

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations commencing on page 6 of this Circular apply *mutatis mutandis* throughout this Circular. Shareholders are referred to page 3 of this Circular which sets out the detailed action required of Certificated and Dematerialised Shareholders.

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

If you have disposed of all of your Shares in Taste, then this Circular, together with the accompanying Form of Instruction, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom you disposed of your Shares.



**TASTE HOLDINGS LIMITED**

Incorporated in the Republic of South Africa  
(Registration number 2000/002239/06)  
Share code: TAS ISIN: ZAE000081162  
("Taste" or "the Company")

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**CIRCULAR TO SHAREHOLDERS OF TASTE**

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regarding

- a renounceable rights offer of 75 464 476 new Shares at a subscription price of 300 cents per Rights Offer Share, in the ratio of 25 Rights Offer Shares for every 100 Shares held at the close of business on Friday, 30 October 2015;

enclosing

- a Form of Instruction for use by Certificated Shareholders only.

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**Rights Offer opens at 09:00 on**  
**Rights Offer closes at 12:00 on**

**Monday, 2 November 2015**  
**Friday, 13 November 2015**

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All the advisers whose names and reports are included in this Circular have given and have not, prior to publication of this Circular withdrawn their written consents for the inclusion of their names and reports in the form and context in which they appear.

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**Bookrunner, Corporate Adviser and Sponsor**

**Merchantec**  
capital

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Date of issue: 27 October 2015

Copies of this circular, in its printed format, may be obtained from the registered office of the Company and the Sponsor at the addresses set out in the "Corporate information" section of this Circular during normal business hours from Tuesday, 27 October 2015 up to and including Friday, 13 November 2015 or on the Company's website at [www.tasteholdings.co.za](http://www.tasteholdings.co.za). A copy of this Circular, together with the Form of Instruction and other requisite documents referred to in section 99(4)(b) of the Companies Act, were filed and approved by the JSE. This Circular is not an invitation to the public to subscribe for Shares, but is issued in compliance with the Listings Requirements for the purpose of providing information to the public with regard to the Company, is available in the English language only.

**DISCLAIMER**

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. 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 requisite payments due in such jurisdiction. The Rights Offer is further subject to any other 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 adviser in the relevant jurisdiction without delay.

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## CORPORATE INFORMATION

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### **Taste Holdings Limited**

**Date of incorporation:** 7 February 2000

**Place of incorporation:** South Africa

### **Company Secretary and registered address of Taste**

iThemba Corporate Governance and Statutory Solutions Proprietary Limited

(Registration number 2008/008745/07)

12 Gemini Street

Linbro Business Park

Sandton, Johannesburg, 2065

(PO Box 1125, Ferndale, Randburg, 2160)

### **Bookrunner, Corporate Adviser and Sponsor**

Merchantec Capital

(Registration number 2008/027362/07)

2nd Floor, North Block

Hyde Park Office Tower

Corner 6th Road and Jan Smuts Avenue

Hyde Park, Johannesburg, 2196

(PO Box 41480, Craighall, 2024)

### **Transfer Secretaries**

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Ground Floor

70 Marshall Street

Johannesburg, 2001

(PO Box 61051, Marshalltown, 2107)

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## FORWARD-LOOKING STATEMENT DISCLAIMER

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This Circular includes statements about Taste and/or the Taste Group that are, or may be deemed to be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as “believe”, “aim”, “expect”, “project”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “will”, “estimated”, “potential” or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Taste cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Taste operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by Taste, as communicated in publicly available documents by Taste, all of which estimates and assumptions, although Taste believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Taste or not currently considered material by Taste.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Taste not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Taste has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

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# ACTION REQUIRED BY SHAREHOLDERS IN RELATION TO THE RIGHTS OFFER

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## PLEASE TAKE CAREFUL NOTE OF THE FOLLOWING PROVISIONS REGARDING THE ACTION REQUIRED BY TASTE SHAREHOLDERS:

1. If you are in any doubt as to what action to take, you should consult your broker, CSDP, attorney, accountant, banker, or other professional adviser immediately.
2. If you have disposed of all of your Shares in Taste, then this Circular, together with the accompanying Form of Instruction, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom you disposed of your Shares.
3. Shares in companies listed on the JSE can no longer be traded on the JSE unless they have been Dematerialised onto the Strate system. It is therefore suggested that Certificated Shareholders Dematerialise their Documents of Title and replace them with electronic records of ownership. In this regard, Shareholders may contact either a CSDP or broker, details of which are available from Strate at [liaisondesk@strate.co.za](mailto:liaisondesk@strate.co.za) or telephone +27 (0)11 759 5300 or facsimile +27 (0)11 759 5503.
4. Certificated Shareholders wishing to Dematerialise their Shares are advised that the Dematerialisation process can take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.

## SHAREHOLDERS WHO HAVE DEMATERIALISED THEIR TASTE SHARES

### Dematerialised Shareholders:

1. will **NOT** receive a "printed" Form of Instruction, but will have their accounts updated with their Rights Offer Entitlement by their CSDP or broker;
2. should timeously instruct their CSDP or broker as to whether they wish to subscribe for all or part of their Rights Offer Entitlement, or sell all or part of their Rights Offer Entitlement or renounce all or part of their Rights Offer Entitlement, in the manner and time stipulated in the Custody Agreement;
3. who wish to apply for additional Rights Offer Shares ("**Excess Applications**"), must instruct their CSDP or broker as to the number of additional Rights Offer Shares for which they wish to apply, by the cut-off time required by the CSDP or broker, and ensure that sufficient funds are deposited with their CSDP or broker;
4. who do not issue instructions to their CSDP or broker, will result in the CSDP or broker acting in accordance with the Custody Agreement; and
5. should note that Taste assumes no responsibility and will not be held liable for any failure on the part of their CSDP or broker to notify them of the Rights Offer and to receive instruction in regard thereto.

## SHAREHOLDERS WHO HAVE NOT DEMATERIALISED THEIR TASTE SHARES

### Certificated Shareholders:

1. will have their Letter of Allocation created in electronic form with Computershare Investor Services to ensure that Certificated Shareholders have the same rights and opportunities in respect of the Rights Offer as Dematerialised Shareholders;
2. will receive a printed Form of Instruction in relation to the Letter of Allocation, providing for the sale of all, or part of, the rights embodied in the Form of Instruction, the subscription for Rights Offer Shares in terms thereof, or the renunciation of their rights and must act in accordance with the instructions thereon; and
3. who wish to **subscribe** for all of the Rights Offer Entitlement, must complete **Blocks (5) and (6)** of the Form of Instruction in accordance with the instructions contained therein, attach their cheques, banker's draft or EFT swift reference number for the appropriate amount and lodge same with the Transfer Secretaries as set out below:

#### **Hand deliveries to:**

Taste Holdings Limited  
c/o Computershare Investor Services  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001

#### **Postal deliveries to:**

Taste Holdings Limited  
c/o Computershare Investor Services  
PO Box 61763  
Marshalltown, 2107

#### **Faxed to:**

**(only in the case where payment is by way of EFT)**  
Taste Holdings Limited  
c/o Computershare Investor Services Proprietary Limited  
+27 (0)11 688 5210

#### **Emailed to:**

**(only in the case where payment is by way of EFT)**  
corporate.events@computershare.co.za

so as to reach the Transfer Secretaries by no later than **12:00** on Friday, 13 November 2015.

Computershare Investor Services will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in Computershare's electronic or facsimile systems. Notwithstanding anything to the contrary, it is the responsibility of a Shareholder to ensure that his Form of Instruction is received by Computershare Investor Services.

4. who wish to apply for additional Rights Offer Shares, must complete **Blocks (7) and (8)** of the Form of Instruction in accordance with the instructions contained therein, so as to reach the Transfer Secretaries by no later than **12:00** on Friday, 13 November 2015, together with sufficient funds to cover such application in accordance with their instruction. The right to apply for additional Rights Offer Shares is transferable on renunciation of the Letters of Allocation. Refund cheques in respect of unsuccessful Excess Applications will be posted by registered post to the relevant applicants, at their own risk, on or about Wednesday, 18 November 2015. No interest will be paid on monies received in respect of unsuccessful applications;
5. will receive certificated share certificates in respect of the Rights Offer Shares;
6. will only be able to trade their Rights Offer Shares on the JSE once they have been Dematerialised (this could take between 1 (one) and 10 (ten) days, depending on the volume being processed at the time);
7. who wish to **sell** all or part of the rights allocated to them in terms of the Rights Offer must complete **Form A** on the enclosed Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein so as to reach the Transfer Secretaries by no later than **12:00** on Friday, 6 November 2015. Computershare Investor Services will endeavour to procure the sale of the Rights Offer Entitlement on the JSE on behalf of such certificated rights recipients 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 Computershare Investor Services, 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; and
8. who wish to **renounce** their Rights Offer Entitlement in favour of any named Renounee must complete **Form B** on the enclosed Form of Instruction and the Renounee must complete **Form C** on the enclosed Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein so as to reach the Transfer Secretaries by no later than **12:00** on Friday, 13 November 2015, together with a cheque, banker's draft or EFT swift reference number indicating the EFT payment for the appropriate amount.

