated Shares acceptable to the Company;
“DWT”	dividends withholding tax levied in terms of section 64E of the Income Tax Act;
“EBIT”	earnings before interest and tax as defined per IFRS;
“EBITDA”	earnings before interest, tax, depreciation and amortisation as defined per IFRS;
“EEA”	European Economic Area;
“Eligible Investors”	Persons to whom the offer will be made: <ul style="list-style-type: none"> i. selected institutional and other investors in South Africa to whom the Offer is specifically addressed; and ii. selected institutional investors in other jurisdictions (other than Canada, Australia, Japan or any other jurisdiction where the dissemination of this Pre-listing Statement or the making of the Offer may be illegal or fails to conform to the laws of such jurisdiction) to whom the Offer is specifically addressed provided that such institutional investors are: (a) Eligible Investors (as contemplated on page 2) if the Offer is made in the EEA; (b) Relevant Persons (as contemplated on page 3) if the Offer is made in the United Kingdom; and (c) fall within the Exemption contemplated on page 2 if the Offer is made in the United States.
“Enterprise Resource Planning System”	business management software used to collect, store, manage and interpret data from many business activities;
“Employee Share Ownership Plan” or “ESOP”	the Employee Share Ownership Plan as described in Annexure 14;
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933, as amended from time to time;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended or replaced from time to time;
“Flip-up Agreement”	this agreement concluded on 23 February 2015 relates to an agreement between Novus, Adbait and Huguenot Finance Proprietary Limited in terms whereof the shareholding of Adbait in Paarl Media Holdings and Paarl Coldset will be disposed to Novus and in exchange as adequate consideration a certain number of Shares has been issued to Adbait, on 24 February 2015 prior to the Listing Date. The full details of this agreement has been disclosed in Annexure 13;
“Group Restructuring”	the restructure of Novus’ authorised and issued Ordinary Shares, which took effect on 23 February 2015, to facilitate the Offer as more fully set out in Annexure 13;
“Heatset”	printing process in which the ink is dried by running the printed paper through an oven immediately after ink is applied by the printing unit;
“Headline Earnings”	refers to headline earnings as calculated in terms of circular 02/2013 issued by SAICA;

“HEPS”	Headline Earnings per Share;
“Huguenot Finance Proprietary Limited”	Huguenot Finance Proprietary Limited (registration number 2007/014795/07), a private company duly registered and incorporated in accordance with the laws of South Africa. The directors of this company are Lambert Retief and Nicolaas Retief and it’s jointly controlled by the Lambert Retief Famlie Trust and the Nicolaas Retief Famlie Trust whose beneficiaries are Lambert Retief’s children and their descendants and Nicolaas Retief’s children and their descendants respectively;
“IFRS”	International Financial Reporting Standards as adopted by the International Accounting Standards Board from time to time;
“Income Tax Act”	The Income Tax Act, 58 of 1962, as amended from time to time;
“Independent Reporting Accountants”, “Reporting Accountants”, “Accountants” or “Auditors”	PricewaterhouseCoopers Incorporated (registration number 1998/012055/21), the independent reporting accountants and auditors for the purposes of the Offer and Listing;
“ISO”	the International Organisation for Standardisation is an international standard-setting body;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company duly incorporated and registered with limited liability under the company laws of South Africa, licensed as an exchange under the Financial Markets Act;
“King Code”	the Code of Corporate Practices and Conduct as set out in the King Report III on Corporate Governance for South Africa, 2009;
“Kurisani Investments (Pty) Ltd” or “Kurisani”	Kurisani Investments Proprietary Limited (registration number 2003/020793/07), a private company duly registered and incorporated in accordance with the laws of South Africa and the empowerment shareholder in Paarl Media Paarl (Pty) Limited;
“Last Practicable Date”	27 February 2015, being the last date, prior to the finalisation of this Pre-listing Statement, on which information could be included into this Pre-listing Statement;
“Latiano 554 (Pty) Ltd” or “Latiano 554”	Latiano 554 Proprietary Limited (registration number 2015/022450/07), a private company duly registered and incorporated in accordance with the laws of South Africa and a wholly owned Subsidiary of Novus;
“Legal Advisors”	Van der Spuy (Western Cape) Incorporated (registration number 1997/007340/21), Werksmans Incorporated (registration number 1990/007215/21) and Glynn Marais Incorporated (registration number 1990/000849/21);
“Link” or “Transfer Secretary”	Link Market Services South Africa Proprietary Limited (registration number 2000/007239/07), a private company duly registered and incorporated in accordance with the laws of South Africa and transfer secretary to Novus;
“Listing”	the admission of the Ordinary Shares to the JSE’s main board for listed securities in accordance with the Listings Requirements;
“Listing Date”	26 March 2015, being the date on which the Shares are listed on the JSE;
“Listing Price”	the price at which the Offer Shares list on the JSE;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Liquidity Ratio”	current assets divided by current liabilities;
“Management Agreement”	the restated agreement concluded on 23 February 2015 between, the Company, Lambert Retief and Media24 as detailed in Annexure 13;
“MCEP”	Manufacturing Competitiveness Enhancement Programme (MCEP), an incentive programme that aims to support manufacturing enterprises with competitiveness improvement interventions;
“Media24 (Pty) Ltd” or “Media24”	Media24 Proprietary Limited (registration number 1950/038385/06), a private company duly registered and incorporated in accordance with the laws of South Africa;
“Member States”	the member states of the EEA;
“MOI”	the Company’s Memorandum of Incorporation adopted in terms of the Companies Act and registered with the Commission on 9 February 2015;
“Naspers” or “Naspers Ltd”	Naspers Limited (registration number 1925/001431/06), a public company duly registered and incorporated in accordance with the laws of South Africa and Novus’ ultimate holding company;
“NAV”	net asset value;
“Nedbank”	Nedbank Limited (registration number 1951/000009/06), a public company duly registered and incorporated in accordance with the laws of South Africa;
“Novus”, “Novus Holdings Limited”, “Group” or “Company”	Novus Holdings Limited (registration number 2008/011165/06) (formerly Paarl Media Group Proprietary Limited, registration number 2008/011165/06) and, to the extent applicable, shall also mean Novus Holdings Limited and its Subsidiaries from time to time (and “member of Novus” shall be construed accordingly);

“Novus Holdings Share Trust”	Novus Holdings Share Trust (Master’s Reference to be obtained post Listing), a share incentive trust approved by the JSE and to be duly registered and incorporated in accordance with the laws of South Africa and constituted by Novus, acting as founder, being the Employee Share Ownership Plan as described in Annexure 14;
“Offer”	collectively and unless the contrary appears from the context, the Offer for Subscription;
“Offerees”	selected institutional investors in South Africa (within the ambit of section 96(1)(a) of the Companies Act) and in other jurisdictions (other than Affected Jurisdictions), in respect of an offer for subscription of the Offer Shares, subject to certain conditions;
“Offer for Subscription”	an offer for subscription by Novus to selected institutional investors in South Africa (within the ambit of section 96(1)(a) of the Companies Act) and in other jurisdictions (other than Affected Jurisdictions) of 80,000,000 Offer Shares, to whom the Offer will be specifically addressed, subject to certain conditions;
“Offer Price”	the price at which the Offer Shares are offered for subscription pursuant to this Pre-listing Statement, which may fall outside the Offer Price Range, if accepted by the Directors in their discretion;
“Offer Price Range”	the price range within which the Offer Shares are to be offered for sale pursuant to the Offer, being between R12.25 and R14.20 per Offer Share;
“Offer Shares”	80,000,000 Ordinary Shares to be issued by Novus pursuant to the subscription by way of private placement, or such higher or lower number as may be agreed by the Bookrunner;
“Opening Date”	the opening date of the Offer, expected to be 09:00 on 6 March 2015;
“Paarl Coldset (Pty) Ltd” or “Paarl Coldset”	Paarl Coldset Proprietary Limited (registration number 1995/002637/07), a private company duly registered and incorporated in accordance with the laws of South Africa and a wholly owned Subsidiary of Novus;
“Paarl Labels” or “Paarl Labels (Pty) Ltd”	Paarl Labels Proprietary Limited (registration number 2006/007232/07), a private company duly registered and incorporated in accordance with the laws of South Africa and a wholly owned Subsidiary of Paarl Media Holdings;
“Paarl Media Commercial”	Paarl Media Commercial is a business unit of the Group that produces high volume retail work and bookwork;
“Paarl Media Holdings” or “Paarl Media Holdings (Pty) Ltd”	Paarl Media Holdings Proprietary Limited (registration number 1999/026877/07), a private company duly registered and incorporated in accordance with the laws of South Africa and a wholly owned Subsidiary of Novus;
“PBT”	net profit before tax;
“Placement Agreement”	the placement agreement entered into between the Bookrunners and Novus in connection with the Offer;
“PMH Share Trust”	Paarl Media Holdings Share Trust (Master’s Reference IT 1786/2001), a share incentive trust duly registered and incorporated in accordance with the laws of South Africa and constituted by Paarl Media Holdings, acting as founder;
“Pre-listing Statement”	this entire document and all annexures thereto;
“Prospectus Directive”	Directive 2003/71/EC and any relevant implementing measure in each Relevant Member State;
“Purchases”	with reference to the calculation of Creditors Days and Stock Days, Purchases should be calculated as the inventory balance at the end of the given year plus the cost of sales for the year less the inventory balance at the beginning of the given year;
“Rand”, “R”, “ZAR” and “cents”	the lawful currency of South Africa;
“Rand Merchant Bank”	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), a public company duly registered and incorporated in accordance with the laws of South Africa;
“Register”	the register of Certificated Shareholders of the Company maintained by the Company, and each of the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs in terms of the Financial Markets Act;
“Regulation S”	Regulation S under the US Securities Act;
“Relevant Member State”	each Member State of the EEA which has implemented the Prospectus Directive;
“Relevant Persons”	persons who: (i) are qualified investors, as defined in the Prospectus Directive, who have professional experience in matters relating to investments and fall within Article 19(5) of the “Order” and/or are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (ii) persons to whom the Offer may otherwise be lawfully communicated;
“Repurchase Agreement”	the Ordinary Share repurchase agreement entered into between the Company, Adbait, Huguenot Finance Proprietary Limited (registration number 2007/014795/07) and Media24 which is dated 23 February 2015, the salient terms of which are set out on the cover page of this Pre-listing Statement;

“Repurchase Date”	the date on which the Repurchase Shares are repurchased which is the date upon which Successful Applicants are notified of the number of Shares they have been allocated in terms of the Offer and, or as soon as is reasonably possible thereafter, but prior to the Listing Date;
“Repurchase Shares”	80,000,000 Ordinary Shares to be repurchased by the Company from Media24 in terms of the Repurchase Agreement at the Repurchase Date;
“Restructure”	the combined effect of the Repurchase Agreement, the Flip-up Agreement and the ESOP with reference to the pro-forma financial effects documented in Annexure 5;
“Return on Assets”	net profit for the year divided by the average total assets balance for the year;
“Return on Equity”	net profit for the year divided by the average total equity balance for the year;
“SA Holder”	a shareholder who is: (i) a natural person ordinarily resident in South Africa; (ii) a natural person not ordinarily resident in South Africa but whose physical presence in South Africa exceeds certain thresholds; or (iii) a person, other than a natural person, which is incorporated, established or formed in South Africa or which has its place of effective management in South Africa;
“SAICA”	the South African Institute of Chartered Accountants, a professional accountancy body in South Africa;
“SARB”	the South African Reserve Bank, including both the Financial Surveillance Department and the Banking Supervisory Department;
“Securities Act”	United States Securities Act of 1933, as amended;
“Securities Transfer Tax Act”	the Securities Transfer Tax Act, 25 of 2007, as amended;
“Securities Transfer Tax” or “STT”	securities transfer tax levied in terms of the Securities Transfer Tax Act;
“SENS”	the Stock Exchange News Service of the JSE;
“Settlement Date”	26 March 2015, being the implementation date of the Offer when the Offer Shares will be issued by the Company to Successful Applicants against payment of the Offer Price;
“Shareholder”	a holder of Shares;
“Shares” or “Ordinary Shares”	ordinary shares of no par value in the Company’s issued share capital;
“Solvency Ratio”	total assets divided by total liabilities;
“South Africa”	the Republic of South Africa;
“South African Press”	the South African newspaper named the Business Day;
“Stabilisation Option”	the option granted by Media24 to the Stabilisation Manager to sell Stabilisation Shares or effect transactions which may support the market price of the Ordinary Shares at a level higher than that which might otherwise prevail over the Stabilisation Period as described per paragraph 26;
“Stabilisation Period”	a period of up to 30 calendar days after the Listing Date;
“Stabilisation Shares”	up to 7,500,000 of the Offer Shares;
“Stock Days”	inventory divided by Purchases (exclusive of VAT) multiplied by 365 days;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company registered in accordance with the laws of South Africa, being a licensed central securities depository in terms of Section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
“Subsidiary”	has the meaning ascribed in Section 1, read with Section 3, of the Companies Act and/or the Listings Requirements to the extent applicable;
“Successful Applicants”	Applicants whose applications for Offer Shares have been approved by the Bookrunner;
“TNAV”	tangible net asset value;
“TRP”	the Takeover Regulations Panel is a regulatory body established in terms of section 196 of the Companies Act;
“United States”, “USA” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“UV Flexography”	a modern version of letterpress which can be used for printing on almost any type of substrate, including plastic, metallic films, cellophane, and paper;
“US Securities Act”	the United States Securities Act of 1933, as amended from time to time;
“VAT”	Value-added tax levied in terms of the Value-Added Tax Act, Number 89 of 1991, as amended from time to time.

SECTION 1 – INFORMATION ON NOVUS

1. INTRODUCTION

The Company is a leader in the industrial group of printing and manufacturing operators, comprising of eleven specialised printing plants and one tissue plant across South Africa and providing a comprehensive range of services as well as in parts of Africa.

The Group's success has seen it grow from inception in 2000 to becoming one of the most comprehensive commercial printing and manufacturing operations in South Africa, with locations in key metropolitan areas. Novus' extensive track record of printing and manufacturing gives it a unique understanding and insight into the needs for the South African and African market, whilst offering a service comparable to global best practice.

Clients benefit from seamless access to volume resources and extensive print and manufacturing capability through Novus' modern operations across the country, providing a single source for all their requirements. Through the implementation of faster, more advanced technology and highly efficient, fully automated production processes, Novus is able to offer printing and manufacturing of high-quality products including:

- Magazines
- Retail inserts and catalogues
- Newspapers
- Securitised printing
- Books and directories
- Labels
- Tissue products

The Company is able to effectively use publication gravure, heatset web offset, sheetfed, specialised book, coldset web offset and UV flexographic technology in its printing processes. Waste paper produced in the printing process is used in the manufacturing of tissue products. These are also supported by customised speciality finishing, bindery, distribution and other value add services. Key statistics and highlights related to Novus' business are as follows:

- Eleven printing and one tissue producing plant across South Africa
- Level three BEE contributor accreditation and value-adding supplier status
- Printing and binding capacity of 485,000 tonnes per year
- 157,000m² total factory space
- Prints approximately 80% of all South African weekly and monthly magazine titles by volume (as measured by ABC) including some of the following key titles: Dish (DStv), Drum, YOU, Huisgenoot, Sawubona (SAA in-flight), Cosmopolitan and SA Home Owner
- Prints approximately 40%* of all South African newspapers measured by volume including the following key titles: Sowetan, Daily Sun, Business Day, Sunday Times, Rapport, City Press, Die Burger and Beeld
- Prints and delivers approximately 60 million educational workbooks to 25,000 schools in a year for the South African Department of Basic Education
- Prints and delivers educational material to various countries in Sub-Saharan Africa
- Printed and distributed ballots for the 2007 and 2011 Nigerian elections as well as the 2012 Democratic Republic of Congo's election
- Invested in excess of R3.3 billion since 2000 in printing and manufacturing technology, ensuring that they operate the most modern equipment in all areas of production
- Proactive skills development through the internationally accredited Novus Academy of Print offering a bouquet of technical management, leadership, IT and systems courses and programmes
- Numerous strategic CSI projects focused on education and community engagement

Novus' main purpose for the Offer and the Listing are to:

- Enhance the profile of Novus' brand
- Provide a capital raising platform for funding to facilitate organic and acquisitive growth prospects;
- Enable Novus to retain and attract key staff by affording them the opportunity to participate in the equity and future growth of the business
- Allow institutions the opportunity to participate directly in Novus' equity
- Increase transparency of Novus' businesses and assist in unlocking new business opportunities for Novus, particularly in Sub-Saharan Africa

Accordingly, the main purposes of this Pre-listing Statement are to: (i) provide investors with relevant information relating to Novus; (ii) communicate the strategy and the objectives of Novus; and (iii) set out the salient details of the Offer and the procedure for participating therein.

2. BUSINESS AND GROUP OVERVIEW

Novus is one of the leading printing and manufacturing groups in Africa and offers printing and tissue manufacturing services in an extensive range of formats, substrates, finishes and value added services. The Group has 15 years experience with a network of twelve operations located across South Africa.

Novus has a loyal and long serving customer base in the various printing segments including both the Heatset and Coldset markets. It continues to secure complex and demanding print work from corporate and government institutions as it is capable of providing distribution and operating leverage on large scale whilst maintaining high quality.

* Based on Novus management's estimates.

The business predominantly operates within South Africa and is increasingly targeting Africa as part of its growth strategy. It is constantly exploring opportunities within its core competencies to diversify and create value. The Company has also recently expanded into related industries such as specialised labelling and tissue paper production. Waste paper derived from the printing process is used as raw materials in the production of tissue products.

The group employs the latest and most sophisticated printing and manufacturing technology which allows it to be on the forefront of innovation and development. High levels of capital expenditure in recent years have ensured that Novus is globally competitive.

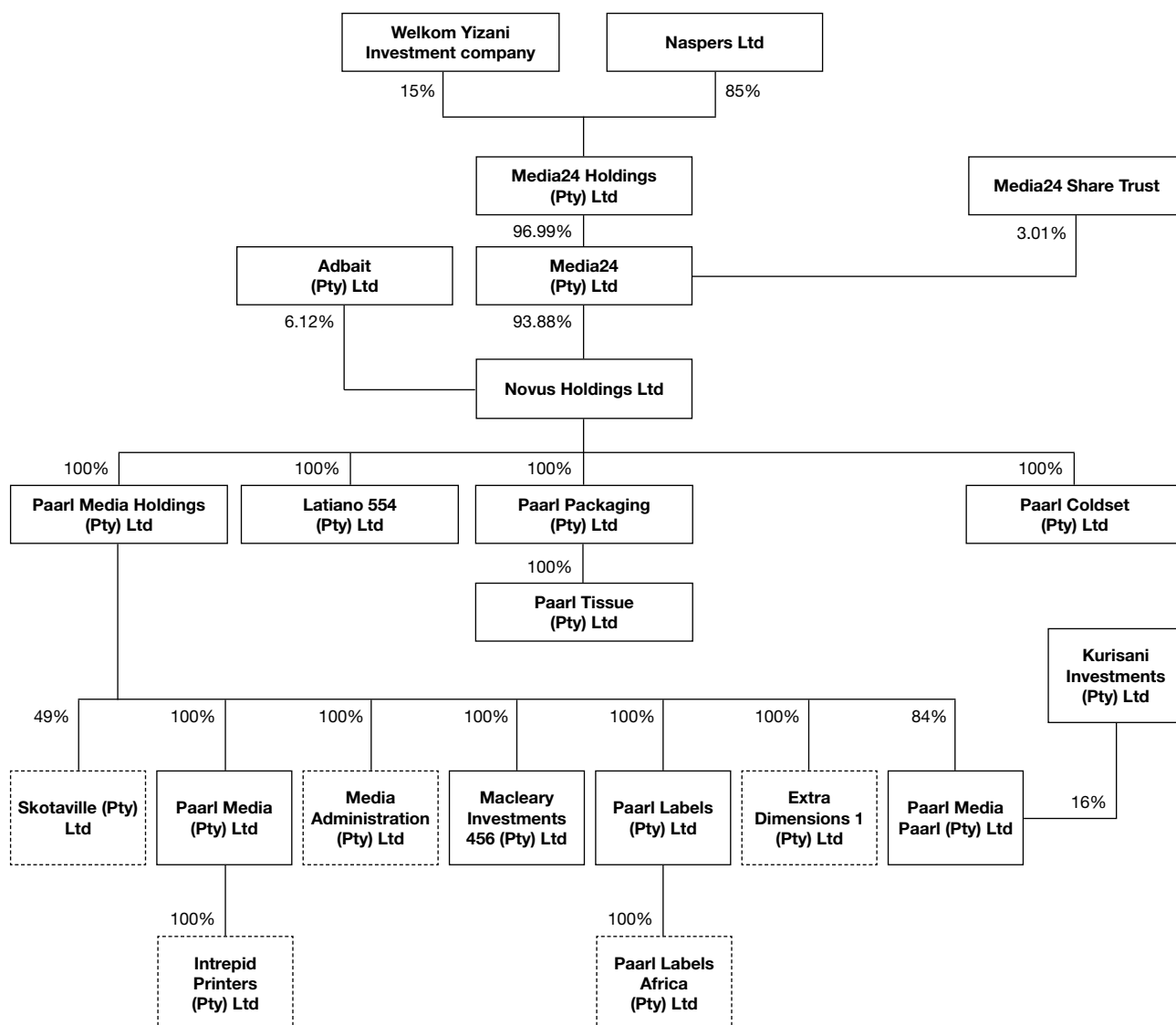
The operations are broadly divided between these two following segments:

- Printing
 - Heatset
 - Coldset
 - Commercial
- Other
 - Labels
 - Tissue products

In addition to these segments, flexible logistics solutions can provide for the distribution of products and services both locally and internationally.

Further information regarding the operations is set out in paragraph 5 of this Pre-listing Statement.

The following diagram summarises the Company's corporate structure as at the Last Practicable Date:



☐ Dormant company

* Note the principal activities of each of these entities has been disclosed in Annexure 9

3. HISTORY

The Group's history dates back to 2000 and its key periods of development have been as follows:

Date	Key event
2000	<ul style="list-style-type: none"> • Formation of the Group • Paarl Post and Paarl Post Web Printers went through a rapid growth phase and merged with Nasionale Media • Lambert Retief becomes the first CEO of the newly formed Group
2001 – 2005	<ul style="list-style-type: none"> • The Group acquires National Book Printers and Paarl Print, which were then consolidated into Paarl Printing (Pty) Ltd • Paarl Print concludes a BEE deal with Vakazi Holdings and Edu Access for a combined stake in the business • Paarl Web Gauteng is launched with Kurisani Investments as a BEE shareholder. Kurisani Investments acquires shares within Paarl Print and Paarl Labels • Paarl Labels becomes a separate entity and installs a MPS flexo print press • Stephen van der Walt is promoted to CEO of the Group whilst Lambert Retief becomes Executive Chairman of the Group
2006 – 2009	<ul style="list-style-type: none"> • The Group obtains an additional 13.5% empowerment shareholding through the Welkom Yizani scheme from Media24 • Print24 and Paarl Post acquired from Media24 and renamed Paarl Coldset to enhance the core printing facilities available to clients at the Group • The Group becomes the first African printer to receive a Forestry Stewardship Council™ (FSC™) Chain of Custody (FSC CoC) certification • Paarl Print plant re-established at the Paarl Web premises in Paarl • Paarl Coldset consolidated its infrastructure to centralise operations which enhanced the technology implemented across the operations
2010	<ul style="list-style-type: none"> • The physical amalgamation of Paarl Gravure and Paarl Web into Paarl Media Cape, offering both heatset web-offset and publication gravure printing for the production of high to medium volume commercial work, magazines and catalogues • Paarl Media KwaZulu-Natal is launched • Paarl Print renamed to Paarl Media Paarl
2011	<ul style="list-style-type: none"> • Novus Academy of Print is launched successfully – training academy for the Company employees
2012	<ul style="list-style-type: none"> • The Natal Witness printing plant is acquired and renamed to Paarl Coldset Pietermaritzburg, further substantial investments are made to upgrade and improve the printing facility to introduce a high degree of automation through added technology
2013	<ul style="list-style-type: none"> • Intrepid Printers based in KwaZulu-Natal is acquired which allows the Group to improve its ability to provide a wider range of printing options to customers in KwaZulu-Natal
2014	<ul style="list-style-type: none"> • Paarl Media Commercial is launched • Correll Tissue is acquired which provides the Company with the ability to turn its paper by-products into tissue paper • PEFC (Programme for the Endorsement of Forest Certification) certification received at Paarl Media Paarl and Paarl Media Cape – confirms the paper used in the printing process originates from legal and sustainable sources • A biomass boiler is commissioned and becomes operational

4. PRODUCTS AND SERVICE OFFERING

Novus' product and service offerings are designed to meet every client's printing and manufacturing needs. Some of the key product offerings by Novus include the following:

Product offering

Products	Description	Products
Retail inserts and catalogues	<ul style="list-style-type: none"> Fully automated production processes and high speed presses ensure fast turnaround times Inline finishing capabilities deliver finished products directly off the press Press technology allows delivery of inserts complete off the press Strategic geographical plant locations ensure fast, efficient distribution Fully automated inserting lines offer quick, efficient inserting of coldset inserts into newspapers 	<ul style="list-style-type: none"> Brochures, leaflets and catalogues Reports and calendars Point of sale materials Retail inserts for the following retail clients: <ul style="list-style-type: none"> Shoprite Pick n Pay Makro Game Clicks Lewis Woolworths Foschini Trudon
Newspapers	<ul style="list-style-type: none"> High quality coldset printing on uncoated papers Five Paarl Coldset plants based in main centres Arkitex workflow system reduces turnaround times Caters for large and smaller print runs in a variety of formats Paarl Coldset awarded membership to the International Newspaper Colour Quality Club in 2010 	<ul style="list-style-type: none"> Daily newspapers <ul style="list-style-type: none"> Sowetan Daily Sun Business Day Die Burger Beeld Weekly newspapers <ul style="list-style-type: none"> Sunday Times Rapport City Press Community newspapers <ul style="list-style-type: none"> Media Development and Diversity Agency (MDDA) Association of Independent Publishers
Security products	<ul style="list-style-type: none"> Paarl Media Gauteng is a registered security printer Confidentiality of material is guaranteed and verification of barcodes throughout provide clear audit trail Inclusion of sophisticated design techniques to deter counterfeiting and falsification 	<ul style="list-style-type: none"> Election ballots Examination materials and assessments Any other security related printing
Books and directories	<ul style="list-style-type: none"> Various press technologies provide access to the most appropriate print solution for each format of book Special quality effects on book covers such as spot colours and UV Varnishing High speed saddle stitching, thread sewing, perfect/PUR binding and hand binding service Specific software is used to manage and control complexities 	<ul style="list-style-type: none"> Workbooks for the DBE project Hard and soft cover books for the following publishers: <ul style="list-style-type: none"> Via Afrika Shuter and Shooter Macmillan Pearson Oxford Cambridge
Magazines	<ul style="list-style-type: none"> Very high volume publications to medium runs of specialised magazines Flexibility in formats and paper stock Binding options include high speed saddle stitching and perfect/PUR binding Machine and hand insertion of marketing material Bagging in clear or printed plastic Magazines printed at the closest plant to their final destination 	<ul style="list-style-type: none"> Huisgenoot Drum You Dish (DStv) Sawubona (SAA in-flight) Cosmopolitan SA Home Owner
Labels	<ul style="list-style-type: none"> Speciality printed and unprinted security features for ballot papers and certificates Many special finishes offered 	<ul style="list-style-type: none"> High quality labels for the wine, beer, spirit, cosmetics, petro-chemical, food and beverage markets Recharge and scratch cards Pay as you go, electricity and water suppliers Labels printed for the following clients: <ul style="list-style-type: none"> KWV SABMiller DGB (Douglas Green)
Tissue	<ul style="list-style-type: none"> Production of domestic tissue paper through the effective use of waste paper from other printing operations Supplies parent reels to other tissue converters 	<ul style="list-style-type: none"> 1 and 2 ply toilet rolls Kitchen towels and serviettes Jumbo wadding Tissue paper produced for the following brands: <ul style="list-style-type: none"> Correll Royal Correll Classique House brands for Boxer and Spar

Service offering

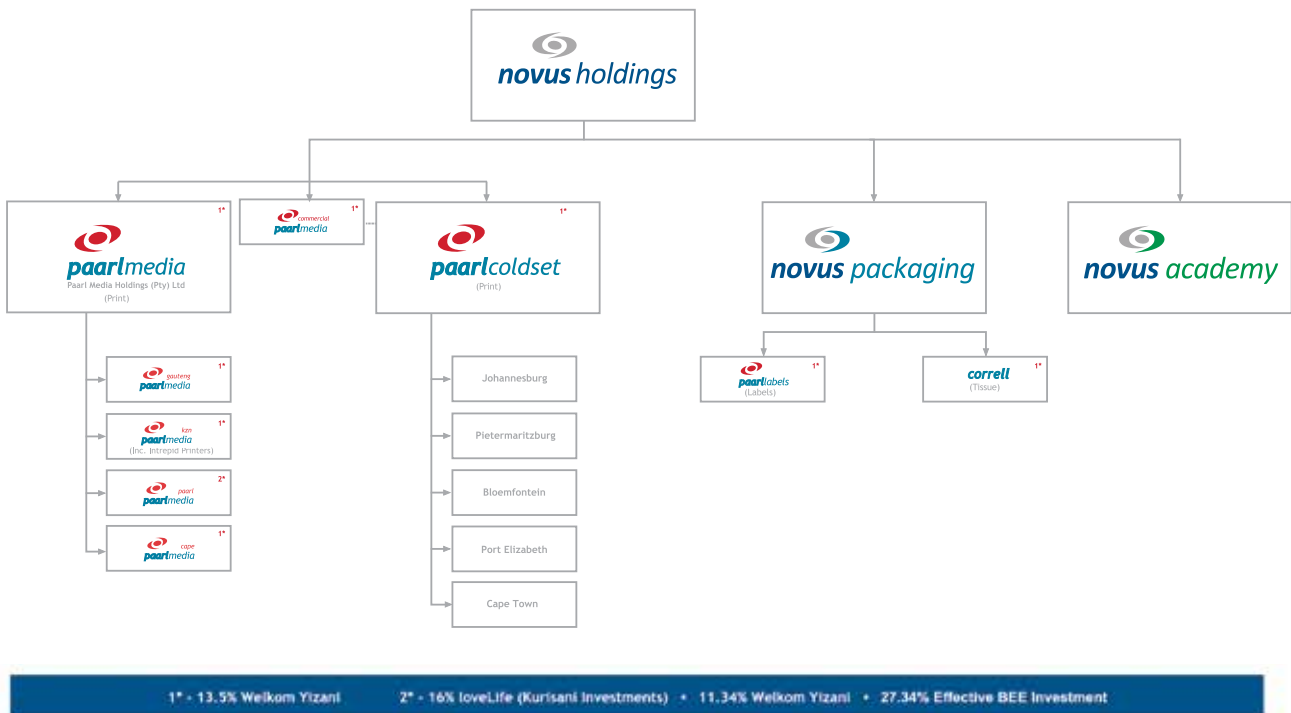
The following services underpin any product that the Company prints and ensures that the finished print product can be delivered to clients as efficiently as possible without any compromise on quality:

Fast, accurate digital pre-press	Quality control	Production risk management
<ul style="list-style-type: none"> • 100% computer-to-plate processes in all major plants • Soft proofing approval systems in all heatset plants • Full client control and ownership • Seamless digital file transfer between plants • Fully integrated management information system • Arkitex workflow system for coldset newspaper production • High speed plate making equipment is used 	<ul style="list-style-type: none"> • Stringent colour checks • QuadTech Colour Control Systems to ensure consistency, preventing colour variation throughout • A mechanical electronic footprint of each sheetfed press with custom-made plates eliminates any variances • Quantity and Time Management System guarantees accurate job tracking and assessment • Crisp, full spectrum colour publication gravure reproduction over millions of copies • Advanced screening delivers exceptional colour reproduction • Paarl Media KZN, Paarl Media Cape and Paarl Labels are ISO 9001 certified 	<ul style="list-style-type: none"> • Approximately 3 months of key raw material stockholding • Multiple suppliers of key raw materials • Long-term repair and maintenance agreements • Water storage units at key locations • Significant spares back-up to limit downtime • Diesel power generators at all plants • Plants at different geographic locations act as back-up for each other • Telecommunications systems backup via satellite at key locations

5. OPERATIONS

Printing in the South African market is broadly segmented into Heatset and Coldset. In addition to these forms of printing, Novus also offers the printing of labels through UV Flexography. Tissue paper is also manufactured from pulp and waste paper (by-product from the printing process).

The diagram below outlines Novus’ operational organogram:



1* - 13.5% Welkom Yizani 2* - 16% loveLife (Kurisani Investments) • 11.34% Welkom Yizani • 27.34% Effective BEE Investment

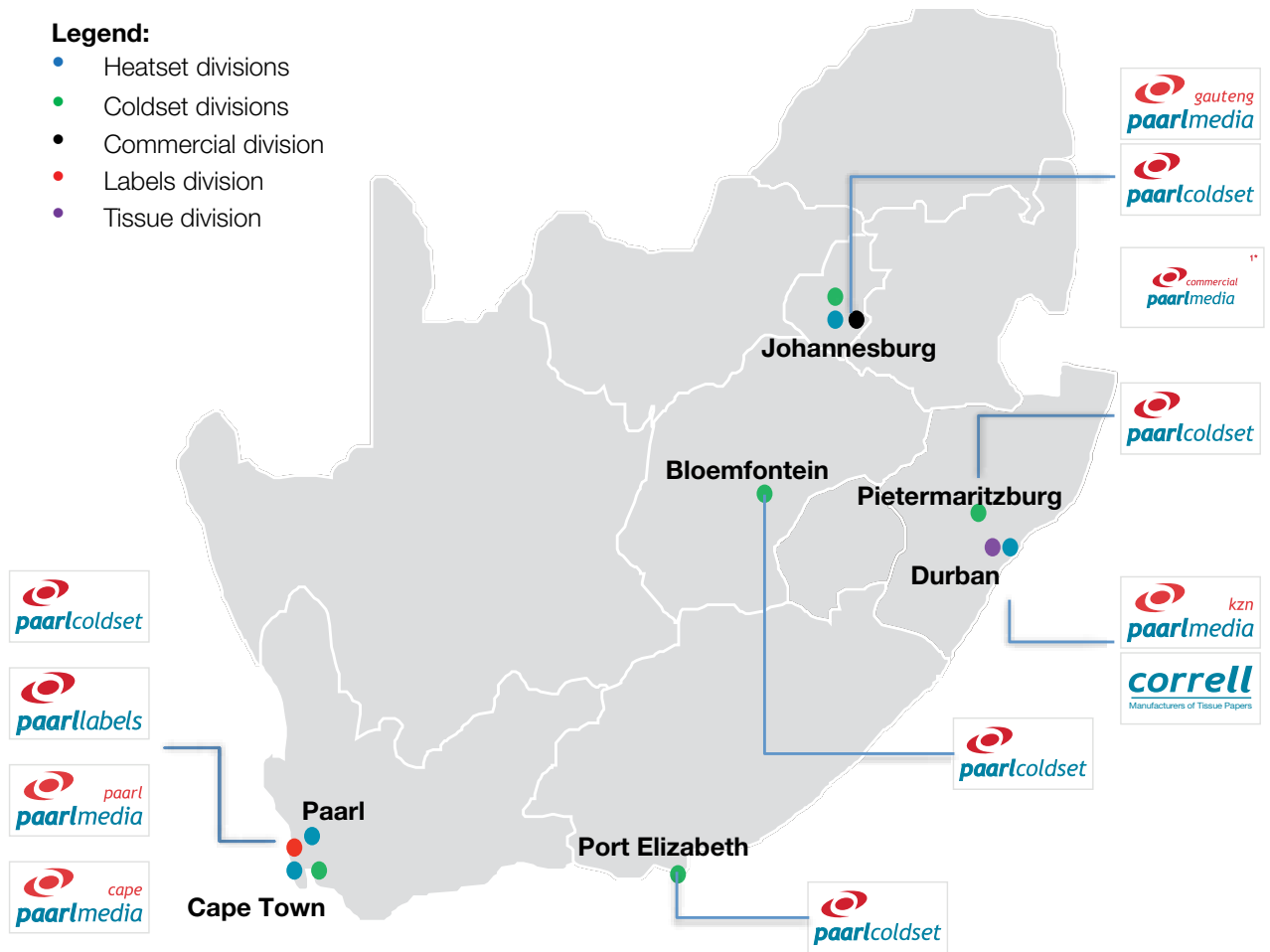
* Please note the percentages reflected above represent effective BEE shareholding prior to Listing.

Geographical location

Clients benefit from access to volume resources and extensive print capability through the Company's eleven specialised printing plants and one specialised tissue plant situated close to all key metropolitan areas.

Legend:

- Heatset divisions
- Coldset divisions
- Commercial division
- Labels division
- Tissue division



Region	Coldset	Heatset	Commercial	Labels	Tissue
Paarl		✓		✓	
Cape Town	✓	✓			
Port Elizabeth	✓				
Johannesburg	✓	✓	✓		
Bloemfontein	✓				
Pietermaritzburg	✓				
Durban		✓			✓

5.1. Heatset operations

The Company offers a full complement of printing services within the Heatset operations from thorough pre-press all the way to bindery and distribution. These processes utilise the latest and most technologically advanced equipment in order to produce finished products of the highest standard with quick turnaround times.

Key technology used by these operations includes the following:

Process	Regions	Key features and description	Specialised equipment
Pre-press	Available at all Heatset operations	<ul style="list-style-type: none"> Sophisticated computer-to-plate technology that facilitates efficient procedures and eradicates unnecessary wastage Rigorous colour checks to ensure that ISO-certification standards are strictly adhered to 	<ul style="list-style-type: none"> Prinerger InSite System from Kodak Screen Platerite Ultima 63 000 ZX plate setters Lüscher Xpose! plate setters The Alwyn print standardiser system Epson 9900 ISO proofer
Gravure	Only available at the Cape plant	<ul style="list-style-type: none"> This type involves a method of printing using engraved copper cylinders to impart ink onto paper This provides a crisp, full spectrum colour and registration method which is ideally suited for very high volume production of publications and commercial products including weekly, fortnightly and monthly magazines, catalogues and retail inserts High-quality presses allow for flexibility across an extensive range of formats and pagination Excellent finishes can be applied, even on low-grammage materials Final products can be delivered directly off the press, complete with any trimming, inline gluing or stitching requirements 	<ul style="list-style-type: none"> 48 page KBA 72 page Cerutti 72 page Cerutti Aurora
Heatset web offset	Available at all Heatset operations	<ul style="list-style-type: none"> Heatset web offset is a printing process in which a continuous roll of paper is fed through a printing press. This printing process uses inks which dry by evaporation in a dryer typically positioned just after the printing units. This is typically done on coated papers, where the ink stays largely on the surface, and gives a glossy high contrast print image after the drying. Increased capacity is provided by technology and processes that handle coated or uncoated newsprint and mechanical paper Quality control is assured by monitoring that each copy is an exact duplicate of the signed-off proof, and meets ISO standards Delivery of material is significantly sped up, as each offset press is equipped with automatic palletisers and inline log stackers 	<ul style="list-style-type: none"> Manroland 16 page Rotoman Manroland 48 page Lithoman Manroland 64 page Lithoman Manroland 72 page Lithoman
Sheetfed	Only available at the Paarl and KwaZulu-Natal plants	<ul style="list-style-type: none"> Sheetfed printing presses feed sheets of paper rather than a continuous roll or web. Sheetfed printing is generally used in printing low volume, high quality results for books, specialised magazines, commercial work and financial reports Fully automated plate changing capability reduces job change-over time and keeps waste to an absolute minimum A double sized perfecting cylinder system and a unique sheet path design is used to ensure smooth and consistent flow of paper Reel to sheet systems cut down turnaround times, as paper no longer needs to be sheeted before printing can start 	<ul style="list-style-type: none"> Komori Lithrone S104P 10-colour Komori Lithrone S840P 8-colour Komori Lithrone S640C 6-colour

Specialised book	Only available at the Paarl plant	<ul style="list-style-type: none"> Book web printing is a specialised book press that combines the flexibility of a sheetfed press and the cost benefits of the heatset web offset technology, in order to print books. Unique hybrid, high volume press that is designed for fast turnaround of single colour books First of this type of specialised book presses in Africa and follows the installation of the first one in Europe 	<ul style="list-style-type: none"> Manroland 901/1 64-page backprinter Inline Mabeg reel-to-sheeter
Bindery	Available at all Heatset operations	<ul style="list-style-type: none"> Square back binders are able to run at between 18,000 and 14,000 cycles per hour and can bind up to 300 tonnes per hour Image recognition software automatically reviews each section to guarantee accurate collation Setup times are reduced by automatic make-ready systems Further capabilities include the handling of specialised finishes, insertions and bagging 	<ul style="list-style-type: none"> Müller Martini Tempo, Müller Martini C140 Primera and Müller Martini Prima Plus saddle stitchers Kolbus Publica square back binders Steinemann UV coaters Buhrs polywrapping and bagging facility

5.2. Coldset operations

Paarl Coldset caters for large and smaller print runs in broadsheet, tabloid and quarter fold formats for both high pagination and thinner newspaper and commercial products. It is best suited for absorbent papers, such as uncoated newsprint, bond and book papers. From start to finish of production, Paarl Coldset has implemented the most sophisticated technology, including press technology, fully automated mail rooms and workflow and colour optimisation systems, to ensure a streamlined process that delivers speedily without any compromise on quality.

Key technology used by these operations includes the following:

Process	Regions	Key features and description	Specialised equipment
Pre-press	Available at all Coldset operations	<ul style="list-style-type: none"> Artwork and materials are received digitally Highly sophisticated Agfa and Krause plate making equipment can deliver more than 200 plates per hour Specialised inking and colour matching software delivers high quality images consistently 	<ul style="list-style-type: none"> Agfa Polaris CTP Nela Plate Benders Krause LS Jet CTP Arkitex/Sublima Workflow
Coldset web offset	Available at all Coldset operations	<ul style="list-style-type: none"> Coldset web offset is a printing process in which ink is allowed to dry naturally through absorption by the paper Coldset printing primarily involves the printing of newspapers and high volume commercial/retail inserts and pamphlets for advertising retailers, on lower quality paper Presses are equipped with automatic register control, additional form rollers and segmented ink blades to ensure crispness and brightness Finished products can be delivered straight off the press complete with inline stitching, gluing and trimming High speed efficiency particularly for large print runs with a large number of coloured pages, which makes it an excellent option for newspaper production 	<ul style="list-style-type: none"> Manroland Cromoman press Goss Urbanite press Manroland Uniset press Manroland Geoman press Arkitex Sublima workflow system
Mail room	Available at all Coldset operations	<ul style="list-style-type: none"> Fully automated mail rooms allow for additional folding and collating requirements In addition, the mail room has the ability to facilitate quick, efficient insertion of any retail inserts into the final publication The final product is, therefore, delivered directly from press to trucks 	<ul style="list-style-type: none"> Müller Martini saddle stitchers Ferag MSD and Easysert Newsliners and SLS 4000 Gammerler line stitch and trim

5.3. Labels Operations

Novus' packaging operation uses sophisticated press technology which provides the flexibility to produce UV flexo self-adhesive labels for every packaging requirement. The Company is committed to development and innovation in the labels space to ensure that customers are able to select from the latest printing techniques.

Process	Key features and description	Specialised equipment
Pre-press	<ul style="list-style-type: none"> Novus uses advanced computer-to-plate technology to cater for a wide range of pre-press and offset label printing which facilitate an efficient and waste-free process Clients approve the final layout via a secure website and thus errors are rectified and changed before a project goes to print All material is backed up by dedicated servers ensuring that no work is lost 	<ul style="list-style-type: none"> Prinergy Connect PDF workflow Insite remote soft proofing approval system
Press	<ul style="list-style-type: none"> Sophisticated press technology provides the flexibility to produce labels for every packaging requirement A wide range of speciality features such as adding security holograms, back printing and metallic finishing Systems facilitate an efficient, waste free process There are a range of adhesive and backing material options available to the clients 	<ul style="list-style-type: none"> MPS 9-colour EC reel to reel UV Flexo press (MPS 330) MPS 8-colour reel to reel UV Flexo press (MPS 330) MPS 8-colour reel to reel UV Flexo press (MPS 430)
Finishing	<ul style="list-style-type: none"> Rotoflex rewinder and camera inspection unit automatically verifies the quality of each label as part of the quality assurance process This quality control process ensures that the ISO certification standards of production are met 	<ul style="list-style-type: none"> Rotoflex rewinders, including a modern VSI 330 rewinder Quality inspection unit incorporating the Alis-C1 camera system

5.4. Additional Product Offerings

Due to further diversification of its product range the Company acquired Correll Tissue in 2014, a tissue paper producing company which is used to convert the paper by-products from the aforementioned production processes into saleable tissue paper. Pulp is also used to produce virgin tissue products.

Paarl Media Commercial was launched in 2014 as a hybrid of heatset and coldset technology to bring new and innovative solutions for commercial printing purposes. It offers high volume retail work and bookwork with greater flexibility in terms of products it can.

Additionally, Novus' extensive capacity and national infrastructure provides clients with efficient logistical considerations. A wide variety of services are offered from fine picking and packing to magazine distribution throughout South Africa and the African continent.

6. KEY STRENGTHS

Core competencies comprise a strong skills base, with particular reference to highly complex and technologically sophisticated equipment, expertise in large volume production on tight deadlines and an experienced management team which has proven itself to be very dynamic and innovative.

The Company has invested significantly in its production capabilities to ensure that its equipment and processes are amongst the best in the industry. Significant historical investment in technological machinery has enabled Novus to produce high volume and high-quality products to its wide spectrum of clients. The equipment used is the latest technology imported from Europe, which is continuously updated as technology evolves and improves.

The Company has a strong focus on corporate culture that attracts and retains exceptional talent and has proven to be an essential driver for the overall success of the business.

Key strengths of Novus are expanded upon below:

6.1. Diversified revenue streams and product offerings

The Group offers a premium product and service offering and has the ability to accept ad hoc projects on tight deadlines due to its extensive investment in the required technology and facilities. By catering for a diversified customer base, the Company is able to withstand and mitigate the impact of an economic downturn. Key facts relating to this strength are demonstrated below:

- Through Media24's large and diversified media offering, Novus is contractually committed to provide printing solutions for all Media24's media products
- Due to Novus' nationwide locations, the Company is able to attract clients from all regions of South Africa and neighbouring countries
- Revenue is earned from both the private and public sector, local and international sources on a recurring and ad-hoc basis
- The expansion of the label business has resulted in increased revenues from the packaging market and is forecast to achieve compounded annual growth rates from 2012 to 2015 of 33%
- The recent investment in tissue manufacturing will diversify the revenue streams going forward and is forecast to contribute over R100 million to revenue in 2015

- Revenue from traditional print products and service offerings are diversified between magazines, retail inserts and catalogues, newspapers and books and directories. Labels and tissues have also begun to contribute a larger proportion of revenue based on the 2015 forecast. The table below indicates the relative revenue contribution split amongst key products based on the 2015 forecast:

Contribution to total revenue	Forecast 2015
Magazines	22%
Retail inserts and catalogues	31%
Newspapers	21%
Books and directories	20%
Labels*	2%
Tissue products*	3%
Other	1%
Total	100%

* New product offerings from Novus that provides diversification from traditional print businesses

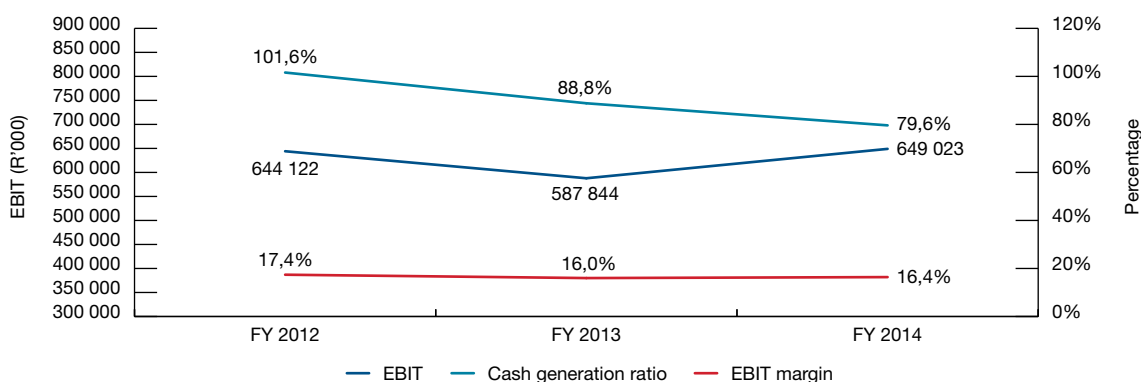
6.2. Sound financial base from which to grow

The financial metrics are characterised by high levels of cash flow generation due its significant operating leverage, a high cash conversion ratio from EBIT and low levels of financial gearing. Large portfolio of unencumbered properties which are all currently owner occupied.

This basis provides the ideal position to take advantage of any opportunities within its core competencies including the printing, packaging and tissue industries which are strategically aligned with the strengths and abilities inherent in the Group.

The graph below indicates the historical EBIT, EBIT margin and Cash Conversion Ratio over the last 3 financial years:

EBIT vs EBIT Margin vs EBIT to Cash Conversion Ratio



6.3. Nationwide logistical and distribution excellence

The Company has developed bespoke software in-house that provides flexible logistical solutions and facilitates an efficient national and international distribution of its products.

One of the major successes relating to this strength encompasses the workbook project undertaken by the Company for the DBE. As part of this project, Novus handled the logistics to ensure workbook delivery to all schools. Key facets relating to logistics of this project included:

- Deliveries were tracked and educational bodies were able to access digitised proof-of-delivery documents, which assisted them in continuous monitoring
- Novus has printed on average 60 million workbooks per annum covering Literacy, Numeracy, Life Skills and First Additional Language to over 25,000 schools across South Africa
- The project is a private/public partnership involving the DBE and a joint project between the Company, UTI and Lebone Litho, and has had over a 90% success rate when it comes to the delivery of these workbooks

6.4. World class facilities, technology and operating systems

The Company attributes a great deal of its success to its ability to operate highly advanced technology at any capacity level. This skill allows Novus to perform at levels comparable to global industry leaders.

To ensure that resources across the Company are effectively utilised, an Enterprise Resource Planning System is used to optimise and streamline operations.

Entrenched relationships with key equipment suppliers and its diverse product and service offering have ensured that it remains at the forefront of technology and innovation within its industry. To date, Novus has invested in excess of R950 million in its technology since 2008 and include some of the following capex spend:

Years	Equipment acquired
From 2008 to 2010	<ul style="list-style-type: none"> • New 16-page Manroland Rotoman and 80-page Manroland Lithoman installed at Paarl Web Gauteng • Three new Komori presses for Paarl Media Paarl • New 16-page Manroland Rotoman press installed at Paarl Media Cape • Five new Kolbus Publica Square Back Binders installed across the Company • New Kolbus Publica Square Back Binder installed at Paarl Media Paarl • Manroland 901/1 Backprinter & 8-page Octoman presses installed at Paarl Media Paarl • Arkitex workflow & Sublima systems implemented at Paarl Coldset • Höcker waste and dust extraction system installed at Paarl Media Cape & Paarl Media KZN • New Kolbus Publica Square Back Binder installed at Paarl Media Paarl
From 2011 to 2013	<ul style="list-style-type: none"> • New Kolbus Publica Square Back Binder installed at Paarl Media Gauteng • Upgrade of Paarl Coldset Cape Town, Port Elizabeth & Bloemfontein Plants • Two new MSD2 Ferag inserting lines installed at Paarl Coldset Cape Town • New Kolbus KM 600C at Paarl Media KZN • New 72-page Cerutti Rotogravure Publication Aurora Press installed at Paarl Media Cape • Automated mailroom system installed at Paarl Coldset Pietermaritzburg
From 2014 to 2015	<ul style="list-style-type: none"> • Building modifications to Paarl • Waste extraction system at Paarl Media Paarl • Boiler and burner at Paarl Media Cape • In-Mould-Label Die Cutter at Paarl Labels • Cerutti Gravure Press Upgrade at Paarl Media Cape • Monarch Printing ERP System at all Heatset plants • Copper & Chrome Bath at Paarl Media Cape • Labels 8 Colour Servo Flexopress at Paarl Labels • Electronic upgrades to Coldset presses

This recent investment has resulted in equipment with a low average age across the various production facilities. This in conjunction with the long useful lives of the equipment used in the printing, packaging and manufacturing industries will result in Novus' Cash Conversion Ratio being maintained going forward.

6.5. Entrenched customer relationships

Novus' ability to operate under tight deadlines, while maintaining a high standard of production, has resulted in many customers becoming dependent on Novus' product and service offering. This has resulted in significant goodwill being built with customers and creates further opportunities to secure recurring printing orders and additional work as is evidenced by the production of weekly, biweekly and monthly titles by various publishing and media companies, as well as Government departments.

Novus also has an indefinite contractual printing agreement with its parent company, Media24, ("**Media24 Printing Agreement**") which is expected to continue for the foreseeable future. This contract can be terminated on 6 months' written notice by Media24 should the Management Agreement be terminated for any reason whatsoever. The Media24 Printing Agreement accounted for approximately 31% of Novus's revenue in the 2014 financial year and was concluded on an arm's length basis.

