

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this circular apply throughout this circular, including this front cover.

If you are in any doubt as to the action you should take, please consult your CSDP, stockbroker, banker, legal advisor, accountant or other professional advisor immediately.

Action required

If you have disposed of all your shares in Ellies, then this circular and form of instruction should be forwarded to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected except that this circular and the form of instruction should not be forwarded or transmitted by you to any person in any territory other than South Africa unless the rights offer can lawfully be made to such person in such territory.

Ellies shareholders are referred to page 3 of this circular, which sets out the detailed action required of them in respect of the rights offer, full details of which are set out in this circular.

Ellies 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 details of this circular.

This circular relates to a partially underwritten renounceable rights offer to qualifying shareholders who hold Ellies shares. Qualifying shareholders will be entitled to subscribe for 40.13138 new Ellies shares for every 100 Ellies shares held on the initial record date for a subscription price of 110 cents per new Ellies share.

The rights that are represented by the form of instruction in respect of the letters of allocation are valuable and may be sold on the JSE. Letters of allocation can, however, only be traded in dematerialised form and accordingly, all letters of allocation have been issued in dematerialised form.

Ellies shareholders will have the right to apply for any excess rights offer shares not taken up under the first underwriting commitments and then by other shareholders subject to such rights being transferable upon renunciation of the letters of allocation, and any such excess shares will be attributed equitably. In this regard, the attention of shareholders is drawn to paragraph 8 of this circular which sets out in detail the basis on which excess share applications will be attributed.

The rights offer shares, upon their issue, will rank *pari passu* with all other shares of the same class.

There are no conversion or redemption provisions relating to the rights offer shares.

The allocation of rights offer shares will be such that only whole numbers of rights offer shares will be issued and shareholders will be entitled to rounded numbers of rights offer shares based on the conventional rounding principle (as set out in **Annexure 2** to this circular).

The rights offer may be affected by the laws of the relevant jurisdictions of foreign shareholders. Such foreign shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this circular that may affect them, including the rights offer. It is the responsibility of any foreign shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the rights offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The rights offer is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations. Any foreign shareholder who is in doubt as to his position, including without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay. In this regard, the attention of foreign shareholders is drawn to paragraph 14 of this circular which sets out in detail the position of foreign shareholders.



HOLDINGS LIMITED

ELLIES HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2007/007084/06)

JSE share code: ELI ISIN: ZAE000103081

("Ellies" or the "company")

CIRCULAR TO ELLIES SHAREHOLDERS

relating to:

- a partially underwritten renounceable rights offer to Ellies shareholders of approximately 181 818 182 new Ellies shares at the subscription price of 110 cents each in the ratio of 40.13138 new Ellies shares for every 100 Ellies shares held on Friday, 3 July 2015, which rights offer opens on Monday, 6 July 2015 and closes at 12:00 on Friday, 17 July 2015;

and enclosing:

- a form of instruction for Ellies shareholders (for use by certificated shareholders only).

Joint corporate advisor, joint transaction
sponsor and sponsor



Legal advisor



Joint corporate advisor and joint transaction sponsor



Underwriter



Date of issue: Tuesday, 30 June 2015

This circular is only available in English. Copies of this circular may be obtained at the registered office of the company, being 94 Eloff Street Extension, Village Deep, Johannesburg, 2001 from Tuesday, 30 June 2015 to Friday, 17 July 2015 or on the company's website www.elliesholdings.com from Monday, 29 June 2015.

CORPORATE INFORMATION

Registered office

94 Eloff Street Extension
Village Deep
Johannesburg, 2001
(PO Box 57076, Springfield, 2137)

Joint corporate advisor and joint transaction sponsor

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
30 Baker Street
Rosebank, 2196
(PO Box 61344, Marshalltown, 2107)

Legal advisors

Cliffe Dekker Hofmeyr Inc.
(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Company secretary

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

Place and date of incorporation of Ellies

Incorporated in the Republic of South Africa on 5 March 2007

Joint transaction sponsor and sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent
Sandown, 2196
(PO Box 2087, Parklands, 2121)

Joint corporate advisor

Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6A Sandown Valley Crescent
Sandown, 2196
(PO Box 2087, Parklands, 2121)

Underwriter

Mazi Capital Proprietary Limited
(Registration number 2006/006855/07)
11th Floor, Sandton Eye
126 West Street
Sandton, 2146
(PO Box 78583, Sandton, 2146)

Transfer secretaries of Ellies

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor Rennie House
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

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IMPORTANT DATES AND TIMES

2015

Last day to trade in Ellies shares in order to participate in the rights offer	Friday, 26 June
Listing and trading of letters of allocation on the JSE under JSE code: “ELIN” and ISIN: ZAE000205746	Monday, 29 June
Ellies shares commence trading on the JSE <i>ex</i> -rights offer entitlement	Monday, 29 June
Rights offer circular and form of instruction posted to certificated shareholders	Tuesday, 30 June
Record date for determination of shareholders entitled to participate in the rights offer (initial record date)	Friday, 3 July
Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their entitlement	Monday, 6 July
Certificated shareholders on the register will have their entitlement credited to an electronic account held at the transfer secretaries	Monday, 6 July
Rights offer opens at 09:00	Monday, 6 July
Rights offer circular posted to dematerialised shareholders (where applicable)	Tuesday, 7 July
Last day to trade letters of allocation on the JSE	Friday, 10 July
Maximum number of rights offer shares listed and trading therein commences on the JSE	Monday, 13 July
Rights offer closes at 12:00	Friday, 17 July
Record date for letters of allocation (final record date)	Friday, 17 July
New Ellies shares issued	Monday, 20 July
Dematerialised shareholders’ accounts updated and debited by CSDP or broker (in respect of entitlements to rights offer shares)	Monday, 20 July
Certificates posted to certificated shareholders (in respect of the rights offer shares) on or about	Monday, 20 July
Results of rights offer announced on SENS	Monday, 20 July
Results of rights offer announced in the press	Tuesday, 21 July
Refunds (if any) to certificated shareholders in respect of unsuccessful excess share applications made and share certificates posted to certificated shareholders in respect of successful excess share applications	Wednesday, 22 July
Dematerialised shareholders’ accounts updated and debited by their CSDP or broker (in respect of successful excess share applications)	Wednesday, 22 July

Notes:

1. All references to dates and times are to local dates and times in South Africa.
2. Dematerialised shareholders are required to inform their CSDP or broker of their instructions in terms of the rights offer in the manner and time stipulated in the agreement governing the relationship between the shareholder and its CSDP or broker.
3. Share certificates may not be dematerialised or rematerialised between Monday, 29 June 2015 and Friday, 3 July 2015, both days inclusive.
4. Dematerialised shareholders will have their accounts at their CSDP or broker automatically credited with their rights and certificated shareholders will have their rights credited to their accounts at Link Market Services South Africa Proprietary Limited.
5. CSDPs effect payment in respect of dematerialised shareholders on a delivery-versus-payment method.

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 4 of this circular apply to this section.

1. DEMATERIALISED SHAREHOLDERS

If you hold Ellies shares in dematerialised form (including where you have elected own-name registration) you will not receive a printed form of instruction.

Your CSDP or broker will contact you to ascertain:

- whether you wish to follow all or some of your rights in terms of the rights offer and in respect of how many rights offer shares;
- whether you wish your CSDP or broker to endeavour to procure the sale of your rights on the JSE on your behalf and if so, in respect of how many rights;
- whether you wish to renounce your rights and if so, how many rights you wish to renounce and the details of the renouncee; or
- whether you wish for your rights in respect of the rights offer to lapse.

Your CSDP or broker will credit your account with the number of rights to which you are entitled in terms of the rights offer.

If you do not hear from your CSDP or broker, you should contact them and furnish them with your instructions. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the custody agreement entered into between you and them.

2. CERTIFICATED SHAREHOLDERS

A form of instruction is enclosed for use by certificated shareholders only. The rights in respect of such form are negotiable and can be sold on the JSE.

If you hold your Ellies shares in certificated form and you wish to subscribe for some or all of the rights offer shares allocated to you, you must complete the form of instruction enclosed herewith in accordance with the instructions contained therein and lodge it, together with payment for the amount due in respect thereof, with the transfer secretaries, whose details are set out on the inside front cover of this circular, by no later than 12:00 on Friday, 17 July 2015.

