Preliminary Announcement Regarding the Disposal of Imara S.P. Reid (Proprietary) Limited

and

Renewal of Cautionary Announcement

1. Introduction

Imara Botswana Limited (“IBL”) is authorised to announce on behalf of the board of Imara Holdings Limited (“IHL”) (“the Board”) that agreement has been reached regarding the disposal of Imara S.P. Reid (Proprietary) Limited (“ISPR” or “the Company”) (“the Disposal”) to MMI Strategic Investments Proprietary Limited for a total consideration of approximately BWP100 million before taxes, disbursements, expenses and possible price adjustments.

The agreement will, among other conditions precedent, be subject to IHL shareholder approval in terms of the BSE listings requirements Rule 9.27 dealing with Category 1 type transactions. In this regard, a full press announcement will be made in due course setting out the required information for transactions of this nature, and a circular compliant with the provisions of the BSE listings requirements Rules 9.9 to 9.33 will be posted to shareholders within the stipulated time frame.

This announcement is made in order to update shareholders regarding certain salient features of the disposal.

2. Rationale

As an investment banking group operating throughout Africa, IHL is continually reviewing opportunities available to it. With this in mind, the Board actively assesses the current markets and operations of IHL to ensure that returns to Shareholders are maximised.

Although historically, ISPR has been an important contributor to the Group, an increase in online share trading, escalating regulatory and compliance costs, together with generally changing market dynamics, has led to growing pressure and competition for independent stockbroking companies in South Africa.

In response, the Board took the decision to review various options relating to the Company and its future earnings contribution to the Group. These included the investment of further working capital for the Company to grow and increase its service offering and market share, and as an alternative the disposal of the Company. The Board’s view was that the Company, which remains an attractive investment within the stockbroking industry in South Africa, needs a parent willing and able to fund its growth needs.

The Board considered several proposals during the Disposal process and believes the Consideration being received, which is at a premium to the current Net Asset Value of the Company, makes the Disposal attractive to IHL. As a result, the Board believes it is in the best interests of both IHL and ISPR to pursue the Disposal.

3. Extraordinary General Meeting

Shareholders of IHL will be required to vote for the Disposal at an Extraordinary General Meeting (“EGM”). Notice for the EGM will be included in the Shareholders Circular referred to in 1 above.
4. **Details of the Purchaser**

MMI Strategic Investments (Proprietary) Limited is a 100% subsidiary of MMI Holdings Limited ("MMI"), a South African financial services company. MMI’s core business currently comprises of long and short-term insurance, asset management, savings, investment, healthcare administration, health risk management, employee benefits, and rewards programmes. The rationale for the acquisition of ISPR is MMI’s entrance into the stockbroking and portfolio management industry, which is viewed as a strategic long term growth strategy for the company. The acquisition of ISPR enables MMI to take an established position in the retail stockbroking market, allowing MMI to offer a comprehensive suite of investment products to their clients.

MMI has demonstrated their commitment to strengthening ISPR’s position in the local market and IHL is confident that current employees and clients of ISPR will benefit from the Disposal.

5. **Renewal of Cautionary**

Further to the cautionary announcement which was first published on 17 September 2014, Shareholders are advised to continue exercising caution when dealing in their IHL shares until a further and full announcement is made in terms of the BSE listings requirements Rule 9.27 and the Shareholders Circular required in terms of the BSE listings requirements Rules 9.29 to 9.33 is published.

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**BY ORDER OF THE BOARD**

Gaborone - 15 December 2014

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**Financial Advisor:**

**Sponsoring Broker:**

IMARA INVESTING IN AFRICA

IMARA INVESTING IN AFRICA

IMARA BOTSWANA LIMITED

IMARA CAPITAL SECURITIES (PTY) LIMITED