

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 5 of this circular apply, *mutatis mutandis*, throughout this circular, including on this front cover.

If you are in any doubt about the action to be taken, you should consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.

ACTION REQUIRED

If you have disposed of all your shares in Austro, this circular should be handed to the purchaser of your shares or to the broker, banker or other agent through whom the disposal was effected.

Beneficial shareholders who have dematerialised their shares through a CSDP or broker who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.

Austro shareholders are referred to page 1 of this circular, which sets out the action required by them.

Austro does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the content of this circular.



AUSTRO

GROUP LIMITED

AUSTRO GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

Share code: ASO ISIN: ZAE000090882

("Austro" or "the company")

CIRCULAR TO AUSTRO SHAREHOLDERS

relating to:

- the proposed acquisition by Austro of an effective 100% shareholding in Centlube Holdings Proprietary Limited, which, for the purposes of the Listings Requirements, constitutes a related party transaction; and
- the proposed change of name of "Austro Group Limited" to "enX Group Limited";

and enclosing:

- a notice of general meeting of Austro shareholders; and
- a form of proxy to vote at the general meeting of Austro shareholders for use by certificated Austro shareholders and dematerialised Austro shareholders who have elected "own-name" registration only; and
- a form of surrender (*blue*) in respect of the change of name (to be completed by certificated Austro shareholders only).

Corporate advisor, legal advisor and sponsor to Austro

JAVACAPITAL

Legal advisor to the Hinckley Trust and Grant

WEBBER WENTZEL
in alliance with > Linklaters

Independent expert

BDO

Legal advisor to Reggie and Tebogo

PADAYACHEE
ATTORNEYS

Reporting accountants

 Grant Thornton

Legal advisor to Ricophase



Date of issue: Thursday, 30 October 2014

This circular is only available in English and is available on the company's website at www.austrogrouplimited.com. Copies may be obtained from the office of Austro and the transfer secretaries whose registered addresses are set out in the "Corporate Information" section of this circular during normal business hours from the date of issue of this circular to the date of the general meeting.

CORPORATE INFORMATION

The definitions commencing on page 5 of this circular apply, *mutatis mutandis*, to this corporate information section.

Corporate advisor and legal advisor to Austro

Waydale Investments Proprietary Limited
t/a Java Capital
(Registration number 2012/089864/07)
Redefine Place
2 Arnold Road
Rosebank, 2196
(PO Box 2087, Parklands, 2121)

Sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
Redefine Place
2 Arnold Road
Rosebank, 2196
(PO Box 2087, Parklands, 2121)

Transfer secretaries

Computershare Investor Services
Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Legal advisor to the Hinckley Trust and Grant

Webber Wentzel
10 Fricker Road
Illovo Boulevard
Illovo, 2196
(PO Box 61771, Marshalltown, 2107)

Legal advisor to Ricophase

Edward Nathan Sonnenbergs Inc
(Registration number 2006/018200/21)
150 West Street
Sandown, 2196
(PO Box 783347, Sandton, 2146)

Office of the company

30 – 38 Jacoba Street
Albertyn North

Company secretary

CIS Company Secretaries Proprietary Limited
(Registration number 2006/024994/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

Independent expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown, 2195
(Private Bag X60500, Houghton, 2041)

Reporting accountants

Grant Thornton (JHB) Inc
(Registration number 1994/001166/21)
137 Daisy Street
Corner Grayston Drive
Sandown, 2196
(Private Bag X10046, Sandton, 2146)

Legal advisor to Reggie and Tebogo

Padayachee Attorneys
Holding 30, Zinnia Road
Door No 2, Glenferness
Midrand, 1685
(PO Box 78186, Sandton, 2146)

Registered office of the company

1125 Leader Avenue
Stormill Ext 4
Roodepoort
(PO Box 1914, Florida, 1724)

Date and place of incorporation

Incorporated in the Republic of South Africa on
12 December 2001

ACTION REQUIRED BY AUSTRO SHAREHOLDERS

The definitions commencing on page 5 of this circular apply, *mutatis mutandis*, to this section setting out the action required by Austro shareholders.

THE GENERAL MEETING

The implementation of the Centlube acquisition and change of name are subject, *inter alia*, to Austro shareholders passing the requisite resolutions at the general meeting of Austro shareholders to be held at 10:00 on Monday, 1 December 2014 at the office of Austro (30 – 38 Jacoba Street, Alberton North).

A notice convening the general meeting to be held at 10:00 on Monday, 1 December 2014 is attached to and forms part of this circular.

FORM OF PROXY

Certificated and dematerialised “own-name” shareholders

Certificated shareholders and dematerialised shareholders who have elected “own-name” registration in the sub-register of Austro maintained by a CSDP, who are unable to attend the general meeting but who wish to be represented thereat, are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy must be received by the transfer secretaries by no later than 10:00 on Thursday, 27 November 2014 in respect of the general meeting of Austro shareholders.

Other dematerialised shareholders

Dematerialised shareholders who have not elected “own-name” registration in the sub-register of Austro maintained by a CSDP, and who wish to attend the general meeting, must instruct their CSDP or broker timeously in order that such CSDP or broker may issue them with the necessary letter of representation or equivalent authority to attend.

Dematerialised shareholders who have not elected “own-name” registration in the sub-register of Austro maintained by a CSDP, and who do not wish to attend the general meeting, must provide their CSDP or broker with their instruction for attendance or voting at the general meeting in the manner stipulated in the agreement between the shareholder concerned and the CSDP or broker governing the relationship between such shareholder and his CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.

Austro does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.

FORM OF SURRENDER

Dematerialised shareholders

The following does not apply to dematerialised shareholders. The accounts of such shareholders at their CSDP or broker will be automatically updated to reflect the name enX Group Limited (or similar appropriate name) as is approved by CIPC.

Certificated shareholders

In order that certificated shareholders may receive new share certificates bearing the name enX Group Limited, they are requested to surrender their share certificates or other documents of title to the transfer secretaries. A form of surrender which is enclosed with this circular must be sent together with the relevant documents of title to the transfer secretaries.

Replacement share certificates will be posted by registered post at the risk of the addressee on or about Monday, 26 January 2015 in respect of documents of title received on or before 12:00 on Friday, 23 January 2015 or within five business days of receipt of the relevant documents of title if received after 12:00 on Friday, 23 January 2015.

Additional copies of the form of surrender (*blue*) are available on request from the transfer secretaries.

If any person who is not the registered holder of shares in the company or the company lodges with the transfer secretaries a share certificate or a certified transfer deed or other valid document of title for shares in the company together with:

- a properly completed transfer form for registration of the said shares; and
- proof, to the satisfaction of the transfer secretaries, that the relevant stamp duty has been paid in respect of the proposed registration of transfer to those shares,

then a share certificate in the name of the transferee named in the abovementioned transfer form for the appropriate shares will be posted by registered post at the risk of the addressee, to the transferee's address reflected on such transfer form, provided that no replacement certificates have already been issued in respect of the documents of title so lodged.

The company uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE and, therefore, will issue only one "block" certificate for each shareholder.

The new share certificates will be restrictively endorsed if the existing share certificates or other documents of title lodged are restrictively endorsed under the Exchange Control Regulations or if the address of the certificated shareholder concerned is outside the common monetary area. If the share certificates represent blocked assets of a former resident of South Africa, the new share certificate will be sent to the authorised dealer in foreign exchange in South Africa controlling such former resident's blocked assets. All non-residents, who are former residents, must give the name and address of the authorised dealer in foreign exchange in South Africa to whom, where applicable, share certificates must be sent as set out above. The company will retain the share certificates until such information is provided.

If the non-resident is not a former resident, the share certificate will be sent to the address of the non-resident concerned appropriately endorsed.

A new certificate will not be despatched to a holder before that holder has surrendered the relevant certificate or other documents of title in respect of the shares held by him, provided that if any holder produces evidence to the satisfaction of the company that the certificate in respect of any shares has been lost or destroyed, the company may dispense with the surrender of such certificate against the provision of an indemnity acceptable to the company.

No receipt will be issued in respect of documents of title which have been surrendered unless specifically requested. Lodging agents who require a receipt should prepare one and lodge it with the documents for stamping.

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SALIENT DATES AND TIMES

Record date in order to receive the circular	Friday, 24 October 2014
Circular posted to Austro shareholders and announcement relating to the issue of the circular and notice convening the general meeting released on SENS on	Thursday, 30 October 2014
Announcement relating to the issue of the circular and notice convening the general meeting published in the press on	Friday, 31 October 2014
Last day to trade in Austro shares in order to be recorded in the register on the voting record date (see note 2 below) on	Friday, 14 November 2014
Record date to vote at the general meeting (“ voting record date ”) being 17:00 on	Friday, 21 November 2014
Last day for receipt of proxies for the Austro shareholders’ general meeting by 10:00 (see note 3 below) on	Thursday, 27 November 2014
Austro shareholders’ general meeting to be held at 10:00 on	Monday, 1 December 2014
Results of general meeting released on SENS on	Monday, 1 December 2014
Resolution in respect of the change of name submitted to CIPC on	Tuesday, 2 December 2014
Resolution in respect of change of name expected to be registered by CIPC by no later than	Thursday, 8 January 2015
Expected publication of finalisation announcement on SENS	Friday, 9 January 2015
Expected last day to trade in existing shares on the JSE prior to the change of name	Friday, 16 January 2015
Expected trading in the new name of enX Group Limited on the JSE under the JSE code “ENX” and ISIN: ZAE000195723 commences on	Monday, 19 January 2015
Expected record date in respect of the change of name	Friday, 23 January 2015
Expected date of issue of new replacement share certificates, provided that the old share certificates have been lodged by 12:00 on Friday, 23 January 2015, on or about (share certificates received after this time will be posted within five business days of receipt)	Monday, 26 January 2015
CSDP and broker accounts of dematerialised shareholders expected to be updated on	Monday, 26 January 2015

Notes:

1. All dates and times in this circular are local times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
2. Austro 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 Austro shares after the voting last day to trade will not be eligible to vote at the general meeting.
3. 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 10 minutes before the general meeting is due to commence or recommence.
4. Share certificates in the name of Austro Group Limited may not be dematerialised or rematerialised after Friday, 16 January 2015.
5. Austro shareholders are referred to page 1 of this circular for information on the action required to be taken by them.

DEFINITIONS

In this circular, unless the context indicates a contrary intention, an expression which denotes a gender includes the other genders, the singular includes the plural and *vice versa*, natural persons include a juristic person and the following terms bear the meanings assigned to them below.

“Act” or “Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended from time to time;
“additional payment”	the additional payment of R16 million, payable by Austro for the Centlube acquisition if the Centlube group is appointed as a distributor for a certain global oil major, as set out in paragraph 4.3 of this circular;
“Austro” or “the company”	Austro Group Limited (Registration number 2001/029771/06), a public company duly incorporated in South Africa, the entire issued share capital of which is listed on the JSE;
“Austro consideration shares”	the ordinary no par value shares in the share capital of Austro to be allotted and issued by Austro to the Friedshelsh shareholders and the Hinckley Trust, at an issue price of R1.45 per Austro consideration share, in discharge (in whole or in part) of the initial payment, payable in terms of the Centlube acquisition agreement;
“Austro group” or “the group”	Austro and its subsidiaries;
“board”	the board of directors of Austro;
“business day”	any day other than a Saturday or Sunday or official public holiday in South Africa;
“Centlube”	Centlube Proprietary Limited (Registration number 2011/126819/07), a private company duly incorporated in South Africa;
“Centlube acquisition” or “acquisition” or “transaction”	the acquisition by Austro of an effective 100% shareholding in Centlube Holdings by way of the acquisition by Austro of the Centlube equity from the Hinckley Trust and the Friedshelsh equity from the Friedshelsh shareholders, as set out more fully in paragraph 4 of this circular;
“Centlube acquisition agreement”	the agreement entered into between Austro, the Friedshelsh shareholders, the Hinckley Trust and Grant dated 16 August 2014, the salient terms of which are set out in paragraph 4;
“Centlube equity”	50% of the issued share capital of Centlube Holdings and claims which the Hinckley Trust and/or Grant may have against Centlube Holdings;
“Centlube group”	Centlube Holdings and its subsidiary, Centlube;
“Centlube Holdings”	Centlube Holdings Proprietary Limited (Registration number 2011/127980/07), a private company duly incorporated in South Africa;
“certificated shareholders”	shareholders who have not dematerialised their shares, title to which is represented by a share certificate or other physical document/s of title;
“change of name”	the proposed change to the name of the company from “Austro Group Limited” to “enX Group Limited”;
“change of name record date”	the date on, and time at which, an Austro shareholder must be recorded in the register in order to be subject to the change of name;
“CIPC”	the Companies and Intellectual Property Commission established pursuant to section 185 of the Companies Act;

