

# Dinatla Refinancing Extends BEE Partnership with Bidvest

Tuesday, 26 September 2006

BIDVEST, the listed trading and services company, today (26 September 2006) announced the successful extension of its black economic empowerment (BEE) partnership with the Dinatla consortium.

The renewal of the mutually beneficial partnership was widely anticipated and follows the refinancing of Dinatla's strategic stake in Bidvest.

The broadly based empowerment grouping acquired 15% of Bidvest's issued share capital three years ago through a scheme of arrangement on the understanding that it would settle its indebtedness, now estimated to be R2,7 billion, on or before 8 December 2006. The indebtedness is based on 45 million shares at a maximum price of R60 per share. Refinancing arrangements were facilitated by Bidvest.

## **Key terms of the refinancing include:**

1. The Bidvest subsidiary, BB Investment Company will buy 18 million shares from Dinatla at R79,38 a share for R1.4 billion.
2. The R1.3 billion balance of Dinatla's indebtedness will be funded by Investec Bank through a subscription for cumulative, redeemable, non-participating preference shares to be issued by Dinatla. These preference shares will be redeemable on 30 March 2012.
3. To enable Dinatla to obtain financing on favourable terms on the R1.3 billion, Bidvest has granted Dinatla a put option against Bidvest. The put option covers 15 million Bidvest shares at R75 a share and is only exercisable if and when the Bidvest shares fall below R75.

The terms of the refinancing deal enable Dinatla to realise cash in respect of 18 million of its existing holding of 45 million Bidvest shares which together with the put option enables Dinatla to finance its remaining 27 million Bidvest shares. In addition, Dinatla protects its downside risk below R75 per share on 15 million of its remaining 27 million Bidvest shares until the transaction's closing date.

Key shareholder in Dinatla and CEO of WDB Investment Holdings, Tania Slabbert stated ""This is a good deal for Dinatla and WDB Investment Holdings. Bidvest is a key strategic investment in terms of size and scale and we are pleased to have concluded the refinancing on mutually acceptable terms. We aim to continue enhancing our partnership with Bidvest and delivering value to its stakeholders and the broad based beneficiaries of the Dinatla consortium."

Bidvest chief executive Brian Joffe noted: "These are win-win arrangements for all parties. By facilitating the Dinatla refinancing, Bidvest ensures the participation by Dinatla as a significant BEE shareholder in Bidvest for at least a further five years.

"At the same time, the arrangement enables Dinatla to procure refinancing on favourable terms to ensure further growth in value for Dinatla without giving up any upside appreciation in the share price."

"We at Bidvest look forward to the continuation of a partnership that has proved highly beneficial in assisting our Group to meet its transformation objectives across all aspects of the broad-based BEE scorecard."

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