

Mvelaserve Limited
(Incorporated in the Republic of South Africa)
(Registration number 1999/003610/06)
JSE Share Code: MVS ISIN: ZAE000151353
("Mvelaserve")

The Bidvest Group Limited
Incorporated in the Republic of South Africa
(Registration number 1946/021180/06)
Share Code: BVT ISIN: ZAE000117321
("Bidvest")

JOINT ANNOUNCEMENT - UPDATE IN RESPECT OF THE FIRM INTENTION BY BIDVEST, POSTING OF THE CIRCULAR AND WITHDRAWAL OF THE CAUTIONARY

1. INTRODUCTION

Mvelaserve shareholders are referred to the various SENS announcements and in particular the last cautionary announcement dated 31 July 2013, wherein Mvelaserve shareholders were advised that the independent Board of Directors of Mvelaserve ("**Independent Board**") were still considering the firm intention letter it received from Bidvest ("**Firm Intention Letter**") proposing the acquisition by Bidvest from the holders of the entire issued ordinary share capital of Mvelaserve that it does not already own or has entered into an agreement to acquire, and excluding the treasury shares of Mvelaserve ("**Remaining Shares**") (hereinafter referred to as the "**Remaining Shareholders**") by way of a scheme of arrangement ("**Scheme**") proposed in terms of section 114 of the Companies Act, 71 of 2008 ("**Companies Act**") or alternatively, if the resolution proposing the Scheme is not approved by the requisite number of the Remaining Shareholders, by the implementation of a substitute offer that will be deemed to have been made by Bidvest to the Remaining Shareholders ("**Substitute Offer**") (collectively "the **Proposed Transaction**").

The Independent Board has considered the terms of the Proposed Transaction and recommends that the Remaining Shareholders vote in favour of the Scheme and the details of which are set out in the circular referred to in paragraph 6 below.

The consideration payable by Bidvest for its acquisition of the Remaining Shares by way of the Scheme has been revised.

A comparable offer, as required in terms of Regulation 87 of the Companies Act ("**Comparable Offer**") has also been made by Bidvest to certain senior employees of Mvelaserve who were selected by Mvelaserve as participants in an executive share scheme ("**Option Scheme**"), the details of which are set out in the circular referred to in paragraph 6 below.

2. REVISED SCHEME CONSIDERATION

Bidvest has increased the consideration of R9.10 per Remaining Share payable by it for its acquisition of the Remaining Shares by way of the Scheme to R9.20 per Remaining Share ("**Scheme Consideration**").

The consideration for the Substitute Offer will remain unchanged at R8.50 per Remaining Share (“**Substitute Offer Consideration**”), unless the Substitute Offer is accepted by at least 90% of the Remaining Shareholders and results in Bidvest acquiring 100% of the issued share capital of Mvelaserve pursuant to the provisions of section 124 of the Companies Act, in which case Bidvest will increase the Substitute Offer Consideration to R9.20 per Remaining Share.

The remaining terms of the Proposed Transaction will also remain the same.

3. COMPARABLE OFFER

Bidvest, as required in terms of Regulation 87 of the Companies Act, has made a Comparable Offer to certain senior employees of Mvelaserve to acquire a portion of the options awarded to each of them by Mvelaserve under the terms of the Option Scheme (“**Options**”) for R4.28 per Option, which amount is adjusted in the event that the Scheme fails and the Substitute Offer is deemed to have been made by Bidvest.

4. INDEPENDENT EXPERT

The Independent Board appointed KPMG Services (Proprietary) Limited (“**KPMG**”) to provide the Independent Board with its opinion on the terms of the Proposed Transaction, the details of which are set out in the circular referred to in paragraph 6 below. In summary, KPMG has advised the Independent Board that:

- it is of the opinion that the terms and conditions are fair and reasonable in the case of the Scheme Consideration;
- in terms of the Substitute Offer, the Substitute Offer Consideration that is applicable in the event of Bidvest acquiring less than 90% of the Remaining Shares is not fair, but is reasonable based on qualitative considerations as set out in the circular referred to in paragraph 6 below; and
- the Comparable Offer of R4.28 per Option constitutes a comparable offer to the Scheme Consideration of R9.20 per Remaining Share. The amount of R4.28 per Option is adjusted in the event that the Substitute Offer Consideration is payable to the Remaining Shareholders.

5. CONDITIONS PRECEDENT

The Implementation of the Proposed Transaction was, as set out in the Firm Intention Letter, subject to the fulfilment or waiver (as the case may be) of certain conditions. Mvelaserve shareholders are referred to the circular for further details of the conditions that remain outstanding.

6. POSTING OF THE CIRCULAR

Mvelaserve shareholders are advised that the circular setting out the terms of the Proposed Transaction and incorporating, inter alia, a notice convening a meeting of the Remaining

Shareholders ("**Scheme Meeting**") will be posted to the Remaining Shareholders on Friday, 23 August 2013.

7. RESPONSIBILITY STATEMENT

Bidvest and the Independent Board accept responsibility for the information contained in this announcement, and to the best of their respective knowledge and belief, the information is true and, where appropriate, this announcement does not omit anything likely to affect the importance of the information included.

8. WITHDRAWAL OF CAUTIONARY

Shareholders are referred to the previous cautionary announcements, the last of which was dated 31 July 2013, and are advised that caution is no longer required to be exercised by Mvelaserve's shareholders when dealing in their securities.

