

PRESS RELEASE

INVESTMENT STEP CHANGE FOR LIONS RUGBY - NEW INVESTMENT TO AWAKEN THE LIONS' PRIDE



Johannesburg, 5 October – Following a closed competitive bidding process, Lions Rugby today announced the signing of an agreement with two of Africa’s leading entrepreneurs, paving the way for their investment in Lions Rugby and heralding an investment step change and a whole new era of opportunity for the Lions and for rugby in South Africa.

Well known, Nelspruit born and Johannesburg based self made entrepreneur, IT mogul and Guma Group Executive Chairman Robert Gumede joined forces with long time family friend, international businessman and philanthropist Ivor Ichikowitz, thus paving the way for them to take up a substantial stake in the Johannesburg rugby franchise.

In a move that signals an investment step change for the Lions the two businessmen have pledged to transform the Union’s fortunes, creating a new model for the future of South African rugby.

The partnership in which Gumede, the Chairman of Guma Group holds 51% and TransAfrica Capital Chairman, Ivor Ichikowitz holds 49%, will see them purchase a 49.9% stake in the Lions Rugby. The investment is backed by undertakings to aggressively develop the Lions franchise over the next few years.

“We are investing for performance,” explains Gumede; “our aim is to drive this team in every respect, so that we develop the franchise at all levels, from the junior ranks all the way to the Super Rugby team. We want the Lions leading

the pack, taking it to its next level, and contributing Springboks to this country.”

Gumede, who is no stranger to investment in sport having previously invested successfully in soccer and golf, says he was inspired to invest in Lions Rugby by the Super 14 semi and final matches played at Orlando Stadium in Soweto in May and early June this year.

“Those events convinced me of the potential of rugby and reminded me on the nation building ability of the game. Lions Rugby in particular have such a proud history and have shown in the past what power they have to contribute to the game in South Africa in general.

Gumede revealed that he and his partner Ichikowitz had been in negotiations with the Lions Board and Management for some time; “we started talking to the team long before they started winning again. To see what they have achieved over the past few weeks is a clear indication of the true potential for this brand.”

“We are convinced that this investment will be the catalyst to revive the Lions glory and to build on the incredibly strong foundations of an established sports brand and loyal fan base in the heart of South Africa’s largest economic region.

Ichikowitz added: “Our investment in Lions Rugby is not merely about driving the future development of the Lions Rugby Franchise, but about driving the future development of the game.

“The Lions exhibit huge promise, our investment is about giving them the means, technical support and financial resource to deliver on that promise for the wider benefit of all those associated with Lions Rugby and rugby as a whole.

“Rugby is a unifying force in South Africa and we are determined to place the Lions Rugby at the forefront of such activity by marrying sound business acumen and expertise with a diverse talent pool that should be unrivalled anywhere in the world, on and off the rugby pitch.

“The Lions have a proud history of success, both from a business and rugby perspective. For many years the GLRU was the richest Union in the country and it is our goal to take them back there”, says Ichikowitz.

Gumede adds, “This investment is an opportunity not only to market Lions Rugby but to broaden the boundaries of rugby and expose the game to a wider audience as one of South Africa’s biggest National assets.

Both Gumede and Ichikowitz believe that one of the key tenets of this investment is that it brings true ownership transformation, where, there is currently no black ownership,

“We don’t want to bring just transformation in ownership,” said Gumede. “We want to create a winning culture with business-like cutting edge management that will ultimately transform the Lions into the Manchester United of world rugby.”

Golden Lions Rugby Union President, Mr. Kevin de Klerk, welcomed the announcement, saying: “This investment catapults Lions Rugby into an entirely new era. It also demonstrates the reality that rugby is a highly professional sport and that we are now truly in the business of rugby.”

“In practical terms, the Lions will be better placed to recruit, nurture, and incorporate the best players at all levels of the game. For our loyal and patient fans it brings the prospect of sustained success on the pitch. This will in turn result in packed stadiums and stimulate a new generation of Lions supporters.”

“It also allows us to harness our local talent with the purpose of creating future Springboks.”

“This is the start of an exciting relationship, driven by a transparent strategy that will create new opportunities for our sponsors, Lions rugby as well as South African rugby as a whole. We now have serious businessmen to take care of the business performance of the Lions franchise, while the rugby people to take care of our rugby performance.”

In conclusion Gumede confirmed, “A team of relevant professionals has been appointed and a team will work with the Golden Lions to bed down the details of the transaction and use their reasonable endeavours to implement the deal as soon as possible.”