Some of the key clients and titles for which the Company performs print work include:

Product offering	Clients
Retail inserts and catalogues	<ul style="list-style-type: none"> • Shoprite Checkers • Pick n Pay • Makro • Game Superstores • Clicks • Lewis • Woolworths • Foschini • Trudon
Newspapers	<ul style="list-style-type: none"> • Sowetan • Daily Sun • Business Day • Sunday Times • Rapport • City Press • Die Burger • Beeld
Books	<ul style="list-style-type: none"> • Via Afrika Publishers • Shuter & Shooter Publishers • Macmillan • Pearson Education • Oxford University Press • Cambridge University Press • Department of Basic Education
Magazines	<ul style="list-style-type: none"> • Huisgenoot • Drum • Dish (DStv) • You • Sawubona (SAA inflight) • Cosmopolitan • SA Home Owner
Labels	<ul style="list-style-type: none"> • SAB Miller • KWW • DGB (Douglas Green)

6.6. Commitment to BEE

Currently, Novus is a level three BEE contributor. Enterprise development initiatives through the Novus Academy of Print has resulted in successful skill development programs and courses for more than 1,000 individuals.

Novus' commitment to BEE transformation and enterprise and skills development has assisted the Group in securing printing contracts from the private and public sectors.

6.7. Track record of growth through acquisitions, greenfields site developments and optimisations

Although the Company has grown organically through the years, it has also established a successful track record of accretive and transformational acquisitions, greenfield developments and optimisation. These initiatives have contributed to delivering increased product offerings, scale and efficiency and include some of the following:

2001

The Group acquired National Book Printers and Paarl Print which were then consolidated into Paarl Printing (Pty) Ltd.

2005 and 2010

Novus increases its national footprint growth by the incorporation of Paarl Media Gauteng and Paarl Media KwaZulu-Natal greenfield development sites.

2008

Acquired Print24 and Paarl Post which were then consolidated into Paarl Coldset.

2009

Optimised operations by merging Paarl Coldset's Paarl division and Paarl Coldset's Paarden-Eiland division into Paarl Coldset Cape Town and merging Paarl Coldset's Potchefstroom division into Paarl Coldset Johannesburg.

2010

Optimised operations through the merger of Paarl Web and Paarl Gravure into Paarl Media Cape.

2012

Acquired Natal Witness and rebranded as Paarl Coldset Pietermaritzburg.

2013 and 2014

Acquired Intrepid Printers and Correll Tissue respectively, additional details on each of these acquisitions can be found under Annexure 13. Paarl Media Commercial is launched as a hybrid of Heatset and Coldset technology to bring new and innovative solutions for commercial printing purposes.

6.8. Proven management team aided by highly trained and skilled workforce

The Company has an experienced senior management team with an in-depth knowledge of the South African printing and manufacturing markets and vast experience in manufacturing under high volumes and tight deadlines. Group management receives strong support from a high calibre of regional managers. In addition to this, Novus receives support and insight from various local and international industry organisations that ensures awareness of industry dynamics and trends.

To ensure that all employees are of the level and experience required to maintain a high standard of quality, the Company has a training academy called the Novus Academy of Print. This academy ensures employees are equipped with the necessary skills to be in line with world leading standards. The Novus Academy of Print is accredited by City and Guilds of London and ensures that the Company remains an employer of choice within the industry.

6.9. Excellent environmental credentials

Novus is amongst the leading South African companies in assessing, recognising and mitigating the impact of its production processes on its environment. The Company has proactively implemented practices and policies to minimise the effect of its production processes on the environment as well as investing over R100 million in environmentally responsible practices.

Some of the following initiatives have been implemented in order to ensure an environmentally friendly production process:

Initiative	Description
Elimination of emissions	<ul style="list-style-type: none"> Regenerative Thermal Oxidizers have been installed on all heatset web presses The Company makes use of alcohol free web offset printing Volatile organic compound free inks are used on all sheetfed presses The energy efficient Kongskilde and HÖCKER system ensure that the air surrounding the equipment remains 100% dust free
Recycling	<ul style="list-style-type: none"> Baling facilities at all major plants ensure that all waste paper is recycled or used in the manufacturing of tissue papers Used gravure copper skins from engraved cylinders and web and sheetfed plates are recycled Toluene, the gravure ink solvent, is recovered from the production process and sold back to ink manufacturers
Responsible paper sourcing	<ul style="list-style-type: none"> Novus was the first African printing organisation to receive Forestry Stewardship Council™ (FSC™), FSC-C022948 Chain of Custody (CoC) certification The Group is in the process of becoming certified nationwide Programme for the Endorsement of Forest Certification (PEFC) – plants currently certified are Paarl Media Cape and Paarl Media Paarl Both FSC and PEFC are independent verifications that products can be traced back from their point of origin The Company ensures that strict paper procurement policies are followed and that customers can choose from a range of international and local environmentally sustainable paper stock options Novus also supports the Two Sides Campaign which is a rapidly growing non-profit organisation, created to promote the responsible production and use of print and paper, as well as to ensure the sustainability of the industry
Clean energy generation	<ul style="list-style-type: none"> The Company has commissioned a Biomass Boiler powered by sustainable biomass to provide steam to Paarl Media Cape's gravure printing presses The Biomass Boiler creates steam energy by burning wood chips produced from alien vegetation The Biomass Boiler successfully creates a carbon neutral footprint for the Company whilst still reducing the plant's electricity consumption
Reduction in carbon footprint	<ul style="list-style-type: none"> The Company's nationwide footprint allows for printing to be performed closer to the end users delivery point Digital workflow, including digital proofing Low energy consumption, with advanced automation and high efficiency in every step of the production process
Decrease in wastage	<ul style="list-style-type: none"> Pump inking systems are used across all the presses Reduced start-up paper waste is achieved through automated colour control systems Waste paper produced from the printing process is used as raw material for the production of tissue products i.e. Correll Tissue

7. KEY INVESTMENT HIGHLIGHTS

7.1. History of strong cash flow generation and cash conversion with low financial leverage

The capital expenditure spent over the last few years has resulted in lower capital requirements going forward.

EBIT margins (16.0 % in FY2013 and 16.4 % in FY2014) and related Cash Conversion Ratios (88.8% in FY2013 and 79.6% in FY2014) are consistently high. This strong cash flow generation and conversion provides the Company with the requisite platform to fund acquisitions, greenfield operations and also the ability and flexibility to return cash to Shareholders in the form of dividends should there be no requirement for retaining cash by the Company. A low level of third party debt provides Novus with an opportunity to enhance its capital structure through gearing benefits.

7.2. Strong market position in an industry that benefits from operational leverage

The Company is a market leader in the Coldset and Heatset markets in South Africa, with very few national and African competitors that are able to offer the same products and services. With Media24 being contractually committed and significant goodwill amongst its existing customer base, Novus is able to secure printing work with more certainty.

The Company's national network of plants allows it to attract a diverse customer base. Due to its scale favourable terms can be negotiated with suppliers. Little threat is posed by new entrants joining the market due to high barriers to entry with the high capex requirements, specialised skills and experience.

7.3. Well located, world-class production facilities

World-class production facilities are located in close proximity to end markets and major economic hubs nationally. The Company has 12 specialised operations nationally and a cumulative 157,000 m² of factory floor space. In excess of R3.3 billion in capital expenditure has been spent since 2000 to ensure that facilities are equipped with modern technology and attract more business opportunities.

As a result of its capex spend over recent years, the Company has created further capacity to ensure the incremental costs of production are limited and allow acceptance of projects on tight deadlines with complex operating requirements.

7.4. Stable management team with extensive experience in the printing and manufacturing industries

Novus has an experienced and proven management team which has helped establish the Company as one of the leaders in the South African printing and manufacturing industry. The majority of the key management team has a significant amount of experience in this industry and has managed to attract and retain younger managers to provide impetus to executing growth strategies.

Although the Company is part of the Media24 group of companies, management has been able to operate with a great degree of autonomy and operational independence allowing for quicker decision making. Management's interests will also be further aligned with Shareholders through participation in the Employee Share Ownership Plan (refer to paragraph 65).

7.5. Growth opportunities identified through accretive acquisitions and greenfield opportunities both within its traditional business and other related areas

Novus has established a track record at acquiring value enhancing businesses and establishing greenfield operations. By leveraging off these capabilities, the Company intends to execute its relevant strategic objectives as discussed per paragraph 8 to ensure that it is value enhancing to Shareholders.

Through the recent implementation of growth initiatives by Novus, the labels and tissue manufacturing business has been contributing a larger proportion of revenue to the Group. Together the compounded annual growth rate of revenue from these two businesses is forecast to reach 75% between 2012 and the forecasted results for 2015. As at 31 March 2015, labels and tissue products are forecast to comprise 5% of Group revenue.

Key financial metrics related to these two product offerings are as follows:

- The manufacturing of tissue products is expected to contribute in excess of R100 million to revenue during 2015 which represents 3% of total revenue for the Group
- The printing of labels has experience strong growth between 2012 and the forecasted results for 2015 with a compounded annual growth rate of 33%

8. GROWTH STRATEGIES AND PROSPECTS

Novus continues to drive organic growth and sees growth potential in its existing business. Where value-accretive acquisition opportunities arise, management will look to acquire companies that are aligned with the strategy and core competencies. Sub-Saharan Africa has several of the world's fastest growing markets and is an area of focus for the management team.

8.1. Vision

The vision is to leverage off its significant printing operations, binding operations and manufacturing experience in order to ratchet returns by leading the printing of magazines, newspapers, catalogues, books and election ballot papers in Sub-Saharan Africa through:

- Offering a balanced value proposition to clients
- Growth in capacity derived through innovation and extension of services to clients
- Vertical integration in the greater printing, packaging and tissue manufacturing industries and areas of manufacturing that align to the core competencies of the printing industry

8.2. Group strategies

Strategy	Explanation
Acquisitions	<p>The management team has a track record of identifying value-accretive opportunities and successfully integrating them into the Company business model. The Correll Tissue acquisition (now incorporated under Paarl Tissue) is the most recent example of execution against this strategy. For additional information related to this acquisition refer to Annexure 13.</p> <p>Novus will continue to make acquisitions of other printing, packaging and manufacturing companies in existing and new segments of Novus' operations, including segments where organic growth is limited. An additional tissue mill of R23 million is currently on order from Italy and a further R80 million is planned to be incurred on this expansionary project which is expected to expand current tissue production capacity by 300%.</p>
Organic growth	<p>The Company has identified a number of avenues in which to pursue organic growth which are expected to increase revenue, going forward. The Company has started to diversify its revenue streams by investigating digital printing, 3D printing, other aspects of printing and certain aspects of packaging not yet covered. This is expected to ensure that future opportunities are recognised as the print media landscape evolves.</p> <p>Capital investment of more than R35 million has been committed to packing gravure equipment for the production of wet glue labels whilst a further R70 million is planned to be incurred on this project.</p> <p>The Group has identified Africa (outside of South Africa) as a focal point of organic growth and plans to take advantage of these relatively under serviced markets by increasing its geographical presence through investigating physical investment opportunities in these areas.</p>
New markets	<p>Management has identified opportunities to participate in new technology which is expected to ensure diversification and the long-term sustainability of the Company. Novus' core competency is its ability to produce high volumes of printing and manufacturing under tight deadlines, using sophisticated technology and it is expected that investments into new technology will complement the Company's current product offering ensuring the sustainability of earnings into the future.</p> <p>This highlights Novus' strategy to diversify and reduce its reliance on publication print revenues from South Africa. Growth prospects related to the education and democracy projects have also been identified for Sub-Saharan Africa beyond South Africa's borders.</p>

8.3. Growth prospects

Prospects	Explanation
Product diversification	<p>Novus' product diversification is already well underway and will result in the Company participating in a number of new markets within the printing industry. These include in-mould labels, banderol, shrink sleeves, wrap around packaging and wet glue labels. In addition to these products, the completion of Novus' acquisition of Correll Tissue will see paper by-products being converted into tissue paper thus reducing wastage and adding a further revenue stream.</p>
African expansion	<p>Success has been achieved in securing tenders for printing of ballot papers for several African countries, which will increasingly become a focus area for the Company. Gains have also been made in the printing of African countries' educational materials, which is expected to increase in future years. The Group is one of the only printers in Africa with the scale to undertake very large print orders at relatively short notice. The company has a verified security printer status, which assists in securing certain work.</p>
Technological advancement	<p>Novus will continue to stay at the forefront of all technological advancement positioning itself perfectly to take advantage of any new opportunities. The intention is for the Company to buy into start-ups with the necessary expertise and market direction in this regard. Novus plans to take advantage of these opportunities by leveraging off its existing infrastructure, research and development and management experience.</p>
Formidable staff complement	<p>Novus plans to expand its print academy to ensure greater multi-skilling of existing Company employees and to offer educational programs to the manufacturing sector to create a revenue stream for the sustainability of the Novus Academy of Print. This will ensure that the future of Novus is only in the hands of the most competent and talented individuals.</p>

9. HEADCOUNT

The Company has a growing staff complement which benefits from extensive on the job training as well as developmental courses set up within the print college. As at March 2014, printing made up 96% of the staffing complement with other making up the final 4%. Due to the printing industry being a capital intensive industry, the ratio of headcount to revenue is fairly low. The table below highlights the headcount over the past three years and projected forward for 2015:

31 March	Actual	Actual	Actual	Forecast
Business Unit	2012	2013	2014	2015
Printing	1,554	1,640	1,746	1,730
Other	160	64	65	298
Total	1,714	1,704	1,811	2,028

10. BROAD-BASED BEE STRATEGY AND ENTERPRISE DEVELOPMENT

Broad-based BEE

The Company is proactively committed to transformation in South Africa. The Company's history with empowerment deals is documented below:

- In 2003 by Paarl Print's (now known as Paarl Coldset) transaction with Vakazi Holdings, a broad-based BEE women's investment group, and Edu-Access. This shareholding was later acquired by Kurisani Investments, who now holds 16% in Paarl Media Paarl
- When Media24, Novus' majority shareholder, concluded its public BEE share offer at the end of 2006 – the biggest yet within the SA media industry – BEE credentials were filtered through to the Group companies due to Naspers' release of 15% of Media24's ownership worth about R1 billion, and creating Welkom Yizani Investments company

At present Novus' indirect BEE shareholders are as follows:

Indirect BEE shareholders	Credentials
Kurisani Investments	Kurisani Investments is the investment arm of South Africa's national HIV/Aids prevention campaign for young people, which combines high powered media with countrywide services and outreach programmes in order to protect and develop young people. This is a truly broad-based initiative with over 7.5 million beneficiaries (51% black woman owned).
Welkom Yizani	Welkom Yizani was created to facilitate the aforementioned Media24 BEE deal. Thus far in this broad-based empowerment deal more than 100,000 black individuals and 1,000 black groups have participated in the offer, gaining indirect shareholding in Media24 and thus in the Group. It is wholly black owned, 43.3% of whom are black women.

Enterprise development

The Company is focusing on enterprise development by creating entrepreneurial opportunities for black entrepreneurs by outsourcing non-core functions such as hand-finishing, inserting, decollating, bagging and hand-folding. These deals have empowered previously disadvantaged entrepreneurs, making it possible for them to manage their own businesses at minimum risk and financial investment. More than 1,000 jobs have been created through the support of these enterprises.

SECTION 2 – PARTICULARS OF THE OFFER

11. PURPOSE OF THE OFFER AND LISTING

The Company's main purpose for the Offer and Listing are to:

- enhance the profile and build the brand
- provide a capital raising platform for funding to facilitate organic and acquisitive growth prospects
- enable Novus to have access to capital markets, if required
- enable Novus to retain and attract key staff by affording them the opportunity to participate in the equity and future growth of the business
- allow institutions the opportunity to participate directly in Novus' equity

The proceeds received by the Company pursuant to the Offer will be used in the full and final settlement of the Aggregate Repurchase Price by Novus to Media24 pursuant to the Repurchase Agreement.

12. THE OFFER

The Offer comprises an Offer for Subscription by the Company in terms of the Offer of 80,000,000 Offer Shares to be placed within the Offer Price Range, subject to the fulfilment (or waiver, where capable, by Novus in its sole discretion) of the conditions precedent specified in paragraph 14 below.

The Offer Shares comprise 80,000,000 new Shares that will rank pari passu with all of the other issued Ordinary Shares.

Media24 has granted to the Bookrunner a 30-day option to sell additional Shares up to a maximum of 7,500,000 Shares or effect transactions, which may support the market price of the Ordinary Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date, on the same terms and conditions as those applicable to the Offer, for the purpose of maintaining stability in the price of the Shares after the Listing.

The Offer Shares will be issued in dematerialised form only and, accordingly, no physical Documents of Title will be issued or delivered to Successful Applicants.

The Company and the Bookrunner have entered into the Placement Agreement in connection with the Offer, the details of which are set out in paragraph 23 below, and the Offer is conditional on (amongst others) the Placement Agreement becoming unconditional and the JSE's approval of the Listing, failing either of which, the Offer and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against the Company, the Bookrunner or any other person as a result of the failure of any condition.

The Offer will consist of an offering to selected Offerees, to whom the Offer will specifically be addressed, and, accordingly, is not an invitation to the general public to subscribe for or purchase the Offer Shares.

13. TIME AND DATE OF OPENING AND CLOSING THE OFFER

The expected dates of certain important steps relating to the Offer and Listing are as follows:

	2015
Opening date of the Offer at 09:00 on	Friday, 6 March
Last date and time for indications of interest for purposes of book building to be received up until 12:00 on	Thursday, 19 March
Closing Date of the Offer at 12:00 on	Friday, 20 March
Listing Date on	Thursday, 26 March

Notes:

- (1) The above dates and times are subject to amendment. Any such material amendment or other material amendments to this Pre-listing Statement will be released on SENS and published in the South African Press.
- (2) All times quoted in this Pre-listing Statement are local times in South Africa on a 24-hour basis, unless specified otherwise.

14. CONDITIONS PRECEDENT TO THE OFFER AND LISTING

The Offer and Listing are subject to the fulfilment (or waiver, where capable, by the Company in its sole discretion) of the following conditions precedent:

- as at the Listing Date, at least 20% of Novus' Ordinary Shares being held by public shareholders to ensure reasonable liquidity, unless the JSE determines otherwise; and
- the Offer Price be within the Offer Price Range, provided that if the Offer Price is below the Offer Price Range for any reason, or if the Directors in their discretion determine that it would be advisable to proceed, Novus shall be entitled but not obliged to proceed with the Offer and reserves the right to do so.

15. AFFECTED JURISDICTIONS

To the extent that this Pre-listing Statement is provided to persons outside of South Africa, recipients are referred to the "Important Legal Notices" on page 2 of this Pre-listing Statement. No action has been or will be taken in any jurisdiction, including South Africa that would permit a public offering of the Offer Shares. Neither this Pre-listing Statement nor the Offer constitute an offer to subscribe for or purchase, or a solicitation of an offer to subscribe for or purchase, any securities in or from any jurisdiction where the Offer or dissemination of this Pre-listing Statement may be illegal or fail to conform to the laws of such jurisdiction (including any laws requiring registration or the like of this Pre-listing Statement or the Offer with any regulator or public body or the like). No person accepting the Offer should use the mail of any such jurisdiction for any purpose, directly or indirectly, relating to the Offer. It shall be the responsibility of any persons resident in a jurisdiction outside South Africa to inform themselves about and observe any applicable legal requirements in the relevant jurisdiction.

USA

The Offer Shares have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold within the USA.

The Offer is not being made, and the Offer Shares are not being offered or sold, in the USA. Outside the USA, the Offer Shares are being offered and sold only in reliance upon Regulation S and have not been, nor will they be, registered under the US Securities Act, or any securities laws of any state of, or other jurisdiction in, the USA. This Pre-listing Statement may not be distributed or forwarded in or into the USA.

Each acquirer of Offer Shares will be deemed to have represented and agreed that it has received a copy of this Pre-listing Statement and such other information as it deems necessary to make an informed investment decision and that:

- it is aware that the sale of the Offer Shares to it is being made in reliance on an exemption from the registration requirements of the US Securities Act, or in a transaction not subject to the registration requirements of the US Securities Act, and that such Offer Shares have not been and will not be registered under the US Securities Act, or with any securities laws of any state of, or other jurisdiction in, the USA;
- it is subscribing for the Offer Shares in an “offshore transaction” (as defined in Regulation S);
- it is not an affiliate of Novus or a person acting on behalf of such affiliate;
- it is aware of the restrictions on the sale of the Offer Shares pursuant to Regulation S described in this Pre-listing Statement; and
- the Offer Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S.

Until 40 days after the commencement of the Offer, an offer, sale or transfer of the Offer Shares within the USA by a dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act.

16. OFFER PRICE

It is currently estimated that the Offer Shares will be offered for subscription pursuant to the Offer within the Offer Price Range. However, the Offer Price may be outside the Offer Price Range, if accepted by the Directors in their discretion as contemplated in paragraph 14 above. The Offer Price will be payable in full in Rand without deduction or set-off.

The Bookrunner is seeking indications of interest from selected Offerees to subscribe for the Offer Shares as part of a “book building” process. Offerees shall, in respect of South African investors, comprise only persons falling within the ambit of section 96(1)(a) of the Companies Act, and, in respect of foreign investors, shall only comprise selected institutional investors in other jurisdictions, subject to certain conditions. Following this book building process, the Offer Price will be determined by the Bookrunner and the Company either prior to, or on the Closing Date, and will be announced on SENS on 20 March 2015 and in the South African Press on 23 March 2015. Any change to these dates and times will be announced on SENS and published in the South African Press.

Among the factors which may be considered by the Bookrunner and the Company in determining the Offer Price are the prices at which investors bid to acquire the Offer Shares during the book building process and the desire to establish an orderly after-market in the Ordinary Shares.

17. TERMS, CONDITIONS AND PROCEDURES FOR ACCEPTANCE

17.1. Participation in the Offer

An Offeree wishing to participate in the Offer should contact the Bookrunner prior to the Closing Date, which is expected to be on 20 March 2015. Indications of interest for the Offer need to be submitted by 12:00 on 19 March 2015. Such cut-off time is as specified in the “Important Dates and Times” section on page 8 of this Pre-listing Statement. Any material change thereto will be announced on SENS and published in the South African Press.

Successful Applicants will be advised of their allocations of Offer Shares on 20 March 2015.

17.2. Representation

Any person applying for or accepting an offer of Offer Shares shall be deemed to have represented to Novus and the Bookrunner that such person was in possession of a copy of this Pre-listing Statement at that time and was a person whose ordinary business or part of whose ordinary business, is to deal in securities, whether as principals or agent, as contemplated in section 96(1)(a)(i) of the Companies Act.

Any person applying for or accepting an offer of Offer Shares on behalf of another:

- shall be deemed to have represented to the Company and the Bookrunner that such person is duly authorised to do so and warrants, to the extent applicable, that such person and the purchaser and/or subscriber for whom such person is acting as agent is duly authorised to do so in accordance with all relevant laws;
- guarantees the payment of the Offer Price;
- shall be deemed to confirm that a copy of this Pre-listing Statement was in the possession of the purchaser and/or subscriber for whom they are acting as agent and having full knowledge of the contents thereof; and
- shall, in relation to an application for Offer Shares, warrant that the purchaser and/or subscriber for whom such person is acting as agent is acting as principal.

17.3. Issue and allocation of Ordinary Shares

There are no conversion or redemption provisions relating to the Offer Shares.

All Ordinary Shares issued pursuant to the Offer will be allotted subject to the provisions of the MOI of the Company and will rank *pari passu* in all respects with the existing Ordinary Shares in issue.

In the event of an over-application for Offer Shares, the Bookrunner, after consultation with the Company, will determine the basis for allocating the Offer Shares. Factors to be considered in allocating Offer Shares include the JSE spread requirements and promoting liquidity, tradability and an orderly after-market in the Offer Shares.

It is intended that notice of the allocations of Offer Shares (including any Stabilisation Shares to be allocated in respect of Stabilisation Option) will be given on 20 March 2015. Applicants may receive no Offer Shares or fewer than the number of Offer Shares for which they applied.

17.4. Dematerialisation of Offer Shares

The Offer Shares will be issued or transferred to the extent applicable, to Successful Applicants in dematerialised form only. Accordingly, all Successful Applicants must appoint a CSDP under the terms of the Financial Markets Act, directly or through a Broker, to receive and hold the Offer Shares on their behalf. Should a Shareholder require a physical share certificate for its Offer Shares, it will have to materialise its Offer Shares following the Listing and should contact its CSDP to do so. There are risks associated with holding shares in certificated form, including the risk of loss or tainted scrip, which is no longer covered by the JSE Guarantee Fund. All Shareholders who elect to convert their Dematerialised Shares into Certificated Shares will have to dematerialise their Offer Shares should they wish to trade them in accordance with the rules of Strate (see paragraph 21 of this Pre-listing Statement below).

Each Applicant's duly appointed CSDP or Broker will receive the Offer Shares in dematerialised form on its behalf against payment of the Offer Price by the Applicant's CSDP, which is expected to occur on 26 March 2015.

17.5. Payment and delivery of Offer Shares

Each Successful Applicant must, as soon as possible after being notified of an allocation of Offer Shares, forward to:

- its CSDP, all information required by its CSDP and instruct its CSDP to pay, against delivery of the Applicant's allocation of Offer Shares, the aggregate price for such Offer Shares to the account designated by the Company. Such information and instructions must be confirmed to the Applicant's CSDP no later than 12:00 on 24 March 2015; and
- Investec, details of its CSDP, the name of the account holder and number of Ordinary Shares to be acquired and such other information as is required by Investec in order to effect delivery of the relevant Offer Shares. Such information must be confirmed to Investec no later than 12:00 on 24 March 2015.

By no later than 12:00 on 24 March 2015, each Applicant must place its funds with its CSDP or make other necessary arrangements to enable its CSDP to make payment for the allocated Offer Shares on the Settlement Date, in accordance with each Applicant's agreement with its CSDP.

The Applicant's CSDP must commit in Strate to the receipt of the Applicant's allocation of Offer Shares against payment by no later than 24 March 2015.

On the Settlement Date (which is expected to be 26 March 2015), the Applicant's allocation of Offer Shares will be credited to the Applicant's CSDP or broker account against payment during the Strate settlement runs which occur throughout the day.

18. USE OF PROCEEDS

The gross proceeds from the subscription for the Offer Shares are estimated to be between R980 million and R1,136 million. The entire proceeds received by the Company will be used to repay the Aggregate Repurchase Price payable in terms of the Repurchase Agreement.

19. SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS

Currency and shares are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations as described more fully in the section entitled "South African Exchange Control" in section 8 of this Pre-listing Statement. The Exchange Control Regulations also regulate the acquisition by former residents and non-residents of the Common Monetary Area of Offer Shares. Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an acceptance of the Offer.

20. APPLICABLE LAW

The Offer, applications, allocations and acceptances in terms thereof will be exclusively governed by the laws of South Africa, and each Applicant will be deemed, by applying for Offer Shares, to have consented and submitted to the jurisdiction of the Courts of South Africa in relation to all matters arising out of or in connection with the Offer.

21. STRATE AND TRADING SHARES ON THE JSE

Shares may only be traded on the JSE in electronic form (Dematerialised Shares) and will be trading for electronic settlement via Strate immediately following the Listing.

Strate is a system of “paperless” transfer of securities. If investors have any doubt as to the mechanics of Strate they should consult their Broker, CSDP or other appropriate advisor, and they are referred to the Strate website at <http://www.strate.co.za>. The contents of this website are not incorporated by reference and do not form part of this Pre-listing Statement and should not be relied upon for the purposes of forming an investment decision with respect to the Offer Shares. Some of the principal features of Strate are as follows:

- electronic records of ownership replace share certificates and physical delivery of certificates;
- trades executed on the JSE must be settled within five Business Days;
- all investors owning Dematerialised Shares or wishing to trade their securities on the JSE are required to appoint either a Broker or a CSDP to act on their behalf and to handle their settlement requirements; and
- unless investors owning Dematerialised Shares specifically request their CSDP to register them as an “own name” shareholder (which entails a fee), their CSDP’s or Broker’s nominee company, holding shares on their behalf, will be the shareholder of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or Broker (or the CSDP’s or Broker’s nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or Broker (or the CSDP’s or Broker’s nominee company) as to how it wishes to exercise the rights attaching to the Offer Shares and/or to attend and vote at shareholders’ meetings.

22. LISTING OF THE OFFER SHARES ON THE JSE

The JSE has granted the Company a listing in respect of all of its issued Ordinary Shares in the “Business Support Services” sector of the main board of the JSE under the abbreviated name “Novus”, symbol “NVS” and ISIN: ZAE000202149, subject to the additional conditions precedent referred to in paragraph 14 above being fulfilled. The Listing is expected to be effective from the commencement of business on 26 March 2015. Securities for which the Listing is sought will be fully paid up and freely transferable.

23. PLACEMENT AGREEMENT

The Company and the Bookrunner have entered into the Placement Agreement in connection with the Offer. Novus has, subject to the further terms and conditions described in the Placement Agreement, agreed to issue the Offer Shares and the Bookrunner have agreed to procure subscribers for the Offer Shares at the Offer Price.

23.1. Commissions

Pursuant to the Placement Agreement, a commission of 1.25% of the Offer Price paid by a Successful Applicant per Offer Share is payable by the Company to the Bookrunner.

23.2. Termination

Per the Placement Agreement the salient points related to the termination of the agreement are inter alia that:

- the agreement may be terminated by either party at any time by written notice to the other party to that effect; and
- to the extent a decision is taken by the Company not to proceed with the Listing, the Company will reimburse Investec for all actual expenses directly and reasonably incurred, save where such decision has been taken as result of a Conflicts of Interest arising from Investec’s side.

24. LOCK-UP ARRANGEMENTS

Media24

Media24 has agreed with the Company that it will not, without the prior written consent of the Company, sell or otherwise dispose of any of the Ordinary Shares it owns prior to the Listing for a period of six months following the Listing Date, except to the extent as per the Repurchase Agreement and as required per Stabilisation discussed below.

Adbait

Adbait has agreed with the Company the following lock-up conditions:

- For the first year after the Listing Date, Adbait will retain at least 85% in number of its Shares in Novus after the date of Listing;
- For the second year after the Listing Date, Adbait will retain at least 75.2% in number of its Shares in Novus after the date of Listing; and
- From the third year after the Listing Date, Adbait can freely dispose of its remaining Shares.

Adbait shall be entitled to distribute all its Shares held in Novus (and not only some) at any time after the Listing Date to its sole shareholder, Huguenot Finance Proprietary Limited (Registration number 2007/014795/07), who shall likewise be bound by the above-mentioned lock-up conditions.

The lock-ups referred to in this paragraph and in the “Particulars of the Offer” section shall not preclude any person who acquires Offer Shares in connection with the Offer from trading in and transferring any Ordinary Shares. For the avoidance of doubt, the lock-ups referred to in this paragraph and set out in the “Particulars of the Offer” section shall not apply to transactions relating to Shares (or other securities of the Company) traded in open market transactions after the completion of the Offer.

25. BOOKRUNNER

Investec Bank

Name: Investec Bank Limited

Registration number: 1969/004763/06

Registered office: 100 Grayston Drive, Sandown, Sandton, Johannesburg, 2196

Directors:

F Titi (Chairman)

S Koseff (Chief Executive)

B Kantor

Z Bassa

C Carolus

D Friedland

B Fried

C Jacobs

GM Malloch-Brown

GR Burger

H Fukuda (OBE)

HJ Du Toit

I Kantor

KL Shuenyane

PKO Crosthwaite

PRS Thomas

26. STABILISATION

In connection with the Offer, the Stabilisation Manager may, subject to law and only during the Stabilisation Period, over-allot Shares at the time of the book build process or effect transactions which may support the market price of the Ordinary Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. Such stabilising action may under no circumstances continue beyond the Stabilisation Period. There is, however, no assurance that the Stabilisation Manager will undertake stabilisation actions. Such transactions may be effected on the JSE and will be carried out in accordance with applicable rules and regulations. Such stabilisation, if commenced, may be discontinued at any time without prior notice and will in any event be discontinued after the Stabilisation Period.

Media24 has granted the Stabilisation Manager the Stabilisation Option, which is up to a maximum of 7,500,000 Ordinary Shares.

27. MINIMUM SUBSCRIPTION

There is no minimum capital requirement to be realised by the Offer. The minimum subscription which must be realised by the Company is that which enables it to ensure that the Company has, once the Offer is completed, such number and composition of shareholders as will enable it to meet the minimum free-float and shareholder spread requirements, as prescribed by the Listings Requirements and acceptable to the JSE.

If the Offer Price is below the Offer Price Range for any reason, or if the Directors in their discretion so determine that it would not be advisable to proceed, the Company shall not be obliged to proceed with the Offer, but reserves the right to do so.

28. STATEMENTS AND REPORTS RELATING TO THE OFFER

28.1. Statement as to adequacy of capital

The Directors are of the opinion that:

- the working capital available to the Group is adequate for the present requirements of the Group and, accordingly, for a period of 12 months from the date of issue of this Pre-listing Statement;
- the Group will be able, in the ordinary course of business, to pay its debts;
- the assets of the Group will be in excess of its liabilities, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements for the year ended 31 March 2014; and
- the stated capital and/or reserves are adequate for the ordinary purposes of the Group.

The application for the Listing does not coincide, directly or indirectly, with the acquisition by Novus, or any of its Subsidiaries, of securities in, any company that is not a member of the Group.

28.2. Reports by Directors as to material changes

The Directors report that there have been no material changes in the financial and trading position or the assets and liabilities of the Company or any company within the Group between 30 September 2014 (date of the reviewed interim financial statements) and the Last Practicable Date.

28.3. Statements as to no other listing

The Company has not applied for a listing on any exchange other than the JSE and has accordingly never been refused a listing on any exchange nor had any such application for a listing deferred.

28.4. Report by reporting accountants where business undertaking is to be acquired

As at the Last Practicable Date, Novus has not identified any business undertaking which it will purchase directly or indirectly using the proceeds of the Offer, or any part of such proceeds, or any other funds.

28.5. Report by reporting accountants where Company will acquire a subsidiary

As at the Last Practicable Date, no part of the proceeds of the Offer, whether directly or indirectly, will be used in a manner that results in the acquisition by the Company or any company within Novus of securities of any other legal person, with the direct or indirect result that the other juristic person will become a Subsidiary of the Company.

28.6. Report by Reporting Accountants of Company

The audited historical financial information of the Company as of and for the financial years ended 31 March 2014, 31 March 2013 and 31 March 2012, are presented in Annexure 1. The reviewed historical financial information of Novus as of and for the six-month period ended 30 September 2014 is presented in Annexure 3. The Independent Reporting Accountants' reports on the audited and reviewed financial information are contained in Annexures 2 and 4 respectively.

The *pro forma* financial information based on the forecast financial results as of 30 September 2014 and for the year ending 31 March 2015 is presented in Annexure 5. The forecast statement of comprehensive income for the year ending 31 March 2015 is presented in Annexure 7. The Independent Reporting Accountants' report on the *pro forma* financial information and forecast statements are contained in Annexures 6 and Annexure 8 respectively.

The *pro forma* financial information has been prepared for illustrative purposes only and, because of its nature, may not fairly present Novus' financial position, changes in equity, results of operations or cash flows, nor the effect and impact of the Offer going forward.

The forecast statement of comprehensive income has been prepared in accordance with IFRS for the forecast period. The forecast statement of comprehensive income has been prepared using the accounting policies of the Company detailed in this Pre-listing Statement. The preparation of the forecast financial information is the responsibility of the Directors.

The Independent Reporting Accountants have provided confirmation to the JSE that they have reviewed this Pre-listing Statement and that the content hereof is not contradictory to any of the information contained in any of their reports.

SECTION 3 – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

This discussion and analysis of the financial conditions and results of operations of the Company are based on financial information derived from the audited financial statements of Novus for the financial years ended 31 March 2014, 31 March 2013 and 31 March 2012, as well as the financial results for the six months ended September 2014.

The consolidated financial results for the financial years ended March 2014, 2013 and 2012 were prepared in accordance with IFRS and appear in Annexure 1. The financial results reflected in Annexure 1 represent the audited financial statements of the Company.

The audited financial information for the financial years ended March 2014, 2013 and 2012 have been prepared by the Chief Financial Officer, as stated in the report appearing in Annexure 2 of this Pre-listing Statement. The Reporting Accountants have also reviewed the financial results for the six months ended September 2014, as stated in their report appearing in Annexure 4.

The historical results presented in the following discussion and analysis are not necessarily indicative of the results to be expected for any future period.

29. OVERVIEW

Although print media has seen limited growth in recent years, the Company has managed to increase revenues and maintain margins. The resilience of Novus’ business is owed to its loyal customer base, diversified product offerings, outstanding service and the ability of the business to innovate and offer unique propositions to the market.

The business is currently predominantly in South Africa and has earmarked Africa as part of its growth strategy. The Company has begun to investigate diversifying away from traditional print services to other related offerings.

The following table contains key performance indicators and ratios of the audited results for the years ended March 2014, 2013 and 2012 together with the reviewed six-month results ended September 2014.

31 March (R'000)	2012	2013	2014	Six months 2015 Interim
Revenue	3,703,027	3,684,166	3,968,755	2,075,282
Growth	24%	(1%)	8%	5%
Gross profit	1,123,720	1,149,608	1,143,622	569,817
Margin	30%	31%	29%	27%
Operating profit	644,122	587,844	649,023	313,646
Margin	17%	16%	16%	15%
Profit for the period	396,051	369,084	421,859	211,564
Margin	11%	10%	11%	10%
Total assets	3,005,819	3,068,001	3,160,844	3,535,983
Net working capital	298,847	401,204	504,033	583,802
Cash generated from operating activities	820,715	460,614	553,886	168,131
Statement of Financial Position ratios				
Liquidity Ratio	0.91	1.14	1.65	1.81
Solvency Ratio	1.93	2.39	3.31	3.17
Debt to Equity Ratio	0.61	0.34	0.11	0.10
Return on Equity	31%	23%	21%	18%
Return on Assets	13%	12%	14%	13%
Debtors Days*	34.85	38.86	37.75	45.94
Creditors Days*	44.29	39.23	34.46	51.57
Stock Days*	35.74	38.11	44.18	65.11

* The higher Debtors Days, Creditors Days and Stock Days at interim reflect the time of measurement. The level of these balances is generally lower at year end in line with business activity.

30. FINANCIAL PERFORMANCE

30.1. Revenue

The Company's revenue is derived from multiple product and service offerings, with no single product or service offering contributing in excess of 35% of the total revenue. Labels and tissue products represent new offerings outside the traditional print business, which have increased their percentage contribution to total revenue to 5% during 2015.

31 March (R'000)	2012	2013	2014	Forecast 2015
Magazines	871,368	908,122	929,252	952,534
<i>Growth</i>		4%	2%	3%
<i>Contribution to total revenue</i>	24%	25%	24%	22%
Retail inserts and catalogues	1,076,304	1,118,792	1,194,041	1,303,686
<i>Growth</i>		4%	7%	9%
<i>Contribution to total revenue</i>	29%	30%	30%	31%
Newspapers	817,098	923,555	916,723	905,780
<i>Growth</i>		13%	(1%)	(1%)
<i>Contribution to total revenue</i>	22%	25%	23%	21%
Securitized printing	119,677	–	–	–
<i>Growth</i>		(100%)	n/a	n/a
<i>Contribution to total revenue</i>	3%	0%	0%	0%
Books and directories	624,789	595,022	807,891	835,120
<i>Growth</i>		(5%)	36%	3%
<i>Contribution to total revenue</i>	17%	16%	20%	20%
Labels	42,620	41,556	70,230	101,349
<i>Growth</i>		(2%)	45%	40%
<i>Contribution to total revenue</i>	1%	1%	2%	2%
Tissue Products	–	–	–	116,494
<i>Growth</i>		n/a	n/a	100%
<i>Contribution to total revenue</i>	0%	0%	0%	3%
Other	151,171	97,119	50,618	48,537
<i>Growth</i>		(36%)	(48%)	(4%)
<i>Contribution to total revenue</i>	4%	3%	1%	1%
Total	3,703,027	3,684,166	3,968,755	4,263,500

Magazines

Revenues for paid-for magazines are almost all under printing contracts between Novus and numerous publishers. This sector saw rapid growth through to 2008, driven by advertising, circulation and the spawning of many new titles. Post 2008, closures and lower advertising revenues resulted in reduced pagination. This segment has now consolidated and stabilised.

Free to market magazines, including property magazines, has been hit the hardest with demand tailing off from 2008. This sector has been impacted by the migration to digital platforms.

Retail inserts and catalogues

Commercial printing is largely dependent on the economy and specifically the performance of the retail sector. Printing contracts for a few large listed retailers were secured in 2013 contributing to revenue growth. This sector has remained relatively stable since 2012, but should see an upswing with the Commercial division being created specifically for this sector, based on growth in this specific market segment.

During the 2013 financial year, Shopper's Friend (a catalogue business) was discontinued reducing this revenue stream to R20 million from R79.3 million recorded in the previous year.

Newspapers

The news-print business has been the most challenging of late with a constant decline in volumes. The Natal Witness printing business was acquired in 2013. Management has maintained turnover on nominal terms since 2013 despite the impact of digitalisation. This was achieved through finding markets other than news to service by optimising and customising existing infrastructure.

Securitized printing

Security printing is ad hoc and relates mostly to ballot papers and examination material. The printing of ballot papers for the elections in the DRC and Nigeria enhanced revenue in 2012.

Books and directories

Educational workbooks produced for the Department of Basic Education (DBE) has been the largest contributor to this sector since 2012. An additional R80 million was recognised in 2012 from the DBE due to invoicing of work that partially related to 2011. The Company also benefited from several ad hoc African and Government projects including educational schoolbooks for Zimbabwe and the Democratic Republic of Congo (DRC), especially in 2012.

Intrepid Printers was acquired in 2014 which resulted in more than R100 million of additional revenue. Intrepid Printers is a sheetfed business that services mostly the book market with key clients like Shuter and Shooter. An additional DBE tender was won in 2014 for the printing of Grade R workbooks further contributing to revenue. A Rwandan tender was also secured in 2014 worth R34 million.

Labels

Revenue increased by 45% in 2014 and is anticipated to grow by a further 40% in 2015. This was brought about by a change in management and the rekindling of focus on the print packaging market and what it offers in terms of the diversification plans of the Company.

Tissue products

Correll Tissue was acquired on 1 June 2014 and this acquisition contributed R39 million to the revenue line for the interim period ended 30 September 2014. The forecast shows revenue to reach R100 million in 2015 for this product offering.

30.2. Gross profit margin

The following table provides a detailed breakdown of the composition of the cost of sales figures over the past three years:

31 March (R'000)	2012	2013	2014	Six months 2015 Interim
Paper	51%	54%	54%	54%
Ink	6%	6%	6%	6%
Salaries and Wages	11%	11%	11%	11%
Other	32%	29%	29%	29%

Gross profit percentages have decreased by a limited amount over the past 3 years, from 30% to 27%. A significant factor has been the rising cost of imported paper due to the weakening of the Rand during this period – paper forms the largest portion of input costs.

While the depreciating Rand has increased costs, Novus have managed to mitigate the adverse effects of foreign exchange fluctuations through some of the following initiatives:

- adjustment of selling prices based on the exchange rate movements
- foreign exchange contracts are taken out to hedge against the foreign exchange fluctuations
- forex fluctuations are filtered through to clients as far as possible, but lags caused by contractual terms and the competitive nature of the market resulted in margin squeeze

To improve and maintain margins, the Company have also implemented some of the following initiatives to reduce costs:

- improvement of production efficiencies including effective waste management
- standardisation of equipment throughout the Company
- consolidation of paper suppliers and grades to obtain better rates and rebates

Transport included in other costs were higher in the financial year ended 31 March 2012 relative to the rest of cost of sales due to ad hoc African and Government work mentioned above.

30.3. Operating expenses

31 March (R'000)	2012	2013	2014	Six months 2015 Interim
Operating expenses	488,606	553,940	476,122	256,885
Percentage of revenue	13%	15%	12%	12%

Operating expenses have remained relatively constant over the past three financial years. Operating expenses experienced a hike in 2013 due to bad debts and related costs on a DRC schoolbooks project of R78.1 million. Operating expenses normalised in 2014.

Normalising 2013 by removing the bad debt, the operating expenses dropped in 2013 by 3% and remained constant in 2014 in nominal terms due to effective management of overheads.

30.4. Operating profit

Operational efficiencies through various amalgamations and investments in technology enhanced the operating profit margin to 17% in the 2012 financial year. Government and Africa projects contributed positively towards increasing the operating profit margin.

Operating profit margin was lower in the 2013 financial year due to bad debts and other costs of R78.1 million, which were incurred on the schoolbooks project in the DRC. The losses were offset to a certain extent by more efficient processes.

The operating profit margin remained at 16% for the 2014 financial year. Due to the weakening Rand the amounts for the interim period ended 30 September 2014 have experienced some margin squeeze which has led to a 1% decrease in operating profit margin.

30.5. Taxation

The effective tax rate was in line with the statutory rate in the 2012 financial year and for the interim period ended 30 September 2014.

31. STATEMENT OF CASH FLOWS

31.1. Cash flow from operations

The 2012 cash flow was unusually high in relation to the other years. This was due to tax paid of only R9.8 million and a working capital inflow of R78.9 million. The tax liability in 2012 was lower and consequently a lower amount of tax was paid. The inflow of working capital was largely due to the DBE work occurring late in the financial year and the related suppliers being paid after year-end.

In 2013 working capital showed an outflow of R190.3 million as the timing of the DBE work was earlier in the year when compared to previous years and all related expenses has been paid.

31.2. Cash flow from investing activities

The largest contributor to this classification was the net purchase of property, plant and equipment (PPE). The net cash flows per year for PPE were: 2015 (interim period ended 30 September 2014) – R59.7 million; 2014 – R226 million; 2013 – R149.3 million and 2012 – R232.6 million. In addition, there were cash flows relating to the following acquisitions: 2015 (interim period ended 30 September 2014) – Correll Tissue for R144 million; 2014 – Intrepid Printers for R92 million; 2013 – Natal Witness printing business for R87 million. An indication of the split between expansion and maintenance capital expenditure has been shown in paragraph 32.

31.3. Cash flow from financing activities

The largest component of the outflow on financing activities is the repayment of a R1.3 billion shareholder loan from Media24 related to the purchase of its coldset printing operations. The following capital payments were made: 2014 – R302.9 million; 2013 – R113.8 million and 2012 – R981.1 million. This loan was settled in February 2014.

No dividends have been declared at group level for the period under review.

32. CAPITAL MANAGEMENT AND COMMITMENTS

As part of its capital management strategy, Novus invests in equipment, technology and infrastructure to maintain and expand the business and to create efficiencies to improve their operating leverage further. Capital expenditure also unlocks spare capacity in certain of the production facilities which can be used to facilitate ad hoc projects.

Capital expenditure incurred over the past three and a half years was as follows:

31 March (R'000)	2012	2013	2014	Six months 2015 Interim
Maintenance	75,096	58,362	72,134	34,275
Expansion	190,175	96,328	178,819	27,555
	265,271	154,690	250,953	61,830

The major capital expansion projects undertaken from 2012 to 2014 have been discussed in paragraph 6.4.

33. MATERIAL FINANCING INSTRUMENTS

Novus had the following loan balances in place as at 30 September 2014 (please refer to Annexure 12 for additional information):

Institution	Description	Amount (R'000)	Term	Interest rate
Nedbank	Term loan	75,530	36 months	Interest payable 3-monthly at 3-month JIBAR + 1.70%
Rand Merchant Bank	Term loan	101,142	36 months	Interest payable 3-monthly at 3-month JIBAR + 1.70%
Nedbank	Term loan	45,806	36 months	Interest payable 3-monthly at 3-month JIBAR + 1.77%
Wesbank	Capitalised finance leases	5,074	Various	Various
Standard Bank	Capitalised finance leases	6,431	Various	Various

In addition, as at the Last Practicable Date, Novus has the following debt facilities:

Institution	Description	Amount (R'000)	Term	Interest rate
Nedbank	Debt facility	391,667	On-going	Interest payable monthly in arrears at prime
Standard Bank	Debt facility	166,180	On-going	Interest payable monthly in arrears at prime
Rand Merchant Bank	Debt facility	155,833	On-going	Interest payable 3-monthly at 3-month JIBAR + 1.70%

34. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no material off-balance sheet arrangements as at the Last Practicable Date.

35. CONTINGENT LIABILITIES

Novus has no material contingent liabilities as at the Last Practicable Date.

36. DIVIDEND POLICY

Following the Listing, the Directors intend to declare a dividend on at least an annual basis and to adopt a dividend cover of approximately two times HEPS. The Directors believe this approach is currently compatible with the Company's growth opportunities and ambitions. The Directors will regularly review the dividend policy and consider the prevailing debts, if any, owing to third parties at the time, the requirements reflected in the Company's business plans, monies required for expansion and other growth opportunities.

It is the Directors' intention to declare the first dividend of the Company by no later than September 2015 based on the HEPS as at 31 March 2015. However, there is no assurance that a dividend will be paid in respect of any financial period, and any future dividends will be dependent on, inter alia, the factors outlined above.

In accordance with the MOI, all unclaimed dividends shall be held in trust until lawfully claimed by such shareholder, or until such shareholder's claim to such money has prescribed in terms of the applicable laws of prescription. An unclaimed dividend shall, when claimed, be paid without interest. The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends, to any one of the Company's bankers from time to time. Dividends shall be paid to Shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the later. There is no fixed date on which entitlement to dividends arises and the date of payment will be determined by the Board at the time of declaration, subject to the Listings Requirements. There are no current arrangements under which future dividends are waived or agreed to be waived. Relevant extracts of the MOI relating to dividends are set out in Annexure 10 to this Pre-listing Statement.

SECTION 4 – RISK FACTORS

Risk factors described herein should be carefully considered with all other information contained in this Pre-listing Statement before a decision is made to invest in the Shares. If any of the following risk factors, as well as other risks and uncertainties that are not currently known to the Group or that it currently believes is not material, actually occur, the Group's business, financial condition and results of operations could be materially and adversely affected. Accordingly the trading price of the Shares could decline, and losses realised on the investment.

37. BUSINESS SPECIFIC RISKS

37.1. Technology risk and inadequate maintenance of technology

Novus' offerings are highly dependent upon the use of technology employed in the business especially in relation to their equipment and information systems. Should a new competing technology be introduced that replicates or is superior to the current product and service offering, it could adversely affect the Group's sales and profitability. To mitigate this risk, the Company constantly monitors market research and trends in order to identify technological changes within its industry to ensure product and service offering remain relevant.

The Group's information and technology systems are currently being converted from an older system to a more sophisticated Enterprise Resource Planning System. Should the conversion between these two systems not be managed appropriately there is an increased risk of a significant disruption to the business and as a result, the Group may suffer material adverse effects on its reputation, operations and revenues. The Company has put in place the necessary procedures to ensure that this risk is mitigated such as, *inter-alia*, sound project management, parallel runs, sign-offs and thorough training of employees. In addition, there is an in-house team working with international consultants on the project.

A general failure of the technology and equipment is likely to have an effect on the operations and profitability of the business. The Company therefore mitigates these risks by ensuring that there are plans, policies and procedures to deal with such events. These include events for power outages, failure of IT infrastructure and in general unavailability of production facilities due to unforeseen events. This is supported by disaster recovery and business continuity plans. Generators and uninterruptible power supplies are installed in all major facilities and maintenance of equipment is also completed on a regular basis by key service providers.

37.2. Risk of digitalisation

Given the evolving nature of media globally, there is the risk of Novus' various product offerings becoming more digital focused with end users being able to read newspapers and magazines on the internet. The digitisation of print media has grown in recent years in South Africa however as yet has not managed to gain traction with consumers. In order to compensate for this potential risk, Novus has invested in new product offerings which fall outside the print media market such as the printing of labels and the manufacturing of tissue products. Further information regarding these two product offerings has been disclosed in paragraph 6.1.

37.3. Loss of, or inability to retain or recruit, senior management and key personnel

The Group operates in an environment where there is a nationwide scarcity of printing-specific skills. The success of the Group is based, in part, on the operational and strategic contributions of its executive management and other key personnel, who have extensive experience in the printing industry. In the event that the Group is unable to retain, or suffers a prolonged interruption of, the services of such individuals, the business operations of the Group may be disrupted and the Group's prospects and financial condition may deteriorate.

The Company has and continues to invest in its Novus Academy of Print to ensure that the Group internally develops and trains adequately experienced and skilled personnel to ensure long-term sustainability in the business. Failure to do so may adversely affect the growth prospects of the Group.

At a more senior level, planning is done to ensure adequately skilled and experienced managers are identified, trained and groomed for succession.

37.4. Risks relating to the growth strategy

The strategy of growth through acquisitions, entering new product and service categories and regional expansion, may not be implemented in the same manner as its intended and may entail additional significant costs and or losses. This could adversely affect the business operations and financial condition. Acquisitions by the Company also involve risks that may only become apparent after the acquisition is finalised due to the integration of management, operations and systems.

