



**Novus Holdings Limited**  
**(Incorporated in the Republic of South Africa)**  
**JSE share code: NVS**  
**ISIN: ZAE000202149**  
**Registration number: 2008/011165/06**  
**(“Novus Holdings”, “the Company” or “the Group”)**

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**ACQUISITION OF ITB MANUFACTURING PROPRIETARY LIMITED AND WITHDRAWAL OF  
CAUTIONARY ANNOUNCEMENT**

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**1. Introduction**

Shareholders of Novus Holdings are advised that the Group has entered into an agreement to acquire control of ITB Manufacturing Proprietary Limited (“ITB”) and its subsidiaries (“the Transaction”).

Paarl Media Proprietary Limited, a subsidiary within the Novus Holdings group of companies, will subscribe for shares in ITB allowing the Group to acquire full control of ITB through a series of transactions.

**2. Overview of ITB**

ITB is a South African manufacturer and a supplier of flexible packaging solutions with operations in KwaZulu-Natal and Gauteng. ITB caters to a wide range of intermediate and end users, with its trading subsidiaries engaged in the manufacture and supply of tamper and non-tamper evident security bags and flexible plastic packaging.

**3. Rationale for the Transaction**

Novus Holdings aims to diversify its revenue and cash flow streams by increasing its exposure to include investments outside of the print media sector. This includes investments in the broader industrial and manufacturing sectors, such as the packaging industry which is complementary to the Group’s existing operations.

**4. Purchase Consideration**

The purchase consideration payable in terms of the Transaction will not exceed R300 million, to be settled in cash, through a combination of existing facilities and cash resources as follows:

- R180 million to be paid on the day following the effective date being 02 October 2017;
- an amount to be determined based on the EBIT achieved for the 2018 financial year post completion of the Transaction and subject to certain targets being achieved, with the total payment limited to R120 million.

**5. Net assets and profits of ITB**

The value of the net assets to be acquired, as contained in the latest available audited annual financial statements for the year ended February 2017, amounts to R137 million.

For the financial year ended 28 February 2017, ITB generated turnover of R544 million and EBITDA of R63 million.

#### **6. Effective Date and Conditions Precedent**

The effective date of the Transaction is 01 October 2017.

The Transaction is subject to some customary conditions precedent relating to closing.

#### **7. Categorisation**

The Transaction is categorised as a category 2 transaction in terms of the JSE Listings Requirements and accordingly no shareholder approval is required.

#### **8. Withdrawal of cautionary announcement**

Shareholders are referred to the renewal of cautionary announcement dated 04 September 2017, in which shareholders were advised that the Company had also been engaged in negotiations relating to another potential acquisition. Shareholders are advised that those negotiations have terminated. Accordingly, shareholders are no longer required to exercise caution when dealing in the Company's securities.

Cape Town

19 September 2017

Sponsor: Investec Bank Limited