

ONELOGIX GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/004519/06)

JSE share code: OLG ISIN: ZAE000026399

(“OneLogix” or “the company” or “the group”)



POSTING OF CIRCULAR, NOTICE OF GENERAL MEETING AND UPDATE TO FINANCIAL EFFECTS IN RESPECT OF THE REPURCHASE OF SHARES FROM IZINGWE HOLDINGS PROPRIETARY LIMITED

INTRODUCTION

Shareholders are referred to the previous announcement released on SENS on 25 September 2013 relating to the specific repurchase of shares from Izingwe Holdings Proprietary Limited (“**Izingwe**”), wherein it was detailed that the company had entered into an agreement with Izingwe, which currently holds 10.25% of the issued share capital of company and is a related party to OneLogix, to repurchase all 23 750 000 of the OneLogix shares (“**the Izingwe shares**”) held by Izingwe (“**the Izingwe repurchase**”).

POSTING OF CIRCULAR AND NOTICE OF GENERAL MEETING

Shareholders are advised that a circular (“**the circular**”) relating to the Izingwe repurchase was posted to shareholders today, 13 November 2013. The circular contains a notice of general meeting of OneLogix shareholders, which meeting is to be held at the registered office of OneLogix being 46 Tulbagh Road, Pomona, Kempton Park, 1620 at 10:00 on Thursday, 12 December 2013 (“**the general meeting**”) for the purposes of considering and if deemed fit, passing the special resolution set out in the notice of general meeting (“**the special resolution**”) required to implement the Izingwe repurchase.

The circular is also available in electronic format on the company’s website at www.onelogix.com.

OPINIONS AND RECOMMENDATIONS

The board has appointed Merchantec Proprietary Limited (“**Merchantec Capital**”) as the independent expert (which meets the requirements set out in section 114(2) of the Companies Act, 2008 (“**the Companies Act**”)) to advise it on the Izingwe repurchase and to compile a report in terms of section 114 of the Companies Act and the Takeover Regulations to the board concerning the Izingwe repurchase.

The independent expert has advised the board that it has considered the terms and conditions of the Izingwe repurchase and is of the opinion that these terms and conditions are fair and reasonable to OneLogix shareholders in terms of section 114(3) of the Companies Act and the Takeover Regulations. The text of the letter from the independent expert is included in the circular.

The board having considered, *inter alia*, the independent advice of the independent expert and the terms and conditions of the Izingwe repurchase, is of the opinion that these terms and conditions are fair and reasonable to OneLogix shareholders.

The directors intend exercising the voting rights of the OneLogix shares held or controlled by them in favour of the special resolution set out in the notice of general meeting.

IRREVOCABLE UNDERTAKINGS

OneLogix has received irrevocable undertakings from shareholders holding in aggregate 59% of the shares eligible to vote on the special resolution, to vote in favour of the special resolution.

IMPORTANT DATES AND TIMES IN RELATION TO THE IZINGWE REPURCHASE

The important dates and times relating to the Izingwe repurchase are set out below.

	2013
Record date for determining which shareholders are entitled to receive the circular and notice of general meeting	Friday, 8 November
Notice convening the general meeting published in the press on	Thursday, 14 November
Last day to trade in OneLogix shares in order to be recorded in the register on the voting record date on ³	Friday, 29 November
Voting record date to be entitled to attend, participate in and vote at the general meeting being 17:00 on	Friday, 6 December
Last day for receipt of proxies for the general meeting by 10:00 on ⁴	Tuesday, 10 December
Last date and time for OneLogix shareholders to give notice to OneLogix objecting to the special resolution approving the Izingwe repurchase by 10:00 on	Thursday, 12 December
OneLogix shareholders' general meeting to be held at 10:00 on	Thursday, 12 December
Results of the general meeting released on SENS on	Thursday, 12 December
Results of the general meeting published in the press on	Friday, 13 December
Receive compliance certificate from the Takeover Regulation Panel	Friday, 13 December
Expected implementation date of the Izingwe repurchase on	Friday, 13 December
Expected termination of listing of OneLogix shares repurchased on the JSE at the commencement of trading on or about	Tuesday, 17 December
Last date for OneLogix to send objecting OneLogix shareholders notices of the adoption of the special resolution approving the Izingwe repurchase	Friday, 27 December

Notes

1. All dates and times are subject to change. Any change will be released on SENS and published in the press.
2. Shareholders are referred to the circular (which contains a summary of the dissenting shareholders' appraisal rights) regarding rights accorded to OneLogix shareholders.
3. OneLogix shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five business days after such trade. Therefore persons who acquire OneLogix shares after the voting last day to trade will not be eligible to vote at the general meeting.
4. If a form of proxy is not received by the time and date shown above or not less than 48 hours before recommencement of any adjourned or postponed meeting, it may be handed to the Chairman of the

general meeting not later than ten minutes before the general meeting is due to commence or recommence.