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## IMPORTANT DATES AND TIMES IN RELATION TO THE RIGHTS OFFER

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2015

Rights Offer Declaration Data announcement released on SENS	Tuesday, 13 October
Rights Offer Finalisation announcement released on SENS	Friday, 16 October
Last day to trade in Taste Shares in order to settle trades by the Record Date for the Rights Offer and to qualify to participate in the Right Offer ( <i>cum</i> entitlement) on	Friday, 23 October
Listing of and trading in the Letters of Allocation on the JSE under JSE code TASN and ISIN ZAE000210092 commences at 09:00 on	Monday, 26 October
Taste Shares commence trading ex-rights on the JSE at 09:00 on	Monday, 26 October
Circular and Form of Instruction posted to Certificated Shareholders	Tuesday, 27 October
Record date for the Rights Offer for purposes of determining the Taste Shareholders entitled to participate in the Rights Offer at the close of business on	Friday, 30 October
Rights Offer opens at 09:00 on	Monday, 2 November
Holders of Dematerialised Taste Shares will have their accounts at their CSDP or broker automatically credited with their Letters of Allocation on	Monday, 2 November
Holders of Certificated Taste Shares will have their Letters of Allocation credited to an electronic register at the Transfer Secretaries on	Monday, 2 November
Circular distributed to Dematerialised Shareholders, who have elected to receive such documents	Tuesday, 3 November
Last day to trade in Letters of Allocation in order to settle trades by the Record Date for the Letters of Allocation and participate in the Rights Offer at the close of business on	Friday, 6 November
Last day for Form of Instruction to be lodged with the Transfer Secretaries by holders of Certificated Taste Shares wishing to <b>sell</b> all or part of their Rights Offer Entitlement by 12:00 on	Friday, 6 November
Listing and trading of Rights Offer Shares commences on the JSE at 09:00 on	Monday, 9 November
Last day for Form of Instruction to be lodged with the Transfer Secretaries by holders of Certificated Taste Shares wishing to <b>subscribe</b> for or <b>renounce</b> all or part of their Rights Offer Entitlement by 12:00 on (see note 2)	Friday, 13 November
Record date for Letters of Allocation	Friday, 13 November
Rights Offer closes at 12:00 and payment to be made on	Friday, 13 November
CSDP/broker accounts credited with Rights Offer Shares and debited with the payments due in respect of holders of Dematerialised Taste Shares on	Monday, 16 November
Rights Offer Share certificates in terms of the Rights Offer posted to holders of Certificated Taste Shares via registered post on or about	Monday, 16 November
Results of Rights Offer announced on SENS on	Monday, 16 November
CSDP/broker accounts credited with excess Rights Offer Shares, where applicable, and debited with the payments due in respect of holders of Dematerialised Taste Shares on	Wednesday, 18 November
Rights Offer Share certificates in terms of the excess Rights Offer Shares, where applicable, posted to holders of Certificated Taste Shares via registered post on or about	Wednesday, 18 November
Refund cheques posted to holders of Certificated Taste Shares in respect of unsuccessful applications via registered post on or about	Wednesday, 18 November

### Notes:

1. Holders of Dematerialised Taste Shares are required to notify their CSDP or broker of the action they wish to take in respect of the Rights Offer in the manner and by the time stipulated in the agreement governing the relationship between the Dematerialised Shareholder and his CSDP or broker.
2. Taste share certificates may not be Dematerialised or rematerialised between Monday, 26 October 2015 and Friday, 30 October 2015, both days inclusive.
3. CSDPs effect payment in respect of holders of Dematerialised Rights Offer Shares on a delivery *versus* payment basis.
4. To the extent that the rights are accepted, Dematerialised Shareholders will have their accounts at their CSDP automatically credited with their rights and Certificated Shareholders will have their rights credited to an account at Computershare Investor Services.
5. Rights Offer share certificates to be issued in terms of the Rights Offer will be posted to persons entitled thereto, by registered post, at the risk of the Certificated Shareholders concerned.

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## DEFINITIONS AND INTERPRETATIONS

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In this circular and the annexures hereto, unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

<b>“Arthur Kaplan”</b>	AKJ Holdings Proprietary Limited, (Registration number 2002/026835/07), a private company duly incorporated in accordance with the laws of South Africa;
<b>“Board” or “Directors”</b>	the board of directors of Taste at the Last Practicable Date whose details are set out in paragraph 8 of this Circular;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or a public holiday in South Africa;
<b>“Certificated Share”</b>	a Taste Share that has not been Dematerialised, title to which is evidenced by a Document of Title;
<b>“Certificated Shareholder”</b>	a Taste Shareholder who holds Certificated Shares;
<b>“Circular”</b>	this bound document, dated 27 October 2015, including the annexures hereto and incorporating a Form of Instruction;
<b>“Common Monetary Area”</b>	South Africa, the Republic of Namibia and Kingdoms of Lesotho and Swaziland;
<b>“Companies Act”</b>	the Companies Act, 2008 (Act 71 of 2008), as amended;
<b>“Computershare Investor Services” or “Transfer Secretaries”</b>	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
<b>“CSDP”</b>	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, appointed by an individual shareholder for the purposes of, and in regard to dematerialisation;
<b>“Custody Agreement”</b>	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of dematerialised shares;
<b>“Dematerialisation”</b>	the process by which Certificated Shares are converted into electronic format as Dematerialised Shares and recorded in Taste’s Uncertificated Securities Register;
<b>“Dematerialised Share”</b>	a Taste Share that has been Dematerialised or has been issued in Dematerialised form, and recorded in Taste’s Uncertificated Securities Register;
<b>“Dematerialised Shareholder”</b>	a Taste Shareholder who holds Dematerialised Shares;
<b>“Designated Bank Account”</b>	the bank account, the details of which will be provided on request from the corporate actions department of Computershare Investor Services, contactable during ordinary business hours on +27(0)86 110 0634;
<b>“Documents of Title”</b>	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable document of title acceptable to Taste in respect of Taste Shares;
<b>“EFT”</b>	Electronic Funds Transfer;
<b>“Exchange Control Regulations”</b>	the Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
<b>“Financial Markets Act”</b>	Financial Markets Act, 2012 (Act 19 of 2012), as amended;
<b>“Form of Instruction”</b>	the enclosed form of instruction in respect of a Letter of Allocation reflecting entitlement of Certificated Shareholders, and on which Certificated Shareholders must indicate to the Transfer Secretaries, whether they wish to take up, renounce or sell all or part of the Rights Offer Entitlement;
<b>“Group” or “Taste Group”</b>	Taste and its Subsidiaries;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“JSE”</b>	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;
<b>“Last Practicable Date”</b>	Friday, 9 October 2015, being the last practicable date prior to the finalisation of this Circular;



