



Basil Read sells TWP for cash consideration of R900 million



BASIL READ[®]
building legacies

Marius Heyns

Chief Executive Officer

- ***“We are pleased to announce the acquisition of TWP by WorleyParsons. We believe the transaction creates value for our shareholders and fits perfectly into our growth strategy of enhancing our engineering, procurement and construction (EPC) capability as a Group and to expand into new growth areas.”***
- ***“We will be able to concentrate on our core business with increased emphasis on our special projects.”***
- ***“Basil Read Matomo, which is excluded from the transaction, was established during the three-year relationship with TWP, leading to the EPC business which now has a pipeline of projects in excess of R1billion.”***

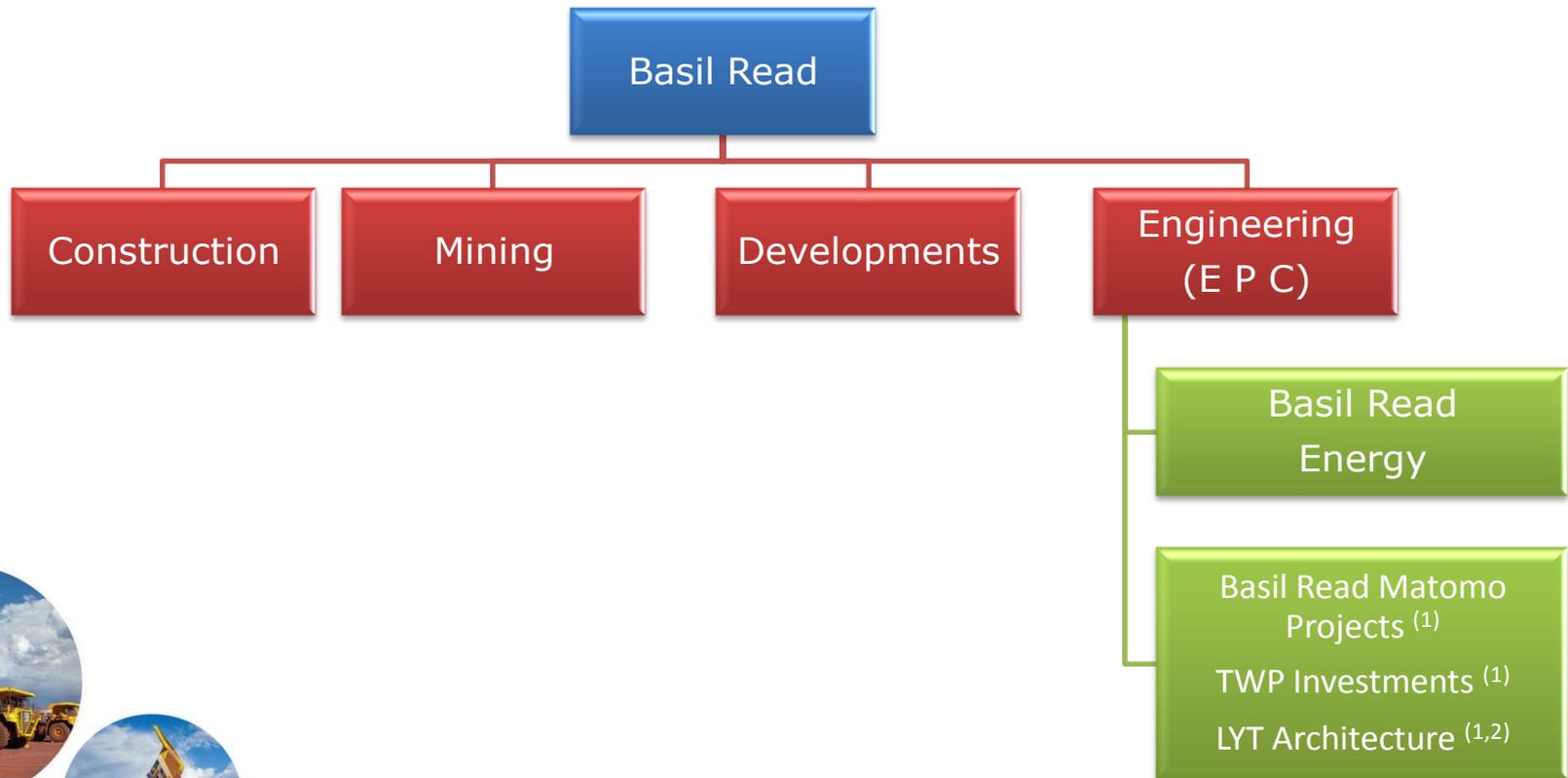


Transaction overview

- WorleyParsons Limited to acquire 100% of TWP Holdings (Pty) Limited for a total cash consideration of R900 million
 - interest from 1 January 2013 to the date of payment
- The acquisition excludes:
 - Basil Read Matomo Projects (Pty) Limited
 - TWP Investments (Pty) Limited, and
 - LYT Architecture (Pty) Limited (formerly TPS.P Architects (Pty) Ltd)
- These companies will continue to operate autonomously and as wholly-owned subsidiaries of Basil Read



Post transaction structure



1. TWP names likely to change post the transaction
2. Previously TPS P Architects (Pty) Ltd



Rationale for the transaction

- The transaction creates value for our shareholders
- In the best interest of our shareholders
 - independent fairness opinion
 - board recommendation
- Fits perfectly into growth strategy of enhancing the turnkey and EPC capability of the Group
- Focus to expand into new areas such as the renewable sector and balance-of-plant e.g. large industrial projects
- Enhances our organic growth with different skill sets



Use of proceeds

- Proceeds of R900 million to be used towards
 - reduction of Group debt
 - focusing on organic growth, and
 - capital management initiatives
- *“...we will focus on positioning Basil Read for organic growth, reduce our debt levels, and have sufficient cash reserves to start investing in resources for the planned local infrastructure roll-out which we believe will build momentum during 2013.”*



Conditions precedent

- JSE approval
- South African Competition Authorities approval
- South African Reserve Bank exchange control approval
- Basil Read shareholder approval (50% of those present and voting)



Basil Read Matomo and the way forward

- Strategy to focus on growth of EPC business unchanged
 - Basil Read to pursue value-added EPC services through Basil Read Matomo
- Basil Read Matomo to spearhead the Group's expansion of service offerings to clients and be less reliant on mining projects
- Focus on special projects (design, construct and maintain) such as the St Helena airport
- Order book has near-term potential awards of R5 billion





QUESTIONS

Marius Heyns

Chief Executive Officer

Basil Read Limited

www.basilread.co.za

