

Distribution and Warehousing Network Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1984/008265/06)  
Share code: DAW & ISIN code: ZAE000018834  
("DAWN" or "the Company" or "the Group")

## **UPDATE ON THE PROPOSED RIGHTS OFFER, POSTING OF CIRCULAR TO SHAREHOLDERS, NOTICE OF GENERAL MEETING AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

### **1. Introduction**

DAWN shareholders are referred to the announcement published on the Stock Exchange News Service of the JSE Limited on Wednesday, 25 January 2017 wherein it was advised that the Company intends to raise gross proceeds of R350 million through a rights offer ('Proposed Rights Offer) to strengthen its balance sheet and provide the Company with a sustainable platform for its ongoing operations.

### **2. Terms of the Proposed Rights Offer**

The Proposed Rights Offer will be implemented through a renounceable rights offer of 350 million shares ("Rights Offer Shares") at a price of R1.00 per Rights Offer Share.

Coronation Asset Management Proprietary Limited and Ukhamba Holdings Proprietary Limited have irrevocably undertaken to follow their rights for approximately R100 million and R49 million, respectively.

Furthermore, to provide the Company and shareholders with the certainty of a successful implementation of the Proposed Rights Offer, the Company is pleased to announce that it has entered into an underwriting agreement with RECM and Calibre Limited to underwrite the balance of the Proposed Rights Offer up to a maximum amount of R201 million.

As a result, the Proposed Rights Offer is fully committed to.

### **3. Requisite resolutions**

To implement the Proposed Rights Offer, the Company is required to obtain the requisite shareholder approval for the following resolutions:

- the conversion of DAWN's entire authorised and issued share capital from par value shares to shares with no par value;

- the increase of DAWN's authorised share capital from 725,893,603 ordinary shares and 10,000,000 deferred ordinary shares to authorised share capital of 2,000,000,000 by the creation of a further 1,264,106,397 ordinary shares;
  - the amendment of the memorandum of incorporation to take into account the conversion and increase in DAWN's authorised share capital;
  - the authorisation to issue additional ordinary shares with voting power that will, upon issue, exceed 30% of the existing voting power of the ordinary shares currently in issue; and
  - the granting of a general authority to the directors of DAWN to issue such number of additional ordinary shares in the authorised but unissued share capital of DAWN as may be required for the purpose of implementing the Proposed Rights Offer,
- collectively, "the Requisite Resolutions".

In this context, the Company has received irrevocable commitments from shareholders representing in excess of 80% of DAWN's issued share capital to vote in favour of the Requisite Resolutions.

#### **4. Posting of the circular to shareholders and notice of the general meeting**

Shareholders are advised that a circular to shareholders setting out full details of the Requisite Resolutions, including the notice convening a general meeting of shareholders ("the General Meeting"), was posted to shareholders on or about 2 February, 2017.

Shareholders are accordingly advised that the General Meeting will be held at 10:00 on, Monday, 6 March 2017 at the DAWN head office, Corner Barlow Road and Cavaleros Drive, Jupiter, Extension 3, Germiston, South Africa.

#### **5. Salient dates and times in relation to the General Meeting**

The salient dates and times in relation to the General Meeting are set out below:

	<b>2017</b>
Record date to be entitled to receive the circular incorporating the notice convening the General Meeting	Friday, 20 January
Circular and notice of General Meeting posted on	Thursday, 2 February
Last day to trade in order to participate and vote at the General Meeting	Tuesday, 21 February
Record date to participate in and vote at the General Meeting	Friday, 24 February
Last day to lodge forms of proxy for the General Meeting by 10:00 on	Thursday, 2 March

General Meeting held at 10:00 on

Monday, 6 March

Results of the General Meeting released on SENS on

Monday, 6 March

**Notes:**

1. All times referred in this announcement are local times in South Africa.
2. Any variation of the above dates and times will be approved by the JSE, released on SENS and published in the South African press.

**6. Withdrawal of cautionary announcement**

As a result of the disclosure contained in this announcement, shareholders are advised that caution is no longer required to be exercised when dealing in DAWN securities.

Germiston

2 February 2017

Financial advisor and transaction sponsor

Investec Bank Limited

Legal Advisor

White & Case LLP

Sponsor

Deloitte & Touche Sponsor Services (Pty) Ltd

Underwriter

RECM and Calibre Limited