To date, Novus' management has a record of executing value accretive acquisitions and establishing greenfield operations due to its significant industry and managerial experience. Acquisitions or other initiatives are also supported through the performance of due diligence procedures covering accounting, tax, legal, health and safety and human resources which are also reviewed by key personnel in the Company.

37.5. Loss of significant contracts and ad-hoc work

At present Novus has significant Government contracts which are due for tender to the market after the Listing Date. The impact of not being awarded these tenders again could have a significant impact on the Company's revenue and earnings. At present, these tenders are a key component of Novus' business, financial performance and growth strategies.

Given Novus' operational leverage and past performance on tenders with the Government, it is expected that the full loss of Government work is unlikely. Due to the nature of work in the printing industry, a significant amount of work is completed on an ad hoc basis which may or may not continue in the future due to a number of factors which are mostly beyond the control of the Company.

Novus also has a standing printing agreement with Media24, which if lost would result in a drop in revenue and profits. It also has the ability to potentially leave the Company with underutilised equipment. Given that Media24 is the controlling shareholder of Novus, this risk is substantially mitigated.

37.6. Risks related to health and safety standards

Serious injury to or death of employees on duty that is caused by an incident at Novus' facilities may lead to criminal liability and financial penalties to the Company and would cause reputational damage to the business. To mitigate this risk, regular health and safety reviews are performed by internal and third party external consultants, who report their findings directly to the audit and risk committee (a sub-committee on the Board). The consequences of non-compliance with relevant legislation are communicated to management and remedial action taken where appropriate. Staff health and safety training programmes are also in place across the Group.

37.7. Previous competition filing concerns

Caxton and CTP Publishers and Printers Ltd ("Caxton") recently initiated proceedings before the Competition Tribunal seeking an order that Media24, Novus and Paarl Coldset notify the Competition Commission of the acquisition by Paarl Coldset of the coldset printing business of Media24 in October 2008. Caxton alleges that this transaction was a large merger which was not notified to, or approved by, the competition authorities prior to its implementation. The companies will oppose this application. The transaction was notified to the Competition Commission in 2008.

37.8. Credit risk

The Company provides credit to its clients and would assume the credit risk over any outstanding amounts owing by them. Non-payment of credit clients is likely to affect the financial condition and profitability of the Group. To ensure credit risk is limited, strict credit checks are performed over clients and credit limits are in place.

38. SYSTEMATIC RISKS

38.1. Exchange rate, interest rate and inflation rate fluctuations

The Group has substantial input costs in foreign currency specifically with respect to paper, equipment and repairs and maintenance. The movements in currency against the Rand are currently volatile and could result in significant deviations in profitability.

This risk is partially addressed by incorporating a clause in some of the Company's contracts with clients to periodically adjust the selling price to take into account foreign exchange rate movements. The extent of recovering this cost increase depends on the timing and extent of the foreign exchange rate movement. Forward exchange contracts are also taken out for a maximum of one year to hedge against exchange rate fluctuations. Approval has been received for a maximum period of twenty four months for these forward exchange contracts from the SARB.

Higher inflation rates may curb the Group's profitability where such increased inflation rates are not associated with increased revenue. Given that payment for the Offer Shares will be made in Rands and that all dividend payment will be made in Rands, the Company's non-South African Shareholders are exposed to currency exchange rate fluctuations.

An increase in market interest rates can significantly impact Novus' financing costs, cash flow and net income. This may make it more difficult for the Company to meet its debt obligations and limit its ability to borrow. This risk is limited to a certain extent given Novus' relatively low level of gearing, however may be more prevalent in the future should the Company increase its debt appetite in order to facilitate growth.

38.2. Changes in tax legislation

South Africa has a stable tax environment, and the tax administration system is advanced and transparent in many aspects. Changes in general corporate or other taxation legislation could however affect Novus' results of operations. Such Government action may be unpredictable and beyond Novus' control, and any adverse changes in Government policies could have a material adverse effect on Novus' business prospects, results of operation and financial position, and may cause the market price of the Offer Shares to decline. Furthermore, compliance with the relevant taxation laws could come with a regulatory cost, and non-compliance could be subject to fines, penalties and/or legal action.

38.3. Increased trade restrictions

Given the relatively high level of imports, the introduction of additional quotas, import duties or other trade restrictions could increase the cost of the supply of products to the Group, and may require the Group to consider alternative supply sources, disrupting operations and affecting the profitability of the Group. As limited local supply of paper is available such protection measures are likely to be ineffective.

38.4. Sovereign risk

Actions by governments or political events in countries in and outside of South Africa where the Group currently operates, and/or seeks to expand into, could have an adverse effect on its business. These may include:

- political and economic instability
- civil unrest, acts of terrorism, kidnapping, war or other armed conflict
- unexpected and frequent changes in governmental policies, legal and regulatory environments
- seizure, expropriation, nationalisation, requisition or property, exchange controls or other limitations on international currency movements and investment restrictions imposed by governments in the countries outside of South Africa in which the Group operates
- restrictions on repatriation of income or capital
- sanctions and embargoes imposed by other governments or international bodies that may affect the Group's ability to do business in the affected country
- governmental and business corruption issues
- volatility in interest rates and foreign currency exchange rates
- high inflation

38.5. Legal and regulatory restrictions

Novus' business is subject to various health, safety, environmental and labour regulations and legislations. Non-compliance with these various laws and regulations by the Company can lead to varying degrees of fines, penalties and license suspensions.

South African exchange control restrictions could hinder the Company's ability to make foreign investments and procure foreign-denominated finance. The success of Novus' businesses depends in part upon its relationships with government and regulatory authorities.

39. RISKS RELATED TO THE OFFER

39.1. Liquidity risk

Although the Ordinary Shares are expected to be listed on the JSE, there is no guarantee that an active trading market for the Offer Shares will develop and continue after the Offer. In addition, the JSE may prove to be less liquid than other internationally-recognised stock exchanges. If no active trading in the Offer Shares develops and continues after the Offer, this could have a material adverse effect on the liquidity and market price of the Offer Shares. The Offer Price will be determined by the Bookrunner in consultation with the Company and may not be indicative of the market price of the Offer Shares after the Listing.

In addition, Media24 and Adbait (and its successor in title) will be restricted from disposing of their Ordinary Shares for the respective periods referred to in paragraph 24 above. Sales of substantial amounts of Ordinary Shares, or the perception that such sales could occur, may adversely affect the market price of the Offer Shares.

39.2. Share price volatility

The Offer Price will be determined by the Bookrunner in consultation with the Company and may not be indicative of the market price at which the Offer Shares will trade after the Listing. The market price of the Offer Shares could be volatile and subject to significant fluctuations due to a variety of factors, some of which do not relate to Novus' financial performance, including changes in general market conditions, the general performance of the JSE, changes in sentiment in the market regarding the Offer Shares (or securities similar to them), regulatory changes affecting Novus' operations, variations in Novus' operating results, business developments for the Company or its competitors, the operating and share price performance of other companies in the industries and markets in which Novus' businesses operate, speculation about the Company's business in the press, media or the investment community. Furthermore, Novus' operating results and prospects from time to time may vary and may not meet the expectations of market analysts and investors which could result in share price fluctuations.

39.3. Dividends

The Directors recognise the importance of maintaining a consistent and transparent dividend policy and will endeavour to avoid volatile swings in the dividend profile by ensuring high quality, medium-term strategic and financial planning. However, there is no assurance that a dividend will be paid in respect of any financial period, and any future dividends will be a function of the profitability and return on equity of the Company, the future organic or acquisitive growth strategies which require capital investment, and/or the need to strengthen the balance sheet during periods of economic uncertainty. In addition, the rules of the Companies Act will need to be adhered to regarding any dividend distributions.

40. RISKS RELATED TO SOUTH AFRICA AND INVESTING IN EMERGING MARKETS

40.1. Political, social and economic conditions in emerging markets or regionally may adversely affect economic conditions and demand for Novus' products and services

As an emerging market, South Africa has experienced, and may continue to experience periods, of political, social and/or economic instability, all of which have had and could in future have an adverse impact on Novus' operations. In South Africa, the Company is exposed to, among other factors, the impact of Exchange Control Regulations, historically volatile and at times high rates of inflation and volatility in foreign exchange rates between the Rand and other major currencies. All of these factors could in the future have an impact on the financial position and results of operations of the Company.

Novus cannot provide assurance that there will be no changes in South African Exchange Control Regulations that would result in dividends no longer being freely payable outside South Africa to shareholders who are not residents of the CMA.

40.2. Risks relating to strike actions

South Africa has a highly unionised work force and is subject to planned legal strike action and unplanned and illegal strike action from time to time. Such actions and in particular prolonged and frequent strike action may have a negative impact on the Company and its customer base.

40.3. Currency exchange rate fluctuations

In recent years, the value of the Rand, as measured against foreign currencies, including the Pound Sterling and the Euro, has been very volatile. Fluctuations in the exchange rate between the Rand and foreign currencies could have an adverse impact on the foreign currency equivalent of the share price of the Offer Shares and/or any cash dividends or distributions made in respect of the Offer Shares.

40.4. Shareholders' rights will be governed by South African law, which may differ in material respects from the rights of shareholders under the laws of other jurisdictions

Novus is a public limited liability company incorporated under the laws of South Africa. The rights of holders of Offer Shares are governed by Novus' MOI and by South African law, which could change.

40.5. It may not be possible for foreign investors to effect service of legal process, enforce judgments of courts outside of South Africa or bring actions based on securities laws of jurisdictions other than South Africa against the Company or members of its Board

Novus and its executive officers are all residents of South Africa. In addition, Novus' assets are located either wholly or substantially within South Africa. As a result, it may not be possible for investors to effect service of legal process outside of South Africa upon the Company, the members of its Board and its executive officers. Moreover, it may not be possible for investors to enforce against the Company, the members of its Board or its executive officers, judgments obtained in courts outside South Africa, based on the civil liability provisions of the securities laws of those countries.

SECTION 5 – MANAGEMENT AND CORPORATE GOVERNANCE

41. DIRECTORS AND MANAGEMENT

41.1. Board structure of Novus

The Board comprises two executive Directors, one alternate executive Director and nine non-executive Directors.

The members of the Board and company secretary are as follows:

Name (age)	Nationality	Business address	Position	Date of appointment as Director and term of office
Stephen van der Walt (46)	South African	10 Freedom Way, Milnerton, 7441	CEO/executive Director	01/07/2008; appointment confirmed every three years
Edward van Niekerk (45)	South African	10 Freedom Way, Milnerton, 7441	CFO/executive Director	06/06/2012; appointment confirmed every three years
Lambert Retief (62)	South African	272 Boschenmeer, Paarl, 7646	Chairman/non-executive Director	01/07/2008; appointment confirmed every three years
Esmaré Weideman (52)	South African	Naspers Centre, 40 Heerengracht, Cape Town, 8001	Non-executive Director	01/05/2011; appointment confirmed every three years
Abduraghman Mayman (60)	South African	Naspers Centre, 40 Heerengracht, Cape Town, 8001	Non-executive Director	24/03/2014; appointment confirmed every three years
Uys Meyer (56)	South African	3rd Floor, 200 on Main, Corner of Main and Bowwood Roads, Claremont, 7708	Lead independent non-executive Director	01/07/2008; appointment confirmed every three years
Sandile Zungu (48)	South African	Cullinan Place, 2 Cullinan Close, Morningside, Sandton, 2146	Independent non-executive Director	23/02/2015; appointment confirmed every three years
Bernard Olivier (60)	South African	10 Freedom Way, Milnerton, 7441	Independent non-executive Director	23/02/2015; appointment confirmed every three years
Fred Robertson (60)	South African	Boundary Terraces, 1 Mariendahl Lane, 1st Floor, Slade House, Newlands, 7700	Independent non-executive Director	23/02/2015; appointment confirmed every three years
Jan Potgieter (46)	South African	Corner of William Nicol Drive and Peter Place, Bryanston, 2021	Independent non-executive Director	23/02/2015; appointment confirmed every three years
Gugulethu Dingaan (39)	South African	29 Central Street, Johannesburg, 2198	Independent non-executive Director	23/02/2015; appointment confirmed every three years
Bradley Meyers (37)	South African	10 Freedom Way, Milnerton, 7441	Company secretary	23/08/2013; appointment confirmed every three years

None of the Directors, nor any other Directors within the Group, is a partner with unlimited liability.

41.2. Experience of Directors and the company secretary

The qualifications and experience of the Directors are set out below:

Name	Qualifications	Experience
Lambert Retief	BCom (Hons), CA (SA), OPM Programme (Harvard)	Lambert is a qualified chartered accountant and is a non-executive director of Pioneer Foods and Novus. He has held various executive positions in the printing industry bodies. He has been involved in the printing industry since 1978. He has been on the board of a number of listed entities namely Naspers, Quantum Food Holdings and Zeder Investments. He is executive chairman of Huguenot Investments.
Stephen van der Walt	BCom, PGDA, CA (SA), OPM Programme (Harvard)	Stephen, a qualified chartered accountant, is CEO of the Group, and has previously held positions within the Group such as COO and CFO. Prior to working at Novus, Stephen was an executive director and shareholder of a group of businesses specialising in international trade finance, corporate finance, working capital finance and finance, specifically attributable to the direct marketing industry. Subsequently, he was contracted to the Reserve Bank of South Africa to safeguard and de-list small capped banks to ensure an equitable solution for investors and investments in South Africa in late 1998.
Edward van Niekerk	BCom, PGDA, CA (SA)	Edward is a qualified chartered accountant with 20 years' experience. He is currently the CFO of the Group, and has previously held positions as the Group financial manager and project manager. Prior to working at Novus, Edward held the positions of financial manager and financial director at S-U Management Services Limited.
Esmaré Weideman	BCom, BJournalism (Hons)	Esmaré obtained the qualifications BCom and BJournalism Hons (both cum laude) at Stellenbosch University. She has more than 25 years experience as a journalist, political writer, news editor and editor at some of the country's most prestigious publications. She was editor-in-chief of Media24's flagship weekly magazines, Huisgenoot, YOU and DRUM, before being appointed Media24 CEO in 2011.
Abduraghman (Manie) Mayman	BCom (Financial Management Hons), BCompt, BCompt (Hons), CA (SA)	Manie was appointed as Media24 CFO in January 2014, having worked for the company in several capacities before. He is a chartered accountant and holds the qualifications Bachelor of Accounting Science (BCompt), Honours Bachelor of Accounting Science (BCompt Hons) and Honours Bachelor of Commerce in Financial Management from Unisa as well as a Certificate in Retail Marketing of Petroleum Products from the College of Petroleum and Energy Studies in Oxford. He worked for the BP Group for nearly 22 years, the last 4 years as Regional CFO Africa for BP's Refining and Marketing Operations in Sub-Saharan Africa. He was at Oasis Group as CFO before returning to Media24 in October 2011.
Uys Meyer	BAcc (Hons), CA (SA)	Uys obtained an honours degree in Accounting at the University of Stellenbosch. He has broad financial market experience having worked for UAL Merchant Bank, Lombard Guarantee Insurance Company and FirstCorp Merchant Bank in various investment banking and trading related positions. Having co-founded Decillion in 1996, he launched the Groups' hedge fund management business and managed this entity until his resignation in 2003. Uys founded BlueAlpha Investment Management in July 2003 and is currently the CEO of the company.
Sandile Zungu	B.Sc Mech Eng, MBA (UCT)	Sandile is a non-executive director of, amongst others, Grindrod Ltd, Taquanta and Outdoor Network. He serves on the Black Business Council and represented South Africa on the BRICS Business Council. Sandile was a member of the World Economic Forum in his capacity as Young Global Leader. A few of the notable positions he has previously held are chairman of Barnard Jacobs Mellet Holdings and Denel and executive director of New Africa Investments.

Name	Qualifications	Experience
Bernard Olivier	BCom (Acc), CTA, CA (SA), Senior Management Programme (Stell)	Bernard is a chartered accountant. He obtained a BCom Accountancy and a Certificate in the Theory of Accounting at the University of Port Elizabeth and completed the Senior Management Programme at the University of Stellenbosch Business School. He was an assurance partner at PwC, based in the Johannesburg office, for over 29 years where he also fulfilled several roles in the management, regulatory affairs and governance of PwC. Bernard was on the Independent Regulatory Board for Auditors Inspection Committee and was PwC South Africa's registered liaison partner with the U.S. Public Company Accounting Oversight Board.
Fred Robertson	Teachers Diploma (HEWAT)	Fred is the executive chairman and co-founder of Brimstone. He is a leading figure in the South African business community, having gained experience on the national and international business stage through his directorships of Remgro Limited, AON Re Africa (Pty) Limited, Savings and Investments Association of South Africa (ASISA) and Old Mutual Life Assurance Company (South Africa) Ltd. Fred is chairman of Lion of Africa Insurance Company Limited, Lion of Africa Life Assurance Company Limited, Sea Harvest Holdings (Proprietary) Limited and House of Monatic (Proprietary) Limited.
Jan Potgieter	BCompt (Hons), CTA, CA (SA), Management Development Program (University of Michigan), Strategic Planning & Management in Retailing (Monash University Australia)	Jan is chief operating officer of Italtile Limited and non-executive director of Capital Property Fund Limited. He has extensive experience in the retail and supply chain sectors through his role as financial director and then managing director of mass discounters Massmart Holdings Limited. He has also served as a business manager at Clover SA and spent seven years at SABMiller in senior financial roles.
Gugulethu Dinga	BCom (Acc), H Dip Acc, CA (SA)	Gugulethu is an investment executive at WIPHOLD responsible for growing and managing its investment portfolio. She has a background in corporate finance with specific focus on mergers and acquisitions, transaction structuring and valuations. She is a director of Adcorp, Distell and SA Corporate Real Estate Fund Managers.

* Information regarding alternate Director, Keith Vroon, is disclosed under paragraph 41.9

The qualification and experience of the company secretary is set out below:

Name	Qualifications	Experience
Bradley Meyers	BCom (Honours), APT, CA (SA)	Bradley is a qualified chartered accountant. He has fulfilled a number of group accountant and financial manager roles within a number of well known South African entities. He is currently the Group financial manager for Novus.

41.3. Appointment, qualification, remuneration and borrowing powers of Directors

Set out in Annexure 10 to this Pre-listing Statement are summaries of the relevant provisions of the Company's MOI regarding, amongst other things:

- the qualification, appointment, terms of office and remuneration of Directors
- the borrowing powers exercisable by the Directors. The borrowing powers may be varied by an amendment to the MOI
- powers enabling Directors to vote on a proposal, arrangement or contract in which they are materially interested and to vote in respect of remuneration to any member of the Board
- retirement of Directors by rotation
- the determination of the remuneration of Directors within Novus
- any power enabling Directors within the Company to vote remuneration to themselves or any members of the Board

The Directors' borrowing powers have not been exceeded in the past three years.

No person holds any right in regard to the appointment of Directors, and appointments are made on the basis of the relevant provisions of the MOI as summarised in Annexure 10.

41.4. Directors' remuneration and benefits

For the financial year ended 31 March 2014, remuneration paid and benefits accrued to the Directors were as follows:

For the year ended 31 March 2014					
	Basic salary R'000	Bonuses and performance related payments R'000	Share appreciation rights R'000	Pension contributions R'000	Total R'000
Executive Directors					
Stephen van der Walt	2,760	2,800	3,208	315	9,083
Keith Vroon (resigned 23 February 2015)	1,622	748	3,997	187	6,554
Edward van Niekerk	1,030	216	1,482	106	2,834
Total	5,412	3,764	8,687	608	18,471

	Basic salary R'000	Bonuses and performance related payments R'000	Pension contributions R'000	Fees for services as director R'000	Total R'000
Non-executive Directors					
Uys Meyer	–	–	–	375	375
Jacobus Pieterse* (resigned 24 March 2014)	2,180	830	181	–	3,191
Salomon De Swardt (resigned 23 February 2015)	–	–	–	265	265
Esmaré Weideman*	2,506	1,000	316	–	3,822
Abduraghman Mayman (appointed 24 March 2014)	–	–	–	–	–
Lambert Retief	812	–	102	600	1,514
Nicol Retief (resigned 23 February 2015)	–	–	–	170	170
Total	5,498	1,830	599	1,410	9,337

* Remuneration paid by Media24 in respect of services rendered by directors in their capacity as directors of Media24 and not as Directors of Novus

All Directors' remuneration and benefits are paid by companies within the Group, except for amounts paid to Jacobus Pieterse, Abduraghman Mayman and Esmaré Weideman, which are paid by the Group's holding company. No management, consulting, technical or other fees have been paid directly or indirectly to Directors for services rendered. Directors do not receive any commission nor do they participate in any gain or profit sharing arrangements. In addition, no amounts have been paid by way of expense allowance and no other material benefits have been received by Directors. The remuneration receivable by the Directors will not be varied as consequence of the Listing.

The share appreciation rights schemes from which Directors have been receiving remuneration will be fixed at the time of Listing with no new allocations being made. The share appreciation rights schemes are related to Novus' two major Subsidiaries namely, Paarl Media Holdings and Paarl Coldset. The share appreciation rights schemes are all cash settled and as such will not result in the dilution of Successful Applicants' shareholdings. The existing rights will vest on their originally agreed vesting dates provided the respective Director is still in the employment of Novus. A summary of vesting dates and payments is as follows:

Financial year	Payment (excl. interest)	Interest	Total payment
2016	27,834,347	–	27,834,347
2017	7,666,226	451,626	8,117,852
2018	2,468,320	276,299	2,744,619
2019	2,468,561	468,465	2,937,026
Total	40,437,454	1,196,390	41,633,844

With respect to the share appreciation rights schemes, the executive Directors will receive the following amounts on the respective vesting dates:

Executive Directors	2016	2017	2018	2019	Total
Stephen van der Walt	10,389,084	1,517,531	442,126	473,074	12,821,815
Keith Vroon*	1,199,727	474,913	177,569	190,013	2,042,222
Edward van Niekerk	531,188	107,347	–	–	638,535
Total	12,119,999	2,099,791	619,695	663,087	15,502,572

* Alternate executive Director

Non-executive fees for 2016 and 2017 were approved by Shareholders on 20 February 2015 and by the Board on 23 February 2015. The approved remuneration receivable by the non-executive Directors for the 2016 and 2017 financial years are as follows:

Committee	Designation	2016	2017
Board of Directors	Chair	1,500,000	1,590,000
	Member	250,000	265,000
Audit and risk committee	Chair	200,000	212,000
	Member	100,000	106,000
Social and ethics committee	Chair	100,000	106,000
	Member	50,000	53,000
Remuneration committee	Chair	120,000	127,200
	Member	60,000	63,600

No awards or options have been granted to the Directors to acquire Offer Shares. No share options have been granted to Directors in the last financial reporting period by the Company or its Subsidiaries besides as indicated in paragraph 41.5, 65 and 66.

No fees have been paid or accrued to third parties in lieu of Directors' fees since the incorporation of the Company; and no business of the Company is managed or proposed to be managed by a third party under any contract.

Novus has a performance-based incentive plan, comprising an annual bonus for a broad group of senior employees and a share appreciation rights scheme for senior executives. The performance-based incentive plan is reviewed regularly by the Company's Remuneration Committee. The Listing will provide an additional tool, being listed securities, which is incorporated into a new ESOP as disclosed under paragraph 65. Any change to the plan is not expected to have any material impact on the cost of the incentive plan to the Company and to the extent required by the Listings Requirements, will be subject to prior approval by Shareholders.

41.5. Directors' interests

The Directors do not hold any direct or indirect interests in the Company's issued Ordinary Shares as at the Last Practicable Date. There has been no change in Directors' interests since the end of the preceding financial year.

Subsequent to the Offer and the allocation of options to Directors in terms of the ESOP and Lambert Retief's option as explained in paragraph 65 and 66, the Directors are expected to hold the following number of options to acquire.

Name	Number of options allocated	Percentage shareholding once exercised	Average vesting period
Executive Directors			
Stephen van der Walt	2,778,660	0.80%	4 years
Edward van Niekerk	1,041,997	0.30%	4 years
Keith Vroon*	1,910,329	0.55%	4 years
Total	5,730,985	1.65%	
Non-executive Directors			
Lambert Retief	3,473,325	1.00%	4 years
Total	3,473,325	1.00%	

* Alternate Director

There have been no dealings in Ordinary Shares by any of the Directors or their associates in the period between 30 September 2014 and the Last Practicable Date, except the Flip-up Agreement as disclosed in Annexure 13.

41.6. Borrowing powers of Directors of Novus

The borrowing powers exercisable by the Directors are governed by the MOI, relevant summaries of which are set out in Annexure 10, and can be varied by an amendment effected in accordance with section 16(1) of the Companies Act and a special resolution passed by the holders of the Ordinary Shares in the Company.

The borrowing powers exercisable in relation to Group companies, other than the Company, are similarly governed by the memorandum of incorporation of each Subsidiary. The borrowing powers of the directors of all Subsidiaries are limited such that the total amount owing by the Subsidiary in respect of monies raised, borrowed or secured by the directors exercising their powers of management shall not exceed the amount authorised by its holding company, the Company. The borrowing powers exercisable in relation to Group companies, other than the Company, may only be varied by a shareholder resolution and are not governed by the MOI.

41.7. Retirement or non-retirement of directors under an age limit

The retirement or non-retirement of directors under an age limit is governed by the MOI, relevant summaries of which are set out in Annexure 10, and can be varied by an amendment effected in accordance with section 16(1) of the Companies Act and a special resolution passed by the holders of the Ordinary Shares in the Company.

Article 30.3.3 of the MOI of Novus provides as follows – Notwithstanding any contrary provisions of this Memorandum of Incorporation, a Director shall resign his office after conclusion of the annual general meeting of the Company relating to the financial year in which the Director has reached the retirement age determined from time to time by the Board.

41.8. Details of other directorships

Details of other directorships held by the Directors of the Company and the directors of the Company's major Subsidiaries are contained in Annexure 15.

41.9. Directors and managers of major subsidiaries of Novus

Details of all Subsidiaries of the Company and their directors are set out in Annexure 9. The profiles and experience of the directors of major Subsidiaries of Novus are set out below:

Paarl Media Holdings (Pty) Ltd

Name (age)	Nationality	Business address	Function/ occupation	Date of appointment as Director and term of office
Lambert Retief (62)	South Africa	272 Boschenmeer, Paarl, 7646	Non-executive Director/ Chairman	13/03/2001; appointment confirmed annually
Stephen van der Walt (45)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director/ CEO (Group)	01/04/2005; appointment confirmed annually
Keith Vroon (49)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director/ COO (Group)	11/08/2004; appointment confirmed annually
Edward van Niekerk (45)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director/ CFO (Group)	06/06/2012; appointment confirmed annually
Michael Ehret (50)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director Business Development	08/06/2011; appointment confirmed annually
Peter Metcalfe (51)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director Sales	08/06/2011; appointment confirmed annually
Nico Grobbelaar (53)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director Human Resources	08/06/2011; appointment confirmed annually
Jandré de Milander (41)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director Operations	06/06/2012; appointment confirmed annually

Qualifications and experience of Paarl Media Holdings' directors

Name	Qualifications	Experience
Lambert Retief	Refer to paragraph 41.2 above.	Refer to paragraph 41.2 above.
Stephen van der Walt	Refer to paragraph 41.2 above.	Refer to paragraph 41.2 above.
Keith Vroon	BCom (Hons), CA (SA), H.Dip Tax	Keith is a qualified Chartered Accountant with 19 years' experience. He is currently the Chief Operating Officer of the Group, and has held numerous other management positions at reputable companies, including the role of chief financial officer within the Group.
Edward van Niekerk	Refer to paragraph 41.2 above.	Refer to paragraph 41.2 above.
Mike Ehret	BCom (Hons), CA (SA), Management Advance Program (Wits)	Mike is currently the Executive Director of Business Development and has held various managerial positions within and outside the Media24 Group. Before moving to his current role he held the position of Marketing Director for the Group as well as Managing Director of Paarl Print (as it was then known).
Peter Metcalfe	Marketing Management Diploma (IMM)	Peter has been the Executive Director of Sales for the Group since 2011. He has held sales and managerial positions with some of the country's most well-known brands such as Tiger Brands and Nestle (South Africa).
Nico Grobbelaar	B.PL (Hons), M.PL, Management Development Programme, MBA (Stellenbosch), Naspers Executive Education Programme (Harvard)	Nico has a substantial list of qualifications including graduating Cum Laude from his Masters in Business Administration from the University of Stellenbosch. At the Company he has primarily been involved in Human Resources moving through the ranks from Human Resources Manager of Paarl Gravure to his current position now of Human Resources Director.
Jandré de Milander	BCom (Hons), CMA (UK), Advanced Management Program (Harvard)	Jandré is a certified management accountant with vast experience with operations of the Company. After spending a number of years as the financial manager of Paarl Gravure, he moved on to become the General Manager of Paarl Media Gauteng. After this he became the Managing Director of Paarl Media Gauteng, before moving into his current role Executive Director of Operations.

Paarl Coldset (Pty) Ltd

Name (age)	Nationality	Business address	Function/ occupation	Date of appointment as Director and term of office
Lambert Retief (62)	South Africa	272 Boschenmeer, Paarl, 7646	Non-executive Director/ Chairman	24/03/1995; appointment confirmed annually
Stephen van der Walt (45)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director CEO (Group)	01/10/2008; appointment confirmed annually
Keith Vroon (49)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director COO (Group)	01/10/2008; appointment confirmed annually
Edward van Niekerk (45)	South Africa	10 Freedom Way, Milnerton, 7441	Executive Director CFO (Group)	06/06/2012; appointment confirmed annually
Andre Smit (46)	South African	10 Freedom Way, Milnerton, 7441	Operations Director	01/04/2009; appointment confirmed annually
Conrad Rademeyer (41)	South African	10 Freedom Way, Milnerton, 7441	Managing Director	01/08/2009; appointment confirmed annually
Wilhelm Loubser (35)	South African	10 Freedom Way, Milnerton, 7441	Financial Director	01/10/2013; appointment confirmed annually

Qualifications and experience of Paarl Coldset's directors

Name	Qualifications	Experience
Lambert Retief	Refer to paragraph 41.2 above.	Refer to paragraph 41.2 above.
Stephen van der Walt	Refer to paragraph 41.2 above.	Refer to paragraph 41.2 above.
Keith Anthony Vroon	Refer above.	Refer above.
Edward van Niekerk	Refer to paragraph 41.2 above.	Refer to paragraph 41.2 above.
Andre Smit	B.Eng (Industrial Engineering)	Andre graduated from Stellenbosch University with a Bachelor's degree in Industrial Engineering. Since then he has worked for a great number of entities within the Media24 group most recently for Print24 as a General Manager overseeing a number of areas. Andre is now the Operations Director for Paarl Coldset.
Conrad Rademeyer	BCompt (Hons), Hons B & BA, MBA (Stell)	Conrad holds BCompt (Honours) from the University of South Africa as well as honours in Business Administration which he graduated with Cum Laude from the University of Stellenbosch. Following this he completed his MBA at the University of Stellenbosch. He held two financial roles at other well respected entities before the Group in 2005. He is currently the Managing Director of Paarl Coldset.
Wilhelm Loubser	BAcc (Hons), CA (SA)	Wilhelm completed his articles at PwC after which he stayed on within the firm as an Assistant Manager. He was promoted to Manager after one year as an Assistant Manager and subsequently moved on to General Manager: Group Finance and Commerce for Paarl Coldset. He is currently the Financial Director for Paarl Coldset.

41.10. Additional information regarding the Directors

None of the Directors of the Company, nor the directors of any of its Subsidiaries, has:

- been declared bankrupt, insolvent or has entered into any individual voluntary compromise arrangements;
- been or is a Director with an executive function in respect of any company or entity in respect of which business rescue plans and/or resolutions have been proposed, application has been made for any such entity to be put in business rescue or any notices in terms of section 129(7) of the Companies Act have been issued, or which have entered into any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company during the preceding 12 months;
- entered into any compulsory liquidations, administrations or partnerships, voluntary arrangements of any partnerships where such directors are or were partners during the preceding 12 months;
- entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 months;
- been publicly criticised by a statutory or regulatory authority, including recognised professional bodies or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- committed any offence of dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement;
- been removed from an office of trust, on the grounds of misconduct, involving dishonesty;
- been declared delinquent by an order of court nor been placed under probation in terms of section 162 of the Companies Act and/or section 47 of the South African Close Corporations Act, 1984 (Act 69 of 1984) (as amended) nor been disqualified by a court to act as a director in terms of section 219 of the Companies Act, 1973 (Act 61 of 1973) (as amended) or Section 69 of the Companies Act;

- been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities;
- been barred from entry into any profession or occupation; or
- been convicted in any criminal jurisdiction of any criminal offence, of an offence under legislation relating to the Companies Act, or been a director of a company which was convicted in any jurisdiction of any criminal offence or an offence under legislation relating to the Companies Act.

41.11. Directors' interests in transactions

Other than as disclosed in paragraphs 1 and 4 of Annexure 13, no Director of the Company nor any director of any of its Subsidiaries has or had any beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of Novus and which was effected by Novus during the current financial year or the immediately preceding financial year or in respect of any previous financial year which remains in any respect outstanding or unperformed.

The relevant provisions of the MOI relating to any power enabling a Director to vote on a proposal, arrangement or contract in which he is materially interested are set out in Annexure 10.

42. CORPORATE GOVERNANCE

42.1. King code application checklist

A full analysis of the steps taken by the Company to comply with the King Code will be available for inspection at the registered office of Novus and of the Sponsor as disclosed under "Corporate Information and Advisors" on page 1. This information will be available to prospective investors at no charge during business hours from Opening Date until Listing Date (15 Business Days). In addition, this information will be available on the Company's website (www.novus.holdings).

42.2. Commitment and approach

The Board is responsible for ensuring that the Company complies with all of its statutory obligations as specified in the MOI, the Companies Act, the Listings Requirements and all other regulatory requirements. The Board at all times acts in the best interests of the Company in ensuring an effective compliance framework, the integrity of its financial reporting and risk management, together with timely and transparent disclosure to Shareholders.

The Company is committed to the principles of effective corporate governance and application of the highest ethical standards in the conduct of its business and affairs. The Directors endorse the King Code and recognise the need to conduct the affairs of the Company with integrity and in accordance with generally accepted corporate practices. The Directors recognise that they are ultimately responsible for the financial performance of the Company.

42.3. Board of Directors' practices

The Company's Board currently consists of two executive Directors and nine non-executive Directors, six of whom are independent non-executive Directors. In accordance with Novus' board charter (the "Board Charter"); the Board composition reflects a majority of non-executive Directors, including a Lead Independent Director. Pursuant to the abovementioned composition and the policies set out in the Board Charter, no one Director has unfettered powers of decision making.

The Board is ultimately responsible for the management of Novus' business, Novus' strategy and key policies. The Board is also responsible for approving Novus' financial objectives and targets.

Appointments to the Board are in terms of a formal and transparent procedure and are a matter for the Board, subject to Shareholder approval. The Board also has the power to appoint additional Directors.

The Company's executive Directors are involved in the day-to-day business activities of the Company and are responsible for ensuring that the decisions of the Board are implemented in accordance with the mandates given by the Board.

The Board has a minimum of four scheduled meetings per financial year. Ad hoc meetings are held to consider special business, if required.

42.4. Committees

Audit and risk committee

The audit and risk committee is responsible for performing the functions required of it in terms of section 94(7) of the Companies Act. These functions include: (i) nominating and appointing the Company's auditors and ensuring that such auditors are independent of the Company; (ii) determining the auditors' fees and terms of engagement; (iii) ensuring that the appointment of the auditors complies with the provisions of the Companies Act and any other relevant legislation; (iv) determining, from time to time, the nature and extent of non-audit services to be provided by the Company's auditors and to pre-approve any agreement in respect of such services; (v) preparing a report to be included in the annual report of the Company, in compliance with the Companies Act; (vi) dealing with any complaints (whether from within or outside the Company) relating to accounting practices, internal audits of the Company or the content of the Company's financial statements and related matters; and (vii) making submissions to the Board on any matter concerning the Company's accounting policies and financial control.

The non-statutory functions of this committee are to assist the Board in discharging its duties relating to the safeguarding of the assets of the Company, the operation of adequate systems, the formulation of internal controls and control processes and the review and preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards and addressing statutory and regulatory issues, including the nomination for appointment, removal and replacement of the external auditors, with the appointment being subject to the approval by Shareholders at the next annual general meeting. With regard to risk, this committee is to assist the Board to ensure that: (i) the Company has implemented relevant risk management processes that will enhance Novus' ability to achieve its strategic objectives; and (ii) the Company's disclosure regarding risk is comprehensive, timely and relevant.

The audit and risk committee shall normally invite the CEO, the CFO, managers responsible for finance, the head of internal audit and the external audit partners to attend meetings and to make proposals as necessary and should invite the Chairperson of the Board to all audit and risk committee meetings.

The audit and risk committee reviews the expertise, experience and performance of the Company's CFO, Edward van Niekerk, annually and reports on whether or not it is satisfied therewith. The audit and risk committee confirms this review by reporting to the Shareholders in the annual report of the Company that it has executed this responsibility. The audit and risk committee has determined that it is satisfied with Edward van Niekerk's current expertise, experience and performance as Novus' CFO in the last reporting period. In addition, the audit and risk committee reviews and reports on the expertise, resources and experience of the Company's finance function.

The audit and risk committee meets a minimum of twice per financial year. Ad hoc meetings are held to consider special business, as required.

The audit and risk committee is chaired by Bernard Olivier, an independent non-executive Director, and its other members are Gugulethu Dingaan and Uys Meyer. All three members are independent non-executive Directors of the Company.

Remuneration committee

Jan Potgieter, an independent non-executive Director, chairs the remuneration committee which is comprised entirely of non-executive Directors. The other members of the remuneration committee are Lambert Retief and Sandile Zungu.

The remuneration committee is responsible for the specific remuneration packages for executive Directors, including, but not limited to, basic salary, performance - based short-term and long-term incentives, pensions and other benefits (recommendations in this regard are made after considering both the interests of the Shareholders and the financial and commercial health of the Company), long-term incentive schemes and the allocation of Shares and rights in terms thereof. The remuneration committee is also responsible for recommending to the Board, fees for the Directors and the Chairperson, as well as fees for members and chairmen of sub-committees of the Board, for subsequent approval by Shareholders of the Company.

The remuneration committee meets a minimum of twice per financial year. Ad-hoc meetings are held to consider special business, as required.

Social and ethics committee

This committee comprises Fred Robertson, who chairs the committee, Abduraghman Mayman and Esmaré Weideman. The social and ethics committee monitors the Company's activities, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, in respect of social and economic development, good corporate citizenship (including the promotion of equality, prevention of unfair discrimination, the environment, health and public safety, including the impact of the Company's activities and of its products or services), stakeholder and consumer relationships and labour and employment issues.

The social and ethics committee draws to the attention of the Board, matters within its mandate as occasion requires and reports to the Shareholders at the Company's annual general meeting on such matters.

In order to carry out its functions, the social and ethics committee will be entitled to request information from any Directors or employees of the Company, attend and be heard at general Shareholders' meetings, and receive notices in respect of such meetings.

The social and ethics committee meets a minimum of twice per financial year. Ad-hoc meetings are held to consider special business, as required.

42.5. Internal control systems

To meet Novus' responsibility to provide reliable financial information, the Company maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal, and that transactions are properly authorised and recorded.

The Company monitors the operation of the internal control systems in order to determine if there are deficiencies. Corrective actions are taken to address control deficiencies as they are identified. The Board, operating through the audit and risk committee, oversees the financial reporting process and internal control systems. There are inherent limitations on the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

42.6. Company secretarial function

Bradley Meyers, as company secretary of the Company, is a suitably-qualified, competent and experienced company secretary and has been appointed and appropriately empowered to fulfil duties with regards to assistance to the Board. The company secretary is not a Director of the Company. The Board has considered Bradley Meyers, and is satisfied that there is an arms-length relationship between the company secretary and the Board, who can remove the company secretary from office.

The Board reviews the competence, qualifications and experience of the company secretary, Bradley Meyers, annually and reports on whether or not it is satisfied therewith. This report is confirmed by reporting to Shareholders in the annual report of the Company. The Board has determined that it is satisfied with Bradley Meyers' current competence, qualifications and experience as Novus' company secretary.

The company secretary of the Company is required to provide the Directors, collectively and individually, with guidance as to their duties, responsibilities and powers and is also required to ensure that the Directors are aware of all laws and legislation relevant to, or affecting the Company and reporting to any meetings, of the Shareholders of the Company or of the Directors, any failure on the part of the Company or a Director to comply with the MOI or rules of the Company or the Companies Act.

The company secretary must certify in the Company's annual financial statements whether the Company has filed all the required returns and notices in terms of the Companies Act, and whether all such returns and notices appear to be true, correct and up to date, and ensure that a copy of the Company's annual financial statements is sent, in accordance with the Companies Act, to every person who is entitled to it. Furthermore the company secretary is responsible for carrying out the functions of a person designated in its annual returns to ensure the Company's compliance with its transparency, accountability and integrity of requirements set out in sections 22 to 34 of the Companies Act, and the enhanced accountability and transparency requirements set out in Chapter 3 of the Companies Act, to the extent applicable.

The company secretary is also required to ensure that minutes of all Shareholders' meetings, Directors' meetings and any committee meetings of the Directors are properly recorded in accordance with sections 24(d) and (e) and section 73 of the Companies Act.

SECTION 6 – ADDITIONAL INFORMATION

43. NAME, ADDRESS AND INCORPORATION

The Company was incorporated under the name “Blue Bantry Investments 262 (Pty) Ltd”; then the name was changed to “Paarl Media Group Proprietary Limited” and registered on 5 May 2008 with registration number 2008/011165/07. It was converted from a private company to a public company and changed its name to Novus Holdings Limited with effect from 15 February 2015 with registration number 2008/011165/06.

The Company’s registered office and the address of its Transfer Secretaries are set out in the “Corporate Information and Advisors” section on page 1 of this Pre-listing Statement.

The name, date and place of incorporation of each of the Subsidiaries of Novus (none of which is a listed company) are set out in Annexure 9.

The names and business addresses of the Bookrunner, Stabilisation Manager, Independent Reporting Accountants, Legal Advisors, Transfer Secretaries and Company Secretary are set out in the “Corporate Information and Advisors” section on page 1 of this Pre-listing Statement.

44. SHARES OF THE COMPANY

44.1. Authorised and issued Shares

The number of authorised and issued Shares of the Company before the issue of Shares and the amendments to the MOI on 9 February 2015 is set out below:

Share Capital	(R)
<i>Authorised share capital</i>	
1,000 ordinary Shares of R1.00 each	Nil
<i>Issued share capital</i>	
100 ordinary Shares of R1.00 each	100
Total	100

The number of authorised and issued Shares of the Company at the Last Practicable Date is set out below:

Share Capital	(R'm)
<i>Authorised stated capital</i>	
3,000,000,000 ordinary no par value Shares	Nil
<i>Issued stated capital*</i>	
319,545,857 ordinary no par value Shares	237.9
Total	237.9

* Assumes a mid-point Listing Price of R13.22 per share for the issue of shares pursuant to the ESOP and Lambert Retief’s option

As at the Last Practicable Date, no other class of security is listed on any stock exchange.

As the Company’s MOI was amended in terms of the new Companies Act, as such all classes of its shares are of no par value and, accordingly, the Company does not have a share premium account. At the Listing Date, the Novus Holdings Share Trust and Latiano 554 are the only two entities that hold any treasury shares.

Resolutions passed by Shareholders in accordance with the Companies Act on 15 January 2015 approved, among other things, the following special resolutions:

- an increase in the number of authorised Ordinary Shares from 1,000 authorised Ordinary Shares with a par value of one Rand into 3,000,000,000 Ordinary Shares with no par value
- adopting a new MOI, reflecting the conversion of the Company from a private company to a public company

and the following special resolutions on 23 February 2015 as regards:

- the issue of the Flip-Up Shares to Adbait in exchange as consideration for the shareholding of Adbait in Paarl Media Holdings and Paarl Coldset that will be disposed to Novus in terms of the Flip-Up Agreement
- the repurchase of the Repurchase Shares in terms of the Repurchase Agreement
- the issue of Shares pursuant to the provisions of ESOP
- the issue of Shares to a Subsidiary pursuant to the option to be allocated to Lambert Retief (outside of the ESOP) in terms of section 42 of the Companies Act
- approving remuneration to be paid to the Directors in accordance with section 66(9) of the Companies Act

and the following ordinary resolutions:

- a capitalisation issue of 299,999,900 Ordinary Shares to Media24
- authorising the Directors, by way of a general authority, to issue a certain number of equity securities (including Shares)
- placing 34,733,245 authorised but unissued Ordinary Shares under the control of the Directors

44.2. Issue of shares

Please see Annexure 16 which contains details of the allotments, issues and offers of shares by the Company and its Subsidiaries which have taken place in the three years preceding the Last Practicable Date. Other than the issues referred to in Annexure 16, no shares have been issued by the Company or by any of its Subsidiaries in the three years preceding the Last Practicable Date.

Save as set out in this paragraph or as envisaged in terms of the Offer, no further issues or offers of shares or securities have been made or are anticipated to be made by Novus and its Subsidiaries and no further share repurchases or consolidations have been undertaken by the Company and its Subsidiaries.

34,733,245 authorised but unissued Ordinary Shares after Listing will be under the control of the Directors, subject to the provisions of the MOI and the Listing Requirements.

On Listing Date, Novus Holdings Share Trust and Latiano 554 will be the only entities that hold any treasury Shares. Furthermore, as at the Last Practicable Date, none of the Company's Subsidiaries hold any treasury Shares in the Company.

Prior to the date of this Pre-listing Statement, the Shareholders of the Company have granted the Board a general authority to issue Ordinary Shares for cash, subject to the limitation regarding the number of Shares under the control of the Directors and furthermore subject to the provisions of the MOI of the Company and the Listings Requirements, which authority shall endure to the first annual general meeting of the Company post Listing.

44.3. Authority to repurchase shares

Prior to the date of this Pre-listing Statement, the Shareholders of Novus have granted the Board a specific authority to repurchase shares for cash pursuant to the Repurchase Agreement, subject to the provisions of the MOI of the Company and the TRP rules, which authority shall endure to first annual general meeting of the Company post Listing.

44.4. Alterations to authorised and issued shares

Set out below are the alterations to the Company's authorised and issued shares which have occurred since its incorporation and will occur prior to Listing Date, including in conjunction with the Group Restructuring:

On 15 January 2015 – the Company's authorised shares were amended by creating:

- a further 2,999,999,000 Ordinary Shares, resulting in a total of 3,000,000,000 authorised Ordinary Shares

On 23 February 2015:

- 299,999,900 Ordinary Shares were issued to Media24 as part of a capitalisation issue

On 24 February 2015:

- 19,545,857 Ordinary Shares were issued to Adbait as consideration in exchange for the disposal of its 5% shareholding (gross of treasury shares) in Paarl Media Holdings (Pty) Ltd and its 12.63% shareholding in Paarl Coldset (Pty) Ltd

On 20 March 2015:

- 24,313,272 Ordinary Shares will be issued to Novus Holdings Share Trust in respect of options allotted to selected individuals
- 3,473,325 Ordinary Shares will be issued to Latiano 554 in respect of the options allotted to Lambert Retief

On 24 March 2015:

- 80,000,000 Ordinary Shares repurchased from Media24 and cancelled as issued Shares in terms of the Repurchase Agreement

Aside from these alterations, there have been no alterations in the authorised Shares of the Company since its incorporation and up to the Last Practicable Date.

44.5. Voting, variation, conversion of rights and other rights of shareholders

In accordance with the provisions of the MOI, no rights, privileges or conditions for the time being attached to any class of Shares nor any interests of that class of Shares may (unless otherwise provided by the terms of issue of the Shares of that class) whether or not the Company is being wound up, be varied in any manner adverse to the Shareholders of that class of Shares, nor may any variations be made to the rights, privileges or conditions of any class of Shares, such that the interests of another class of Shares is adversely affected, unless the consent in writing of the Shareholders of not less than 75% (seventy-five percent) of the issued Shares of that adversely affected class has been obtained, or a special resolution has been passed by the Shareholders of that adversely affected class of Shares with the support of not less than 75% (seventy-five percent) of the voting rights exercised on the special resolution at a separate meeting of the Holders of that class.

At any general meeting, Shareholder votes shall be taken on a poll and every Shareholder present in person or by proxy (or if a legal entity, duly represented by an authorised representative) will, by a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the MOI, shall have the number of votes determined in accordance with the voting rights associated with the Shares in question, as set out in further detail in Annexure 10 to this Pre-listing Statement.

44.6. Options or preferential rights in respect of shares

Save in respect of any stabilisation by the Stabilisation Manager as envisaged in this Pre-listing Statement, there is no contract or arrangement, nor has any been proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any shares in the Company or any of its Subsidiaries, except for as disclosed below.

Various individuals have been issued options to acquire Shares on Listing Date. The terms and conditions attached to those options are disclosed in paragraph 65 and 66. The number of options to be granted to Directors has been disclosed in paragraph 41.5.

45. MAJOR SHAREHOLDERS OF NOVUS

45.1. Share ownership

As at the Last Practicable Date, to the best of the Directors' knowledge and belief, the following Shareholders have beneficial interests in 5% or more of the issued Shares:

Ordinary Shareholders	Number of Ordinary Shares held prior to the Offer	% of issued Ordinary Shares prior to the Offer	Number of Ordinary Shares held subsequent to the Offer	% of issued Ordinary Shares subsequent to the Offer
Media24	300,000,000	93.88%	220,000,000	63.34%
Adbait	19,545,857	6.12%	19,545,857	5.63%

45.2. Controlling Shareholders

As at the Last Practicable Date and following the Listing, Media24 will be the controlling Shareholder of Novus. This has been the state of affairs during the past five years.

46. MATERIAL LEASE PAYMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

Details regarding Novus' material lease payments and commitments are set out in Annexure 11 and Annexure 12, respectively. Novus has no material contingent liabilities.

47. MATERIAL CONTRACTS

As at the Last Practicable Date, the Company and its Subsidiaries have not entered into any agreements relating to the payment of technical, administrative or secretarial fees nor are they party to any material restraint or trade payments. The Company and its Subsidiaries have not entered into any agreements in terms of which there will be royalties payable or items of a similar nature.

Stephen van der Walt (as the CEO) and Edward van Niekerk (as the CFO) as the executive Directors and Keith Vroon (as the COO) as the alternate executive Director of the Company have service contracts with, and their remuneration is paid for by, the Company. Furthermore, each of the executive Directors of Novus has concluded a service contract with Novus on terms and conditions that are broadly consistent with market standards for such appointments. Summaries of service agreements entered into in the three years preceding the Last Practicable Date are available for inspection as set out in paragraph 67 below. The principal terms of the service agreements with executive Directors are set out below:

Name	Position	Date of appointment to current role	Notice period	Restraint
Stephen van der Walt	CEO	1 April 2005	Calendar month	None
Edward van Niekerk	CFO	1 January 2012	Calendar month	None
Keith Vroon*	COO	1 January 2012	Calendar month	None

* Alternate executive Director

As at the Last Practicable Date, other than the Placement Agreement as detailed in paragraph 23 and the agreements detailed in Annexure 13, there are no contracts which are restrictive funding arrangements and/or a contract entered into (whether verbally or in writing) otherwise than in the ordinary course of business carried on, or proposed to be carried on, by the Company or its Subsidiaries during the two years preceding the Last Practicable Date, or at any time but containing an obligation or settlement that are material to the Company or its Subsidiaries.

48. MATERIAL CHANGES

The Directors report that there have been no material changes in the financial and trading position or the assets and liabilities of the Company or any company within Novus between 30 September 2014 (date of the reviewed financial statements disclosed in Annexure 3) and the Last Practicable Date. Furthermore, there has been no material change in the trading objectives of the Company and its Subsidiaries during the five years preceding the Last Practicable Date. There have been no material changes in the business of Novus during the past five years. The Company does not benefit from any significant government protection or investment encouragement law.

49. MATERIAL LOANS, LOAN CAPITAL AND INTER-COMPANY BALANCES

As at the Last Practicable Date, neither the Company nor any of its Subsidiaries had any material loans receivable from third parties.

No loans have been made or security furnished by Novus to or for the benefit of any Director or manager as at the Last Practicable Date, other than those disclosed in Annexure 12.

The Company has not created any debentures and there are no debentures in issue. There are no debentures created in terms of a trust deed furthermore no debentures are to be issued in terms of a trust deed. No debenture stock has been created by way of conversion or replacement of debentures previously issued.

There are no conversion or redemption rights relating to material loans and or debentures.

There are no material intra-group financial or other transactions save for intra-group loans as disclosed in Annexure 12. Full details of intra-group loans between the Group companies are presented in Annexure 12 and show intra-group balances before elimination on consolidation.

Details of Novus' material borrowings as at the Last Practicable Date are set out in Annexure 12 to this Pre-listing Statement.

50. PRINCIPAL IMMOVABLE PROPERTY OWNED OR LEASED

As at the Last Practicable Date the Company owned 12 immovable properties. Details of the principal immovable properties owned by Novus are set out in Annexure 11 to this Pre-listing Statement. None of Novus' Directors had any material interest in any of the immovable properties owned by the Company.

As at the Last Practicable Date the Company had 5 material leases in place over immovable properties. Details of such material leases are set out in Annexure 11 to this Pre-listing Statement. None of Novus' Directors had any material interest in such material leases over the applicable immovable properties.