“circular”	this circular dated Thursday, 30 October 2014 including all the annexures hereto and incorporating a form of surrender;
“the common monetary area”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“conditions precedent”	the conditions precedent to which the Centtube acquisition is subject, as set out in paragraph 4 of this circular;
“CSDP”	Central Securities Depository Participant;
“dematerialisation”	the process by which certificated shares are converted to an electronic form as uncertificated shares registered in the sub-register of shareholders maintained by a CSDP;
“dematerialised shareholders”	shareholders who have dematerialised their shares in terms of Strate;
“directors” or “the board”	the board of directors of the company whose names are set out on page 8 of the circular;
“document/s of title”	share certificates and/or certificated transfer deeds and/or balance receipts or any other document/s of title in respect of Austro shares;
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended (which replaces the Securities Services Act, 36 of 2004);
“form of surrender”	the form of surrender (<i>blue</i>) attached to and forming part of this circular for use by certificated shareholders in respect of the change of name of the company;
“Friedshelf”	Friedshelf 1320 Proprietary Limited (Registration number 2012/001052/07), a private company duly incorporated in South Africa;
“Friedshelf equity”	the entire issued share capital of and claims against Friedshelf;
“Friedshelf shareholders”	collectively Ricophase, Tapson, Tebogo and Reggie;
“general meeting”	the general meeting of Austro shareholders to be held at the office of Austro at 30 – 38 Jacoba Street, Alberton North at 10:00 on Monday, 1 December 2014, convened for the purpose of shareholders passing with or without modification the resolutions requisite to implement the Centtube acquisition and the change of name;
“Grant”	Grant Horatio Hinckley (Identity number 760813 5050 089);
“Hinckley Trust”	the Horatio Share Trust (Master’s Reference No 2888/2012), the beneficiary of which is Grant’s spouse;
“IFRS”	International Financial Reporting Standards;
“independent expert”	BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), a private company duly incorporated in South Africa and the independent professional expert that the board of Austro has appointed to advise and report on the Centtube acquisition;
“initial payment”	the initial purchase consideration of R64 million, payable by Austro for the Centtube acquisition, as set out in paragraph 4.2 of this circular;

“Java Capital”	collectively Waydale Investments Proprietary Limited trading as Java Capital (Registration number 2012/089804/07) and Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), private companies duly incorporated in South Africa, the corporate advisor and legal advisor appointed by Austro and sponsor to Austro, respectively;
“JSE”	the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in South Africa and licensed as an exchange under the Financial Markets Act;
“the last practicable date”	Friday, 17 October 2014, being the last practicable date prior to the finalisation of this circular;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“own-name dematerialised shareholders”	dematerialised shareholders who/which have elected “own-name” registration;
“purchase consideration”	the aggregate purchase consideration of R80 million for the Centdube acquisition, comprising the initial payment and the additional payment;
“R” or “Rand”	South African Rand;
“Reggie”	Aobakwe Reginald Koketso Kukama (Identity number 690920 6046 084);
“reporting accountants”	Grant Thornton (JHB) Inc (Registration number 1994/001166/21), registered accountants and auditors duly incorporated in South Africa, being the auditors and accountants of the Austro group;
“Ricophase”	Ricophase Proprietary Limited (Registration number 2012/069330/07), a private company duly incorporated in South Africa, the shareholders of which are the David Brouze Trust, the SADES Family Trust, The JSF Family Trust, Paul Mansour and Christian Neuberger;
“SARB”	the South African Reserve Bank;
“SENS”	the Stock Exchange News Service of the JSE;
“shares” or “Austro shares”	ordinary shares of no par value in the issued share capital of the company;
“shareholders” or “Austro shareholders”	holders of shares in the company;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited, the electronic custody, clearing and settlement system for all share transactions concluded on the JSE and off-market;
“Tapson”	Tapson Mudsudzanyi Sadiki (Identity number 690825 6040 088);
“Tebogo”	Tebogo Desiree Kukama (Identity number 740918 0351 088); and
“transfer secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2000/007239/07), a private company duly incorporated in South Africa.



AUSTRO

GROUP LIMITED

AUSTRO GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

Share code: ASO ISIN: ZAE000090882

("Austro" or "the company")

Directors

AJ Phillips* (*Chairman*)

PD Mansour (*Chief Executive Officer*)

JS Friedman (*Financial Director*)

PC Baloyi*

SB Joffe[§]

NV Lila*

MP Makwana*

PS O'Flaherty[§]

**Independent Non-executive Director*

§ Non-executive Director

CIRCULAR TO AUSTRO SHAREHOLDERS

1. INTRODUCTION

- 1.1 On 13 August 2014, it was announced on SENS that Austro had entered into an agreement with Ricophase, Tapson, Tebogo, Reggie, the Hinckley Trust and Grant to acquire an effective 100% shareholding in Centlube Holdings.
- 1.2 The Centlube acquisition is a Category 2 acquisition in terms of the Listings Requirements. The Centlube acquisition is also an acquisition from a related party as Ricophase is a shareholder of Friedshelf (and one of the vendors of the Friedshelf equity) and Ricophase is also a material shareholder of Austro, as further set out in paragraph 4.9.2.
- 1.3 The board further proposes to change the name of the company from "Austro Group Limited" to "enX Group Limited".
- 1.4 The purpose of this circular is to provide Austro shareholders with information regarding the Centlube acquisition and the change of name as well as to convene a general meeting of Austro shareholders at 10:00 on Monday, 1 December 2014 at the office of Austro (30 – 38 Jacoba Street, Alberton North) to consider and, if deemed fit, pass with or without modification the resolutions contained in the notice of general meeting attached to this circular.

2. NATURE OF THE BUSINESS

- 2.1 Austro is an industrial supplies group. The Austro group is in the process of transforming itself into an energy group that provides quality branded power and fuel products and in some segments, locally manufactured capital and consumable goods and support services, to a broad range of economic sectors in South Africa and sub-Saharan Africa. Austro's clients range from heavy industrial, mining and construction groups to wholesalers, retailers, technology and telecommunications companies, banks and manufacturers.

- 2.2 The Austro group currently comprises two key business units:
 - 2.2.1 Power, which incorporates:
 - 2.2.1.1 Private Power Sales which designs, manufactures, supplies, installs and maintains diesel generators;
 - 2.2.1.2 Power Product Distribution which distributes industrial engines, marine engines and components; and
 - 2.2.1.3 Temporary Power which rents out temporary power in the form of diesel generators; and
 - 2.2.2 Wood, which incorporates the distribution and maintenance of professional woodworking equipment, tooling and edging.
- 2.3 Austro subsidiaries include New Way Power Proprietary Limited (incorporating Neptune Plant Hire), Power O2 Proprietary Limited and Austro Proprietary Limited.
- 2.4 Austro has been listed on the JSE in the “Industrial Machinery” sub-sector of the “Industrial Engineering” sector since 2007.

3. RATIONALE FOR THE CENTLUBE ACQUISITION

- 3.1 The Centlube group is involved in the production and marketing of oil lubricants in sub-Saharan Africa. Based in Wadeville, Germiston, it has a production capacity in excess of 12 million litres per annum. It is a licensee and distributor of ENI oil lubricants and also produces steel rolling fluids on behalf of Houghton plc.
- 3.2 Austro is repositioning itself to focus on the energy sector. Energy is a significant economic segment which has exciting growth prospects in sub-Saharan Africa. Austro already has an exposure to the power sector through its Private Power Sales, Power Product Distribution and Temporary Power businesses which comprise its Power cluster. Centlube will form the foundation of a Fuel cluster to be established by Austro.

4. TERMS OF THE CENTLUBE ACQUISITION

- 4.1 The issued share capital of Centlube Holdings is held as to 50% by Friedshel and as to 50% by the Hinckley Trust. Friedshel's sole asset is its 50% shareholding in Centlube Holdings and it has no material liabilities. Austro has accordingly agreed to purchase, with retrospective effect from 1 March 2014, an effective 100% shareholding in Centlube Holdings, through the acquisition by Austro of:
 - 4.1.1 the entire issued share capital of Friedshel from the Friedshel shareholders and the Friedshel shareholders' claims against Centlube Holdings; and
 - 4.1.2 50% of the share capital of and claims against Centlube Holdings from the Hinckley Trust.
- 4.2 The initial payment for the Centlube acquisition is R64 million (subject to an adjustment contemplated in paragraph 4.3 below, being the additional payment), R32 million of which shall be payable to the Friedshel shareholders for the Friedshel equity and R32 million of which shall be payable to the Hinckley Trust for the Centlube equity. The initial payment shall be discharged by Austro on the third business day after the date of fulfilment (or, where appropriate, waiver) of the last of the conditions precedent, as follows:
 - 4.2.1 in consideration for the Friedshel equity:
 - 4.2.1.1 R16 878 650 is payable by Austro to Ricophase, which holds 49.9% of the issued share capital of Friedshel, by the allotment and issue of 11 640 448 Austro consideration shares at an issue price of R1.45 per share;
 - 4.2.1.2 R13 632 000 is payable by Austro to Reggie and Tebogo, who hold 22.6% and 20% of the issued share capital of Friedshel, respectively, R6 million of which is payable in cash and R7 632 000 of which is payable by the allotment and issue of 5 263 447 Austro consideration shares at an issue price of R1.45 per share, which shares will be issued to Kapeng Investments Proprietary Limited, as their nominee; and

- 4.2.1.3 R1 489 350 is payable by Austro to Tapson, who holds 7.5% of the issued share capital of Friedshel, R280 000 of which is payable in cash and R1 209 350 of which is payable by the allotment and issue of 834 034 Austro consideration shares at an issue price of R1.45 per share; and
 - 4.2.2 in consideration for the Centlube equity, R32 million is payable by Austro to the Hinckley Trust, of which R26 million is payable in cash and R6 million is payable by the allotment and issue of 4 137 931 Austro consideration shares at an issue price of R1.45 per share.
- 4.3 If the Centlube group is appointed as the licensee and/or distributor for a certain global oil major and significant player in the lubricants industry on or before 31 December 2015, the aggregate purchase consideration for the Centlube acquisition shall be increased by the additional payment of R16 million. The additional payment shall be discharged by Austro within 10 business days of the signing of the relevant distribution agreement or upon the Centlube acquisition agreement becoming unconditional, whichever is the later, as follows:
 - 4.3.1 R8 million will be payable to the Friedshel shareholders (*pro rata* to their shareholding in Friedshel) either in cash or by the allotment and issue of Austro shares valued at an issue price equal to a 5% discount to the 30-day volume weighted average traded price of Austro shares prior to the allotment and issue of Austro shares, at the election of Austro; and
 - 4.3.2 R8 million will be payable to the Hinckley Trust in cash.
- 4.4 The Centlube acquisition remains subject to the fulfilment and/or waiver, if applicable, by 31 December 2014 of, *inter alia*, the following conditions precedent:
 - 4.4.1 the Centlube acquisition being approved by the requisite majority of Austro shareholders;
 - 4.4.2 the extension of the term of the lease agreement entered into by the Centlube group for a further five years from 1 January 2016;
 - 4.4.3 the conclusion of service and restraint agreements between Austro (or one of its subsidiaries) and Grant, which will include, *inter alia*, the following key terms:
 - 4.4.3.1 a minimum three-year service duration (with a six month termination notice period); and
 - 4.4.3.2 a 24-month restraint of trade undertaking to commence on the termination of Grant's employment with the Austro group; and
 - 4.4.4 no material adverse change occurring in relation to the Centlube group, its business and prospects, prior to the fulfilment of the last of the above conditions precedent to be fulfilled and/or waived.
- 4.5 Each of Tapson, Tebogo, Reggie and Grant (the "**restrained party**") has given restraint and other non-compete undertakings to Austro in relation to the Centlube group business (for a period of 12 months in the case of Tapson, Tebogo and Reggie and 24 months in the case of Grant (the "**restraint period**")). Each of the restrained parties has undertaken not to compete or hold an interest in any business which competes with the Centlube group for the restraint period. The restrained parties have also undertaken not to persuade or encourage any person employed by the Centlube group within 18 months prior to the implementation of the Centlube acquisition to become interested in any business competing with the Centlube group or leave his employment with the Centlube group. The shareholders of Ricophase have already given ongoing restraint and non-compete undertakings to Ricophase in respect of any business which competes with the business conducted by any entity in which Ricophase has an investment (which includes both Austro and Centlube Holdings) in terms of a shareholders' agreement already entered into between themselves and Ricophase.
- 4.6 Each of the Friedshel shareholders, who will be allotted and issued Austro shares in part settlement of the purchase consideration, has undertaken not to deal in such Austro shares before 1 April 2016.
- 4.7 The Centlube acquisition agreement incorporates warranties, indemnities and other undertakings from the vendors which are normal for an agreement of the nature contemplated.

