

UCS GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1993/002253/06)
Share code: UCS
ISIN: ZAE000016150
("UCS" or "the Company")

SALE BY BUSINESS CONNEXION GROUP LIMITED ("BCG") OF ITS 70% SHAREHOLDING IN AND ALL CLAIMS HELD BY IT AGAINST DESTINY ELECTRONIC COMMERCE (PROPRIETARY) LIMITED ("DESTINY E-COMMERCE") AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

UCS shareholders ("Shareholders") are referred to the announcements published by the Company on the Securities Exchange News Service ("SENS") and the circular to Shareholders dated 9 March 2011 ("the Circular"), regarding the conclusion of an agreement between UCS and BCG ("the Agreement"). In terms of the Agreement, UCS disposed of its shares in and claims against certain of its subsidiaries (including Destiny E-Commerce) ("the Target Entities") to BCG and subsequently unbundled the consideration shares received from BCG pursuant to such disposal to Shareholders ("the Transaction"). The Transaction became effective on 11 May 2011 ("the Effective Date").

In terms of the joint cautionary announcement dated 12 May 2011, Shareholders were advised that UCS and BCG were in discussions with a third party with regard to the acquisition of one of the Target Entities. On 24 May 2011 BCG, VeriFone Singapore PTE Limited ("VeriFone") and the management shareholders in Destiny E-Commerce entered into a sale and purchase agreement in terms of which, *inter alia*, BCG will, subject to the fulfillment of certain suspensive conditions, dispose of its 70% shareholding in and all claims held by it against Destiny E-Commerce, to VeriFone ("the Disposal"). In this regard, Shareholders are referred to the announcement published by BCG on SENS earlier today for further information relating to the Disposal.

2. UCS's share in the upside of the Disposal

In terms of the Agreement and as disclosed in the Circular, should a sale of one of the Target Entities be implemented at any time during the period commencing on the Effective Date and ending 12 months thereafter ("the Potential Sale"), UCS shall be entitled, at its election in writing, to 70% of the net proceeds of such Potential Sale which is in excess of R144 000 000, realised and actually received by BCG, up to R100 000 000, and, thereafter 100% of the balance of such net proceeds exceeding the aforesaid R100 000 000 threshold. Furthermore, in terms of the Agreement, BCG agreed to acquire the claims held by UCS against Destiny E-Commerce ("Destiny E-Commerce Sale Claims") from UCS for an amount equal to the face value thereof, being R44 896 337.,

Accordingly, in accordance with the provisions of the Agreement, UCS has exercised its election to share in the proceeds of the Disposal, and based on the total consideration to be received by BCG for the Disposal, being an amount of R255 000 000, UCS will be entitled to receive an

amount of R26 554 684 of the net proceeds (after taking into account the settlement by BCG of the Destiny E-Commerce Sale Claims) (“the UCS Consideration”) if the Disposal is implemented.

3. Unaudited *pro forma* financial effects for UCS (“Financial Effects”)

The table below sets out the Financial Effects of the UCS Consideration following the Transaction. The Financial Effects have been prepared for illustrative purposes and due to their nature may not fairly present the financial position or the effect on future earnings of UCS upon receipt of the UCS Consideration. The preparation of the Financial Effects is the responsibility of UCS’s directors.

	After the Transaction ⁽¹⁾	After the UCS Consideration ⁽²⁾	Change %
Earnings per share (cents)	157.5	164.5	4.4
Diluted earnings per share (cents)	154.8	161.7	4.5
Headline earnings per share (cents)	(5.3)	(5.3)	-
Diluted headline earnings per share (cents)	(5.2)	(5.2)	-
Net asset value per share (cents)	77.2	84.2	9.1
Net tangible asset value per share (cents)	28.5	35.5	24.6
Weighted average number of shares in issue ('000)	284 653	284 653	-
Diluted weighted average number of shares in issue ('000)	289 731	289 731	-
Number of shares in issue ('000)	285 356	285 356	-

Notes:

1. Based on the published consolidated audited results of UCS for the year ended 30 September 2010 and having taken into account the effects of the Transaction, as extracted from the Financial Effects table set out on page 26 of the Circular.
2. After taking into account the receipt of the UCS Consideration and the taxation thereon.

4. Withdrawal of cautionary announcement

Further to the above, caution is no longer required to be exercised by Shareholders when dealing in their UCS securities.

Johannesburg
24 May 2011

Corporate advisor and sponsor
One Capital

Attorneys
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