51. MATERIAL ACQUISITIONS

The information regarding material acquisitions made or proposed by the Company within the last three years preceding the Last Practicable Date is set out in Annexure 13.

52. PROPERTY ACQUIRED OR TO BE ACQUIRED

The application for Listing does not coincide, directly or indirectly, with the acquisition by the Company, or any of its Subsidiaries, of securities in or of the business undertaking of any other company, in consequence of which that company or business undertaking will become a Subsidiary of or part of the business of the Company.

Two properties are currently rented as part of the Correll Tissue acquisition which have been disclosed as rented properties in Annexure 11. Currently occupational rental of R183,333 per month is being paid on these two properties until transfer takes place which is expected to be on 31 March 2015. The purchase price for this property amounted to R41.1 million which forms part of the total amount paid for the acquisition of Correll Tissue. This amount will be paid on the date that the property is registered in Novus' name. As the acquisition of this property forms part of the total Correll Tissue acquisition goodwill has been calculated over the entire acquisition.

The two properties are situated on Erf 97 and 98 in Phoenix Industrial Park in KwaZulu-Natal. The two properties are adjacent to one another and thus were valued together as stated on the valuation report dated 14 May 2013. The site was inspected by the valuers on 2 May 2013. The two properties classified as land and buildings and consist of an office building, a factory and two large warehouses which are all used in the normal course of business as a tissue manufacturing operation. The valuation report valued the two properties at a combined value of R39.2 million excluding VAT or transfer duty.

53. PROPERTY DISPOSED OF OR TO BE DISPOSED OF

There have been no disposals of material assets of the Company in the three years preceding the Last Practicable Date.

54. COMMISSIONS PAID OR PAYABLE

No commissions, discounts, brokerages or other special terms have been granted by the Company in the three years preceding the Last Practicable Date in connection with the issue or sale of any shares, where this has not been disclosed in the audited annual financial statements of the Company besides the commission payable to the Bookrunner as disclosed in paragraph 23.1, a commission of 1.25% of the Offer Price paid by a Successful Applicant per Offer Share will be payable by the Company to the Bookrunner.

55. INTERESTS OF DIRECTORS AND PROMOTERS

Save as set out in the related party disclosure in paragraph 59, paragraph 64 related to Listing expenses, the ESOP disclosure in paragraph 65 and Lambert Retief's option as disclosure in paragraph 66 below:

- neither the Company nor any of its Subsidiaries nor any other person has paid any amounts nor agreed to pay any amounts in the three years preceding the Last Practicable Date to any Directors or to a related person, or to any company of which a Director is also a director, or in which Directors are beneficially interested, directly or indirectly (the "associate company") or to any partnership, syndicate or other association of which the Directors are members (the "associate entity"), in cash or in securities or otherwise, either as an inducement to become or to qualify a person as a Director or for services rendered by Directors or by the associate company or associate entity in connection with the promotion or formation of the Company. For the purposes of this paragraph, Director includes a reference to the directors of the Subsidiaries.
- no Director or promoter of the Company has any material beneficial interest, either direct or indirect, in (i) the promotion of the Company; (ii) any property proposed to be acquired by the Company out of the proceeds of the Offer; or (iii) any property acquired or proposed to be acquired by Novus or any of its Subsidiaries in the three years immediately preceding the Last Practicable Date.
- no Director or promoter of the Company has been a member of a partnership, syndicate or other association of persons that had such an interest nor has any cash or securities been paid or any other benefit given to any promoter in the aforementioned three-year period.

56. SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH

Details relating to shares issued or agreed to be issued by the Company or by any of its Subsidiaries in the three years preceding the Last Practicable Date other than for cash are set out in paragraph 44.2 above and in Annexure 14 below.

57. AMOUNTS PAID OR PAYABLE TO PROMOTERS

The Company will pay the Bookrunner the commission set out in the Placement Agreement and reimburse certain related expenses incurred in this regard.

Save as set out in the preceding paragraph, no amount has been paid or proposed to be paid in the three years preceding the Last Practicable Date to any promoter, or to any partnership, syndicate or other association of which that promoter is or was a member, nor has any cash or security been paid nor proposed, nor any other benefit given nor proposed to any such promoter, partnership, syndicate or other association in the aforementioned three-year period.

58. LISTING ON THE JSE

The JSE has granted Novus a listing in respect of all of the Company's issued Ordinary Shares in the "Business Support Services" sector of the main board of the JSE under the abbreviated name "Novus", symbol "NVS" and ISIN: ZAE000202149.

As of the date of the Listing, Novus will be required to comply with the Listings Requirements.

59. RELATED PARTIES

The Company entered into transactions and has balances with a number of related parties including shareholders and entities under common control. Details of the related party transactions, excluding those balances and transactions that are eliminated on consolidation as well as profits and losses that are eliminated through the application of the equity method, in the Company for the year-ended 31 March 2014 are set out below:

Related party balances

	R'000
Amounts included in trade receivables regarding related parties	
Naspers	77
Media24	110,889
New Media Publishing (Pty) Ltd	35,639
Natal Witness Printing Company (Pty) Ltd	7,516
Ndalo (Pty) Ltd	14,671
Other related parties	11,338
	180,130

The above receivables from related parties are non-interest bearing, unsecured and are provided on standard credit terms. The maximum exposure to credit risk at 31 March 2014 is the fair value of each class of receivable as there is no collateral held as security against the balances.

	R'000
Amounts included in trade payables regarding related parties	
Media24	1,346
Other related parties	503
	1,849

The above payables to related parties are non-interest bearing, are unsecured and are provided on standard credit terms.

Related party transactions

	R'000
Interest paid to related parties	
Media24	11,672
Boland Newspapers (Pty) Ltd	265
	11,937

Both of these loans were repaid in full prior to year-end.

	R'000
Purchases from related parties	
Media24	3,992
Mweb South Africa (Pty) Ltd	3,859
On-the Dot	107
	7,958

	R'000
Sales to related parties¹	
Naspers	138
MIH Holdings Limited	1,294
Media24	1,235,365
New Media Publishing (Pty) Ltd	181,958
Natal Witness Printing Company (Pty) Ltd	65,048
Nasou Via Afrika (Pty) Ltd	32,423
CT Media Publications (Pty) Ltd	22,099
Ndalo (Pty) Ltd	20,629
Rodale & Touchline Publishers (Pty) Ltd	18,976
Other related parties ²	49,231
	1,627,161

Notes

- The Company receives revenue from a number of its related parties mainly for the printing of magazines, newspapers and books.
- The other related parties are made up of the following companies:
 - 8 Ink Media (Pty) Ltd
 - Lux-verbiBM (Edms) Bpk
 - Mooivaal Media (Pty) Ltd
 - Van Schaik Publishers (Pty) Ltd
 - Volksblad (Pty) Ltd
 - OTD: Books and Electronics (Pty) Ltd
 - Strika Entertainment (Pty) Ltd
 - Leserskring (Pty) Ltd
 - NB Publishers (Pty) Ltd

No loans have been extended to Directors or employees as at the Last Practicable Date. Directors' remuneration and benefits have been disclosed in paragraph 41.4 and Directors' interest in options has been disclosed in paragraph 41.5.

60. LITIGATION

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which the Group is aware, which may or may have had, in the 12 months prior to the Last Practicable Date, a material effect on the financial position of the Group. An application has been made to the Competition Tribunal regarding a historic competition filing as referred to in paragraph 37.7. Novus has secured appropriate indemnities from Media24.

61. VENDORS

The only material assets purchased by the Company from vendors in the three years preceding the Last Practicable Date relate to Natal Witness, Intrepid Printers and Correll Tissue. Further details regarding these transactions are set out in Annexure 13.

62. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out in paragraph 41 on page 45 of this Pre-listing Statement collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Pre-listing Statement contains all information required by the Listings Requirements.

Based on a thorough understanding of Novus and its Subsidiaries, it is the opinion of the Directors, based on the three year business plan, that the prospects of the business as disclosed under paragraph 8 correctly reflect the future of Novus as an organisation.

63. ESTIMATED EXPENSES OF THE OFFER AND LISTING

As at the Last Practicable Date, the estimated expenses of the Listing and Offer (exclusive of VAT) are as follows:

Nature of expense	Payable to	Estimated amount (excluding VAT) (R'000)
Bookrunner and Sponsor	Investec	3,500
Joint Legal Counsel to the Company	Werksmans, Van der Spuy and Partners (Paarl) and Glyn Marais	750
Independent Reporting Accountants and Auditors to the Company	PwC	1,000
Pre-listing Statement printing and distribution	Greymatter & Finch	120
JSE listing fee and documentation fees	JSE	600
Transfer secretary	Link Market Services	30
Other		300
Total		6,300

No preliminary expenses have been incurred in relation to the Listing, and the table above represents the total estimated cost attributable to Novus of the Listing. The commission payable in terms of the placement agreement, as disclosed in paragraph 23, will be borne by Media24.

64. CONSENTS

The Independent Reporting Accountant to this Pre-listing Statement has given and has not, prior to publication, withdrawn its written consent to the inclusion of its reports in the form and context in which they appear. Each of the Company's advisors, whose names appear in the "Corporate Information and Advisors" section of this Pre-listing Statement, have consented in writing to act in the capacities stated and to their names appearing in the Pre-listing Statement, and have not withdrawn their consent prior to the publication of the Pre-listing Statement.

65. EMPLOYEE SHARE OPTION PLAN

The Company has approved the adoption of the ESOP to take effect following the Listing. The ESOP will be administered by the remuneration committee of the Company and will be available to executive directors, senior managers and other key employees of the Company, although the remuneration committee may, in its discretion, include any permanent salaried employee in the ESOP in exceptional circumstances. The aim of the ESOP is to provide a direct alignment between participants and Shareholders.

The share appreciation rights schemes from which Directors have been receiving remuneration will be fixed at the time of Listing with no new allocations being made. The existing rights will vest in due course if the respective Director is still in the employment of Novus. The share appreciation rights schemes are all cash settled and as such will not result in dilution of Successful Applicants shareholdings.

For the salient features of the ESOP, refer to Annexure 14. Per the ESOP, options to acquire Shares at a pre-specified strike price will be allocated to Directors and employees as determined by the remuneration committee. In total under this ESOP, 34,733,245 options will be available to participants. On Listing, 24,313,272 options will be allocated to various individuals within the Company. These options will have a strike price equal to the Listing Price and a third of the number of options allocated to each individual can be exercised after the third, fourth and fifth anniversaries of the allocation date. These options need to be exercised before the sixth anniversary of the allocation date otherwise the rights attached to those options will lapse. Once the options have vested they will be American options by nature.

No option premium or consideration needs to be given on acceptance of the allotment of options from the Company. No options have been given to Shareholders. Options given to Directors have been disclosed under paragraph 41.5.

66. LAMBERT RETIEF'S OPTION

On Listing Date, Lambert Retief will be allocated 3,473,325 options to acquire Shares at the Listing Price. A third of the number of options allocated to Lambert Retief can be exercised after the third, fourth and fifth anniversaries of the Listing Date. These options need to be exercised before the sixth anniversary of the Listing Date otherwise the rights attached to those options will lapse. Once the options have vested they will be American options by nature.

No option premium or consideration needs to be given on acceptance of the allotment of options from the Company. No options have been given to Shareholders. Details of Lambert Retief's business address have been disclosed under paragraph 41.1. The options allocated to Lambert Retief do not form part of the ESOP.

67. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of the Sponsor at the addresses given in the "Corporate Information and Advisors" section of this Pre-listing Statement, during normal office hours from the date of issue of this Pre-listing Statement for a period of not less than 14 calendar days after the Closing Date:

- the MOI and the memorandum of incorporation of each of the Company's major Subsidiaries
- the Placement Agreement
- the Flip-up Agreement
- the Repurchase Agreement
- the Novus Holdings Share Trust deed
- the executive Directors service agreements
- the restated Management Agreement between the Company, Media24 and Lambert Retief
- the audited consolidated financial statements of the Company for the year ended 31 March 2014, 31 March 2013 and 31 March 2012, as reproduced in Annexure 1
- the Reporting Accountants' report on the consolidated historical financial information of Novus for the years ended 31 March 2014, 31 March 2013 and 31 March 2012, as reproduced in Annexure 2
- reviewed interim financial statements for the six-month period ended as at 30 September 2014, as reproduced in Annexure 3
- the Reporting Accountants' report on the consolidated interim financial information of Novus for the six-month period ended as at 30 September 2014, as reproduced in Annexure 4
- the *pro forma* statement of the financial position as at 30 September 2014 and statement of comprehensive income for the year ending 31 March 2015, as reproduced in Annexure 5
- the Reporting Accountants' reports on the *pro forma* financial information of the Company, as reproduced in Annexure 6
- the forecast statement of comprehensive income for the year ending 31 March 2015, as reproduced in Annexure 7
- the Reporting Accountants' report on the forecast financial information of the Company for the year ending 31 March 2015, as reproduced in Annexure 8
- summaries of the service contracts of the executive Directors of Novus
- the written consents of the Transfer Secretary, Legal Advisors, Investment Bank, Bookrunner and Sponsor, and Reporting Accountant

SECTION 7 – TAXATION

The following summary provides an overview of the tax consequences of the purchase, ownership and disposition of the Offer Shares. It is not a complete description of all the possible tax consequences of such purchase, ownership or disposition. This summary is based on the laws as in force and as applied in practice on the date of this Pre-listing Statement and is subject to changes to those laws and practices subsequent to the date of this Pre-listing Statement. In the case of persons who are non-residents of South Africa for income tax purposes, it should be read in conjunction with the provisions of any applicable double tax agreement between South Africa and their country of tax residence. Investors should consult their own advisors as to the tax consequences of the purchase, ownership and disposal of the Offer Shares in light of their particular circumstances, including, in particular, the effect of any state, regional, local or other tax laws.

68. SOUTH AFRICAN TAXATION

68.1. General

This summary of certain material South African income tax consequences only deals with initial purchasers of Offer Shares that are SA Holders and Non-SA Holders, as defined below, and that will hold the Offer Shares as capital assets. As used herein the term “SA Holder” means a “shareholder” who is: (i) a natural person ordinarily resident in South Africa; (ii) a natural person not ordinarily resident in South Africa but whose physical presence in South Africa exceeds certain prescribed thresholds or (iii) a person, other than a natural person, which is incorporated, established or formed in South Africa or which has its place of effective management in South Africa. The term does not include a non-natural person incorporated, established or formed in South Africa, if that person is deemed to be exclusively the resident of another country for purposes of the application of any agreement entered into between South Africa and that other country for the avoidance of double taxation. The term “Non-SA Holders” means a “shareholder” other than a “SA Holder”. In general, a “shareholder” means the registered shareholder in respect of a share or, where some person other than the registered shareholder is entitled to all or part of the benefit of the rights of participation in the profits, income or capital attaching to that share, that other person to the extent of that entitlement. Prospective purchasers with questions regarding their status as either South African residents or shareholders should consult their tax advisors.

The following paragraphs contain a general summary of South African tax implications in relation to Offer Shares. The tax analysis is therefore not comprehensive or determinative and should not be regarded as tax advice given by the Company or any of its advisors to the Offer.

68.2. Dividends

A “dividend” is defined as any amount transferred or applied by a resident company for the benefit of any shareholder by virtue of any share held by that shareholder or on behalf of any person in respect of any share in that company, whether by way of a distribution, or as consideration for the acquisition of any share in that company. The “dividend” definition contains three exclusions. Firstly, amounts resulting in a reduction of CTC (as described below) will not constitute a dividend. Secondly, dividends will not include shares in the company transferred or applied. Thirdly, an open market purchase (i.e. general repurchase) by a listed company of its own shares on the exchange operated by the JSE will not constitute a dividend.

CTC, in its basic form, will comprise amounts received by or accrued to a company as consideration for the issue of its shares. This would therefore typically be share capital and share premium (excluding any portion thereof which comprises capitalised reserves) and is reduced when a return of capital takes place.

In general, dividends paid by the Company to SA Holders will be exempt from South African income tax in their hands. The position of the non-SA Holders will depend on the tax legislation in which they are tax resident.

68.3. Dividend Tax

From 1 April 2012 the Secondary Tax on Companies (“**STC**”) regime was replaced with a new Dividends Tax (“**DWT**”) regime, which constitutes a withholding tax imposed on Dividends paid to shareholders.

DWT will be imposed in respect of any dividend paid by a company on or after 1 April 2012, and will be levied at a rate of 15%. Subject to certain administrative requirements, this rate may be reduced to as low as 5% under the provisions of certain double tax agreements. In addition, the DWT legislation includes a number of exemptions, including exemptions for dividends paid to certain exempt entities. Dividends paid to natural persons will be subject to the DWT.

68.4. Distributions of CTC

A distribution by a company of CTC does not constitute a dividend for DWT purposes. Instead, the shareholder must reduce the expenditure on the share (that is to say, the base cost) by the amount received. Where the CTC received exceeds the expenditure on the share, the amount of the excess must be treated as a capital gain in the determination of the shareholder’s aggregate capital gain or aggregate capital loss for CGT purposes.

68.5. Taxation of capital gains and losses

South African resident shareholders – individuals

A disposal of shares by an individual shareholder who is resident in South Africa for tax purposes and that holds the shares as capital assets may give rise to a gain (or loss) for the purposes of CGT. The capital gain (or loss) on disposal of the shares is equal to the difference between the disposal proceeds and the base cost. A shareholder’s base cost for the shares will generally be the consideration paid for those shares. The base cost for the listed shares may be increased by one third of any interest incurred to finance the cost of acquiring the shares, and other direct costs incurred in acquiring the shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable

income. A capital gain on a disposal of shares, together with other capital gains, less allowable capital losses in a year of assessment, is subject to tax at the individual's marginal tax rate (maximum 40%) to the extent that it exceeds the annual exclusion (R30 000 for the years of assessment commencing on or after 1 March 2012). Only 33% of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 13.33%, effective 1 March 2012. On the death of a taxpayer, there is a deemed disposal of the shares at market value, unless the shares are bequeathed to, or in favour of, a surviving spouse. Deemed disposals to a surviving spouse, who is a South African resident, are treated, in practical effect, as taking place at no gain or loss. The annual exclusion where death occurs during the year of assessment ending 28 February 2014 is R300 000. Where a taxpayer emigrates (i.e. gives up South African tax residence) there will also be a deemed disposal of the shares at market value and this may trigger CGT.

South African resident shareholders – corporates

A disposal of shares by a South African resident corporate shareholder, that holds the shares as capital assets may give rise to a capital gain (or loss) for the purposes of CGT. The capital gain (or loss) on disposal of the shares is equal to the difference between the disposal proceeds and the base cost. A shareholder's base cost for the shares will generally be the consideration paid for the shares. The base cost for the shares may be increased by one third of any interest incurred to finance the cost of acquiring the shares, and other direct costs incurred in acquiring the shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable income. A capital gain on a disposal of shares by a corporate shareholder, together with other capital gains, less allowable capital losses in a year of assessment, is subject to tax at the normal tax rate for companies (currently 28%). Only 66.6% of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 18.66%, effective 1 March 2012.

Non-South African resident shareholders – individuals and corporates

A disposal of shares by a non-South African resident would give rise to a gain (or loss) for the purposes of CGT to the extent that the gains are realised pursuant to the disposal of any interest in immovable property situated in South Africa. An interest in immovable property situated in South Africa includes shares if:

- 80% or more of the market value of the interest in immovable property, at the time of disposal, is attributed directly or indirectly to immovable property held otherwise than as trading stock; and
- the shareholder (alone or together with any connected person in relation to that shareholder), directly or indirectly holds at least 20% of the shares.

Currently not more than 80% of the market value of the shares is attributable to immovable property and consequently the shares will not fall within the ambit of the South African capital gains tax legislation. Even if this were the case, the provisions of an applicable double tax agreement between South Africa and their country of tax residence would need to be considered in order to determine which country has taxing rights in respect of any gain realised.

68.6. Estate duty

Where a person who is ordinarily resident in South Africa holds shares at the date of his or her death, the market value of such shares will be included in the estate. Estate duty is levied at a flat rate of 20% on the dutiable amount of the deceased estate to the extent that it exceeds R3.5 million per estate. In determining the dutiable amount of an estate, deductions are, inter alia, allowed for the value of bequests and property left to a surviving spouse, and estate liabilities, including capital gains tax paid on the deemed disposal of the shares on date of death.

68.7. Securities Transfer Tax

STT of 0.25% of the applicable taxable amount is payable in respect of every "transfer" of securities issued by a company incorporated in South Africa. "Transfer" includes any cancellation or redemption of a security, but does not include the issue of a security or any event that does not result in a change in beneficial ownership of a security. A purchase of shares from or through the agency of a JSE registered broker is subject to STT of 0.25% of the purchase consideration. The STT is payable by the broker, which may recover it from the transferee. Where shares are not purchased from or through the agency of a broker, but the change in beneficial ownership is effected by a CSDP, STT of 0.25% of the greater of the declared purchase consideration or the JSE closing price of shares on the date of the transaction is payable by the CSDP, which may recover it from the transferee.

In any other case of a change in beneficial ownership of shares, STT of 0.25% of the greater of the declared purchase consideration or the JSE closing price of shares is payable by the transferee through the broker or CSDP, which holds the shares in custody. If the shares are not held in custody by a broker or CSDP, the STT is payable by the transferee through issuing company.

SECTION 8 – SOUTH AFRICAN EXCHANGE CONTROL

69. GENERAL

Currency and shares are not freely transferable from South Africa to any jurisdiction outside the geographical borders of South Africa or jurisdictions outside of the CMA. These transfers must comply with the South African Exchange Control Regulations as described below. The South African Exchange Control Regulations also regulate the acquisition by former residents and non-residents of Offer Shares.

Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an application to be made in response to the Offer. The following summary is intended as a guide and is therefore not comprehensive. If investors are in any doubt regarding South African Exchange Control Regulations, they should consult their professional advisor.

70. EMIGRANTS FROM THE COMMON MONETARY AREA

In terms of the South African Exchange Control Regulations, a former resident of the Common Monetary Area who has emigrated from South Africa may use emigrant blocked funds to acquire Offer Shares in terms of this Pre-listing Statement.

All payments in respect of subscriptions for or purchases of Offer Shares by an emigrant using emigrant blocked funds must be made through the authorised dealer in foreign exchange controlling the blocked assets.

Shares issued in respect of Offer Shares acquired with emigrant blocked funds in terms of this Pre-listing Statement will be credited to their emigrant blocked share accounts at the CSDP controlling their blocked portfolios.

Shares issued in certificated form in respect of Offer Shares acquired with emigrant blocked Rand in terms of this Pre-listing Statement will be endorsed “Non-Resident” in accordance with the South African Exchange Control Regulations and will be placed under the control of an authorised dealer in foreign exchange through which the payment was made.

If applicable, refund monies payable in respect of unsuccessful applications or partly successful applications for Offer Shares, as the case may be, in terms of this Pre-listing Statement, emanating from emigrant blocked accounts, will be returned, in terms of the South African Exchange Control Regulations, to the authorised dealer administering such emigrant blocked Rand, for credit to such Applicants’ emigrant blocked accounts.

The CSDP or broker through which the Company’s shareholders have dematerialised their shares is responsible for ensuring adherence to the South African Exchange Control Regulations.

71. APPLICANTS RESIDENT OUTSIDE THE COMMON MONETARY AREA

A person who is not resident of the Common Monetary Area, including an emigrant not using emigrant blocked Rand, should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an application to be made in response to the Offer to be made in terms of the Offer.

Any share certificates issued to non-residents of South Africa will be endorsed “Non-Resident” in accordance with the South African Exchange Control Regulations.

All dematerialised shares issued will be credited directly to the shareholder’s non-resident share account held by his duly appointed CSDP. The CSDP or Broker through whom the Company’s Shareholders have dematerialised their Ordinary Shares will ensure that they adhere to the South African Exchange Control Regulations.

If applicable, refund monies payable in respect of unsuccessful applications or partly successful applications for Offer Shares, as the case may be, in terms of this Pre-listing Statement, emanating from a person who is not a resident of the Common Monetary Area will be returned (subject to compliance with South African Exchange Control Regulations).

72. OFFER SHARES ACQUIRED BY NON-RESIDENTS

Persons resident outside the Common Monetary Area applying for Offer Shares pursuant to this Pre-listing Statement should note that, while there are no restrictions similar to those placed on emigrants using blocked funds, in regard to Offer Shares acquired by non-residents pursuant to this Prelisting Statement, in the case of certificated shares, the share certificates will be endorsed with the words “Non-Resident” and, in the case of dematerialised shares, an appropriate electronic entry will be made in the relevant register reflecting a “Non-Resident” endorsement.

Signed at Century City on 4 March 2015 by /or on behalf of the Company in terms of a resolution of the Directors.

By order of the Board

Stephen van der Walt
Chief Executive Officer

NOVUS HOLDINGS LIMITED

Registered office:
10 Freedom Way
Milnerton
7441
Cape Town
South Africa

AUDITED HISTORICAL FINANCIAL INFORMATION OF NOVUS

The historical consolidated financial information of Novus for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 are set out below.

The Directors of Novus are responsible for the preparation of the consolidated financial information contained in this Annexure 1.

The consolidated financial statements for the years ended 31 March 2014, 31 March 2013 and 31 March 2012, from which the information below was extracted, were audited by PwC in accordance with International Standards on Auditing, who issued an unqualified audit opinion on the financial statements.

Commentary related to the financial performance of Novus has been showed in Section 3. For this Annexure, reference to Paarl Media Group and Paarl Media Group (Pty) Ltd should have the same meaning as Novus as defined in the definitions starting on page 9.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014, 2013 and 2012

	Note	2014 R'000	2013 R'000	2012 R'000
ASSETS				
Non-current assets				
		2 255 728	2 136 356	2 128 551
Property, plant and equipment	2	2 150 677	2 062 661	2 053 600
Goodwill	3	86 701	55 830	55 830
Other intangible assets	4	14 920	12 761	17 579
Investments in subsidiaries	5	–	–	–
Investment in associates	6	–	3 418	–
Loans and receivables		2 784	1 686	–
Derivative financial instruments	33	646	–	1 542
Current assets				
		905 116	916 539	877 268
Inventory	7	333 509	263 466	252 537
Trade and other receivables	8	287 861	267 043	230 626
Related party receivables	35	180 130	180 058	172 491
Loans and receivables		500	–	–
Derivative financial instruments	33	4 504	4 485	4 285
Cash and cash equivalents	9	98 612	199 501	211 616
Current income tax receivable		–	1 986	5 713
Non-current assets classified as held for sale	10	–	15 106	–
Total assets				
		3 160 844	3 068 001	3 005 819
EQUITY AND LIABILITIES				
Capital and reserves attributable to the Company's equity holder				
		2 085 069	1 691 956	1 370 759
Share capital	11	1	1	1
Other reserves	12	(750 970)	(751 291)	(722 440)
Retained earnings		2 836 038	2 443 246	2 093 198
Non-controlling interest		121 536	93 788	78 671
Total equity				
		2 206 605	1 785 744	1 449 430
Non-current liabilities				
		404 372	475 528	588 725
Post-employment medical liability	13	3 949	3 469	2 513
Provisions	14	11 106	7 642	7 745
Long-term liabilities	15	62 895	135 024	282 765
Cash-settled share-based payment liability	16	8 767	10 237	12 732
Derivative financial instruments	33	–	231	–
Deferred taxation	17	287 935	286 730	281 809
Deferred income	18	29 720	32 195	1 161
Current liabilities				
		549 867	806 729	967 664
Current portion of long term liabilities	15	172 382	171 660	188 301
Post-employment medical liability	13	–	424	–
Provisions	14	–	1 338	1 972
Trade and other payables	19	266 719	252 693	330 190
Cash-settled share-based payment liability	16	28 898	55 629	25 644
Related party payables	35	1 849	303 906	417 646
Current income tax payable		7 072	–	–
Derivative financial instruments	33	11 662	3 126	3 758
Bank overdrafts	9	59 810	16 478	5
Deferred income	18	1 475	1 475	148
Total equity and liabilities				
		3 160 844	3 068 001	3 005 819
Net asset value per share (cents)		2 206 605 000	1 785 744 000	1 449 430 000
Tangible net asset value per share (cents)		2 104 984 000	1 717 153 000	1 376 021 000

CONSOLIDATED INCOME STATEMENT

For the years ended 31 March 2014, 2013 and 2012

	Note	2014 R'000	2013 R'000	2012 R'000
Revenue	20	3 968 755	3 684 166	3 703 027
Cost of sales		(2 825 133)	(2 534 558)	(2 579 307)
Gross profit		1 143 622	1 149 608	1 123 720
Operating expenses		(476 122)	(553 940)	(488 606)
Other (expenses)/income	21	(18 477)	(7 824)	9 008
Operating profit	22	649 023	587 844	644 122
Finance income	23	7 313	7 344	9 568
Finance costs	24	(59 007)	(74 792)	(105 016)
Share of net loss of associate	6	(872)	(623)	–
Profit before tax		596 457	519 773	548 674
Taxation	25	(174 598)	(150 689)	(152 623)
Profit for the year		421 859	369 084	396 051
Attributable to:				
Equity holder of the Company		394 083	350 366	363 172
Non-controlling interest		27 776	18 718	32 879
		421 859	369 084	396 051
Earnings per share: (cents)				
Basic	26	394 083 000	350 366 000	363 172 000
Diluted	26	394 083 000	350 366 000	363 172 000
Headline earnings per share: (cents)				
Basic	26	406 084 000	355 586 000	364 645 000
Diluted	26	406 084 000	355 586 000	364 645 000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 March 2014, 2013 and 2012

	Note	2014 R'000	2013 R'000	2012 R'000
Profit for the year		421 859	369 084	396 051
Other comprehensive income				
Items that may subsequently be reclassified to profit or loss				
Hedging reserve	12	(410)	(3 857)	(5 088)
Net fair value gains/(losses), gross		2 503	(2 891)	1 128
Net fair value gains/(losses), tax portion		(701)	810	(315)
Foreign exchange movements, gross		(27 267)	(23 890)	(36 565)
Foreign exchange movements, tax portion		7 635	6 332	10 242
Derecognised and added to asset, gross		40	(783)	(1 484)
Derecognised and added to asset, tax portion		(11)	219	415
Derecognised and reported in cost of sales, gross		24 154	22 703	29 848
Derecognised and reported in cost of sales, tax portion		(6 763)	(6 357)	(8 357)
Share based compensation reserve	12	703	261	210
Effects of share-based compensation charges, gross		977	362	291
Effects of share-based compensation charges, tax portion		(274)	(101)	(81)
Items that will not be reclassified to profit or loss				
Post-employment benefit obligations and provisions	13,14	(1 291)	(544)	194
Remeasurement of post-employment benefit obligations and provisions, gross		(1 793)	(756)	272
Remeasurement of post-employment benefit obligations and provisions, tax portion		502	212	(78)
Total other comprehensive income, net of tax		(998)	(4 140)	(4 684)
Total comprehensive income for the year		420 861	364 944	391 367
Attributable to:				
Equity holders of the Company		393 113	346 417	358 688
Non-controlling interest		27 748	18 527	32 679
		420 861	364 944	391 367

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended 31 March 2014, 2013 and 2012

	Share capital R'000	Existing control business combination reserve R'000	Share-based compensation NDR R'000	Hedging reserve R'000	Total other reserves R'000	Retained earnings R'000	Attributable to equity holders of the Group R'000	Non- controlling interest R'000	Total equity R'000
Balance at 1 April 2011	1	(717 509)	3 055	7 530	(706 924)	1 729 831	1 022 908	60 955	1 083 863
Total comprehensive income	-	-	202	(4 881)	(4 679)	363 367	358 688	32 679	391 367
Profit for the year	-	-	-	-	-	363 172	363 172	32 879	396 051
Other comprehensive income	-	-	202	(4 881)	(4 679)	195	(4 484)	(200)	(4 684)
Transactions with non-controlling interest	-	(10 837)	-	-	(10 837)	-	(10 837)	(14 163)	(25 000)
Dividends paid	-	-	-	-	-	-	-	(800)	(800)
Balance at 1 April 2012	1	(728 346)	3 257	2 649	(722 440)	2 093 198	1 370 759	78 671	1 449 430
Acquisition of subsidiary 30	-	(22 256)	-	-	(22 256)	-	(22 256)	(3 216)	(25 472)
Total comprehensive income	-	-	246	(3 651)	(3 405)	349 822	346 417	18 527	364 944
Profit for the year	-	-	-	-	-	350 366	350 366	18 718	369 084
Other comprehensive income	-	-	246	(3 651)	(3 405)	(544)	(3 949)	(191)	(4 140)
Transactions with non-controlling interest	-	(3 190)	-	-	(3 190)	226	(2 964)	(194)	(3 158)
Balance at 1 April 2013	1	(753 792)	3 503	(1 002)	(751 291)	2 443 246	1 691 956	93 788	1 785 744
Total comprehensive income	-	-	666	(345)	321	392 792	393 113	27 748	420 861
Profit for the year	-	-	-	-	-	394 083	394 083	27 776	421 859
Other comprehensive income	-	-	666	(345)	321	(1 291)	(970)	(28)	(998)
Balance at 31 March 2014	1	(753 792)	4 169	(1 347)	(750 970)	2 836 038	2 085 069	121 536	2 206 605

Note

11 12 12 12 12

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended 31 March 2014, 2013 and 2012

	Note	2014 R'000	2013 R'000	2012 R'000
Cash flows from operating activities				
Cash generated from operations	28	777 283	680 296	922 734
Finance income	23	7 313	7 344	9 568
Finance costs	24	(59 007)	(74 792)	(105 016)
Taxation paid	29	(171 706)	(152 234)	(9 753)
Dividends received	21	3	–	3 982
Dividend paid		–	–	(800)
<i>Cash generated from operating activities</i>		<u>553 886</u>	<u>460 614</u>	<u>820 715</u>
Cash flows from investing activities				
Property plant and equipment acquired	2	(250 953)	(154 690)	(265 271)
Proceeds from government grants	18	–	33 162	1 371
Proceeds from the sale of property, plant and equipment		4 401	5 341	20 012
Proceeds on sale of non-current assets held for sale	10	20 500	–	12 631
Purchase of intangible assets	4	(9 635)	(3 849)	(3 339)
Insurance proceeds		24	782	4
Cash movement in associate loan	6	1 046	445	–
Proceeds on disposal of investment		–	–	30 495
Loans and receivables advanced		(851)	(1 686)	–
Acquisition of subsidiaries	30	(91 904)	(87 359)	–
<i>Cash utilised in investing activities</i>		<u>(327 372)</u>	<u>(207 854)</u>	<u>(204 097)</u>
Cash flows from financing activities				
Repayment of long term loans		(181 623)	(164 382)	(81 397)
Proceeds from long term loans		100 000	–	500 000
Repayment of related party loans	35	(302 865)	(113 808)	(981 124)
Proceeds from related party loans	35	13 753	–	–
Acquisition of non-controlling interest	36	–	(3 158)	(25 000)
<i>Cash utilised in financing activities</i>		<u>(370 735)</u>	<u>(281 348)</u>	<u>(587 521)</u>
Net (decrease)/increase in cash and cash equivalents		(144 221)	(28 588)	29 097
Cash and cash equivalents at the beginning of the year		183 023	211 611	182 514
Cash and cash equivalents at the end of the year	9	<u>38 802</u>	<u>183 023</u>	<u>211 611</u>

ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these historical financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. BASIS OF PREPARATION

The historical financial statements of Paarl Media Group (Pty) Ltd have been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the Companies Act No 71 of 2008. The Listings Requirements require the historical financial statements to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. The historical financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 1.1.

These historical financial statements incorporate accounting policies that have been consistently applied to all years presented, with the exception of the implementation of the following standards, interpretations and amendments to published standards that became effective and were adopted by the Group during the current financial year:

Standard/Interpretation:	Effective date: Years beginning on or after
IFRS 10: Consolidated Financial Statements	1 January 2013
IAS 27: Separate Financial Statements Revised	1 January 2013
IAS 28: Investments in Associates and Joint Ventures Revised	1 January 2013
IFRS 11: Joint Arrangements	1 January 2013
IFRS 12: Disclosure of Interests in Other Entities	1 January 2013
IFRS 13: Fair Value Measurement	1 January 2013
Amendments to IAS 1: Presentation of Financial Statements	1 January 2013
IAS 19: Employee Benefits Revised	1 January 2013
Amendments to IFRS 7 Disclosures: Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to IAS 16: Property, Plant and Equipment	1 January 2013
Amendments to IAS 32: Financial Instruments Presentation	1 January 2013

The relevance of these amendments to the published standards has been assessed with respect to the Group's operations and it was concluded that, other than the additional presentational disclosures required, they did not have a material impact on the Group.

Standards, interpretations and amendments to published standards which are not yet effective.

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2014, but not yet effective on that date. Management are in the process of assessing the impact of these standards, interpretations and amendments on the reported results of the Group. The standards that are applicable to the Group, but that were not implemented early, are the following:

Standard Standard/Interpretation:	Effective date: Years beginning on or after
IFRS 9: Financial Instruments	1 January 2015
Amendments to IAS 32: Financial Instruments: Presentation	1 January 2014
Amendments to IAS 19: Employee Benefits	1 July 2014
Amendments to IAS 36: Impairment of Assets: Recoverable amount disclosures for non-financial assets	1 January 2014
Amendments to IAS 39: Financial Instruments: Novation of derivatives and continuation of hedge accounting	1 January 2014
Amendments to IFRS 11: Joint Arrangements	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation	1 January 2016
IFRS 15 Revenue from contracts with customers	1 January 2017
Annual Improvements 2010-12 cycle	1 July 2014
Annual Improvements 2011-13 cycle	1 July 2014
IFRIC 21 Levies	1 January 2014

1.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future and these accounting estimates are an integral part of the preparation of financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

a) *Estimated impairment of goodwill and intangible assets*

The Group tests annually whether goodwill have suffered any impairments, in accordance with the accounting policy stated in note 5.1. The recoverable amounts of cash-generating units are determined as being the higher of the value-in-use or fair value less costs to sell. Calculation of these amounts requires the use of estimates. Further details are provided in note 4.

b) *Business combinations*

Where the Group acquires control of another business, the consideration transferred has to be allocated to the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquired business, with any residual recorded as goodwill. This process involves management making an assessment of the fair value of these items. Management's judgement is particularly involved in the recognition and measurement of the following items:

- Intellectual property. This include patents, licences, trademarks and similar rights for currently marketed products
- Contingencies such as legal and environmental matters
- The recoverability of any accumulated tax losses previously incurred by the acquired company.

In all cases management makes an assessment based on the underlying economic substance of the items concerned, and not only on the contractual terms, in order to fairly present these items.

c) *Property, plant and equipment*

It is necessary for the Group to make use of judgement when determining the useful life of the property, plant and equipment. Details of these estimates and assumptions are set out in the relevant notes to the consolidated financial statements.

1.2 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

1.2 Basis of consolidation (continued)

Common control transactions

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory) are referred to as common control transactions. The accounting policy for the acquiring entity is to account for the transaction at book value (predecessor values) in its consolidated financial statements. The book value of the acquired entity is the consolidated book value as reflected in the consolidated financial statements at the highest level of common control. The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired is allocated to the "Non-distributable reserves" in equity. Where comparative periods are presented, the financial statements and financial information presented are not restated.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

1.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost, being the purchase cost plus any cost to prepare the assets for their intended use, less accumulated depreciation and any accumulated impairment losses. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

1.4 Property, plant and equipment (continued)

Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Item	Average useful life
Buildings	8 – 50 years
Plant and machinery	3 – 25 years
Furniture and fixtures	3 – 10 years
Motor vehicles	4 – 5 years
Office equipment	1 – 10 years
IT equipment	2 – 5 years

The group applies the component approach whereby parts of some items of property, plant and equipment may require replacement at regular intervals. The carrying amount of an item of property, plant and equipment will include the cost of replacing the part of such an item when that cost is incurred, if it is probable that future economic benefits will flow to the group and the cost can be reliably measured. The carrying amount of those parts that are replaced is derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Major leasehold improvements are amortised over the shorter of their respective lease periods and estimated useful economic lives.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the group and the cost can be reliably measured. Major renovations are depreciated over the remaining useful economic life of the related asset.

Items of property, plant and equipment are reviewed for indicators of impairment at least annually. Where indicators of impairment are identified, the carrying values of property, plant and equipment are reviewed to assess whether or not the recoverable amount has declined below the carrying amount. In the event that the recoverable amount of the asset is lower than its carrying amount, the carrying amount is reduced and the reduction is charged to profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (expenses)/income' in profit or loss.

Work in progress is defined as assets still in the construction phase and not yet available for use. These assets are carried at initial cost and are not depreciated. Depreciation on these assets commences when they become available for use and depreciation periods are based on management's assessment of their useful lives.

1.5 Intangible assets

Goodwill

Goodwill is initially measured at cost, being an amount representing the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously held equity interest over the fair value of the identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the acquiree (a bargain purchase), the difference is recognised in profit or loss.

Goodwill arising on acquisition of subsidiaries is included in "goodwill" in the statement of financial position. Goodwill arising on acquisitions of associates and joint ventures is included in "investments in associates" and "investments in joint ventures" in the statement of financial position respectively. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (which are expected to benefit from the business combination) for the purpose of impairment testing. An impairment test is performed by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of two to five years.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of two to five years.

1.5 Intangible assets (continued)

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

1.6 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other (expenses)/income' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'Gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.6 Financial assets (continued)

Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- (b) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- (c) hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in the income statement. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within 'Finance costs'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

1.6 Financial assets (continued)

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'Other (expense)/income'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'Other (expenses)/income'.

(c) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

1.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work-in-progress comprises, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials. Provisions are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

1.8 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the estimated recoverable amount.

1.9 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

1.10 Non-current assets held for sale

Non-current assets (or disposal Groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

1.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

1.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

1.13 Employee benefits

Retirement benefits

The Group provides retirement benefits for its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds in the countries in which the Group operates. The assets of these funds are generally held in separate trustee-administered funds. The Group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefit

The group's contributions to medical aid benefit funds for employees are recognised as an expense in the period during which the employees render services to the group.

Post-employment medical aid benefit

Some Group companies provide post-employment healthcare benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period. Independent qualified actuaries carry out annual valuations of these obligations. All actuarial remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. The actuarial valuation method used to value the obligations is the projected unit credit method. Future benefits are projected using specific actuarial assumptions and the liability to in-service members is accrued over their expected working lifetime. These obligations are unfunded.

1.14 Share-based payments

The Group grants share options/share appreciation rights (SARs) to its employees under a number of equity compensation plans. The Group has recognised an employee benefit expense in the income statement, representing the fair value of share options/SARs granted to the Group's employees. A corresponding credit to equity has been raised for equity-settled plans, whereas a corresponding credit to liabilities has been raised for cash-settled plans. The fair value of the options/SARs at the date of grant under equity-settled plans is charged to income over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the Group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

A share option scheme/SAR is considered equity-settled when the option/gain is settled by the issue of shares. They are considered cash-settled when they are settled in cash or any other asset, i.e. not by the issue of shares. Each share trust deed and SAR plan deed, as appropriate, indicates whether a plan is to be settled by the issue of shares or not.

1.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.15 Current and deferred income tax (continued)

The normal South African company tax rate used for the year ending 31 March 2014 is 28% (2013 and 2012: 28%). Deferred tax assets and liabilities have been calculated using the 28% (2013 and 2012: 28%) rate, being the rate that the Group expects to apply to the periods when the assets are realised or the liabilities are settled. Capital gains tax is calculated as 66.6% (2013: 66.6%, 2012: 50%) of the company tax rate.

1.16 Secondary tax on companies (STC) and dividends withholding tax (DWT)

On 1 April 2012, DWT became effective and replaced STC. DWT is levied on the shareholders or beneficial owners receiving the dividend where STC was levied on the company declaring the dividend.

Prior to 1 April 2012

South African resident companies were subject to a dual corporate tax system, one part of the tax being levied on taxable income and the other, a secondary tax, on distributed income. A company incurred STC charges on the declaration or deemed declaration of dividends, as defined under tax law, to its shareholders. STC was not a withholding tax on shareholders but a tax on companies.

The STC consequence of dividends was recognised as a taxation charge in the income statement in the same period that the related dividend was accrued as a liability. The dividend declared was reduced by dividends received during the dividend cycle. Where dividends declared exceeded the dividends received during a cycle, STC was payable at the then current STC rate (10%) on the net amount. Where dividends received exceeded dividends declared within a cycle there was no liability to pay STC. The potential tax benefit related to excess dividends received was carried forward to the next dividend cycle as an STC credit. Deferred tax assets were recognised on unutilised STC credits to the extent that it was probable that the Group would declare dividends to utilise the STC credits.

After 1 April 2012

Shareholders are now subject to DWT on dividends received, unless they are exempt in terms of the amended tax law. DWT is levied at 15% of the dividend received. The DWT is categorised as a withholding tax as the tax is withheld and paid to tax authorities by the company paying the dividend or by a regulated intermediary and not the beneficial owner of the dividend. The deferred tax asset is not raised on unutilised STC credits as the STC credits are now available for the benefit of the Group's shareholders and not the Group.

1.17 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.18 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.19 Revenue

Revenues are recognised upon completion of the services and delivery of the related product and customer acceptance. The recognition of print services revenue is based upon delivery of the product to the distribution depot and acceptance by the distributor of the customer, or where the customer is responsible for the transport of the customers' products, acceptance by the customer or its nominated transport company. Revenues from distribution services are recognised upon delivery of the product to the retailer and acceptance thereof.

Where print and distribution services are provided to the same client, the terms of each separate contract are consistent with contracts where an unrelated party provides one of the services. Revenue is recognised separately for print and distribution services as the contracts are separately negotiated, based on fair value for each service.

Revenue is net of returns and allowances, trade discounts and volume rebates.

1.20 Other income

Interest and dividends received on financial assets are included in "finance income" and "Other (expenses)/income" respectively. Interest is accrued using the effective interest method and dividends are recognised when the right to receive payment is established.

1.21 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

1.22 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

1.23 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in South African Rands (ZAR) which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

1.24 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income (Note 18) and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

1.25 Related parties

Individuals or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel are defined as all directors of Paarl Media Group (Pty) Ltd as well as members of the Paarl Media Group Executive Committee and certain members of senior management.

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for the years ended 31 March 2014, 2013 and 2012

2. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and machinery	Vehicles computers and office equipment	Work in Progress	Total
Cost	589 401	2 167 913	78 607	73 291	2 909 212
Accumulated depreciation and impairment	(66 793)	(842 186)	(48 123)	–	(957 102)
Net book value at 1 April 2011	522 608	1 325 727	30 484	73 291	1 952 110
Additions	34 807	46 816	29 154	154 494	265 271
Disposals	(2 156)	(1 899)	(226)	–	(4 281)
Reclassifications	–	–	124	–	124
Depreciation	(13 742)	(131 344)	(14 538)	–	(159 624)
Transfers from work-in-progress	26 820	79 413	522	(106 755)	–
Net book value at 31 March 2012	568 337	1 318 713	45 520	121 030	2 053 600
Cost	647 776	2 308 594	113 632	121 030	3 191 032
Accumulated depreciation and impairment	(79 439)	(989 881)	(68 112)	–	(1 137 432)
Additions	50 714	18 638	12 062	73 276	154 690
Disposals	(534)	(2 005)	(6 185)	–	(8 724)
Reclassifications	–	(113)	114	–	1
Transfer to non-current assets held for sale (Note 10)	–	(15 106)	–	–	(15 106)
Depreciation	(16 070)	(139 852)	(17 098)	–	(173 020)
Transfers from work-in-progress	25 516	135 184	1 228	(161 928)	–
Impairment	–	(6 000)	–	–	(6 000)
Acquisition of subsidiary	9 462	44 754	3 004	–	57 220
Net book value at 31 March 2013	637 425	1 354 213	38 645	32 378	2 062 661
Cost	738 455	2 491 776	120 684	32 378	3 383 293
Accumulated depreciation and impairment	(101 030)	(1 137 563)	(82 039)	–	(1 320 632)
Additions	14 928	22 889	13 641	199 495	250 953
Disposals	(192)	(14 984)	(374)	–	(15 550)
Reclassifications	–	–	262	–	262
held for sale (Note 10)	–	15 106	–	–	15 106
Depreciation	(17 893)	(151 346)	(17 509)	–	(186 748)
Transfers from work-in-progress	37 091	67 464	3 158	(107 713)	–
Impairment	–	(7 379)	–	–	(7 379)
Acquisition of subsidiary	–	30 534	838	–	31 372
Net book value at 31 March 2014	671 359	1 316 497	38 661	124 160	2 150 677
Cost	790 282	2 586 858	134 673	124 160	3 635 973
Accumulated depreciation and impairment	(118 923)	(1 270 361)	(96 012)	–	(1 485 296)

The Group recognised an impairment of property, plant and equipment with a net book value of R7.4m (2013: R6m, 2012: Rnil). The impairment loss has been included in "Other (expenses)/income" in the income statement of which R7.4m (2013: R1m, 2012 Rnil) has been included in the Print segment, and Rnil (2013: R5m, 2012: Rnil) in the Other segment. The recoverable amounts of the assets have been determined based on either a value in use calculation or on a fair value less costs to sell basis. The impairments resulted from the recoverable amounts of the assets being lower than the carrying value thereof.

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for the years ended 31 March 2014, 2013 and 2012

3. GOODWILL

	Note	2014 R'000	2013 R'000	2012 R'000
Cost				
Opening balance		55 830	66 579	66 579
Acquisition of subsidiary	30	30 871	–	–
Closure of business		–	(10 749)	–
Closing balance		86 701	55 830	66 579
Accumulated impairment				
Opening balance		–	(10 749)	–
Impairment		–	–	(10 749)
Closure of business		–	10 749	–
Closing balance		–	–	(10 749)
Net book value		86 701	55 830	55 830

The Group recognised impairment losses on goodwill of Rnil (2013: Rnil, 2012: R10.8m) during the financial year ended 31 March 2014 due to the fact that the recoverable amounts of certain cash-generating units were less than their carrying values. In 2012 the Group's distribution division fell behind management's expectations and the impairment resulted mainly from a sharp decline in profitability of that division. Management used 5-year projected cash flow models, growth rate of 2% and discount rate of 13.8% in measuring the impairment losses.

The impairment charges were included in "Other (expenses)/income" in the income statement of which Rnil (2013: Rnil, 2012: R10.8m) was included in the other segment. The recoverable amounts were based on value in use calculations.

Impairment testing of goodwill

The Group has allocated its goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on value in use calculations. The value in use is based on discounted cash flow calculations. The Group based its cash flow calculations on 5-year budgeted and forecast information approved by senior management of the Group. Long-term average growth rates in which the entities operate were used to extrapolate the cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate.

The Group allocated goodwill to the following cash-generating units:

Cash generating unit

	Net book value R'000	Basis of determination of recoverable amount	Discount applied to cash flows	Growth rate used to extrapolate cash flows
2014				
Paarl Media Cape	14 008	Value in use	14.1%	3.4%
Paarl Coldset	17 226	Value in use	14.1%	3.4%
Paarl Media Holdings	24 596	Value in use	14.1%	3.4%
Intrepid Printers	30 871	Value in use	14.1%	3.4%
	<u>86 701</u>			
2013				
Paarl Media Cape	14 008	Value in use	13.1%	3.5%
Paarl Coldset	17 226	Value in use	13.1%	3.5%
Paarl Media Holdings	24 596	Value in use	13.1%	3.5%
Shoppers Friend	–	Value in use	13.1%	3.5%
	<u>55 830</u>			
2012				
Paarl Media Cape	14 008	Value in use	13.8%	2.0%
Paarl Coldset	17 226	Value in use	13.8%	2.0%
Paarl Media Holdings	24 596	Value in use	13.8%	2.0%
Shoppers Friend	–	Value in use	13.8%	2.0%
	<u>55 830</u>			

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3. GOODWILL (continued)

A post-tax discount rate is applied as the value in use was determined using post-tax cash flows.

Goodwill represents the above cash-generating units' ability to generate future cash flows, which is a direct result of various factors, including customer relationships, technological innovations, the quality of the workforce acquired, supplier relationships and possible future synergies.