4.8 Pursuant to the implementation of the Centlube acquisition, Friedshel and Centlube Holdings will be subsidiaries of Austro. The provisions of the memoranda of incorporation of Friedshel and Centlube Holdings do not frustrate Austro from complying with its obligations in terms of the Listings Requirements, nor do the memoranda of incorporation relieve Austro from compliance with the Listings Requirements.

4.9 Undertakings in respect of the Centlube acquisition

4.9.1 Each of the shareholders set out in the table below, together representing 46.82% of Austro shares in issue (excluding those shares held by Ricophase and its associates) have given an irrevocable undertaking to procure that their shares are voted in favour of the resolutions proposed at the general meeting relating to the Centlube acquisition. The shareholding of each of the parties which has provided an irrevocable undertaking is set out below.

Shareholder	Number of Austro shares	% of voting rights
Peregrine Equities	78 904 286	31.54
BD Downs	20 000 000	7.99
M Duarte	4 824 972	1.93
B Kark	3 205 500	1.28
G Miles	2 360 000	0.94
A Joffe	2 000 000	0.80
MM Joffe	2 000 000	0.80
F Boner	1 100 000	0.44
R Friedman	1 000 000	0.40
R Goldstein	625 000	0.25
S Hurwitz	625 000	0.25
B Boner	500 000	0.20
Total	117 144 758	46.82

4.9.2 Each of the shareholders set out below, together representing 4.02% of Austro shares in issue as at the date of this circular (excluding those shares held by Ricophase and its associates) have given an undertaking to procure that the shares held by them on the date of the general meeting are voted in favour of the resolutions proposed at the general meeting relating to the Centlube acquisition. Their shareholding as at the date of this circular, is set out below. These shareholders are not prohibited from disposing of their Austro shares and accordingly may not hold the same number of Austro shares on the date of the general meeting as is set out below.

Shareholder	Number of Austro shares	% of voting rights
N Brown	4 107 440	1.64
Flagship Asset Management	5 950 000	2.38
Total	10 057 440	4.02

5. RELATED PARTY TRANSACTION

5.1 As Ricophase is:

- 5.1.1 a material shareholder in Austro;
- 5.1.2 an associate of Steven Joffe, a director of Austro; and
- 5.1.3 an associate of David Brouze, a former director of Austro,

the Centlube acquisition, is from an Austro perspective, an acquisition from a related party under section 10.1 of the Listings Requirements, requiring:

- 5.1.4 a statement by Austro confirming whether the Centlube acquisition is fair insofar as the shareholders are concerned; and
- 5.1.5 shareholder approval at the general meeting.

- 5.2 Although Ricophase and its associates will be taken into account in determining a quorum at the general meeting, in terms of the Listings Requirements, the resolutions authorising the Centlube acquisition must be approved by a majority of Austro shareholders excluding the votes cast by Ricophase and its associates.
- 5.3 As required in terms of the Listings Requirements, the independent expert has prepared a fairness opinion in respect of the Centlube acquisition, a copy of which is contained in **Annexure I**, to the effect that the Centlube acquisition is fair insofar as Austro shareholders are concerned.
- 5.4 The board hereby confirms that, having regard to the independent expert's opinion in respect of the Centlube acquisition, it is of the opinion that the Centlube acquisition is fair insofar as the shareholders are concerned.
- 5.5 As required in terms of section 75(5) of the Companies Act, all directors who have a personal interest in the Centlube acquisition, namely Paul Mansour, Steven Joffe and Jarrod Friedman, have not taken part in the consideration of the Centlube acquisition.

6. CHANGE OF NAME

- 6.1 The board proposes to change the name of the company from "Austro Group Limited" to "enX Group Limited" in order to better reflect the group's corporate identity, the company's repositioning to focus on the energy sector and the greater diversity in the businesses conducted by Austro subsidiaries, as more fully detailed in paragraph 3.
- 6.2 The procedure required for certificated shareholders to surrender their existing share certificates and be issued with replacement share certificates in the name of "enX Group Limited" is set out below. For the convenience of certificated shareholders, a form of surrender (*blue*) is attached to this circular.
- 6.3 For a period of not less than one year, the company will reflect the former name "Austro Group Limited" on all documents of title beneath the new name of "enX Group Limited". In addition, for a period of not less than a year, the company will reflect the former name "Austro Group Limited" on all circulars beneath the new name "enX Group Limited" in accordance with the Listings Requirements.
- 6.4 In terms of the Listings Requirements, approval was granted by the JSE for the change of name and the abbreviated name "ENXGROUP" to be used with the share code: ENX and the ISIN will be changed to ZAE000195723.
- 6.5 Shareholders will be requested to approve the special resolution necessary to adopt the change of name of the company to "enX Group Limited".
- 6.6 The resolution approving the change of name of the company to "enX Group Limited" is subject to 75% of shareholders present, in person or by proxy, voting in favour of the resolution at the general meeting on that resolution.

6.7 Salient dates and procedure to be followed by certificated shareholders for the change of name

- 6.7.1 Subject to the passing and the registration of the special resolution necessary for the change of name of the company to "enX Group Limited", the attention of shareholders is drawn to the following dates:

Results of the general meeting released on SENS	Monday, 1 December 2014
Expected publication of finalisation announcement on SENS	Friday, 9 January 2015
Expected last day to trade shares under the name "Austro Group Limited" on the JSE in order to be recorded as a shareholder on the change of name record date	Friday, 16 January 2015
Expected trading under the name "enX Group Limited" commences	Monday, 19 January 2015
Expected change of name record date	Friday, 23 January 2015
Expected date of issue of new replacement share certificates, provided that the old share certificates have been lodged by 12:00 on Friday, 23 January 2015, on or about (share certificates received after this time will be posted within five business days of receipt)	Monday, 26 January 2015
CSDP and broker accounts of dematerialised shareholders expected to be updated on	Monday, 26 January 2015

- 6.7.2 Subject to the passing and the registration of the special resolution necessary for the change of name of the company to “enX Group Limited”, it is necessary to recall share certificates from certificated shareholders in order to replace them with share certificates reflecting the change of name.
- 6.7.3 To facilitate the timely receipt by certificated shareholders of replacement share certificates, certificated shareholders who wish to anticipate the implementation of the change of name and who do not wish to deal in their existing shares prior to the change of name are requested to surrender their certificates, under cover of the form of surrender (*blue*), to the transfer secretaries, at the address set out in that form, prior to the change of name record date.
- 6.7.4 Share certificates so received will be held in trust by the transfer secretaries pending the change of name becoming unconditional. In the event that the change of name does not become unconditional, the transfer secretaries will, within five business days thereafter, return the share certificates to the certificated shareholders concerned, by registered post, at the risk of such shareholders.
- 6.7.5 The results of the general meeting will be announced on SENS on Monday, 1 December 2014. Should the change of name be approved and implemented, shareholders who have not already surrendered their share certificates will be required to do so under cover of the attached form of surrender, which should be retained for that purpose as no further form of surrender will be circulated to shareholders. Additional copies may be requested from Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001.

6.8 Non-resident shareholders

In the case of certificated shareholders whose registered addresses in the company’s register in South Africa are outside the common monetary area, or where the relevant certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

6.8.1 *Non-residents who are emigrants from the Common Monetary Area*

The replacement share certificate reflecting the change of name will be restrictively endorsed “non-resident” in terms of the Exchange Control Regulations and will be credited to their CSDP or broker’s account and a “non-resident” annotation will be credited to their CSDP or broker’s account and a “non-resident” annotation will appear in the CSDP or broker’s register. Any new share certificates, dividends and residual cash payments, based on emigrants’ shares controlled in terms of the Exchange Control Regulations, will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such share certificates will be endorsed “non-resident”.

6.8.2 *All other non-residents*

The replacement share certificate reflecting the change of name will be restrictively endorsed “non-resident” in terms of the Exchange Control Regulations.

6.8.3 *Procedure to be followed by dematerialised shareholders for the change of name*

Dematerialised shareholders must not do anything as their accounts at their CSDP or broker will automatically be updated.

6.9 Undertakings in respect of the change of name

- 6.9.1 Each of the shareholders set out in the table below, together representing 66.34% of Austro shares in issue have given an irrevocable undertaking to procure that their shares are voted in favour of the resolutions proposed at the general meeting relating to the change of name. The shareholding of each of the parties which has provided an irrevocable undertaking is set out below.

Shareholder	Number of Austro shares	% of voting rights
Ricophase	109 005 225	27.58
Peregrine Equities	78 904 286	19.96
D Brouze	36 089 945	9.13
BD Downs	20 000 000	5.06
M Duarte	4 824 972	1.22
B Kark	3 205 500	0.81
G Miles	2 360 000	0.60
A Joffe	2 000 000	0.51
MM Joffe	2 000 000	0.51
F Boner	1 100 000	0.28
R Friedman	1 000 000	0.25
R Goldstein	625 000	0.16
S Hurwitz	625 000	0.16
B Boner	500 000	0.13
Total	262 239 928	66.34

- 6.9.2 Each of the shareholders set out below, together representing 2.54% of Austro shares in issue as at the date of this circular have given an undertaking to procure that the shares held by them on the date of the general meeting are voted in favour of the resolutions proposed at the general meeting relating to the change of name. Their shareholding as at the date of this circular, is set out below. These shareholders are not prohibited from disposing of their Austro shares and accordingly may not hold the same number of Austro shares on the date of the general meeting as is set out below.

Shareholder	Number of Austro shares	% of voting rights
N Brown	4 107 440	1.04
Flagship Asset Management	5 950 000	1.51
Total	10 057 440	2.54

7. GENERAL MEETING

- 7.1 A general meeting of Austro shareholders will be held at 10:00 on Monday, 1 December 2014 at the office of Austro (30 – 38 Jacoba Street, Alberton North) to consider and, if deemed fit, pass with or without modification the proposed resolutions necessary to implement the Centlube acquisition and the change of name.
- 7.2 Details of the action required by Austro shareholders are set out on page 4 of this circular.

8. FINANCIAL INFORMATION

- 8.1 The *pro forma* financial effects of the transaction on Austro's net asset value per share, tangible net asset value per share, earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share for the six months ended 28 February 2014 are set out below.
- 8.2 The *pro forma* financial effects are the responsibility of the directors of Austro and have been prepared for illustrative purposes only, to provide information on how the Centlube acquisition may have impacted on the historical financial results of Austro for the six months ended 28 February 2014.
- 8.3 The *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of comprehensive income of Austro for the six months ended 28 February 2014 and the explanatory notes thereto are set out in **Annexure 2** to this circular and should be read in conjunction with the reporting accountants' report thereon contained in **Annexure 3**.

8.4 Due to its nature, the *pro forma* financial information (collectively, the *pro forma* financial effects, *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of comprehensive income) may not give a fair reflection of Austro's financial position, changes in equity, results of operations and cash flows subsequent to the transaction.