9. NOTICE CONVENING THE GENERAL MEETING

The notice convening the Scheme Meeting is enclosed in the circular referred to in paragraph 6. Please note that the Scheme Meeting will be held at 12:00 on Friday, 20 September 2013 at the Glenhove Conference Centre, 52 Glenhove Road, Melrose Estate, Johannesburg, 2196 for the purpose of considering the resolutions set out in the notice.

10. IMPORTANT DATES AND TIMES IN RELATION TO THE COMBINED SCHEME AND OFFER PROPOSAL

The important dates and times relating to the Proposed Transaction are set out below. Words and expressions in the timetable and the notes thereto shall have the same meanings as assigned to them in the circular.

Action	Date 2013
Record date to determine which Shareholders are entitled to receive the Circular	Friday, 16 August
Posting of the Circular to Shareholders and notice convening Scheme Meeting released on SENS	Friday, 23 August
Notice convening Scheme Meeting published in the South African press	Monday, 26 August
Last day to trade in Shares in order to be recorded on the Register on the Scheme voting record date (Voting Last Day to Trade)	Friday, 6 September
Voting Record Date in respect of being eligible to vote at the Scheme Meeting	Friday, 13 September
Forms of proxy to be received by 12:00	Wednesday, 18 September
Last date and time for Shareholders to give notice to Mvelaserve objecting to the resolutions proposed at the Scheme Meeting to be held at 12:00	Friday, 20 September
Scheme Meeting at 12:00	Friday, 20 September
Results of Scheme Meeting released on SENS	Friday, 20 September
Results of Scheme Meeting published in the South African press	Monday, 23 September

Timetable if the Scheme is approved (the following dates will be confirmed in the finalisation announcement once the Scheme becomes unconditional):

Last day to send notice of adoption of Special Resolution to Dissenting Shareholders, in accordance with section 164	Monday, 7 October
Last day for Dissenting Shareholders to demand that the Company acquires his/her shares at fair value, in accordance with section 164	Monday, 4 November

Estimated date of receipt of Competition Commission approval	Monday, 21 October
Receive compliance certificate from Takeover Regulation Panel	Monday, 21 October
Finalisation announcement published on SENS	Wednesday, 23 October
Application for the delisting of Shares to be lodged with JSE	Friday, 25 October
Expected last day to trade in Shares in order to be recorded on the Register on the Record Date (Scheme Last Day to Trade)	Friday, 1 November
Expected date of the suspension of listing of Shares on the JSE	Monday, 4 November
Expected Scheme Record Date on which Shareholders must be recorded in the Register to receive the Scheme Consideration	Friday, 8 November
Expected Implementation Date of the Scheme - payment of cash and transfer of Shares	Monday, 11 November
Expected termination of listing of Shares at commencement of trade on the JSE	Tuesday, 12 November

In the event that the Special Resolution approving the Scheme is not passed, Bidvest will be deemed to have made the Substitute Offer to the Remaining Shareholders immediately thereafter and the relevant timetable will be published at that time.

Notes

1. All dates and times in respect of the Scheme are subject to change by mutual agreement between Mvelaserve and Bidvest and the approval(s) of the JSE and Takeover Regulation Panel and may be subject to certain regulatory approvals including, but not limited to, that of the Competition Authorities, being granted. Any change will be released on SENS and published in the South African press.
2. Although the salient dates and times are subject to change, such statement may not be regarded as consent or dispensation for any change to the time period which may be required in terms of the Takeover Regulations, where applicable, and any such consent or dispensation must be specifically applied for and approved by the Takeover Regulation Panel.
3. The Remaining Shareholders are referred to in the circular (which contains a summary of Dissenting Shareholders' appraisal rights in respect of the Scheme) regarding rights afforded to the Remaining Shareholders, the exercise of which may affect the Fulfilment Date.

4. The Remaining 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 Shares after the Voting Last Day to Trade (i.e. Friday, 6 September 2013) will not be eligible to vote at the Scheme Meeting, but will, provided the Scheme is approved and they acquire the Shares on or prior to the Scheme Last Day to Trade (expected to be Friday, 1 November 2013), participate in the Scheme (i.e. sell their Shares to Bidvest in accordance with the Scheme conditions for the Scheme Consideration).
5. All times mentioned in this Circular are local times in South Africa.
6. If the Scheme is approved by at least 75% of the Remaining Shareholders who, being entitled to vote at the Scheme Meeting, attend and vote at the Scheme Meeting, Share certificates may not be Dematerialised or rematerialised after the Scheme Last Day to Trade.

Johannesburg
23 August 2013

For all enquiries, please contact either:

Mvelaserve communication advisor:

College Hill

Frederic Cornet or Vanessa Williams

011 447 3030

Bidvest communication representative:

David Cleasby

Financial Director

The Bidvest Group Limited

011 772 8706

Corporate Advisor and Transaction Sponsor to Mvelaserve: Bridge Capital Advisors (Pty) Ltd

Legal Advisor to Mvelaserve: DLA Cliffe Dekker Hofmeyr Inc.

Communications Advisors to Mvelaserve: College Hill

Investment Bank, Sponsor and Transaction Advisor to Bidvest: Investec Bank Limited

Legal Advisor to Bidvest: Edward Nathan Sonnenbergs