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MUSTEK LIMITED – Repurchase of ordinary shares in Mustek

MST 201505200016A

Repurchase of ordinary shares in Mustek

MUSTEK LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1987/070161/06)

Share Code: MST

ISIN Code: ZAE 000012373

("Mustek" or "the Company")

REPURCHASE OF ORDINARY SHARES IN MUSTEK

1. Introduction

Shareholders are hereby advised that Mustek has acquired 3 297 943 ordinary shares in the issued share capital of Mustek on the open market for a purchase consideration in aggregate of R28 653 666,87 ("the general repurchase"). The general repurchase was effected in terms of a general authority to Mustek's directors ("the directors"), which was granted in terms of a special resolution passed by the members at Mustek's Annual General Meeting ("AGM") held on 12 December 2014 and comprises 3,07% of the total issued ordinary shares of Mustek at the date of the AGM. Mustek does not hold any treasury shares.

2. Implementation

The general repurchase commenced on 15 December 2014 and continued on a day-to-day basis as market conditions allowed and in accordance with the JSE Limited ("JSE") Listings Requirements until 19 May 2015. The Company confirms that the repurchases were effected through the order book operated by the JSE and done without any prior understanding or arrangement between the Company and the counter parties. The highest and lowest prices

paid by Mustek for the ordinary shares were 930 cents and 750 cents per share respectively.

3. Extent of general authority outstanding

The extent of the general authority outstanding for the financial year ending 30 June 2015 is 17 161 462 ordinary shares, representing 15,95% of the total issued ordinary share capital of Mustek at the time the authority was granted.

4. Sources of funds

The general repurchase has been funded from available cash resources.

5. Opinion of directors

The directors have considered the effect of the general repurchase and are satisfied that:

- * Mustek and Mustek's subsidiaries ("the Mustek group") will be able, in the ordinary course of business, to pay its debts for a period of 12 months from the date of this announcement;
- * the assets of Mustek and the Mustek group will be in excess of the liabilities of Mustek and the Mustek group for a period of 12 months from the date of this announcement. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the audited financial statements for the year ended 30 June 2014;
- *the ordinary capital and reserves of Mustek and the Mustek group will be adequate for a period of 12 months from the date of this announcement; and
- *the working capital of Mustek and the Mustek group will be adequate for a period of 12 months from the date of this announcement.

6. Financial effects

The pro forma financial effects set out below are the responsibility of the directors of Mustek and are provided for illustrative purposes only. Due to the nature of pro forma financial information, it may not give a fair reflection of shareholders' financial position, changes in equity, results of operations or cash flows after the repurchase.

The pro forma financial effects on the earnings, headline earnings, net asset value and net tangible asset value per ordinary share, before and after the general repurchase are set out below:

Notes	Before	After	Change
	(cents)	(cents)	(%)

Earnings per ordinary share	1	53,05	53,55	0,94
Headline Earnings per ordinary share	1	53,26	53,76	0,95
Net asset value per ordinary share	2	883,99	884,48	0,05
Net tangible asset value per ordinary share	2	826,10	824,73	(0,17)
Number of shares in issue		106 875 829	103 577 886	(3,09)

Notes:

1. The amounts in the "Before" column represent the audited earnings and headline earnings per share disclosed in the financial results for the period ended 31 December 2014. The amounts in the "After" column represent the earnings and headline earnings per share after the general repurchase on the following assumptions:

- . the general repurchase was effective 1 July 2014; and
- . an after tax rate of 4,3% per annum on the cash resources required to fund the general repurchase.

2. The amounts in the "Before" column represent the net asset value and net tangible asset value per share as disclosed in the financial results for the period ended 31 December 2014. The amounts in the "After" column represent the net asset value and net tangible asset value based on the financial results for the period ended 31 December 2014, adjusted for the general repurchase, had it been effected on 31 December 2014.

3. There are no other post balance sheet events requiring adjustments to the pro forma financial information.

7. JSE listing

The ordinary shares that have been repurchased will be cancelled and de-listed in due course.

8. Conclusion

Mustek will continue to repurchase securities as and when opportunities arise.

Midrand

20 May 2015

Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited

Date: 20/05/2015 10:49:00 Produced by the JSE SENS Department. The SENS service is an information dissemination service administered by the JSE Limited ('JSE').

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