If you do not wish to subscribe for all of the rights offer shares allocated to you, you may sell or renounce your rights or allow them to lapse. In such event, you must complete the relevant section of the form of instruction and return it to the transfer secretaries to be received by no later than 12:00 on Friday, 10 July 2015, if you wish to sell, and by no later than 12:00 on Friday, 17 July 2015, if you wish to renounce your rights.

If you intend to allow your rights to lapse, you need not take any action.

3. IF YOU HAVE DISPOSED OF YOUR SHARES

If you have disposed of your Ellies shares, please forward this circular and the form of instruction to the purchaser of such shares or to the stockbroker or agent through whom the disposal was effected except that this circular and the form of instruction should not be forwarded or transmitted by you to any person in any territory other than South Africa unless the rights offer can lawfully be made to such person in such territory.

Note:

If you are in any doubt as to the action you should take, please consult your CSDP, stockbroker, banker, legal advisor, accountant or other professional advisor immediately.

Ellies 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 rights offer.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures hereto, unless a contrary intention is indicated, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa*, and the expressions set out in the first column bear the meanings assigned to them in the second column:

“ business day ”	any day other than a Saturday, Sunday or official public holiday in ;
“ certificated shares ”	Ellies shares which are evidenced by physical documents of title which have not yet been surrendered for dematerialisation in terms of Strate;
“ certificated shareholders ”	holders of certificated shares;
“ the/this circular ”	all documents and annexures bound herein, dated Tuesday, 30 June 2015;
“ common monetary area ”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“ Companies Act ”	the Companies Act (Act 71 of 2008), as amended and the Companies Regulations, 2011, published in terms of the Companies Act;
“ CSDP ”	a Central Securities Depository Participant, defined as a participant in section 1 of the Financial Markets Act (Act 19 of 2012), appointed by a shareholder for purposes of, and in regard to, dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;
“ dematerialisation ”	the process whereby certificated shares are converted to an electronic form as uncertificated shares and recorded in the sub-register of shares maintained by a CSDP;
“ dematerialised shares ”	Ellies shares which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;
“ dematerialised shareholders ”	holders of dematerialised shares;
“ directors ” or “ the board ”	the board of directors of Ellies as set out on page 7;
“ documents of title ”	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of Ellies shares;
“ EFT ”	electronic funds transfer;
“ Ellies ” or “ the company ”	Ellies Holdings Limited (Registration number 2007/007084/06), a public company duly incorporated in accordance with the laws of South Africa and listed on the main board of the JSE;
“ Ellies consumer division ” or “ consumer division ”	the consumer business division of Ellies Opco which is involved in the manufacturing, sale and distribution of electronic products related to television reception, including satellite and terrestrial aerial ranges as well as lighting and electrical products to retailers and small businesses throughout South Africa, known as Ellies but excludes the Megatron infrastructure division;
“ Ellies Electronics ”	Ellies Electronics Proprietary Limited (formerly Megatron Federal Proprietary Limited) (Registration number 2007/010759/07), a private company duly incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of Ellies Electronics Holdings;
“ Ellies Electronics Holdings ”	Ellies Electronics Holdings Proprietary Limited (formerly Nunopro Proprietary Limited) (Registration number 2014/146927/07), a private company duly incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of the company;

“Ellies Opco”	Ellies Proprietary Limited (Registration number 2007/011513/07), a private company incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of the company. The name of this company will be changed from Ellies Proprietary Limited to Megatron SA Proprietary Limited in due course;
“Ellies Propco”	Ellies Properties Proprietary Limited (Registration number 2006/010156/07), a private company incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of the company;
“Ellies shares”	ordinary no par value shares, in the issued share capital of Ellies;
“Ellies shareholders”	the holders of Ellies shares;
“emigrant”	an emigrant from South Africa whose address is outside the common monetary area;
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act (Act 9 of 1933), as amended;
“final record date”	the record date for determining the person to whom the rights offer shares will be issued, being Friday, 17 July 2015;
“form of instruction”	the form of instruction in respect of the letter of allocation reflecting the entitlement of certificated shareholders to subscribe for new Ellies shares in terms of the rights offer and on which certificated shareholders should indicate whether they wish to take up, sell or renounce all or some of their rights, which form is enclosed with this circular;
“the group” or “Ellies group”	Ellies and its subsidiaries;
“initial record date”	the record date for determination of shareholders entitled to participate in the rights offer, being Friday, 3 July 2015;
“Java Capital”	Java Capital Proprietary Limited (Registration number 2012/089864/07) and Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), private companies duly incorporated in accordance with the laws of South Africa;
“JIBAR”	the mid-market rate for deposits in South African Rand for a period of 3 (three) months in the Johannesburg Interbank Acceptance Market as quoted by Standard Bank at approximately 11:00 Johannesburg time on a relevant date, such rate to be approved, <i>prima facie</i> , by a certificate under the hand of any Divisional Director or Manager of Standard Bank whose appointment and authority it will not be necessary to prove;
“JSE”	the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act (Act 19 of 2012);
“last practical date”	the last practical date prior to finalisation of this circular, being Monday, 8 June 2015;
“letters of allocation” or “LAs”	renounceable nil paid letters of allocation to be issued to Ellies shareholders, in electronic form, conferring the right to subscribe and pay for a <i>pro rata</i> portion of the allotment of new Ellies shares in terms of the rights offer and which are also referred to in this circular in respect of holders of certificated Ellies shares as the form of instruction;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Mazi”	Mazi Capital Proprietary Limited (Registration number 2006/006855/07), a private company duly incorporated in accordance with the laws of South Africa, which operates as an investment manager;

“Megatron infrastructure division” or “infrastructure division”	the infrastructure business division of Ellies Opco which specialises in power generation, transmission and distribution along with associated power management services. This division is also involved in communications infrastructure and renewable power sources for the telecommunications sector as well as water infrastructure, known as the “Megatron Federal” division and includes Ellies Opco’s: <ul style="list-style-type: none"> • 51% shareholding in Megatron Towers Proprietary Limited; • 51% shareholding in Megatron Engineering Namibia Proprietary Limited; and • 100% shareholding in Botjheng Water Proprietary Limited, but which excludes the Ellies consumer division;
“non-resident”	a person not ordinarily resident in South Africa;
“Otto”	Ryan Edward Otto, a director of the company and chief executive officer of the Megatron infrastructure division;
“prime rate”	the publicly quoted basic rate of interest, compounded monthly in arrears and calculated on a 365-day year, irrespective of whether the applicable year is a leap year, from time to time published by Standard Bank as being its prime overdraft rate;
“qualifying shareholder”	the Ellies shareholders as at the initial record date;
“Rand” or “R”	the South African Rand, the lawful currency of South Africa;
“register”	the company’s share register, including all sub-registers;
“rights offer”	the renounceable rights offer by Ellies to Ellies shareholders to subscribe for 40.13138 rights offer shares for every 100 Ellies shares held by them on the initial record date at an issue price of 110 cents per share;
“rights offer shares” or “new Ellies shares”	approximately 181 818 182 authorised but unissued shares in the share capital of Ellies, to be issued pursuant to the rights offer;
“Salkow”	Elliot Ralph Salkow, the executive chairman of Ellies;
“SENS”	the Stock Exchange News Service, being the news service operated by the JSE;
“South Africa”	the Republic of South Africa;
“Standard Bank”	The Standard Bank of South Africa Limited (Registration number 1962/000738/06), a public company duly incorporated in accordance with the laws of South Africa and licenced to undertake the business of a bank in terms of the Banks Act (Act 94 of 1990);
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system on the JSE;
“subscription price”	the issue price of 110 cents per rights offer share issued pursuant to the rights offer;
“transfer secretaries” or “Link Market Services”	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company duly incorporated in accordance with the laws of South Africa;
“underwriter”	Mazi;
“underwriting agreement”	the underwriting agreement dated 28 April 2015 entered into between Ellies and Mazi in terms of which, <i>inter alia</i> , Mazi agreed to partially underwrite the rights offer, as detailed in paragraph 7;
“U.S.”	the United States of America; and
“VAT”	value added taxation, in terms of the Value Added Tax Act (Act 89 of 1991), as amended.



