

**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")

---

## **ISSUE OF SHARES FOR CASH, INVESTMENT INTO TWO NEW COMPANIES AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

---

### **1. INTRODUCTION**

Shareholders are advised that Global has raised R22 307 959 in cash through the issue of 9 699 113 ordinary shares for cash at 230 cents per ordinary share. The issue of shares is under the general authority to issue shares cash. An application for the listing of these shares on the Johannesburg Stock Exchange ("JSE") has been made and the shares will be listed on or about 18 November 2013. The company intends placing an additional 5 300 887 shares at 230 cents per share over a period of time.

### **2. GENERAL ISSUE FOR CASH**

#### **2.1. Particulars of the general issue**

At the annual general meeting of the company held on 23 May 2013, the requisite majority of shareholders approved an ordinary resolution authorising the directors to issue shares for cash in accordance with the JSE Listings Requirements.

As the issue of the new shares represent a 27.71% increase in the issued ordinary share capital of the company, this disclosure is made in terms of section 11.22 of the Listings Requirements:

9 699 113 ordinary shares in the company were issued to public shareholders at an issue price of 230 cents per ordinary share which represents the approximate 30 day volume weighted average price for the period ended 1 October 2013, being the date the issue price was agreed upon by the directors.

#### **2.2. Pro forma financial effects of the general issues of shares**

The table below summarises the pro forma financial effects of the issue of shares for cash on the published unaudited results of Global for the six months ended 31 May 2013, as though the issue for cash had been in effect from 1 December 2012 for statement of comprehensive income purposes and at 31 May 2013 for statement of financial position purposes.

The pro forma financial effects, which are the responsibility of the directors, have been prepared based on the accounting policies adopted by the Company and in accordance with IFRS, for illustrative purposes only and, due to their nature, may

not fairly present Global's financial position, changes in equity, results of operations or cash flows.

The table below sets out the unaudited pro forma financial effects of the issue of shares for cash on the earnings, headline earnings, net asset value and tangible net asset value per Global share:

	<b>Before <sup>(1)</sup> (Cents)</b>	<b>After (Cents)</b>	<b>Change (%)</b>
Earnings per share (cents) <sup>(3)</sup>	15.10	12.41	-17.84%
Headline earnings per share (cents) <sup>(3)</sup>	15.10	12.41	-17.84%
Net asset value per share (cents) <sup>(2)</sup>	214.73	216.80	0.96%
Tangible net asset value per share (cents) <sup>(2)</sup>	194.90	201.27	3.27%
Weighted average number of shares in issue	34 730 769	44 429 882	27.93%
Total shares in issue	35 000 000	44 699 113	27.71%

**Assumptions:**

1. The "Before" column is extracted from the unaudited results for the six months ended 31 May 2013 as published.
2. The "After" column in terms of net asset and net tangible asset value per share reflects an adjustment for an issue of shares for cash of R22 307 959, showing an increase in stated capital, less issue costs of R557 699, with a corresponding net reduction in financial liabilities of R21 750 260. The number of shares in issue has increased from 35 000 000 to 44 699 113. These adjustments will have a once off effect.
3. The "After" column in terms of earnings and headline earnings per share reflects an adjustment for the reduction in finance charges on the assumed reduction in financial liabilities at an interest rate of 8.5%, being the actual average rate of interest incurred on Global's borrowings, less notional taxation at 28%, as though the cash was received on 01 December 2012. The weighted average number of shares in issue has increased by the issue of 9 699 113 new shares. These adjustments are expected to have a continuing effect on the results of Global. No interest received on excess cash received has been assumed.

**3. RATIONALE FOR CAPITAL RAISING AND INVESTMENT INTO TWO NEW COMPANIES**

The Company has embarked on a capital raising exercise as part of its original strategy at date of listing. Funds raised from the issue of shares for cash will be applied for the investment into two new entities in which Global intends to hold a minimum interest of 51%. Details of these two entities are set out below:

Energy Efficiency Company Proprietary Limited ("EEC")

Global, via its 100% owned, newly formed subsidiary GAM Business Solutions Proprietary Limited, will subscribe for 51% of the new issued share capital in EEC for R10 000 000 and a Mauritian investor will subscribe for the remaining 49% shareholding for R10 000 000. This will lead to the establishment of a company focused on providing funding to corporates for the installation of energy efficiency equipment in order to replace the old electrical infrastructure to achieve between a 35% to 50% reduction in electricity consumption. It is intended that the funding capacity of the EEC grow to around R250 million over time.

No pro forma financial effects have been presented as this is a newly formed entity without any historical financial information.

#### Earthwize Energy Holdings Proprietary Limited (“Earthwize”)

Global intends injecting R20 million of capital to be raised into a newly formed 100% subsidiary, namely GAM New Energy Proprietary Limited (“GAM New Energy”). GAM New Energy will be the holding company of a number of companies that will have strategic investments into waste to energy projects, including plastic to oil and rubber to oil pyrolysis projects.

GAM New Energy, intends acquiring 5% of the existing issued share capital in Earthwize for R560 000 and will agree an option with Earthwize to acquire an additional 20% in Earthwize, by investing up to R20 million in the first EWEH plastic to oil pyrolysis plant. A further 31% will be acquired from existing Earthwize shareholders on terms to be agreed, tied to the performance of Earthwize over a period of five years.

This acquisition and funding will only be implemented once full funding for the underlying project and plant has been secured, which is expected to be in the next financial year commencing 1 December 2013.

Earthwize has developed pyrolysis technology for the purpose of converting waste plastic into oil. The technology is ready for commercialisation with construction to commence on the first plastic pyrolysis plant planned for the first quarter of 2014.

No pro forma financial effects have been presented as the above acquisition and investment will only proceed once the project is fully funded. An announcement will be made as and when the Company proceeds with the intended investment.

#### 4. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the cautionary announcement issued on 18 November 2013 and are advised that the cautionary announcement is now withdrawn.

Johannesburg  
19 November 2013

---

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