

# Aveng announces sale of Infraset

Monday, 18 February 2019

**Johannesburg, 18 February 2019:** Aveng today announced the sale of 100% of its manufacturing business unit, Aveng Infraset, including the Infraset businesses in South Africa, Zambia, Mozambique, Swaziland and Zimbabwe, as going concerns to Colossal Africa Consortium for a total value of R200 million.

The transaction will be structured on a cash and debt-free basis with R180 million to be settled in cash on the effective date and a further cash top up of R20 million payable within two years (if certain conditions are met), both of which are fully funded.

The Colossal Africa Consortium is a newly formed, 100% black-owned special purpose investment vehicle made up of Isongo Investments (Pty) Ltd and Colossal Africa Infrastructure (Pty) Ltd. Colossal Africa Infrastructure is a company with interests in the materials supply sector and Isongo is a rail company providing specialised services and products for railway industries.

Infraset has over 85 years' experience in the manufacturing of infrastructure products. Today, Infraset manufactures a diverse range of precast concrete products to world-class quality standards. The company is a competitive player in all categories, including civil engineering, landscaping, poles and masts and roof tiles, and is a leader in the rail sleeper industry.

This sale forms part of Aveng's strategic disposal process announced in February 2018 when the company shared the results of its strategic review. The outcome of the review was the adoption by the Aveng Board of a new and focused strategy to become an international infrastructure and resources group operating in selected fast-growing markets and capitalising on its considerable knowledge and experience. As part of this process, the Group announced that it would sell businesses and assets that did not support its overall long-term strategy. The individual Aveng Manufacturing business units were among those identified for sale.

Aveng Executive Chairman, Eric Diack, commented: "The disposal of non-core assets is a key part in the delivery of our strategic action plan and is receiving significant attention from the Aveng management team. Not only have we been able to realise acceptable value for our shareholders through this sale, but we are confident that the Infraset business will be successful in the hands of the new owners, ensuring a sustainable future for employees and customers."

Proceeds from this transaction will be used to strengthen Aveng's financial position and reduce overall debt. The transaction is expected to close no later than 30 April 2019 after all conditions have been met.