<b>“Letters of Allocation”</b>	the renounceable (nil paid) letters of allocation issued by Taste in electronic form conferring the right to subscribe for Rights Offer Shares pursuant to the Rights Offer;
<b>“Listings Requirements”</b>	the Listings Requirements of the JSE, as amended from time to time by the JSE;
<b>“Merchantec Capital” or “Sponsor”</b>	Merchantec Proprietary Limited (Registration number 2008/027362/07), a private company duly registered and incorporated under the laws of South Africa;
<b>“Non-resident”</b>	a person whose registered address is outside the Common Monetary Area;
<b>“Offer Period”</b>	the period of the Rights Offer, which opens at 09:00 on Monday, 2 November 2015 and closes on Friday, 13 November 2015;
<b>“Rand” or “R”</b>	South African Rand, the official currency of South Africa;
<b>“Record Date for the Letters of Allocation”</b>	Friday, 13 November 2015, being the last day for Shareholders to be recorded in the Register in order for Shareholders and/or their Renounees to be entitled to subscribe for the Rights Offer Shares;
<b>“Record Date for the Rights Offer”</b>	close of business on Friday, 30 October 2015, being the last day for Shareholders to be recorded in the Register in order for Shareholders to be entitled to participate in the Rights Offer;
<b>“Register”</b>	Taste’s securities register, including the Uncertificated Securities Register;
<b>“Renounee”</b>	the person in whose favour a Shareholder, who has received a Letter of Allocation, has renounced their Rights Offer Entitlement;
<b>“Rights Offer”</b>	the renounceable rights offer of by Taste to its Shareholders in terms of which Shareholders obtain the entitlement to subscribe for the Rights Offer Shares at a subscription price of 300 cents per Rights Offer Share in the ratio of 25 Rights Offer Shares for every 100 Shares held on the Record Date for the Rights Offer;
<b>“Rights Offer Entitlement”</b>	a Shareholder’s entitlement to subscribe for new Shares in the ratio of 25.00 Rights Offer Shares for every 100 Shares held on the Record Date for the Rights Offer, which entitlement arises as a result of the Rights Offer;
<b>“Rights Offer Shares”</b>	the 75 464 476 new Shares, offered to Shareholders pursuant to the Rights Offer;
<b>“Rights Offer Participant”</b>	a Shareholder entitled to participate in the Rights Offer;
<b>“SENS”</b>	the Stock Exchange News Service;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Starbucks”</b>	Starbucks Coffee Company;
<b>“Strate”</b>	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa and which company is a registered Central Securities Depository in terms of the Financial Markets Act;
<b>“Subscription Price”</b>	300 cents per Rights Offer Share, payable on subscription for the Rights Offer Shares;
<b>“Subsidiary”</b>	a subsidiary as defined in the Companies Act;
<b>“Taste” or “the Company”</b>	Taste Holdings Limited (Registration number 2000/002239/06), a public company duly registered and incorporated under the laws of South Africa and listed on the JSE;
<b>“Taste Shareholders” or “Shareholders”</b>	holders of Taste Shares;
<b>“Taste Shares” or “Shares”</b>	ordinary shares of R0.00001 each in the authorised and issued share capital of Taste; and
<b>“Uncertificated Securities Register”</b>	the record of Dematerialised Shares administered and maintained by a CSDP and which forms part of the Register.



**TASTE HOLDINGS LIMITED**

Incorporated in the Republic of South Africa

(Registration number 2000/002239/06)

Share code: TAS ISIN: ZAE000081162

("Taste" or "the Company")

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**Directors**

***Executive***

C F Gonzaga (Chief Executive Officer)

E Tsatsarolakis (Financial Director)

D J Crosson (Executive Director)

J B Currie (Executive Director)

***Non-executive***

R L Daly (Chairperson)\*

A Berman\*

H R Rabinowitz

S Patel\*

G M Pattison\*

K Utian\*

W P van der Merwe\*

***\*Independent***

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## **CIRCULAR TO TASTE SHAREHOLDERS**

### **1. INTRODUCTION**

On 13 October 2015, it was announced on SENS that Taste intends to raise up to R226 393 428 by way of a renounceable rights offer, in terms of which Taste will offer a total of 75 464 476 Rights Offer Shares to Shareholders.

The purpose of this Circular and Form of Instruction is to furnish Taste Shareholders with the relevant information pertaining to the Rights Offer and the implications thereof in accordance with the Listings Requirements.

In terms of the Rights Offer, Taste Shareholders recorded in the Register at the close of trade on Friday, 30 October 2015 will be entitled to subscribe for the Rights Offer Shares in the ratio of 25 Rights Offer Shares for every 100 Shares held, at a subscription price of 300 cents per Rights Offer Share. Only whole numbers of Shares will be issued and Taste Shareholders will be entitled to a rounded number of Shares, as set out in paragraph 4 below, once the ratio has been applied.

### **2. PURPOSE OF THE RIGHTS OFFER**

The purpose of the Rights Offer is to provide Taste with additional capital of up to R226 393 428 so as to realise the opportunities of:

#### **2.1. Starbucks**

As set out in the announcement released on SENS on 14 July 2015, included in Annexure 3 of this Circular, wherein it was disclosed that a subsidiary of Taste had signed an exclusive development agreement to develop Starbucks outlets in South Africa, Taste now intends to open the first outlet during the first half of 2016, and a further 11 to 14 outlets during the 24 months thereafter. The Company will incur once-off and upfront costs relating to initial training and travel, employment costs of a dedicated Starbucks team well in advance of the first store opening: pre-opening marketing & market research; and establishing IT and other infrastructure. It is currently estimated these costs may amount to R29 million, R25 million of which may be incurred in this financial year.

The capital expenditure and pre-opening expenses for the first 12 to 15 stores is estimated at R108 million. The market opportunity is estimated at 150 to 200 outlets, at a current estimated capital expenditure per store of R3 million to R10 million. This initial measured roll-out should result in the business unit achieving EBITDA breakeven during the second year after the first store opening. It is anticipated that a future store growth of 20 stores per annum could be funded through internally generated funds and debt. The target ten year internal rate of return at store level is 30%.

Since 1971, Starbucks has been committed to ethically sourcing and roasting high-quality Arabica coffee. Today, with more than 22 000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world. The license agreement gives Taste the exclusive rights to develop Starbucks outlets in South Africa. As Taste is the licensee, it will own and operate the stores directly. Including renewal options, the agreement is for 25 years and includes certain rights for other African countries, subject to certain conditions

## **2.2. Arthur Kaplan**

As set out in the announcement released on SENS on 21 October 2014, included in Annexure 4 of this Circular, Taste acquired the business of Arthur Kaplan, thereby becoming the leading retailer (by number of outlets) of luxury Swiss watch brands in South Africa. Arthur Kaplan has exceeded the Company's expectations in both sales and profit performance since acquisition and is poised for growth as overheads are largely fixed for the next five stores. Additionally, the opportunities identified during the due diligence and expressed as part of the acquisition rationale are materialising and there are opportunities to expand the Arthur Kaplan footprint through:

- opening new premium watch and jewellery outlets (which costs of shopfitting and inventory investment range from R7 million to R15 million per outlet, depending on the range of brands in the outlet), the first of which is scheduled for April 2016;
- refurbishing three existing outlets (at a cost of R1.5 million to R3 million per refurbishment) and placing new premium watch brands into existing outlets (at an inventory investment of R2 million to R7 million per brand with an estimated return on investment in excess of 50%); and
- acquisition and conversion of attractively valued independent jewellers that operate in the same consumer segment to the Arthur Kaplan brand. Purchase price estimates are between R15 million and R30 million per outlet.

## **3. NATURE OF THE BUSINESS AND PROSPECTS OF TASTE**

Taste is a South African based management group that owns and licenses a portfolio of franchised and owned, category specialist and formula driven quick service restaurants, coffee and luxury retail brands represented in over 550 outlets in Southern Africa.

Its food division licences the world's leading coffee retailer and roaster, Starbucks; the world's largest pizza delivery chain, Domino's and owns South Africa's leading fish take away brand (by outlets), The Fish & Chip Co; in addition to Zebro's Chicken, and Maxi's. (Scooters Pizza and St Elmo's Woodfired Pizza will be converted to Domino's outlets).

Its luxury goods division owns NWJ, World's Finest Watches, and Arthur Kaplan. It is now the leading retailer (by number of outlets) of luxury Swiss watches in the region, with brands like Breitling, Hublot, Longines, Omega, Rado, Rolex, and TAG Heuer among its custodian brands.

### **Food Division**

The food division consists of the consumer facing brands as mentioned above, as well as Buon Gusto Food services. The latter manufactures sauces, spices, dough premixes and added value meat products for the Group's food brands and distributes the majority of products used by its food outlets. From April 2015 Buon Gusto Food services also manufactures fresh pizza dough for Domino's from a specialised facility in Midrand and has also begun manufacturing burger patties from its now-expanded manufacturing campus in Cullinan. All six trading consumer brands are underpinned by strong value-for-money propositions within their target consumer market. Following the Group's announcement on SENS on 10 April 2014 that it had signed a 30-year Master Franchise Agreement to develop the global Domino's brand in South Africa and six other countries, the first six Domino's outlets were launched at the end of 2014. As of September 2015 there were 63 Domino's branded outlets, 26 of which are corporate owned. The first converted franchisee stores commenced trading under the Domino's brand by the end of May 2015. As set out in the announcement released on SENS on 14 July 2015, Taste has secured the exclusive rights to Starbucks and has commenced brand establishment and plans to roll out the first outlets in the first half of next year.