ELLIES HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2007/007084/06)
JSE share code: ELI ISIN: ZAE000103081
("Ellies" or the "company")

Directors

ER Salkow #(*Chairman*)
WMG Samson # (*CEO*)
IM Lipworth # (*CFO*)
RH Berkman #
RE Otto#
OD Fortuin * (*Lead*)
MR Goodford^
MJ Kuscus^
FS Mkhize*
S Goldberg*

Executive

* Independent non-executive

^ Non-executive

CIRCULAR TO ELLIES SHAREHOLDERS

1. INTRODUCTION

As announced on SENS on 4 May 2015, Ellies intends undertaking a partially underwritten rights offer to Ellies shareholders in order to raise approximately R200 million.

The purpose of this circular is to advise Ellies shareholders of the terms and conditions of the rights offer and provide shareholders with instructions on participation in the rights offer.

2. PURPOSE AND RATIONALE OF THE RIGHTS OFFER

Ellies intends undertaking a partially underwritten rights offer to Ellies shareholders in order to reduce its gearing, fund working capital and ensure Ellies is adequately positioned for the opportunities mentioned in paragraph 5.2 below.

3. CORPORATE AND DEBT RESTRUCTURING

Further to the announcement released on SENS on 4 May 2015 wherein shareholders were advised, *inter alia*, that two new wholly-owned subsidiaries, Ellies Electronics and Ellies Electronics Holdings, have been established, the company has, with retrospective effect from 1 May 2015, transferred the consumer division from Ellies Opco to Ellies Electronics so that the consumer division is held by Ellies Electronics and the infrastructure division remains held on a stand-alone basis by Ellies Opco. In addition, the company's interest in Ellies Propco has also been transferred into Ellies Electronics Holdings. All such sales and transfers are hereinafter referred to as the "**corporate restructuring**".

Pursuant to the corporate restructuring, the consumer division and the infrastructure division are housed in stand-alone subsidiaries and will be funded and operated on a stand-alone basis.

In line with the corporate restructuring, Ellies is in the process of restructuring its debt with Standard Bank (the "**debt restructuring**"). The debt restructuring is being implemented in two phases.

As part of the first phase of the debt restructuring, with effect from 1 May 2015 two bridging finance facilities, namely the Megatron bridge facility and the Ellies consumer bridge facility, were advanced to the Ellies group by Standard Bank in place of Ellies' existing debt facilities with Standard Bank.

The Megatron bridge facility comprises a loan of R95 million advanced by Standard Bank to Ellies Opco which bears interest at the prime rate (the outstanding balance as at 31 May 2015 is R96 million) (the “**Megatron bridge facility**”).

The Ellies consumer bridge facility comprises:

- an overdraft facility of up to R200 million advanced by Standard Bank to Ellies Electronics which bears interest at the prime rate (the outstanding balance as at 31 May 2015 is R171.1 million); and
- a loan of R168.5 million advanced by Standard Bank to Ellies Electronics which bears interest at the prime rate (the outstanding balance as at 31 May 2015 is R169.5 million),

(collectively the “**Ellies consumer bridge facility**”).

A loan of R40 million advanced by Standard Bank to Ellies Propco which bears interest at the prime rate (the “**Ellies property loan**”) remains in place (the outstanding balance as at 31 May 2015 is R30.3 million).

Upon the implementation of the rights offer, R150 million of the proceeds of the rights offer will be used in part settlement of the loans advanced by Standard Bank to Ellies Electronics.

Subsequent to the implementation of the rights offer, the Megatron bridge facility, the Ellies consumer bridge facility and the Ellies property loan will be substituted with the following loan facilities as part of the second phase of the debt restructuring.

The Megatron loan facility will comprise the Megatron bridge facility of R95 million advanced by Standard Bank to Ellies Opco plus any interest accrued thereon from 1 May 2015 to the date the Megatron bridge facility is converted into the Megatron loan facility, subject to the following terms:

- the capital amount shall be repayable in one lump sum at the end of the five-year term of the loan;
- interest shall be payable quarterly in arrears. The company may elect to capitalise interest up to an amount equal to 10% of the capital balance at any time. The total amount outstanding may not exceed R100 million at any time. The facility is not available for redraw to the extent prepaid and accordingly the amount of interest capitalisation will be measured with reference to the reduced outstanding capital balance;
- interest shall be calculated at the rate of JIBAR plus a margin calculated as follows:
 - if the capital balance outstanding exceeds R75 million, the margin shall be 5%;
 - if the capital balance outstanding is between R75 million and R50 million, the margin shall be 4.5%;
 - if the capital balance outstanding is between R50 million and R25 million, the margin shall be 4%; and
 - if the capital balance outstanding is less than R25 million, the margin shall be 3.5%;
- save for the proceeds from the sale of assets relating to the Megatron infrastructure division’s South African manufacturing business and a tax refund of approximately R30 million, the proceeds of any sale of assets or tax proceeds of R1 million in aggregate shall be offered to Standard Bank as prepayment of the facility;
- a percentage of the excess free cash flow of the Megatron infrastructure division will be offered to Standard Bank as prepayment of the facility as follows:
 - if the capital balance outstanding is between R100 million and R50 million, 60% of the excess free cash flow will be offered to Standard Bank as prepayment of the facility; and
 - if the capital balance outstanding is less than R50 million, 50% of the excess free cash flow will be offered to Standard Bank as prepayment of the facility.

The Ellies consumer facility will comprise:

- an overdraft facility of up to R200 million advanced by Standard Bank to Ellies Electronics which bears interest at the prime rate;
- a property loan of R45 million, advanced by Standard Bank to Ellies Propco, comprising:
 - a R22.5 million five-year amortising loan facility which bears interest at JIBAR plus a margin;
 - a R22.5 million bullet loan facility, repayable after five years which bears interest at JIBAR plus a margin;
 - the aforesaid margin will be determined by Standard Bank once valuations in respect of the immovable properties owned by Ellies Propco have been completed,to be used for refinancing certain term facilities of *circa* R30 million and to provide Ellies Electronics funding of *circa* R15 million to refinance its bridge facility to Standard Bank of *circa* R15 million after the implementation of the rights offer.

Pursuant to the corporate restructuring, the short-term credit facilities of Ellies Opco with Blue Strata Trading Proprietary Limited (“**Blue Strata**”) have been transferred from Ellies Opco to Ellies Electronics. To this end, Ellies has guaranteed the payments and obligations of Ellies Electronics and Ellies Opco to Blue Strata.

4. USE OF THE PROCEEDS OF THE RIGHTS OFFER

The rights offer, together with the underwriting commitment from Mazi and irrevocable undertakings, serves as a mechanism to enable the company to raise capital and so reduce the company's interest-bearing liabilities, detailed in paragraph 3 above, to finance the working capital requirements of the Megatron infrastructure division and to finance the costs of the rights offer.

The proceeds of the rights offer will be used and applied as follows:

- R150 million will be used by the company in reduction of the amounts owing by Ellies Electronics to Standard Bank under the Ellies consumer bridge facility set out above; and
- R50 million (net of the costs of the rights offer) will be used by Ellies Opco to finance the working capital requirements of the Megatron infrastructure division.

The effect on Ellies' statement of financial position will be that non-current and current interest bearing liabilities will be reduced by *circa* R150 million. The effect on Ellies' statement of comprehensive income will be that the amount of interest paid will be reduced by approximately R13.8 million and the taxation amount will be increased by approximately R3.8 million.

5. NATURE OF BUSINESS AND PROSPECTS OF THE COMPANY

5.1 Nature of business

Ellies is a leading South African manufacturer, wholesaler, importer and distributor in diversified sectors servicing the local and African markets. The business comprises two main segments, namely infrastructure and consumer goods and services. The infrastructure division specialises in power generation, transmission and distribution along with associated power management services. The consumer division is involved in the manufacturing, sale and distribution of various electronic products related to television reception, including satellite and terrestrial ranges as well as lighting and electrical products to retailers and small businesses throughout South Africa.

5.2 Prospects

5.2.1 *The consumer division*

Whilst trading conditions for the consumer division remain difficult, the division continues to maintain its market share in most of its product categories.

Ellies' commercial lighting offering continues to gain momentum, allowing the consumer division to grow a significant reference base. Ellies continues to educate and train its installer base on new technologies, from satellite installation to Wi-Fi and 3G networks. With this training the consumer division can expand its core installation competencies into new products that see the convergence of television and internet.

