



Bowler Metcalf Limited

Incorporated in the Republic of South Africa
(Registration number 1972/005921/06)
Share code: BCF ISIN: ZAE0000308797
("Bowler Metcalf" or "the Company")

FURTHER ANNOUNCEMENT REGARDING THE DISPOSAL OF THE 100% INTEREST IN QUALITY BEVERAGES 2000 PROPRIETARY LIMITED ("QUALITY BEVERAGES") IN EXCHANGE FOR A 43% INTEREST IN SOFTBEV PROPRIETARY LIMITED ("SoftBev") AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

INTRODUCTION

Further to the announcement published on SENS on 26 September 2014, the Company is pleased to advise shareholders that agreements have now been signed with regard to the proposed disposal of Bowler Metcalf's 100% interest in Quality Beverages ("the Disposal") in exchange for a 43% interest in a newly formed company, SoftBev ("the Acquisition"). Concurrently with this Disposal and Acquisition (together, "The Proposed Transaction"), SoftBev will acquire 100% interest in Shoreline Sales and Distribution Proprietary Limited ("Shoreline") from MIF Holdings Proprietary Limited ("MIF"). Further, the claims of Bowler Metcalf and MIF will also be acquired by SoftBev in return for a loan account owing to Bowler Metcalf and MIF respectively at the face value of the claims acquired.

The proposed Disposal and Acquisition, which are inter-related, is a Category 1 transaction for Bowler Metcalf, which in terms of the JSE Listings Requirements, requires approval by Bowler Metcalf shareholders. Pursuant to this approval, the distribution of a circular to shareholders is imminent which details the Proposed Transaction, includes pro forma and historical financial information and contains information pertaining to the General Meeting at which the shareholder approval will be sought.

CONDITIONS PRECEDENT

The Disposal and Acquisition, which has been unconditionally approved by the Competition Authorities of South Africa on 3 March 2015, is subject to shareholder approval as contemplated in the JSE Listings Requirements on or before 30 April 2015. All other conditions precedent, as contained in the agreements relating to the Prop seed Transaction, including board approval of the Bowler directors and MIF board and shareholder approval, will have been met at the Last Practicable Date. The Company and MIF may extend the period for the fulfilment or waiver of any one or more or part of any of the Conditions Precedent. The closing date of the Disposal is 5 working days following the fulfilment or waiver of all the Conditions Precedent as detailed above.

FINANCIAL INFORMATION

The inter-related Disposal and Acquisition will result in Bowler Metcalf holding 274 754 093 new shares (43%) and MIF holding 364 208 915 new shares (57%) of the initial equity interest in SoftBev. Bowler Metcalf's and MIF's shareholdings are in proportional to the respective valuations placed on Quality Beverages and Shoreline in terms of the Proposed Transaction, before any dilution in terms of new shares to be issued by SoftBev for cash at fair value and any share options to be issued by SoftBev to key management.

The value of the net assets of Quality Beverages that are subject to the Disposal, amount to R59.4 million as at 30 June 2014. The profits attributable to Quality Beverages for the year ended 30 June 2014 amounted to R4.6 million, after taxation.

The value of the net assets of SoftBev (on a combined pro forma basis including Quality Beverage and Shoreline) amount to R337.3 million as at 30 June 2014. The profits attributable to SoftBev (on a combined pro forma basis including Quality Beverage and Shoreline) for the year ended 30 June 2014 amounted to R42.6 million, after tax.

The Quality Beverages contribution to these attributable profits include a pro forma adjustment for profits that will accrue to the business upon the successful integration of PET bottle blowing into its filling

operations in the Western Cape (the "Bottle Blowing Project"). Bowler Metcalf, through its subsidiary Bowler Plastics, will be responsible for the implementation of the Bottle Blowing Project, although the cost thereof will be borne by Quality Beverages.

Upon successful implementation of the Bottle Blowing Project, Bowler Plastics will no longer supply blown bottles to Quality Beverages Western Cape, but will continue to supply the same quantity of preforms instead, under certain commercial terms and conditions. This integration of bottle blowing into a filling operation is consistent with best manufacturing practices and will achieve notable efficiencies and therefore reduce the cost of production for Quality Beverages Western Cape. The financial benefits accruing to Quality Beverages as a result of the Bottle Blowing Project have been included in the calculation of the value ascribed to the business for the purpose of the Disposal.

The loss to Bowler Plastics of these bottle blowing profits will be detailed in the pro-forma financial effects to be included in the above mentioned circular.

The agreements relating to the Proposed Transaction make provision for a potential adjustment to the Bowler Metcalf's shareholding percentage in SoftBev in the event that the final financial outcome of the Bottle Blowing Project is substantially negatively different to that as envisaged in the calculation of the value ascribed to Quality Beverages. The impact of such a potential adjustment will be detailed in the pro-forma financial effects to be included in the above mentioned circular.

However, the Company is confident that Bowler Plastics has the experience and expertise to deliver the Bottle Blowing Project as envisaged and within the agreed upon tolerances that will result in there being no adjustments to the value of Quality Beverages as a direct result of the outcome of the Bottle Blowing Project.

The rationale and future prospects for the Proposed Transaction are detailed in the above mentioned circular to shareholders.

DOCUMENTATION AND SALIENT DATES

In terms of the JSE listing requirements, a circular to shareholders is being prepared which will contain, *inter alia*, a notice of the General Meeting seeking approval for the Proposed Transaction and a form of proxy. This circular will be sent out to the shareholders in accordance with paragraph 9.20(b) of the JSE Listings Requirements. The salient dates in relation to the General Meeting will be published on or about the date of posting of the circular.

WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Pursuant to the above announcement, shareholders are advised that the cautionary announcement is now withdrawn.

Johannesburg
27 March 2015

Designated Advisor

Arbor Capital Sponsors Proprietary Limited