### **Luxury Goods Division**

The acquisition of Arthur Kaplan in November 2014 has diversified Taste's customer base through increasing the Company's representation in watches, a significant product category; as well as allowing the group to access upper income consumers across watches and jewellery. The luxury goods division is the only vertically-integrated and partly franchised jewellery business in South Africa and owns and operates approximately 60% of the outlets. The franchise services are comparable to the Taste food franchise division in that they offer their franchisees operational and marketing support, project management, new site growth and development, and national brand-building strategies in return for a royalty. The distribution division distributes all of the goods sold through NWJ outlets. Of these, approximately 40% is manufactured by the manufacturing facility in Durban, with the remainder sourced through a combination of local and global supply chains. This model provides in-house innovation capacity, fast routes to market, and reduces input costs through purchasing economies of scale. A further benefit of owning the manufacturing facility is that slow-moving or returned stock can be either re-worked with negligible yield loss or transferred to another location where there is known demand for the item.

Through Arthur Kaplan and Worlds' Finest Watches the Group is now the leading retailer (by number of outlets) of luxury Swiss watches in the region, with brands like Breitling, Hublot, Longines, Omega, Rado, Rolex, and TAG Heuer among its custodian brands. More recently it started retailing Montblanc accessories and writing instruments in two of its Arthur Kaplan stores.

## **4. PARTICULARS OF THE RIGHTS OFFER**

### **4.1 Terms of the Rights Offer**

- 4.1.1 Taste Shareholders recorded in the Register at the close of business on Friday, 30 October 2015, are offered Rights Offer Shares at a subscription price of 300 cents per Rights Offer Share in the ratio of 25 Rights Offer Shares for every 100 Taste Shares held, on the terms and conditions as set out herein and in the accompanying Form of Instruction. Only whole numbers of Shares will be issued and Taste Shareholders will be entitled to rounded number of Shares once the ratio has been applied.
- 4.1.2 Taste will raise a maximum amount of R226 393 428 in terms of the Rights Offer.
- 4.1.3 The Record Date for purposes of determining which Shareholders are entitled to participate in the Rights Offer is Friday, 30 October 2015.
- 4.1.4 Upon their issue, the Rights Offer Shares will rank *pari passu* in all respects with the existing Taste Shares.
- 4.1.5 The Letters of Allocation in respect of the Rights Offer are negotiable and will be listed on the JSE on Monday, 26 October 2015 under the JSE code TASN and ISIN ZAE000210092. The Rights Offer Shares cannot be traded before such Shares are listed on the JSE on Monday, 9 November 2015.
- 4.1.6 The Rights Offer does not constitute an offer in any area of jurisdiction in which it is illegal to make such an offer and in such circumstances, this Circular and accompanying Letter of Allocation are distributed for information purposes only.
- 4.1.7 The enclosed Form of Instruction contains details of the rights to which holders of Certificated Shares are entitled, as well as the procedure for acceptance (and/or application for additional Rights Offer Shares) and/or sale and/or renunciation of all or part of those rights. Holders of Dematerialised Shares will be advised of the rights to which they are entitled as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those rights by their CSDP or broker in terms of the Custody Agreement entered into between such Dematerialised Shareholders and their CSDP or broker.
- 4.1.8 The Subscription Price is payable in full, in Rand, by qualifying Shareholders holding Certificated Shares on acceptance of the Rights Offer. CSDPs will make payment, on a delivery versus payment basis, in respect of qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer. Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer must ensure that the necessary funds are deposited with the relevant CSDP or broker, as the case may be.

### **4.2 Opening and closing dates of the Rights Offer**

The Rights Offer will open at **09:00** on Monday, 2 November 2015 and will close at **12:00** on Friday, 13 November 2015.

### **4.3 Minimum subscription and commitments received**

- 4.3.1 The Rights Offer is not conditional on any minimum subscription being obtained.
- 4.3.2 Taste has had discussions with certain existing Shareholders and has received commitments, by way of indications, that they will be following their rights to which they are, or will become, entitled and in certain circumstances, will apply for excess, which commitments are in excess of 70% of the Rights Offer Shares.

### **4.4 Entitlement**

- 4.4.1 Shareholders will have the right to subscribe for 25 Rights Offer Shares for every 100 Taste Shares held on the Record Date for the Rights Offer, and to apply for additional Rights Offer Shares by way of Excess Applications.
- 4.4.2 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 Rights Offer Entitlement to receive a fraction of a Rights Offer Share which:
  - 4.4.2.1 is less than one-half of a Rights Offer Share, will be rounded down to the nearest whole number; and
  - 4.4.2.2 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.
- 4.4.3 The entitlement of a Certificated Shareholder as reflected in the appropriate block in the Form of Instruction which accompanies and forms part of this Circular, is dependent on their deemed existing holdings at the close of business on Friday, 30 October 2015.
- 4.4.4 Shareholders are referred to the table of entitlement set out in Annexure 1 to this Circular for their entitlement to the Rights Offer Shares.
- 4.4.5 Details pertaining to excess applications for Rights Offer Shares are set out in paragraph 4.6 below.

- 4.4.6 Certificated Shareholders will have their Rights Offer Entitlement credited to an account in electronic format held at the Company's Transfer Secretaries, which will be administered by the Company's Transfer Secretaries on their behalf. The Enclosed Form of Instruction reflects the Rights Offer Shares for which the Certificated Shareholder is entitled to subscribe. The procedures that these Shareholders should follow for the acceptance, sale or renunciation of their Rights Offer Entitlements are reflected in the Form of Instruction.
- 4.4.7 Dematerialised Shareholders will have their Rights Offer Entitlements credited to their account by their CSDP or broker, in electronic form. The CSDP or broker will advise Dematerialised Shareholders of the procedure they need to follow for the acceptance, sale or renunciation of their Rights Offer Entitlement in accordance with their Custody Agreements.
- 4.4.8 The Letters of Allocation to which the Form of Instruction relates are negotiable and may be traded on the JSE.

#### 4.5 Procedure for acceptance of the Rights Offer

Full details of the procedure for acceptance by Certificated Shareholders are contained in paragraph 3 of the accompanying Form of Instruction or in the case of Dematerialised Shareholders, as advised by their CSDP or broker.

The following should be noted:

- 4.5.1 acceptances are irrevocable and may not be withdrawn; and
- 4.5.2 Dematerialised Shareholders must contact their CSDP or broker with regard to the procedure to be followed for acceptance of their Rights Offer Entitlement, and if applicable, application for additional Rights Offer Shares by way of Excess Applications, and must act in accordance with the instructions received from their CSDP or broker.
- 4.5.3 Certificated Shareholders should note the following:
  - 4.5.3.1 acceptances by Certificated Shareholders, and if applicable, application for additional Rights Offer Shares by way of Excess Applications, may only be made by means of the accompanying Form of Instruction;
  - 4.5.3.2 any instruction to sell or renounce all or parts of the Rights Offer Entitlement must be done in accordance with the requirements set out in paragraph 4.7 below and may only be made by means of the accompanying Form of Instruction;
  - 4.5.3.3 Certificated Shareholders who wish to subscribe for only a portion of their Rights Offer Entitlement must indicate the number of Rights Offer Shares for which they wish to subscribe on the accompanying Form of Instruction;
  - 4.5.3.4 payment of the Rand value of the Subscription Price may be made:
    - 4.5.3.4.1 by cheque (crossed "not transferable" and with the words "or bearer" deleted) payable to "**Taste Holdings Limited - Rights Offer**";
    - 4.5.3.4.2 by banker's draft (drawn on a registered bank) payable to "**Taste Holdings Limited - Rights Offer**"; or
    - 4.5.3.4.3 by EFT into the Designated Bank Account (details of which is available from the corporate actions department of Computershare Investor Services, contactable during ordinary business hours on +27 (0) 86 110 0634);
  - 4.5.3.5 properly completed Forms of Instruction together with the cheque, or banker's draft or EFT swift reference number (in accordance with paragraph 4.5.3.4 above) must be received from Certificated Shareholders by the Transfer Securities at the address referred to in paragraph 4.8.2 by not later than **12:00** on Friday, 13 November 2015. Certificated Shareholders are advised to take into consideration postal delivery times when posting their Form of Instruction, as no postal deliveries will be accepted after **12:00** on Friday, 13 November 2015. Each cheque or banker's draft will be deposited immediately upon receipt for collection;
  - 4.5.3.6 payment referred to in paragraph 4.5.3.4 will, when the cheque or banker's draft has been paid and/or the EFT cleared into the Designated Bank Account, constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular and the accompanying Form of Instruction and may not be withdrawn. Should any cheque or banker's draft be subsequently dishonoured, Taste may, in its sole discretion, and without prejudice to any rights that the Company may have, regard the Form of Instruction as null and void or take such steps in regard thereto as they deem fit; and
  - 4.5.3.7 if any Form of Instruction and cheque, banker's draft or EFT is not received as set out above, the Rights Offer Entitlement will be deemed to have been declined by the Shareholder to whom the Form of Instruction is addressed and the right to subscribe for the Rights Offer Shares offered to such Shareholder or renounced in favour of his Renounee in terms of such Form of Instruction, will lapse, no matter who then holds it.