The Digital Terrestrial Television ("DTT") migration has made significant progress. The Universal Service and Access Agency of South Africa ("USAASA") had issued tender documents for the manufacture and supply of decoders, antennas and satellite dishes. Ellies has since been approved by USAASA as a manufacturer and supplier of both antennas and satellite dishes, pursuant to the DTT migration. These manufactured antennas and satellite dishes are required to adhere to a minimum of a 90% local content. Once a tender order is given from USAASA, the quantity and timing of manufacture and supply will be known. In addition, the Ellies DTT antenna has been approved by MultiChoice for distribution into South Africa and Africa. Insofar as the consumer division has already invested in equipment to manufacture the DTT antennas and satellite dishes, it is well geared towards rolling this project out successfully.

With the return to South Africa of national load shedding, the consumer division has seen a significant increase in its sale of inverters, inverter trolleys and small generators. These products are predominantly sold to home-owners through retail stores. The consumer division manufactures its inverter trolleys locally for South African conditions. The demand for these projects has well exceeded its supply and Ellies is in the process of increasing orders to meet this demand.

5.2.2 *The infrastructure division*

The infrastructure division has scaled down its South African operations significantly during the current financial period to focus on higher margin African operations. Management does not expect the losses incurred by these discontinued operations to be repeated.

The current trading year did not do any justice to the current pipeline, with significant losses incurred due to extension of time related costs as a result of the company's liquidity challenges.

Management does not expect these project delays caused by external factors to recur in the next financial year and will aim to recoup the additional expenses the infrastructure division has incurred.

A key market for the infrastructure division remains the Democratic Republic of Congo, with projects in generation, transmission and distribution, as well as the completion of the energy efficiency project currently under way. Both Nigeria and Ivory Coast are expected to be significant revenue contributors in the next financial year.

The infrastructure division expects an improved funding position to facilitate a return to normal trading conditions.

6. TERMS OF THE RIGHTS OFFER

6.1 In terms of the rights offer:

- 6.1.1 qualifying shareholders will collectively be entitled to subscribe for approximately 181 818 182 new Ellies shares;
- 6.1.2 each qualifying shareholder will be entitled to subscribe for 40.13138 rights offer shares for every 100 shares held by them on the initial record date; and
- 6.1.3 the subscription price will be 110 cents per rights offer share.

6.2 The rights offer will open at 09:00 on Monday, 6 July 2015 and close at 12:00 on Friday, 17 July 2015. Letters of allocation in respect of approximately 181 818 182 new Ellies shares will be listed from the commencement of business on Monday, 29 June 2015 to close of business on Friday, 10 July 2015, both days inclusive.

6.3 The number of new Ellies shares to which each qualifying shareholder who holds Ellies shares in certificated form will be entitled to subscribe pursuant to the rights offer is set out in the form of instruction enclosed with this circular. Qualifying shareholders who hold Ellies shares in dematerialised form will not receive a form of instruction. However, the CSDP or broker accounts of qualifying shareholders who hold Ellies shares in dematerialised form will automatically be credited with their entitlement to subscribe for new Ellies shares pursuant to the rights offer.

7. IRREVOCABLE UNDERTAKINGS, UNDERWRITING AND MINIMUM SUBSCRIPTION

7.1 As at the last practical date, the following Ellies shareholders have irrevocably undertaken to follow their rights in terms of the rights offer as set out below:

Name of shareholder	Number of rights taken up	Value of rights taken up	Percentage of total rights offer
Mazi	36 234 520	R39 857 971	19.93
Salkow	27 272 723	R30 000 000	15.00
Otto	9 372 029	R10 309 231	5.15
Total	72 879 272	R80 167 202	40.08

The Ellies shareholders who have irrevocably undertaken to follow their rights will not be paid any fee or commission for doing so.

7.2 In addition, Mazi has agreed to partially underwrite the issue of the rights offer shares, up to a maximum aggregate subscription price of R105 million, in consideration for an underwriting fee of R3.15 million (an amount equal to 3% of Mazi's underwriting commitment on the rights offer shares).

7.3 The effect of the irrevocable undertakings and underwriting commitment referred to in paragraphs 7.1 and 7.2 above is that the rights offer is partially underwritten to the value of approximately R185 million. The rights offer is however not conditional on a minimum subscription.

- 7.4 The underwriting commission paid on the rights offer shares is consistent with the previous underwriting commissions paid by Ellies in respect of the rights offers undertaken by Ellies in April 2010 and January 2015.
- 7.5 The directors have made due and careful enquiry to confirm that each of Salkow, Otto and Mazi can meet their commitments as set out in paragraphs 7.1 and 7.2 above in terms of the rights offer.

8. EXCESS SHARES APPLICATION

- 8.1 Ellies shareholders will have the right to apply for any excess rights offer shares not taken up by other shareholders subject to such rights being transferable upon renunciation of the letters of allocation, and any such excess shares will be attributed equitably, taking cognisance of the number of shares and rights held by the shareholder just prior to such allocation, including those taken up as a result of the rights offer, and the number of excess rights offer shares applied for by such shareholder.
- 8.2 If you are a certificated shareholder and you wish to apply for excess rights offer shares you must complete the enclosed form of instruction in accordance with the instructions contained therein. If you are a dematerialised shareholder and you wish to apply for excess rights offer shares you must instruct your CSDP or broker as to the number of excess rights offer shares for which you wish to apply.

9. ENTITLEMENT

- 9.1 Ellies shareholders will receive the right to subscribe for 40.13138 new Ellies shares for every 100 shares held on the initial record date (being Friday, 3 July 2015).
- 9.2 Ellies shareholders who hold less than 100 Ellies shares or who do not hold a multiple of 100 Ellies shares, will be entitled, in respect of such holdings, to participate in the rights offer in accordance with **Annexure 2**.
- 9.3 The allocation of rights offer shares will be such that shareholders will not be allocated a fraction of a rights offer share and as such any entitlement to receive a fraction of a rights offer share which:
- 9.3.1 is less than one-half of a rights offer share, will be rounded down to the nearest whole number; and
- 9.3.2 is equal to or greater than one-half of a rights offer share but less than a whole rights offer share, will be rounded up to the nearest whole number.
- 9.4 Certificated shareholders will have their rights credited to a nominee account in electronic form, which will be administered by the transfer secretaries on their behalf. The enclosed form of instruction reflects the number of shares for which the certificated shareholder is entitled to subscribe. The procedure to be followed by certificated shareholders for the acceptance, sale or renunciation of their rights is reflected on the form of instruction.
- 9.5 Dematerialised shareholders will have their rights to subscribe for rights offer shares credited in electronic form to their account held by their appointed CSDP or broker. The CSDP or broker will advise dematerialised shareholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such rights.
- 9.6 The letters of allocation to which the form of instruction relate are negotiable and can be traded on the JSE.

10. STATEMENT AS TO LISTING ON STOCK EXCHANGE

The JSE has granted listings for the letters of allocation and the rights offer shares as follows:

- 10.1 letters of allocation in respect of approximately of 181 818 182 new Ellies shares will be listed from the commencement of business on Monday, 29 June 2015 to close of business on Friday, 10 July 2015, both days inclusive, under the JSE code: ELIN and ISIN: ZAE000205746; and
- 10.2 approximately 181 818 182 new Ellies shares will be listed with effect from the commencement of business on Monday, 13 July 2015.

11. SOUTH AFRICAN LAW

All transactions arising from the provisions of this circular and the form of instruction shall be governed by and be subject to the laws of South Africa.

12. PROCEDURE FOR ACCEPTANCE, RENUNCIATION AND SALE OF RIGHTS

12.1 Certificated shares

12.1.1 *Acceptance*

Full details of the procedure for acceptance of the rights offer by certificated shareholders are contained in the form of instruction enclosed with this circular. It should be noted that:

- acceptances are irrevocable and may not be withdrawn;
- acceptances may be made only by means of the enclosed form of instruction;
- any instruction to sell or renounce all or part of the rights may only be made by means of the form of instruction;
- the properly completed form of instruction together with a cheque, proof of EFT payment or banker's draft (in the case of foreign shareholders) in Rand in payment of the subscription price payable for the relevant new Ellies shares must be received by Link Market Services by no later than 12:00 on Friday, 17 July 2015. All acceptances of the rights offer sent by post by the beneficial holders will be accepted provided the envelope is received by no later than 12:00 on Friday, 17 July 2015;
- the form of instruction to take up the rights in question will be regarded as complete only when the cheque, proof of EFT payment or banker's draft (in the case of foreign shareholders) has been cleared for payment;
- such payment will constitute an irrevocable acceptance of the rights offer upon the terms and conditions set out in this circular and in the form of instruction once the cheque, EFT or banker's draft has been cleared for payment;
- the transfer secretaries should be contacted on +27 (11) 713 0800 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details; and
- if any form of instruction is not received as set out above, the rights offer will be deemed to have been declined and the right to subscribe for the rights offer shares in terms of the form of instruction will lapse regardless of who holds it.