8.5 The table below reflects the unaudited *pro forma* financial effects of the Centlube acquisition on an Austro shareholder:

	Before the transaction (cents)	After the transaction (cents)	% change
Net asset value per share	95.34	98.80	3.63
Tangible net asset value per share	71.17	63.61	(10.62)
Earnings per share	3.03	0.68	(77.48)
Diluted earnings per share	3.03	0.68	(77.48)
Headline earnings per share	3.02	3.00	(0.58)
Diluted headline earnings per share	3.02	3.00	(0.58)

Notes and assumptions:

- The figures set out in the "Before the transaction" column for Austro have been extracted from the unaudited interim results of Austro for the six months ended 28 February 2014.
- The Centlube financial information applied in the *pro forma* financial information has been extracted from the audited monthly management accounts of the Centlube group for the six months ended 28 February 2014.
- The figures set out in the "After the transaction" column above reflect the *pro forma* effects on the interim results of Austro resulting from the acquisition of an effective 100% shareholding in Centlube Holdings.
- The following adjustments have been applied and are reflected in the *pro forma* financial effects:
 - The Centlube acquisition is assumed to have been implemented on 1 September 2013 for earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share purposes and on 28 February 2014 for net asset value per share and tangible net asset value per share purposes.
 - It is assumed that the Centlube group has been appointed as the licensee for a certain global oil major, R8 million of the additional payment is discharged by the allotment and issue of Austro shares to the Friedshelb shareholders and R8 million of the additional payment is paid in cash to the Hinckley Trust.
 - The Centlube figures have been adjusted so as to exclude the after-tax impact of interest accrued on shareholder loans in Centlube Holdings.
 - The cash component of the purchase consideration is funded out of Austro's available cash resources and credit facilities. Interest on cash balances is foregone at an after-tax rate of 3.1% and interest on facilities utilised is paid at an after-tax rate of 6.7%.
 - Transaction costs of R667 000 have been expensed. The expensing of the transaction costs will result in a tax saving of R186 760.
 - A 5% discount to Austro's closing price of R1.88 on 12 August 2014 has been used as the assumed price at which the shares in relation to the additional payment are issued. This price results in a total of 26 355 145 new Austro shares being issued.
 - The excess of the purchase consideration over Centlube Holdings' tangible net asset value has been allocated to goodwill and intangible assets in the ratio of 40% and 60% respectively.
 - Intangible assets arising from the Centlube acquisition are amortised over a period of five years. A deferred tax liability is recognised to take into account the difference in tax base arising as a result of the intangible assets recognised on acquisition.
 - That portion of goodwill arising from the difference between the assumed Austro share price at issue date and the share price of R1.45 per share as per the Centlube acquisition agreement is immediately impaired. The reason for this assumption is that the value placed on the Centlube acquisition as a result of the application of IFRS does not reflect the value placed on Centlube Holdings by management and the board at the date of concluding the transaction. The management of Austro and the board wish to reflect the fair market value of the business on Austro's statement of financial position.
- All adjustments are directly attributable to the Centlube acquisition, and other than transaction costs are expected to have a continuing effect on Austro.

9. SHARES IN ISSUE

Austro's share capital as at the last practicable date and Austro's share capital after the Centlube acquisition are set out below.

As at the last practicable date

	R'000
Share capital	
<i>Authorised</i>	
1 000 000 000 ordinary shares of no par value	–
<i>Issued</i>	
395 292 923 ordinary shares of no par value	–
<i>Stated capital</i>	295 497

After the Centlube acquisition

	R'000
Share capital	
<i>Authorised</i>	
1 000 000 000 ordinary shares of no par value	–
<i>Issued</i>	
421 648 068* ordinary shares of no par value	–
<i>Stated capital</i>	345 043

* Assuming 4 479 283 new Austro shares are issued in discharge of R8 million of the additional payment.

Austro does not hold any shares in treasury.

10. MAJOR SHAREHOLDERS

10.1 Set out below are the names of those Austro shareholders that, directly or indirectly, are beneficially interested in 5% or more of the total Austro shares in issue at the last practicable date.

Name	Direct beneficial	Indirect beneficial	Indirect non-beneficial	Total	%
BD Downs	20 000 000	–	–	20 000 000	5.06
David Brouze*	36 089 945	–	500 000	36 589 945	9.26
Quixley Global Incorporated	43 500 000	–	–	43 500 000	11.00
Peregrine	76 070 372	–	–	76 070 372	19.24
Ricophase	109 005 225	–	–	109 005 225	27.58
Total	284 665 542	–	500 000	285 165 542	72.14

* This includes 500 000 shares in Austro held by N Brouze and JJ Brouze, the children of David Brouze but excludes 54 502 612 shares in Austro held indirectly through Ricophase by virtue of a 50% indirect shareholding in Ricophase.

10.2 Set out below are the names of those Austro shareholders that, directly or indirectly, are beneficially interested in 5% or more of the total Austro shares in issue after the implementation of the transaction.

Name	Direct beneficial	Indirect beneficial	Indirect non-beneficial	Total	%
David Brouze*	36 089 945	–	500 000	36 589 945	8.68
Quixley Global Incorporated	43 500 000	–	–	43 500 000	10.32
Peregrine	76 070 372	–	–	76 070 372	18.04
Ricophase	122 880 835	–	–	122 880 835	29.14
Total	278 541 152	–	500 000	279 041 152	66.18

* This includes 500 000 shares in Austro held by N Brouze and JJ Brouze, the children of David Brouze but excludes 61 440 417 shares in Austro held indirectly through Ricophase by virtue of a 50% indirect shareholding in Ricophase.

11. DIRECTORS

11.1 *Directors*

The names, ages, addresses, qualifications and experience of the directors of Austro are set out in **Annexure 4**.

11.2 *Directors' interests in transactions*

11.2.1 The directors of Austro, including any director who resigned during the last 18 months hold the following interests in Ricophase. Ricophase effectively controls 24.95% of the issued share capital of Centlube Holdings, which is the subject matter of the Centlube acquisition.

Director	Beneficial direct interests (number of shares)	Beneficial indirect interests (number of shares)	Percentage of issued share capital (%)
Jarrold Friedman	–	6	5
Paul Mansour	6	–	5
Steven Joffe	–	42	35
David Brouze*	–	60	50
Total	6	108	95

* *David Brouze resigned as a director of Austro with effect from 14 May 2014.*

Christian Neuberger, a director of a major subsidiary of Austro, directly holds 6 shares in Ricophase, representing 5% of the issued share capital of Ricophase.

11.2.2 In terms of the shareholders agreement entered into on 2 August 2013 between Ricophase, the David Brouze Trust, the SADES Family Trust, The JSF Family Trust, David Brouze, Steven Joffe, Jarrod Friedman, Paul Mansour and Christian Neuberger, each of David Brouze and the David Brouze Trust has undertaken in favour of the other parties to that agreement to exercise his/its voting rights in respect of the shares he and/or it holds in Austro in the same manner as Ricophase has decided to vote its shares in Austro.

11.2.3 A management agreement has been concluded between Austro and JFN Management Proprietary Limited (Registration number 2011/008234/07) ("**JFN Management**") (the shareholders of which are Steven Joffe, Jarrod Friedman and Christian Neuberger and the directors of which are Steven Joffe, Jarrod Friedman and Christian Neuberger) in terms of which JFN Management provides certain management services to Austro for a monthly management fee of R148 400 excluding incentives and VAT, if applicable as at the date of this circular.

11.2.4 In terms of a lease agreement entered into on or about 9 April 2009 between Austro and 30 – 38 Jacoba Alberton Proprietary Limited ("**30 – 38 Jacoba**") (of which the David Brouze Trust is the sole shareholder), Austro has leased the premises situate at the remaining extent of portions 92 and 127 of the Farm Elandsfontein 108, measuring approximately 16 687 square metres in extent, from 30 – 38 Jacoba for a period of 10 years, expiring on 1 April 2019 for a monthly rental of R1 016 861.66 per month as at the date of this circular.

11.2.5 In terms of a lease agreement entered into on or about 9 April 2009 between Austro and Austrian Woodworking Machinery Proprietary Limited ("**Austrian Woodworking**") (of which the David Brouze Trust is the sole shareholder), Austro has leased the premises situate at 1125 Leader Avenue, Stormill Extension 4, Roodepoort, measuring approximately 9 911 square metres in extent, from Austrian Woodworking for a period of 10 years, expiring on 1 September 2019 for a monthly rental of R328 022 per month as at the date of this circular.

11.2.6 In terms of a lease agreement entered into on or about 1 December 2011 between New Way Power Proprietary Limited ("**New Way**"), a subsidiary of Austro, and Septay Investments Proprietary Limited (of which Jonathan Freed, a former director of Austro and former chief executive officer of New Way, is a director and shareholder), New Way has leased the premises situated at 29 Aviation Crescent, Airport City, Cape Town, 8001 from Septay Investments Proprietary Limited for a period of five years, expiring on 30 November 2016 for a monthly rental of R83 135.64 per month as at the date of this circular.

11.2.7 K 2013155042 Proprietary Limited t/a O'Flaherty Projects ("**O'Flaherty Projects**") has entered into an advisory agreement with Austro in terms of which O'Flaherty Projects has been appointed as strategic advisor to Austro and provides Austro with advisory services. Paul O'Flaherty, a non-executive director of Austro, is the chief executive officer of O'Flaherty Projects.

- 11.2.8 Save as set out in paragraphs 11.2.1 to 11.2.7 above, no director of the Austro group, including any director who has resigned during the last 18 months, has any direct or indirect beneficial interest in the Centlube acquisition or any transactions effected by Austro during the current or preceding financial year or effected during an earlier financial year which remains in any respect outstanding or unperformed.
- 11.2.9 Save as set out in paragraphs 11.2.1 to 11.2.7 above, there is no relationship between any promoter, manager, director, management company (or its subsidiary or holding company) and any other person where a duty in relation to that other person may be seen to conflict with a duty to Austro.

11.3 *Shareholdings*

On the last practicable date the current directors of Austro, and persons who were directors of Austro within the preceding 18 months, have the following direct or indirect beneficial interests in Austro shares:

Director	Beneficial direct interests	Beneficial indirect interests	Non-beneficial interest	Total	Percentage of
					issued share capital (%)
Paul Mansour	–	5 450 261*	–	5 450 261	1.38
Jarrold Friedman	–	5 450 261*	–	5 450 261	1.38
Steven Joffe	–	38 151 829**	–	38 151 829	9.65
David Brouze [‡]	36 089 945	54 502 612***	500 000****	91 092 557	23.04

David Brouze resigned as a non-executive director with effect from 14 May 2014.

* *Held indirectly through Ricophase by virtue of a 5% shareholding in Ricophase.*

** *Held indirectly through Ricophase by virtue of a 35% shareholding in Ricophase.*

*** *Held indirectly through Ricophase by virtue of a 50% shareholding in Ricophase.*

**** *250 000 shares in Austro are held by each of N Brouze and JJ Brouze, the children of David Brouze.*

12. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on page 8 of this circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the Listings Requirements.

13. MATERIAL CHANGES

There have been no material changes in the financial or trading position of the Austro group since Austro published its audited results for the year ended 31 August 2013.

14. MATERIAL CONTRACTS

- 14.1 Save for the Centlube acquisition agreement and the contracts detailed in paragraph 11.2 and the settlement agreement detailed in paragraph 16.1, Austro has not entered into any material contracts in the two years preceding the date of this circular and has not entered into any contracts which contain an obligation or settlement that is material to the Austro group as at the date of this circular and which remains outstanding.
- 14.2 Centlube, which will be a subsidiary of Austro pursuant to the implementation of the Centlube acquisition, has a long-term credit facility with FirstRand Bank Limited through its First National Bank division ("FNB") to the value of R5 938 516. In addition, Centlube has a short-term credit facility with FNB to the value of R10 million for the purposes of financing working capital, which is repayable on demand. FNB's prior written consent is required for the disposal of all or the greater part of the Centlube business and the conclusion of any agreement or arrangement which will have the effect of conferring security on Centlube's assets.

15. CONSENTS

- 15.1 Each of Java Capital, BDO Corporate Finance Proprietary Limited, Grant Thornton (JHB) Inc, Webber Wentzel, Padayachee Attorneys, Edward Nathan Sonnenbergs Inc and Computershare Investor Services Proprietary Limited have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.
- 15.2 The reporting accountant and independent expert have consented to the inclusion of their respective reports in the form and context in which they are included in this circular, which consent has not been withdrawn prior to the publication of this circular.

16. LITIGATION STATEMENT

- 16.1 Austro and its subsidiary, New Way, instituted action to interdict and enforce a restraint of trade against each of Jonathan Freed, formerly CEO of New Way and director of Austro and Justin Freed, formerly Sales Director of New Way and alternate director of Austro. Austro and New Way have concluded a settlement agreement with the former directors, Jonathan Freed and Justin Freed, in terms of which it has been agreed that the former directors are bound by and interdicted for a period of two years from 17 April 2014, from conducting themselves contrary to the aforesaid restraint of trade agreements.
- 16.2 Save as set out above, as at the last practicable date, there were no legal or arbitration proceedings, including any such proceedings which are pending or threatened, of which the directors of Austro are aware and which may have or have had during the 12-month period preceding the date of issue of this document, a material effect on the financial position of the Austro group.

17. PRELIMINARY EXPENSES AND ISSUE EXPENSES

- 17.1 The preliminary costs of the Centlube acquisition, incurred by Austro, are set out below:

Costs	R'000
Corporate advisor and sponsor fee payable to Java Capital	225
Legal advisor fee payable to Java Capital	75
Reporting accountants' fees payable to Grant Thornton (JHB) Inc	48
Audit fees payable to Grant Thornton (JHB) Inc for auditing the financial statements of Centlube Holdings	56
Independent experts' fees payable to BDO Corporate Finance Proprietary Limited	150
Printing and publication costs payable to Ince	35
JSE documentation inspection fee	32
JSE listing fee of Austro consideration shares	46
Total costs	667

- 17.2 All amounts are stated exclusive of VAT.
- 17.3 Austro has not incurred any preliminary expenses relating to the transaction within the three years preceding the date of the transaction.

18. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof will be available for inspection during normal business hours at the office of Austro (30 – 38 Jacoba Street, Alberton North) from the date of issue of this document until the date of the general meeting:

- 18.1 a signed copy of this circular;
- 18.2 the memorandum of incorporation of Austro and its subsidiaries;
- 18.3 the Centlube acquisition agreement;
- 18.4 the audited annual financial statements of Austro for the last three financial years ended 31 August 2013, 2012 and 2011;

- 18.5 the unaudited results of Austro for the six months ended 28 February 2014;
- 18.6 the agreements referred to in paragraph 14 of this circular;
- 18.7 the executive service agreements of the directors of Austro;
- 18.8 the independent expert's opinion, which report is attached to this circular as **Annexure 1**;
- 18.9 the independent reporting accountants' limited assurance report on the *pro forma* financial information of Austro, which report is attached to this circular as **Annexure 3**; and
- 18.10 the signed letters of consent referred to in paragraph 15 of this circular.

For and on behalf of the board of Austro Group Limited, Jarrod Friedman being duly authorised in terms of powers of attorney granted to him by the directors of Austro.

Jarrod Friedman
Johannesburg
30 October 2014

INDEPENDENT EXPERT'S REPORT

The Independent Board of Directors
 Austro Group Limited
 1125 Leader Avenue
 Stormill Ext 4
 Roodepoort

21 October 2014

Dear Sirs

REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO AUSTRO GROUP LIMITED REGARDING THE PROPOSED ACQUISITION OF AN EFFECTIVE 100% SHAREHOLDING IN CENTLUBE HOLDINGS PROPRIETARY LIMITED

INTRODUCTION

BDO Corporate Finance has been appointed by the board of directors (**“the Directors”** or **“the Board”**) of Austro Group Limited (**“Austro”** or **“the Company”**) to provide an independent fairness opinion to the shareholders of Austro with regard to an agreement (the **“Centlube Acquisition Agreement”**) with Ricophase Proprietary Limited (**“Ricophase”**), Tapson Sadiki (**“Tapson”**), Tebogo Desiree Kukama (**“Tebogo”**), Aobakwe Reginald Koketso Kukama (**“Reggie”**), the Horatio Share Trust (the **“Hinckley Trust”**) and Grant Hinckley (**“Grant”**) (collectively **“the Vendors”**) to acquire an effective 100% shareholding in Centlube Holdings Proprietary Limited (**“Centlube Holdings”**) (**“the Centlube Acquisition”**).

The issued share capital of Centlube Holdings is held as to 50% by Friedshelf and as to 50% by the Hinckley Trust. Friedshelf's sole asset is its 50% shareholding in Centlube Holdings and it has no material liabilities. Austro has accordingly agreed to purchase, with effect from 1 March 2014, an effective 100% shareholding in Centlube Holdings, through the acquisition by Austro of:

- the entire issued share capital of Friedshelf from the Friedshelf shareholders and the Friedshelf shareholders' claims against Centlube Holdings (**“Friedshelf Equity”**); and
- 50% of the share capital of and claims against Centlube Holdings from the Hinckley Trust (**“Centlube Equity”**).

The initial payment for the Centlube Acquisition is R64 million, subject to an adjustment contemplated below, R32 million of which shall be payable to the Friedshelf shareholders for the Friedshelf Equity and R32 million of which shall be payable to the Hinckley Trust for the Centlube Equity and shall be discharged by Austro as follows:

- in consideration for the Friedshelf Equity:
 - R16 878 650 is payable by Austro to Ricophase, which holds 49.9% of the issued share capital of Friedshelf, by the allotment and issue of 11 640 448 Austro consideration shares at an issue price of R1.45 per share;
 - R13 632 000 is payable by Austro to Reggie and Tebogo, who hold 22.6% and 20% of the issued share capital of Friedshelf respectively, R6 million of which is payable in cash and R7 632 000 of which is payable by the allotment and issue of 5 263 447 Austro consideration shares at an issue price of R1.45 per share, which shares will be issued to Kapeng Investments Proprietary Limited, as their nominee; and
 - R1 489 350 is payable by Austro to Tapson, who holds 7.5% of the issued share capital of Friedshelf, R280 000 of which is payable in cash and R1 209 350 of which is payable by the allotment and issue of 834 034 Austro consideration shares at an issue price of R1.45 per share; and

- in consideration for the Centlube Equity, R32 million is payable by Austro to the Hinckley Trust, of which R26 million is payable in cash and R6 million is payable by the allotment and issue of 4 137 931 Austro consideration shares at an issue price of R1.45 per share,

(the “**Initial Payment**”).

If the Centlube group is appointed as the licensee and/or distributor for a certain global oil major and significant player in the lubricants industry before 31 December 2015 (the “**New Distribution Agreement**”) the aggregate purchase consideration for the Centlube acquisition shall be increased by R16 million (the “**Additional Payment**”). The additional payment shall be discharged by Austro within 10 business days of the signing of the relevant distribution agreement or upon the Centlube acquisition agreement becoming unconditional, whichever is the later, as follows:

- R8 million will be payable to the Friedshelsh shareholders (*pro rata* to their shareholding in Friedshelsh) either in cash or by the allotment and issue of Austro shares valued at a price equal to a 5% discount to the 30-day volume weighted average traded price of Austro shares prior to the allotment and issue of Austro shares, at the election of Austro; and
- R8 million will be payable to the Hinckley Trust in cash

(the Initial Payment and the Additional Payment are collectively the “**Purchase Consideration**”).

FAIRNESS OPINION REQUIRED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

Ricophase is a related party to Austro as defined in section 10.1(b) of the JSE Limited (“**JSE**”) Listings Requirements as Ricophase is:

- a material shareholder in Austro;
- an associate of Steven Joffe who is a director of Austro; and
- an associate of David Brouze, a former director of Austro.

The Centlube Acquisition is a related party transaction and in terms of section 10.4 of the JSE Listing Requirements, the Board is required to provide the JSE with written confirmation from an independent professional expert confirming that the terms of the Centlube Acquisition are fair insofar as the shareholders of Austro are concerned (“**the Fairness Opinion**”).

RESPONSIBILITY

Compliance with the JSE Listings Requirements is the responsibility of the Directors. Our responsibility is to report to the Directors and shareholders of Austro on the fairness of the terms of the Centlube Acquisition.

EXPLANATION AS TO HOW THE TERM “FAIR” APPLIES IN THE CONTEXT OF THE TRANSACTION

Schedule 5.7 of the JSE Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. In the case of the acquisition of an asset from a related party, a transaction may be said to be fair if the value of the consideration paid is less than or equal to the value of the asset that is the subject of the transaction.

The Centlube Acquisition would therefore be considered fair to the shareholders of Austro if the Purchase Consideration is less than or equal to the value of the Friedshelsh Equity and Centlube Equity, or unfair if the Purchase Consideration is more than the value of the Friedshelsh Equity and Centlube Equity.

DETAILS AND SOURCES OF INFORMATION

In arriving at our opinion we have relied upon the following principal sources of information:

- the Centlube Acquisition Agreement;
- audited annual financial statements of Austro for the years ended 31 August 2011, 2012 and 2013, interim results for the period ended 28 February 2014, management accounts for the period ended 30 April 2014 and forecast financial information for the year ending 31 August 2014;
- unaudited financial information of Centlube for the years ended 28 February 2013 and 2014, management accounts for the two months ended 30 April 2014 and budget for the year ending 28 February 2015;
- audited annual financial statements of Friedshel for the year ended 28 February 2013, management accounts for the year ended 28 February 2014 and management accounts for the two months ended 30 April 2014;
- forecast financial information for each of the underlying operations of Austro, namely New Way Power, Neptune Plant Hire, Power O2, Austro Wood and Austro Group Limited (“AGL”) (collectively “the **Austro Operations**”) for the five-year period ending 31 August 2019;
- forecast financial information of Centlube for the five-year period ending 31 August 2019, under two scenarios, namely:
 - **Scenario 1:** Current Distribution Agreement – Continuation with the ENI blending and distribution arrangements;
 - **Scenario 2:** New Distribution Agreement – Remaining with ENI until the end of their current contract being October 2015 and entering into a new distribution and blending arrangement with a certain global oil major;
- discussions with independent Austro directors and management regarding the rationale for the Centlube Acquisition;
- discussions with independent Austro and Centlube directors and management regarding the historical, budgeted and forecast financial information;
- discussions with independent Austro and Centlube directors and management on prevailing market, economic, legal and other conditions which may affect underlying value; and
- publicly available information relating to Austro and Centlube with regards to the markets in which they operate.

The information above was secured from:

- directors and management of Austro and Centlube and their advisers; and
- third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Austro and Centlube.

PROCEDURES

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the Centlube Acquisition:

- reviewed the terms and conditions of the Centlube Acquisition;
- reviewed the financial information related to Austro, as detailed above;
- reviewed the financial information related to Centlube, as detailed above;
- reviewed and obtained an understanding from management as to the forecast financial information of Austro and Centlube and assessed the achievability thereof by considering historic information as well as macro-economic and sector-specific data;

- held discussions with independent directors of Austro and Centlube and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- compiled forecast cash flows for the Austro Operations by using the historic and forecast financial information as detailed above and aggregated the forecast to produce a consolidated forecast. Applied BDO Corporate Finance's assumptions of cost of capital to the consolidated forecast cash flows to produce a consolidated discounted cash flow valuation for Austro;
- compiled a capitalisation of maintainable earnings valuation for Austro by using adjusted consolidated historical and forecast financial information and applied BDO Corporate Finance's calculated earnings multiples based on market comparables, adjusted for factors specific to Austro relative to listed peers to revenue, earnings before interest and tax ("EBIT"), earnings before interest, taxation, depreciation and amortisation ("EBITDA") and profit after tax ("PAT");
- compiled forecast cash flows for Centlube under the Current Distribution Agreement Scenario and New Distribution Agreement Scenario by using the historic and forecast financial information as detailed above. Applied BDO Corporate Finance's assumptions of cost of capital to the forecast cash flows to produce separate discounted cash flow valuations for Centlube under the Current Distribution Agreement Scenario and New Distribution Agreement Scenario;
- performed a valuation of Friedshel based on the net asset value ("NAV") of Friedshel which comprises the fair value of its 50% interest in Centlube Holdings as determined above plus net assets less net liabilities of Friedshel;
- assessed the long-term potential of Austro and Centlube;
- performed a sensitivity analysis on key assumptions included in the discounted cash flow valuations, specifically related to cost of capital and growth in the businesses;
- evaluated the relative risks associated with Austro and Centlube and the industries in which they operate;
- where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industries in which Austro and Centlube operate, and to analyse external factors that could influence the businesses; and
- held discussions with the independent directors and management of Austro and their advisers as to their strategy and the rationale for the Centlube Acquisition and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- that all agreements that are to be entered into in terms of the Centlube Acquisition will be legally enforceable;
- that the Centlube Acquisition will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Austro; and
- that reliance can be placed on the financial information of Austro and Centlube.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- conducting analytical reviews on the historical financial results and forecast financial information, such as key ratio and trend analyses; and
- determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of Austro and Centlube and the economic environment in which they operate.

LIMITING CONDITIONS

This opinion is provided to the Directors and shareholders of Austro in connection with and for the purposes of the Centlube Acquisition. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Austro shareholders.

Individual shareholders' decisions regarding the Centlube Acquisition may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Centlube Acquisition.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Austro and Centlube relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Centlube will correspond to those projected. We have however compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the Centlube Acquisition will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Austro and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

INDEPENDENCE

We confirm that we have no direct or indirect interest in Austro shares or in the Centlube Acquisition. We also confirm that we have the necessary qualifications and competence to provide the fair and reasonable opinion on the Centlube Acquisition.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent upon the success of the Centlube Acquisition.

VALUATION APPROACH

Austro

Austro is diversified Industrial Supplies Group comprising:

- Power (including New Way Power, Power O2 and Neptune Plant Hire)
- Wood; and
- AGL,

(collectively "**the Austro Operations**").

The valuation of Austro was performed on a consolidated basis, using consolidated cash flow forecasts, which were based on the cash flow forecasts for each of the Austro Operations.

The valuation was performed taking cognisance of risk and other market and industry factors affecting the Austro Operations.