**PLEASE NOTE THAT SHOULD YOUR CHEQUE, BANKER'S DRAFT OR EFT SWIFT REFERENCE NUMBER NOT ACCOMPANY THAT FORM OF INSTRUCTION, THE TRANSFER SECRETARIES WILL TREAT YOUR APPLICATION AS INVALID.**

#### **4.6 Excess applications for Rights Offer Shares**

Qualifying Shareholders will have the right to apply for Rights Offer Shares in excess of their entitlements, on the same terms and conditions as those applicable in terms of their entitlements.

Should there be excess Rights Offer Shares available for allocation after all Rights Offer Shares have been taken up in terms of the Rights Offer, these will be allocated by the Directors who will allocate any or all excess applications in an equitable manner taking into consideration the number of Shares held by the Shareholder prior to the allocation, including those Shares taken up as a result of the Rights Offer and the number of excess Shares applied for by such Shareholder, in accordance with paragraph 5.33 of the Listings Requirements.

Non-equitable allocations of excess applications will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100 Rights Offer Shares.

The right to apply for additional Rights Offer Shares is automatically transferred by and to the extent of any renunciation.

Qualifying Certificated Shareholders who wish to apply for Rights Offer Shares in addition to those allocated to them in terms of the Rights Offer, may do so by indicating the number of additional Rights Offer Shares that they wish to subscribe for in **Blocks (7) and (8)** of the Form of Instruction and by enclosing payment, in accordance with paragraph 4.8 of this Circular, for such additional Rights Offer Shares with their subscription.

Qualifying Dematerialised Shareholders who wish to apply for Rights Offer Shares in excess of their entitlements, should advise their CSDP or broker in terms of the agreement entered into between them and their CSDP or broker, as to the number of additional Rights Offer Shares for which they wish to apply and ensure that they have sufficient funds in their account.

An announcement will be published on SENS on Monday, 16 November 2015 and in the press on the following Business Day, stating the results of the Rights Offer and the basis of allocation of any excess applications.

Cheques refunding monies in respect of unsuccessful applications for additional Rights Offer Shares will be posted to the relevant applicants, at their risk, on or about Wednesday, 18 November 2015. No interest will be paid on monies received in respect of unsuccessful applications.

#### **4.7 Sale or Renunciation of Rights Offer Entitlement**

4.7.1 Dematerialised Shareholders must contact their CSDP or broker with regard to the procedure to be followed in respect of the sale or renunciation of their Rights Offer Entitlement.

4.7.2 Certificated Shareholders who wish to sell all or part of their Rights Offer Entitlement as reflected in the Form of Instruction, must complete **Form A** 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, 6 November 2015. The Transfer Secretaries will endeavour to procure the sale of the Rights Offer Entitlement on the JSE on behalf of such Certificated Shareholder 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, any broker appointed by them nor Taste will have any obligation nor will any of these parties 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 Offer Entitlement. References in this paragraph to Certificated Shareholders 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 and 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.

4.7.3 Certificated Shareholders who wish to sell all or part of their Rights Offer Entitlement will be liable for the costs as set out in Form A of the Form of Instruction.

4.7.4 Certificated Shareholders who do not wish to sell all or part of their Rights Offer Entitlement as reflected in the Form of Instruction and who do not wish to subscribe for any of the Rights Offer Shares offered in terms of the Form of Instruction, but who wish to renounce their Rights Offer Entitlement, must complete Form B 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, 13 November 2015.

#### **4.8 Payment**

4.8.1 Payment of the Rand value of the Subscription Price may be made:

4.8.1.1 by cheque (crossed "not transferable" and with the words "or bearer" deleted) payable to "**Taste Holdings Limited - Rights Offer**";

4.8.1.2 by banker's draft (drawn on a registered bank) payable to "**Taste Holdings Limited - Rights Offer**"; or

- 4.8.1.3 by EFT into the Designated Bank Account (details of which is available from the corporate actions department of Computershare Investor Services, contactable during ordinary business hours on +27 (0) 86 110 0634).
- 4.8.2 A cheque, a banker's draft or EFT swift reference number for the amounts payable in accordance with paragraph 4.8.1 above, together with a properly completed Form of Instruction, must be lodged by Certificated Shareholders with the Transfer Secretaries, as follows:

**Hand deliveries to:**

Taste Holdings Limited  
c/o Computershare Investor Services  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001

**Postal deliveries to:**

Taste Holdings Limited  
c/o Computershare Investor Services  
PO Box 61763  
Marshalltown, 2107

**Faxed to:**

**(only in the case where payment is by way of EFT)**  
Taste Holdings Limited  
c/o Computershare Investor Services Proprietary  
Limited  
+27 (0)11 688 5210

**Emailed to:**

**(only in the case where payment is by way of EFT)**  
corporate.events@computershare.co.za

so as to reach the Transfer Secretaries by no later than **12:00** on Friday, 13 November 2015.

Computershare Investor Services will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in Computershare's electronic or facsimile systems. Notwithstanding anything to the contrary, it is the responsibility of a Shareholder to ensure that his Form of Instruction is received by Computershare Investor Services.

- 4.8.3 Please note that the Transfer Secretaries will affect delivery of share certificates against payment and should a cheque, banker's draft or EFT swift reference number not accompany the Form of Instruction, the application will be treated as invalid.
- 4.8.4 No acknowledgement of receipt will be given for a cheque, banker's draft or EFT received in accordance with the Rights Offer.
- 4.8.5 "Blocked Rand" may be used by emigrants and non-residents of the Common Monetary Area for payment in terms of the Rights Offer. In this regard, reference should be made to paragraph 4.9, which deals with Exchange Control Regulations.
- 4.8.6 Dematerialised Shareholders must timeously instruct their CSDP or broker as to the action they must take to enable the CSDP or broker to act on their behalf in terms of the agreement entered into between such Dematerialised Shareholders and the CSDP or broker.

#### **4.9 Exchange Control Regulations**

- 4.9.1 The following guideline is not a comprehensive statement of Exchange Control Regulations. If Shareholders or their Renounees are in any doubt as to the action they must take, they are advised to consult their professional advisers immediately.
- 4.9.2 In terms of the Exchange Control Regulations, non-residents, excluding former residents of the Common Monetary Area, will be allowed to:
- 4.9.2.1 take up the Rights Offer Entitlement allocated to them in terms of the Rights Offer;
- 4.9.2.2 purchase Letters of Allocation on the JSE; and
- 4.9.2.3 subscribe for Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE,
- provided payment is received either through normal banking channels from abroad or from a non-resident account.
- 4.9.3 All applications by non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate and any Rights Offer Share certificates issued pursuant to such applications will be endorsed "**non-resident**".
- 4.9.4 Where a Rights Offer Entitlement in terms of the Rights Offer falls due to a former resident of the Common Monetary Area, which Rights Offer Entitlement is based on shares blocked in terms of the Exchange Control Regulations, emigrant blocked funds may be used to take up these Rights Offer Shares and may be used to:

- 4.9.4.1 take up the Rights Offer Entitlement allocated to them in terms of the Rights Offer;
  - 4.9.4.2 purchase Letters of Allocation on the JSE; and
  - 4.9.4.3 subscribe for Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE.
- 4.9.5 All applications by emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Share certificates issued to such emigrants will be endorsed “**non-resident**” and placed under the control of the authorised dealer through whom the payment was made. The proceeds due to emigrants from the sale of Letters of Allocation, if applicable, will be returned to the authorised dealer for credit to such emigrants’ blocked accounts. Electronic statements issued in terms of Strate and any Rights Offer Share certificates issued pursuant to blocked Rand transactions will be endorsed “**non-resident**” and placed under the control of the authorised dealer through whom the payment was made. The proceeds arising from the sale of Letters of Allocation or arising from the sale of blocked Rights Offer Shares will be credited to the blocked accounts of the emigrant concerned.
- 4.9.6 Any Shareholder resident outside the Common Monetary Area who receives this Circular and Form of Instruction, should obtain advice as to whether any governmental and/or any other legal consent is required and/or any other formality must be observed to enable such a subscription to be made in terms of such Form of Instruction.
- 4.9.7 A new share certificate issued pursuant to the Rights Offer to an emigrant will be endorsed “**non-resident**” and forwarded to the address of the relevant authorised dealer controlling such emigrant’s blocked assets for control in terms of the Exchange Control Regulations. Where the emigrant’s Shares are in Dematerialised form with a CSDP or broker, a statement issued in terms of Strate will be despatched by the CSDP or broker to the address of that the emigrant in the records of such CSDP or broker.
- 4.9.8 The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and this Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to make such an offer.
- 4.9.9 The Rights Offer Shares have not been and will not be registered under the Securities Act of the United States of America. Accordingly, the Rights Offer Shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States persons, except pursuant to exemptions from the Securities Act. This Circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This Circular does not constitute an offer of any securities for sale in the United States or to United States persons.
- 4.9.10 The Rights Offer contained in this Circular does not constitute an offer in the District of Columbia, the United States, the Dominion of Canada, the Commonwealth of Australia, Japan or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer (“**Non-qualifying Shareholder**”). Non-qualifying Shareholders should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their entitlement. To the extent that Non-qualifying Shareholders are not entitled to participate in the Rights Offer, such Non-qualifying Shareholders should not take up their Rights Offer Entitlement or trade in their Rights Offer Entitlement and should allow their rights in terms of the Rights Offer to lapse.

#### 4.10 South African law

All transactions arising from the provisions of this Circular and the accompanying Form of Instruction shall be governed by and be subject to the laws of South Africa.

#### 4.11 Tax consequences

Shareholders are advised to consult their professional advisers regarding the tax implications of the Rights Offer.

#### 4.12 Documents of Title

- 4.12.1 Share certificates to be issued to Certificated Shareholders pursuant to the Rights Offer will be posted to persons entitled thereto by registered post, at the risk of the Shareholders concerned, on or about Monday, 16 November 2015.
- 4.12.2 Certificated Shareholders receiving new Certificated Shares must note that they will not be able to trade such Shares on the JSE until these Shares have been Dematerialised, which could take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.
- 4.12.3 Dematerialised Shareholders will have their accounts updated at their CSDP or broker in respect of the Rights Offer Shares to be issued to them on or about Monday, 16 November 2015.
- 4.12.4 CSDPs will effect payment on a “delivery versus payment method” in respect of the holders of Dematerialised Taste Shares.



## 5. JSE LISTINGS

The JSE has granted listings for:

- 5.1 Nil paid Letters of Allocation in respect of 75 464 476 Rights Offer Shares from the commencement of trade on Monday, 26 October 2015, to the close of trade on Friday, 6 November 2015, both days inclusive; and
- 5.2 75 464 476 Rights Offer Shares from the commencement of trade on Monday, 9 November 2015.

## 6. INTENDED USE OF FUNDS

As disclosed in paragraph 2 of this Circular, Taste will use the net proceeds of the Rights Offer to fund the rollout of Starbucks houses and expand the Arthur Kaplan footprint.

The Company anticipates that approximately R140 million of the net proceeds will be allocated to Starbucks until 28 February 2018, being the roll-out of the first 12 - 15 stores and establishing the brand as disclosed in paragraph 2 above. Beyond this date, the Company anticipates funding future Starbucks outlets with internally generated cash and debt. The balance of the net proceeds will be allocated to the Arthur Kaplan opportunities that exceed the Company's 25% internal rate of return hurdle.

The proceeds of the Rights Offer will be held in a call account earning 6% per annum, prior to the funds being allocated.

## 7. SHARE CAPITAL

### 7.1 Authorised and issued share capital

The authorised and issued share capital of Taste before and after the Rights Offer is set out in the table below.

<b>Before the Rights Offer</b>	<b>R'000</b>
<b>Authorised share capital</b>	
500 000 000 ordinary shares of R0.00001 each	
<b>Issued share capital</b>	
301 857 904 ordinary shares of R0.00001 each	3
Share premium	398 051
<b>Total issued share capital</b>	<b>398 054</b>
<b>Note:</b> Taste has 3 425 794 treasury shares in issue which are held by Taste Holdings Share Trust.	
<b>After the Rights Offer*</b>	<b>R'000</b>
<b>Authorised share capital</b>	
500 000 000 ordinary shares of R0.00001 each	
<b>Issued share capital</b>	
377 322 380 ordinary shares of R0.00001 each	4
Share premium	624 444
<b>Total issued share capital</b>	<b>624 448</b>

**Note:** Taste will have 2 791 777 treasury shares in issue which are held by Taste Holdings Share Trust. The Taste Holdings Share Trust will renounce 100% of its entitlement to the Rights Offer Shares to participants of the trust (whose options have vested, but have not yet been exercised) and who wish to subscribe for Rights Offer Shares. If the participants do not wish to subscribe, the entitlement to the Rights Offer Shares, and to the options that have not yet vested, will be renounced to the Company. The Taste Holdings Share Trust's entitlement to the Rights Offer Shares will therefore not be sold.

\* Assuming all Rights Offer Shares are subscribed for in terms of the Rights Offer.

## 8. DIRECTORS OF TASTE

### 8.1 Details of Directors

The full names, ages, and functions in the Group of the executive and non-executive Directors of the Taste, and the directors and management of Taste's major Subsidiaries at the Last Practicable Date are as follows:

<b>Executive Directors</b>	<b>Age</b>	<b>Capacity</b>
Carlo Ferdinando Gonzaga	(41)	Chief Executive Officer
Evangelos (Evan) Tsatsarolakis	(40)	Chief Financial Officer
Duncan John Crosson	(49)	Executive Director
Jay Bayne Currie	(41)	Executive Director
<b>Non-executive Directors</b>		
Ramsay L'amy (Bill) Daly	(72)	Independent Non-executive Director
Anthony Berman	(72)	Independent Non-executive Director
Sebastian Patel	(34)	Independent Non-executive Director
Grant Michael Pattison	(44)	Independent Non-executive Director
Hylton Roy Rabinowitz	(66)	Non-executive Director
Kevin Utian	(46)	Independent Non-executive Director
Wessel Petrus van der Merwe	(46)	Independent Non-executive Director
<b>Director of major Subsidiaries of Taste</b>		
Arvid Smedsrud	(53)	Executive Director
Dean Divaris	(44)	Executive Director

All directors of Taste are South African citizens.

### 8.2 Directors' interests in securities

At the Last Practicable Date, the following Directors (and their associates held, directly or indirectly, approximately 22.72% of the total issued share capital of Taste as follows:

<b>Director</b>	<b>Beneficial</b>		<b>Total shares</b>	<b>Total %</b>
	<b>Direct</b>	<b>Indirect</b>		
H R Rabinowitz	426 358	32 039 954	32 466 312	11.25
J B Currie	10 061 768	-	10 061 768	3.49
C F Gonzaga and associates	-	6 091 891	6 091 891	2.11
R L Daly and associates	85 000	5 429 758	5 514 758	1.91
D J Crosson	4 711 082	-	4 711 082	1.63
G Pattison	-	2 000 000	2 000 000	0.69
A Berman	1 744 200	-	1 744 200	0.60
W P van der Merwe	-	1 550 400	1 550 400	0.54
K Utian and associates	-	1 292 000	1 292 000	0.45
E Tsatsarolakis	129 200	-	129 200	0.05
<b>Total</b>	<b>17 157 608</b>	<b>48 404 003</b>	<b>65 561 611</b>	<b>22.72</b>

#### Notes:

1. There has been no change to the aforementioned Directors' interests or of their associates, between the financial year ended 28 February 2015 and the Last Practicable Date.

### 8.3 Directors' emoluments

The remuneration of the Directors will not be varied as a result of the Rights Offer as contained in this Circular.

## 9. OPINIONS AND RECOMMENDATION

- 9.1 The Directors are of the opinion that the future prospects of the business of the Company as stated in paragraph 3 above are sound.
- 9.2 Shareholders are recommended to consult their professional advisers regarding the action to be taken in relation to the Rights Offer.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 8.1 above, collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular and certify that, to the best of their knowledge and belief that there are no facts that 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 this Circular contains all information required by law and the Listings Requirements.

