

ELB GROUP LIMITED

Incorporated in the Republic of South Africa
(Registration number 1930/002553/06)
ISIN: ZAE000035101
JSE Code: ELR
("ELB" or "the Company")



FURTHER INFORMATION IN RESPECT OF THE TERMS ANNOUNCEMENT REGARDING THE DISPOSAL OF B&W INSTRUMENTATION AND ELECTRICAL BY ELB ENGINEERING

Shareholders are referred to the announcement released by the Company on SENS on 26 April 2019 ("Announcement"), in which they were advised, *inter alia*, that ELB's subsidiary, ELB Engineering Proprietary Limited ("Engineering") entered into an agreement with Matatrim Proprietary Limited (registration number 2018/474293/07) ("Matatrim"), in respect of which the parties agreed terms of the disposal by Engineering of the entire issued share capital ("B&W Shares") of its wholly-owned subsidiary, B&W Instrumentation and Electrical Proprietary Limited ("B&W") to Matatrim ("the Transaction").

Further thereto, the Board wishes to expand on its rationale for the Transaction entered into with Matatrim, being an entity wholly-owned by the executive management team of B&W. The Transaction helps to address cash flow constraints experienced by ELB Engineering Services Proprietary Limited due to the Gamsberg Zinc project.

Shareholders are further advised that the loss after tax of R152 million which was disclosed in the Announcement, attributable to the B&W group was for the nine months ended 31 March 2019, being the latest period end prior to conclusion of the Transaction.

Similarly, the negative net asset value of R39 million attributable to the B&W group was as at 31 March 2019.

This financial information has been sourced from unaudited, unpublished management accounts and the Board is satisfied with the quality of such management accounts. The financial information has been prepared in accordance with International Financial Reporting Standards.

Rivonia
15 May 2019

Sponsor and Corporate Advisor



Questco Corporate Advisory Proprietary Limited