If one or more of the inputs were changed to a reasonably possible alternative assumption, there would be no further significant impairments that would have to be recognised

4. OTHER INTANGIBLE ASSETS

	Patents, trade- marks and other rights R'000	Computer software R'000	Work in Progress R'000	Total R'000
Cost	1 057	36 330	–	37 387
Accumulated amortisation and impairment	(104)	(14 824)	–	(14 928)
Net book value at 1 April 2011	953	21 506	–	22 459
Additions	–	3 339	–	3 339
Disposals	–	(15)	–	(15)
Reclassifications	(740)	616	–	(124)
Amortisation	(97)	(7 983)	–	(8 080)
Net book value at 31 March 2012	116	17 463	–	17 579
Cost	407	39 721	–	40 128
Accumulated amortisation and impairment	(291)	(22 258)	–	(22 549)
Additions	–	3 849	–	3 849
Disposals	–	(2)	–	(2)
Reclassifications	–	(1)	–	(1)
Amortisation	(93)	(8 571)	–	(8 664)
Net book value at 31 March 2013	23	12 738	–	12 761
Cost	407	42 880	–	43 287
Accumulated amortisation and impairment	(384)	(30 142)	–	(30 526)
Additions	–	3 936	5 699	9 635
Disposals	–	–	–	–
Reclassifications	–	(262)	–	(262)
Amortisation	(23)	(7 191)	–	(7 214)
Net book value at 31 March 2014	–	9 221	5 699	14 920
Cost	407	46 816	5 699	52 922
Accumulated amortisation and impairment	(407)	(37 595)	–	(38 002)

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for the years ended 31 March 2014, 2013 and 2012

5. INVESTMENTS IN SUBSIDIARIES

All subsidiaries share the same financial year-end as Paarl Media Group (Pty) Ltd and are incorporated in South Africa. The following information relates to the Group's financial interest in its significant subsidiaries, over which the Group has control through its direct and indirect interests on respective intermediate holding companies and other entities:

Name of company	Nature of business	% holding 2014	% holding 2013	% holding 2012
Paarl Media Holdings (Pty) Ltd	Holding company	94.74%	94.74%	94.74%
Macleary Investments 456 (Pty) Ltd	Printing	94.74%	94.74%	94.74%
Paarl Media Paarl (Pty) Ltd	Printing	79.58%	79.58%	79.58%
Paarl Media (Pty) Ltd	Printing	94.74%	94.74%	94.74%
Paarl Labels (Pty) Ltd	Printing	94.74%	94.74%	85.27%
Media Administration (Pty) Ltd	Dormant	94.74%	94.74%	94.74%
Extra Dimensions 1 (Pty) Ltd	Investment	94.74%	94.74%	94.74%
Blue Bantry Investments 253 (Pty) Ltd	Dormant	87.37%	87.37%	87.37%
Paarl Coldset (Pty) Ltd	Printing	87.37%	87.37%	87.37%
Intrepid Printers (Pty) Ltd	Printing	94.74%	–	–
Marano Investments (Pty) Ltd*	Dormant	38.99%	38.99%	38.99%
Skotaville Web (Pty) Ltd*	Dormant	46.42%	46.42%	46.42%

* The Group has control over these companies by virtue of its power to direct their relevant activities.

The summarised financial information contained below relates to subsidiaries of the Group that are considered to have significant non-controlling interests:

	2014 R'000	2013 R'000	2012 R'000
Paarl Media Holdings (Pty) Ltd			
Summarised statement of financial position			
Non-current assets	1 516 684	1 447 479	1 478 826
Current assets	1 660 267	1 404 439	1 286 490
Total assets	3 176 951	2 851 918	2 765 316
Non-current liabilities	266 911	330 458	479 723
Current liabilities	512 896	457 043	492 437
Total liabilities	779 807	787 501	972 160
Non-controlling interest	150 716	134 126	127 253
Summarised income statement			
Revenue	2 809 294	2 575 559	2 716 612
Net profit for the year	334 458	281 618	314 485
Other comprehensive income	(1 027)	(3 551)	(5 260)
Total comprehensive income	332 431	278 067	309 225
Total comprehensive income attributable to non-controlling interest	16 590	6 873	21 805
Dividends paid to non-controlling interest	–	–	800
Summarised statement of cash flows			
Cash generated from operating activities	365 203	340 615	638 926
Cash utilised in investing activities	(201 079)	(126 084)	(173 736)
Cash flow utilised in financing activities	(210 396)	(291 410)	(454 565)

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for the years ended 31 March 2014, 2013 and 2012

5. INVESTMENTS IN SUBSIDIARIES (continued)

	2014 R'000	2013 R'000	2012 R'000
Paarl Coldset (Pty) Ltd			
Summarised statement of financial position			
Non-current assets	715 268	665 100	625 948
Current assets	197 027	290 796	232 577
Total assets	912 295	955 896	858 525
Non-current liabilities	107 741	112 877	107 539
Current liabilities	1 032 614	1 159 215	1 132 461
Total liabilities	1 140 355	1 272 092	1 240 000
Non-controlling interest	(29 180)	(40 338)	(48 582)
Summarised income statement			
Revenue	1 163 839	1 108 976	1 032 865
Net profit for the year	88 092	91 334	86 599
Other comprehensive income	47	(584)	409
Total comprehensive income	88 139	90 750	87 008
Total comprehensive income attributable to non-controlling interest	11 158	8 244	10 748
Dividends paid to non-controlling interest	–	–	–
Summarised statement of cash flows			
Cash generated from operating activities	232 521	154 492	141 810
Cash utilised in investing activities	(121 184)	(113 495)	(55 111)
Cash flow utilised in financing activities	(209 295)	(7 296)	(68 247)

6. INVESTMENT IN ASSOCIATE

On 1 June 2012 the Group acquired a 30% shareholding in Zayle Investments (Pty) Ltd, an unlisted entity incorporated in South Africa. Zayle Investments (Pty) Ltd shares the same financial year-end as the Group. The Group sold its 30% interest in Zayle Investments Proprietary Limited with effect from 1 September 2013.

	Note	Carrying amount 2014 R'000	Carrying amount 2013 R'000	Carrying amount 2012 R'000
Opening balance		3 418	–	–
Acquisition of associate	30	–	4 486	–
Share of loss of associate		(872)	(623)	–
Loans repaid		(1 046)	(445)	–
Disposal of associate		(1 500)	–	–
		–	3 418	–

The following information related to the Group's financial interest in its associated company:

	2014 R'000	2013 R'000	2012 R'000
Assets	–	21 534	–
Liabilities	–	12 878	–
Revenue	1 345	33 223	–
Loss	(872)	(623)	–

Impairment losses on the associate company of R1.5m (2013: Rnil, 2012: Rnil) have been recorded in the financial year ended 31 March 2014 due to the fact that the recoverable amount of the associate company was less than the carrying value.

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7. INVENTORY

	2014	2013	2012
	R'000	R'000	R'000
Raw materials (paper, ink and plates)	261 787	206 892	210 860
Finished products, trading inventory and consumables	48 915	41 126	26 890
Work-in-progress	27 320	20 147	20 905
Gross inventory	338 022	268 165	258 655
Provision for slow moving and obsolete inventories	(4 513)	(4 699)	(6 118)
Net inventory	333 509	263 466	252 537

The total provision charged to the income statement to write inventory down to net realisable value amounted to R1.3m (2013: R2.2m, and 2012 R5.3m) and reversals of these provisions amounted to R1.2m (2013 R1.4m and 2012: R0.9m).

8. TRADE AND OTHER RECEIVABLES

	2014	2013	2012
	R'000	R'000	R'000
Trade receivables	257 813	305 585	226 965
Provision for impairment on trade receivables	(19 181)	(89 639)	(17 070)
	238 632	215 946	209 895
Prepayments	19 369	13 542	8 031
Accrued income	97	3 403	–
Staff debtors	349	228	394
VAT receivable	1 519	25 384	5 834
Sundry deposits	1 410	1 791	2 277
Other receivables	26 485	6 748	4 195
	287 861	267 043	230 626

The Group's maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. The Group does not hold any form of collateral as security relating to trade receivables.

The movement in the allowance account for impairment of trade receivables during the year was as follows:

	2014	2013	2012
	R'000	R'000	R'000
Provision for impairment of trade receivables			
Opening balance	89 639	17 070	10 975
Provision for impairment	5 023	80 969	10 022
Unused amounts reversed	(2 319)	(5 214)	(2 905)
Provisions utilised	(74 844)	(3 294)	(1 022)
Acquisition of business	1 682	108	–
Closing balance	19 181	89 639	17 070

The ageing of the provision per age class is presented below:

	2014	2013	2012
	R'000	R'000	R'000
30 days and older	3 619	795	2 069
60 days and older	2 662	1 683	886
90 days and older	7 921	1 596	288
120 days and older	4 979	85 565	13 827
	19 181	89 639	17 070

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8. TRADE AND OTHER RECEIVABLES (continued)

The ageing of trade receivables for which no provision for impairment was raised is presented below:

	2014 R'000	2013 R'000	2012 R'000
Neither past due nor impaired	199 714	136 832	112 638
Past due:			
30 days and older	23 080	45 904	40 446
60 days and older	6 499	22 669	7 694
90 days and older	5 091	3 309	15 307
120 days and older	4 248	7 232	33 810
	<u>238 632</u>	<u>215 946</u>	<u>209 895</u>

Trade receivables neither past due by type of customer is presented below:

	2014 R'000	2013 R'000	2012 R'000
Listed South African companies	14 246	9 761	8 011
Government/parastatals	241	5 400	20 005
South African Corporates	182 894	117 219	81 053
Corporates in the rest of Africa	2 333	4 452	3 569
	<u>199 714</u>	<u>136 832</u>	<u>112 638</u>

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2014 R'000	2013 R'000	2012 R'000
Bank balances	98 589	199 479	211 576
Petty cash	23	22	40
Cash and cash equivalents	<u>98 612</u>	<u>199 501</u>	<u>211 616</u>
Bank overdrafts	<u>(59 810)</u>	<u>(16 478)</u>	<u>(5)</u>
	<u>38 802</u>	<u>183 023</u>	<u>211 611</u>
Total amount of undrawn facilities available for future operating activities and commitments:	<u>634 909</u>	<u>667 525</u>	<u>473 728</u>

10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In February 2013, management took a decision to sell machinery following the closure of the Shoppers Friend division, a division of Paarl Media (Pty) Ltd within the "Other" segment. The machinery was presented as held for sale. The transaction was expected to be completed by 31 March 2014.

In 2014 a decision was taken to utilise the machinery within the Group. Accordingly the machinery was reclassified to property, plant and equipment. Depreciation of R1.7m was recognised for the period during which the machinery was previously classified as held for sale.

The Group acquired Intrepid Printers (Pty) Ltd on 1 August 2013. At acquisition, the company had buildings classified as non-current assets held for sale. The sale these buildings were completed in January 2014.

	Note	2014 R'000	2013 R'000	2012 R'000
Opening balance		15 106	–	12 631
Acquisition of subsidiary	30	20 500	–	–
Disposal		(20 500)	–	(12 631)
Transfers from/(to) property, plant and equipment	2	(15 106)	15 106	–
Closing balance		<u>–</u>	<u>15 106</u>	<u>–</u>

In accordance with IFRS 5, the assets and liabilities held for sale were written down to their fair value less costs to sell of R15.1m. This is a non-recurring fair value which was measured using inputs not based on observable market data and is therefore within level 3 of the fair value hierarchy.

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11. SHARE CAPITAL

	2014 R'000	2013 R'000	2012 R'000
Authorised			
100 ordinary shares of R1 each	1	1	1
Issued			
100 ordinary shares of R1 each	1	1	1

12. OTHER RESERVES

Other reserves in the statement of financial position comprise:

	2014 R'000	2013 R'000	2012 R'000
Existing control business combination reserve	(753 792)	(753 792)	(728 346)
Share-based compensation reserve	4 169	3 503	3 257
Hedging reserve	(1 347)	(1 002)	2 649
	(750 970)	(751 291)	(722 440)

The existing control business combination reserve is used to account for transactions with non-controlling shareholders in terms of the economic entity model, whereby the excess of the cost of the transactions over the acquirer's interest in previously recognised assets and liabilities is allocated to this reserve in equity. This reserve is also used in common control transactions (where all of the combining entities in a business combination are ultimately controlled by the same entity) where the excess of the cost of the transactions over the acquirer's proportionate share of the net assets acquired is allocated to this reserve.

The fair value of equity settled share options issued to employees is accounted for in the share-based compensation reserve over the vesting period. The reserve is adjusted at each year-end when the entity revises its estimates of the number of share options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in comprehensive income, with a corresponding adjustment to this reserve in equity for equity-settled plans.

The hedging reserve relates to the changes in the fair value of derivative financial instruments in a hedging relationship. The changes in fair value are recorded in the hedging reserve until the forecast transaction or firm commitment results in the recognition of a non-financial asset or liability, when such deferred gains or losses are included in the initial measurement of the non-financial asset or liability.

13. POST-EMPLOYMENT MEDICAL LIABILITY

Naspers Limited, the ultimate holding company, operates a number of post-retirement medical benefit schemes. The obligation of the Group to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employees remaining in service until retirement age and completing a minimum service period.

The Group provides for post-retirement medical aid benefits on the accrual basis determined each year by way of a valuation. The key assumptions and the valuation methods are described below. The directors believe that adequate provision has been made for future liabilities.

Key assumptions and valuation method

The actuarial valuation method used to value the liabilities is the Projected Unit Credit Method prescribed by IAS 19 "Employee Benefits". Future benefit values are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

The most significant assumptions used for the current and previous valuations are outlined below:

	31 March 2014	31 March 2013	31 March 2012
Valuation date			
Discount rate	9.1%	8.2%	8.4%
Health care cost inflation	8.3%	8.0%	7.9%
Expected retirement age	60	60	60
Membership discontinued at retirement	0.0%	0.0%	0.0%

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13. POST-EMPLOYMENT MEDICAL LIABILITY (continued)

The assumption has been made that current in-service members would retire on their current medical scheme option and that there would be no change in options on retirement.

Actuarial assumptions are generally more suited to the estimation of the future experience of larger groups of individuals. The overall experience of larger groups is less variable and is more likely to tend to the expected value.

	2014 R'000	2013 R'000	2012 R'000
Opening balance	3 893	2 513	2 726
Current service cost	100	300	70
Interest cost	61	224	213
Employer benefit payments	(40)	(25)	(30)
Remeasurements	(65)	881	(466)
Closing balance	3 949	3 893	2 513
Non-current liability	3 949	3 469	2 513
Current liability	–	424	–
	3 949	3 893	2 513

As the value of the liability is based on a number of assumptions, a sensitivity analysis is presented below to show the effect of a one-percentage point decrease or increase in the rate of healthcare cost inflation:

	Assumption		
2014	8.3%	–1%	+1%
Healthcare cost inflation			
Accrued liability 31 March	3 949	3 506	4 486
% change		–11.2%	13.6%
Current service cost and interest cost	161	141	185
% change		–12.2%	15%
	Assumption		
2013	8.0%	–1%	+1%
Healthcare cost inflation			
Accrued liability 31 March	3 893	3 445	4 531
% change		–11.5%	16.4%
Current service cost and interest cost	524	496	599
% change		–5.3%	14.4%
	Assumption		
2012	7.9%	–1%	+1%
Healthcare cost inflation			
Accrued liability 31 March	2 513	2 242	2 955
% change		–11.5%	17.6%
Current service cost and interest cost	283	192	305
% change		–32.2%	7.8%

14. PROVISIONS

The following provisions have been determined based on management's estimates and assumptions:

Long service and retirement gratuity provision

Key assumptions and valuation method

The actuarial valuation method used to value the provisions is the Projected Unit Credit Method as prescribed by IAS 19 "Employee Benefits".

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14. PROVISIONS (continued)

The most significant assumptions used for the valuation as at 31 March are outlined below:

	2014 R'000	2013 R'000	2012 R'000
Discount rate	8.52%	7.29%	8.23%
Normal salary increase rate	6%	6%	6%
Expected retirement age	60	60	60

The discount rate and the normal salary increase rate assumptions should be considered in relation to each other.

Long service bonus

As per the Group's remuneration policies a long service bonus is paid to qualifying employees at the following intervals:

- 10 years uninterrupted service – 50% of 1 month's total cost to company
- 15 years uninterrupted service – 75% of 1 month's total cost to company
- 25 years uninterrupted service – 100% of 1 month's total cost to company
- 40 years uninterrupted service – 100% of 1 month's total cost to company

The accrued liability is determined on the basis that each employee's long service benefit accrues uniformly over the period to which the benefit becomes payable.

	2014 R'000	2013 R'000	2012 R'000
Opening balance	5 390	5 582	4 643
Past service cost		–	538
Current service cost	577	579	599
Interest cost	396	391	459
Employer benefit payments	(602)	(1 254)	(775)
Remeasurements	1 920	92	118
Closing balance	7 681	5 390	5 582

As the value of the liability is based on a number of assumptions, a sensitivity analysis is presented below to show the effect of a one percentage point decrease or increase in the rate of the salary inflation.

	Assumption		
2014	6%	–1%	+1%
Normal salary increase rate			
Accrued liability 31 March	7 681	7 381	7 996
% change		–3.9%	4.1%
Current service cost and interest cost	973	927	1 023
% change		–4.7%	5.1%
	Assumption		
2013	6%	–1%	+1%
Normal salary increase rate			
Accrued liability 31 March	5 390	5 153	5 643
% change		–4.4%	4.7%
Current service cost and interest cost	970	919	1 025
% change		–5.3%	5.7%
	Assumption		
2012	6%	–1%	+1%
Normal salary increase rate			
Accrued liability 31 March	5 582	5 342	5 839
% change		–4.3%	4.6%
Current service cost and interest cost	1 058	1 003	1 117
% change		–5.2%	5.6%

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14. PROVISIONS (continued)

Retirement gratuity

The retirement gratuity is paid to qualifying employees in the event of retirement (normal, early and ill-health) at the age of 55 years or older and with at least 15 years of continued service at retirement.

The accrued liability was calculated by taking a pro-rata proportion of the total calculated value. This proportion is based on the past service of members relative to their prospective total service.

	2014	2013	2012
	R'000	R'000	R'000
Opening balance	2 930	3 903	3 178
Past service cost	–	–	217
Current service cost	94	88	111
Interest cost	194	213	321
Employer benefit payments	(239)	(1 057)	–
Remeasurements	(62)	(217)	76
Closing balance	2 917	2 930	3 903

As the value of the liability is based on a number of assumptions, a sensitivity analysis is presented below to show the effect of a one percentage point decrease or increase in the rate of the salary inflation.

	Assumption		
	6%	–1%	+1%
2014			
Normal salary increase rate			
Accrued liability 31 March	2 917	2 736	3 115
% change		–6.2%	6.8%
Current service cost and interest cost	288	265	314
% change		–8.1%	9.1%

	Assumption		
	6%	–1%	+1%
2013			
Normal salary increase rate			
Accrued liability 31 March	2 930	2 740	3 144
% change		–6.5%	7.3%
Current service cost and interest cost	301	276	329
% change		–8.3%	9.4%

	Assumption		
	6%	–1%	+1%
2012			
Normal salary increase rate			
Accrued liability 31 March	3 903	3 677	4 161
% change		–5.8%	6.6%
Current service cost and interest cost	432	400	469
% change		–7.5%	8.6%

Total provisions

	2014	2013	2012
	R'000	R'000	R'000
Long service bonus provision	7 681	5 390	5 582
Retirement gratuity provision	2 917	2 930	3 903
Other provisions	508	660	232
Total provisions	11 106	8 980	9 717
Non-current liabilities	11 106	7 642	7 745
Current liabilities	1 338	1 972	–
	11 106	8 980	9 717

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15. LONG-TERM LIABILITIES

	2014 R'000	2013 R'000	2012 R'000
Total liabilities	7 974	–	5 158
Less: Current portion	(3 412)	–	(1 086)
Interest-bearing: Capitalised finance leases	4 562	–	4 072
Total liabilities	227 303	306 684	465 908
Less: Current portion	(168 970)	(171 660)	(187 215)
Interest-bearing: Loans and other liabilities	58 333	135 024	278 693
Net long-term liabilities	62 895	135 024	282 765

Capitalised finance leases

Currency of balance: South African Rand
Type of lease: Lease of printing equipment
Weighted average year-end interest rate: 10.03%

	2014 R'000	2013 R'000	2012 R'000
Payable within year one	4 020	–	1 618
Payable within year two to five	4 908	–	5 000
Payable after five years	–	–	107
	8 928	–	6 725
Future finance costs on finance leases	(954)	–	(1 567)
Present value of finance lease liabilities	7 974	–	5 158

Present value

Payable within one year	3 412	–	1 086
Payable within year two to five	4 562	–	4 072
Present value of finance lease liabilities	7 974	–	5 158

Loans and other liabilities

Nedbank Loan

Currency of balance: South African Rand
Year-end interest rate: 7.5% (3 month JIBAR +1.77%)
Repayment date of loan: November 2014

Nedbank Loan

Currency of balance: South African Rand
Year-end interest rate: 7.43% (3 month JIBAR +1.7%)
Repayment date of loan: November 2016

	2014 R'000	2013 R'000	2012 R'000
Repayment terms of loans			
Payable within year one	168 970	171 660	187 215
Payable within year two to five	58 333	135 024	278 693
	227 303	306 684	465 908

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the years ended 31 March 2014, 2013 and 2012

16. SHARE-BASED PAYMENTS

The Group operates a number of share incentive plans and share appreciation rights schemes (SARs).

All share options are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All unvested share options/SARs are subject to forfeiture upon termination of employment. All cancelled options/SARs are options/SARs cancelled by mutual agreement between the employer and employee.

The share-based payment liabilities and reserves at 31 March are as follows:

	31 March 2014 R'000	31 March 2013 R'000	31 March 2012 R'000
Share-based payment liability			
Non-current liability	8 767	10 237	12 732
Current liability	28 898	55 629	25 644
Total cash-settled share-based liability	<u>37 665</u>	<u>65 866</u>	<u>38 376</u>
Share-based compensation reserve			
Balance at 31 March	<u>4 169</u>	<u>3 503</u>	<u>3 257</u>

The following significant share incentive plans were in operation during the financial year:

	Date of incorporation	Maximum awards permissible [#]	Vesting period	Period to expiry from date of offer	IFRS 2 classi- fication
Share trusts					
Paarl Media Holdings	29 May 2001	5%	*	10 years	Cash settled
Share appreciation rights schemes					
Paarl Coldset (Pty) Ltd	10 March 2012	5%	*	**	Cash settled
Paarl Media Holdings (Pty) Ltd	10 March 2010	5%	*	**	Cash settled

Notes:

[#] The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that the applicable trust may hold and subsequently allocate to participants subject to the following, where applicable:

* One third vests after years three, four and five.

** Period to expiry from date of offer is 5 years and 14 days.

Movements in the share trust incentive plan is as follows:

	31 March 2014	31 March 2013	31 March 2012
Paarl Media Holdings			
Shares			
Outstanding 1 April	–	38 000	41 740
Granted	–	–	–
Exercised	–	(38 000)	(3 740)
Outstanding at 31 March	<u>–</u>	<u>–</u>	<u>38 000</u>
Weighted average exercise price			
	R	R	R
Outstanding 1 April	–	11.50	10.90
Granted	–	–	–
Exercised	–	11.50	4.80
Outstanding at 31 March	<u>–</u>	<u>–</u>	<u>11.50</u>

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16. SHARE-BASED PAYMENTS (continued)

	31 March 2014	31 March 2013	31 March 2012
Weighted average share price of options taken up during the year			
Shares	–	38 000	3 740
Weighted average share price	–	27.07	26.49

Movements in the share appreciation rights (SAR) plans are as follows:

	31 March 2014	31 March 2013	31 March 2012
Paarl Coldset (Pty) Ltd			
SARs			
Outstanding 1 April	3 443 000	3 833 000	2 956 000
Movements in/(out)	(30 000)	–	–
Granted	1 123 334	–	1 307 000
Exercised	(2 128 668)	(230 000)	(80 000)
Forfeited	–	(160 000)	(350 000)
Outstanding at 31 March	2 407 666	3 443 000	3 833 000

Weighted average exercise price

	R	R	R
Outstanding 1 April	6.13	6.01	4.35
Granted	18.68	–	9.22
Exercised	4.67	4.35	4.35
Forfeited	–	5.84	4.35
Outstanding at 31 March	13.19	6.13	6.01

Weighted average share price of SARs taken up during the year

SARs	2 128 668	230 000	80 000
Weighted average SAR price (R)	5.15	11.47	10.41

Movements in the share appreciation rights (SAR) plans are as follows:

	31 March 2014	31 March 2013	31 March 2012
Paarl Media Holdings (Pty) Ltd			
SARs			
Outstanding 1 April	2 203 343	3 750 000	2 340 000
Movements in/(out)	60 000	–	–
Granted	1 990 000	–	1 590 000
Exercised	(283 334)	(1 079 990)	–
Forfeited	(66 668)	(466 667)	(180 000)
Outstanding at 31 March	3 903 341	2 203 343	3 750 000

Weighted average exercise price

	R	R	R
Outstanding 1 April	27.10	27.61	28.38
Granted	36.07	–	26.56
Exercised	28.37	28.38	–
Forfeited	29.66	28.22	28.38
Outstanding at 31 March	31.50	27.10	27.61

Weighted average share price of SARs taken up during the year

SARs	283 334	1 079 990	–
Weighted average SAR price	36.07	44.79	–

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16. SHARE-BASED PAYMENTS (continued)

Share option allocations outstanding to be implemented at 31 March by exercise price for the Group's significant share incentive plans:

Paarl Coldset (Pty) Ltd

	Exercise price (R)	Shares outstanding		Shares currently available		
		Number outstanding at 31 March	Weighted average contractual life (years)	Weighted average exercise price (R)	Exercisable at 31 March	Weighted average exercise price (R)
2014	4.35	237 332	1.01	4.35	237 332	4.35
	8.33	490 000	2.04	8.33	50 000	8.33
	10.41	557 000	3.01	10.41	–	–
	18.68	1 123 334	4.66	18.68	–	–
		<u>2 407 666</u>		<u>13.25</u>	<u>287 332</u>	<u>5.04</u>
2013	4.35	2 196 000	2.01	4.35	1 447 328	4.35
	8.33	690 000	3.04	8.33	–	–
	10.41	557 000	4.01	10.41	–	–
		<u>3 443 000</u>		<u>6.13</u>	<u>1 447 328</u>	<u>4.35</u>
2012	4.35	2 526 000	3.01	4.35	788 664	4.35
	8.33	750 000	4.04	8.33	–	–
	10.41	557 000	5.01	10.41	–	–
		<u>3 833 000</u>		<u>6.01</u>	<u>788 664</u>	<u>4.35</u>

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March by exercise price for the Group's significant share appreciation rights plans:

Paarl Media Holdings (Pty) Ltd

	Exercise price (R)	Shares outstanding		Shares currently available		
		Number outstanding at 31 March	Weighted average contractual life (years)	Weighted average exercise price (R)	Exercisable at 31 March	Weighted average exercise price (R)
2014	24.96	790 000	3.01	24.96	–	–
	28.31	646 668	2.04	28.31	173 329	28.31
	28.38	496 673	1.01	28.38	456 673	28.38
	36.07	1 970 000	4.60	36.07	–	–
		<u>3 903 341</u>		<u>31.50</u>	<u>630 002</u>	<u>28.36</u>
2013	24.96	810 000	4.01	24.96	–	–
	28.31	680 000	3.04	28.31	–	–
	28.38	713 343	2.01	28.38	126 663	28.38
		<u>2 203 343</u>		<u>27.10</u>	<u>126 663</u>	<u>28.38</u>
2012	24.96	830 000	5.01	24.96	–	–
	28.31	760 000	4.04	28.31	–	–
	28.38	2 160 000	3.01	28.38	719 992	28.38
		<u>3 750 000</u>		<u>27.61</u>	<u>719 992</u>	<u>28.38</u>

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16. SHARE-BASED PAYMENTS (continued)

This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:

	31 March 2014	31 March 2013	31 March 2012
Paarl Coldset (Pty) Ltd			
Weighted average fair value at measurement date	5.55	–	6.67
<i>Assumptions:</i>			
Weighted average SAR price	15.81	–	13.49
Weighted average exercise price	18.68	–	9.22
Weighted average expected volatility (%)*	36.6	–	21.2
Weighted average option life (years)	5.0	–	5.0
Weighted average risk-free interest rate (%) [#]	7.7	–	6.8
Weighted average annual sub-optimal rate (%)	148.0	–	109.5
Weighted average vesting period (years)	4.0	–	4.0
Paarl Media Holdings (Pty) Ltd			
Weighted average fair value at measurement date	12.17	–	15.26
<i>Assumptions:</i>			
Weighted average SAR price	34.94	–	34.69
Weighted average exercise price	36.07	–	25.56
Weighted average expected volatility (%)*	36.6	–	21.2
Weighted average option life (years)	5.0	–	5.0
Weighted average risk-free interest rate (%) [#]	7.7	–	6.8
Weighted average annual sub-optimal rate (%)	148.0	–	109.5
Weighted average vesting period (years)	4.0	–	4.0

Notes

* The weighted average expected volatility is determined using historical annual company valuations

[#] Based on zero rate bond yields at perfect fit

Various early exercise expectations were calculated based on historical exercise behaviours.

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16. SHARE-BASED PAYMENTS (continued)

The directors of have the following Share Trust and Share Appreciation rights:

2014

Director	Share/ SAR scheme	Outstanding at 31 March 2013	Accepted during the year	Offer price R	Exercised during the year	Price on exercise date	Increase in value R'000	Cancelled during the year	Outstanding at 31 March 2014
S van der Walt	Naspers	10 776	-	484.70	-	-	-	-	10 776
S van der Walt	Naspers	-	4 019	770.00	-	-	-	-	4 019
S van der Walt	Naspers	-	2 050	684.00	-	-	-	-	2 050
S van der Walt	Paarl Coldset	266 000	-	4.35	(88 666)	18.68	1 271	-	177 334
S van der Walt	Paarl Coldset	240 000	-	8.33	(80 000)	18.68	828	-	160 000
S van der Walt	Paarl Coldset	127 000	-	10.41	-	-	-	-	127 000
S van der Walt	Paarl Coldset	-	253 334	18.68	-	-	-	-	253 334
S van der Walt	Paarl Media Holdings	100 000	-	28.38	-	-	-	-	100 000
S van der Walt	Paarl Media Holdings	150 000	-	24.96	-	-	-	-	150 000
S van der Walt	Paarl Media Holdings	300 000	-	28.31	-	-	-	-	300 000
S van der Walt	Paarl Media Holdings	-	300 000	36.07	-	-	-	-	300 000
K Vroon	Paarl Coldset	240 000	-	4.35	(240 000)	18.68	3 439	-	-
K Vroon	Paarl Coldset	40 000	-	10.41	-	-	-	-	40 000
K Vroon	Paarl Coldset	-	90 000	18.68	-	-	-	-	90 000
K Vroon	Paarl Media Holdings	53 334	-	28.38	-	-	-	-	53 334
K Vroon	Paarl Media Holdings	40 000	-	24.96	-	-	-	-	40 000
K Vroon	Paarl Media Holdings	-	120 000	36.07	-	-	-	-	120 000
E van Niekerk	Paarl Coldset	90 000	-	4.35	(90 000)	18.68	1 290	-	-
E van Niekerk	Paarl Coldset	30 000	-	8.33	(10 000)	18.68	104	-	20 000
E van Niekerk	Paarl Media Holdings	20 000	-	28.38	-	-	-	-	20 000
E van Niekerk	Paarl Media Holdings	20 000	-	28.31	-	-	-	-	20 000
E van Niekerk	Paarl Media Holdings	20 000	-	24.94	-	-	-	-	20 000

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16. SHARE-BASED PAYMENTS (continued)

The directors of have the following Share Trust and Share Appreciation rights:

2013

Director	Share/SAR scheme	Outstanding at 31 March 2012	Accepted during the year	Offer price R	Exercised during the year	Price on exercise date	Increase in value R'000	Cancelled during the year	Outstanding at 31 March 2013
S van der Walt	Naspers	3 792	-	167.99	(3 792)	651.78	1 835	-	-
S van der Walt	Naspers	-	10 776	484.70	-	-	-	-	10 776
S van der Walt	Media24 SARs	99 404	-	25.15	-	-	-	(99 404)	-
S van der Walt	Paarl Coldset	266 000	-	4.35	-	-	-	-	266 000
S van der Walt	Paarl Coldset	240 000	-	8.33	-	-	-	-	240 000
S van der Walt	Paarl Coldset	127 000	-	10.41	-	-	-	-	127 000
S van der Walt	Paarl Media Holdings	300 000	-	28.38	(200 000)	44.79	3 282	-	100 000
S van der Walt	Paarl Media Holdings	150 000	-	24.96	-	-	-	-	150 000
S van der Walt	Paarl Media Holdings	300 000	-	28.31	-	-	-	-	300 000
S van der Walt	Paarl Media Holdings	-	300 000	36.07	-	-	-	-	300 000
K Vroon	Paarl Coldset	240 000	-	4.35	-	-	-	-	240 000
K Vroon	Paarl Coldset	40 000	-	10.41	-	-	-	-	40 000
K Vroon	Paarl Media Holdings	160 000	-	28.38	(106 666)	44.79	1 750	-	53 334
K Vroon	Paarl Media Holdings	40 000	-	24.96	-	-	-	-	40 000
E van Niekerk	Paarl Coldset	90 000	-	4.35	-	-	-	-	90 000
E van Niekerk	Paarl Coldset	30 000	-	8.33	-	-	-	-	30 000
E van Niekerk	Paarl Media Holdings	60 000	-	28.38	(40 000)	44.79	656	-	20 000
E van Niekerk	Paarl Media Holdings	20 000	-	28.31	-	-	-	-	20 000
E van Niekerk	Paarl Media Holdings	20 000	-	24.94	-	-	-	-	20 000

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16. SHARE-BASED PAYMENTS (continued)

The directors of have the following Share Trust and Share Appreciation rights:

2012

Director	Share/SAR scheme	Outstanding at 31 March 2011	Accepted during the year	Offer price R	Exercised during the year	Price on exercise date	Increase in value R'000	Cancelled during the year R'000	Outstanding at 31 March 2012
S van der Walt	Naspers	3 792	-	167.99	-	-	-	-	3 792
S van der Walt	Media24 SARs	60 606	-	24.75	-	-	-	(60 606)	-
S van der Walt	Media24 SARs	99 404	-	25.15	-	-	-	-	99 404
S van der Walt	Paarl Coldset	266 000	-	4.35	-	-	-	-	266 000
S van der Walt	Paarl Coldset	240 000	-	8.33	-	-	-	-	240 000
S van der Walt	Paarl Media Holdings	300 000	-	28.38	-	-	-	-	200 000
S van der Walt	Paarl Media Holdings	300 000	-	28.31	-	-	-	-	300 000
S van der Walt	Paarl Coldset	-	127 000	10.41	-	-	-	-	127 000
S van der Walt	Paarl Media Holdings	-	150 000	24.96	-	-	-	-	150 000
S van der Walt	Paarl Media Holdings	-	300 000	28.31	-	-	-	-	300 000
K Vroon	Paarl Coldset	240 000	-	4.35	-	-	-	-	240 000
K Vroon	Paarl Coldset	-	40 000	10.41	-	-	-	-	40 000
K Vroon	Paarl Media Holdings	160 000	-	28.38	-	-	-	-	160 000
K Vroon	Paarl Media Holdings	-	40 000	24.96	-	-	-	-	40 000
E van Niekerk	Paarl Coldset	90 000	-	4.35	-	-	-	-	90 000
E van Niekerk	Paarl Coldset	30 000	-	8.33	-	-	-	-	30 000
E van Niekerk	Paarl Media Holdings	60 000	-	28.38	-	-	-	-	60 000
E van Niekerk	Paarl Media Holdings	20 000	-	28.31	-	-	-	-	20 000
E van Niekerk	Paarl Media Holdings	-	20 000	24.96	-	-	-	-	20 000

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17. DEFERRED TAXATION

The deferred tax assets and liabilities and movement thereon are attributable to the following items:

	Opening balance R'000	Charged to income R'000	Charged to equity R'000	Acquisition of subsidiary R'000	Total R'000
2014					
<i>Deferred tax assets</i>					
Receivables and other current assets	18 023	(14 005)	–	10	4 028
Provisions and other current liabilities	16 395	(264)	502	1 447	18 080
Income received in advance	850	840	–	–	1 690
Tax losses carried forward	1 082	17 698	–	–	18 780
Derivative assets	671	(584)	–	–	87
Hedging reserve	1 307	(257)	89	–	1 139
Share-based compensation	19 372	(7 700)	–	–	11 672
	57 700	(4 272)	591	1 457	55 476
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(342 987)	10 205	–	(6 562)	(339 344)
Receivables and other current assets	(399)	(3 033)	–	–	(3 432)
Derivative assets	(376)	337	–	–	(39)
Hedging reserve	(668)	–	72	–	(596)
	(344 430)	7 509	72	(6 562)	(343 411)
Net deferred taxation	(286 730)	3 237	663	(5 105)	(287 935)
Note		25		30	

The deferred tax assets and liabilities and movement thereon are attributable to the following items:

	Opening balance R'000	Charged to income R'000	Charged to equity R'000	Acquisition of subsidiary R'000	Total R'000
2013					
<i>Deferred tax assets</i>					
Property, plant and equipment	230	(230)	–	–	–
Receivables and other current assets	3 038	14 985	–	–	18 023
Provisions and other current liabilities	21 975	(6 375)	213	582	16 395
Income received in advance	700	150	–	–	850
Tax losses carried forward	16 355	(15 273)	–	–	1 082
Capitalised finance leases	1 444	(1 444)	–	–	–
Derivative assets	7 409	(6 738)	–	–	671
Hedging reserve	296	549	462	–	1 307
Share-based compensation	11 865	7 507	–	–	19 372
	63 312	(6 869)	675	582	57 700
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(340 810)	10 305	–	(12 482)	(342 987)
Receivables and other current assets	(1 883)	1 484	–	–	(399)
Provisions and other current liabilities	(192)	192	–	–	–
Derivative assets	(536)	160	–	–	(376)
Hedging reserve	(1 700)	–	1 032	–	(668)
	(345 121)	12 141	1 032	(12 482)	(344 430)
Net deferred taxation	(281 809)	5 272	1 707	(11 900)	(286 730)
Note		25		30	

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17. DEFERRED TAXATION (continued)

The deferred tax assets and liabilities and movement thereon are attributable to the following items:

	Opening balance R'000	Charged to income R'000	Charged to equity R'000	Acquisition of subsidiary R'000	Total R'000
2012					
<i>Deferred tax assets</i>					
Property, plant and equipment	258	(28)	–	–	230
Receivables and other current assets	5 629	(2 591)	–	–	3 038
Provisions and other current liabilities	9 529	11 858	588	–	21 975
Income received in advance	697	3	–	–	700
Tax losses carried forward	125 382	(109 027)	–	–	16 355
Capitalised finance leases	–	1 444	–	–	1 444
Derivative assets	1 515	5 894	–	–	7 409
Hedging reserve	149	289	(142)	–	296
Share-based compensation	4 235	7 570	60	–	11 865
	147 394	(84 588)	506	–	63 312
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(323 680)	(17 130)	–	–	(340 810)
Receivables and other current assets	(846)	(1 037)	–	–	(1 883)
Provisions and other current liabilities	(2 862)	2 670	–	–	(192)
Derivative assets	(570)	34	–	–	(536)
Hedging reserve	(3 245)	532	1 013	–	(1 700)
	(331 203)	(14 931)	1 013	–	(345 121)
Net deferred taxation	(183 809)	(99 519)	1 519	–	(281 809)

Note

25

A summary of the Group's tax losses carried forward at 31 March and the expected dates of utilisation are set out below. All tax losses are within the South African tax jurisdiction.

	2014 R'000	2013 R'000	2012 R'000
Utilised in year one	8 454	–	58 411
Utilised within 2 to five years	58 617	3 864	–
	67 071	3 864	58 411

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amount accrued would not have a material adverse impact on the income statement and statement of financial position.

Deferred tax assets and liabilities are offset when the income tax relates to the same fiscal authority and there is a legal right to offset at settlement. The following amounts are shown in the consolidated statement of financial position:

Classification on statement of financial position

	2014 R'000	2013 R'000	2012 R'000
Deferred tax assets	–	–	–
Deferred tax liabilities	287 935	286 730	281 809
	287 935	286 730	281 809

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

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18. DEFERRED INCOME

Deferred income consists of government grants received.

	2014 R'000	2013 R'000	2012 R'000
Opening balance	33 670	1 309	-
Grants received	-	33 162	1 371
Included in profit or loss	(2 475)	(801)	(62)
Closing balance	31 195	33 670	1 309
Non-current liability	29 720	32 195	1 161
Current liability	1 475	1 475	148
	31 195	33 670	1 309

2013

On 28 February 2013 a grant of R33.162m was received from the Department of Trade and Industry (DTI) in terms of the Manufacturing Competitiveness Enhancement Programme (MCEP). The grant was provided on condition that the related capital expenditure project was an expansion and not a replacement of the project that burned down at Paarl Media Paarl and that the transfer of machinery and labour between the these projects would not be allowed for the duration of the approval of the grant.

2012

On 3 November 2011 a grant of R1.371m was received from the Department of Trade and Industry (DTI) in terms of the Enterprise Investment Programme (EIP).

19. TRADE AND OTHER PAYABLES

	2014 R'000	2013 R'000	2012 R'000
Trade payables	196 770	170 452	218 050
Amounts received in advance	5 119	2 953	666
Personnel accruals	5 807	5 996	6 532
Accrued leave pay	18 546	16 018	15 501
Accrued bonus	24 278	21 992	31 141
Accrued expenses	9 449	31 658	39 944
VAT	6 663	3 537	18 356
Other current liabilities	87	87	-
	266 719	252 693	330 190

The fair value of trade and other payables are equal to the carrying values.

20. REVENUE

	2014 R'000	2013 R'000	2012 R'000
Printing revenue	3 918 137	3 587 047	3 551 856
Other revenue	50 618	97 119	151 171
	3 968 755	3 684 166	3 703 027

21. OTHER (EXPENSES)/INCOME

	2014 R'000	2013 R'000	2012 R'000
Dividends from investments	3	-	3 982
(Loss)/profit on sale of assets	(11 125)	(2 604)	15 720
Impairment of property, plant and equipment	(7 379)	(6 000)	-
Impairment of goodwill	-	-	(10 749)
Insurance proceeds	24	782	55
	(18 477)	(7 824)	9 008

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
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22. EXPENSES BY NATURE

	2014 R'000	2013 R'000	2012 R'000
Operating profit includes the following items:			
Depreciation classification			
Cost of providing goods	151 346	140 546	133 986
Selling, general and administration costs	35 402	32 474	25 638
	186 748	173 020	159 624
Amortisation classification			
Cost of providing goods	5 714	6 985	7 068
Selling, general and administration costs	1 500	1 679	1 012
	7 214	8 664	8 080
Operating leases			
Buildings	10 112	13 206	24 326
Other equipment	729	1 142	3 714
	10 841	14 348	28 040
Auditor's remuneration			
Fees	3 187	3 017	3 011
Prior year overprovision	(129)	(69)	(633)
Tax fees	257	556	128
All other fees	687	350	336
	4 002	3 854	2 842
Foreign exchange loss			
On capitalisation of forward exchange contracts in hedging instruments	24 154	22 703	2 9 848
Other	3 073	307	2 713
	27 227	23 010	32 561
Advertising expenses			
	9 393	9 274	11 242
Cost of inventories sold			
	1 863 300	1 698 655	1 663 175
Staff costs			
Salaries, wages and bonuses	451 422	415 717	425 454
Retirement benefit costs (defined contribution plan)	40 136	42 762	39 217
Medical aid fund contributions	25 700	19 617	19 338
Post-retirement benefits	956	2 545	2 545
Share-based compensation charge	9 627	31 290	28 583
Long service and retirement gratuities	2 671	-	-
Training costs	4 761	4 712	4 095
	535 273	516 643	519 232
23. FINANCE INCOME			
Bank	6 315	6 534	6 248
Other	998	810	3320
	7 313	7 344	9568
24. FINANCE COSTS			
Translation of assets and liabilities	(1 811)	9 015	3 116
Translation of foreign exchange contracts	(19 180)	(22 585)	(11 976)
Related party balances	(11 937)	(27 940)	(79 565)
Loans and overdrafts	(23 961)	(31 425)	(15 878)
Interest rate swaps	(1 915)	(1 827)	(362)
Other	(203)	(30)	(351)
	(59 007)	(74 792)	(105 016)

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

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25. TAXATION

	Note	2014 R'000	2013 R'000	2012 R'000
Major components of the income tax expense				
Current		177 835	155 961	53 104
Local income tax – current period		167 575	151 793	52 718
Local income tax – prior year		10 260	796	306
Secondary taxation on companies		–	–	80
Foreign income tax – prior year		–	3 372	–
Deferred	17	(3 237)	(5 272)	99 519
Current year		(496)	(5 554)	100 539
Adjustments in respect of prior year		(2 741)	282	(1 020)
		<u>174 598</u>	<u>150 689</u>	<u>152 623</u>

Reconciliation of the income tax expense

Reconciliation between accounting profit and income tax expense

Accounting profit		596 457	519 773	548 674
Tax at the applicable tax rate of 28% (2013 and 2012: 28%)		167 008	145 536	153 629
Tax effect of adjustments on taxable income				
Non-deductible expenses		404	1 435	4 140
Non-taxable income		(553)	(929)	(1 935)
Prior year adjustments		7 520	4 450	(714)
Tax attributable to loss of associate		244	174	–
Assessed losses utilised		(25)	(4)	(8)
Assessed losses unprovided		–	–	375
Capital gains		–	27	(3 764)
Change in inclusion rate of capital gains		–	–	900
		<u>174 598</u>	<u>150 689</u>	<u>152 623</u>

26. HEADLINE EARNINGS

	Gross R'000	Taxation R'000	Non- controlling interest R'000	Total R'000
2014				
Earnings				
Net profit attributable to shareholders				394 083
Headline adjustments				
Adjustments for:	19 280	(5 398)	(1 881)	12 001
Loss on sale of property, plant and equipment	11 126	(3 115)	(1 141)	6 870
Insurance proceeds	(24)	7	4	(13)
Impairment in value of property, plant and equipment	7 379	(2 066)	(671)	4 642
Loss on sale of associate	799	(224)	(73)	502
Headline earnings				<u>406 084</u>

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26. HEADLINE EARNINGS (continued)

2013	Gross R'000	Taxation R'000	Non- controlling interest R'000	Total R'000
Earnings				
Net profit attributable to shareholders				350 366
Headline adjustments				
Adjustments for:	7 824	(2 192)	(412)	5 220
Loss on sale of property, plant and equipment	2 602	(729)	(106)	1 767
Insurance proceeds	(780)	218	31	(531)
Impairment in value of property, plant and equipment	6 000	(1 680)	(337)	3 983
Loss on sale of intangible assets	2	(1)	-	1
Headline earnings				<u>355 586</u>

2012	Gross R'000	Taxation R'000	Non- controlling interests R'000	Total R'000
Earnings				
Net profit attributable to shareholders				363 172
Headline adjustments				
Adjustments for:	(5 041)	4 421	2 093	1 473
Profit on sale of property, plant and equipment	(15 735)	4 406	2 649	(8 680)
Insurance proceeds	(55)	15	10	(30)
Impairment of goodwill	10 749	-	(566)	10 183
Headline earnings				<u>364 645</u>

	2014	2013	2012
Number of ordinary shares in issue at year-end	100	100	100
Adjusted for movement in shares held by share trusts	-	-	-
Weighted average number of shares in issue during the year	100	100	100
Adjusted for the effect of future share-based compensation payments	-	-	-
Diluted weighted average number of ordinary shares in issue during the year	<u>100</u>	<u>100</u>	<u>100</u>

Earnings per ordinary share (Cents)

Basic	394 083 000	350 366 000	363 172 000
Diluted	394 083 000	350 366 000	363 172 000

Headline earnings per ordinary share (Cents)

Basic	406 084 000	355 586 000	364 645 000
Diluted	406 084 000	355 586 000	364 645 000

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27. SEGMENTAL ANALYSIS

IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker (CODM) in order to allocate resources to the segments and to assess their performance. The chief operating decision-maker has been identified as the executive committee that makes strategic decisions.

The executive committee has identified three operating segments based on its business by service or product, however two operating segments have been combined in one reportable segment as they are similar in nature and meet the aggregation criteria in terms of IFRS 8 para 12. The reportable segments are "Printing" which comprises printing of books, magazines, newspapers and related products and "Other" which comprises Shoppers Friend, a division of Paarl Media (Pty) Ltd which was discontinued in 2013, and was involved in distribution as well as Paarl Labels (Pty) Ltd which prints self-adhesive labels.

Revenue, other than to related parties within the Group, of approximately R469.4m (2013: R442.8m, 2012: R487.9m) are derived from a single external customer. These revenues are attributable to the Print segment.

The total revenue from external customers from other countries is R80.8m (2013: R26.9m, 2012: R117.3m)

	Printing	Other	Elimin-	Total
	R'000	R'000	ations	R'000
			R'000	
2014				
External revenue	3 898 384	70 371		3 968 755
Inter-segmental revenue	132	26	(158)	-
Total revenue	3 898 516	70 397	(158)	3 968 755
Cost of providing services and sale of goods	(2 776 869)	(48 422)	158	(2 825 133)
Selling, general and administrative expenses	(273 487)	(8 673)		(282 160)
Other losses	(18 177)	(300)		(18 477)
EBITDA	829 983	13 002		842 985
Depreciation	(184 070)	(2 678)		(186 748)
Amortisation	(7 136)	(78)		(7 214)
Trading profit	638 777	10 246		649 023
Finance income	7 238	75		7 313
Finance costs	(57 349)	(1 658)		(59 007)
Share of net loss of associate	(872)	-		(872)
Profit before taxation	587 794	8 663		596 457
Taxation	(172 136)	(2 462)		(174 598)
Profit after taxation	415 658	6 201		421 859
Non-controlling interest	(27 701)	(75)		(27 776)
Profit attributable to equity holder of company	387 957	6 126		394 083
Additional disclosure				
Capital commitments	30 875	289		31 164
Impairment of assets	7 379	-		7 379
Total assets	3 121 943	38 901		3 160 844
Total liabilities	926 228	28 011		954 239

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27. SEGMENTAL ANALYSIS (continued)

	Printing	Other	Elimin-	Total
	R'000	R'000	R'000	R'000
2013				
External revenue	3 622 400	61 766		3 684 166
Inter-segmental revenue	1 769	26	(1 795)	–
Total revenue	3 624 169	61 792	(1 795)	3 684 166
Cost of providing services and sale of goods	(2 484 381)	(51 972)	1 795	(2 534 558)
Selling, general and administrative expenses	(352 829)	(19 427)		(372 256)
Other losses	(6 058)	(1 766)		(7 824)
EBITDA	780 901	(11 373)		769 528
Depreciation	(167 826)	(5 194)		(173 020)
Amortisation	(8 221)	(443)		(8 664)
Trading profit/(loss)	604 854	(17 010)		587 844
Finance income	7 214	130		7 344
Finance costs	(68 456)	(6 336)		(74 792)
Share of net loss of associate	(623)	–		(623)
Profit before taxation	542 989	(23 216)		519 773
Taxation	(161 707)	11 018		(150 689)
Profit/(loss) after taxation	381 282	(12 198)		369 084
Non-controlling interest	(18 582)	(136)		(18 718)
Profit/(loss) attributable to equity holder of company	362 700	(12 334)		350 366
Additional disclosure				
Capital commitments	47 765	289		48 054
Impairment of assets	1 000	5 000		6 000
Total assets	3 040 416	27 585		3 068 001
Total liabilities	1 259 422	22 835		1 282 257
Investment in associate	3 418	–		3 418
	Printing	Other	Elimin-	Total
	R'000	R'000	R'000	R'000
2012				
External revenue	3 581 042	121 985		3 703 027
Inter-segmental revenue	15 469	62	(15 531)	–
Total revenue	3 596 511	122 047	(15 531)	3 703 027
Cost of providing services and sale of goods	(2 480 223)	(114 615)	15 531	(2 579 307)
Selling, general and administrative expenses	(292 331)	(39 321)		(331 652)
Other gains/(losses)	32 664	(12 906)		19 758
EBITDA	856 621	(44 795)		811 826
Depreciation	(153 264)	(6 360)		(159 624)
Amortisation	(7 526)	(554)		(8 080)
Trading profit/(loss)	695 831	(51 709)		644 122
Finance income	9 445	123		9 568
Finance costs	(90 301)	(14 715)		(105 016)
Profit before taxation	614 975	(66 301)		548 674
Taxation	(167 400)	14 777		(152 623)
Profit/(loss) after taxation	447 575	(51 524)		396 051
Non-controlling interest	(32 650)	(229)		(32 879)
Profit/(loss) attributable to equity holder of company	414 925	(51 753)		363 172
Additional disclosure				
Capital commitments	47 557	19		47 576
Impairment of goodwill	–	10 749		10 749
Total assets	2 922 521	83 298		3 005 819
Total liabilities	1 422 589	133 800		1 556 389

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28. CASH GENERATED FROM OPERATIONS

	2014 R'000	2013 R'000	2012 R'000
Profit before tax	596 457	519 773	548 674
Adjusted for:	166 480	350 852	295 199
Depreciation of property, plant and equipment	186 748	173 020	159 624
Amortisation of intangible assets	7 214	8 664	8 080
Impairment of property, plant and equipment	7 379	6 000	–
Impairment of goodwill	–	–	10 749
Loss (profit) on disposal of assets	11 125	2 604	(15 720)
Finance income	(7 313)	(7 344)	(9 568)
Finance costs	59 007	74 792	105 016
Dividends received	(3)	–	(3 982)
Insurance proceeds	(24)	(782)	(4)
Movement in provisions for inventory write-down	(186)	(1 419)	3 871
Movement in provisions and post-retirement medical liability	(4 073)	(439)	2 002
Post-retirement medical liability expense	161	524	283
Long service and retirement gratuity expense	1 858	(125)	42
Reversal of bad debt provision	(70 458)	72 569	6 095
Share based payment expense	9 627	31 290	28 583
Share based compensation payments	(37 163)	(3 554)	(1 201)
Foreign exchange movements	1 709	(5 570)	1 330
Share of net loss of associate	872	623	–
Changes in working capital	14 346	(190 329)	78 861
Inventories	(51 492)	(2 064)	1 576
Trade and other receivables	74 270	(98 798)	(18 409)
Trade and other payables	(8 432)	(89 467)	95 694
Cash generated from operations	777 283	680 296	922 734

29. TAX PAID

	2014 R'000	2013 R'000	2012 R'000
Balance at beginning of the year	1 986	5 713	49 064
Current tax for the year recognised in profit or loss	(177 835)	(155 961)	(53 104)
Acquisition of subsidiary	(2 929)	–	–
Balance at end of the year	7 072	(1 986)	(5 713)
	(171 706)	(152 234)	(9 753)

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30. BUSINESS COMBINATIONS

2014

On 1 August 2013 the Group acquired the entire share capital of Intrepid Printers (Pty) Ltd for a cash consideration of R113m. The acquisition will enable the Group to expand the range of print options available to clients in KwaZulu-Natal.