Key internal value drivers to the discounted cash flow valuations of Austro included the discount rate, working capital and capital expenditure requirements and operating margins.

External value drivers include: expected future growth in the operations, interest rates, headline inflation rates, and prevailing market and industry conditions in the sectors in which the Austro Operations operate were also considered in assessing the forecast cash flows and risk profile of the Austro Operations. The Austro Operations are highly dependent on the demand for the products provided by each division which is driven primarily by the following factors:

- Power:
 - New Way Power: Increase in electricity intensity, uncertainty of electrical supply, growth of key sectors (i.e. information and communications technology (“ICT”), food retail, hospitals, transport and government services);
 - Neptune Plant Hire: Increase in electricity intensity, uncertainty of electrical supply, growth of key sectors (i.e. marine, commercial, engineering, mining, entertainment and construction);
 - Power O2: Growth in the diesel generator manufacture, fire pump and water pump sectors;
- Wood: Level of manufacturing automation in existing markets, level of local furniture import substitution linked to currency exchange rates, growth opportunities in emerging African markets, emergence of new markets in aluminium, composites and glass sectors, level of technical support required from preventative maintenance programmes.

The base case assumptions used for the DCF valuation are as follows:

Austro Operation	Revenue growth¹ (%)	Gross profit margin² (%)	Operating expense growth³ (%)
Power	10.3	38.0	6.6
Wood	7.0	34.0	7.0
AGL	7.0	n/a	7.0

Note 1: Compound annual growth rate in revenue over forecast period.

Note 2: Sustainable gross profit margin.

Note 3: Annual growth rate.

A base case weighted average cost of capital (“WACC”) of 17.8% was utilised in the valuation of Austro. Sustainable capital expenditure of 3.5% of consolidated revenue was assumed.

In addition sensitivity analyses were performed in respect of revenue growth and the weighted average cost of capital by increasing and decreasing the revenue growth rates by a maximum of 2% and the WACC range by a maximum of 1%. The revenue growth rate and WACC sensitivity analysis did not indicate a sufficient effect on the valuation of Austro to alter our opinion in respect of the fairness of the Centlube Acquisition.

Key internal value drivers to the capitalisation of maintainable earnings valuation included an assessment of non-recurring transactions included in historical results, operating margins and expected future growth in the business. Prevailing market and industry conditions were also considered as key external value drivers in assessing the risk profile of Austro, as well as an assessment of market-related earnings multiples applicable to comparable companies in the industry in which the company operates.

Centlube

The valuation of Centlube was performed in respect of Scenario 1 and Scenario 2 by applying the discounted cash flow methodology.

The valuations were performed taking cognisance of risk and other market and industry factors affecting Centlube. Centlube is an independent oil lubricant services provider focusing on the production, packaging and marketing of oil lubricants. Centlube is highly dependent on the demand for its products which is driven primarily by the following factors:

- demand for heavy duty machines, industrial equipment, passenger cars and the extent of usage thereof;
- demand for efficiency improvements across all markets;
- demand in the power generation, transportation and food processing industries. The business is highly dependent on the demand for the products provided, which demand is driven primarily by the general and industrial market and the brand and quality of oil products available for supply.

Key internal value drivers and assumptions to the discounted cash flow valuation included product mix, the discount rate, working capital and capital expenditure requirements, operating margins and expected future growth in the business. The product mix contribution is largely driven by the strength of the brands for which licenses are awarded, and whether or not the licenses contain production and/or distribution rights.

The other key internal value driver and assumption is the weighted average cost of capital applied in the discounted cash flow valuation of Centlube.

The base case assumptions used for the DCF valuation are as follows:

Scenario	Revenue growth¹ (%)	Gross profit margin² (%)	Operating expense growth (%)	Capital expenditure³ (%)	WACC
Scenario 1	7.6	25.2	7.4	1.5	17.5
Scenario 2	37.9	15.5	22.2	1.5	19.0

Note 1: *Compound annual growth rate in revenue over forecast period.*

Note 2: *Sustainable gross profit margin.*

Note 3: *Average capital expenditure as % of revenue over the forecast period.*

In addition sensitivity analyses were performed in respect of revenue growth and the weighted average cost of capital by increasing and decreasing the revenue growth rates by a maximum of 2% and the WACC range by a maximum of 1%. The revenue growth rate and WACC sensitivity analysis did not indicate a sufficient effect on the valuation of Centlube to alter our opinion in respect of the fairness of the Centlube Acquisition.

OPINION

BDO Corporate Finance has considered the terms and conditions of the Centlube Acquisition and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Centlube Acquisition, based on quantitative considerations, are fair to the Austro shareholders.

Our opinion is necessarily based upon the information available to us up to 22 October 2014, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Centlube Acquisition have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Yours faithfully

BDO Corporate Finance Proprietary Limited

Nick Lazanakis

Director

22 Wellington Road

Parktown

2193

PRO FORMA FINANCIAL INFORMATION

The *pro forma* consolidated statement of financial position and consolidated statement of comprehensive income are the responsibility of the directors of Austro and have been prepared for illustrative purposes only, in order to provide information about the financial position and results of Austro, assuming the Centlube acquisition had been implemented on 28 February 2014 and 1 September 2013, respectively. Due to its nature, the *pro forma* financial information may not give a fair reflection of Austro's financial position and results of operations subsequent to the Centlube acquisition. The independent reporting accountants' report on the *pro forma* financial information in respect of the Centlube acquisition is set out in **Annexure 3**.

Pro forma consolidated statement of financial position

Set out below is the *pro forma* consolidated statement of financial position of Austro reflecting the effects of the Centlube acquisition.

	Before Unaudited Austro as at 28 February 2014 ¹ R	Before Audited Centlube as at 28 February 2014 ² R	Adjustments for transaction ³ R	After transaction ⁴ R
Non-current assets				
Property, plant and equipment	43 976 043	14 057 924	–	58 033 967
Goodwill	95 544 423	–	24 123 880	119 668 303
Loans receivable	–	–	–	–
Deferred taxation asset	20 897 162	–	–	20 897 162
Investment in subsidiaries	–	–	–	–
Intangibles	–	3 236 665	25 482 971	28 719 636
	160 417 628	17 294 589	49 606 851	227 319 068
Current assets				
Inventory	194 495 802	21 168 150	–	215 663 952
Trade and other receivables	108 067 764	15 535 452	–	123 603 216
Prepayments	736 483	738 171	–	1 474 654
Taxation receivable	5 285 047	1 075 652	–	6 360 699
Cash and cash equivalents	31 940 488	5 376 077	(40 280 000)	(2 963 435)
	340 525 584	43 893 502	(40 280 000)	344 139 086
Total assets	500 943 212	61 188 091	9 326 851	571 458 154
Equity				
Stated capital	295 495 659	1 000	47 356 054	345 043 332
Retained earnings	81 382 413	10 165 205	(19 992 878)	71 554 739
Equity attributable to equity holders of the parent	376 878 072	10 166 205	29 553 795	416 598 071
Non-controlling interest	(299 551)	–	–	(299 551)
Total equity	376 578 520	10 166 205	29 553 795	416 298 520
Non-current liability	6 213 874	39 646 675	(20 226 944)	25 633 605
Shareholder loans	–	27 362 176	(27 362 176)	–
Interest-bearing liability	2 509 708	11 238 434	–	13 748 142
Deferred taxation liability	3 704 166	1 046 065	7 135 232	11 885 463

	Before Unaudited Austro as at 28 February 2014 ¹ R	Before Audited Centlube as at 28 February 2014 ² R	Adjustments for transaction ³ R	After transaction ⁴ R
Current liabilities	118 150 818	11 375 211	–	129 526 029
Interest-bearing liability	2 733 642	–	–	2 733 642
Trade payables	114 552 847	11 257 337	–	125 810 184
Other payables	–	–	–	–
Provisions	475 836	117 874	–	593 710
Shareholder suspense account	–	–	–	–
Bank overdrafts	–	–	–	–
Taxation payable	388 493	–	–	388 493
Total liabilities	124 364 692	23 659 710	7 135 232	155 159 634
Total equity and liabilities	500 943 212	61 188 091	9 326 851	571 458 154
Net asset value per share (cents)	95.34			98.80
Tangible net asset value per share (cents)	71.17			63.61
Number of shares in issue	395 292 923		26 355 145	421 648 068

Notes and assumptions:

- The figures set out in the “Before Unaudited Austro as at 28 February 2014” column for Austro have been extracted from the unaudited interim results of Austro for the six months ended 28 February 2014.
- The figures set out in the “Before Audited Centlube as at 28 February 2014” column for Centlube have been extracted from the audited monthly management accounts of Centlube Holdings for the six months ended 28 February 2014.
- The following adjustments have been applied and are reflected in the “Adjustments for transaction” column:
 - It is assumed that the Centlube group has been appointed as the licensee for a certain global oil major, R8 million of the additional payment is discharged by the allotment and issue of Austro shares to the Friedshel shareholders and R8 million of the additional payment is paid in cash to the Hinckley Trust.
 - A 5% discount to Austro’s closing price of R1.88 on 12 August 2014 has been used as the assumed price at which the shares in relation to the additional payment are issued. This price results in a total of 26 355 145 new Austro shares being issued.
 - The cash component of the purchase consideration is funded out of Austro’s available cash resources and credit facilities.
 - The excess of the purchase consideration over Centlube Holdings’ net asset value has been allocated to goodwill and intangible assets in the ratio of 40% and 60% respectively.
 - Intangible assets arising from the Centlube acquisition are amortised over a period of five years. A deferred tax liability is recognised to take into account the difference in tax base arising as a result of the Intangible Assets recognised on acquisition.
 - That portion of goodwill arising from the difference between the assumed Austro share price at issue date and the share price of R1.45 per share as per the Centlube acquisition agreement is immediately impaired. The reason for this assumption is that the value placed on the Centlube acquisition as a result of the application of IFRS does not reflect the value placed on Centlube Holdings by management and the board at the date of concluding the transaction. Management and the board wish to reflect the fair market value of the business on Austro’s statement of financial position.
- The figures set out in the “After transaction” column above reflect the *pro forma* effects on the interim results of Austro resulting from the acquisition of an effective 100% shareholding in Centlube Holdings.

Pro forma consolidated statement of comprehensive income

Set out below is the *pro forma* consolidated statement of comprehensive income for Austro reflecting the effects of the Centulube acquisition.

	Before Unaudited Austro as at 28 February 2014 ¹ R	Before Audited Centulube as at 28 February 2014 ² R	Adjustments for transaction ³ R	After transaction ⁴ R
Revenue				
Revenue	264 110 399	51 832 071	–	315 942 470
Cost of sales	(179 686 284)	(39 259 655)	–	(218 945 939)
Gross profit	84 424 115	12 572 416	–	96 996 531
Other operating income	1 821 349	1 638 544	–	3 459 892
Net operating expenses	(72 590 583)	(8 453 506)	(13 042 970)	(94 087 059)
Profit from operations				
before interest				
and taxation	13 654 881	5 757 454	–	6 369 364
Net interest received	558 066	(2 439 916)	(766 395)	(1 218 880)
Interest received	971 501	–	(488 689)	482 811
Interest paid	(413 435)	(2 439 916)	1 151 660	(1 701 692)
Profit before taxation	14 212 947	3 317 537	–	5 150 484
Taxation (expense)/income	(2 320 048)	(943 423)	900 355	(2 363 188)
Total comprehensive income for the year	11 892 898	2 374 115	(11 479 717)	2 787 296
Attributable to:				
Owners of the parent	11 984 258	2 374 115	–	2 878 656
Non-controlling interest	(91 360)	–	–	(91 360)
Number of shares in issue	395 292 923		26 355 145	421 648 068
Weighted average number of shares	395 292 923		26 355 145	421 648 068
Diluted weighted average number of shares (cents)	395 292 923		26 355 145	421 648 068
Earnings/(loss) per share (cents)	3.03			0.68
Diluted earnings/(loss) per share (cents)	3.03			0.68
Headline earnings per share (cents)	3.02			3.00
Diluted headline earnings per share (cents)	3.02			3.00
<i>Headline earnings/(loss) are calculated as follows:</i>				
Profit for the period attributable to equity shareholders of the parent	11 984 258			2 878 656
Net (profit)/loss on disposal of plant, property and equipment	(78 266)			(78 266)
Tax effect of adjustments	21 914			21 914
Impairment of goodwill	–			9 827 673
Headline earnings/(loss)	11 927 906			12 649 977

Notes and assumptions:

