



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")

WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT – MEDIA24 PRINTING AGREEMENTS

Shareholders of Novus Holdings ("Shareholders") are referred to the announcements released by the Company on the Stock Exchange News Service dated 03 October 2017, 15 December 2017 and 31 January 2018 in relation to the termination of the existing printing agreements between Novus Holdings and Media24 Proprietary Limited ("Media24") ("Previous Agreements") and the release of a cautionary announcement ("Cautionary Announcements").

On 26 March 2018 Novus Holdings signed new printing agreements with Media24 ("New Agreements"), which is expected to have a substantial adverse impact on Novus Holdings earnings and headline earnings for the financial year commencing 01 April 2018. The material commercial terms of the New Agreements were concluded on 11 December 2017 when Media24 notified Novus Holdings that it had been successful in respect of a portion of its printing proposal submitted to Media24 pursuant to the request for proposal for all of Media24's print requirements. The notification constituted an acceptance of a portion of Novus Holdings proposal and agreement on the material commercial terms of the proposal submitted by Novus Holdings to Media24.

The conclusion of the material commercial terms of the New Agreements was prior to the effective date of the amendment of the JSE Limited's Listings Requirements which will in future result in certain agreements with related parties falling within the scope of Section 10 of the JSE Limited's Listings Requirements.

The purpose of this announcement is to provide Shareholders with an overview of the terms of the New Agreements together with an indication of the financial impact thereof and to withdraw the cautionary announcements.

1. Terms of the New Agreements

The New Agreements will commence on 01 April 2018 and terminate on 31 March 2021. The New Agreements may however be renewed for a further three year period, at the instance of Media24.

In terms of the New Agreements, Novus Holdings will be printing approximately 58% of the aggregate Media24 printing requirements (approximately 76% of magazine and approximately 50% of newspaper requirements of Media24), by volume, as contemplated in the request for proposal of Media24. Novus Holdings will, *inter alia*, continue to print all the national weekly magazines for Media24. In terms of newspaper printing, Novus Holdings will continue to print all newspaper titles

printed in the Western Cape, Eastern Cape and the Free State. Novus Holdings has exclusivity with regards to providing the printing services of the agreed publications.

The New Agreements include warranties standard for contracts of this nature. In addition, Novus Holdings is required to maintain a Level 4 BEE rating, as defined in the Codes of Good Practice on Black Economic Empowerment published in terms of the Broad-Based Black Economic Empowerment Act No 53 of 2003, for the duration of the New Agreements.

The printing prices payable to Novus Holdings have been reduced substantially compared to the Previous Agreements. Future yearly price escalations will be determined through a pre-agreed formula.

2. Financial impact of the New Agreements

Shareholders are advised that the following financial information or statements contained in this announcement have not been reviewed or reported on by Novus Holdings' independent auditors. The financial impact of the New Agreements and the preparation thereof, which is the responsibility of the directors of Novus Holdings, have been prepared for illustrative purposes only, and because of their nature, may not give a fair reflection of the Company's financial position and results of operations, nor the effect and impact of the New Agreements on Novus Holdings going forward.

The New Agreements are not expected to have a material impact on Novus Holdings' revenue for the financial year ending 31 March 2018, however it is expected to have a material financial impact for the financial year commencing 1 April 2018.

In the past approximately 21% of Novus Holdings' revenue related to printing for Media24. On the assumption that the New Agreements were in place for the financial year ended 31 March 2018 ("FY18") on a pro-forma basis revenue for the 12 months ended FY18 would have reduced with approximately R520 million to R560 million due to the change in the volume allocated and pricing terms of the New Agreements ("Reduced Revenue"). R260 million to R280 million of the Reduced Revenue relates to the price differential and R260 million to R280 million of the Reduced Revenue relates to the volume differential between the Previous Agreements and the New Agreements.

Management have commenced a number of initiatives to reduce the impact of reduced volumes and margins, which includes the closing of the Pietermaritzburg plant and decommissioning of a number of printing presses which will reduce certain costs accordingly ("Initiatives"). These Initiatives are expected to reduce the total impact on Novus Holdings' earnings post 01 April 2018. Novus Holdings remains committed to its diversification and growth plans and its historic dividend cover ratio.

Further details on the impact of the New Agreements and the Initiatives on earnings will be provided in a trading update to be released on or before 30 April 2018.

3. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

With reference to the cautionary announcement issued on 15 December 2017 and the subsequent renewal of the cautionary announcement on 31 January 2018, Shareholders are hereby advised that caution is no longer required when dealing in the Company's securities.

4. SPECIAL WEBCAST

Shareholders are advised that the company is hosting a live webcast at 12h00 (SA time) on Tuesday, 27 March 2018, in order to update the market on impact, strategic direction and to answer general questions.

The webcast details are: <http://www.corpcam.com/Novus27032018>. Refer to the [Company website](#) for further details.

The webcast presentation will also be available on the [Company website](#).

Cape Town

26 March 2018

Sponsor: Investec Bank Limited