5. All times given in this announcement are local times in South Africa.
6. Shareholders are advised that the company will, at an appropriate time and by no later than 9 December 2013, publish:
 - a material change statement (as contemplated in paragraph 7.E.10 of the JSE Listings Requirements) describing any material change in the financial or trading position of the company and its subsidiaries that has occurred since the end of its last reported financial period, or an appropriate negative statement.
 - a trading estimate of the financial performance of the company for the six months ended 30 November 2013.

UPDATED FINANCIAL EFFECTS

Shareholders are referred to the announcement released on SENS on 21 October 2013 wherein shareholders were advised that the special resolution would be presented for consideration at a separate general meeting instead of at the company's annual general meeting. Accordingly, this has resulted in an update to the *pro forma* financial effects which were presented in the announcement of 25 September 2013, as set out in the table below.

It is assumed that the Izingwe repurchase had occurred on 1 June 2012, for purposes of the *pro forma* statement of comprehensive income, and on 31 May 2013, for purposes of the *pro forma* statement of financial position.

The *pro forma* financial effects set out below have been prepared for illustrative purposes only to provide information on how the Izingwe repurchase may have impact on the audited historical financial results of OneLogix for the twelve months ended 31 May 2013. Due to their nature, the *pro forma* financial effects may not fairly present OneLogix's financial position, changes in equity, results of operations or cash flows after the Izingwe repurchase.

The *pro forma* financial effects are the responsibility of the directors of OneLogix and have been reported on by the independent reporting accountants whose report is provided in the circular.

The *pro forma* financial effects of the Izingwe repurchase on the group's basic earnings per share, diluted earnings per share, headline earnings per share, diluted headline earnings per share, net asset value per share and tangible net asset value per share are as follows:

	Unadjusted before the Izingwe repurchase (cents)	<i>Pro forma</i> after the Izingwe repurchase (cents)	Percentage change (%)
Earnings per share	29.0	31.0	6.9
Diluted earnings per share	28.3	30.1	6.4
Headline earnings per share	25.1	26.5	5.6
Diluted headline earnings per share	24.5	25.8	5.3
Net asset value per share	129.5	115.0	(11.2)
Tangible net asset value per share	100.1	82.2	(17.9)
Weighted number of shares in issue (excluding BEE shares accounted for as treasury shares) (000's)	231 595	207 845	(10.3)

Diluted weighted number of shares in issue (excluding BEE shares accounted for as treasury shares) (000's)	231 258	207 508	(10.0)
Shares in issue at year end (excluding BEE shares accounted for as treasury shares) (000's)	225 658	201 908	(10.5)

Notes and assumptions to the *pro forma* financial effects:

1. The figures in the “Unadjusted before the Izingwe repurchase” column have been extracted, without adjustment, from the group’s audited financial statements for the year ended 31 May 2013.
2. The figures in the “*Pro forma* after the Izingwe repurchase” column are based on the Izingwe repurchase of 23 750 000 OneLogix shares being at a price of 250.88 cents per share (comprising 250 cents plus 5.88 cents per share of interest to 13 December 2013 when the repurchase is assumed to be implemented less 5 cents dividend per share which, in terms of the share purchase agreement, does not accrue to the seller, as the seller is receiving interest), or R59 584 000 in aggregate (“the repurchase consideration”). This results in a decrease in cash and cash equivalents by R60 039 967, being the R59 584 000 repurchase consideration and R 455 967 in respect of transaction costs of the Izingwe repurchase, both of which are not recurring items.
3. The repurchase consideration and expenses of the Izingwe repurchase are assumed to be settled from existing cash resources and available short-term facilities of the group.
4. For purposes of adjusting earnings, net finance costs have been increased, at the average rate of interest earned and interest paid on the available cash resources and available short term borrowings, respectively, being the prime rate less 158 basis points per annum, as a result of the cash outflow of the repurchase consideration.
5. Taxation is assumed to be reduced by R1 164 063 resulting from the reduction in finance income and increase in finance costs.
6. Following the implementation of the Izingwe repurchase and the subsequent cancellation and delisting of the Izingwe shares, the company will have 207 845 235 shares in issue.
7. Transaction costs of R455 967 have been set-off against retained earnings in terms of IAS 32: Financial Instruments: Presentation.
8. All adjustments are expected to have a continuing effect.

13 November 2013

Corporate advisor and sponsor

 JAVACAPITAL

Independent expert

Merchantec Capital

Independent reporting accountants

PricewaterhouseCoopers Inc.

Legal advisor

DLA Cliffe Dekker Hofmeyr