## 11. EXPERTS' CONSENTS

The Corporate Adviser and Sponsor, and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and have not withdrawn their consents prior to publication of this Circular.

## 12. COSTS

The total estimated costs of the Rights Offer, which amount to approximately R3 million excluding VAT, are detailed in the table below:

Nature of cost	Paid/Payable to	Estimated amount (R)
Corporate Adviser and Sponsor fee*	Merchantec Capital	2 600 000
JSE documentation fee	JSE	24 344
JSE listing fee	JSE	110 389
Transfer Secretaries, Strate and Exchange Control fees	Computershare Investor Services, Strate and FirstRand Bank	50 000
Other		175 267
Printing, publication and distribution	WB Corporate Communications	40 000
<b>Total</b>		<b>3 000 000</b>

\* Assuming all Rights Offer Shares are subscribed for in terms of the Rights Offer

## 13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Taste and the office of the Sponsor which addresses are set out in the "Corporate information" section of this Circular, during normal business hours from Tuesday, 27 October 2015 up to and including Friday, 13 November 2015:

- the Memorandum of Incorporation of the Taste and its Subsidiaries;
- copies of the audited annual financial results of Taste for the three financial years ended 28 February 2013, 28 February 2014 and 28 February 2015;
- copies of the written consent letters referred to in paragraph 11 above;
- this Circular and the Form of Instruction; and
- powers of attorney signed by the Directors.

**SIGNED BY C F GONZAGA, ON HIS OWN BEHALF AS A DIRECTOR AND ON BEHALF OF ALL THE OTHER DIRECTORS OF TASTE HOLDINGS LIMITED, HE BEING DULY AUTHORISED IN TERMS OF POWERS OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS**

**C F Gonzaga**  
Chief Executive Officer

16 October 2015  
Johannesburg

## TABLE OF ENTITLEMENT

The following table sets out the number of Rights Offer Shares to which a Shareholder is entitled.

Number of Taste Shares held		Number of Taste Shares held		Number of Taste Shares held	
	Entitlement		Entitlement		Entitlement
1	0	6 000	1 500	11 000 000	2 750 000
2	1	7 000	1 750	12 000 000	3 000 000
3	1	8 000	2 000	13 000 000	3 250 000
4	1	9 000	2 250	14 000 000	3 500 000
5	1	10 000	2 500	15 000 000	3 750 000
6	2	20 000	5 000	16 000 000	4 000 000
7	2	30 000	7 500	17 000 000	4 250 000
8	2	40 000	10 000	18 000 000	4 500 000
9	2	50 000	12 500	19 000 000	4 750 000
10	3	60 000	15 000	20 000 000	5 000 000
20	5	70 000	17 500	21 000 000	5 250 000
30	8	80 000	20 000	22 000 000	5 500 000
40	10	90 000	22 500	23 000 000	5 750 000
50	13	100 000	25 000	24 000 000	6 000 000
60	15	200 000	50 000	25 000 000	6 250 000
70	18	300 000	75 000	26 000 000	6 500 000
80	20	400 000	100 000	27 000 000	6 750 000
90	23	500 000	125 000	28 000 000	7 000 000
100	25	600 000	150 000	29 000 000	7 250 000
200	50	700 000	175 000	30 000 000	7 500 000
300	75	800 000	200 000	31 000 000	7 750 000
400	100	900 000	225 000	32 000 000	8 000 000
500	125	1 000 000	250 000	33 000 000	8 250 000
600	150	2 000 000	500 000	34 000 000	8 500 000
700	175	3 000 000	750 000	35 000 000	8 750 000
800	200	4 000 000	1 000 000	36 000 000	9 000 000
900	225	5 000 000	1 250 000	37 000 000	9 250 000
1 000	250	6 000 000	1 500 000	38 000 000	9 500 000
2 000	500	7 000 000	1 750 000	39 000 000	9 750 000
3 000	750	8 000 000	2 000 000	40 000 000	10 000 000
4 000	1 000	9 000 000	2 250 000	50 000 000	12 500 000
5 000	1 250	10 000 000	2 500 000	60 000 000	15 000 000

## SHARE TRADING HISTORY OF TASTE

The highest, lowest and closing price of shares of Taste on the JSE for each month commencing from 1 October 2014 to 30 September 2015 and aggregated monthly volume is as follows:

Month ended	High (cents)	Low (cents)	Close (cents)	Volume
31 October 2014	307	299	300	2 624 909
30 November 2014	342	330	300	4 650 295
31 December 2014	320	315	320	3 198 275
31 January 2015	318	309	315	2 227 105
28 February 2015	331	300	329	4 282 488
31 March 2015	320	305	319	1 120 803
30 April 2015	334	325	334	4 377 811
31 May 2015	418	365	410	3 896 373
30 June 2015	430	418	430	2 057 291
31 July 2015	453	435	443	6 835 139
31 August 2015	427	420	425	8 629 476
30 September 2015	448	388	400	2 090 736

The highest, lowest and closing price of shares of Taste on the JSE, for the last 30 trading days, for each day commencing from 27 August 2015 to 9 October 2015 (being the Last Practicable Date prior to the finalisation of this Circular) and the daily volume are as follows:

Day ended	High (cents)	Low (cents)	Close (cents)	Volume
28 August 2015	435	415	426	49 247
31 August 2015	427	420	425	17 293
1 September 2015	425	406	406	36 232
2 September 2015	429	405	405	22 777
3 September 2015	430	410	420	19 767
4 September 2015	429	424	429	13 592
7 September 2015	444	429	439	47 977
8 September 2015	435	430	434	12 188
9 September 2015	434	420	420	7 354
10 September 2015	448	415	447	75 623
11 September 2015	440	417	430	42 642
14 September 2015	430	420	429	22 508
15 September 2015	425	416	424	11 620
16 September 2015	424	420	420	42 309
17 September 2015	420	419	420	2 096
18 September 2015	425	422	424	2 042
21 September 2015	425	420	420	791 052
22 September 2015	420	411	412	103 687
23 September 2015	417	396	405	376 141
25 September 2015	410	390	395	186 253
28 September 2015	407	391	400	178 671
29 September 2015	400	395	400	75 155
30 September 2015	400	388	400	21 050
1 October 2015	394	388	390	47 505
2 October 2015	394	385	385	286 100
5 October 2015	389	355	378	105 508
6 October 2015	380	356	360	91 893
7 October 2015	360	344	344	149 047
8 October 2015	352	341	348	126 481
9 October 2015	389	350	366	436 077

Source: JSE

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## TASTE SENS ANNOUNCEMENT OF 14 JULY 2015

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### TASTE HOLDINGS LIMITED

Incorporated in the Republic of South Africa  
(Registration number 2000/002239/06)  
Share code: TAS ISIN: ZAE000081162  
("Taste" or "the company")

### TASTE SIGNS EXCLUSIVE LICENCE WITH STARBUCKS COFFEE COMPANY AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

#### Introduction

The board of directors of Taste ("Board") is pleased to announce that Taste Food Franchising Proprietary Limited ("TFF"), a wholly-owned subsidiary of Taste, has signed an exclusive development agreement to develop Starbucks Coffee Company ("Starbucks") outlets in South Africa.

For the first time in sub-Saharan Africa, Starbucks will open full-format stores bringing the entire range of its food and beverages, including its ethically-sourced Arabica coffee, to South African consumers.

"We are proud to be bringing Starbucks to South Africa next year," says Kris Engskov, president, Starbucks EMEA. "Working with Taste, our partner, we're going to deliver a great Starbucks experience. The coffee market here is vibrant and growing fast – we want to be part of that growth, bringing the passion and energy of this remarkable country into the design of our first store and our first barista team. We can't wait to get started."

"We are very excited to be Starbucks partner in Southern Africa. As we've visited numerous Starbucks markets and partners around the world we've come to realise that we share similar core values, including a commitment to localisation and uplifting both direct and indirect partners," explains Carlo Gonzaga, CEO of Taste. "Starbucks supports the development of local suppliers and is fully committed to our Changing Lanes program wherein we have provided employment to previously unemployed people and expose them to global training initiatives and skills. Overall we're a good partnership match."

#### About Starbucks

Since 1971, Starbucks Coffee Company has been committed to ethically sourcing and roasting high-quality Arabica coffee. Today, with more than 22 000 stores around the globe, Starbucks is the premier roaster and retailer of specialty coffee in the world.