The goodwill of R30.9m recognised at acquisition is attributable to expected synergies between the Group's existing operation in KwaZulu-Natal and the acquired entity

The following assets and liabilities were recognised at acquisition:

	Note	2014 R'000
Fair value of assets and liabilities acquired		
Property, plant and equipment	2	31 372
Non-current assets classified as held for sale	10	20 500
Trade and other receivables		38 455
Inventory		18 365
Cash		21 439
Long-term liabilities		(10 216)
Trade and other payables		(23 266)
Provisions		(6 143)
Taxation		(2 929)
Deferred tax	17	(5 105)
Total identifiable net assets		82 472
Goodwill	3	30 871
Total net assets recognised at acquisition		113 343
Consideration paid		(113 343)
Cash in entity acquired		21 439
Net cash outflow on acquisition		(91 904)

Acquisition related costs of R0.9m have been included in profit and loss.

Revenue of R105.2m and Profit of R10.7m has been included in the consolidated statement of comprehensive income since the acquisition date.

The Group's revenue and profit would have been R4 003.8m and R425.4m respectively if the acquisition had occurred at the beginning of the reporting period.

2013

Effective 1 June 2012 Paarl Coldset (Pty) Ltd has acquired all assets and liabilities pertaining to the Natal Witness printing facility from Natal Witness Printing and Publishing Company (Pty) Ltd for a cash consideration of R87.4m. The acquisition will enable the Group to expand its footprint in KwaZulu-Natal. No goodwill arose from the transaction as the acquisition was accounted for as a transaction under common control.

	Note	2013 R'000
Fair value of assets and liabilities acquired:		
Property, plant and equipment	2	57 220
Accounts receivable		17 754
Trade and other payables		(13 119)
Inventory		7 446
Deferred tax	17	(11 900)
Investment in associate	6	4 486
Net book value of assets acquired and liabilities assumed		61 887
Consideration paid		(87 359)
Excess recognised in equity		(25 472)

Acquisition related costs of R0.6m have been included in profit and loss.

Revenue of R118.4m and Profit of R7.6m were included in the consolidated statement of comprehensive income since the acquisition date.

The Group's Revenue and Profit would have been R3.707.8 and R370.6m respectively if the acquisition had occurred at the beginning of the reporting period.

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31. COMMITMENTS

	2014 R'000	2013 R'000	2012 R'000
Authorised capital expenditure			
Already contracted for but not provided for			
– Property, plant and equipment	31 164	48 054	47 576
Operating leases – as lessee (expense)			
Minimum lease payments due			
– within one year	693	4 154	9 035
– in second to fifth year inclusive	886	1 360	3 414

The Group leases office space and equipment under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time.

32. CONTINGENCIES

The following guarantees were contractually agreed to by the Group:

	2014 R'000	2013 R'000	2012 R'000
Eskom	1 908	1 908	1 908
Building/Rental	–	587	587
Other	2 408	1 525	3 306
	<u>4 316</u>	<u>4 020</u>	<u>5 801</u>

33. FINANCIAL RISK MANAGEMENT

All of the Group's financial assets are classified as "loans and receivables" and are carried at amortised cost, apart from derivatives, which are held for hedging purposes. Similarly, all of the Group's financial liabilities are classified as "other financial liabilities" and are carried at amortised cost apart from derivatives which are held for hedging purposes.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group does not have a formal targeted debt to equity ratio.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (Group treasury) under policies approved by the directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the articles of association of the Group, no limitation is placed on its borrowing capacity. The facilities expiring within one year are subject to renewal at various dates during the next year. The Group had the following unutilised borrowing facilities at 31 March:

	2014 R'000	2013 R'000	2012 R'000
On call	634 909	667 525	473 728

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33. FINANCIAL RISK MANAGEMENT (continued)

The following analysis sets out the periods when the cash flows are expected to occur for both the derivative and non-derivative liabilities as at 31 March 2014, 31 March 2013 and 31 March 2012:

Group	Carrying amount R'000	Contractual cash flows R'000	0-12 months R'000	1-5 years R'000
At 31 March 2014				
Interest-bearing: Loans and other	227 303	241 853	179 213	62 640
Interest-bearing: Capitalised finance lease	7 974	8 928	4 020	4 908
Trade payables	196 770	196 770	196 770	–
Accrued expenses and other current liabilities	15 089	15 089	15 089	–
Related party balances	1 849	1 849	1 849	–
Bank overdrafts	59 810	59 810	59 810	–
At 31 March 2013				
Interest-bearing: Loans and other	306 684	325 680	186 127	139 553
Trade payables	170 452	170 453	170 453	–
Accrued expenses and other current liabilities	29 599	29 599	29 599	–
Related party balances	303 906	303 906	303 906	–
Bank overdrafts	16 478	16 478	16 478	–
At 31 March 2012				
Interest-bearing: Loans and other	465 908	514 865	187 215	327 650
Interest-bearing: Capitalised finance lease	5 158	6 725	1 618	5 107
Trade payables	218 050	218 050	218 050	–
Accrued expenses and other current liabilities	94 832	94 832	94 832	–
Related party balances	417 646	417 646	417 646	–
Bank overdrafts	5	5	5	–

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Carrying amount R'000	Contractual cash flows R'000	0-12 months R'000	1-5 years R'000
At 31 March 2014				
Forward foreign exchange contracts				
– Outflow	(7 082)	(627 964)	(627 964)	–
– Inflow	–	620 882	620 882	–
Other derivatives – Interest rate swaps				
– Inflow	570	570	570	–
At 31 March 2013				
Forward foreign exchange contracts				
– Outflow	–	(259 544)	(259 544)	–
– Inflow	3 979	263 523	263 523	–
Other derivatives – Interest rate swaps				
– Outflow	(2 851)	(2 851)	(2 620)	(231)
At 31 March 2012				
Forward foreign exchange contracts				
– Outflow	–	(430 783)	(430 783)	–
– Inflow	1 043	431 827	431 827	–
Other derivatives – Interest rate swaps				
– Inflow	1 026	1 026	–	1 542
– Outflow	–	–	(516)	–

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33. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

As part of the process of managing the Group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the Group uses derivative instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates. As at 31 March 2014 the Group had the following interest rate swaps in place:

	Fair value of asset/ (liability) amount R'000	Loan amount R'000	Rate of loan % (Variable)	Rate of swap % (Fixed)
At 31 March 2014				
Institution				
Rand Merchant Bank	53	500 000	7.50	7.59
Standard Bank	517	100 000	7.43	8.00
<hr/>				
	Fair value of asset/ (liability) amount R'000	Loan amount R'000	Rate of loan % (Variable)	Rate of swap % (Fixed)
At 31 March 2013				
Institution				
Rand Merchant Bank	(1 933)	500 000	7.59	6.90
Rand Merchant Bank	(918)	423 925	5.52	5.13
<hr/>				
	Fair value of asset/ (liability) amount R'000	Loan amount R'000	Rate of loan % (Variable)	Rate of swap % (Fixed)
At 31 March 2012				
Institution				
Rand Merchant Bank	1 026	500 000	7.37	5.82

Refer to note 15 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March.

At 31 March 2014, if the Group's interest rates on Rand-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been R1.3m (2013: R3.0m and 2012: R4.7m) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Credit risk

The Group is exposed to credit risk relating to the following assets:

Investments and loans

There is no concentration of credit risk within investments and loans and management monitors the credit risk regularly.

Trade and other receivables

Trade receivables consist primarily of invoiced amounts from normal trading activities. The majority of trade receivables consist of receivables within the print segment. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits.

Cash deposits and derivative assets

The Group is exposed to certain concentrations of credit risk relating to its cash and current investments. It places its cash and current investments mainly with major banking groups and high-quality institutions that have high credit ratings. The Group's treasury policy is designated to limit exposure to any one institution and invests its excess cash in low-risk investment accounts. As at 31 March 2014, 31 March 2013 and 31 March 2012 the Group held the majority of its cash, deposits and derivative assets with local banks with a "Baa2" credit rating or higher (Moody's International's Long-term Deposit rating). The counterparties that are used by the Group are evaluated on a continuous basis.

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33. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. As the Group acquires a significant portion of the materials used in the printing process, depreciation of the local currency against the US Dollar or Euro adversely affects the Group's earnings and its ability to meet cash obligations. The Group makes use of forward exchange contracts to hedge their exposure to foreign currency risk. The Group generally covers forward 75% to 100% of firm commitments in foreign currency for up to one year.

Management has set up a policy to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts, transacted with financial institutions. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has classified its forward exchange contracts relating to forecast transactions and firm commitments as cash flow hedges, and states them at fair value. The transactions relate mainly to the acquisition of inventory items. A cumulative after tax gain of R1.3m (2013: R1.0m gain, 2012: R2.6m loss) has been deferred in a hedging reserve at 31 March 2014. This amount is expected to realise over the next year. Changes in the fair value of forward exchange contracts that economically hedge monetary liabilities in foreign currencies and for which no hedge accounting is applied, are recognised in the income statement. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised as part of "finance costs - net" (see note 24). The fair value of all forward exchange contracts designated as cash flow hedges at 31 March 2014 was a liability of R7.1m (2013: R4.0m asset, 2012: R1.0m asset).

At 31 March 2014, if the currency had weakened/strengthened by 10% against the US dollar and Euro with all other variables held constant, post-tax profit for the year would have been R52.2m (2013: R2.2m, 2012: R12.2m) higher/lower, mainly as a result of foreign exchange gains or losses on translation of US dollar and Euro denominated trade receivables, financial assets at fair value through profit or loss, debt securities classified as available-for-sale and foreign exchange losses or gains on translation of US dollar and Euro denominated borrowings.

Foreign currency exposure at the end of the reporting period

	2014 R'000	2013 R'000	2012 R'000
Total FEC's outstanding at year end (maturing within one year)			
Denominated in Euro	33 700	11 588	27 456
Rand value	508 398	135 586	285 205
Denominated in US Dollars	(5 549)	(8 510)	(4 549)
Rand value	(60 393)	(78 991)	(34 158)
Denominated in Swiss Francs	724	-	-
Rand value	8 932	-	-
Derivative financial assets – Non-current portion			
Interest rate swaps	646	-	1 542
Derivative financial assets – Current portion			
Foreign exchange contracts	4 451	4 485	4 285
Interest rate swaps	53	-	-
	4 504	4 485	4 285
Derivative financial liabilities – Non-current portion			
Interest rate swaps	-	231	-
Derivative financial liabilities – Current portion			
Foreign exchange contracts	11 533	506	3 242
Interest rate swaps	129	2 620	516
	11 662	3 126	3 758
Exchange rates used for conversion of foreign items were:			
USD	10.88	9.28	7.51
EURO	15.09	11.70	10.39
Swiss Franc	12.34	-	-

The Group reviews its foreign currency exposure, including commitments on an ongoing basis. The Group expects its foreign exchange contracts to hedge foreign exchange exposure.

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for the years ended 31 March 2014, 2013 and 2012

34. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS

The fair values, together with the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

31 March 2014

	Carrying value R'000	Fair value R'000	Net gains and (losses) recognised in profit and loss R'000	Total interest income R'000	Impair- ment R'000
Assets					
Loans and receivables	3 284	3 284	–	51	–
Receivables and loans	456 201	456 201	–	939	(3 562)
Trade receivables	238 632	238 632	–	939	(3 562)
Other receivables	37 439	37 439	–	–	–
Related party receivables	180 130	180 130	–	–	–
Derivative financial instruments	5 150	5 150	–	–	–
Foreign exchange contracts	4 451	4 451	–	–	–
Interest rate swaps	699	699	–	–	–
Cash and cash equivalents	98 612	98 612	–	6 264	–
Total	563 247	563 247	–	7 254	(3 562)

The fair values, together with the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

31 March 2014

	Carrying value R'000	Fair value R'000	Net gains and (losses) recognised in profit and loss R'000	Total interest expense R'000	Impair- ment R'000
Liabilities					
Long-term liabilities	62 895	62 895	–	3 210	–
Interest bearing: capitalised finance leases	4 562	4 562	–	593	–
Interest-bearing: loans and other liabilities	58 333	58 333	–	2 617	–
Short-term payables and loans	386 090	386 090	(1 811)	16 798	–
Interest bearing: capitalised finance leases	3 412	3 412	–	–	–
Interest-bearing: loans and other liabilities	168 970	168 970	–	16 790	–
Trade payables	196 770	196 770	(1 811)	8	–
Accrued expenses and other current liabilities	15 089	15 089	–	–	–
Related party payables	1 849	1 849	–	–	–
Derivative financial instruments	11 662	11 662	8 047	1 915	–
Foreign exchange contracts	11 533	11 533	8 047	–	–
Interest rate swaps	129	129	–	1 915	–
Bank overdrafts	59 810	59 810	–	3 961	–
Total	520 457	520 457	6 236	25 884	–

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34. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

The fair values, together with the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

31 March 2013

	Carrying value R'000	Fair value R'000	Net gains and (losses) recognised in profit and loss R'000	Total interest income R'000	Impair- ment R'000
Assets					
Investments and loans	1 686	1 686	–	–	–
Receivables and loans	424 132	424 132	–	751	(72 570)
Trade receivables	215 946	215 946	–	751	(72 570)
Other receivables	28 128	28 128	–	–	–
Loans to Group companies	13 753	13 753	–	–	–
Related party receivables	166 305	166 305	–	–	–
Derivative financial instruments	4 485	4 485	–	–	–
Foreign exchange contracts	4 485	4 485	–	–	–
Interest rate swaps	–	–	–	–	–
Cash and cash equivalents	199 501	199 501	–	6 361	–
Total	629 804	629 804	–	7 112	(72 570)

The fair values, together with the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

31 March 2013

	Carrying value R'000	Fair value R'000	Net gains and (losses) recognised in profit and loss R'000	Total interest expense R'000	Impair- ment R'000
Long-term liabilities	135 024	135 024	–	29 745	–
Interest bearing: capitalised finance leases	–	–	–	322	–
Interest-bearing: loans and other liabilities	135 024	135 024	–	29 423	–
Short-term payables and loans	675 617	675 617	9 015	29 779	–
Interest bearing: capitalised finance leases	–	–	–	–	–
Interest-bearing: loans and other liabilities	171 660	171 660	–	–	–
Related party loans	302 865	302 865	–	27 940	–
Trade payables	170 452	170 452	9 015	1 839	–
Accrued expenses and other current liabilities	29 599	29 599	–	–	–
Related party payables	1 041	1 041	–	–	–
Derivative financial instruments	3 357	3 357	146	218	–
Foreign exchange contracts	506	506	146	–	–
Interest rate swaps	2 851	2 851	–	218	–
Bank overdrafts	16 478	16 478	–	1 680	–
Total	830 476	830 476	9 161	61 422	–

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34. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

The fair values, together with the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

31 March 2012

	Carrying value R'000	Fair value R'000	Net gains and (losses) recognised in profit and loss R'000	Total interest income R'000	Impair- ment R'000
Assets					
Held to maturity investments	–	–	3 982	–	–
Receivables and loans	395 413	395 413	–	457	(6 094)
Trade receivables	209 895	209 895	–	457	(6 094)
Other receivables	13 027	13 027	–	–	–
Related party loan	13 753	13 753	–	–	–
Related party receivables	158 738	158 738	–	–	–
Derivative financial instruments	5 827	5 827	20 960	(362)	–
Foreign exchange contracts	4 285	4 285	20 960	–	–
Interest rate swaps	1 542	1 542	–	(362)	–
Cash and cash equivalents	211 616	211 616	–	6 248	–
Total	612 856	612 856	24 942	6 343	(6 094)

The fair values, together with the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense, and impairment of each class of financial instrument are as follows:

31 March 2012

	Carrying value R'000	Fair value R'000	Net gains and (losses) recognised in profit and loss R'000	Total interest expense R'000	Impair- ment R'000
Liabilities					
Long-term liabilities	282 765	282 765	–	13 110	–
Interest bearing: capitalised finance leases	4 072	4 072	–	346	–
Interest-bearing: loans and other liabilities	278 693	278 693	–	12 764	–
Short-term payables and loans	918 829	918 829	3 116	79 905	–
Interest bearing: capitalised finance leases	1 086	1 086	–	–	–
Interest-bearing: loans and other liabilities	187 215	187 215	–	10	–
Related party loans	416 673	416 673	–	79 565	–
Related party payables	973	973	–	–	–
Trade payables	218 050	218 050	3 116	330	–
Accrued expenses and other current liabilities	94 832	94 832	–	–	–
Derivative financial instruments	3 758	3 758	(375)	–	–
Foreign exchange contracts					
Interest rate swaps					
Bank overdrafts	5	5	–	1 144	–
Total	1 205 357	1 205 357	2 741	94 159	–

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34. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market (for example, derivatives such as interest rate swaps, foreign exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
At 31 March 2014				
Assets				
Interest rate swap	–	699	–	699
Foreign Exchange Contracts	–	4 451	–	4 451
Total assets	–	5 150	–	5 150
Liabilities				
Interest rate swap	–	129	–	129
Foreign Exchange Contracts	–	11 533	–	11 533
	–	11 662	–	11 662
At 31 March 2013				
Assets				
Foreign Exchange Contracts	–	4 485	–	4 485
Liabilities				
Interest rate swap	–	2 851	–	2 851
Foreign Exchange Contracts	–	506	–	506
Total liabilities	–	3 357	–	3 357
At 31 March 2012				
Assets				
Interest rate swap	–	1 542	–	1 542
Foreign Exchange Contracts	–	4 285	–	4 285
Total assets	–	5 827	–	5 827
Liabilities				
Interest rate swap	–	516	–	516
Foreign Exchange Contracts	–	3 242	–	3 242
Total liabilities	–	3 758	–	3 758

Valuation techniques and key inputs used to measure significant level 2 fair values

Foreign exchange contracts – in measuring the fair value of foreign exchange contracts the Group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the Group's foreign exchange contracts. Key inputs used in measuring the fair value of foreign exchange contracts include current spot exchange rates, market forward exchange rates, and the term of the Group's foreign exchange contracts.

Interest rate swaps – the fair value of the Group's interest rate swaps is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of interest rate swaps include spot market interest rates, contractually fixed interest rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates, as well as the duration of the relevant interest rate swap arrangement.

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34. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS (continued)

Other items carried at fair value

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
At 31 March 2014	–	–	–	–
At 31 March 2013				
Non-current assets classified as held for sale	–	–	15 106	15 106
At 31 March 2012	–	–	–	–

Valuation techniques and key inputs used to measure significant level 3 fair values

Non-current assets classified as held for sale – in measuring the fair value of non-current assets held for sale the Group made use of inputs that were not based on observable market data. The fair value was determined with reference to the net selling price of similar assets

Price risk

The Group is not exposed to significant price risk.

35. RELATED PARTIES

The Group entered into transactions and has balances with a number of related parties including shareholders and entities under common control. Transactions that are eliminated on consolidation as well as profits or losses eliminated through application of the equity method are not included.

Relationships

Ultimate holding company	Naspers Ltd
Holding company	Media24 (Pty) Ltd

The balances and transactions with related parties are summarised below:

	2014 R'000	2013 R'000	2012 R'000
Related party balances			
Loan receivable			
Media24	–	13 753	13 753
Trade receivables			
Naspers	77	–	–
Media24	110 889	110 911	119 823
<i>Subsidiaries of holding company</i>			
New Media Publishing (Pty) Ltd*	35 639	–	–
Natal Witness Printing Company (Pty) Ltd	7 516	6 338	–
Other	9 771	8 624	6 002
<i>Ultimate holding company and its subsidiaries</i>	163 892	125 873	125 825
<i>Joint ventures and associates of holding company</i>			
New Media Publishing (Pty) Ltd*	–	38 857	31 254
NDalo (Pty) Ltd	14 671	–	–
Other related parties	1 567	1 575	1 659
	16 238	40 432	32 913
Total related party receivables	180 130	180 058	172 491

The loan to Media24 bore no interest and was payable on demand.

The above receivables from related parties are non-interest-bearing, are unsecured and are provided on standard credit terms. The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The Group does not hold any collateral as security.

* The investment in this entity changed from a joint venture to a subsidiary due to a change in control in the 2014 financial year.

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35. RELATED PARTIES (continued)

	2014 R'000	2013 R'000	2012 R'000
Loans payable			
Media24	–	286 194	400 289
<i>Subsidiary of holding company</i>			
Boland Newspapers (Pty) Ltd	–	16 671	16 384
Trade payables			
<i>Subsidiary of ultimate holding company</i>			
Other	484	457	29
Media24	1 346	536	829
<i>Joint ventures and associates of holding company</i>			
Other	19	48	115
Total related party payables	1 849	303 906	417 646

The loan from Boland Newspapers (Pty) Ltd was non-interest-bearing and was payable on demand.

The loan from Media24 bore interest at JIBAR + 1.75% and was payable on demand.

The above payables are non-interest bearing are unsecured and are extended at standard credit terms.

	2014 R'000	2013 R'000	2012 R'000
Finance costs to related parties			
Media24	11 672	27 653	79 275
<i>Subsidiary of holding company</i>			
Boland Newspapers (Pty) Ltd	265	287	290
	11 937	27 940	79 565

Purchases from related parties

<i>Holding company</i>			
Media24	3 992	–	–
<i>Subsidiary of ultimate holding company</i>			
Mweb South Africa (Pty) Ltd	3 859	4 989	–
<i>Subsidiaries of holding company</i>			
On-the-Dot	107	392	5 586
	7 958	5 381	5 586

Sales to related parties

Naspers	138	–	–
Media24	1 235 365	1 260 189	1 260 835
<i>Subsidiary of ultimate holding company</i>			
MIH Holdings Limited	1 294	1 866	4413
<i>Subsidiaries of holding company</i>			
New Media Publishing (Pty) Ltd	181 958	–	–
Natal Witness Printing Company (Pty) Ltd	65 048	54 322	–
Nasou Via Afrika (Pty) Ltd	32 423	32 838	13 162
CT Media Publications (Pty) Ltd	22 099	25 287	21 685
Other	45 878	40 360	26 503
<i>Ultimate holding company and its subsidiaries</i>	1 584 203	1 414 862	1 326 598
<i>Joint ventures and associates of holding company</i>			
New Media Publishing (Pty) Ltd	–	177 031	174 048
NDalo (Pty) Ltd	20 629	–	–
Rodale & Touchline Publishers (Pty) Ltd	18 976	18 294	19 666
Other	3 353	2 938	2 444
	42 958	198 263	196 158
Total sales to related parties	1 627 161	1 613 125	1 522 756

The Group receives revenue from a number of its related parties mainly for the printing of magazines, newspapers and books.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the years ended 31 March 2014, 2013 and 2012

35. RELATED PARTIES (continued)

Directors emoluments

2014	Executive	Non-Executive	Total
	R'000	R'000	R'000
Salaries and fees	5 412	2 222	7 634
Incentive bonuses	3 764	-	3 764
Pension contributions	608	102	710
Paid by subsidiaries	9 784	2 324	12 108

The individual directors received the following remuneration and emoluments:

	Salary	Bonuses and performance related payments	Pension contributions	Total
	R'000	R'000	R'000	R'000
Executive directors				
Mr STM van der Walt	2 760	2 800	315	5 875
Mr KA Vroon	1 622	748	187	2 557
Mr E van Niekerk	1 030	216	106	1 352
	5 412	3 764	608	9 784

	Salary	Pension contributions	Fees for services as director	Total
	R'000	R'000	R'000	R'000
Non-executive directors				
Mr LP Retief	812	102	600	1 514
Mr NJ Retief	-	-	170	170
Mr SS de Swardt	-	-	265	265
Mr U Meyer	-	-	375	375
Ms E Weideman	-	-	-	-
Mr JJ Pieterse	-	-	-	-
Mr A Mayman	-	-	-	-
	812	102	1 410	2 324

Notes:

Mr JJ Pieterse resigned on 23 March 2014

Mr A Mayman was appointed on 23 March 2014

2013	Executive	Non-Executive	Total
	R'000	R'000	R'000
Salaries and fees	4 946	2 371	7 317
Incentive bonuses	3 732	-	3 732
Pension contributions	575	102	677
Paid by subsidiaries	9 253	2 473	11 726

The individual directors received the following remuneration and emoluments:

	Salary	Bonuses and performance related payments	Pension contributions	Total
	R'000	R'000	R'000	R'000
Executive directors				
Mr STM van der Walt	2 564	2 500	286	5 350
Mr KA Vroon	1 436	1 032	208	2 676
Mr E van Niekerk	946	200	81	1 227
	4 946	3 732	575	9 253

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the years ended 31 March 2014, 2013 and 2012

35. RELATED PARTIES (continued)

The individual directors received the following remuneration and emoluments:

	Salary R'000	Pension contributions R'000	Fees for services as director R'000	Total R'000
2013				
Non-executive directors				
Mr LP Retief	982	102	625	1 709
Mr NJ Retief	-	-	160	160
Mr S de Swardt	-	-	250	250
Mr U Meyer	-	-	354	354
Ms E Weideman	-	-	-	-
	<u>982</u>	<u>102</u>	<u>1 389</u>	<u>2 473</u>

	Executive R'000	Non- Executive R'000	Total R'000
2012			
Salaries and fees	4 320	1 732	6 052
Incentive bonuses	2 900	1 492	4 392
Pension contributions	525	102	627
Paid by subsidiaries	<u>7 745</u>	<u>3 326</u>	<u>11 071</u>

The individual directors received the following remuneration and emoluments:

	Salary R'000	Bonuses and performance related payments R'000	Pension contributions R'000	Total R'000
Executive directors				
Mr STM van der Walt	2 240	2 195	260	4 695
Mr KA Vroon	1 248	540	192	1 980
Mr E van Niekerk	832	165	72	1 069
	<u>4 320</u>	<u>2 900</u>	<u>524</u>	<u>7 744</u>

The individual directors received the following remuneration and emoluments:

	Salary R'000	Bonuses and performance related payments R'000	Pension contributions R'000	Fees for services as director R'000	Total R'000
2012					
Non-executive directors					
Mr LP Retief	870	1 492	102	358	2 822
Mr NJ Retief	-	-	-	106	106
Mr S de Swardt	-	-	-	186	186
Mr U Meyer	-	-	-	212	212
Ms E Weideman	-	-	-	-	-
	<u>870</u>	<u>1 492</u>	<u>102</u>	<u>862</u>	<u>3 326</u>

Key management compensation

The total of executive directors' and key management emoluments amounted to R71.7m (2013 and 2012: R43.0m and R37.3m); comprising short-term employee benefits of R42.9m (2013 and 2012: R38.2m and R36.7m) and share-based payments of R28.8m (2013 and 2012: R4.8m and R0.6m).

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the years ended 31 March 2014, 2013 and 2012

36. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On April 2011, the Group acquired the remaining 16% of the issued shares of Paarl Media (Pty) Ltd (formerly Paarl Media Gauteng (Pty) Ltd) for a purchase consideration of R 25 million. The Group now holds 100% of the equity share capital of Paarl Media (Pty) Ltd. The carrying amount of the non-controlling interests in Paarl Media (Pty) Ltd on the date of acquisition was R14.163 million. The Group derecognised non-controlling interests of R14.163m and recorded a decrease in equity attributable to owners of the parent of R10.837m.

The effect of changes in the ownership interest of Paarl Labels (Pty) Ltd and Paarl Media (Pty) Ltd on the equity attributable to owners of the Company during the year summarised as follows:

	2014 R'000	2013 R'000	2012 R'000
Carrying amount of non-controlling interests acquired	–	194	14 163
Consideration paid to non-controlling interests	–	(3 158)	(25 000)
Amount debited to equity	–	(2 964)	(10 837)

37. FINANCIAL INSTRUMENTS BY CATEGORY

Financial instruments disclosed in the statement of financial position include interest-bearing borrowings, financial assets, cash and cash equivalents, trade and other receivables and trade and other payables.

The following is a summary of financial instrument categories applicable to the Group:

Financial assets

	Loans and receivables R'000	Fair value through profit or loss – designated R'000	Total R'000
2014			
Loans and receivables	3 284	–	3 284
Trade and other receivables	276 071	–	276 071
Related party receivables	180 130	–	180 130
Derivative financial instruments	–	5 150	5 150
Cash and cash equivalents	98 612	–	98 612
	<u>558 097</u>	<u>5 150</u>	<u>563 247</u>
2013			
Loans and receivables	1 686	–	1 686
Trade and other receivables	244 074	–	244 074
Related party receivables	166 305	–	166 305
Related party loan	13 753	–	13 753
Derivative financial instruments	–	4 485	4 485
Cash and cash equivalents	199 501	–	199 501
	<u>625 319</u>	<u>4 485</u>	<u>629 804</u>
2012			
Trade and other receivables	222 922	–	222 922
Related party receivables	158 738	–	158 738
Related party loan	13 753	–	13 753
Derivative financial instruments	–	5 827	5 827
Cash and cash equivalents	211 616	–	211 616
	<u>607 029</u>	<u>5 827</u>	<u>612 856</u>

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
for the years ended 31 March 2014, 2013 and 2012

37. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

	Financial liabilities at amortised cost R'000	Fair value through profit or loss – designated R'000	Total R'000
2014			
Long-term liabilities	235 277	–	235 277
Trade and other payables	211 859	–	211 859
Related party payables	1 849	–	1 849
Derivative financial instruments	–	11 662	11 662
Bank overdrafts	59 810	–	59 810
	<u>508 795</u>	<u>11 662</u>	<u>520 457</u>
2013			
Long-term liabilities	306 684	–	306 684
Trade and other payables	200 051	–	200 051
Related party payables	1 041	–	1 041
Related party loans	302 865	–	302 865
Derivative financial instruments	–	3 357	3 357
Bank overdrafts	16 478	–	16 478
	<u>82 7119</u>	<u>3 357</u>	<u>830 476</u>
2012			
Long-term liabilities	471 066	–	471 066
Trade and other payables	312 882	–	312 882
Related party payables	973	–	973
Related party loans	416 673	–	416 673
Derivative financial instruments	–	3 758	3 758
Bank overdrafts	5	–	5
	<u>1 201 599</u>	<u>3 758</u>	<u>1 205 357</u>

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the years ended 31 March 2014, 2013 and 2012

38. EVENTS AFTER THE REPORTING PERIOD

On 1 June 2014 the Group acquired the 100% of Correll Tissue (Pty) Ltd for a consideration of R144.3m. Included in the total consideration was contingent consideration of R40.5m that is deemed to be the future payment that the Group could be required to make under this arrangement. The contingent consideration was based on the business achieving a predetermined revenue target for a 12 month period from the effective date.

The acquisition was a result of management's diversification strategy.

Goodwill of R45.3m relates to expected synergies resulting from the Group's use of waste paper generated at its existing printing plants as an input in the tissue manufacturing process.

	R'000
Fair value of assets and liabilities acquired	
Property, plant and equipment	92 717
Inventory	8 620
Trade and other receivables	16 273
Trade and other payables	(13 070)
Finance lease liability	(5 640)
Identifiable assets and liabilities at acquisition date	98 900
Goodwill	45 351
Total purchase consideration	<u>144 251</u>
Consideration as at acquisition date	
Cash	38 248
Contingent consideration	40 541
Cash consideration payable	65 462
Total purchase consideration	<u>144 251</u>

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF NOVUS, AUDITED FOR THE YEARS ENDED 31 MARCH 2014, 31 MARCH 2013 AND 31 MARCH 2012

The definitions and interpretation commencing on page 9 of this Pre-listing Statement shall not apply to this Annexure 2.

The Directors
Novus Holdings Limited
PO Box 37014
Chempet
7442

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

Introduction

Novus Holdings Limited ("the Company") is issuing a Pre-listing Statement to its shareholders ("the Pre-listing Statement") regarding the proposed listing of the Company ("Proposed transaction"). At your request and for the purpose of the Pre-listing Statement to be dated on or about 4 March 2015 we have audited the consolidated historical financial information of Novus Holdings Limited, which comprises the consolidated statements of financial position as at 31 March 2014, 31 March 2013 and 31 March 2012, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information ("the Consolidated Historical Financial Information"), as presented in Annexure 1 to the Pre-listing Statement, in compliance with the JSE Limited ("JSE") Listings Requirements.

Responsibility

Directors' responsibility

The directors of the Company are responsible for the preparation, contents and presentation of the Pre-listing Statement and are responsible for ensuring that the Company complies with the JSE Listings Requirements. The directors of the Company are responsible for the preparation and fair presentation of the Consolidated Historical Financial Information in accordance with International Financial Reporting Standards, and for such internal controls as the directors of the Company determine is necessary to enable the preparation of Consolidated Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting Accountant's responsibility

Our responsibility is to express an opinion on the Consolidated Historical Financial Information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the Consolidated Historical Financial Information of the Company is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Historical Financial Information of the Company. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Historical Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Consolidated Historical Financial Information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made by management of the Company, as well as evaluating the overall presentation of the Consolidated Historical Financial Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Historical Financial Information of Novus Holdings Limited as set out in Annexure 1 to the Pre-listing Statement, presents fairly, in all material respects, the consolidated financial position of Novus Holdings Limited as at 31 March 2014, 31 March 2013 and 31 March 2012, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Purpose of the Report

This report has been prepared for the purpose of the Pre-listing Statement and for no other purpose.

PricewaterhouseCoopers Inc.

Director: H Zeelie
Registered Auditor
Paarl

4 March 2015

REVIEWED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTHS ENDED 30 SEPTEMBER 2014

The interim condensed consolidated financial information of Novus Holdings Limited for the period ended 30 September 2014 are set out below. The interim condensed consolidated financial information of Novus Holdings Limited for the period ended 30 September 2013 has not been shown as it is not required in terms of the Listing Requirements.

The Directors of Novus Holdings Limited are responsible for the preparation of the consolidated financial information contained in this interim condensed consolidated financial statements.

The financial statements were prepared under the supervision of Edward van Niekerk, (CA) SA.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 September 2014

	Note	30 September 2014 R'000 Reviewed	31 March 2014 R'000 Audited
ASSETS			
Non-current assets		2,357,842	2,255,728
Property, plant and equipment		2,205,810	2,150,677
Goodwill	8	132,052	86,701
Other intangible assets		17,508	14,920
Loans and receivables		2,179	2,784
Derivative financial instruments		293	646
Current assets		1,178,141	905,116
Inventory		483,575	333,509
Trade and other receivables		384,450	287,861
Related party receivables		183,728	180,130
Loans and receivables		1,537	500
Derivative financial instruments		2,941	4,504
Cash and cash equivalents		121,910	98,612
Total assets		3,535,983	3,160,844
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's shareholder		2,283,249	2,085,069
Share capital		1	1
Other reserves		(748,577)	(750,970)
Retained earnings		3,031,825	2,836,038
Non-controlling interest		137,274	121,536
Total equity		2,420,523	2,206,605
Non-current liabilities		465,451	404,372
Post-employment medial liability		4,181	3,949
Provisions		11,106	11,106
Long-term liabilities		116,716	62,895
Cash-settled share based payment liability		12,724	8,767
Deferred taxation		291,742	287,935
Deferred income		28,982	29,720
Current liabilities		650,009	549,867
Current portion of long term liabilities		117,267	172,382
Trade payables and other payables		442,589	266,719
Cash-settled share based payment liability		14,490	28,898
Related party payables		10,872	1,849
Current income tax payable		612	7,072
Derivative financial instruments		10,476	11,662
Bank overdrafts		52,228	59,810
Deferred income		1,475	1,475
Total equity and liabilities		3,535,983	3,160,844
Per Share figures (cents)			
Net asset value per Share		2,420,523,000	2,206,605,000
Tangible net asset value per Share		2,270,963,000	2,104,984,000

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 September 2014

	Note	30 September 2014 R'000 Reviewed
Revenue		2,075,282
Cost of sales		(1,505,465)
Gross profit		569,817
Operating expenses		(256,885)
Other income		714
Operating profit		313,646
Finance income		5,396
Finance costs		(25,672)
Share of net loss of associate		-
Profit before tax		293,370
Taxation		(81,806)
Net profit		211,564
Attributable to:		
Equity holders of the company		195,787
Non-controlling interest		15,777
		<u>211,564</u>
Earnings per Share (cents)		
Basic	7	195,787,000
Fully diluted	7	195,787,000
Headline earnings per Share (cents)		
Basic	7	195,315,000
Fully diluted	7	195,315,000

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2014

	Note	30 September 2014 R'000 Reviewed
Net profit		211,564
Other comprehensive income:		
<i>Items that may subsequently be reclassified to profit or loss</i>		
Hedging reserve		1,812
Net fair value gains/(losses), gross		(197)
Net fair value gains/(losses), tax portion		55
Derecognised and added to asset, gross		5,096
Derecognised and added to asset, tax portion		(1,274)
Derecognised and reported in cost of sales, gross		1,652
Derecognised and reported in cost of sales, tax portion		(462)
Derecognised and reported in income, gross		(4,524)
Derecognised and reported in income, tax portion		1,466
Share based compensation reserve		542
Effects of share-based compensation charges, gross		753
Effects of share-based compensation charges, tax portion		(211)
Total other comprehensive income, net of tax		2,354
Total comprehensive income for the period		213,918
Attributable to:		
Equity holders of the company		198,180
Non-controlling interest		15,738
		<u>213,918</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2014

	Attributable to owners of the parent								
	Share capital	Exiting control	Share-based	Hedging	Total Other	Retained	Total	Non-controlling	Total
		combination	compensation						
R'000	R'000	NDR	R'000	R'000	R'000	R'000	R'000	R'000	
Balance at 1 April 2014	1	(753,792)	4,169	(1,347)	(750,970)	2,836,038	2,085,069	121,536	2,206,605
Total comprehensive income	-	-	509	1,884	2,393	195,787	198,180	15,738	213,918
Net profit for the period	-	-	-	-	-	195,787	195,787	15,777	211,564
Other comprehensive income	-	-	509	1,884	2,393	-	2,393	(39)	2,354
Balance at 30 September 2014	1	(753,792)	4,678	537	(748,577)	3,031,825	2,283,249	137,274	2,420,523

CONDENSED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2014

	Note	30 September 2014 R'000 Reviewed
Cash flows from operating activities		
Cash generated from operations		261,259
Operating profit		313,646
Non-cash flow items		91,256
Working capital changes		(143,643)
Inventory		(141,446)
Trade and other receivables		(69,125)
Trade and other payables		66,928
Finance costs		(13,396)
Finance income		5,396
Taxation paid		(85,128)
<i>Cash generated from operating activities</i>		168,131
Cash flows from investing activities		
Acquisition and disposal of property, plant and equipment		(59,734)
Other loans and receivables		(433)
Purchase of intangible assets		(5,139)
Acquisition of subsidiary	5	(63,932)
<i>Cash utilised in investing activities</i>		(129,238)
Cash flows from financing activities		
Repayment of long term loans		(105,904)
Proceeds from long term loans		100,000
Repayment of capitalised finance leases		(2,109)
Repayment of related party loans		-
<i>Cash utilised in financing activities</i>		(8,013)
Net decrease in cash and cash equivalents		30,880
Cash and cash equivalents at the beginning of the period		38,802
Cash and cash equivalents at the end of the period		69,682

NOTES TO THE CONDENSED INTERIM GROUP FINANCIAL STATEMENTS

for the six months ended 30 September 2014

1. BASIS OF PREPARATION

The condensed interim group financial statements are prepared in accordance with International Financial Reporting Standard (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the JSE Limited ("JSE") Listing Requirements.

The accounting policies used in preparing the condensed interim group financial statements are consistent with those applied in the previous annual financial statements.

The group has adopted all new and amended accounting pronouncements issued by the International Accounting Standards Board (IASB) that are effective for financial years commencing 1 April 2014. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2014 are expected to have a material impact on the Group.

2. PREPARATION OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The preparation of the condensed interim group financial statements was supervised by the Group Chief Financial Officer, Edward van Niekerk CA (SA).

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

3.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim group financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 March 2014. There have been no material changes in the Group's credit, liquidity and market risk or key inputs in measuring fair value since 31 March 2014.

3.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined.

	Level 1 Quoted prices in active markets for identical assets or liabilities R'000	Level 2 Significant other observable inputs R'000	Level 3 Significant unobservable inputs R'000	Total R'000
Assets				
Interest rate swap	–	401	–	401
Foreign exchange contracts	–	2,833	–	2,833
Total assets	–	3,234	–	3,234
Liabilities				
Interest rate swap	–	–	–	–
Foreign exchange contracts	–	10,476	–	10,476
Total liabilities	–	10,476	–	10,476

Valuation techniques used to derive Level 2 fair values

Foreign exchange contracts

In measuring the fair value of foreign exchange contracts the Group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the Group's foreign exchange contracts. Key inputs used in measuring the fair value of foreign exchange contracts include current spot exchange rates, market forward exchange rates, and the term of the Group's foreign exchange contracts.

Interest rate swaps

The fair value of the Group's interest rate swaps is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of interest rate swaps include spot market interest rates, contractually fixed interest rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates, as well as the duration of the relevant interest rate swap arrangement.

The carrying amounts of the financial assets and- liabilities is a reasonable approximation of their fair values.

NOTES TO THE CONDENSED INTERIM GROUP FINANCIAL STATEMENTS

for the six months ended 30 September 2014

4. SEGMENTAL ANALYSIS

The Group has identified its operating segments based on business by service or product and aggregated it into the reportable segments based on the nature of the operating segment and it meeting the aggregation criteria in terms of IFRS 8 para 12. These reportable segments are "Printing" which comprises printing of books, magazines, newspapers and related products and "Other" which comprises manufacturing of tissue paper and packaging printing.

For the period ended 30 September 2014

	Printing R'000	Other R'000	Eliminations R'000	Total R'000
External revenue	1,997,762	77,520	–	2,075,282
Inter-segmental revenue	495		(495)	–
Revenue	1,998,257	77,520	(495)	2,075,282
EBITDA	408,405	5,824		414,229
Depreciation	(95,439)	(2,447)		(97,886)
Amortisation	(2,199)	(498)		(2,697)
Operating profit/(loss)	310,767	2,879		313,646
Finance income	5,352	44		5,396
Finance costs	(23,044)	(2,628)		(25,672)
Profit before tax	293,075	295		293,370
Taxation	(81,731)	(75)		(81,806)
Profit for the period	211,344	220		211,564
Total segment assets	3,347,829	188,154		3,535,983
Total segment liabilities	938,385	177,075		1,115,460

5. BUSINESS COMBINATIONS

On 1 June 2014 the Group acquired 100% of Correll Tissue (Pty) Ltd for a consideration of R144.3m. Included in the total consideration was contingent consideration of R40.5m. The contingent consideration was based on the business achieving a predetermined revenue target for a 12 month period from the effective date.

The acquisition was a result of management's diversification strategy.

Goodwill of R45.3m relates to expected synergies resulting from the Group's use of waste paper generated at its existing printing plants as an input in the tissue manufacturing process.

	2014 R'000
Fair value of assets and liabilities acquired as at acquisition date	
Property, plant and equipment	92,717
Inventory	8,620
Trade and other receivables	16,273
Trade and other payables	(13,070)
Finance lease liability	(5,640)
Identifiable assets and liabilities as at acquisition date	98,900
Goodwill	45,351
Total purchase consideration	144,251
Consideration as at acquisition date	
Cash	38,248
Contingent consideration	40,541
Cash consideration payable	65,462
Total consideration	144,251

Total consideration paid in cash up until 30 September 2014 amounts to R63.93m.

Acquisition related costs of R0.3m have been included in profit and loss for the period to September 2014.

Revenue of R39.2m and a loss of R1.3m have been included in the consolidated statement of comprehensive income since the acquisition date.

The Group's revenue and profit would have been R2,094m and R210.9m respectively if the acquisition had occurred at the beginning of the reporting period.

NOTES TO THE CONDENSED INTERIM GROUP FINANCIAL STATEMENTS
for the six months ended 30 September 2014

2014

6. COMMITMENTS

Authorised capital expenditure	22 900
Operating leases – as lessee (expense)	
Minimum lease payments due	
– within one year	5,734
– in second to fifth year inclusive	1,067

7. HEADLINE EARNINGS

For the six months ended 30 September 2014.

	Gross R'000	Taxation R'000	Non- controlling interest R'000	Total R'000
Earnings				
Profit for the period				195,787
Headline adjustments	(714)	200	42	(472)
Profit on sale of property, plant and equipment	(714)	200	42	(472)
Headline earnings				<u>195,315</u>

Number of ordinary shares in issue at year-end:

	Number of ordinary shares in issue at year-end	Weighted average number of shares in issue during the year	Diluted weighted average number of ordinary shares in issue during the year
2014	100	100	100
Earnings per share			
			2014
Earnings per share (Cents)			
Basic			195,787,000
Diluted			195,787,000
Headline earnings per share (Cents)			
Basic			195,315,000
Diluted			195,315,000

8. GOODWILL

Goodwill arises on the acquisition of interests in subsidiaries and is subject to an annual impairment assessment. Movements in the Group's goodwill for the period are detailed below:

	30 September 2014 R'000
Cost	86,701
Accumulated impairment	–
Opening balance	<u>86,701</u>
Acquisitions	45,351
Closing balance	<u>132,052</u>

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CONSOLIDATED INTERIM FINANCIAL INFORMATION OF NOVUS, REVIEWED FOR THE PERIOD ENDED 30 SEPTEMBER 2014

The definitions and interpretation commencing on page 9 of this Pre-listing Statement shall not apply to this Annexure 4.

The Directors
Novus Holdings Limited
PO Box 37014
Chempet
7442

INDEPENDENT REPORTING ACCOUNTANT'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Introduction

Novus Holdings Limited ("the Company") is issuing a Pre-listing Statement to its shareholders ("the Pre-listing Statement") regarding the proposed listing of the Company ("Proposed transaction").

At your request and for the purpose of the Pre-listing Statement to be dated on or about 4 March 2015, we have reviewed the accompanying condensed consolidated statement of financial position of the Company as at 30 September 2014 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and selected explanatory notes ("the Condensed Consolidated Interim Financial Information"), as presented in Annexure 3 to the Pre-listing Statement, in compliance with the JSE Limited ("JSE") Listings Requirements.

Directors' responsibility

The directors of the Company are responsible for the preparation, contents and presentation of the Pre-listing Statement and are responsible for ensuring that the Company complies with the JSE Listings Requirements. The directors of the Company are responsible for the preparation and presentation of the Condensed Consolidated Interim Financial Information in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Reporting Accountants' responsibility

Our responsibility is to express a conclusion on the Condensed Consolidated Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which applies to a review of historical information. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

The group has prepared condensed consolidated interim financial information for the first time for the six months ended 30 September 2014. The accompanying condensed consolidated interim statements of comprehensive income, cash flow and changes in equity do not include information for the comparative six-month period ended 30 September 2013, as required by International Accounting Standard 34, 'Interim financial reporting'.

Qualified conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Condensed Consolidated Interim Financial Information of Novus Holdings Limited, as set out in Annexure 3 to the Pre-listing Statement, is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the JSE Listings Requirements.

Purpose of the Report

This report has been prepared for the purpose of the Pre-listing Statement and for no other purpose.

PricewaterhouseCoopers Inc.

Director: H Zeelie
Registered Auditor
Paarl
4 March 2015

PRO FORMA STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME

The *pro forma* consolidated statement of comprehensive income and the *pro forma* consolidated statement of financial position have been prepared to show the financial effects of the Restructure and the Listing. The *pro forma* financial effects are calculated for the year ending 31 March 2015 for the purposes of the consolidated statement of comprehensive income and as at 30 September 2014 for the purposes of the consolidated statement of financial position. These *pro forma* financial effects are prepared for illustrative purposes only, to provide information about how the Restructure and Listing might have affected the financial information presented by Novus and, because of their *pro forma* nature, may not give a fair reflection on Novus' financial position, changes in equity, results of operations or cash flows after the Restructure and Listing.

The directors of Novus are responsible for the preparation of the *pro forma* financial information. The *pro forma* financial information has been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of the accounting policies adopted by Novus as at 30 September 2014. The *pro forma* financial information has been prepared in accordance with the Listings Requirements and the revised Guide on *Pro Forma* Financial Information issued by SAICA.

The independent reporting accountants' assurance report on the abovementioned *pro forma* financial effects is included as Annexure 6 to this Pre-listing Statement.

Pro forma Consolidated Statement of Financial Position as at 30 September 2014

	Actual ¹ R'm	Adjustment for the Restructure ² R'm	<i>Pro forma</i> after the Restructure ³ R'm	Adjustment for the Listing ⁴ R'm	<i>Pro forma</i> after the Listing and the Restructure R'm
ASSETS					
Non-current assets	2,357.8	-	2,357.8	-	2,357.8
Property plant and equipment	2,205.8		2,205.8		2,205.8
Goodwill	132.0		132.0		132.0
Other intangible assets	17.5		17.5		17.5
Investments in subsidiaries	0.0		0.0		0.0
Loans and receivables	2.2		2.2		2.2
Loans to Group companies	0.0		0.0		0.0
Derivative financial instruments	0.3		0.3		0.3
Current assets	1,178.1	-	1,178.1	-6.3	1,171.8
Inventory	483.6		483.6		483.6
Trade and other receivables	384.4		384.4		384.4
Related party receivables	183.7		183.7		183.7
Loans and receivables	1.5		1.5		1.5
Derivative financial instruments	2.9		2.9		2.9
Cash and cash equivalents	121.9		121.9	-6.3	115.6
Total Assets	3,536.0	-	3,536.0	-6.3	3,529.7

	Actual ¹ R'm	Adjustment for the Restructure ² R'm	Pro forma after the Restructure ³ R'm	Adjustment for the Listing ⁴ R'm	Pro forma after the Listing and the Restructure R'm
EQUITY AND LIABILITIES					
Capital and reserves	2,283.2	93.6	2,376.8	(6.3)	2,370.5
Share capital	0.0	237.9	237.9	–	237.9
Other reserves	(748.6)	(128.7)	(877.3)		(877.3)
Retained earnings	3,031.8	(15.6)	3,016.2	(6.3)	3,009.9
Non-controlling interest	137.3	(109.2)	28.1		28.1
Total non-current liabilities	466.9	–	466.9	–	466.9
Post employment medical liability	4.2		4.2		4.2
Provisions	11.1		11.1		11.1
Long-term liabilities	116.7		116.7		116.7
Cash-settled share-based payment liability	12.7		12.7		12.7
Deferred taxation	291.7		291.7		291.7
Deferred income	30.5		30.5		30.5
Current liabilities	648.5	15.6	664.1	–	664.1
Current portion of long-term debt	117.3		117.3		117.3
Trade and other payables	457.1		457.1		457.1
Related party payables	10.9		10.9		10.9
Current income tax payable	0.6	15.6	16.2		16.2
Derivative financial instruments	10.5		10.5		10.5
Bank overdrafts	52.2		52.2		52.2
Total liabilities and shareholders' equity	3,536.0	–	3,536.0	(6.3)	3,529.7

	Actual ¹ R'm	Adjustment for the Restructure ² R'm	Pro forma after the Restructure ³ R'm	Adjustment for the Listing ⁴ R'm	Pro forma after the Listing and the Restructure R'm
NAV per Share (cents)	2,420,520,731		753		751
Diluted NAV per Share (cents)	2,420,520,731		753		751
TNAV per Share (cents)	2,270,959,872		706		704
Diluted TNAV per Share (cents)	2,270,959,872		706		704
Number of Shares in issue at end of period net of treasury Shares (000's)	0.1	319,546	319,546	–	319,546
Diluted number of Shares (000's)	0.1	319,546	319,546	–	319,546

Notes:

- The column titled "Actual" has been prepared based on Novus' reviewed interim financial statements as at 30 September 2014.
- The "Adjustment for Restructure" column refers to the impact of the Restructure:
 - The tax degrouping charge of approximately R15.6 million due to past tax rollover relief attributable to inter-group sales between Novus and Media 24 lapsing due to Media24's shareholding dropping below 70%
 - The transfer within equity of the minority's interest in Novus' subsidiaries to share capital due to Flip-up Agreement as explained in Annexure 13, which has the following effects on the statement of financial position:
 - Transfer out of non-controlling interest of the current book value Adbait's shareholding of R109.2 million;
 - Increase in share capital of R237.9 million equaling the fair value of the shares acquired from the minorities; and
 - The difference between the book value of the minority's interest and fair value of the minority's interest has been debited to non-distributable reserves within equity;
 - The restructuring also resulted in the following number of shares to be allocated to Shareholders:
 - 299,999,900 Shares to Media24
 - 19,545,857 Shares to Adbait
- The column titled "Pro forma after the Restructure" has been prepared based on Novus' reviewed interim financial statements as at 30 September 2014 after the adjustment for Restructure.
- The column titled "Adjustment for Listing" column refers to the adjustments related to the Listing:
 - Listing costs of R6.3 million which are assumed to be of a capital nature for tax purposes and hence have no immediate tax effect.
- All the adjustments are of a continuing nature except once-off transaction costs and the tax degrouping charge.
- The *pro forma* consolidated statement of financial position is based on the assumptions above and these assumptions are effective 30 September 2014.