12.1.2 *Renunciation or sale of rights*

Ellies has issued all letters of allocation in dematerialised form and the electronic record for certificated shares is being maintained by Link Market Services. This has made it possible for certificated shareholders to enjoy the same rights and opportunities as dematerialised shareholders.

Certificated shareholders not wishing to subscribe for all or some of the new Ellies shares allocated to them as reflected in the form of instruction, may sell or renounce all or some of their rights or allow them to lapse.

Certificated shareholders who wish to sell all or some of the new Ellies shares allocated to them as reflected in the form of instruction, must complete the relevant section of the form of instruction and return it to the transfer secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Friday, 10 July 2015.

Link Market Services will endeavour to procure the sale of the rights on the JSE on behalf of such certificated shareholders and will remit the proceeds in accordance with the payment instructions reflected in the form of instruction, net of brokerage charges and associated expenses. Neither the transfer secretaries nor the company nor any broker appointed by it will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such rights. References in this paragraph to a certificated shareholder include references to the person or persons executing the form of instruction and any person or persons on whose behalf such person or persons executing the form of instruction is/are acting. In the event of more than one person executing the form of instruction, the provisions of this paragraph shall apply to them, jointly and severally.

Certificated shareholders who do not wish to sell all or some of the rights to the new Ellies shares allocated to them as reflected in the form of instruction, and who do not wish to subscribe for new Ellies shares offered in terms of the form of instruction, but who wish to renounce their rights, must complete the relevant section of the form of instruction and return it to the transfer secretaries in accordance with the instructions contained therein to be received by no later than 12:00 on Friday, 17 July 2015.

Certificated shareholders who wish to subscribe for only a portion of the new Ellies shares allocated to them must indicate the number of new Ellies shares for which they wish to subscribe on the form of instruction.

If by 12:00 on Friday, 17 July 2015, certificated shareholders do nothing in response to this rights offer, their rights will lapse.

12.1.3 *Payment*

The amount due on acceptance of the rights offer is payable in Rand.

12.1.4 *Payment terms*

A cheque drawn on a South African bank or banker's draft drawn on a registered bank (each of which should be crossed and marked "not transferable" and, in the case of a cheque, with the words "or bearer" deleted) in favour of "**Ellies – Rights offer**" in respect of the amount due, or proof of EFT payment together with a duly completed form of instruction, must be lodged by certificated shareholders and/or their renounees by no later than 12:00 on Friday, 17 July 2015 in accordance with the instructions contained in the form of instruction and clearly marked "**Ellies – Rights offer**":

by hand to:

Link Market Services South Africa Proprietary Limited, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001,

or sent by post, at the risk of the shareholder concerned to:

Link Market Services South Africa Proprietary Limited, PO Box 4844, Johannesburg, 2000.

The transfer secretaries should be contacted on +27 (11) 713 0800 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details for the purposes of making EFT payments.

The above is in respect of the subscription for rights offer shares only.

All cheques or bankers' drafts received (in the case of foreign shareholders) by the transfer secretaries will be deposited immediately for payment. In the event that any cheque or banker's draft (in the case of foreign shareholders) is dishonoured, Ellies, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant new Ellies shares to which it relates against payment in cash of the subscription price for such new Ellies shares. Money received in respect of an application which is rejected or otherwise treated as void by Ellies, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded (without interest) by way of an EFT in Rand to the applicant concerned, on or about Wednesday, 22 July 2015. If Ellies is not able to effect the refund by EFT for any reason whatsoever, then the relevant refund will be held by Ellies until collected by the applicant. No interest in respect of such refund will be paid by Ellies.

12.1.5 *Ellies share certificates*

Certificates in respect of new Ellies shares will be posted by registered post by the transfer secretaries, at the risk of the certificated shareholders concerned, on or about Monday, 20 July 2015. As Ellies uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE, only "block" certificates will be issued in respect of new Ellies shares.

Certificated shareholders receiving new Ellies shares in certificated format must note that such shares cannot trade on the JSE until they have been dematerialised. This could take between one and 10 days.

12.1.6 *Transaction costs*

Certificated shareholders wishing to sell all or some of their rights will be liable to pay a cost of R131.10 (all inclusive) for trades of less than R40 000 and R131.10 (all inclusive) plus 0.25% of the value of trades for amounts equal to or greater than R40 000.

12.2 Dematerialised shares

12.2.1 *Acceptance, renunciation or sale of rights*

The CSDP or broker appointed by dematerialised shareholders is obliged to contact such shareholders to ascertain:

- whether such dematerialised shareholders wish to follow their rights in terms of the rights offer or renounce their rights and in respect of how many new Ellies shares; or
- if such dematerialised shareholders do not wish to follow all or any of their rights, whether they wish to sell their rights and how many of their rights they wish to sell.

If you are not contacted by your CSDP or broker, you should contact your CSDP or broker and furnish them with your instruction. Should a CSDP or broker not obtain instructions from a dematerialised shareholder, they are obliged to act in terms of the mandate granted to them by such dematerialised shareholder, or if the mandate is silent in this regard, they are obliged not to accept the rights on behalf of such shareholder.

12.2.2 *Payment*

Your CSDP or broker will effect payment directly on your behalf, in Rand, on Monday, 20 July 2015 on a delivery-versus-payment basis.

12.2.3 *New Ellies shares*

Dematerialised shareholders will have their accounts credited with the new Ellies shares subscribed for in terms of the rights offer, on Monday, 20 July 2015.

13. EXCHANGE CONTROL REGULATIONS

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. Ellies shareholders who are in any doubt as to the appropriate course of action to take should consult their professional advisors.

The new Ellies shares to be issued pursuant to the rights offer are not freely transferable from South Africa and must be dealt with in terms of the South African Exchange Control Regulations.

Ellies shareholders who are not resident in the common monetary area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their rights in terms of the rights offer.

13.1 **Non-residents of the common monetary area**

In terms of the Exchange Control Regulations, non-residents, excluding former residents of the common monetary area, will be allowed to:

- take up rights in respect of new Ellies shares allocated to them in terms of the rights offer;
- purchase letters of allocation on the JSE; and
- subscribe for the new Ellies shares in terms of the rights offer, provided payment is in Rand from a non-resident account.

Share certificates issued pursuant to the application must be endorsed “non-resident”.

All applications by non-residents for the above purposes must be made through a South African authorised dealer.

Where letters of allocation are sold on the JSE on behalf of non-residents, the proceeds of such sale are freely remittable through a South African authorised dealer in foreign exchange.

13.2 **Former residents of the common monetary area (“emigrants”)**

Where a right in terms of the rights offer falls due to an emigrant, which right is based on shares blocked in terms of the Exchange Control Regulations, then only blocked funds may be used to:

- take up rights in respect of new Ellies shares allocated to such emigrant in terms of the rights offer;
- purchase letters of allocation on the JSE; and
- subscribe for new Ellies shares in terms of the rights offer.

Applications by emigrants using blocked Rands for the above purposes must be made through the South African authorised dealer controlling their blocked assets. Ellies share certificates issued pursuant to blocked Rand transactions must be endorsed “non-resident” and placed under the control of the authorised dealer through whom the payment was made.

Where letters of allocation are sold on the JSE on behalf of emigrants, which rights are based on shares which are blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to the blocked Rand accounts of the Ellies shares concerned.

Non-resident and emigrant dematerialised shares will have all aspects relating to exchange control managed by their CSDP or broker.

14. FOREIGN SHAREHOLDERS

14.1 Introduction

Foreign shareholders may be affected by the rights offer, having regard to prevailing laws in their relevant jurisdictions. Such foreign shareholders should inform themselves about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this circular that may affect them, including the rights offer. It is the responsibility of each foreign shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant foreign jurisdiction in connection with the rights offer, including the obtaining of any governmental, exchange or other consents or the making of any filing which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The rights offer is governed by the laws of South Africa and is subject to applicable laws and regulations, including the Exchange Control Regulations.

14.2 Affected foreign shareholders

Any Ellies shareholder who is in doubt as to his position with respect to the rights offer in any jurisdiction, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay. Foreign shareholders are reminded that they may dispose of their Ellies shares on or prior to the last day to trade, in which case they will not participate in the rights offer.

