

Press release – PSV Holdings Limited

PSV's sells Group Line Projects subsidiary to Assore

PSV Holdings Limited ("PSV" or "the Group")

PSV, the diversified industrial engineering Group, has sold Group Line Projects ("Group Line"), an industrial lining solutions provider whose core business is vested in the appropriate specification, selection and installation of lining products to solve a variety of materials handling flow and wear problems.

Abie da Silva, CEO of PSV said, "Traditionally the earnings of Group Line have not been smooth due to the project nature of the business and PSV felt that that a phased conversion to annuity type income would strengthen the company's business model. Given the current economic climate, the price received for Group Line is extremely attractive to PSV." Da Silva went on to say that the acquisition of Turbo Agencies will offset the loss of revenue from Group Line.

PSV sold Group Line, for a cash consideration of R35 million, to Wonderstone Limited, a wholly owned subsidiary of Assore Limited ("Assore"), a listed mining holding company which is the largest supplier to Group Line in terms of ceramic tiles used in its linings process.

"Group Line experienced their best year ever, so the timing of the sale on the part of PSV was extremely attractive, given the current business environment", said da Silva.

Da Silva went on to say that the transaction has a number of advantages for both PSV and Assore, not least of which, is the fact that a cash injection of R35 million into PSV will be used to reduce current levels of short and long term debt and assist with general working capital within the business. Assore benefits from a contractor with exemplary project knowledge and successful contracts with the likes of various Eskom power stations.

The transaction is subject to conditions precedent and will be effective on the first day of the month immediately following the month in which these conditions are met. Since the transaction is classified as a Category 1 transaction, shareholder approval of the transaction will be required by PSV.

"PSV wishes Assore and the Managing Director of Group Line Dave Kelly all the very best in their future endeavours," concluded da Silva.

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Release date:

13 June 2011

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