Pro forma Consolidated Statement of Comprehensive Income for the year ending 31 March 2015

	Forecast ¹ R'm	Adjustment for the Restructure ²⁺⁵ R'm	Pro forma after the Restructure ³ R'm
Revenue	4,263.5		4,263.5
Cost of sales	(3,098.9)		(3,098.9)
Gross profit	1,164.6	–	1,164.6
Operating expenses	(551.6)	–	(551.6)
Other (expenses)/income	(71.4)		(71.4)
Operating profit	541.6	–	541.6
Finance income	8.3		8.3
Finance costs	(45.4)		(45.4)
Share of net loss of associate	–		–
Profit before taxation	504.5	–	504.5
Taxation	(154.6)	–	(154.6)
Profit after taxation	349.9	–	349.9
Other comprehensive income	–		–
Total comprehensive income	349.9	–	349.9
Attributable to:			
Equity holders of the Group	321.2	26.6	347.8
Non-controlling interest	28.7	(26.6)	2.1
	349.9	–	349.9
Earnings per Share (cents)	106.40		108.84
Diluted earnings per Share (cents)	106.40		108.84
Headline earnings per Share (cents)	123.13		124.86
Diluted headline earnings per Share (cents)	123.13		124.86
Dividends per Share (cents)	–		–
Issued number of Shares net of treasury Shares (000's)	319,546	–	319,546
Weighted average number of Shares in issue net of treasury Shares(000's)	301,874	17,672	319,546
Diluted number of Shares net of treasury Shares (000's)	319,546	–	319,546
Weighted average diluted number of Shares in issue net of treasury Shares (000's)	301,874	17,672	319,546

Notes:

- The column titled "Forecast" has been prepared based on Novus' forecast statement of comprehensive income for the year ending 31 March 2015, the assumptions of which have been disclosed in Annexure 7.
- The "Adjustment for Restructure" column refers to the impact of the Restructure adjusted such that the items below are included in the statement of comprehensive income as if they had been in effect since 1 April 2014:
 - The transfer within equity of the minorities' interest in Novus' subsidiaries due to Flip-up Agreements;
 - The restructuring also resulted in the following number of shares to be allocated to Shareholders:
 - 299,999,900 Shares to Media24
 - 19,545,857 Shares to Adbait
- The column titled "Pro forma after the Restructure" has been prepared based on Novus' forecast statement of comprehensive income for the year ended 31 March 2015 after the adjustments for Restructure.
- There is no adjustment for the Listing column as shown on the *pro forma* statement of financial position due to the following factors:
 - The Listing fees of R6.3 million have already been incorporated into the forecast statement of comprehensive income for the year ending 31 March 2015
 - The same number of Shares repurchased from Media24 is issued to Successful Applicants on Listing and hence the net effect of this is zero. The proceeds received from the Listing will be received by Novus and then paid on to Media24 in full and final settlement of the Aggregate Repurchase Price
- No adjustment has been made for implementation of the ESOP and Lambert Retief's option as disclosed under paragraph 65 and 66 respectively for the following reasons:
 - The current year forecast contains a full year's worth of share based compensation related to the current share appreciation rights schemes. As this scheme will be fixed on implementation of the ESOP the expenses related to these schemes will drop significantly in future years thus to include expenses related to the ESOP would amount to duplication of share based compensation expenses
 - Estimation of share based compensation expenses into the future contains uncertainty due to the number of assumptions required to calculate such a figure
- All the adjustments are of a continuing nature.
- The *pro forma* consolidated statement of comprehensive income is based on the assumptions above and these assumptions are effective from 1 April 2014.

EARNINGS RECONCILIATION

1.1 Earnings

Reconciliation between earnings attributable to the owners of the parent pre- and post the Restructure and Listing:

	(R'm)
Earnings attributable to owners of the parent	321.2
Adjustments to earnings attributable to owners of the parent	
Non-controlling interest eliminated as a result of Flip-up Agreement	26.6
Earnings	347.8

1.2 Headline Earnings

Reconciliation between earnings attributable to the owners of the parent and Headline Earnings:

	(R'm)
Earnings attributable to owners of the parent	347.8
Less: Profit on sale of property, plant and equipment	(0.6)
Add: Impairment on property, plant and equipment	51.8
Headline earnings	399.0

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF NOVUS GIVING EFFECT TO THE RESTRUCTURE AND LISTING

The definitions and interpretation found on page 9 of this Pre-listing Statement shall not apply to this Annexure.

The Board of Directors
Novus Holdings Limited
P O Box 37014
Chempet
7442

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION OF NOVUS HOLDINGS LIMITED ("THE COMPANY")

Introduction

Novus Holdings Limited ("the Company") is issuing a Pre-listing Statement to its shareholders ("the Pre-listing Statement") regarding the proposed listing of the Company ("the Proposed Transaction").

At your request and for the purposes of the Pre-listing Statement to be dated on or about 4 March 2015, we present our assurance report on the compilation of the *pro forma* financial information of Novus Holdings Limited by the directors. The *pro forma* financial information, presented in Annexure 5 to the Pre-listing Statement, consists of the *pro forma* statement of financial position as at 30 September 2014, the *pro forma* statement of comprehensive income for the year ending 31 March 2015 and the *pro forma* financial effects ("the *Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the company's reported financial position as at 30 September 2014, and the company's financial performance for the year ending 31 March 2015, as if the Proposed Transaction had taken place at 30 September 2014 and 1 April 2014, respectively. As part of this process, information about the company's financial position has been extracted by the directors from the company's interim financial information for the six month period ended 30 September on which a review opinion will be issued on or about 4 March 2015. The information about the company's financial performance has been extracted from the forecasted information for the twelve months ending 31 March 2015.

Directors' responsibility

The directors of the Company are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 5. The directors of the Company are also responsible for the financial information from which it has been prepared.

Reporting accountant's responsibility

Our responsibility is to express a reasonable assurance opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

As the purpose of *Pro Forma* Financial Information included in a Pre-listing Statement is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 5 of the Pre-listing Statement.

PricewaterhouseCoopers Inc.

Director: H Zeelie
Registered Auditor
Paarl
4 March 2015

FORECAST FINANCIAL INFORMATION OF NOVUS

The table below sets out the profit forecast of Novus Holdings for the year ending 31 March 2015 and should be read in conjunction with the independent reporting accountant's report thereon set out in Annexure 8. The directors of Novus Holdings are responsible for the forecasted financial information as set out in the table below, which was approved by the board of directors on 23 February 2015.

The assumptions made and applied in the preparation of the profit forecast, which are considered by the board to be material and significant, are set out below. These assumptions are not an exhaustive list, nor are they intended to be. General assumptions usually applicable to profit forecasts of this nature have not been expressly set out below as such assumptions are considered implicit in the context of forecasted information, or having an insignificant effect on such forecasted financial information. Due to the nature of assimilating such information, a view is taken by the board of directors as to the impact of market conditions and/or future events. In the opinion of directors, the assumptions below are significant to the forecasts as being key factors upon which the financial results of the company will depend. However, certain assumptions may not materialise and/or certain unseen events may occur or circumstances may arise subsequent to the forecasts being made. Accordingly, the actual results achieved for the forecasted periods may differ from those forecasted.

The number of Shares used in the calculations is after Group Restructuring (Annexure 13) and issue of Shares (Annexure 16).

The forecast for the year ending 31 March 2015 has been compiled utilising the accounting policies of Novus Holdings as set out in Annexure 1 to the Pre-listing Statement, which have been assumed to remain in place for the duration of the forecasted period.

	Notes	Forecast 2015 R'm
Revenue	1	4,263.5
Cost of sales		(3,098.9)
Gross profit		1,164.6
Operating expenses		(551.6)
Other (expenses)/income	2	(71.4)
Operating profit		541.6
Finance income		8.3
Finance costs		(45.4)
Share of net loss of associate		–
Profit before taxation		504.5
Taxation		(154.6)
Profit after taxation		349.9
Attributable to:		
Equity holders of the Group		321.2
Non-controlling interest		28.7
Profit after taxation		349.9
Earnings per Share (cents)		106.40
Headlines earnings per Share (cents)		123.13
Issued number of ordinary Shares (000's)		319,546
Weighted number of ordinary Shares in issue (000's)		301,874
Earnings and headline earnings per share		
Profit attributable to the group		346.9
Adjustment for non-controlling interest		(28.7)
Earnings		321.2
Loss/(profit) on sale of property, plant and equipment		(0.6)
Impairment of PPE		51.1
Headline earnings		371.7

Notes to the forecast

1. The total revenue figure split between the various product and service offerings is displayed below:

R'000	Forecast 2015
Magazines	952,534
Retail inserts and catalogues	1,303,686
Newspapers	905,780
Books and directories	835,120
Labels	101,349
Tissue Products	116,494
Other	48,537
Total	4,263,500

2. This figure contains an impairment charge of R71.9 million and profit on sales of property plant and equipment of R0.8 million

Material Assumptions

Assumptions considered to be material are disclosed below. The assumptions disclosed are not intended to be an exhaustive list. The forecast statement of comprehensive income has been compiled utilising the accounting policies of Novus.

The profit forecast for the year ending 31 March 2015 is based, *inter alia*, on the following assumptions.

- The forecasts incorporate the following material assumptions in respect of revenue and expenses that can be influenced by the directors of Novus Holdings:
 - The forecasted figures assume a successful listing on the JSE on 26 March 2015
 - Certain once-off charges have been accounted for in the 2015 financial year, detail of which has been disclosed in the headline earnings reconciliation above
 - Once-off Listing fees of R6.3m have are included in expenses in the 2015 financial year
 - Certain items of property, plant and equipment has been impaired based on the recoverable amount being less than the carrying amount. A substantial part of the equipment is impaired due to the necessary replacement with newer competitive printing technology
 - The forecast contains actual results for the 9 months ended 31 December 2014
- The forecast incorporates the following material assumptions in respect of revenue and expenses that cannot be influenced by the directors of Novus Holdings:
 - Contractual printing for clients continues at volumes indicated at the time of preparing the forecast. The inclusion of ad-hoc printing work is based on historic volumes
 - Cost of sales is calculated based on the volume of sales, prevailing raw material prices, forward exchange contract rates and forecasted spot exchange rates
 - Forecast gross profit margins and operating margins are expected to closely approximate those achieved historically
 - The forecast includes mark to market adjustments on forward exchange contracts up until 31 December 2014. The period 1 January 2015 to 31 March 2015 assumes no mark to market adjustments and hence finance costs are not impacted for this period
 - Income tax is provided at the current corporate tax rate of 28%
 - Additional taxation of approximately R15.6m is provided due to past tax rollover relief lapsing because Media24's shareholding in Novus Holdings will fall below 70% on the Group Restructuring and issue of the Offer Shares

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF NOVUS HOLDINGS LIMITED

The definitions and interpretation found on page 9 of this Pre-listing Statement shall not apply to this Annexure.

The Directors
Novus Holdings Limited
PO Box 37014
Chempet
7442

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANT'S LIMITED ASSURANCE REPORT ON THE FORECAST STATEMENT OF COMPREHENSIVE INCOME OF NOVUS HOLDINGS LIMITED

We have examined the consolidated forecast statement of comprehensive income and notes thereto ("forecast information") of Novus Holdings Limited ("the Company") for the year ending 31 March 2015, as presented in Annexure 7 to the Pre-listing statement to be dated on or about 4 March 2015 ("the Pre-listing Statement").

Directors' responsibility

The directors of the Company are responsible for the forecast information, including the assumptions set out in Annexure 7 to the Pre-listing Statement, on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the JSE Limited Listings Requirements ("JSE Listings Requirements"), includes:

- determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast information;
- whether the forecast information has been properly compiled on the basis stated; and
- whether the forecast information is presented on a basis consistent with the accounting policies of the Company.

Reporting accountant's responsibility

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the JSE Listings Requirements and for inclusion in the Pre-listing Statement. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3400, *The Examination of Prospective Financial Information*. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the forecast information is based are not unreasonable and are consistent with the purpose of the information;
- the forecast information is properly prepared on the basis of the assumptions;
- the forecast information is properly presented and all material assumptions are adequately disclosed; and
- the forecast information is prepared and presented on a basis consistent with the accounting policies of the Company for the period concerned.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast information;
- ii) the forecast information has not been properly compiled on the basis stated;
- iii) the forecast information has not been properly presented and all material assumptions are not adequately disclosed; and
- iv) the forecast information, is not presented on a basis consistent with the accounting policies of the Company.

Actual results are likely to be different from the forecast information, since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the forecast information.

Other matter – purpose of the report

This report has been prepared for the purpose of satisfying the requirement of Section 8.45 (d) of the JSE Listings Requirements, and for no other purpose.

PricewaterhouseCoopers Inc.

Director: H Zeelie
Registered Auditor
Paarl
4 March 2015

DETAILS OF SUBSIDIARIES AND THEIR DIRECTORS

Name and registration of Subsidiary*	Date and place of incorporation (South Africa unless stated otherwise)	Issued ordinary share capital	Percentage held, directly or indirectly	Effective date of becoming a subsidiary	General description of the business**	Directors
Paarl Media Holdings (Pty) Ltd	05/05/2008	100,000,000	100%	10/01/2008	Holding company	Lambert Retief Stephen van der Walt Keith Vroon Edward van Niekerk Michael Ehret Peter Metcalfe Nico Grobbelaar Jandr� de Milander
Paarl Labels (Pty) Ltd	10/03/2006	200	100%	04/01/2006	Specialist label printing facility offering UV flexo self-adhesive labels for the wine industry, cosmetics, petro-chemical, beer, food and beverage market	Lambert Retief Stephen van der Walt Keith Vroon Luke Papadopoulos
Macleary Investments 456 (Pty) Ltd	05/12/1994	200	100%	09/14/2000	Provides both publication gravure and heatset web offset printing offered for the production of medium to high volume commercial work, magazines and catalogues	Lambert Retief Stephen van der Walt Keith Vroon Christoff Botha Michael Ehret Nico Grobbelaar Piet le Roux
Paarl Media Paarl (Pty) Ltd	12/05/1994	100	84%	09/21/2001	Provides sheetfed and heatset web offset printing for books, specialised magazines, promotional and direct marketing material, commercial work as well as financial reports	Lambert Retief Stephen van der Walt Christoff Botha Mandla Sibeko
Extra Dimensions 1 (Pty) Ltd	31/07/2000	100	100%	12/06/2002	Dormant company	Lambert Retief Stephen van der Walt
Media Administration (Pty) Ltd	30/07/1998	100	100%	12/14/2000	Dormant company	Lambert Retief Stephen van der Walt
Paarl Media (Pty) Ltd	28/08/2003	500	100%	07/14/2004	Provides both publication gravure and heatset web offset printing offered for the production of medium to high volume commercial work, magazines and catalogues.	Stephen van der Walt Keith Vroon Edward van Niekerk Christoff Botha Piet le Roux Aaron Ganesh
Intrepid Printers (Pty) Ltd	03/08/2000	1,250	100%	08/01/2013	Dormant company	Lambert Retief

Name and registration of Subsidiary*	Date and place of incorporation (South Africa unless stated otherwise)	Issued ordinary share capital	Percentage held, directly or indirectly	Effective date of becoming a subsidiary	General description of the business**	Directors
						Keith Vroon Edward van Niekerk Aaron Ganesh Trevor Cape Ravesh Singh
Paarl Coldset (Pty) Ltd	24/03/1995	84,444,400	100%	10/01/2008	Provides cost effective printing on uncoated paper of newspapers and retail inserts	Lambert Retief Stephen van der Walt Keith Vroon Edward van Niekerk Andre Smit Conrad Rademeyer Wilhelm Loubser
Paarl Packaging (Pty) Ltd	06/11/2013	100	100%	11/06/2013	Holding company	Stephen van der Walt Keith Vroon Edward van Niekerk
Paarl Tissue (Pty) Ltd t/a Correll Tissue	07/11/2013	100	100%	11/07/2013	Production of domestic tissue paper through the effective use of waste paper from other printing operations	Stephen van der Walt Keith Vroon Edward van Niekerk Aaron Ganesh
Paarl Labels Africa (Pty) Ltd	09/09/2014	70	100%	09/09/2014	Dormant company	Luke Papadopoulos Edward van Niekerk
Latiano 554 (Pty) Ltd	10/02/2015	100	100%	10/02/2015	Holds treasury Shares pursuant to Lambert Retief's option	Stephen van der Walt Edward van Niekerk Keith Vroon

* Note there is no degree of government protection or any investment encouragement laws affecting the businesses of the entities listed above

** None of Novus' Subsidiaries are listed on the JSE

SUMMARIES OF EXTRACTS FROM THE NOVUS MOI

Below are summarise extracts of the Novus Memorandum of Incorporation:

7 ISSUE OF SHARES AND VARIATION OF RIGHTS

- 7.1 The Company is authorised to issue –
- 7.1.1 3 000 000 000 (Three Billion) ordinary Shares with no par value, of the same class, each of which ranks *pari passu* in respect of all rights (“**Ordinary Share**”) and entitles the holder (“**Ordinary Shareholder**”) to –
- 7.1.1.1 vote on any matter to be decided by the Shareholders and to 1 (one) vote in respect of each Ordinary Share in the case of a vote by means of a poll;
- 7.1.1.2 participate proportionally in any distribution made by the Company; and
- 7.1.1.3 receive proportionally the net assets of the Company upon its liquidation;
- 7.1.2 such number of each of such further classes of Shares, if any, as are set out in a Schedule to this MOI, with the preferences, rights, limitations and other terms associated with each such class set out therein, subject to the Listings Requirements – on the date of filing of this MOI no such Shares are authorised.
- 7.2 The power of the Board to –
- 7.2.1 increase or decrease the number of authorised Shares of any class of the Company’s Shares; or
- 7.2.2 create any class of Shares; or
- 7.2.3 increase the number of Securities of any class;
- 7.2.4 reclassify any classified Shares that have been authorised but not issued; or
- 7.2.5 classify any unclassified Shares that have been authorised but not issued; or
- 7.2.6 convert one class of Shares into one or more other classes of Shares (including redeemable preference Shares);
- 7.2.7 determine, amend or vary the preferences, rights, limitations or other terms attaching to any class of Shares, whether issued or not,
- shall be subject to the approval of the Shareholders by way of a special resolution, and as far as clause 7.2.7 is applicable (in the case of Shares already issued), subject also to the consent required from the holders of that class of Shares, and furthermore, for the avoidance of doubt, for as long as there are cumulative and/or non-cumulative preference Shares in each instance listed on the JSE, the specific right attaching to these aforesaid preference Shares shall be that no further Securities ranking in priority to, or *pari passu* with, these existing preference Shares, of any class, shall be created without a special resolution passed at a separate general meeting of the holders of these preference Shares.
- 7.3 The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the Listings Requirements.
- 7.4 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share, and accordingly if any amendment to this Memorandum of Incorporation relates to the variation of any preferences, rights, limitations and other terms associated with any class of Share already in issue, such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting. The holders of Shares of that class will, subject to the further provisions of clause 26.2, also be entitled to vote at the meeting of Ordinary Shareholders where the amendment is tabled for approval.
- 7.5 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Act.
- 7.6 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 7.7 Save where otherwise permitted under the Act, the Listings Requirements or this Memorandum of Incorporation, the Board may, subject to clauses 7.8 and 7.10 and the further provisions of this clause 7.7, the Act and the Listings Requirements, resolve to issue unissued Shares (and other Securities) at any time, but only –
- 7.7.1 within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation; and
- 7.7.2 to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, provided that, if such approval is in the form of a general authority to the Board, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting, provided further that if approved by the Shareholders in general meeting on the basis as afore-mentioned, the authority of the Board shall include the power to-

- 7.7.2.1 first offer such Shares to existing Ordinary Shareholders in proportion to their shareholding, on such terms and in accordance with such procedures as the Board may determine; or
 - 7.7.2.2 issue such Shares for the acquisition of assets by the Company, whether by means of an acquisition issue or a vendor consideration placement.
- 7.8 All issues of Shares for cash and all issues of options and convertible Securities granted or issued for cash must, in addition, be in accordance with the Listings Requirements.
- 7.9 Save where permitted by the JSE, all Securities for which a listing is sought on the JSE and all Securities of the same class as Securities which are listed on the JSE must be freely transferable and must, notwithstanding the provisions of section 40(5) of the Act, but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.
- 7.10 The Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit, provided that, to the extent applicable, such transaction(s) has/have been approved by the JSE and comply with the Listings Requirements.
- 7.11 Notwithstanding anything to the contrary herein, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3) of the Act, require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.
- 7.12 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in clause 7.7, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

24 SHAREHOLDERS' MEETINGS

24.1 Calling of Shareholders' Meetings

- 24.1.1 The Board, or any Prescribed Officer of the Company authorised by the Board, is entitled to call a Shareholders' meeting at any time.
- 24.1.2 Subject to the provisions of section 60 of the Act, dealing with the passing of resolutions of Shareholders otherwise than at a meeting of Shareholders, the Company shall hold a Shareholders' meeting –
- 24.1.2.1 at any time that the Board is required by the Act, the Listings Requirements or this Memorandum of Incorporation to refer a matter to Shareholders for decision; or
 - 24.1.2.2 whenever required in terms of the Act to fill a vacancy on the Board; or
 - 24.1.2.3 when required in terms of clause 24.1.3 or by any other provision of this Memorandum of Incorporation.
- 24.1.3 The Board shall call a meeting of Shareholders if 1 (one) or more written and signed demands by Shareholders calling for such a meeting are delivered to the Company and –
- 24.1.3.1 each such demand describes the specific purpose for which the meeting is proposed; and
 - 24.1.3.2 in aggregate, demands for substantially the same purpose are made and signed by the holders, as of the earliest time specified in any of those demands, of at least 10% (ten percent) of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.

24.2 Annual General Meetings

- 24.2.1 In addition to other meetings of the Company that may be convened from time to time, the Company shall convene an annual general meeting of its Shareholders once in each calendar year, but no more than 15 (fifteen) months after the date of the previous annual general meeting.
- 24.2.2 Subject to the provisions of the Listings Requirements, and for as long as required in terms of the provisions of the Act, any such annual general meeting –
- 24.2.2.1 shall, if determined by the Board in its discretion, be held by Electronic Communication in accordance with the further provisions of this Memorandum of Incorporation; and
 - 24.2.2.2 shall not be capable of being held in accordance with the provisions of section 60 of the Act referred to in clause 29.
- 24.2.3 Each annual general meeting of the Company contemplated in clause 24.2 shall provide for at least the following business to be transacted –
- 24.2.3.1 the presentation of the directors' report, audited financial statements for the immediately preceding financial year of the Company and an audit committee report;
 - 24.2.3.2 the election of Directors, to the extent required by the Act and this Memorandum of Incorporation;
 - 24.2.3.3 the appointment of an auditor and an audit committee and social ethics committee (if required in terms of the Act or so resolved by the Board) for the following financial year; and
 - 24.2.3.4 any matters raised by the Shareholders, with or without advance notice to the Company.
- 24.2.4 Save as otherwise provided herein, the Company is not required to hold any other Shareholders' meetings other than those specifically required by the Act and the Listings Requirements.

24.3 Location of and notices of meetings

24.3.1 The Board may determine the location of any Shareholders' meeting, and the Company may hold any such meeting in South Africa, and the authority of the Board and the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

24.3.2 All meetings (whether called for the passing of special or ordinary resolutions) shall in accordance with section 62(1)(a) of the Act be called on not less than 15 (fifteen) business days' notice, subject to section 62(2A) of the Act.

24.4 Quorum and adjournment of meetings

24.4.1 The quorum for a Shareholders' meeting to begin or for a matter to be considered, shall be at least 3 (three) Shareholders entitled to attend and vote and be present at the meeting. In addition–

24.4.1.1 a Shareholders' meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and

24.4.1.2 a matter to be decided at a Shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

24.4.2 If within half an hour after the appointed time for a meeting to begin, the requirements of clause 24.4 –

24.4.2.1 for that meeting to begin have not been satisfied, the meeting may in accordance with section 64(4) of the Act be postponed, without any motion, vote or further notice, for 1 (one) week;

24.4.2.2 for consideration of a particular matter to begin have not been satisfied –

24.4.2.2.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without any motion or vote; or

24.4.2.2.2 if there is no other business on the agenda of the meeting, the meeting may be adjourned, without any motion or vote, for 1 (one) week,

provided that the person intended to chair a meeting that cannot begin due to the operation of clause 24.4 may extend the half an hour limit allowed in clause 24.4.2 for a reasonable period on the grounds that –

24.4.2.3 exceptional circumstances affecting weather, transportation or Electronic Communication have generally impeded or are generally impeding the ability of Shareholders to be present at the meeting; or

24.4.2.4 one or more particular Shareholders, having been delayed, have communicated an intention to attend the meeting, and those Shareholders, together with others in attendance, would satisfy the requirements of clause 24.4.

24.4.3 The accidental omission to give notice of any meeting to any particular Shareholder or Shareholders shall not invalidate any resolution passed at any such meeting.

24.4.4 Subject to the provisions of clause 24.4.5, the Company shall not be required to give further notice of a meeting that has been postponed or adjourned in terms of clause 24.4.2 unless the location for the meeting is different from –

24.4.4.1 the location of the postponed or adjourned meeting; or

24.4.4.2 the location announced at the time of adjournment, in the case of an adjourned meeting.

24.4.5 For so long as any of the Securities are listed on the JSE, the Company shall release a notice on SENS of any postponed or adjourned meeting (whether postponed or adjourned in terms of clause 24.4.4 or otherwise).

24.4.6 If at the time appointed in terms of clause 24.4.2 for a postponed meeting to begin, or for an adjourned meeting to resume, the requirements of clause 24.4 have not been satisfied, the Shareholders present in person or by proxy will be deemed to constitute a quorum.

24.4.7 For so long as any of the Securities are listed on the JSE, after a quorum has been established for a meeting, or for a matter to be considered at a meeting, all the Shareholders forming part of the quorum must be present at the meeting for the matter to be considered at the meeting.

24.4.8 The chairperson of a meeting may with the consent of a meeting at which a quorum is present (and must if the meeting resolves thus) adjourn the meeting from time to time and from place to place, but an adjourned meeting may only deal with matters which could legally be dealt with at the meeting on which the adjournment took place.

24.4.9 The maximum period allowable for an adjournment of a Shareholders' meeting is as set out in section 64(12) of the Act, without variation.

24.5 Conduct of meetings

- 24.5.1 The chairperson, or in his absence, the Lead Independent Director (if there is one) shall preside as chairperson at every Shareholder's meeting.
- 24.5.2 If there is no such chairperson or Lead Independent Director, or if at any meeting he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, the Directors present shall choose 1 (one) of their number to be chairperson. If no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for commencement of the meeting, the Shareholders present shall choose one of their number to be chairperson of the meeting.
- 24.5.3 The chairperson of a Shareholders' meeting may –
- 24.5.3.1 appoint any firm or persons to act as scrutineers for the purpose of checking any powers of attorney or proxies received and for counting the votes at the meeting; or
- 24.5.3.2 act on a certificate given by any such scrutineers without requiring production at the meeting of the forms of proxy or himself counting the votes.
- 24.5.4 If any votes were counted which ought not to have been counted or if any votes were not counted which ought to have been counted, the error shall not vitiate the resolution, unless –
- 24.5.4.1 it is brought to the attention of the chairperson at the meeting; and
- 24.5.4.2 in the opinion of the chairperson of the meeting, it is of sufficient magnitude to vitiate the resolution.
- 24.5.5 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised –
- 24.5.5.1 at the meeting or adjourned meeting at which the vote objected to was recorded; or
- 24.5.5.2 at the meeting or adjourned meeting at which the result of the poll was announced, and every vote not then disallowed shall be valid for all purposes. Any objection made timeously shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.
- 24.5.6 Even if he is not a Shareholder –
- 24.5.6.1 any Director; or
- 24.5.6.2 the company's attorney (or where the company's attorneys are a firm, any partner or director thereof),
- 24.5.6.3 may attend and speak at any Shareholders' meeting, but may not vote, unless he is a Shareholder or the proxy or representative of a Shareholder.

30 DIRECTORS

30.1 Number of Directors

- 30.1.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee (unless exempted), the Board must comprise at least 4 (four) Directors and not more than 13 (thirteen) directors. Subject to the aforesaid limitations, the Company may from time to time in a Shareholder meeting increase or reduce the number of Directors then in office, and may also determine in what rotation such increased or reduced number of Directors is to retire from office.
- 30.1.2 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 30.2.7 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the Directors or invalidate anything done by the Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.
- 30.1.3 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 30.1.2, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) of the Act or of summoning general meetings of the Company, but not for any other purpose.

30.2 Nomination and Appointment of Directors

- 30.2.1 Subject to the provisions of clauses 30.2.7 and 33.1, all Directors shall be nominated by the Shareholders for appointment as Directors in terms of the provisions of clauses 30.2.2 and 30.2.3 and elected as such by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 of the Act shall be competent.
- 30.2.2 Subject to the provisions of clauses 30.3 and 30.2.7, a person as envisaged in clause 30.2.1 shall only be eligible for election as a Director if he is nominated in the manner referred to in clause 30.2.3.

- 30.2.3 No person, other than a Director retiring at the Shareholder meeting in question, shall (unless he is recommended by the Board) be eligible for election to the office of director at any Shareholder meeting, unless, not less than 7 (seven) days before the day appointed for the Shareholder meeting in question, there shall have been given to the secretary of the Company a notice in writing by any one Shareholder, who may also be the proposed Director ("the Proposer"), duly qualified to be present and vote at the meeting for which such notice is given of the intention of the Proposer to propose such person for election as a Director. Any such notice shall be signed by the Proposer and shall furthermore contain the full personal and contact details of the Proposer. The Proposer shall also provide the full personal details, full contact details, qualifications and work experience of the person so proposed for election as a Director and such notice of proposal shall also be signed by the person so proposed indicating his willingness to be elected as a Director of the Company.
- 30.2.4 Subject to clause 30.2.5, in any election of Directors –
- 30.2.4.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and
- 30.2.4.2 in each vote to fill a vacancy –
- 30.2.4.2.1 each vote entitled to be exercised may be exercised once; and
- 30.2.4.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.
- 30.2.4.3 if the election process results therein that –
- 30.2.4.3.1 more nominees are elected as Directors than there are vacancies, those nominees (being a number of the nominees that are equal to the number of vacancies) that received the most votes will be the elected Directors, provided that in the event that a number of nominees that compete for a lesser number of vacancies received an equal number of votes, the Director or Directors elected to fill those vacancies will be determined by lot in the manner that the chairperson of the meeting will determine;
- 30.2.4.3.2 less nominees are elected as Directors than there are vacancies, the remaining vacancies will remain unless filled in terms of the provisions of clause 30.2.7.
- 30.2.4.4 if no or insufficient candidates are nominated to fill the number of vacancies on the Board, the vacancies so caused shall be regarded as interim vacancies which shall be filled in terms of the provisions of clause 30.2.7.
- 30.2.5 A Shareholder meeting may by a simple majority vote resolve that where two or more persons are to be elected as Directors of the Company, such election shall be made on a single resolution containing the names of all candidates standing for election as Directors.
- 30.2.6 Save as provided for in clauses 30.2.7 and 33, the Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4) of the Act.
- 30.2.7 The Board has the power to appoint or co-opt any person as Director, whether to fill any vacancy on the Board on a temporary basis, as set out in section 68(3) of the Act, or as additional Director, provided that such appointment must be confirmed by the Shareholders, in accordance with clause 30.2.1, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i) of the Act.
- 30.2.8 Any non-executive Director (other than Independent Directors) shall be entitled to appoint any person as an Alternate Director to himself/herself, provided such Alternate Director falls within the same afore-mentioned classification, and which Alternate Director may only serve in the place of the Director appointing him/her during the Director's absence to attend any meeting of the Board. Except as afore-mentioned, a Director shall only be entitled to appoint a person as an Alternate Director to himself/herself with the approval of the Board and furthermore subject to the conditions imposed by the Board. If a Person is an Alternate Director to more than 1 (one) Director or if an Alternate Director is also a Director, he shall have a separate vote, on behalf of each Director she/he is representing in addition to his own vote, if any.
- 30.3 Eligibility, Resignation and Retirement of Directors**
- 30.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69 of the Act and subject to the below mentioned provisions of this clause 30.3, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a Prescribed Officer of the Company.
- 30.3.2 Subject to any provisions of clause 30.3.4, a Director shall resign his office as Director if –
- 30.3.2.1 he becomes ineligible or disqualified to act as a Director in accordance with the provisions of the Act (including an Alternate Director), and without prejudice to any claim for damages;
- 30.3.2.2 he retires as Director by means a written notice to the Company;
- 30.3.2.3 he is absent from more than 4 (four) consecutive ordinary meetings of the Board without permission of the Board (and such leave may not be granted for a period stretching over more than 6 (six) consecutive ordinary meetings, unless he is absent with regard to matters of the Company); and the Board resolves that his directorship shall be terminated due to his absence.

- 30.3.3 Notwithstanding any contrary provisions of this Memorandum of Incorporation, a Director shall resign his office after conclusion of the annual general meeting of the Company relating to the financial year in which the Director has reached the retirement age determined from time to time by the Board.
- 30.3.4 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this clause 30.3.4 –
- 30.3.4.1 at each annual general meeting referred to in clause 24.2.1, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if a Director is appointed as an executive Director, he shall not, while he continues to hold that position or office, be subject to retirement by rotation and he shall not, in such case, be taken into account in determining the rotation or retirement of Directors;
- 30.3.4.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;
- 30.3.4.3 notwithstanding the provisions of this clause 30.3.4, a Director who has already held his office for a period of 3 (three) years since his last election for appointment by the date of any annual general meeting shall retire at such meeting, whether as one of the Directors retiring according to the roster referred to above, or over and above such Directors;
- 30.3.4.4 a retiring Director shall be eligible for re-election, and, if re-elected, shall be deemed not to have vacated his office;
- 30.3.4.5 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 29;
- 30.3.4.6 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 24.4.2 to 24.4.5 (inclusive) will apply to such adjournment as far as such provisions apply thereto, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting;
- 30.3.4.7 a retiring Director shall act as a Director throughout the Shareholder meeting at which he retires.
- 30.3.5 The Board shall, through its nomination committee (if such nomination committee has been constituted in terms of clause 37), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution.

30.4 **Directors' Interests**

- 30.4.1 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.
- 30.4.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.
- 30.4.3 Any Director may act for the Company personally or through his firm in a professional capacity (except as auditor) and he or his firm shall be entitled to remuneration for professional services rendered as if he had not been a Director of the Company.
- 30.4.4 Each Director, Prescribed Officer and member of any committee of the Board shall, subject to the exemptions contained in section 75(2) of the Act and the qualifications contained in section 75(3) of the Act, comply with all of the provisions of section 75 of the Act in the event that they (or to their knowledge any person who is a related person to them) have a personal financial interest in any matter to be considered by the Board.

32. **DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE**

- 32.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years, as set out in sections 66(8) and 66(9) of the Act, and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.
- 32.2 Any Director who –
- 32.2.1 serves on any executive or other committee; or
- 32.2.2 devotes special attention to the business of the Company; or
- 32.2.3 goes or resides outside South Africa for the purpose of the Company; or

32.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

32.3 The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with –

32.3.1 the business of the Company; and

32.3.2 attending meetings of the Directors or of committees of the Directors of the Company.

32.4 The Board may, as contemplated in and subject to the requirements of section 45 of the Act, authorise the Company to provide financial assistance to a Director or Prescribed Officer of the Company or of related or inter-related company or other person referred to in section 45(2) of the Act, and the power of the Board in this regard is not limited or restricted in any manner by this Memorandum of Incorporation as contemplated in section 45(4) of the Act, subject only to the provisions of sections 45(3) and 45(5) of the Act.

35 POWERS OF THE BOARD OF DIRECTORS

35.1 The business and affairs of the Company shall be managed by or under the directions of the Board, which has the authority to exercise all of the powers and perform any of the functions of the Company, except to the extent that the Act or this Memorandum of Incorporation provides otherwise.

35.2 The general powers granted to the Board by this clause 35 shall not be limited or reduced by any special authorisation or power granted to the Board by any other clause in the MOI.

35.3 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with agents as the Directors think fit. Any such agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

35.4 All cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

35.5 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

35.6 The Directors shall, for as long as the Securities are listed on the JSE, not have the power to propose any resolution to Shareholders in terms of sections 20(2) and 20(6) of the Act, to ratify any act of the Directors that is contrary to the Listings Requirements and is inconsistent with any limit imposed by this Memorandum of Incorporation on the authority of the Directors to perform such an act on behalf of the Company, unless otherwise agreed with the JSE.

36 BORROWING POWERS

Subject to the provisions of this Memorandum of Incorporation, the Directors may from time to time –

36.1 borrow for the purposes of the Company such sums as they think fit; and

36.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

41 DISTRIBUTIONS

41.1 The Board, subject to the provisions of the Act, shall be entitled to make distributions (including interim and full year dividend payments) and in making its determination the Board shall follow a policy of distributing all retained earnings, which is surplus to the Company's operational and strategic requirements.

41.2 Subject to the provisions of the Act, and particularly section 46 of the Act, and this Memorandum of Incorporation, the Company may make any proposed distribution, as defined and contemplated in the Act, if such distribution –

41.2.1 is pursuant to an existing legal obligation of the Company, or a court order; or

41.2.2 is authorised by resolution of the Board, in compliance with the Listings Requirements, for as long as any of the Company's Securities are listed on the JSE.

41.3 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares or other Securities in respect of which such distribution is payable.

- 41.4 Subject to the prevailing laws on taxation, distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable (including, if the Board furthermore so resolves, to constitute a reduction of contributed tax capital for taxation purposes, as defined in section 1 of the Income Tax Act, No 58 of 1962, including any amendment, consolidation or re-enactment thereof).
- 41.5 The Directors may from time to time pay to the Shareholders such interim distributions as the Directors consider to be appropriate.
- 41.6 All unclaimed monies that are due to a Shareholder/s shall be held by the Company in trust for the benefit of the Company for an indefinite period until lawfully claimed by such Shareholder/s, but subject to the laws of prescription that apply in South Africa. If, after expiry of the relevant period of time provided for in terms of the Prescription Act, No. 68 of 1969, as amended, or re-enacted from time to time, such monies remain unclaimed and the Company becoming lawfully entitled to such unclaimed monies, such unclaimed monies may be declared by the Directors to be forfeited for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.
- 41.7 Any distribution, interest or other sum payable in cash to the holder of a Share or other Securities may be –
- 41.7.1 paid by cheque or warrant sent by post and addressed to the holder at his registered address, and in the case of joint holders, to the holder whose name appears first in the Securities Register in respect of the Share, at his registered address; or
- 41.7.2 paid by way of an electronic funds transfer, into the selected bank account of the relevant persons referred to in clauses 41.7.1 above to 41.7.3 below; or
- 41.7.3 paid by cheque or warrant or by way of an electronic funds transfer to such person and at such address or into such selected bank account as the holder or joint holders may in writing direct.
- 41.8 Every such cheque or warrant shall –
- 41.8.1 be made payable to the order of the person to whom it is addressed; and
- 41.8.2 be sent at the risk of the holder or joint holders.
- 41.9 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid. The Company shall not be responsible for a Shareholder's loss arising from any fraudulent, diverted or incorrect electronic funds transfer, unless such loss was due to the Company's gross negligence or wilful default.
- 41.10 A holder or any 1 (one) of 2 (two) or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.
- 41.11 When such cheque or warrant is paid or electronic funds transfer is made, it shall discharge the Company of any further liability in respect of the amount concerned.
- 41.12 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.
- 41.13 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part –
- 41.13.1 by the distribution of specific assets; or
- 41.13.2 by the issue of Shares, debentures or securities of the Company or of any other company; or
- 41.13.3 in cash; or
- 41.13.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.
- 41.14 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.
- 41.15 The Directors may –
- 41.15.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and
- 41.15.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.
- 41.16 All distributions must be payable to Shareholders registered as at a date subsequent to the date of declaration or the date of confirmation thereof, whichever is the later date.
- 41.17 Without limiting the provisions of clause 41.2.2 above, all payments made to holders of Securities listed on the JSE (“**Listed Securities**”) must be in accordance with the Listings Requirements and capital payments to holders of Listed Securities may not be made on the basis that it can be called up again.

DETAILS OF IMMOVABLE PROPERTY OWNED OR LEASED BY THE GROUP

Group Company which holds the asset	Nature of interest	Situation and area of the property	Rental payable monthly as at 09/30/2014 (excl. VAT)	Tenure of the property
Paarl Coldset (Pty) Ltd	Ownership	Paarden Eiland, 5 Lynx Road, Erf 153591 (Deed of transfer number T002817/09)	n/a	n/a
Paarl Coldset (Pty) Ltd	Ownership	Paarden Eiland, 5 Lynx Road, Erf 174472/174473 (Deed of transfer number T000047146/2013)	n/a	n/a
Paarl Coldset (Pty) Ltd	Ownership	Paarden Eiland, 5 Lynx Road, Erf 174471 (Deed of transfer number T000047141/2013)	n/a	n/a
Paarl Coldset (Pty) Ltd	Ownership	45 Willow Road, Erf 1412 (Deed of transfer number T025572/2012)	n/a	n/a
Paarl Coldset (Pty) Ltd	Ownership	City Deep, 83 Heidelberg Road, Erf 173 and 186 (Deed of transfer number T002711/09)	n/a	n/a
Paarl Coldset (Pty) Ltd	Ownership	City Deep, 83 Heidelberg Road, Erf 181, 182 and 185 (Deed of transfer number T002712/09)	n/a	n/a
Paarl Coldset (Pty) Ltd	Ownership	Fairview, Ivor Benn Close, Erf 2918 (Deed of transfer number T063031/10)	n/a	n/a
Paarl Coldset (Pty) Ltd	Ownership	Pietermaritzburg, Plot 1412 of the Townlands of Pietermaritzburg no. 1687	n/a	n/a
Paarl Coldset (Pty) Ltd	Lease ¹	Erf 11259, Bloemfontein, Free State	156,317	03/31/2017
Paarl Coldset (Pty) Ltd	Lease ¹	Portion 5 of Erf 691, Bloemfontein, FS	41,147	03/31/2017
Paarl Coldset (Pty) Ltd	Lease ¹	Erf 11259, Bloemfontein, Free State	12,000	05/31/2015
Maclearly Investment 456 (Pty) Ltd	Ownership	Montague Gardens, Cape Town, 10 Freedom Way, Erf 31886/32717 (Deed of transfer number T000037676/2003)	n/a	n/a
Maclearly Investment 456 (Pty) Ltd	Ownership	Paarl, 15 Jan van Riebeeck Drive, Erf 31203 (Deed of transfer number T72641/11)	n/a	n/a
Paarl Media (Pty) Ltd	Ownership	Linbro Park, 48 Milky Way, Erf 131 (Deed of transfer number T03961/13)	n/a	n/a
Paarl Media (Pty) Ltd	Ownership	Westmead, 52 Mahogany Ridge, Erf 25221 (Deed of transfer number T028764/2013)	n/a	n/a
Paarl Tissue (Pty) Ltd	Lease ²	Phoenix, Erf 98 Phoenix Industrial Park, KZN	183,333	Note 2
Paarl Tissue (Pty) Ltd	Lease ²	Phoenix, Erf 97 Phoenix Industrial Park, KZN	183,333	Note 2

Notes

- These leases are over different parts of the same plant and operation based in Bloemfontein.
- These properties are currently rented as part of the sale agreement (Paarl Tissue and Correll Tissue) – occupational rent is paid until transfer of the properties occur which is expected to be 03/31/2015.

THIRD-PARTY, INTRA-GROUP, DIRECTOR AND EMPLOYEE LOANS AND BORROWINGS

THIRD-PARTY LOANS AND BORROWINGS AS AT 30 SEPTEMBER 2014*

Loan owing to	Loan owing by	Amount (R'000)	Interest rate	Maturity	Security	Terms and conditions of payment/renewal	Finance for debts repayable within 12 months	Details of how loans arose
Nedbank	Paarl Media (Pty) Ltd	75,530	3-month JIBAR + 1.70%	11/20/2016	Note 1	3-monthly	Cash resources	To fund the acquisition of Correll Tissue and general capital expansion
Rand Merchant Bank	Paarl Media (Pty) Ltd	101,142	3-month JIBAR + 1.70%	6/30/2017	Note 2	3-monthly	Cash resources	To fund the acquisition of Correll Tissue and general capital expansion
Nedbank	Paarl Media (Pty) Ltd	45,806	3-month JIBAR + 1.77%	11/18/2014	Note 3	3-monthly	Cash resources	To service the shareholder loan from Media24

* None of these loans have any conversion or redemption rights

Notes

- This loan has been guaranteed by Paarl Media Paarl (Pty) Ltd in the amount of R198 million, the loan has been subordinated by Macleary Investments (Pty) Ltd whereby all of its claims on loan account against Paarl Media (Pty) Ltd will be subordinated in favour of Nedbank and Paarl Media Paarl (Pty) Ltd has also ceded and pledged all present and future money owed to the borrower in respect of moneys lent and advanced to the Borrower.
- This loan has been guaranteed by Paarl Media Holdings (Pty) Ltd, the loan has been subordinated by Macleary Investments (Pty) Ltd whereby all of its claims on loan account against Paarl Media (Pty) Ltd will be subordinated in favour of Nedbank and Paarl Media Paarl (Pty) Ltd has also ceded and pledged all present and future money owed to the borrower in respect of moneys lent and advanced to the Borrower.
- This loan has been settled and hence no further information regarding the security furnished has been provided.

INTRA-GROUP LOANS AS AT 30 SEPTEMBER 2014

Loan owing to	Loan owing by	Amount (R'000)	Interest rate	Maturity
Paarl Media Holdings (Pty) Ltd	PMH Share Trust	36	0%	No fixed repayment terms
Paarl Media Holdings (Pty) Ltd	Paarl Media (Pty) Ltd	510,734	0%	No fixed repayment terms
Paarl Media Paarl (Pty) Ltd	Paarl Media (Pty) Ltd	53,837	Prime	No fixed repayment terms
Paarl Media (Pty) Ltd	Novus Holdings Ltd	21	0%	No fixed repayment terms
Paarl Media (Pty) Ltd	Paarl Coldset (Pty) Ltd	774,643	3 month JIBAR + 1.75%	No fixed repayment terms
Paarl Media (Pty) Ltd	Extra Dimensions (Pty) Ltd	103	0%	No fixed repayment terms
Paarl Media (Pty) Ltd	Paarl Tissue (Pty) Ltd	71,376	3 month JIBAR + 1.75%	No fixed repayment terms
Extra Dimensions (Pty) Ltd	Paarl Media Holdings (Pty) Ltd	2	0%	No fixed repayment terms
PMH Share Trust	Paarl Media Holdings (Pty) Ltd	3,060	0%	No fixed repayment terms
PMH Share Trust	Paarl Media (Pty) Ltd	16,232	0%	No fixed repayment terms
Paarl Coldset (Pty) Ltd	Blue Bantry Investments (Pty) Ltd	701	0%	No fixed repayment terms
Macleary Investments 456 (Pty) Ltd	Paarl Media (Pty) Ltd	1,053,167	0%	No fixed repayment terms

DIRECTOR AND EMPLOYEE LOANS AND BORROWINGS AS AT 30 SEPTEMBER 2014

As at 30 September 2014, there are no director or employee loans and borrowings.

MATERIAL CONTRACTS

This section outlines material acquisitions and disposals of Novus and its Subsidiaries for the last three years.

1. Group Restructuring

Prior to the listing, Novus was restructured as follows:

- The 1973 Companies Act “Articles of Association” were replaced with 2008 Companies Act MOI, incorporating provisions prescribed in terms of the Listing Requirements. The MOI was approved by the JSE on 19 January 2015 and by the Commission on 9 February 2015.
- The Company was converted from a private company to a public company and the share capital was converted from par value to no par value.
- The authorised share capital of the Company was increased to 3,000,000,000 Shares.

Following this Novus implemented a capitalisation issue in which Media24 being the sole Shareholder of the Company was issued 2,999,999 Shares for every Share in issue resulting in Media24 holding 300,000,000 Shares.

Adbait’s shareholding in Paarl Media Holdings and Paarl Coldset was exchanged for 19,545,857 Shares in Novus in terms of the Flip-Up Agreement.

After the conclusion of the Flip-up Agreement, Novus repurchased 26.7% of Media24’s shareholding which equates to 80,000,000 shares which were subsequently cancelled which shall once again become authorised but unissued Shares.

2. Correll Tissue Acquisition (the “CT Acquisition”)

Paarl Tissue acquired the Correll Tissue business (the “**CT Business**”) as a going concern from Correll Tissue (Pty) Ltd (“**CT**”) in terms of a sale of business agreement entered into between CT (as the seller) and Paarl Tissue (Pty) Ltd (as the purchaser) on 18 November 2013 (the “**CT Agreement**”). The salient terms of the CT Acquisition, as provided for in the CT Agreement, are as follows:

2.1 Effective date of the acquisition of the CT Business

The effective date of the acquisition of the CT Business was 1 June 2014 (the “**CT Effective Date**”), save that the immovable property situated at 154 and 156 Aberdare Drive, Phoenix Industrial Park, Durban (including all buildings and improvements thereon) (the “**CT Property**”), is still in process of being transferred to Paarl Tissue.

2.2 Purchase price for the CT Business and the discharge thereof

The purchase price paid by Novus to CT for the CT Business was an aggregate amount of R144.3 million, the (“**CT Purchase Price**”).

As the CT Business was acquired as a going concern, the sale of the CT Business in terms of the CT Agreement was zero rated and VAT on the CT Purchase Price was levied at 0%.

The discharge of the CT Purchase Price, by way of electronic funds transfer from Paarl Tissue to CT (excluding the portion of the purchase price attributable to the CT Property) was made in terms of the earn-out agreement reached with CT. The purchase price for the CT Property (amounting to R41.1 million which forms part of the CT Purchase Price) will be paid on the date that the CT Property is registered in the name of Paarl Tissue.

2.3 Financing of the CT Acquisition

The CT Acquisition was financed by Novus using funds raised through the Rand Merchant Bank term loan as well as cash reserves.

2.4 Details of CT, as vendor

The following table sets out further salient details in respect of CT, as vendor of the CT Business:

1. Full name: Correll Tissue Proprietary Limited
2. Registration number: 2000/016721/07
3. Address: 154 and 156 Aberdare Drive, Phoenix Industrial Park, Durban

2.5 Director and sole shareholder of CT at the time of CT acquisition

R Dukhi

3. Intrepid Printers Acquisition (the “Intrepid Acquisition”)

Paarl Media (Pty) Ltd acquired the shareholding of Intrepid Printers (Pty) Ltd (the “**Intrepid Shares**”) from shareholders in terms of a sale of shares agreement entered into between shareholders (as the sellers) and Paarl Media (Pty) Ltd (as the purchaser) on 1 August 2013 (the “**Intrepid Agreement**”). The salient terms of the Intrepid Acquisition, as provided for in the Intrepid Agreement, are as follows:

3.1 Effective date of the acquisition of the Intrepid Shares

The effective date of the acquisition of the Intrepid Shares was 1 August 2013 (the “**Intrepid Effective Date**”). A sale agreement to dispose of properties acquired through this transaction was signed on the same date with Grix Road Properties (Pty) Ltd. Transfer of the properties to Grix took place on 15 November 2013 and 27 January 2014 respectively.

3.2 Purchase price for the Intrepid Shares and the discharge thereof

The purchase price paid by Novus to shareholders for the Intrepid Shares was an aggregate amount of R113.3 million, the (“**Intrepid Purchase Price**”). The discharge of the Intrepid Purchase Price, by way of electronic funds transfer from Novus to shareholders (excluding the portion of the purchase price attributable to the Intrepid Property) was made on the Intrepid Effective Date.

3.3 Financing of the Intrepid Acquisition

The Intrepid Acquisition was financed by using cash reserves.

