

MEDIA RELEASE

21 November 2017

PIC provides details of process, timing and price of trade in relation to Distell shares

PRETORIA - Distell Group Limited (“Distell” or “the Company”) issued a Voluntary Announcement on the Stock Exchange News Service (“SENS”) of the JSE Limited (“JSE”) on 15 November 2017 to clarify the details of the trade in 58.7 million of the Company’s ordinary shares effected on 6 October 2017. In this announcement, Distell noted, inter alia, that the Public Investment Corporation SOC Ltd (“PIC”) would provide details with respect to the process, timing and price of the trade. This information is set out below.

Nature and timing of the Transaction

On 7 October 2016 (“Offer Date”), the Government Employees Pension Fund (“GEPF”) which was represented by the PIC submitted an offer (“Initial Offer”) to Anheuser-Busch InBev SA/NV (“AB InBev”) (Euronext: ABI) (NYSE: BUD) (MEXBOL: ANB) (JSE: ANH) for all of AB InBev’s indirect shareholding in Distell held through its wholly owned subsidiary Other Beverage Interests (Pty) Ltd (“OBI”) (the “Transaction”).

Following the Initial Offer, AB InBev and PIC entered into further negotiations to finalise the Transaction. The Transaction was finally agreed between the parties on 14 November 2016 on which date the PIC submitted a revised offer (“Final Offer”).

Upon conditional acceptance of the Final Offer, AB InBev presented the terms of the Final Offer, as prescribed by the legal agreements between OBI, Capevin Holdings Limited (“Capevin”) and Remgro Limited (“Remgro”), and offered Remgro and Capevin an opportunity to exercise their pre-emptive rights in respect of the OBI shares which were the subject of the Final Offer. As widely reported in the media at the time, Remgro and Capevin waived their pre-emptive rights over OBI’s shares in Distell and AB InBev accepted the PIC Final Offer, unconditionally, on 7 December 2016.

Following AB InBev’s acceptance of the Final Offer a process was put in place to conclude the Transaction which included inter alia an application to the Competition Commission and the Competition Tribunal for regulatory clearance of the Transaction. The Competition Tribunal approved the Transaction on 29 March 2017.

On 12 April 2017, following the fulfilment of all conditions precedent to the Transaction, AB InBev and the PIC concluded the Transaction on the binding terms entered into in the Final Offer.

The salient features of the Transaction

- The GEPPF, represented by the PIC, acquired a 26.4% equity interest in Distell from OBI;
- This comprised of 58,674,000 shares; and
- The transaction was executed on 12 April 2017.

As is permissible by the JSE, the transaction was executed off market, in a bid to eliminate market distortions that may arise from a once off trade of the size and nature of the Transaction. However, the meta details of the Transaction were announced by Distell on SENS on 12 April 2017. As neither the GEPPF, PIC nor OBI is listed, there was no JSE requirement to post a separate SENS announcement from that which was posted by Distell.

Following enquiries in relation to the Transaction, it was decided in consultation with the JSE, to report the trade on market on 6 October 2017. The appropriate mechanics of reporting the trade were considered in consultation with the JSE, following which it was executed, allowing the price and number of shares of the Transaction to be publicly observable. Key stakeholders were made aware of the reporting of the trade. There was no exchange of shares as a result of this reporting of the trade as settlement had already occurred on 12 April 2017, off market.

Price of the Transaction

- The Transaction Price was R170.00 per share.
- The Transaction Price represented a discount of approximately 1% to the closing price on the day preceding the Initial Offer, 7 October 2016 (“Reference Price 1”).
- Due to price movements between the date of Reference Price 1 and the execution of Final Offer the Transaction Price represented a premium of approximately 2% to the 30 Day Volume Weighted Average Price to the date of agreeing the Final Offer, 14 November 2016 (“Reference Price 2”).
- The Transaction Price thus implies a nil premium on the average of Reference Price 1 and Reference Price 2.

Rationale of the Transaction

The strategic rationale of the Transaction is compelling and includes, but is not limited to, the following:

1. The sale of the Distell shares by AB InBev was a requirement of the South African Competition Tribunal’s approval on 30 June 2016 of the business combination between AB InBev and SAB Miller;
2. Expected high growth in Distell and associated long term returns;
3. An intention to retain a South African domiciled sector champion in the beverage sector;
4. Desire to invest in the expansion of Distell and to contribute to economic growth and job creation in South Africa;
5. Ensuring that that the business remains South African controlled with headquarters in South Africa; and
6. Unique opportunity to acquire an influential block of shares of a magnitude which would unlikely ever be available on the market at more or less market price. Acquisition of the

shares in a single trade offered the attraction of eliminating higher trading costs and unpredictable pricing movements.

PIC takes a long-term view on the investments it makes, based on business fundamentals in place in the target investments. Having divested of its interest in SAB Miller, one of the main South African stocks in the beverage sector, the PIC had to rebalance its portfolio and in so doing it was imperative that the PIC continued to back a South African sector champion with a stable outlook and strong management and shareholders.

Distell maintains a compelling business outlook in the long term and has significant potential to grow its business globally. PIC is supportive of its growth ambitions and will work with management and other stakeholders in assisting these to be realised.

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