



## TRUSTCO GROUP HOLDINGS LTD

Registration No. 2003/058

Registered in Namibia

ISIN Code: NA000AOKE891

NSX Share Code: TSO

### ANNOUNCEMENT OF THE DETAILS OF AN ACQUISITION BY TRUSTCO GROUP HOLDINGS LIMITED (TRUSTCO) AND UPLIFTMENT OF CAUTIONARY ANNOUNCEMENT

#### 1. Introduction

On 2 November 2007 a written agreement was concluded between Dex Group (Pty) Ltd (Dex) a company incorporated in South Africa and Trustco Group International SA (Pty) Ltd (TGI) in terms whereof TGI acquired the entire shareholding, loan accounts and claims in Dex Group Financial Services (Pty)(DFS) Ltd as well as E-Sure, a computer software system.

TGI is a wholly owned subsidiary of Trustco and is registered in South Africa as a private company with registration number 2003/012197/07.

DFS in turn wholly owns four subsidiaries. They are:

Brokernet (Pty) Ltd  
Dex Corporate Solutions (Pty) Ltd  
ICE Insurance Claims (Pty) Ltd  
Dex Group Informatrix (Pty) Ltd

DFS and its subsidiaries conduct business in the financial services sector in South Africa. It manages policy and claims administration and money management on behalf of registered brokers in the short term insurance industry at an agreed fee.

The transaction constitutes a category 3 transaction as defined in paragraph 9.5 of the Namibian Stock Exchange Listings requirements. This announcement is made in accordance with paragraph 9.15 of the said listings requirements.

#### 2. Particulars of the Transaction

The vendor is Dex Group (Pty) Ltd a company with limited liability, incorporated in the Republic of South Africa and referred to herein as "Dex". Dex is the sole shareholder of DFS.

The effective date of the transaction is 31 October 2007 if the conditions precedent are fulfilled on or before 30 November 2007.

The agreement is subject to the following conditions precedent.

- The Namibian Stock Exchange granting its approval if required.

- The approval or ratification of the agreement by the boards of the parties respectively.

- Trustco and TGI being satisfied in their sole discretion with the outcome of a due diligence investigation.

- An Intermediaries Guarantee Facility remaining in place until the effective date.

All conditions precedent must be fulfilled by 30 November 2007 failing which the agreement will lapse. The Board of Trustco is confident that the conditions precedent will be fulfilled in time.

#### 3. Other significant terms of the agreement

3.1 TGI also acquired "E-Sure" being a software system maintained and upgraded by the Dex Group of companies, which is used in the business of policy administration and money management by the subsidiaries referred to above. "E-Sure" was valued independently in 2004 at ZAR60 million by Mr. Pierre Cronje, a Business and Information Technology Consultant. The board has no reason to doubt the validity of the valuation.

3.2 In terms of the agreement the senior management structure as currently in place will continue to manage the business.

The Competition Board in South Africa advised that notification of the transaction is not necessary thus disposing of the aspect of competitions board approval.

#### 4. The purchase consideration which is capped at ZAR65 million is structured as follows:

4.1 ZAR20 million in cash when the suspensive conditions are met or waived.

4.2 The issue of shares in Trustco at N\$3.80 per share in four tranches on 31 May 2008, 31 May 2009, 31 May 2010 and 31 May 2011. The number of shares issued in each tranche is equal to the value of the net profit after tax achieved by DFS and its subsidiaries at 31 March 2008, 31 March 2009, 31 March 2010 and 31 March 2011 respectively.

The rationale of the transaction is the commitment of Trustco to expand its business operations to South Africa or other SADC countries in inter alia the financial services sector.

To the extent necessary the articles of association of DFS will be amended to conform to Schedule 10 of the Namibian Stock Exchange Listings requirements.

The enhancement of Trustco's financial position as a result of the acquisition appears from the key financial indicators.

Key Ratio's	31 October 2007	31 March 2008	31 March 2009
TSO Shares in issue (net of deemed treasury shares) (000's)	120 117	120 117	121 943
TSO NAV (N\$ 000's)	92 602	95 561	108 467
DFS Profit after tax (N\$ 000's)* Guarenteed	3 978	6 937	12 907
TSO increase in EPS (cents)	3.31	5.77	10.61
TSO increase in HEPS (cents)	3.31	5.77	10.61
NAV / share (N\$)	0.77	0.80	0.89

By order of the board.

P J Miller  
Company Secretary  
5 November 2007

#### Registered Office:

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Windhoek  
Namibia

#### Directors:

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Namwandi,  
M Nashandi, G Walters, AH Toivo ya Toivo,  
Q van Rooyen (Managing Director), FJ  
Abrahams

#### Sponsor:

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