Foreign shareholders accordingly must take their own advice on whether they are entitled, after the rights offer, to continue beneficially to hold any Ellies shares distributed to them and take the appropriate action in accordance with that advice.

14.3 Note to U.S. shareholders

The rights offer shares will not be registered with the U.S. Securities and Exchange Commission (“**SEC**”) under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Neither the SEC nor any U.S. federal or state securities commission has registered, approved or disapproved the rights offer shares or passed comment or opinion upon the accuracy or adequacy of this circular. Any representation to the contrary is a criminal offence in the U.S.

Ellies shareholders who are citizens or residents of the U.S. are advised that the rights offer shares have not been and will not be registered under the U.S. Securities Exchange Act of 1934, as amended.

14.4 Sale of letters of allocation

It is the responsibility of any person outside the common monetary area (including, without limitation, nominees, agents and trustees for such persons) receiving this circular and wishing to take up rights offer shares under the rights offer, to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

If a premium can be obtained over the expenses of the sale, the rights of Ellies shareholders in the jurisdictions in which it is illegal to make an offer will be sold by the transfer secretaries on the JSE for the benefit of such Ellies shareholders, in accordance with this section. Any premium over the expenses of the sale of the rights of Ellies shareholders in these jurisdictions (including applicable taxes, brokerage fees and commissions) shall be remitted to such Ellies shareholders.

None of Ellies, the transfer secretaries or any broker appointed by them or Ellies, will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising out of, the timing of such sales or the remittance of the net proceeds of such sales.

15. TAX CONSEQUENCES OF THE RIGHTS OFFER

The purchase, holding and disposal of the letters of allocation or rights offer shares should, for taxation purposes, be treated according to the usual rules relating to the categorisation of an asset and its return as capital or revenue. The tax treatment of the purchase, holding and disposal of the letters of allocation or rights offer shares in the hands of Ellies shareholders is dependent on their individual circumstances and tax jurisdiction applicable to those Ellies shareholders. Ellies shareholders are accordingly advised to consult their professional advisors regarding the tax consequences of the rights offer.

16. JURISDICTION

The distribution of this circular and/or accompanying documents and/or the transfer of the new Ellies shares and/or the rights to subscribe for new Ellies shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction in which it is illegal to make such a rights offer. In such circumstances, this circular and the form of instruction are sent for information purposes only.

17. INFORMATION RELATING TO DIRECTORS

- 17.1 Since the publication of the company's annual report for the year ended 30 April 2014, Stephen Goldberg and Martin Kuscus have been appointed to the board. Save as aforesaid there have been no changes to the directors and management of Ellies since the publication of the company's annual report for the year ended 30 April 2014. Information pertaining to Stephen Goldberg and Martin Kuscus is set out below.

Name and age	Stephen Goldberg (41)
Business address	3rd Floor, MTN Building, 26 Girton Road, Parktown
Qualification	B.Com, B.Acc, CA(SA), CFA
Position	Independent non-executive director
Experience	Stephen, who qualified as a chartered accountant in 1999, completed his articles at Grant Thornton Kessel Feinstein, whereafter he joined the investment banking business of Peregrine Holdings Limited, where he was involved in the execution of private equity transactions as well as providing corporate finance advisory services to a number of Peregrine's clients. In September 2002, Stephen joined Buffet Investments (Pty) Ltd (" Buffet ") and was involved in identifying, implementing and managing a number of private equity transactions in a variety of industries. Stephen sat on the boards of the various investee companies, including Sally Williams Fine Foods, Eazi Access Rentals, Kevro, The Creative Counsel and Aquazania, to look after the interests of Buffet as well as guide the various executives involved in the underlying operations. After leaving Buffet in December 2008, he co-founded Exit Holdings SA, an investment holding company with interests in FMCG distribution, consumer electronics and financial services.

Name and age	Martin Kuscus (59)
Business address	68C Waterfront Street, Hartbeespoort, 0216
Qualification	BA Cur, EDP (Harvard)
Position	Non-executive director
Experience	Martin is an independent businessman and a non-executive Director of Netcare Limited. He is a previous President and CEO of the South African Bureau of Standards. Prior to commencing his career in the private sector, Martin was MEC for Finance in the North West Provincial Government from 1994 to 2004. In 2006 he was elected to the Council for the International Standards Association (ISO), and appointed a member of the PRI Board of the United Nations Global Compact Initiative on Responsible Investment. Martin was also chairman of the board of trustees for the Government Employees Pension Fund of South Africa until 2009, and was the president of the Afrikaanse Handels Instituut (AHI) until 2011. Martin is the current chairman of the Mineworkers Provident Fund.

- 17.2 There will be no changes to the directors and management of Ellies or their roles and functions as a consequence of the rights offer.
- 17.3 There will be no variation in the remuneration payable to directors as a consequence of the rights offer.

17.4 Directors' interests in Ellies shares

The direct and indirect beneficial interests of the directors' (and their associates), including directors who have resigned during the last 18 months, in the issued share capital of Ellies as at the last practical date are as follows:

Name	Direct beneficial	Indirect beneficial	Total	% of shares
ER Salkow	92 651 314	11 925 000	104 576 314	23.08
WMG Samson	4 827 967	–	4 827 967	1.07
MF Levitt*	637 170	–	637 170	0.14
IM Lipworth	1 832 792	–	1 832 792	0.40
RH Berkman	6 112 362	10 007 868	16 120 230	3.55
RE Otto	16 622 402	11 896 763	28 519 165	6.29
AC Brooking#	–	416 548	416 548	0.09
MR Goodford	250 000	–	250 000	0.06
Total	122 934 007	34 246 179	157 180 186	34.68

* MF Levitt retired as chief financial officer and resigned from the board of Ellies on 1 August 2014.

AC Brooking resigned as a non-executive director of Ellies with effect from 31 August 2014.

The changes in directors' holdings between the end of the preceding financial year ended 30 April 2014 and the last practical date are set out in **Annexure 4** to this circular.

17.5 Each of the directors who hold Ellies shares will follow their rights, both directly and indirectly, in terms of the rights offer as follows:

17.5.1 as detailed in paragraph 7.1 above, Salkow will follow his rights in respect of 67 958 598 Ellies shares;

17.5.2 as detailed in paragraph 7.1 above, Otto will follow his rights in respect of 23 353 368 Ellies shares; and

17.5.3 MR Goodford will follow his rights in respect of all of his Ellies shares.

17.6 As the company will be in a financial closed period at the initial record date, the directors of Ellies who hold Ellies shares directly will not be entitled to trade in nil-paid letters of allocation nor will they be entitled to apply for excess allocations.

18. SHARE CAPITAL OF THE COMPANY

Provided below is information relating to the authorised and issued share capital of the company and stated capital.

18.1 Ellies' share capital as at the last practical date

The authorised and issued share capital of Ellies before the rights offer, as at the last practical date, is as follows:

Before the rights offer:	R'000
Share capital	
<i>Authorised share capital</i>	
800 000 000 ordinary shares of no par value	–
<i>Issued share capital</i>	
453 057 398 ordinary of no par value	–
Stated capital	658 333

No shares are held in treasury.

18.2 Ellies' share capital after the rights offer

Assuming that all of the rights offer shares will be subscribed for, the authorised and issued share capital of Ellies after the rights offer will be as follows:

After the rights offer:	R'000
Share capital	
<i>Authorised share capital</i>	
800 000 000 ordinary shares of no par value	–
<i>Issued share capital</i>	
634 875 580 ordinary of no par value	–
Stated capital	853 103

No shares will be held in treasury.

19. PRICE AND VOLUME HISTORY OF ELLIES SHARES ON THE JSE

The share price and volume history of Ellies shares in the 12 months preceding the last practical date and in the 30 days preceding the last practical date are set out in Annexure 1.

20. EXPENSES OF THE RIGHTS OFFER

20.1 The following expenses and provisions are expected or have been provided for by the group in connection with the rights offer and will be settled out of the proceeds of the rights offer. All costs below are stated exclusive of VAT:

	R'000
JSE fees:	
– document inspection fee	24
– listing fee	110
Java Capital – corporate advisory fees	750
Standard Bank – corporate advisory fees	750
Mazi – underwriting fees	3 150
Cliffe Dekker Hofmeyr – legal fees	260
Ince:	
– printing fees	100
– announcements	50
Transfer secretaries	36
Total	5 230

21. CONSENTS

Each of Java Capital, Standard Bank, Cliffe Dekker Hofmeyr Inc, Mazi and the transfer secretaries 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.

22. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on page 7, 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 which 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.

23. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered office of Ellies from the date this circular is issued to certificated shareholders, up to and including the date the rights offer closes:

- 23.1 the irrevocable undertakings referred to in paragraph 7.1;
- 23.2 the underwriting agreement;
- 23.3 the memorandum of incorporation of Ellies and its subsidiaries;
- 23.4 the group audited financial statements for the three financial periods ended 30 April 2014, 30 April 2013 and 30 April 2012;
- 23.5 the condensed unaudited interim results of the company for the six months ended 31 October 2014;
- 23.6 this circular, signed by or on behalf of the directors and the form of instruction;
- 23.7 the letters of consent referred to in paragraph 21 of this circular; and
- 23.8 copies of service agreements with executive directors of Ellies.

For and on behalf of Ellies Holdings Limited

WMG Samson

Chief Executive Officer
Ellies Holdings Limited

94 Eloff Street Extension
Village Deep
Johannesburg, 2001
29 June 2015

PRICE AND VOLUME HISTORY OF ELLIES SHARES ON THE JSE

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Monthly					
2014					
April	440	400	415	7 386 240	31 038 508
May	430	400	410	8 407 928	35 021 299
June	420	354	370	10 069 398	39 063 209
July	384	246	255	23 144 620	68 711 706
August	259	176	214	22 944 282	48 565 999
September	230	175	177	8 215 235	16 256 274
October	188	90	128	32 062 687	36 140 132
November	143	105	113	19 575 859	41 702 856
December	167	105	130	18 084 253	24 800 347
2015					
January	148	110	140	14 463 892	18 477 655
February	148	110	140	14 463 892	18 477 655
March	148	116	123	30 292 353	39 243 664
April	125	106	120	11 031 339	13 211 339
May	119	91	93	15 076 262	14 526 121
Daily					
2015					
1 April	120	112	116	449 285	520 643
2 April	125	115	125	4 480 669	5 471 629
7 April	125	117	124	631 038	766 447
8 April	124	120	122	756 557	912 686
9 April	122	118	122	365 628	439 941
10 April	123	118	123	243 019	294 662
13 April	123	118	119	247 678	298 878
14 April	122	112	120	302 933	360 335
15 April	119	115	119	440 841	518 517
16 April	119	112	117	717 055	834 088
17 April	119	113	119	426 329	496 994
20 April	120	115	119	362 725	422 823
21 April	120	106	117	382 651	435 544
22 April	118	115	118	188 990	220 677
23 April	118	115	118	281 714	326 665
24 April	119	116	119	349 205	412 194
28 April	120	118	120	188 934	224 668
29 April	120	115	119	150 252	176 760
30 April	120	116	120	65 836	77 188
4 May	119	116	119	126 291	148 978
5 May	102	93	99	4 914 588	4 781 714
6 May	100	96	98	677 025	665 871
7 May	96	92	94	1 083 279	1 025 395
8 May	96	92	96	433 661	408 831
11 May	100	93	100	344 883	333 466
12 May	105	93	96	410 354	401 465
13 May	98	93	93	366 461	352 315

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
14 May	96	93	96	243 000	227 388
15 May	97	91	97	1 230 167	1 144 701
18 May	100	91	97	537 777	519 321
19 May	96	91	96	366 308	340 924
20 May	96	92	96	158 300	148 865
21 May	98	91	98	2 627 834	2 547 723
22 May	98	93	98	423 804	413 393
25 May	97	94	96	203 951	194 029
26 May	98	95	97	82 996	80 360
27 May	97	91	95	345 865	324 688
28 May	95	92	94	396 831	369 507
29 May	95	93	93	102 887	97 187
1 June	94	90	91	3 172 685	2 877 290
2 June	90	86	87	3 247 973	2 843 206
3 June	90	86	86	415 022	362 375
4 June	90	86	86	1 965 204	1 718 286
5 June	90	86	90	140 420	124 147
8 June	88	86	86	67 416	58 710
9 June	87	86	86	124 602	107 637

TABLE OF ENTITLEMENT

No fractions of rights offer shares will be issued to shareholders and the rights offer shares will be issued based on the rounding principle (set out below). The table of entitlement of shareholders to receive rights offer shares is set out below.

In accordance with the rounding principle, any entitlement to receive a fraction of a rights offer share which:

- is less than one-half of a rights offer share, will be rounded down to the nearest whole number; and
- is equal to or greater than one-half of a rights offer share but less than a whole rights offer share, will be rounded up to the nearest whole number.

Number of existing shares held	Rounded number of rights offer shares to which a shareholder is entitled	Number of existing shares held	Rounded number of rights offer shares to which a shareholder is entitled
1	0	53	21
2	1	54	22
3	1	55	22
4	2	56	22
5	2	57	23
6	2	58	23
7	3	59	24
8	3	60	24
9	4	61	24
10	4	62	25
11	4	63	25
12	5	64	26
13	5	65	26
14	6	66	26
15	6	67	27
16	6	68	27
17	7	69	28
18	7	70	28
19	8	71	28
20	8	72	29
21	8	73	29
22	9	74	30
23	9	75	30
24	10	76	30
25	10	77	31
26	10	78	31
27	11	79	32
28	11	80	32
29	12	81	33
30	12	82	33
31	12	83	33
32	13	84	34
33	13	85	34
34	14	86	35
35	14	87	35
36	14	88	35

Number of existing shares held	Rounded number of rights offer shares to which a shareholder is entitled	Number of existing shares held	Rounded number of rights offer shares to which a shareholder is entitled
37	15	89	36
38	15	90	36
39	16	91	37
40	16	92	37
41	16	93	37
42	17	94	38
43	17	95	38
44	18	96	39
45	18	97	39
46	18	98	39
47	19	99	40
48	19	100	40
49	20	1 000	401
50	20	10 000	4 013
51	20	100 000	40 131
52	21	1 000 000	401 314

CORPORATE INFORMATION IN RESPECT OF MAZI

Details in respect of Mazi are set out below:

1. **CORPORATE INFORMATION**

Mazi Capital Proprietary Limited (Registration number 2006/006855/07) was incorporated at Pretoria on 7 March 2006. The registered office of Mazi is 11th Floor, Sandton Eye, 126 West Street, Sandton, 2146 (PO Box 78583, Sandton 2146).

2. **DIRECTORS**

Malungelo Zilimbola

Asanda Notshe

Mazi is a private company and as such does not have a company secretary.

3. **BANKERS**

Investec Bank Limited

4. **AUTHORISED AND ISSUED SHARE CAPITAL**

The authorised and issued share capital of the underwriter as at the last practical date is as follows:

<i>Authorised share capital</i>	R
1 000 ordinary shares of R1.00 each	1 000
<i>Issued share capital</i>	
100 ordinary shares of R1.00 cents each	100

DIRECTORS' DEALINGS IN ELLIES SHARES

The following dealings in Ellies shares by directors (including directors who resigned in the last 18 months) took place between the end of the preceding financial year ended 30 April 2014 and the last practical date:

