

CapitalAppreciation

CAPITAL APPRECIATION LIMITED

PRESS ANNOUNCEMENT

12 October 2015

Capital Appreciation successfully concludes R1 billion private placement and will list on the JSE Main Board

Capital Appreciation (JSE share code CTA), a Special Purpose Acquisition Company (SPAC) and the first SPAC to be listed on the Main Board of the Securities Exchange operated by the JSE Limited (JSE), today announced that it has successfully raised R1 billion in its private placement. The private placement period ended at 5 pm on Friday October 9 and the CTA shares will commence trading on the JSE on Friday 16 October 2015.

Apart from the historic significance of the listing and the magnitude of the capital raise, it is particularly noteworthy that the Public Investment Corporation ("PIC"), by far the largest investor on the JSE, forms part of the Founder Group. The PIC's support for and endorsement of Capital Appreciation is further evidenced by PIC CEO, Dr Daniel Matjila, and PIC Deputy Chairman, Roshan Morar, joining the board of Capital Appreciation. Said Matjila: "The reputations and experience of the team behind Capital Appreciation was a large motivational factor for our investment. The model is also extremely interesting and may well have application in achieving some of our industrialization policies."

The Company also enjoys substantial Black Economic Empowerment ("BEE") shareholder support with significant investments from the Capital Appreciation Empowerment Trust and African Rainbow Capital, a wholly black owned company, the Directors of which include Mr. Patrice Motsepe and Dr Johan van Zyl. Other BEE enterprises also participated in the private placement alongside traditional institutional investors and wealth managers. The Company looks forward to working closely with its BEE partners in the coming months.

The R1 billion that Capital Appreciation raised is double the minimum prescribed amount required to qualify for a JSE Main Board listing. The Company regards the extent of investor support as a substantial vote of confidence for the structure and intentions for the SPAC as well as in the skills and experience of the Founding members and the Board of Directors.

The Board of Directors with a single reference of a past commercial link is as follows:

- Bukelwa Bulu, Executive Director, Jade Capital;
- Meyer Kahn, former Chairman of SABMiller;
- Dr Daniel Matjila, CEO PIC;
- Roshan Morar, Deputy Chairman PIC;
- Michael Pimstein*, former CEO Macsteel Service Centres;

- Bradley Sacks*, former Managing Director, Global Head TMT M&A, Bank of America;
- Michael (Motty) Sacks, Co Founder and former Chairman of Netcare;
- Alan Salomon*, former CEO Bidvest Bank;
- Victor Sekese, CEO SizweNtsalubaGobodo; and
- Charles Valkin, recently retired Senior Partner, Bowman Gilfillan.

* Denotes executive officers of Capital Appreciation

Motty Sacks, Non Executive Chairman of Capital Appreciation recorded with excitement: "My founder colleagues and I are delighted with the outcome of the capital raising. Where several quality enterprises were competing for investment funds all in the same week, to have raised R1 billion for a new SPAC, a company with no operating assets, is not only a wonderful expression of support, but more particularly, an acknowledgement of trust in the experience and integrity of our leadership."

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About Capital Appreciation

Capital Appreciation is a SPAC established under rules recently approved by the JSE. The Company has no operating business and exists with the raison d'être of acquiring control of one or more enterprises of scale with good growth potential.

The operational, commercial, financial and investment experience of the Capital Appreciation leadership is extensive and multifaceted and includes, inter alia, financial services, insurance, healthcare, metals and mining, telecommunications, media, technology, property, manufacturing and education. While the Company's efforts in identifying acquisition targets will not be limited to a particular industry or geographic region within South Africa and/or Africa, the Company expects to focus on acquiring a controlling interest in a business in the services sector.

The Company will seek to acquire a business that will provide a platform for future growth and expansion, either directly in its commercial sector or in related sectors. In evaluating acquisition

alternatives the Company will consider the scalability and growth potential of the target as well as the Company's ability to add value.

Investors' funds will be held in escrow until the first acquisition of Viable Assets is approved by shareholders. The funds, plus accrued interest, minus permitted expenses will be returned to shareholders if an acquisition is not completed prior to the second anniversary of the listing or such later date at the JSE may permit.

More information on the Company is available at www.CapitalAppreciation.co.za.