

Pinnacle Technology Holdings Limited
Incorporated in the Republic of South Africa
Registration number 1986/000334/06
Share Code: PNC
ISIN: ZAE000022570
("Pinnacle")

ACQUISITION ANNOUNCEMENT

INTRODUCTION

The Board of Directors of Pinnacle is pleased to announce that it has entered into an agreement with Co-ordinated Network Investments Proprietary Limited and Hoolican Investments Proprietary Limited (collectively the "**Sellers**") in terms of which Pinnacle (or a nominated wholly owned subsidiary of Pinnacle), will acquire in one indivisible transaction, 61,152,467 ordinary shares ("**Acquired Shares**") in Datacentrix Holdings Limited ("**Datacentrix**") in an off-market sale and purchase (the "**Acquisition**"). The Acquired shares represent approximately 29.79% of the issued ordinary share capital of Datacentrix.

Datacentrix is a recognised services-led Information and Communication Technology ("**ICT**") solution integrator in South Africa, focusing on the provision of managed services and business solutions. Datacentrix was listed on the JSE Limited ("**JSE**") in 1998 and is based in Midrand with regional offices in most of the major cities in the country.

RATIONALE FOR THE ACQUISITION

Pinnacle recognises the strength of Datacentrix's operations in its chosen fields. The Acquisition will provide Pinnacle the opportunity to grow its own revenue generation from the Managed Services and Business Solutions market sector within the ICT industry, which forms the significant majority of Datacentrix business as reported in Datacentrix financial results for the year ended 28 February 2013.

This is consistent with Pinnacle's strategy to secure a greater share of the value-add service provision segment in the ICT value chain, and to benefit from the annuity revenues and higher margins associated with this segment of the market.

Any forward looking statements contained in this announcement have not been reviewed nor reported on by Pinnacle's auditors.

PURCHASE CONSIDERATION

The purchase consideration for the Acquired Shares is 388 cents per share ("**Price per Acquired Share**") or a cumulative total of R237 271 572 (two hundred and thirty-seven million, two hundred and seventy-one thousand, five hundred and seventy-two Rand only) as calculated by multiplying the Acquired Shares by the Price per Acquired Share ("**Purchase Consideration**"), which Purchase Consideration is payable in cash.

The trade date for the Acquisition will be the second business day following fulfilment of the condition precedent set out below. The Acquisition will be implemented as an off-market sale and purchase and the Purchase Consideration will be settled against delivery of the Acquired Shares by the Sellers to Pinnacle in terms of the rules of Strate Limited.

The Purchase Consideration will be funded out of existing cash resources and credit facilities available to Pinnacle.

CONDITION PRECEDENT TO THE ACQUISITION

The Acquisition is subject to the approval (to the extent required) of the Competition Authorities (either unconditionally or subject to conditions reasonably acceptable to Pinnacle and the Sellers).

PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

Although the Acquisition is indeed earnings accretive, it would not have had a significant effect (as defined in the Listings Requirements of the JSE) on Pinnacle's financial results for the six months ended 31 December 2012 had the acquisition taken place at the beginning of that period. The Acquisition is fully funded out of existing cash resources and credit facilities and has therefore has no impact on net asset value as at 31 December 2012 for pro forma purposes.

CATEGORISATION

The Acquisition is a Category 2 transaction in terms of the Listings Requirements of the JSE and does not require Pinnacle shareholder approval.

WARRANTIES

Both parties have provided the other with the standard warranties that are usual for this type of transaction

Midrand
6 June 2013

Investment bank and transaction adviser
Investec Bank Limited

Sponsor
Deloitte & Touche Sponsor Services Proprietary Limited

Legal adviser
Tugendhaft Wapnick Banchetti and Partners