- the disposal by Salkow of 250 000 Ellies shares at R3.56 per Ellies share, for an aggregate consideration of R890 000 on 12 May 2014 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 26 January 2012;
- the disposal by Salkow of 250 000 Ellies shares at R3.56 per Ellies share, for an aggregate consideration of R890 000 on 26 May 2014 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 26 January 2012;
- the disposal by Salkow of 250 000 Ellies shares at R3.56 per Ellies share, for an aggregate consideration of R890 000 on 9 June 2014 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 26 January 2012;
- the disposal by MF Levitt of 191 219 Ellies shares at a weighted average traded price of R2.36 per Ellies share, for an aggregate consideration of R450 340.30 on 5 August 2014;
- the disposal by MF Levitt of 100 000 Ellies shares at R2.37 per Ellies share, for an aggregate consideration of R237 000 on 6 August 2014;
- the disposal by MF Levitt of 100 000 Ellies shares at R2.37 per Ellies share, for an aggregate consideration of R217 000 on 7 August 2014;
- the disposal by MF Levitt of 100 000 Ellies shares at R2.01 per Ellies share, for an aggregate consideration of R201 000 on 8 August 2014;
- the disposal by MF Levitt of 206 500 Ellies shares at a weighted average traded price of R2.13 per Ellies share for an aggregate consideration of R438 975 on 11 August 2014;
- the disposal by MF Levitt of 71 574 Ellies shares at R2.50 per Ellies share, for an aggregate consideration of R178 935 on 12 August 2014;
- the disposal by Berrywood Investments 10 Proprietary Limited (“**Berrywood**”), an associate of Salkow, of 384 375 Ellies shares at R5.63 per Ellies share, for an aggregate consideration of R2 164 031.25 on 16 October 2014 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 075 000 Ellies shares, acquired on 10 August 2012;
- the disposal by Berrywood of 384 375 Ellies shares at R5.63 per Ellies share, for an aggregate consideration of R2 164 031.25 on 30 October 2014 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 075 000 Ellies shares, acquired on 10 August 2012;
- the disposal by Berrywood of 384 375 Ellies shares at R5.63 per Ellies share, for an aggregate consideration of R2 164 031.25 on 13 November 2014 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 075 000 Ellies shares, acquired on 10 August 2012;
- the disposal by Berrywood of 384 375 Ellies shares at R5.63 per Ellies share, for an aggregate consideration of R2 164 031.25 on 27 November 2014 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 075 000 Ellies shares, acquired on 10 August 2012;
- the disposal by Berrywood of 384 375 Ellies shares at R5.63 per Ellies share, for an aggregate consideration of R2 164 031.25 on 11 December 2014 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 075 000 Ellies shares, acquired on 10 August 2012;
- the disposal by MF Levitt of 5 000 nil paid letters of allocation issued pursuant to the rights offer undertaken by the company (letters of allocation confer the right to subscribe for and pay for a *pro rata* portion of the allotment of the Ellies shares issued pursuant to the rights offer undertaken by the company) (the “**letters of allocation**”) at 15 cents per letter of allocation, for an aggregate consideration of R750 on 30 December 2014;
- the disposal by MF Levitt of 72 600 letters of allocation at 12 cents per letter of allocation, for an aggregate consideration of R8 712 on 30 December 2014;
- the disposal by MF Levitt of 100 000 letters of allocation at 17 cents per letter of allocation, for an aggregate consideration of R17 000 on 2 January 2015;

- the disposal by MF Levitt of 80 450 letters of allocation at 18 cents per letter of allocation, for an aggregate consideration of R14 481 on 2 January 2015;
- the disposal by MF Levitt of 80 207 letters of allocation at 20 cents per letter of allocation, for an aggregate consideration of R16 041.40 on 2 January 2015;
- the disposal by MF Levitt of 16 793 letters of allocation at 16 cents per letter of allocation, for an aggregate consideration of R2 686.88 on 5 January 2015;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 5 January 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the disposal by Berrywood of 384 375 Ellies shares at R5.63 per Ellies share, for an aggregate consideration of R2 164 031.25 on 8 January 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 075 000 Ellies shares, acquired on 10 August 2012;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 19 January 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the acquisition by Salkow of 22 901 020 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R25 181 122 on 19 January 2015 pursuant to the rights offer undertaken by the company, which closed on 16 January 2015;
- the acquisition by Camilla Salkow, the wife of Salkow, of 215 651 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R237 216.10 on 19 January 2015 pursuant to the rights offer undertaken by the company, which closed on 16 January 2015;
- the acquisition by Otto of 11 181 309 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R12 299 439 on 19 January 2015, pursuant to the rights offer undertaken by the company, which closed on 16 January 2015;
- the acquisition by WMG Samson of 883 200 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R971 520 on 19 January 2015, pursuant to the rights offer undertaken by the company, which closed on 16 January 2015;
- the acquisition by IM Lipworth of 169 875 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R186 862.50 on 19 January 2015, pursuant to the rights offer undertaken by the company, which closed on 16 January 2015;
- the acquisition by RH Berkman of 1 410 522 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R1 551 574.20 on 19 January 2015, pursuant to the rights offer undertaken by the company, which closed on 16 January 2015;
- the acquisition by the RH Berkman Trust (Raymond Berkman is a trustee of the Raymond Berkman Trust) of 2 009 508 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R2 210 458.80 on 19 January 2015, pursuant to the rights offer undertaken by the company, which closed on 16 January 2015;
- the acquisition by Savillas Properties Proprietary Limited (RH Berkman is a director of Savillas Properties Proprietary Limited which is owned by the RH Berkman Trust (of which RH Berkman is a trustee) of 300 000 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R330 000 on 19 January 2015, pursuant to the rights offer undertaken by the company, which closed on 16 January 2015;
- the disposal by Berrywood of 384 375 Ellies shares at R5.63 per Ellies share, for an aggregate consideration of R2 164 031.25 on 22 January 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 075 000 Ellies shares, acquired on 10 August 2012;
- the off-market disposal by Salkow of 3 333 334 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R3 666 667.40 on 30 January 2015;
- the off-market acquisition by IM Lipworth of 1 666 667 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R1 833 333.70 on 30 January 2015;
- the off-market acquisition by WMG Samson of 1 666 667 Ellies shares at R1.10 per Ellies share, for an aggregate consideration of R1 833 333.70 on 30 January 2015;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 2 February 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the disposal by Otto of 625 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R4 312 500 on 5 February 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 12 October 2012;
- the disposal by WMG Samson of 666 000 Ellies shares at a weighted average traded price of R1.30527 per Ellies share, for an aggregate consideration of R869 309.05 on 12 February 2015;

- the disposal by IM Lipworth of 570 000 Ellies shares at a weighted average traded price of R1.30524 per Ellies share, for an aggregate consideration of R743 989.30 on 12 February 2015;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 16 February 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the disposal by MF Levitt of 100 000 Ellies shares at R1.40 per Ellies share, for an aggregate consideration of R140 000 on 17 February 2015;
- the disposal by Otto of 625 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R4 312 500 on 19 February 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 12 October 2012;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 2 March 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the disposal by Otto of 625 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R4 312 500 on 5 March 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 12 October 2012;
- the disposal by MF Levitt of 71 617 Ellies shares at R1.15 per Ellies share, for an aggregate consideration of R82 359.5 on 13 March 2015;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 16 March 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the disposal by Otto of 625 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R4 312 500 on 19 March 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 12 October 2012;
- the disposal by Otto of 900 000 Ellies shares at R8.95 per Ellies share, for an aggregate consideration of R8 055 000 on 26 March 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 4 500 000 Ellies shares, acquired on 28 March 2013;
- the disposal by Ryan Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 30 March 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the disposal by Otto of 625 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R4 312 500 on 2 April 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 12 October 2012;
- the disposal by MF Levitt of 100 000 Ellies shares at R1.20 per Ellies share, for an aggregate consideration of R120 000 on 2 April 2015;
- the disposal by MF Levitt of 100 000 Ellies shares at R1.25 per Ellies share, for an aggregate consideration of R150 000 on 2 April 2015;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 13 April 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the disposal by Otto of 625 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R4 312 500 on 16 April 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 12 October 2012;
- the disposal by MF Levitt of 21 883 Ellies shares at R1.18 per Ellies share, for an aggregate consideration of R25 821.94 on 16 April 2015;
- the disposal by Mike Levitt of 100 000 Ellies shares at R1.16 per Ellies share, for an aggregate consideration of R115 793.53 on 16 April 2015;
- the disposal by Otto of 900 000 Ellies shares at R8.95 per Ellies share, for an aggregate consideration of R8 055 000 on 27 April 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 4 500 000 Ellies shares, acquired on 28 March 2013;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 27 April 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;

- the disposal by Otto of 625 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R4 312 500 on 30 April 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 12 October 2012;
- the disposal by Otto of 625 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R4 312 500 on 1 May 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 12 October 2012;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 11 May 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the disposal by Otto of 625 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R4 312 500 on 14 May 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 5 000 000 Ellies shares, acquired on 12 October 2012;
- the disposal by MF Levitt of 62 930 Ellies shares at R1.20 per Ellies share, for an aggregate consideration of R75 516 on 18 May 2015;
- the disposal by Otto of 250 000 Ellies shares at R2.61 per Ellies share, for an aggregate consideration of R652 000 on 25 May 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 3 000 000 Ellies shares, acquired on 7 March 2012;
- the disposal by Ryan Otto of 900 000 Ellies shares at R8.95 per Ellies share, for an aggregate consideration of R8 055 000 on 27 May 2015 pursuant to an off-market sale of contracts for difference pursuant to a zero cost collar hedge over 4 500 000 Ellies shares, acquired on 28 March 2013.