For further information visit www.lionsrugby.co.za

Notes to editors

Background biographies of Robert Gumede and Ivor Ichikowitz

Mr. Robert Gumede, is an ex-golf caddie, ex-gardener and self made entrepreneur born in Nelspruit and based in Johannesburg, Gumede is the Executive Chairman of the black owned successful diversified investment powerhouse Guma Group and is founder of the second largest South African IT company, Gijima. Gijima is a proudly empowered South African company listed on the Johannesburg Stock Exchange. Gijima has gained recognition as the complete ICT partner to a considerable client base of large technology users in both the public and private sectors.

Guma's other investments include Guma Properties and the acquisition of the integrated tourism and leisure group, Tourvest for over R2billion. Guma Infrastructure is involved in infrastructure projects like energy, roads, water and sanitation, etc.

A week ago Guma announced an acquisition of a 26% stake in the private charter aviation company ExecuJet, with over 40 aircrafts. The Guma Group of Companies employs over 12 000 staff members and has businesses in various countries like Nigeria, Namibia, Tanzania, Kenya, Zimbabwe, Uganda, Canada, the Caribbean, Turkey, Chile, Indonesia, Australia, the Middle East, China, United Kingdom, etc.

Gumede's love for sport has seen him sponsor and invest in soccer, golf and athletics. Gumede was influenced to fall in love with rugby by his son Simphiwe who was a top St John's College first team rugby winger.

Gumede has extensive experience, spanning over 20 years in professional Sport Management and was actively involved in professional soccer with management and ownership in Premier Soccer League outfits, Dangerous Darkies FC, City Sharks FC and Dangerous Aces FC. Gumede was the only and first person to bring professional football to the Mpumalanga Lowveld and

Dangerous Darkies went on to produce players for Bafana Bafana, like David Nyathi, Siyabonga Nkosi and current midfield maestro Reneilwe Letsholonyane.

Gumede also plays a major role in golf in South Africa where he has gone on to sponsor the top black professional golfers and in particular, James Kamte who now represents South Africa on the European Tour.

Gumede's role in golf has grown from sponsorship to financial investment in golf course infrastructure development. Gumede who started out as a caddy at the age of seven at the Nelspruit Golf Club has today invested in modernising the Nelspruit Golf Club with new greens and grass including dams and sponsors the oldest club Amateur Annual Guma Jock of the Bushveld Open. Gumede also continues to sponsor caddies, where he started out on his journey to success.

Gumede is the only former caddy to have the golf course named after him and is today an Honourary Member of the Nelspruit Golf Club with the second nine on the course been named: The Robert Gumede Nine.

(www.guma.co.za)

Mr Ivor Ichikowitz has been an active figure on the continent for almost twenty years. He is the Executive Chairman of Transafrica Capital (Pty) Limited, a private equity group with a diverse range of investments in aerospace, oil and gas, wireless telecommunications, commercial and industrial property, luxury hospitality, agribusiness, logistics, sport and leisure distribution and retail.

Ivor Ichikowitz is also the Executive Chairman of the Paramount Group which he founded in 1994. Under his leadership the business has grown into one of Africa's leading aerospace and defense companies with the primary focus on resourcing Governments to undertake peacekeeping mandates around the world. His endeavors have harnessed the technical

expertise and innovative capacity of South Africa and have contributed to building the industrial base of the country.

Ivor also has investments in IT and Computer Gaming, Medical and Dental distribution and in scientific research and development projects with a view to innovating products and services for industrial and commercial applications.

Across this diverse portfolio Ivor's commitment to entrepreneurship, economic development and capacity building within Africa remains steadfast.

His business activities are focused on benefitting the communities and countries they serve, creating opportunities for their social and economic development, and personal advancement of employees, shareholders, suppliers and clients, thereby contributing to the general welfare of all concerned. These are the key elements of his philosophy, which he has taken to many countries in which his businesses operate.

Ivor's primary philanthropic focus is currently the Umoja Initiative. The Umoja Initiative was founded in 2010 by the Ichikowitz family. Umoja is the Swahili word for 'spirit of togetherness'. With its roots in Africa, Umoja's ambition extends beyond a single place. Rather Umoja concerns developing countries worldwide, and their struggle to realise their own potential and ability. Ivor's philanthropic work is based on intelligent giving, capacity building and ultimately helping people and places to realize their own potential.