

**GLOBAL ASSET MANAGEMENT LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number: 2002/003192/06)  
Share Code: GAM ISIN: ZAE000173498  
("GLOBAL " or "the company")

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**DETAILED CAUTIONARY ANNOUNCEMENT RELATING TO AN OFFER TO  
SUBSCRIBE FOR NEW ORDINARY SHARES TO ACQUIRE 30% IN LINDE  
FINANCIAL SERVICES PROPRIETARY LIMITED ("LFS") AND AN  
ADDITIONAL CAUTIONARY ANNOUNCEMENT**

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**INTRODUCTION**

The board of directors of Global is pleased to advise that LFS, a wholly owned subsidiary of Global, has received an offer from a BEE investor, to acquire a 30% interest in LFS by way of a subscription for new shares in LFS for a consideration of R22 million in cash (the "transaction").

The offer has been accepted by LFS on 08 July 2013, subject to certain conditions precedent clauses as indicated below, for conclusion within a 21 day period.

The transaction will be tantamount to a disposal by Global and the proceeds from the transaction will be applied to capitalise the business of LFS in support of the expansion of its business.

The transaction will be categorised as a Category 2 transaction in accordance with the JSE Listings Requirements for companies listed on the Alternative Exchange and accordingly will not require shareholder approval.

**RATIONALE FOR THE TRANSACTION**

The rationale for the transaction is to provide LFS with a value adding Black Economic Empowerment partner in order to enhance the BEE credential of LFS, assist with accelerating the growth of LFS in South Africa by accessing opportunities that LFS would not otherwise have had. Pursuant to the successful implementation of this transaction, LFS will appoint two additional directors to the board of LFS and expects that these appointments will

further enhance the South African business opportunities for LFS.

#### **CONDITIONS PRECEDENT**

The transaction is subject to the following conditions precedent:

1. Completion of a due diligence by 12 July 2013;
2. Final approval of funding for the subscription price on terms acceptable to the BEE investor by 18 July 2013;
3. The conclusion of the funding agreement, a subscription agreement and a shareholder agreement (or amendment to the Memorandum of Incorporation of LFS) to provide for standard minority protection;
4. The conclusion of a 24 month put option agreement, allowing the BEE investor to sell its shares back to LFS at the subscription price, exercisable after 12 months, with a notice period of 6 months. The put value is to be adjusted at the prime interest rate to date of exercise from the effective date of the transaction.
5. Any regulatory approvals as well as any specific consents required from South African LFS stakeholders.

#### **WARRANTIES**

The subscription price for the transaction is based on a warranted tangible net asset value (excluding inter alia deferred tax assets and liabilities, goodwill and intangibles) of R88 million at the effective date.

Other normal warranties for a transaction of this nature will be provided.

#### **EXCLUSIVITY**

LFS has provided the BEE investor with an exclusivity period in order to implement the transaction and has agreed to keep their identity confidential until such time as formal agreements have been signed.

#### **PRO FORMA FINANCIAL EFFECTS**

Pro forma financial effects will be provided once the due diligence is completed and the legal agreements to give effect to the transaction have been signed.

**CAUTIONARY ANNOUNCEMENT**

Shareholders are advised to exercise caution in dealing in their securities until an announcement is made regarding the conclusion of the various conditions precedent as well as pro forma financial effects.

**ADDITIONAL CAUTIONARY ANNOUNCEMENT**

Shareholders are advised that the company is also involved in further negotiations that may affect the price at which the Company's securities trade and are accordingly advised to exercise caution until a further announcement is made.

Johannesburg  
11 July 2013

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Designated Advisor  
Arcay Moela Sponsors Proprietary Limited  
(Registration number 2006/033725/07)