

**1time Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1999/017536/06)  
(JSE code: 1TM ISIN: ZAE000102026)  
("1time" or "the company")

## **ACQUISITION OF A 77.5% INTEREST IN SAFAIR TECHNICAL (PTY) LIMITED AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENTS**

### **1. INTRODUCTION**

Shareholders are referred to the cautionary announcements issued on 22 July 2008 and 3 September 2008.

1time has entered into an agreement ("the agreement") with Aergo SA Three Limited ("Aergo"), a wholly owned subsidiary of Irish based Aergo Capital Limited, in respect of the acquisition of a 77.5% interest in Aergo's wholly owned subsidiary Safair Technical (Pty) Limited ("Safair Technical") ("the acquisition"). The remaining 22.5% will be retained by Aergo.

In terms of the Listings Requirements of the JSE Limited ("JSE") the acquisition is classified as a category 1 transaction based on the maximum possible total purchase consideration payable.

### **2. THE ACQUISITION**

#### **.1 RATIONALE FOR THE ACQUISITION**

1time is a diversified aviation group with the following focus areas: an airline, an aircraft maintenance business and a charter business.

Aeronexus Technical, a wholly owned subsidiary of 1time, provides a comprehensive aircraft maintenance service for 1time Airline's fleet as well as several other South African and African operators. Aeronexus Technical is currently operating at full capacity with a two bay hanger facility at O.R. Tambo International Airport. It has developed a market niche for its narrow body jet target market with competitive pricing (in US dollars) and quality maintenance work.

Safair Operations and Safair Technical have been in the aviation business since 1965 and were until recently wholly owned by Imperial Holdings Limited ('Imperial'). Safair Technical houses the technical and aircraft maintenance related business of Safair. Safair Technical has more than 300 staff and five hangars at OR Tambo International Airport in Johannesburg as well as Cape Town International Airport.

After the implementation of the acquisition, the businesses of Safair Technical and Aeronexus Technical will be merged. The merger will create one of the largest aircraft maintenance facilities in Africa approved by the United States Federal Aviation Authority ("FAA"), European EASA, International Operations Standards Association

("IOSA") and South African Civil Aviation Authority ("CAA"). After the acquisition the merged maintenance business will be the major profit generator in the 1time group.

The merger will also ensure that the scarce skills of the highly experienced employees of Safair Technical and Aeronexus Technical are retained in South Africa.

## **.2 DESCRIPTION OF THE BUSINESS OF SAFAIR TECHNICAL**

Safair Technical hold FAA, EASA, IOSA and CAA approvals in respect of the following aircraft types:

- Boeing 737-200 / 300 / 400 / 500;
- Lockheed Hercules L382 (L100-30);
- McDonnell Douglas 80 series aircraft; and
- Boeing 727.

Safair Technical owns all the necessary infrastructure, tooling and workshop equipment for the repair and maintenance of these aircraft types and has access to aircraft spares and logistical support.

The current major customers of Safair Technical include Safair Operations, Imperial Air Cargo, SonAir, SAA Cargo and Interlink. Heavy maintenance, line maintenance and maintenance support services are offered.

## **.3 SALIENT TERMS AND CONDITIONS OF THE ACQUISITION**

1time will purchase from Aergo 77.5% of the issued shares of Safair Technical, which has a warranted net asset value of at least R50 million.

The purchase price will be USD 7.15 million to be settled as follows:

- USD 5.0 million will be paid on the effective date; and
- USD 2.15 million will be paid 12 months after the effective date.

Should the merged entity achieve an audited profit after tax of R50 million for the financial year ending 31 December 2011, the purchaser will pay the seller an additional USD 1.0 million.

The acquisition shall be subject to certain warranties from Aergo that are customary in transactions of this nature.

The business of 1time's subsidiary Aeronexus Technical will be merged with that of Safair Technical as soon as practically possible, but no later than 6 months after the signature date of the agreement. Aergo's remaining 22.5% shareholding in Safair Technical will then be converted into 22.5% shares in the merged entity.

The acquisition will be effective from the first day of the calendar month that follows the date on which all the conditions precedent have been met, with completion expected by the end of the year.

The merged business will maintain 16 aircraft of Safair Operations and 12 aircraft of the 1time fleet as well as various other third party aircraft worldwide. Aergo plans to significantly expand the business of Safair Operations resulting in increased fleet

maintenance requirements. In addition Aergo has given certain undertakings in respect of the maintenance of its global fleet at the facilities of Safair Technical for 3 years after the effective date.

### 3 CONDITIONS PRECEDENT TO THE ACQUISITION

The acquisition will be conditional upon *inter alia* the following:

- Conclusion of the agreement between Imperial and Aergo relating to the acquisition of the business of Safair Operations and Safair Technical from Imperial;
- Approval of the acquisition by the Competition Commission;
- A Shareholders' Agreement in respect of Safair Technical being entered into between 1time and Aergo;
- 1time securing funding for the purchase price;
- The conclusion of a maintenance service agreement between Safair Technical and Safair Operations in respect of the Safair Operations fleet of aircraft;
- Transfer of all relevant legal agreements and regulatory approvals from Safair (Pty) Ltd to Safair Technical (Pty) Ltd and certain corporate and shareholders approvals as required.

### 4 UNAUDITED PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

The unaudited *pro forma* financial effects set out below are provided to illustrate how the acquisition may have impacted on 1time's results and financial position. The *pro forma* financial effects have been prepared in accordance with International Financial Reporting Standards. Due to the nature of the unaudited *pro forma* financial information, it may not give a fair presentation of the company's results and financial position after the acquisition. The unaudited *pro forma* financial effects are based on the reviewed interim financial information of 1time for the six months ended 30 June 2008. The directors of 1time are responsible for the preparation of the unaudited *pro forma* financial effects.

	<b>Before the acquisition Reviewed 30-June-08</b>	<b>Pro forma after the acquisition 30-June-08</b>	<b>Change %</b>
Earnings per share (cents)	(3.01)	0.86	129%

Headline earnings per share (cents)	(3.01)	0.86	
Weighted average number of shares in issue	210 000 000	210 000 000	129%
Net asset value per share (cents)	47.88	47.88	0%
Net tangible asset value per share (cents)	46.91	37.45	(20)%
Number of shares in issue at year end	210 000 000	210 000 000	

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**Notes:**

- (1) The "Before the acquisition" column has been extracted without adjustment from the reviewed results of 1time for the six months ended 30 June 2008.
- (2) The "After the acquisition" earnings and headline earnings per share have been based on Safair Technical's management accounts for the six months ended 30 June 2008 and assuming that USD 5 million of the purchase price was fully funded by debt.
- (3) The earnings and headline earnings per share were calculated as if the acquisition was effected on 1 January 2008.
- (4) The net asset value and net tangible asset value per share were calculated as if the acquisition was effected on 30 June 2008.
- (5) Goodwill of R19.9 million will arise from the purchase price of USD 7.15 million excluding the additional purchase consideration of USD 1 million for achieving the profit target.

**5 WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT**

Shareholders no longer have to exercise caution when dealing in their securities.

**6 DOCUMENTATION**

Further details of the acquisition will be included in a circular to ordinary shareholders of 1time, which will, subject to the approval of the JSE, and will be dispatched to 1time ordinary shareholders in due course.

Johannesburg  
12 September 2008

**Designated Adviser**

Exchange Sponsors

**Attorneys to the acquisition**

Tugendhaft Wapnick Banchetti