3.4 Details of Intrepid Printers (Pty) Ltd (“Intrepid”), as vendor

The following table sets out further salient details in respect of Intrepid, as vendor of the Intrepid Business:

1. Full name: Intrepid Printers Proprietary Limited
2. Registration number: 2000/018234/07
3. Address: 6 Grix Road, Willowton, Pietermaritzburg

3.5 Directors of Intrepid at the time of the Intrepid Acquisition

TG Craib
JS Craib
SJ Francis
JL Eglington
AK Joosab
R Morar
RA Singh

3.6 Shareholders of Intrepid at the time of the Intrepid Acquisition

JS Craib
The Natal Witness Trust
The Malone Trust
RI Skelton
JA Skelton
GG Skelton
ML Godbold
The Hamcaf Trust
Phillipa Alice Craib Testamentary Trust
Richard Malone Craib Testamentary Trust
Rupert John Craib Testamentary Trust
Sterling Publishers Limited
Sterling Publishers Limited as nominee for Rysaffe Nominees (CI) Limited
Sahaifa Investments (Pty) Ltd
The James Craib – AEH Humphries Trust
The Preservation Trust
The Beaumont Trust
The Mentone Trust
NI Mesham
The Milestone Trust
The Mons Mensae Trust

4. Natal Witness Acquisition (the “NW acquisition”)

Paarl Media (Pty) Ltd acquired the Natal Witness business (the “**NW Business**”) as a going concern from Natal Witness Printing and Publishing Company (Pty) Ltd (“**NWPP**”) in terms of a sale of business agreement entered into between NWPP (as the seller) and Paarl Coldset (Pty) Ltd (as the purchaser) on 16 May 2012 (the “**NW Agreement**”). The salient terms of the NW Acquisition, as provided for in the NW Agreement, are as follows:

4.1 Effective date of the acquisition of the NW Business

The effective date of the acquisition of the NW Business was 1 June 2012 (the “**NW Effective Date**”), save that the immovable property situated at 45 Willowton Road, Pietermaritzburg (including all buildings and improvements thereon) (the “**NW Property**”), was transferred to Paarl Coldset on 23 August 2012.

4.2 Purchase price for the NW Business and the discharge thereof

The purchase price paid by Paarl Coldset to NWPP for the NW Business was an aggregate amount of R87.4 million, (the “**NW Purchase Price**”).

As the NW Business was acquired as a going concern, the sale of the NW Business in terms of the NW Agreement was zero rated and VAT on the NW Purchase Price was levied at 0%.

The discharge of the NW Purchase Price, by way of electronic funds transfer from Paarl Coldset to NWPP (excluding the portion of the purchase price attributable to the NW Property) was made on the NW Effective Date. The purchase price for the NW Property (amounting to R22.2 million) was paid on the date that the NW Property was registered in the name of Paarl Coldset i.e. 23 August 2012.

4.3 Financing of the NW Acquisition

The NW Acquisition was financed by using cash reserves.

4.4 Details of Natal Witness Printing and Publishing Company (Pty) Ltd, as vendor

The following table sets out further salient details in respect of NWPP, as vendor of the NW Business:

1. Full name: Natal Witness Printing and Publishing Company Proprietary Limited
2. Registration number: 1998/002702/07
3. Address: 45 Willowton Road, Pietermaritzburg

4.5 Directors of NWPP at the time of the NW Acquisition

JS Craib
GR Orsmond
R van der Westhuizen
FG Sampson
JJ Pieterse

4.6 Sole shareholder of NWPP at the time of the NW Acquisition

Media24 Limited (now Media24)

4.7 Additional information

JJ Pieterse, a former Director of Novus, was a director of NW Business at the time of the NW Acquisition. In addition, Media24 Limited (now Media24) owned 100% of the company at the time of acquisition.

5. Statement regarding vendors to the above transactions

With regard to the CT Acquisition, Intrepid Acquisition and NW Acquisition, none of the sellers have guaranteed the book debts or other assets and no abnormal warranties have been given. None of the sales agreements preclude the sellers from carrying on business in competition with the Group nor do they impose any other restrictions on the sellers such as restraint of trade payments except for as agreed in the CT Agreement. Per the CT Agreement the seller being CT and its signing director are restrained for 3 years from the date of the CT Agreement from marketing or selling similar products and services as those within CT. Liabilities for accrued taxation on the date of acquisition will be settled by the Group and has been incorporated into the purchase prices.

Reconciliations showing the difference between the amounts paid for the securities and the proportionate value of the net assets of that company attributable to such securities acquired have been disclosed in notes 33 and 41 of the three year audited financial statements disclosed in Annexure 1. No promoter or director had any beneficial interest, direct or indirect, in the above transactions.

6. Flip-up Agreement

In order to facilitate the Listing, Novus determined it is necessary to purchase the shares held by Adbait in two of Novus' major Subsidiaries in exchange for Shares in Novus. This exchange of shares relates to an agreement between Novus and Adbait in terms whereof the shareholding of Adbait in Paarl Media Holdings and Paarl Coldset has been disposed to Novus on 24 February 2015 in exchange for 14,869,878 Shares and 4,675,979 Shares respectively. This is deemed to be as adequate consideration in exchange for Adbait's shareholdings in the two Subsidiaries. This resulted in Adbait holding 19,545,857 Shares in Novus prior to the Listing Date. Prior to fulfilment of this agreement Media24 was still the sole Shareholder of Novus.

After the Listing, the following lock-in conditions will relate to the Shares held by Adbait:

- For the first year after the Listing Date, Adbait will retain at least 85% in number of its Shares in Novus;
- For the second year after the Listing Date, Adbait will retain at least 75.2% in number of its Shares in Novus; and
- From the third year after the Listing Date, Adbait can freely dispose of its remaining Shares

Adbait shall be entitled to distribute all the Shares held in Novus (and not only some) at any time after the Listing Date to its sole shareholder, Huguenot Finance Proprietary Limited (Registration number 2007/014795/07), who shall likewise be bound by the above-mentioned lock-up conditions.

7. Media24 Printing Agreement

The current print agreement between Novus and Media24 has indefinite duration and is expected to continue for the foreseeable future. This contract can only terminate on 6 months' written notice if the Management Agreement terminates and exclusivity will terminate should Media24 cease holding shares in Novus. This print agreement accounted for approximately 31% revenue in the 2014 financial year and was transacted on an arm's length basis.

8. Department of Basic Education Tender

Novus has won several tenders for the printing of educational workbooks for the Department of Basic Education over the past 5 years. Due to the nature of the tendering process it is possible that these tenders could be partially or completely lost in future. Management has a high level of optimism in securing the tenders going forward due to the success achieved to date.

9. Management Agreement between Novus, Media24 and Lambert Retief (Mr Retief)

On 6 October 2008, Media24 and Mr Retief, *inter alia*, entered into a Management Agreement in respect of the Company. The agreement provides for the agreement to be amended in the event of a listing of the Company on the JSE, if necessary. Accordingly on 23 February 2015 a restated Management Agreement was entered into. The restated Management Agreement in respect of the duties of Mr Retief repeats the salient features of the original agreement.

The salient terms of the restated Management Agreement are:

9.1 Appointment of an Independent Board

With effect from the date of Listing and for so long as Media24 holds at least 50% of the issued share capital of the Company, the Board will comprise of a majority of independent directors where such independence is as contemplated in the King Code. One of the non-executive directors will be the Chairman of the Board and there will also be a Lead Independent Director. Mr Retief as the current Chairman of the Company will continue to act as such after Listing.

9.2 Duties

Subject to the Act, the MOI, the Listings Requirements and the Law, Mr Retief, in his capacity as non-executive Chairman and Director of the Company, has the responsibility to –

- 9.2.1 appoint and dismiss the CEO, the CFO and the COO of the Group;
- 9.2.2 oversee and supervise the CEO;
- 9.2.3 procure that the CEO formulates and prepares annual budgets and business plans;
- 9.2.4 monitor the implementation of the abovementioned budgets and business plans;
- 9.2.5 ensure the operational independence of the Novus Group of Companies. Operational independence is defined as "the conduct of the business of the Group in a manner which ensures the ability of the Group to secure and conduct business in the Group's commercial interests as determined from time to time and for the time being by the Board and, in particular, without derogating from the generality of the foregoing, in a manner which (i) does not give or allow Media24 any uncompetitive advantage over any existing or potential clients of the Group in a manner whatsoever detrimental to the commercial interests of the Group, and (ii) permits the Group to refuse to give Media24 access to commercial sensitive information of any third party client of the Group";
- 9.2.6 oversee the strategic direction of the Novus Group of Companies and monitor the implementation thereof by the CEO;
- 9.2.7 oversee implementation and ensure compliance with good corporate governance practices; and
- 9.2.8 oversee the entering into of all printing agreements with Media24 and Media24's group companies.

Mr Retief specifically undertakes in terms of the restated Management Agreement to use his reasonable endeavours to promote, extend and enhance the business of the Novus Group of Companies and preserve the reputation and goodwill thereof and undertakes to make available his knowledge of and expertise in relation to the business of the Novus Group of Companies to advance the interest of all the shareholders of the Company.

9.3 Duration

Mr Retief shall continue to act as non-executive Chairman of the Group for as long as Mr Retief remains a Director or until he reaches the age of 65, whichever is the earlier. Mr Retief shall cease to be a party to the restated Management Agreement when he ceases to act as non-executive Chairman of the Company. Mr Retief ceasing to be a party to the restated Management Agreement shall not affect the provisions of the restated Management Agreement relating to the appointment of an Independent Board, the entrenchment of Operational Independence and the obligation of the Board to ensure that Operational Independence is maintained. These obligations shall remain binding on Media24 and the Company for so long as Media24 holds at least 50% of the issued shares of the Company.

EMPLOYEE SHARE OWNERSHIP PLAN

Introduction and Purpose

Following the successful Listing of Novus on the JSE, the existing PMH Share Trust with limited application only as regards shareholding in Paarl Media Holdings that will remain unlisted will no longer be used and terminated if so decided by the applicable Directors. Consequently the Company will establish a new long-term incentive plan, known as the Novus Holdings Share Trust, to be applicable to all the employer companies in the Group as regards 10% of the shareholding in the Company on the Listing Date amounting to 34,733,245 Shares. In line with global and local best practice, the Company has adopted the Novus Holdings Share Trust (the "Plan" or "Scheme"), which will be implemented subject to the Listing. The Plan is primarily a performance-driven long-term incentive plan whereby awards are subject to appropriately stretching performance conditions and settled in Options. The Plan will therefore provide for the alignment of the interests of participants and Shareholders. Should any changes wish to be made to the main requirements of the Plan, this will necessitate an additional Shareholder vote.

Definitions (to be read in conjunction with those definitions as disclosed on page 9 of the Pre-listing Statement)

"Accounting Expert"	one or more accounting experts duly appointed by the trustees in consultation with the directors and who shall at all times act as experts and not as arbitrators, in respect of any matters that: <ul style="list-style-type: none"> • require calculation of an accounting nature; or • require accountants' opinion; or • require accountants' verification;
"Employee"	defined as any person in the permanent employ of the Group, including any officer or executive Director of the Group, a person who has concluded a fixed term contract with an entity within the Group or who renders services to an employer company, as well as an employee who has retired and in respect of whom the trustees have exercised their discretion in terms whereof the retired employee is still entitled to remain as participant under the scheme;
"Market Price"	the closing price at which transactions in the shares concerned took place on the JSE on such trading day as determined by the trustees;
"Trustees"	the trustee(s) holding office as such in terms of this trust deed;
"Scheme Shares"	option shares, <i>inter alia</i> , to which a Participant is or may become entitled and that have become vested but not yet been delivered;

The salient features of the proposed Plan are detailed below:

Participants

An Employee who has exercised an option, including the heirs/trustees/administrators of such participant, and whose Scheme Shares have not yet been released (the "**Participants**").

Nature of Instruments

The Plan will be implemented on Listing by way of one category of award ("Option/s") to be granted to Employees

Once an Option has been accepted, such Option holder will become entitled to exercise the Options over the Shares of Novus and the Participant shall be entitled to the release of the Scheme Shares once the vesting date has been reached, at a strike price as determined relative to that specific Option. The Participant will have to exercise the Option prior to the end of the exercise period of 6 years, otherwise the rights attached to the Option will lapse.

Basis of Options

The basis upon which Options are granted will be determined by the Trustees in consultation with the Company's human resources and the directors of the Company. Should these criteria include specific performance criteria, the Company will have an irrevocable call option over the Scheme Shares granted to that Participant should the Participant fail to meet the performance criteria.

More than one Option may be granted to an Employee from time to time, provided that the number of Scheme Shares to which any single Participant is entitled in terms of this Scheme, shall not exceed 3,473,325 Shares of the Company's issued share capital.

Ownership of the Scheme Shares

Ownership of the Scheme Shares held by the Scheme shall remain with the Scheme until such time as those Scheme Shares are delivered to the Participant against payment in full. Prior to such delivery, the Trustees as owner of those Scheme Shares on behalf of the Scheme, shall:

- take up any rights in terms of rights issues or capitalisation issues or a share capital reduction;
- receive all distributions made (including annual dividends paid) in respect of those Scheme Shares;
- exercise voting rights in respect of those Scheme Shares, subject to the Listings Requirements; and
- generally exercise all rights that inure to the owner of those Scheme Shares.

Strike price of the Options

In relation to a Share, an amount determined by the Trustees, which shall not be lower than the Market Price of a Share and which may, in the discretion of the Trustees, be adjusted upwards for inflation, having regard to the period over which the purchase price will be payable, subject to the approval of the JSE to the extent necessary. (“**Purchase Price**”)

Vesting period of the Options

The Scheme Shares shall be released to the Participant as follows:

- no more than one third of the Scheme Shares shall be released and delivered to the Participant after the third anniversary of the Option date;
- no more than two-thirds of the Scheme Shares shall be released and delivered to the Participant after the fourth anniversary of the Option date; and
- the balance of the Scheme Shares shall be released and delivered to the Participant after the fifth anniversary of the Option date,

provided that the Trustees may, in their discretion, determine such other period as they deem fit, subject thereto that such other period is not detrimental to the participant concerned unless consented to by the participant in writing in such case. The Option, once accepted, may not be exercised later than the sixth anniversary of the Option date, failing which, it shall be deemed to have expired unless the Trustees, in their discretion, determine such other period as they deem fit, subject thereto that such other period is not detrimental to the participant concerned unless consented to by the participant in writing in such case.

Settlement of Scheme Shares

Upon a Participant paying in full the Purchase Price of the Scheme Shares purchased by him/her in respect of the Option granted, such Scheme Shares shall cease to be Scheme Shares, and all such Shares shall thereupon rank *pari passu* in all respects with the issued Shares of the Company to which they relate, and any burdens attaching to any such Shares shall cease to operate.

Maximum number of Scheme Shares and approval by the Shareholders

The Directors may place unissued Shares in the share capital of the Company at the disposal of the Trustees for allocation to Participants in terms of this Plan. The maximum number of Shares available for fresh allocation upon the establishment of the Scheme to Participants under this Scheme and any other share incentive scheme of the Company or any direct or indirect subsidiary of the Company is 34,733,245 Shares, which number will increase by virtue of any sub-division of Shares or decrease by virtue of any consolidation of Shares, as the case may be. This maximum number may also be increased with the prior approval by ordinary resolution of the Shareholders of the Company, such resolution to require a 75% majority of the votes cast in favour of such resolution by all Shareholders present or represented by proxy at the general meeting of the Company to approve such resolution, excluding the votes attaching to all equity securities owned or controlled by persons who are existing Participants in the Scheme where such equity securities were acquired in terms of the Scheme and may be impacted by the proposed changes.

The Trustees shall be allowed to purchase Shares through the market as provided for in schedule 14 of the Listing Requirements in order to satisfy the obligations in terms of the Scheme, and any such Shares purchased through the market shall not be taken into account when calculating the number of Shares utilised by the Scheme, as such purchase will not serve to dilute the shareholding of remaining Shareholders of the Company. If Scheme Shares or Options are forfeited, they will revert back to the Scheme. The Scheme Shares in the Scheme may only be sold once the employment of a Participant has been terminated or if a Participant is deceased or on behalf of a Participant, once the rights of ownership have vested.

Dilution Limits and Adjustments

The maximum number of Shares to which a Participant is entitled and the Purchase Price payable in respect thereof may be adjusted in such manner as the Accounting Experts certify to be equitable on a capitalisation issue, a special dividend, a rights issue, reduction of capital or any other form of distribution, and also where Shares are subdivided or consolidated, so as to ensure that the Participant remains entitled to the same proportion of the issued share capital of the Company to which he/she was entitled prior to the occurrence of the event in question.

Cessation of Employment

If an Employee's employment by the Group ceases whilst being a Participant or an option holder (the date of such cessation being the “**Termination Date**”):

- by reason of his lawful dismissal or resignation, such Employee shall be entitled to accept existing Options made to him, exercise accepted Options granted to him, implement all existing sales and take delivery and obtain the release of Scheme Shares to the extent that the Participant would have been entitled to do so on the Termination Date in terms of the Scheme had his employment not ceased on such date, against payment in full, on the Termination Date, to the Trustees of all amounts owing in respect of such Scheme Shares.
- for any reason other than those set out above or for any other reason that the Trustees in their discretion consider valid, such Employee shall be entitled to accept all existing Options, exercise all accepted but unexercised Options, implement all existing sales and take delivery and be entitled to the release of all Scheme Shares subject to such Options against payment in full of all amounts owing to the Trustees in respect of such Scheme Shares.
- Notwithstanding anything to the contrary set out above, if, after such an Employee retires pursuant to his/her having reached the retirement age in terms of the Company's rules or practices, he/she continues to have an employment relationship with an employer company, whether by way of a fixed term consultancy or employment contract, serving as a Director or in any other manner whatsoever, then such Employee's employment shall be deemed not to have ceased until the date on which such employment relationship itself terminates.

Change of Control

If direct or indirect control of the Company passes to another person or two or more persons acting in concert as a result of a take-over, reconstruction, scheme of arrangement or amalgamation (or any similar or such like transaction or process) which provides that the Participants receive, in place of their Scheme Shares, shares issued in another company, and the majority of the Shareholders in the Company are in favour of such take-over, scheme of arrangement, reconstruction or amalgamation, the Participants are obliged to accept such shares in such other company on such conditions.

Variation in Share Capital

Should the Company at any time before the release and delivery of Scheme Shares:

- be placed in final liquidation for the purposes of re-organisation; or
- be a party to a scheme of arrangement or amalgamation as contemplated in the Act affecting the structure of its share capital; or
- reduce its share capital (including the acquisition of its own Shares); or
- split or consolidate its Shares; or
- be a party to a reconstruction; or
- be a party to any similar transaction or process:

such adjustments to the number of Shares offered to the Participant, or to the Purchase Price per Share in respect of those Scheme Shares not yet paid for in full, will be made as the Accounting Experts certify to be equitable in the circumstances, subject, where applicable, to confirmation by the Court.

Rights attaching to Options

Scheme Shares shall rank *pari passu* with the other Shares of the Company and shall participate in all rights, money or assets distributed, reductions of capital and capitalisation and rights issues and in the dividends declared from time to time by the Company in respect of that class of Share, provided that such Scheme Shares will not have their votes at a general/annual general meeting of the Company taken into account for the purposes of resolutions proposed in terms of the Listings Requirements and such Scheme Shares will also not be taken into account for purposes of determining categorisations as detailed in section 9 of the Listing Requirements.

Company wound up or delisted

If the Company is wound up or delisted from the JSE, a Participant or the Trustees may cancel all of his unexercised Options. In the event of such cancellation neither the Participant nor the Trustees shall have any further claims against the other arising from such cancelled Options.

OTHER DIRECTORSHIPS

This section sets out the details of the companies and close corporations of which the Directors of Novus and the directors of its major Subsidiaries (Paarl Media Holdings and Paarl Coldset) have been directors or members at any time in the previous five years preceding the Last Practicable Date:

Surname	First name	Entity name	Entity type	Roll in the entity	Enterprise status
Lambert	Retief	Baleine Capital	Private company	Director	In business
		Bartoguard	Private company	Director	In business
		Bartolox	Private company	Director	In business
		Concuro	Private company	Director	In business
		Hermanuskraal Game Ranch	Private company	Director	In business
		Huguenot Finance	Private company	Director	In business
		Huguenot Investments	Private company	Director	In business
		LP Huguenot Investments	Private company	Director	In business
		Marano Investments	Private company	Director	In business
		Media24	Private company	Resigned	In business
		Media24 Holdings	Private company	Resigned	In business
		Naspers	Public company	Resigned	In business
		Paarl Coldset	Private company	Director	In business
		Paarl Media	Private company	Resigned	In business
		Novus Holdings	Public company	Director	In business
		Paarl Media Holdings	Private company	Director	In business
		Paarl Media Paarl	Private company	Director	In business
		Pioneer Food Group	Public company	Director	In business
		Proximitas Investments 22	Private company	Director	Deregistration final
		Proximitas Investments 23	Private company	Director	In business
		Quantum Foods	Private company	Resigned	In business
		Quantum Foods Holdings	Public company	Resigned	In business
		Razocode	Private company	Director	In business
		Sanski Investments 69	Private company	Resigned	In business
		The Capital Incubator	Private company	Director	In business
		The Property Incubator	Private company	Director	In business
		Zeder Financial Services	Public company	Resigned	In business
		Zeder Investments	Public company	Resigned	In business
		Kovacs Investments 482	Private company	Director	AR final deregistration
		Media Administration	Private company	Director	In business
		African Mutual Trust Company	Private company	Resigned	In business
		Extra Dimensions 1	Private company	Director	In business
		Macleary Investments	Private company	Director	In business
Paarl Labels	Private company	Director	In business		
Paarl Print Admin	Close corporation	Member	Deregistration final		
Skotaville Web	Private company	Director	In business		
Virtual Colour Paarl	Private company	Director	AR final deregistration		
Van der Walt	Stephen	Unit 34878 Welgedacht	Close corporation	Member	Deregistration process
		Guaranteed Mobile Cellular	Close corporation	Member	Deregistration process
		Mobidata Cellular	Close corporation	Member	In business
		Paarl Packaging	Private company	Director	In business
		Paarl Tissue	Private company	Director	In business
		Printing Industries Federation of South Africa	Non-profit company	Director	In business
		Paarl Media Paarl	Private company	Director	In business
		Macleary Investments 456	Private company	Director	In business
		Paarl Coldset	Private company	Director	In business
		Paarl Leasing	Private company	Director	Dissolved
		Print Finance	Private company	Director	Dissolved
		GST Finance	Private company	Director	AR final deregistration
		Media Administration	Private company	Director	In business
		Paarl Media Holdings	Private company	Director	In business
		Hentiq 2431	Private company	Director	AR final deregistration
		Extra Dimensions 1	Private company	Director	In business
		Intrepid Printers	Private company	Director	In business

Surname	First name	Entity name	Entity type	Roll in the entity	Enterprise status
		Skotaville Web	Private company	Director	In business
		Marano Investments	Private company	Director	In business
		Paarl Media	Private company	Director	In business
		Paarl Labels	Private company	Director	In business
		Easy Choice Twenty Nine	Private company	Resigned	Dissolved
		CT International Finance	Private company	Resigned	In business
		Novus Holdings	Public company	Director	In business
		Paarl Post Media	Private company	Resigned	In business
Van Niekerk	Edward	Guaranteed Mobile Cellular	Close corporation	Member	Deregistration process
		Mobidata Cellular	Close corporation	Member	In business
		Paarl Packaging	Private company	Director	In business
		Paarl Tissue	Private company	Director	In business
		Paarl Labels Africa	Private company	Director	In business
		Trident Institute	Private company	Director	Deregistration final
		The Start-up Fund (1993)	Non-profit company	Director	Deregistration process
		Paarl Coldset	Private company	Director	In business
		S-U Management Services	Private company	Director	Deregistration final
		Paarl Media Holdings	Private company	Director	In business
		Intrepid Printers	Private company	Director	In business
		Paarl Media	Private company	Director	In business
		IAG Financial Consulting	Close corporation	Member	Deregistration process
		Novus Holdings	Public company	Director	In business
Vroon	Keith	Paarl Packaging	Private company	Director	In business
		Paarl Tissue	Private company	Director	In business
		Maclearly Investments 456	Private company	Director	In business
		Paarl Coldset	Private company	Director	In business
		Print Leasing	Private company	Director	Dissolved
		Print Finance	Private company	Director	Dissolved
		Paarl Media Holdings	Private company	Director	In business
		Intrepid Printers	Private company	Director	In business
		Paarl Media	Private company	Director	In business
		Paarl Labels	Private company	Director	In business
		Novus Holdings	Public company	Resigned	In business
Ehret	Michael	Maclearly Investments 456	Private company	Director	In business
		Paarl Media Paarl	Private company	Resigned	In business
		Paarl Media Holdings	Private company	Director	In business
		Neosho Trading 99	Private company	Director	AR final deregistration
Metcalfe	Peter	Advance Seed	Private company	Resigned	In business
		Paarl Media Holdings	Private company	Director	In business
		Pouyoukas Foods	Private company	Resigned	In business
Grobbelaar	Nico	Nico Grobbelaar Konsultante	Close corporation	Member	AR final deregistration
		Maclearly Investments 456	Private company	Director	In business
		Paarl Media Holdings	Private company	Director	In business
de Milander	Jandré	CA de Milander	Close corporation	Member	AR final deregistration
		Paarl Media Holdings	Private company	Director	In business
		Paarl Media	Private company	Resigned	In business
Smit	Andre	Paarl Coldset	Private company	Director	In business
		Mobile Competitions	Private company	Director	AR final deregistration
		City Deep Production	Non-profit company	Resigned	In business
Rademeyer	Conrad	Paarl Coldset	Private company	Director	In business
		Bosch Luys Kloof PNR	Private company	Director	In business
		Blue Bantry Investments 253	Private company	Director	Deregistration final
		Maclearly Investments 456	Private company	Resigned	In business
		Zayle Investments	Private company	Resigned	In business
Loubser	Wilhelm	Paarl Coldset	Private company	Director	In business
		Blue Bantry Investments 253	Private company	Director	Deregistration final
		Zayle Investments	Private company	Resigned	In business
Weideman	Esmaré	Media24	Private company	Director	In business
		Newspaper Association of South Africa	Non-profit company	Director	In business
		Novus Holdings	Public company	Director	In business
		Rubybox	Private company	Director	In business
		Media24 Holdings	Private company	Director	In business
		Print Media SA	Private company	Director	In business

Surname	First name	Entity name	Entity type	Roll in the entity	Enterprise status		
Meyer	Uys	Abonne Holdings	Private company	Director	In business		
		African General Equity Investments	Private company	Director	In business		
		African General Fishing Investments	Private company	Director	AR final deregistration		
		BA Treasury Shares (RF)	Private company	Director	In business		
		Baleine Capital	Private company	Director	In business		
		BB Management	Private company	Director	In business		
		Belle Ferme	Private company	Director	In business		
		Bluealpha Investment Management	Private company	Director	In business		
		Bluebay Partners	Private company	Director	Deregistration final		
		BSC Resources	Public company	Resigned	In business		
		BUF Resources (RF)	Private company	Director	In business		
		Capital Land Investments	Public company	Director	Deregistration final		
		Eris Property Developments No 3	Private company	Director	In business		
		Exact Trade 116	Private company	Resigned	AR final deregistration		
		Fabola Industries	Private company	Director	In business		
		Grand Parade Investments	Public company	Resigned	In business		
		Jerrel Robertson Makelaars	Private company	Director	In business		
		Leaf Capital Infinitus	Private company	Director	In business		
		Lpec Media	Private company	Director	In business		
		MBS Education Investments	Private company	Resigned	In business		
		Midnight Storm Investments 387	Private company	Resigned	In business		
		Novus Holdings	Public company	Director	In business		
		Origin Investments	Public company	Director	In business		
		PN Empowerment	Private company	Director	In business		
		Polar Star Management	Private company	Resigned	In business		
		RBI Capital	Private company	Director	Deregistration process		
		RBI Developments	Private company	Director	In business		
		Rowmoor Investments 769	Private company	Director	In business		
		Synergy Income Fund	Public company	Director	In business		
		Tadosize	Private company	Director	In business		
		Up-front Investments 56	Private company	Director	In business		
		Vunani Capital Investments	Private company	Resigned	In business		
		Vunani Capital Markets	Private company	Resigned	In business		
		Widgetrade 205	Private company	Director	In business		
		Kadd Capital	Private company	Director	In business		
		Paarl Media Holdings	Private company	Resigned	In business		
		Amfam Invest	Private company	Director	In business		
		Mayman	Abduraghaman	Nasou Via Afrika	Private company	Director	In business
				NMS Communications	Private company	Resigned	In business
				24Com Online Studio	Private company	Resigned	In business
				BP South Africa	Private company	Resigned	In business
				Compmatix Twelve	Private company	Resigned	Deregistration final
				Drakensburg Oil	Private company	Resigned	In business
				EDM Solutions	Private company	Resigned	In business
				Foundry Services SA	Private company	Director	Deregistration final
				I-Net Bridge	Private company	Director	In business
				Inet BFA	Private company	Director	In business
Izazi Retailers 141	Private company			Director	In business		
Media24	Private company			Director	In business		
Media24 Boeke	Private company			Director	In business		
Media24 Holdings	Private company			Director	In business		
Media24 Properties One	Private company			Resigned	In business		
Media24 Properties Two	Private company			Resigned	In business		
Naspers Properties	Private company			Director	In business		
NMS Insurance Services (SA)	Public company			Resigned	In business		
Novus Holdings	Public company			Director	In business		
Oasis Crescent Insurance	Public company			Resigned	In business		
Oasis Crescent Property Fund Managers	Public company			Resigned	In business		
Paarl Media Holdings	Private company			Resigned	In business		
Shell and BP South African Petroleum Refineries	Private company			Resigned	In business		
The Daily Sun	Private company			Director	In business		

Surname	First name	Entity name	Entity type	Roll in the entity	Enterprise status
		Via Afrika	Private company	Resigned	In business
		Via Afrika International	Private company	Resigned	Voluntary liquidation
		Tame Communications	Private company	Director	In business
Zungu	Sandile	Vuya Investments	Private company	Director	In business
		Adcorp Flexible Staffing Solutions*	Private company	Disqualified	In business
		Adcorp Holdings	Public company	Resigned	In business
		Africa Vanguard Holdings	Private company	Director	In business
		Ellerine Holdings	Public company	Resigned	Business rescue
		Gold One Africa	Public company	Resigned	In business
		Intrepid Ventures	Private company	Resigned	Deregistration process
		Izwelethu Finance	Private company	Resigned	Deregistration process
		Mapungubwe Institute For Strategic Reflection	Non-profit company	Director	In business
		New Channel TV	Private company	Resigned	Deregistration final
		Newsshelf 472	Private company	Director	AR final deregistration
		Phuma Langa Sikothe Investments	Private company	Director	AR final deregistration
		Shongololo Edutain Land	Private company	Director	AR final deregistration
		Supercare Hygiene	Private company	Resigned	In business
		Siltek	Public company	Director	Deregistration final
		Newsshelf 755	Private company	Director	In business
		Akulalwa Capital	Private company	Director	Deregistration final
		Akulalwa Sarhwa Investments Empowerment Fund	Private company	Director	Deregistration final
		Micawber 476	Private company	Director	AR final deregistration
		Posse Investment Holdings	Private company	Resigned	Dissolved
		Pubhold	Public company	Resigned	Dissolved
		Roadcorp	Public company	Resigned	Deregistration final
		Screenworld	Private company	Resigned	In business
		Set Point Group	Private company	Resigned	In business
		Shiva Uranium	Private company	Resigned	In business
		TP Hentiq 6128	Private company	Director	In business
		Viamax Fleet Solutions	Private company	Resigned	In business
		Akulalwa Corporate Advisors	Private company	Director	Deregistration final
		Rent-a-bakkie Holdings	Private company	Director	AR final deregistration
		Clover Industries	Public company	Resigned	In business
		Clover Beverages	Public company	Resigned	Voluntary liquidation
		Izimpondo Communications	Private company	Director	In business
		Micawber 397	Private company	Director	AR final deregistration
		Zico Capital	Private company	Director	In business
		Zico Capital 2	Private company	Director	In business
		Izinyoni Trading 215	Private company	Director	Deregistration process
		Minolog (RF)	Private company	Director	In business
		Isikhonyane Cleaning	Private company	Resigned	In business
		EOH Holdings	Public company	Director	In business
		Africa Vanguard Capital	Private company	Director	In business
		Africa Vanguard Resources	Private company	Director	In business
		Africa Vanguard Resources (Aflase)	Private company	Director	In business
		Africa Vanguard Resources (Doornkop)	Private company	Director	In business
		Akulalwa Sataco Consortium	Private company	Director	Deregistration final
		Amalgamated Union Transport and Automotive	Private company	Director	AR final deregistration
		Amoribrite	Private company	Director	In business
		Aquatico Investments	Private company	Director	In business
		Aquatico Laboratories	Private company	Director	In business
		Aquatico Scientific	Private company	Director	In business
		Ashburton Investment Holdings	Public company	Resigned	In business
		Autozone Retail and Distribution	Private company	Director	In business
		Autumn Storm Investments 362	Private company	Director	In business
		Banzi Financial Services	Private company	Director	AR final deregistration
		Basfour 2613	Private company	Director	In business
		Besnard Investments	Private company	Director	AR final deregistration
		Blue Falcom 153 Trading	Private company	Director	In business
		Business Venture Investments No 1819	Private company	Director	In business

* Sandile Zungu has confirmed that his roll in entity in the Commission's records is incorrect and that he is no longer a director of this entity.

Surname	First name	Entity name	Entity type	Roll in the entity	Enterprise status
		Business Venture Investments No 1820	Private company	Director	In business
		Camden Bay Investments 78	Private company	Director	In business
		Clover Holdings	Private company	Resigned	Deregistration final
		Clover SA	Private company	Resigned	In business
		Crazy Slots	Private company	Director	In business
		Deftoguard	Private company	Director	In business
		Destirox	Private company	Director	In business
		Edgars Consolidated Stores	Public company	Resigned	In business
		Far East Gold Special Purpose Vehicle	Private company	Director	In business
		G4S Cash Solutions (SA)	Private company	Director	In business
		G4S Insurance (SA)	Public company	Director	In business
		G4S Secure Solutions (SA)	Private company	Director	In business
		Georgia Avenue Investments 14	Private company	Director	In business
		Gilby Investments	Private company	Director	Deregistration final
		Grand Gotland Investments 295	Private company	Director	In business
		Grindrod	Public company	Director	In business
		High Site Trading	Private company	Director	In business
		Igagasi Broadcasting	Private company	Director	AR final deregistration
		Indoni Yamanzi Investment Holdings	Public company	Director	Deregistration final
		Innovation Group	Private company	Director	In business
		Insika Investment Holdings	Private company	Resigned	Dissolved
		Investment Facility Company Seven			
		Seven Three	Private company	Director	Deregistration final
		Jasper Mining	Private company	Resigned	In business
		Keenland Properties 116	Private company	Director	In business
		Kensani Consortium	Private company	Resigned	Voluntary liquidation
		Kensani Holdings	Private company	Resigned	In business
		Kerbyn 347	Private company	Resigned	Deregistration process
		Kiriway	Private company	Director	In business
		Klydon	Private company	Resigned	In business
		KZN Growth Fund Managers	State owned company	Resigned	In business
		KZN Talk Radio	Private company	Director	In business
		Legapa Fidelity	Private company	Resigned	In business
		Lexshell 263 Investment Holdings	Private company	Director	AR final deregistration
		Magatar Mining SM1	Private company	Director	In business
		Medscheme	Public company	Resigned	In business
		Mercantile Bank	Public company	Resigned	In business
		Mercantile Bank Holdings	Public company	Resigned	In business
		Metbee Investment Holdings	Private company	Director	In business
		Metropolitan Life	Public company	Resigned	In business
		Micawber 400	Private company	Director	In business
		Million Mania 9	Private company	Director	Deregistration final
		MMI Holdings	Public company	Resigned	In business
		Moraba	Private company	Director	Deregistration final
		New Africa Investments	Public company	Resigned	In business
		New Kleinfontein Goldmine	Private company	Director	In business
		Newshelf 387	Private company	Director	AR final deregistration
		Noluvo Strategic Security	Private company	Resigned	AR final deregistration
		Novus Holdings	Public company	Director	In business
		Orthoflo Investments	Private company	Resigned	In business
		Outdoor Network	Public company	Director	In business
		Paradigm Capital Holdings	Public company	Director	Deregistration final
		Power FM	Private company	Resigned	In business
		Pro Global Forex	Private company	Director	In business
		Prodigy Holdings	Private company	Director	AR final deregistration
		Prodigy-Coris Asset Management	Private company	Resigned	In business
		Proudafrique Trading 135	Private company	Resigned	In business
		Provantage	Private company	Director	In business
		Qhubeka Forensic Services	Private company	Director	In business
		Quattro Cash Management Services	Private company	Resigned	Voluntary liquidation
		RDP Building Warehouses	Close corporation	Director	Deregistration final
		Richtrau No 139	Private company	Director	In business

Surname	First name	Entity name	Entity type	Roll in the entity	Enterprise status
		Rockwell Diamonds Incorporated (Canada)	External company	Resigned	In business
		Rockwell Resources RSA	Private company	Resigned	In business
		Santova	Public company	Resigned	In business
		Sarhwa Investment Holdings	Public company	Director	In business
		Scinta South Africa	Private company	Director	In business
		Sindawonye Granulators and Processors	Private company	Resigned	In business
		Sitogo Holdings	Private company	Director	Deregistration process
		Sky Rocket Trading 10	Private company	Director	In business
		Southern Palace Investments 353	Private company	Director	In business
		Spring Lights Gas	Private company	Director	In business
		Supercare Services Group	Private company	Resigned	In business
		Taquanta Asset Managers	Private company	Director	In business
		Taquanta Investment Holdings	Private company	Director	In business
		Taquanta Securities	Private company	Director	In business
		TCO Holdings	Public company	Resigned	Deregistration final
		Trade and Investment KwaZulu-Natal	Non-profit company	Resigned	Deregistration final
		Tuffsan Investments 1055	Private company	Director	In business
		Turbomeca Africa	Private company	Resigned	In business
		Twin Cities Trading 328	Private company	Director	In business
		Umthunzi Telecoms Consortium	Private company	Director	AR final deregistration
		Union Alliance Holdings	Public company	Director	Deregistration final
		Union Alliance Media	Public company	Resigned	Final liquidation
		Xisaka Investments and Trading	Private company	Resigned	Conversion CC/CO
		Yuganamix Investments	Private company	Director	In business
		Zico Foundation	Non-profit company	Director	In business
		Zico Power Resources (RF)	Private company	Director	In business
		Zungu Investments Company	Private company	Director	In business
		Accurate Trading 7	Private company	Director	Deregistration final
		Adispex (RF)	Private company	Director	In business
		Adsam Investments	Private company	Director	Deregistration final
		Amukela Holdings	Private company	Director	Deregistration final
		Colony Connection Investments	Private company	Resigned	AR final deregistration
		Denel	State owned company	Resigned	In business
		Goldrush Investments 11	Private company	Director	In business
		Goldrush Investments 8	Private company	Director	In business
		Major Charm Investment Holdings	Private company	Director	Deregistration final
		Saying Investment Holdings	Private company	Director	Deregistration final
		Shuter and Shooter Publishers	Private company	Director	In business
		Catwalk Investments 166	Private company	Resigned	Deregistration process
		TGI Investment Holdings	Public company	Resigned	In business
		Rent-a-bakkie	Private company	Director	Final liquidation
		Snezee Technology Holdings	Private company	Director	In business
		Cipla Medpro South Africa	Private company	Resigned	In business
		Andulela Investment Holdings	Public company	Resigned	In business
		Bond Equipment	Private company	Resigned	In business
		Saram Investors	Private company	Director	In business
		Planet Waves 531	Private company	Director	In business
		Brait South Africa	Private company	Resigned	In business
		Magatar Investments	Private company	Resigned	Voluntary liquidation
		Liberty lane Trading 167	Private company	Director	In business
Olivier	Bernard	Novus Holdings	Public company	Director	In business
		PricewaterhouseCoopers	Personal liability company	Director	In business
		PricewaterhouseCoopers Africa JV	Private company	Director	In business
Potgieter	Jan	Africa Malt Farms	Private company	Resigned	Deregistration final
		Beverich SA	Private company	Resigned	Deregistration final
		Cedar Point Trading 326	Private company	Director	In business
		Churchill Finance Services Three Limited (Mauritius)	External company	Resigned	Deregistration final
		Churchill Finance Services Two Limited (Mauritius)	External company	Resigned	Deregistration final

Surname	First name	Entity name	Entity type	Roll in the entity	Enterprise status
		Gazankulu Traditional Beer Company	Private company	Resigned	Deregistration final
		International Tap Distributors	Private company	Director	In business
		Italtile	Public company	Director	In business
		Italtile Ceramics	Private company	Director	In business
		Italtile Retail	Private company	Director	In business
		Jalap Finance Company	Private company	Resigned	Deregistration final
		Janette Consulting	Private company	Resigned	In business
		Janette Consulting	Private company	Resigned	In business
		Kwa-Ndebele Breweries	Private company	Resigned	Deregistration final
		Letaba Beer Distributors	Private company	Resigned	Deregistration final
		Mass Discounters	Private company	Resigned	In business
		Mmbatho Investments	Private company	Resigned	Deregistration final
		National Brewing Company	Private company	Resigned	Deregistration final
		Nedtruck Leasing	Private company	Resigned	Deregistration final
		Novus Holdings	Public company	Director	In business
		Property Fund Managers	Public company	Resigned	In business
		South African Barley Breeding Institute	Non-profit company	Resigned	In business
		South African Breweries (Denver)	Private company	Resigned	Deregistration final
		The South African Breweries Barley Farm	Private company	Resigned	In business
		The South African Breweries Hop Farms	Private company	Resigned	In business
		The South African Breweries Maltings	Private company	Resigned	In business
		Top T Ceramics	Private company	Director	In business
		Capital Property Fund	Public company	Director	In business
Dingaen	Gugulethu	IXIA Coal Funding	Private company	Director	In business
		ABB Holdings	Private company	Director	In business
		ABB South Africa	Private company	Director	In business
		Adcorp Holdings	Public company	Director	In business
		Adcorp Staffing Solutions	Private company	Director	In business
		African Women Chartered Accountants Forum	Non-profit company	Director	In business
		Clidet No 232	Private company	Director	Voluntary liquidation
		Distell Beverages (RF)	Private company	Director	In business
		Distell Group	Public company	Director	In business
		Fortress Administration	Private company	Director	In business
		Imvelo Concession Company (RF)	Private company	Director	In business
		IXIA Coal Funding	Private company	Director	In business
		Khulisani Foundation	Non-profit company	Director	In business
		Novus Holdings	Public company	Director	In business
		Piligu Trading Enterprise	Close corporation	Director	AR final deregistration
		Quest Staffing Solutions	Private company	Director	In business
		Rainbow Pepper Trading 103	Private company	Resigned	In business
		SA Corporate Real Estate Fund Managers	Public company	Director	In business
		Sasol Mynbou	Private company	Resigned	In business
		SC Net	Private company	Director	In business
		WIP Coal	Private company	Director	In business
		Zuaz	Private company	Director	Deregistration process
		Rural Housing Loan Fund	Non-profit company	Resigned	In business
		Erf 29 Oakvillage Kyalami Estate	Close corporation	Director	AR final deregistration
		Landis and Gyr	Private company	Director	In business
		WIP Investment Number One	Private company	Director	In business
		WIP Financial Services Number One	Private company	Director	In business
		WIP Financial Services Number Three	Private company	Resigned	In business
		WIP Financial Services Number Two	Private company	Resigned	In business
Robertson	Fred	4th of July International	Private company	Director	AR final deregistration
		Brimstone Investment Corporation	Public company	Director	In business
		Brimstone Properties	Private company	Director	In business
		Commlife Property Services	Private company	Resigned	In business
		Corohedge Capital	Private company	Resigned	Voluntary liquidation
		Lion of Africa Administrative Services	Private company	Resigned	In business
		Lion of Africa Insurance Company	Public company	Director	In business

Surname	First name	Entity name	Entity type	Roll in the entity	Enterprise status
		NE Corp Holdings	Private company	Resigned	Deregistration final
		Africa International Asset Management SA	Private company	Director	AR final deregistration
		African Harvest Holdings	Private company	Resigned	Voluntary liquidation
		African Harvest Strategic Investments	Private company	Resigned	In business
		African Legend Investment	Private company	Resigned	In business
		African Partnerships	Public company	Resigned	Voluntary liquidation
		Arabella Grand Hotel	Private company	Resigned	Deregistration final
		Arabella South Africa Holding	Private company	Resigned	Deregistration final
		Arabella Western Cape Hotel and Spa	Private company	Resigned	Deregistration final
		Blue Downs Real Estate	Close corporation	Director	AR final deregistration
		Brimco	Private company	Director	In business
		Brimstone Commodities Trading	Private company	Director	AR final deregistration
		Brimstone Management Company	Private company	Director	In business
		Cape Town Philharmonic Orchestra	Non-profit company	Resigned	Dissolved
		Chickenland cape	Private company	Director	AR final deregistration
		Chickenland Mitchells Plain	Private company	Director	Deregistration final
		Commlife Claremont Consortium	Private company	Director	In business
		Commsure Financial Solutions	Private company	Resigned	In business
		Community Insurance Consultants (Cape)	Private company	Director	AR final deregistration
		Coronation Life Assurance Company	Public company	Resigned	In business
		Guardian Insurance Company	Public company	Resigned	In business
		H Investments No 218	Private company	Director	AR final deregistration
		H Investments No 219	Private company	Director	In business
		House of Monatic	Private company	Director	In business
		KFM Radio	Private company	Resigned	In business
		Lenco Holdings	Private company	Resigned	Deregistration final
		Lion of Africa Underwriting and Administration Services	Private company	Director	AR final deregistration
		Mawenzi Management Services	Private company	Resigned	In business
		Nando's Group Holdings	Public company	Resigned	In business
		Novus Holdings	Public company	Director	In business
		Old Sea Harvest	Public company	Director	Dissolved
		Plexus Holdings	Private company	Resigned	In business
		Robatsi Genesis Investments 26	Private company	Director	In business
		Royeck Investments	Private company	Resigned	AR final deregistration
		Sea Harvest Holdings	Private company	Director	Deregistration final
		South Africa Fishing Investment Company	Public company	Director	Deregistration final
		The Lion Of Africa Employee Benefits	Private company	Director	AR final deregistration
		The Lion of Africa Holding Company	Private company	Director	In business
		Tradeforth 46	Private company	Director	AR final deregistration
		Vunani Capital	Private company	Resigned	In business
		Vunani Finance	Private company	Resigned	Deregistration final
		Brimstone Securities Trading	Private company	Director	Deregistration final

ISSUE OF SHARES

This section sets out the details of all allotments, issues and offers of shares by Novus and its major Subsidiaries that have taken place in the three years preceding the Last Practicable Date.

Number of securities allotted in pursuance of any issues or offers	Price and terms of issue or offer	By whom offers were made	Issued proportionately to all securities holders? If not, explain the basis of the issue and allotment	Date of issue or offer	Value of the asset acquired or to be acquired from the proceeds of the issue or offer	Details of any premium/ discount on the issue/ offer and details of any differentials between premiums/ discounts	Details of share repurchases
Novus							
299,999,900 Shares issued	Capitalisation issue of 2,999,999 Shares for every 1 share held	Media24	Yes, as at this point in time Media24 is the sole shareholder	23 February 2015	n/a	n/a	n/a
19,545,857 Shares issued	Share issued in exchange as adequate consideration for the disposal of shares	Adbait	No, shares issued to Adbait in exchange for its shareholdings in Paarl Media Holdings and Paarl Coldset	24 February 2015	n/a	n/a	n/a
Paarl Media Holdings							
14,869,878 shares allotted	Share issued in exchange as adequate consideration for the disposal of shares	Novus	No, shares in Novus issued to Adbait in exchange for its shareholdings in Paarl Media Holdings	24 February 2015	n/a	n/a	n/a
Paarl Coldset							
4,675,979 shares allotted	Share issued in exchange as adequate consideration for the disposal of shares	Novus	No, shares in Novus issued to Adbait in exchange for its shareholdings in Paarl Coldset	24 February 2015	n/a	n/a	n/a

Notes

1. There have not been any sub-divisions of shares in Novus or any of its major subsidiaries.



NOVUS HOLDINGS LIMITED
(Formerly known as Paarl Media Group Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2008/011165/06)
Share code: NVS ISIN: ZAE000202149
("Novus" or "the Company" or "the Issuer")

APPLICATION FORM TO PARTICIPATE IN THE OFFER TO BE COMPLETED BY ELIGIBLE INVESTORS

The definitions commencing on page 9 of the Pre-listing Statement to which this application form is attached, apply *mutatis mutandis* throughout this application form, unless the context clearly indicates otherwise.

The Offer comprises an offer to Eligible Investors for subscription for 80,000,000 Shares at a subscription price of between R12.25 and R14.20 per Share. The price may however be outside of this range. Successful Applicants will be advised of their allocation of Shares by not later than 20 March 2015.

Dematerialised shares

The allocated Shares will be issued to Successful Applicants in dematerialised form only. Applicants, if they have not already done so, must appoint a CSDP directly; or a broker, to receive and hold the Dematerialised Shares on their behalf. Applicants must contact their CSDP or broker and advise it that they have submitted an application form to participate in the Offer. Applicants must further make arrangements for payment of the aggregate subscription price for such allocated Shares to the designated account notified by Novus. Payment must be received by 12:00 on 24 March 2015 at the latest. Against receipt of payment by Novus of the subscription price payable by the Successful Applicants in respect of the allocated Shares, the allocated Shares will be issued to Successful Applicants and delivered to their CSDP or broker on the Listing Date. Details of the CSDP or broker must be conveyed by Successful Applicants to the Bookrunner before close of business on 20 March 2015.

The Offer is not an offer to the public as contemplated in section 95(1)(h) of the Companies Act and, accordingly, no prospectus will be issued or registered in respect of the Offer. The Offer will only be made to Offerees, who, subject to certain conditions, comprise selected institutional investors in South Africa (and who fall within the ambit of section 96(1)(a) of the Companies Act), and to selected institutional investors in other jurisdictions.

Please refer to the instructions overleaf before completing this application form.

This application form, when completed, should be sent by email to Hugo Steyn (hugo.steyn@investec.co.za), Roopen Nichha (roopen.nichha@investec.co.za) and David Greeff (david.greeff@investec.co.za) or hand delivered to:

Investec Corporate Finance, a division of Investec Bank Limited
2nd Floor
100 Grayston Drive
Sandown
Sandton
2196

Attention: Hugo Steyn\Roopen Nichha\David Greeff

The application form must be received by no later than 12:00 on 19 March 2015.

NO LATE APPLICATIONS WILL BE ACCEPTED

Reservation of rights

The Directors of Novus reserve the right to accept or refuse any application(s), either in whole or in part, or to pro rate any or all application(s) (whether or not received timeously) in such manner as they may determine.

The Directors of Novus reserve the right to accept or reject, either in whole or in part, any applications should the terms contained in this Pre-listing Statement of which this application form forms part and the instructions herein are not properly complied with.

To the Directors:

Novus Holdings Limited

1. I/we, the undersigned, confirm that I/we have full legal capacity to contract and, having read the Pre-listing Statement, hereby irrevocably apply for and request you to accept my/our application for the under mentioned number of Shares at the under mentioned price per Share or any lesser number that may in your absolute discretion be allotted to me/us.
2. I/we wish to receive my/our allocated Shares in Dematerialised form and will email/hand this application form to Hugo Steyn, Roopen Nichha and David Greeff, and will provide appropriate instructions to my/our CSDP or broker, as the case may be. I/We accept that payment in respect of this application will be made by me/us and received into the designated account notified by Novus in writing by 12:00 on 24 March 2015 at the latest.
3. I/we understand that the Offer in terms of this Pre-listing Statement is subject to certain conditions set out in the Pre-listing Statement, including (without limitation) that the Offer is, unless the JSE otherwise permits, subject to the attainment of a public shareholding of at least 20% of the Shares in issue on the Listing Date.

4. I/we confirm that I/we understand:
- that in order to facilitate the Listing, Media24 and Novus have entered into the Repurchase Agreement;
 - the manner in which the aforesaid agreements and the private placement have been / will be implemented (the salient terms of which are set out in Annexure 13 of the Pre-listing Statement); and
 - that the entire proceeds received by Novus from the private placement will be used to settle the Aggregate Repurchase Price.
5. I/we warrant and represent to Novus that I/we:
- are an Eligible Investor; and
 - fall within one of the categories of persons listed in Section 96(1) of the Companies Act.
6. By affixing my/our signature hereto I/we accept the terms of the Offer as set out in the Pre-listing Statement and hereby give the representations, warranties and undertakings:
- that Applicants are, as per the Pre-listing Statement, deemed to give; and
 - set out in this application form.

Dated: _____ Signature: _____

Assisted by (where applicable): _____

Telephone number: _____ Cellphone number: _____

Email address: _____

Name of corporate body	
First names in full (if individual)	
Postal address (preferably PO Box address)	
	Postal code
Total number of Shares applied for	(Enter figures only – not words)
Price offered per Share	(in cents)

Required information must be completed by CSDP or broker with their stamp and signature affixed thereto:

CSDP name	
Safe custody account number	
Client scrip account number	
Bank account number held with CSDP or broker	

INSTRUCTIONS:

- Copies or reproduction of the application form will be accepted at the discretion of the Directors of Novus.
- Please refer to the particulars of the Offer commencing on page 30 of the Pre-listing Statement in addition to the Repurchase Agreement as set out in Annexure 13 of the Pre-listing Statement. Applicants should consult their broker, banker or other professional advisor in case of doubt as to the correct completion of this application form.
- Eligible Investors must submit only one application form.
- No receipts will be issued for application forms.
- All alterations to this application form must be authenticated by a full signature.

In determining the basis of allocation, the date that Eligible Investors committed to applying for the placement of the Shares in terms of the Offer will be taken into account.