1. The figures set out in the "Before Unaudited Austro as at 28 February 2014" column for Austro have been extracted from the unaudited interim results of Austro for the six months ended 28 February 2014.
2. The figures set out in the "Before Audited Centlube as at 28 February 2014" column for Centlube have been extracted from the audited monthly management accounts of Centlube Holdings for the six months ended 28 February 2014.
3. The following adjustments have been applied and are reflected in the "Adjustments for transaction" column:
 - The Centlube acquisition is assumed to have been implemented on 1 September 2013 for earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share purposes.
 - It is assumed that the Centlube group has been appointed as the licensee for a certain global oil major, R8 million of the additional payment is discharged by the allotment and issue of Austro shares to the Friedshel shareholders and R8 million of the additional payment is paid in cash to the Hinckley Trust.
 - The Centlube figures have been adjusted so as to exclude the after-tax impact of interest accrued on shareholder loans in Centlube Holdings.
 - The cash component of the purchase consideration is funded out of Austro's available cash resources and credit facilities. Interest on cash balances is foregone at an after-tax rate of 3.1% and interest on facilities utilised is paid at an after-tax rate of 6.7%.
 - Transaction costs of R667 000 have been expensed. The expensing of the transaction costs will result in a tax saving of R186 760.
4. All adjustments are directly attributable to the Centlube acquisition, and other than transaction costs are expected to have a continuing effect on Austro.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

The Directors
1125 Leader Avenue
Stormill Extension 4
Roodepoort, Gauteng
South Africa

21 October 2014

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF AUSTRO GROUP LIMITED ("AUSTRO")

Introduction

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Austro by the directors. The *pro forma* financial information, as set out in **Annexure 2** of the circular to be issued by Austro on or about 30 October 2014 ("**the Circular**"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the proposed acquisition by Austro of an effective 100% shareholding in Centlube Holdings Proprietary Limited on the company's financial position as at 28 February 2014, and the company's financial performance for the period then ended, as if the transactions had taken place at 28 February 2014 for purposes of the *pro forma* statement of financial position and at 1 September 2013 for purposes of the *pro forma* statement of comprehensive income. As part of this process, information about the company's financial position has been extracted by the directors from the company's audited financial information for the six months ended 28 February 2014.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 8 and **Annexure 2** of the Circular.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular* which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in the Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 2** of the Circular.

Consent

This report on the *pro forma* financial information is included solely for the information of the Austro shareholders. We consent to the inclusion of our report on the *pro forma* financial information, and the references thereto, in the form and context in which they appear in the Circular.

Yours faithfully

Grant Thornton
Chartered Accountants (SA)
Registered Auditors

per: Ian Vorster
Chartered Accountant (SA)
Registered Auditor

INFORMATION ON THE DIRECTORS OF AUSTRO

1. DETAILS OF DIRECTORS

Information on the directors of Austro is set out in the table below.

Director, age, role and qualification	Address	Occupation and experience
Anthony (Tony) Phillips (68) Independent non-executive chairman BSc	1125 Leader Avenue Stormill Ext 4 Roodepoort	Tony has extensive experience in the industrial sector, and was formerly CEO of Barloworld and Chairman of PPC. He is currently the non-executive Chairman of Mpact Limited, Wasteman Holdings Proprietary Limited, Newman Lowther and Associates, the Vice-Chairman of Kansai Plascon Africa Limited and a non-executive director of Eqstra Holdings Limited.
Paul Mansour (42) Chief executive officer CA(SA)	30 – 38 Jacoba Street Alberton North	Paul has more than 12 years' experience in investment banking in South Africa and the USA, advising both South African and international companies. He formerly served as a Director of Corporate Finance at BoE, ABSA and as Vice-President at Merrill Lynch & Co. He is a personal shareholder in Ricophase, which owns 27.6% of Austro.
Jarrold Friedman (41) Financial director CA(SA)	30 – 38 Jacoba Street Alberton North	Jarrold completed his articles at Grant Thornton Kessel Feinstein and joined Gold Reef Resorts Limited in 2000 where he was appointed Financial Director in 2001. He remained in that role until 2011. Jarrold also served as Company Secretary of Gold Reef Resorts Limited on a number of occasions throughout his tenure at the company. He is an indirect shareholder in Ricophase, which owns 27.6% of Austro.
Paul Baloyi (57) Independent non-executive director MBA, MDP, SEP (Harvard)	1125 Leader Avenue Stormill Ext 4 Roodepoort	Paul is presently the Managing Director of Capleverage Proprietary Limited and the Chairman of the African Capacity Building Foundation (ACBF). Paul has over 30 years of experience in the financial services sector. Between 2006 and 2013 he was the CEO and Managing Director of the Development Bank of Southern Africa (DBSA). Prior to this he held leadership roles at Standard Bank and Nedbank, where he was the Managing Director of Nedbank Africa until 2006. Paul is on the boards of a number of listed companies within the finance and engineering sectors including Old Mutual South Africa, Basil Read, Bidvest Group and Hudaco.
Steven Joffe (43) Non-executive director BCom (Hons), H Dip Co Law, CA(SA)	1125 Leader Avenue Stormill Ext 4 Roodepoort	Steven is a Director and the Chief Executive Officer of JFN Management Proprietary Limited, as well as a director of various portfolio investments. He was formally the Chief Executive Officer of Gold Reef Resorts Limited and has 13 years' experience in the gaming industry. Steven is an indirect shareholder in Ricophase, which owns 27.6% of Austro.

Director, age, role and qualification	Address	Occupation and experience
Nopasika Lila (44) Independent non-executive director CA(SA)	Oakley House, Hampton Park South, 24 Georgian Crescent Bryanston	Nopasika is Chief Financial Officer of Eskom Pension and Provident Fund. She also serves as an independent non-executive Director of Basil Read Holdings Limited and the Johannesburg Development Agency. Nopasika's vast experience covers finance, corporate governance, management, the retirement industry, strategic issues and training and development.
Mpho Makwana (43) Independent non-executive director BAdmin (Hons), EDP	The Business Centre Design Quarter Corner William Nicol Road and Leslie Ave Fourways	Mpho is currently Chairman of ArcelorMittal South Africa Limited and a director of Adcock Ingram Holdings Limited, Sephaku Holdings Limited, Nedbank Group Limited and Nedbank Limited. He is founder and Chairman of Epitome Investments Proprietary Limited and serves as Chairman and trustee of various boards and organisations including The New LoveLife Trust, The Brand Union Proprietary Limited, ITNA Proprietary Limited, Biotherm Energy Proprietary Limited, LR Management Proprietary Limited and trustee of the Vumelana Transaction Advisory Fund. Mpho was Chairman of Eskom during 2010 and 2011 and was a member of Eskom's board of directors for almost nine years.
Paul O'Flaherty (51) Non-executive director CA(SA)	Delfos Boulevard Vanderbijlpark	Paul completed his articles at PricewaterhouseCoopers (previously Coopers and Lybrand) where he later became Partner. He previously served as Chief Financial Officer and Deputy CEO of Group Five Limited, Chief Financial Officer and acting CEO at Al Naboodah Construction Group LLC (UAE) and Finance Director and Group Executive: Group Capital at Eskom Holdings Limited, where he was responsible for the funding and oversight of the capacity expansion programme. Paul is currently the CEO of ArcelorMittal South Africa and is a member of the Issuer Regulation Advisory Committee of the JSE Limited.

2. DIRECTORS' SERVICE CONTRACTS

- 2.1 Each of Paul Mansour and Jarrod Friedman have entered into executive service agreements with Austro, terminable on one month's written notice by either party. Each of Paul Mansour and Jarrod Friedman are subject to a non-compete undertaking for a period of 12 months from the date of termination of his employment with Austro.
- 2.2 K 2013155042 Proprietary Limited t/a O'Flaherty Projects ("O'Flaherty Projects") has entered into an advisory agreement with Austro in terms of which O'Flaherty Projects has been appointed as strategic advisor to Austro and provides Austro with advisory services. Paul O'Flaherty, a non-executive director of Austro, is the chief executive officer of O'Flaherty Projects.
- 2.3 Save as set out above, there are no other written service contracts between Austro and its directors.
- 2.4 The appointment of executive and non-executive directors is indefinite but remains subject to all applicable law (including common law) and the provisions of Austro's Memorandum of Incorporation.

3. AUSTRO DIRECTORS' EMOLUMENTS

The salaries and other emoluments paid to directors of the company during the financial year ended 31 August 2013 were as follows:

2013	Director		Commission R'000	Incentives R'000	Unrealised	Contribution	Contribution	Other benefits R'000	Total R'000
	fees R'000	Salary R'000			long-term incentive scheme R'000	to pension/ provident fund R'000	to medical aid R'000		
JS Friedman ^(a)	–	630	–	187#	386*	–	–	–	1 203
PD Mansour ^(b)	–	630	–	143#	552*	–	–	–	1 325
C Jacobs ^(c)	–	792	–	–	–	27	–	–	819
JO Freed ^(d)	–	3 132	–	–	–	–	20	–	3 152
JR Freed ^(e)	–	1 532	2 822	–	–	95	27	–	4 476
AJ Phillips	447	–	–	–	–	–	–	–	447
DS Brouze ^(f)	125	–	–	–	–	–	–	–	125
GS Nzalo ^(g)	214	–	–	–	–	–	–	–	214
U Schäckermann ^(h)	227	–	–	–	–	–	–	–	227
M Makwana ⁽ⁱ⁾	–	–	–	–	–	–	–	–	–
P Baloyi ^(j)	–	–	–	–	–	–	–	–	–
NV Lila ^(k)	–	–	–	–	–	–	–	–	–
P O'Flaherty ^(l)	–	–	–	–	–	–	–	–	–
SB Joffe ^(m)	–	–	–	–	–	–	–	–	–
	1 013	6 716	2 822	330	938	122	47	–	11 988

^a The incentives earned by PD Mansour and JSE Friedman were received in their capacity as beneficiaries of JFN Management Proprietary Limited ("JFN Management") from the incentive paid by Austro to JFN Management.

^{*} The unrealised gain earned by PD Mansour and JS Friedman relates to their share of the IFRS 2 charge raised on the additional fee that will become payable to JFN Management in the future as detailed in note 30 of Austro's financial statements for the year ended 31 August 2013.

- (a) JS Friedman was appointed on 15 April 2013.
- (b) PD Mansour was appointed on 15 April 2013.
- (c) C Jacobs was dismissed on 11 December 2012.
- (d) JO Freed resigned on 27 August 2013.
- (e) JR Freed resigned on 30 September 2013.
- (f) DS Brouze resigned on 14 May 2014.
- (g) GZ Nzalo resigned on 14 May 2014.
- (h) U Schäckermann resigned on 14 May 2014.
- (i) MP Makwana was appointed on 12 February 2014.
- (j) PC Baloyi was appointed on 12 February 2014.
- (k) NV Lila was appointed on 12 February 2014.
- (l) PS O'Flaherty was appointed on 12 February 2014.
- (m) SB Joffe was appointed on 14 May 2014.



AUSTRO

GROUP LIMITED

AUSTRO GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

Share code: ASO ISIN: ZAE00090882

("Austro" or "the company")

NOTICE OF GENERAL MEETING OF AUSTRO SHAREHOLDERS

Notice is hereby given that a general meeting of shareholders of Austro will be held at the office of Austro at 30 – 38 Jacoba Street, Alberton North at 10:00 on Monday, 1 December 2014 ("**the general meeting**"), for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Important dates to note

2014

Record date in order to receive the circular	Friday, 24 October
Circular posted to Austro shareholders	Thursday, 30 October
Announcement relating to the issue of the circular and notice convening the general meeting published in the press on	
Last day to trade in Austro shares in order to be recorded in the register on the voting record date on	Friday, 31 October
Record date to vote at the general meeting being 17:00 on	Friday, 14 November
Last day for receipt of proxies for the Austro shareholders' general meeting by 10:00 on	Friday, 21 November
Austro shareholders' general meeting to be held at 10:00 on	Thursday, 27 November
Results of general meeting released on SENS on	Monday, 1 December
	Monday, 1 December

Where appropriate and applicable the terms defined in the circular to which this notice of meeting is attached and forms part of bear the same meanings in this notice of meeting, and in particular in the resolutions set out below.

In terms of section 62(3)(e) of the Companies Act, 71 of 2008 ("**the Companies Act**" or "**the Act**"):

- a shareholder who is entitled to attend and vote at the meeting is entitled to appoint a proxy or two or more proxies to attend and participate in and vote at the meeting in the place of the shareholder, by completing the proxy in accordance with the instructions set out therein;
- a proxy need not be a shareholder of the company; and
- Austro shareholders recorded in the register of the company on the voting record date (including shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the general meeting: in this regard, all Austro shareholders recorded in the register of the company on the voting record date will be required to provide identification satisfactory to the chairman of the meeting. Forms of identification include valid identity documents, driver's licences and passports.

