
1TIME HOLDINGS LIMITED
Incorporated in the Republic of South Africa
(Registration number 1999/017536/06)
Share code: 1TM ISIN: ZAE000102026
("1time" or "the company" or "the group")

1TIME BEE TRANSACTION AND WITHDRAWAL OF CAUTIONARY

Highlights

- **1time seals strategic deal with aviation focused BEE partners;**
- **Secures R65 million funding; and**
- **Positions itself for exciting growth opportunities.**

1. Introduction

Shareholders are advised that 1time has entered into an agreement ("subscription agreement") with Mtha Aviation (Proprietary) Limited ("Mtha"), SKMT Sunrise Investment Group (Proprietary) Limited ("Sunrise") and a new company subsequently incorporated as Oakleaf Investment Holdings 59 (Proprietary) Limited ("Oakleaf"), collectively hereinafter referred to as the "BEE Consortium". Mtha and Sunrise, being the "strategic BEE partners", will own 83% and 17% of Oakleaf, respectively. Oakleaf has been incorporated as an investment holding company, whose sole purpose will be to acquire and hold an equity stake in 1time.

Accordingly, Oakleaf has subscribed for 70 million ordinary shares in the share capital of the company ("specific issue shares") at a 10% discount to the 30 day volume weighted average price ("VWAP") to the share price of 1time on the effective date, being the date of fulfilment of the conditions precedent set out in paragraph 7 below, subject to a maximum share price of 93 cents and a maximum aggregate price of R65.10 million ("specific issue").

The specific issue will result in 25% of the issued share capital of the company being held by the BEE Consortium.

2. Rationale

It has been the intention of the board of the directors of 1time ("board") to raise new equity capital to support its plans to expand its airline, aircraft maintenance and charter businesses, and to increase the group's BEE shareholding to realise its vision and strategy to create the largest low cost airline in South Africa. The specific issue provides 1time with the opportunity to meet both of these objectives.

The benefits that will accrue to the company as a result of the specific issue include:

- the ability of the BEE Consortium to add value to 1time's business operationally and strategically;
- a capital injection to fund growth as further detailed in paragraph 4 below;
- no conflict of interest as a result of a competing investment;
- assistance from the BEE Consortium in respect of 1time's transformation;
- a vision and culture of the BEE Consortium which is in line with that of the company;
- the commitment by the BEE Consortium to enter into a long-term relationship with 1time; and
- the creation of numerous synergies between 1time and Mtha, who holds 83% in the BEE Consortium, as the two companies operate in the same industry.

The improved BEE shareholding will significantly strengthen the group's BEE credentials, reinforcing the group's commitment to a multi-faceted approach to BEE, which aims to increase the number of previously disadvantaged individuals who manage, own and control the company.

3. Terms of the specific issue and effective date

The BEE Consortium will subscribe for 70 million new ordinary shares in 1time on the effective date. The specific issue shares shall rank *pari passu* with all other issued ordinary shares in the share capital of the company.

At the date on which 1time negotiated the terms of the funding of the specific issue with a third party ("funder"), being 5 October 2010, 1time's 30 day VWAP was 103 cents per share which, at a 10% discount rate, resulted in a maximum subscription price of 93 cents per share being established with the funder.

In the event that the 1time share price remains at a level where the board determines the specific issue subscription price to be undesirable, the board has reserved the right to exercise its discretion not to pass the resolution required to ratify the terms of the subscription agreement, as set out in paragraph 7 below, being the conditions precedent.

4. Funding

In order for the BEE Consortium to finance the specific issue, 1 000 preference shares in Oakleaf will be issued to the funder for a total consideration of R63.15 million, which amounts to 97% of the funding required for the specific issue. The remaining 3%, being R1.95 million, will be contributed in cash by the shareholders of the BEE Consortium.

In addition to its own contribution and the security provided by the BEE Consortium, the funder has requested that 1time provide a guarantee equal to 10% of the maximum aggregate price of R65.10 million less the 3% contribution by the shareholders of the BEE Consortium, resulting in a guarantee in the amount of R4.56 million. As this is considered to be financial assistance by the company, shareholder approval is required.

As part of the specific issue, the BEE Consortium will be entitled to appoint two non-executive directors and one executive director to the board.