"Young people are the key to our success," says Engskov. "The majority of our workforce is aged between 17 and 25, so talented youth has always been a priority and we will equip our new partners with the skills necessary to succeed in today's economy. We look forward to using our partnership to leverage Taste's strong track record of creating jobs and developing great people."

"Starbucks sources a considerable amount of its global, high-quality coffee from farms in sub-Saharan Africa, in partnership with our network of farmer support and agronomy centers in Ethiopia, Rwanda and Tanzania. We are proud to be able to offer some of the best African coffees in the world to more customers in the Southern African region."

#### Salient details

The license agreement gives Taste the exclusive rights to develop Starbucks outlets in South Africa. As Taste is the licensee, it will own and operate the stores directly. Including renewal options the agreement is for 25 years and includes certain rights for other African countries, subject to certain conditions.

The partnership will see direct job creation opportunities as each Starbucks store opens, in addition to opportunities at the Taste support office in Johannesburg.

## **Rationale**

- Licensing a global category leader such as Starbucks is in line with Taste's stated strategy of being custodians to the world's leading brands.
- Starbucks operates a licensee model that supports Taste's intention to own corporate stores, as it is doing in other licensed relationships.
- As Taste will distribute the vast majority of the products directly to the stores, the company will benefit from the increased volume through its distribution centres.
- The rights, subject to conditions, for Taste to develop Starbucks in other African countries are aligned with its ambitions to grow into select African countries.
- The functional requirements of Starbucks align well with the shared services platform that has been created in the Taste food division in the last two years.
- Starbucks has a mature and highly leveragable digital platform that
- aligns with Taste's strategic view that digital customer engagement is a key component of future success.
- Starbucks is one of the few truly global brands that is not represented in Southern Africa and this addition to the Taste portfolio complements its licensed portfolio, which currently includes Domino's Pizza in the food division and watch brands such as Rolex, Omega, Breitling, Tag Heuer, Hublot, Rado and Longines in its luxury goods division.

## **Impact on Taste**

As with Domino's Pizza and other greenfields operations, Taste has and will, incur once off costs relating to establishing the Starbucks business in South Africa. These costs will include training and travel costs prior to the first store opening, pre-opening marketing and market research expenses as well as establishing IT and other infrastructure.

Withdrawal of cautionary

Following the release of this announcement shareholders are advised that caution is no longer required when dealing in the company's securities.

14 July 2015

Sponsor

Merchantec Capital

## TASTE CATEGORY 2 SENS ANNOUNCEMENT OF 21 OCTOBER 2014

### TASTE HOLDINGS LIMITED

Incorporated in the Republic of South Africa  
 (Registration number 2000/002239/06)  
 Share code: TAS ISIN: ZAE000081162  
 ("Taste" or "the company")

### ACQUISITION OF ARTHUR KAPLAN JEWELLERS AND WITHDRAWAL OF CAUTIONARY

#### 1. INTRODUCTION

Shareholders are referred to the cautionary announcement dated 25 September 2014 and are advised that Taste has entered into a sale of shares agreement to acquire the entire issued share capital of AKJ Holdings Proprietary Limited from The Crown Jewel Trust and The Kenilworth Park Trust ("the sellers") ("the acquisition").

#### 2. NATURE OF THE BUSINESSES OF AKJ HOLDINGS PROPRIETARY LIMITED

AKJ Holdings Proprietary Limited is a leading luxury watch and jewellery retailer that owns and operates eleven outlets located in major shopping centres within South Africa. AKJ Holdings Proprietary Limited owns ten Arthur Kaplan branded outlets and one World's Finest Watches outlet and is the leading retailer of Swiss watches in South Africa. Arthur Kaplan has in the last 40 years established a reputation in the retail watch market as a stockist of premium luxury brands including Rolex, Breitling, Omega, Tag Heuer and Longines and is one of the few retailers in the marketplace to stock these leading brands in multiple outlets. Arthur Kaplan retails a number of other leading luxury watch brands as well as a selection of fashion watch brands. Arthur Kaplan also retails luxury fine jewellery in 18ct and 9ct gold, platinum and silver that appeals to aspirational affluent consumers. It does so within collections under the Arthur Kaplan brand name with a focus on bridal and engagement pieces. Since opening in 2002, World's Finest Watches has, as the only specialist prestige watch boutique in Sandton, become an established destination for watch enthusiasts and collectors. World's Finest Watches specialises in prestige brands like Rolex, Hublot, Omega and Tag Heuer. At the age of 18, Arthur Kaplan entered the family business, a jewellery store which his grandfather established in Pretoria in 1889. In 1973, after working in the family business for 15 years he opened his own jewellery store in Pretoria and so the Arthur Kaplan brand was born. With more than 40 years brand equity, the Arthur Kaplan brand has an outstanding reputation for being exceptional custodians of the world's finest watch brands, as well as being a fine jeweller of distinction renowned as a trusted destination for diamond engagement rings.

#### 3. RETENTION OF MANAGEMENT

Mr. Dean Divaris, from whose family trust Taste is buying a portion of the shares, has been leading Arthur Kaplan for the last 14 years. Mr. Divaris will remain in his capacity as Managing Director of the Arthur Kaplan business and will continue to drive the business expansion in line with a shared growth plan developed between Taste and Mr. Divaris.

#### 4. STRATEGIC RATIONALE FOR THE ACQUISITION

Arthur Kaplan's "affluent aspirational" target market is complementary to Taste's view that, to compete in the upper income consumer market, it should be done with the best brands in their categories. Arthur Kaplan is the leader in the luxury Swiss watch segment in South Africa. Taste currently manages over 25 watch brands in its existing business and retails these in over 77 locations in Southern Africa. Arthur Kaplan's jewellery offering, while not its current dominant revenue category, represents about 40% of the revenue in its stores. The range of jewellery is aligned with Taste's current manufacturing capability and Taste believes there is upside potential to grow Arthur Kaplan's jewellery offering and its revenue contribution. There is scope for growth in store numbers within the South African market as well as scope to satisfy demand for luxury Swiss watches in sub-equatorial Africa. This market is currently underserved by dedicated retail offerings and this African focus and opportunity is aligned with that of the broader Taste group.

#### 5. PURCHASE CONSIDERATION

The purchase consideration is R85 million and will be settled in cash. Additionally if the profit after tax of AKJ Holdings Proprietary Limited for the period from 1 July 2014 to 30 June 2015 ("PAT") exceeds R12.386 million ("target amount"), the purchase consideration shall be increased by R4.21 for every R1.00 with which the PAT exceeds the target amount, up to a total additional amount of R35 million. Any savings made or additional expenses incurred as a result of the transfer of ownership to Taste will be excluded from this PAT calculation.



## **6. OTHER SALIENT ITEMS**

The effective date of the acquisition is the first business day after the date of fulfilment of the last suspensive condition.

For the year ended 30 June 2014 AKJ Holdings Proprietary Limited recorded revenue of R224.3 million, EBITDA of R18.1 million and adjusted profit after tax of R12.4 million.

The acquisition is expected to be earnings enhancing to Taste from the first period of consolidation.

The value of the net assets that are the subject of the transaction as at 30 June 2014 was R51.3 million and this value is not expected to change materially before the effective date.

The acquisition is a category two transaction in terms of the Listings Requirements of the JSE Limited ("LR").

Subsequent to the acquisition of AKJ Holdings Proprietary Limited, the Memorandum of Incorporation of AKJ Holdings Proprietary Limited and its subsidiary companies will be reviewed to ensure that they do not prevent Taste from complying with its obligations in terms of the LR.

## **7. SUSPENSIVE CONDITIONS**

The transaction is subject to certain suspensive conditions normal with a transaction of this nature, including regulatory approval, Taste board and seller's trustees' approval as well as Taste being satisfied with the outcome of the due diligence, which conditions are expected to be fulfilled by 1 December 2014.

## **8. WITHDRAWAL OF CAUTIONARY**

Shareholders are referred to the cautionary announcement issued on SENS on 25 September 2014 stating that Taste has entered into negotiations in respect of a possible acquisition. Following this announcement the cautionary is withdrawn and shareholders are no longer required to exercise caution when dealing in the company's securities.

Johannesburg  
21 October 2014

Sponsor  
Merchantec Capital

Legal advisor to Taste  
Eversheds

Attorneys Legal and Corporate Advisor to the Sellers  
Rabin And Associates Proprietary Limited

Attorneys to the Sellers  
Hogan Lovells