SPECIAL RESOLUTION – CHANGE OF NAME OF THE COMPANY

"RESOLVED THAT the name of the company be changed from "Austro Group Limited" to "enX Group Limited"."

In order for this special resolution to be adopted, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the general meeting in respect of this special resolution.

Reason for and effect of special resolution

The reason for this special resolution is to change the name of the company to better reflect the group's corporate identity, the company's repositioning to focus on the energy sector and the greater diversity in the businesses conducted by Austro subsidiaries. The effect of this special resolution is that the name of the company will be changed from "Austro Group Limited" to "enX Group Limited".

ORDINARY RESOLUTION 1 – APPROVAL OF THE CENTLUBE ACQUISITION

"RESOLVED THAT, subject to the fulfilment and/or waiver, if applicable, of the conditions precedent to the Centlube acquisition, the proposed acquisition by Austro of an effective 100% shareholding in Centlube Holdings Proprietary Limited for the purchase consideration of R80 million, comprising the initial payment of R64 million and the additional payment of R16 million (payable by Austro in the event that the Centlube group is appointed as a distributor for a certain global oil major), on the basis set out in the circular to which this notice is attached and forms part of, be and is hereby approved."

In order for ordinary resolution 1 to be adopted, in compliance with the JSE Listings Requirements, votes in favour of the resolution must represent more than 50% of the voting rights exercised at the general meeting in respect of this ordinary resolution 1, excluding any shares controlled by Ricophase or any of its associates.

As required in terms of the JSE Listings Requirements, Ricophase and its associates will be taken into account for the purposes of determining a quorum at the general meeting but, as set out above, their votes will not be taken into account in determining the results of the voting in respect of ordinary resolution 1.

ORDINARY RESOLUTION 2 – AUTHORISATION OF DIRECTORS

"RESOLVED THAT any of the directors of Austro be and are hereby authorised to do all things and sign all documents required to give effect to the special resolution and ordinary resolution 1."

In order for ordinary resolution 2 to be adopted, votes in favour of the resolution must represent more than 50% of the voting rights exercised at the general meeting in respect of this ordinary resolution 2.

Quorum

A quorum for the purposes of considering the above resolutions shall consist of three shareholders of the company personally present in person or represented by proxy (and if the shareholder is a body corporate, must be represented) and entitled to vote at the general meeting. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the general meeting.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited (Ground Floor, 70 Marshall Street, Johannesburg), for the purposes of being entitled to attend, participate in and vote at the general meeting is Friday, 21 November 2014 (the "record date").

Voting and proxies

A shareholder of the company entitled to attend and vote at the general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

A form of proxy is attached for the convenience of any Austro shareholder holding certificated shares who cannot attend the general meeting but who wishes to be represented thereat. Forms of proxy may also be obtained on request from the company's office. The completed form of proxy must be deposited at or posted to the office of the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 10:00 on Thursday, 27 November 2014. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should the shareholder subsequently decide to do so.

Attached to the proxy form is an extract of section 58 of the Companies Act, to which shareholders are referred.

Shareholders who have already dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and who wish to attend the general meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised shareholders, who have elected “own-name” registration in the sub-register through a CSDP and who are unable to attend but who wish to vote at the general meeting must complete and return the attached form of proxy and lodge it with the transfer secretaries, Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown, 2107 to be received by no later than 10:00 on Thursday, 27 November 2014.

All beneficial owners whose shares have been dematerialised through a CSDP or broker other than with “own-name” registration, must provide the CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the general meeting. Alternatively, they may request the CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the general meeting. Such shareholder must not complete the attached form of proxy.

In terms of section 63(1) of the Companies Act meeting participants will be required to provide identification to the reasonable satisfaction of the chairman of the meeting and the chairman must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder has been reasonably satisfied.

Electronic participation

Shareholders or their proxies may participate electronically in the general meeting by way of telephone conference call. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Thursday, 27 November 2014, by submitting by email to the company secretary at neville.toerien@computershare.co.za or by fax to be faxed to +27 11 688 5279, for the attention of Neville Toerien, relevant contact details, including an email address, cellular number and landline as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders) and (in the case of dematerialised shareholders) written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by telephone conference call must note that they will not be able to vote during the general meeting. Such shareholders, should they wish to have their vote counted at the general meeting, must, to the extent applicable: (i) complete the form of proxy; or (ii) contact their CSDP or broker, in both instances as set out above.

Thursday, 30 October 2014

Austro Group Limited

Registered address

1125 Leader Avenue
Stormill Ext 4
Roodepoort
(PO Box 1914, Florida, 1710)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street, Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Office of the company

30 – 38 Jacoba Street
Alberton North



AUSTRO

GROUP LIMITED

AUSTRO GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

Share code: ASO ISIN: ZAE000090882

("Austro" or "the company")

FORM OF PROXY FOR AUSTRO SHAREHOLDERS

Where appropriate and applicable the terms defined in this circular to which this form of proxy is attached and forms part of bear the same meanings in this form of proxy.

For use by shareholders of the company holding certificated shares and/or dematerialised shareholders who have elected "own-name" registration, nominee companies of Central Securities Depository Participant's ("CSDP") and brokers' nominee companies, registered as such at the close of business on Friday, 21 November 2014 (the "voting record date"), at the general meeting of Austro shareholders to be held at the offices of Austro, 30 – 38 Jacoba Street, Alberton North at 10:00 on Monday, 1 December 2014 (the "general meeting") or any postponement or adjournment thereof.

If you are a dematerialised shareholder, other than with "own-name" registration, do not use this form. dematerialised shareholders, other than with "own-name" registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

of (Address)

Telephone number

Cellphone number

Email address

being the holder(s) of shares hereby appoint:

1. _____ or failing him/her,
2. _____ of failing him/her,

3. the chairperson of the meeting of Austro shareholders

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s), in the following manner:

	Number of votes		
	*For	*Against	*Abstain
Special resolution – Change of name			
Ordinary resolution 1 – Approval of the Centlube acquisition			
Ordinary resolution 2 – Authorisation of directors			

* One vote per share held by shareholders recorded in the register on the voting record date.

* Mark "For", "Against" or "Abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit.

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this

day of

2014

Signature

Assisted by me (where applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of Austro. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

Forms of proxy must be deposited at Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 10:00 on Thursday, 27 November 2014.

Please read notes on the reverse side hereof.

Notes:

1. This form of proxy is only to be completed by those ordinary shareholders who are:
 - (a) holding ordinary shares in certificated form; or
 - (b) recorded in the sub-register in electronic form in their "own name", on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, in order to vote at the general meeting being 21 November 2014, and who wish to appoint another person to represent them at the general meeting.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries of the company (being Computershare Investor Services Proprietary Limited) that their shares are registered in their name.
3. Beneficial shareholders whose shares are not registered in their "own name", but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instruction on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space, with or without deleting "the chairman of the general meeting". The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
5. A shareholder's instructions to the proxy must be indicated by means of a tick or a cross in the appropriate box provided. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares in respect of which you desire to vote. If: (i) a shareholder fails to comply with the above; or (ii) gives contrary instructions in relation to any matter; or any additional resolution(s) which are properly put before the meeting; or (iii) any resolution listed in the proxy form is modified or amended, the shareholder will be deemed to authorise the chairman of the general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the general meeting, or any other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of all the shareholder's votes exercisable thereat. If, however, the shareholder has provided further written instructions which accompany this form of proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in (i) to (iii) above, then the proxy shall comply with those instructions.
6. The forms of proxy should be lodged at Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 or posted to PO Box 61051, Marshalltown, 2107 so as to be received by no later than 10:00 on Thursday, 27 November 2014.
7. The completion and lodgement of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date state in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
8. The chairman of the general meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes provided that, in respect of acceptances, he is satisfied as to the manner in which the shareholder(s) concerned wish(es) to vote.
9. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialised by the signatory/ies.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services Proprietary Limited or waived by the chairman of the general meeting.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services Proprietary Limited.
12. Where there are joint holders of shares:
 - 12.1. any one holder may sign the form of proxy; and
 - 12.2. the vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of shares.
13. If duly authorised, companies and other corporate bodies who are shareholders of the company having shares registered in their own name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the general meeting unless it is accompanied by a duly certified copy of the resolution or other authority in terms of which that representative is appointed and is received at Computershare Investor Services Proprietary Limited, at Ground Floor, 70 Marshall Street, Johannesburg, to reach the company by no later than 10:00 on Thursday, 27 November 2014.
14. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.

15. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, 2008 (the "Companies Act"), as required in terms of that section. In addition, an extract from the Companies Act reflecting the provisions of section 58 of the Companies Act, is set out below.

Extract from the Companies Act

"58. Shareholder right to be represented by proxy

- (1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
 - (a) participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder; or
 - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
- (2) A proxy appointment:
 - (a) must be in writing, dated and signed by the shareholder; and
 - (b) remains valid for:
 - (i) one year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).
- (3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
 - (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
- (4) Irrespective of the form of instrument used to appoint a proxy:
 - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
- (5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
 - (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
- (6) If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - (a) the shareholder; or
 - (b) the proxy or proxies, if the shareholder has:
 - (i) directed the company to do so, in writing; and
 - (ii) paid any reasonable fee charged by the company for doing so.
- (7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.
- (8) If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
 - (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
 - (i) bear a reasonably prominent summary of the rights established by this section;
 - (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
 - (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
 - (c) the company must not require that the proxy appointment be made irrevocable; and
 - (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
- (9) Subsection (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder."



AUSTRO

GROUP LIMITED

AUSTRO GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2001/029771/06)
Share code: ASO ISIN: ZAE000090882
("Austro" or "the company")

FORM OF SURRENDER

of documents of title for use by certificated shareholders

Instructions:

1. This form of surrender is for use by certificated shareholders who will be receiving certificated shares in the company after the change of name and, when completed, should be sent to the transfer secretaries.
1. Replacement share certificates will not be sent to shareholders unless and until a form of surrender and the documents of title in respect of the relevant shares have been surrendered to the transfer secretaries.
2. Part A must be completed by all shareholders who have not yet dematerialised their share certificates or other documents of title. Dematerialised shareholders must not complete a form of surrender as the appropriate action will be taken by their CSDP or broker.
3. If this form of surrender is received by the transfer secretaries with the relevant documents of title prior to the change of name becoming effective, it will be treated as a conditional surrender which is made subject to the change of name becoming effective. Such surrendered documents of title will be held in trust by the transfer secretaries until the change of name becomes effective. In the event of the change of name not becoming effective, for any reason whatsoever, the transfer secretaries will (within five business days after either the date upon which it becomes known that the change of name will not be able to be implemented, or, after subsequent receipt of surrendered documents of title, whichever is the later) return the relevant documents of title to the shareholders concerned, at their risk, by registered post.
4. Part B must be completed by all emigrants from and non-residents of the common monetary area who are recorded in the share register of Austro and who have not yet dematerialised their documents of title.
5. A separate form of surrender is required for each shareholder.

Please refer to the instructions above and the notes overleaf before completing this form of surrender.

To: Austro Group Limited
care of: Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

Dear Sirs,

I/We, the undersigned, being the registered holder of the number of shares specified below, which are free of encumbrances, hereby surrender the enclosed documents of title identified below in respect of the shares held by me/us in Austro, conditional upon the special resolution in respect of the change of name being passed (and the subsequent registration of the relevant special resolution with the CIPC) at the general meeting of shareholders to be held on 1 December 2014.

I/We hereby instruct you to post a replacement certificate in respect of the shares surrendered to me, by registered post, at my/our risk, to the address given below, on the terms set out in the document dispatched to shareholders to which this form of surrender was attached. I/We acknowledge that if no address is stated below, the replacement certificate will be sent to my/our address recorded on the relevant sub-register.

My/Our signature(s) on this form of surrender constitutes my/our execution of this instruction.

Signature of shareholder

Date

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Surname/Name of corporate body	Stamp and address of agent lodging this form (if any)	
First names (in full) (if applicable)		
Title (Dr, Prof, Mr, Mrs, Miss, Ms, etc)		
Telephone number		
Cellphone number		
Email address		
Assisted by me (if applicable)		
Date		20__
State full name and capacity		
Postal address (preferably PO Box address) to which replacement certificates should be sent, if other than the address contained in the register of shareholders:		
Postal code:		