5. Application of capital raised

The capital raised will be used to fund growth in the following areas:

5.1 1time airline

1time airline will utilise the funds for expanding its fleet, introducing Lanseria operations and introducing new routes into Africa.

5.2 Aircraft maintenance

The aircraft maintenance business will utilise a certain amount of the capital raised to upgrade its facility in various areas.

5.3 Charter

The capital raised will also contribute towards fleet expansion within the charter business.

6. Financial effects

The table below sets out the unaudited *pro forma* financial effects of the specific issue on 1time's earnings per share, headline earnings per share, net asset value per share and net tangible asset value per share.

The unaudited *pro forma* financial effects have been prepared to illustrate the impact of the specific issue on the reported financial information of 1time for the six months ended 30 June 2010, had the specific issue occurred on 1 January 2010 for statement of comprehensive income purposes and on 30 June 2010 for statement of financial position purposes.

The unaudited *pro forma* financial effects have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the results for the six months ended 30 June 2010 as well as the audited results of 1time for the 12 months ended 31 December 2009.

The unaudited *pro forma* financial effects, which are the responsibility of the directors, are provided for illustrative purposes only and, because of their *pro forma* nature, may not fairly present 1time's financial position, changes in equity, results of operations or cash flows.

	Before (cents)	After (cents)	Change (%)
Earnings per share	6.3	5.2	(17.5)
Headline earnings per share	7.0	5.8	(17.1)
Net asset value per share	84.3	85.4	1.3
Net tangible asset value per share	76.0	79.3	4.3
Weighted average number of shares in issue	210 000 000	280 000 000	33.3

Notes:

1. The "Before" column has been extracted from the reviewed interim results of 1time for the six months ended 30 June 2010.
2. The "After" column reflects the *pro forma* financial effects of the specific issue on 1time.
3. The financial effects are based on the assumption that the specific issue will raise R62.30 million in cash, net of the transaction costs of R2 800 000 which have been written off against share premium, which will be invested at an average interest rate of 6.25% per annum before tax, which is the current average interest rate obtained by the company on call accounts. The South African corporate tax rate of 28% has been applied.
4. The effects on earnings per share and headline earnings per share are calculated based on the assumption that the specific issue was effected on 1 January 2010.
5. The effects of net asset value per share and net tangible asset value per share are calculated based on the assumption that the specific issue was effected on 30 June 2010.
6. The *pro forma* financial information has been prepared in accordance with IFRS and in terms of The Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants, in line with the Listings Requirements.

7. Conditions precedent

The specific issue is subject to the following conditions precedent:

- the receipt of written regulatory approval of the circular to be issued to 1time shareholders in respect of the specific issue, as set out in the subscription agreement, by JSE Limited;
- the passing of resolutions required to ratify the terms of the subscription agreement by the shareholders of 1time, being the ordinary resolution to issue ordinary shares for cash and the special resolution to grant financial assistance to shareholders to acquire shares;
- the passing of a resolution by the board ratifying the terms of the subscription agreement;
- the delivery of Oakleaf's registration documents to 1time, indicating that Oakleaf has been successfully formed and/or incorporated, as well as delivery of certified copies of duly issued CM29s illustrating the successful appointment and registration of the directors appointed by Mtha and Sunrise, respectively;
- the passing of a resolution by the board of directors of both Sunrise and Mtha ratifying the terms of the subscription agreement, and accepting the terms and conditions contained therein as binding on Sunrise and Mtha, respectively; and
- the passing of a resolution by the board of directors of Oakleaf ratifying the terms of the subscription agreement, and accepting the terms and conditions contained therein as binding on the BEE Consortium.

8. Circular to 1time shareholders

A circular containing full details of the specific issue and incorporating a notice to convene a general meeting of 1time shareholders in order to consider and, if deemed fit, to pass with or

without modification, the resolutions necessary to approve and implement the specific issue will be sent to 1time shareholders on or about Thursday, 2 December 2010.

9. Withdrawal of cautionary

Further to the above, shareholders are advised that caution is no longer required by shareholders when dealing in the shares of 1time.

Johannesburg
25 November 2010

Sponsor and Corporate adviser
Merchantec Capital

Legal adviser
Schindlers Attorneys, Conveyancers & Notaries

Reporting accountants
SAB&T Chartered Accountants Incorporated