



TRUSTCO GROUP HOLDINGS LIMITED
Incorporated in the Republic of Namibia
(Registration number 2003/058)
NSX Share Code: TUC
JSE Share Code: TTO
ISIN Number: NA000A0RF067
("Trustco" or "the Company")

ACQUISITION OF ELISENHEIM PROPERTY DEVELOPMENT COMPANY PROPRIETARY LIMITED

1. INTRODUCTION

Shareholders are advised that Trustco, via its wholly owned subsidiary, Trustco Property Holdings Proprietary Limited ("Trustprop") entered into an agreement, dated 23 January 2014, ("the acquisition agreement") with Philco Twenty Two Proprietary Limited ("Philco"), subject to the fulfilment of certain conditions precedent, in terms of which Trustco will acquire 100% of the issued share capital of Elisenheim Property Development Company Proprietary Limited ("Elisenheim") for a purchase consideration of N\$220 million ("the acquisition").

The effective date of the acquisition shall be 1 December 2013, notwithstanding the date of fulfilment of the conditions precedent to the acquisition set out herein below.

The parties have given each other the warranties and indemnities that are usual in transactions of this nature.

2. INFORMATION ON ELISENHEIM

Elisenheim is the registered owner and developer of the Elisenheim development. The development consists of a residential and commercial housing estate on approximately 1186 hectares of land. The development began in 2010 with sales of Phase 1 which make up 450 residential erven substantially completed and transferred to individual owners. Elisenheim development is the largest privately owned town development in Namibia. The Elisenheim development is situated within the Windhoek Basin in Windhoek, the capital of Namibia, and falls within the city's municipal boundaries.

3. RATIONALE FOR THE ACQUISITION

The acquisition is in line with Trustco's strategy and its quest to contribute towards national development through the expansion of residential accommodation. With this acquisition the Group intends to address the shortage of housing in Namibia whilst utilizing the future proceeds of sales of erven to increase earnings in the group.

4. PURCHASE CONSIDERATION

The purchase consideration payable by Trustprop is the amount of N\$220 million and will be paid in cash as follows:

- 4.1 An amount of N\$150 000 000.00 on 15 April 2014 or on the date of the fulfilment or waiver, as the case may be, of the last of the conditions precedent to the acquisition;
- 4.2 An amount of N\$44 000 000.00 on 1 April 2015; and
- 4.3 An amount of N\$26 000 000.00 on 1 April 2016.

Trustco will guarantee the punctual payment of the aforesaid amounts by Trustprop. Trustco will fund the acquisition through bank funding.

5. CONDITIONS PRECEDENT

The acquisition agreement is subject to the fulfilment or waiver, as the case may be by or before 15 April 2014 of the following outstanding conditions precedent:

- 5.1 written approval of the acquisition by the competition authorities with jurisdiction to the extent necessary;
- 5.2 approval of the acquisition by the JSE Limited ("JSE"), Namibian Stock Exchange ("NSX") and Trustco shareholders in general meeting in accordance with the Listings Requirements of the JSE and NSX and the Namibian Companies Act 2004, Act 28 of 2004 ("the Act");
- 5.3 approval of the acquisition by Philco shareholders in terms of its shareholders' agreement and the Act;
- 5.4 Elisenheim obtains written confirmation from the Minister of Local Government and Housing (Townships Board and Namibia Planning Advisory Board) that the township establishment of Elisenheim Extension No's 1 to 21 have been extended until 31 December 2023 and 31 December 2015, respectively; and
- 5.5 Elisenheim has terminated all agreements with service providers, Burmeister and Partners Proprietary Limited and INGPLAN Namibia and any of their affiliates on terms agreed to by Trustprop prior to such termination.

6. PRO FORMA FINANCIAL EFFECTS

The unaudited *pro forma* financial effects of the acquisition, as set out below, is the responsibility of the directors of Trustco. The unaudited *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information has been prepared and in terms of Trustco's accounting policies. The unaudited *pro forma* financial effects have been presented for illustrative purposes only and, because of their nature, may not give a fair reflection of Trustco's financial position.

The table below sets out the unaudited *pro forma* financial effects of the acquisition on Trustco, based on the unaudited, unreviewed, published results of Trustco for the six months ended 30 September 2013.

	Published financial information - 30 September 2013 (i)	<i>Pro forma</i> adjustments - purchase of Elisenheim (i)	<i>Pro forma</i> financial information after purchase of Elisenheim - 30 September 2013	Percentage change
EPS (cents) (iii), (iv), (v)	8.59	(0.29)	8.30	-3.37%

Diluted EPS (cents) (iii), (iv),(v)	8.53	(0.29)	8.24	-3.37%
HEPS (cents) (iii), (iv),(v)	3.02	(0.29)	2.73	-9.59%
Diluted HEPS (cents) (iii), (iv),(v)	3.00	(0.29)	2.71	-9.59%
NAV per share (cents) (vi)	138.13	-	138.13	0.00%
TNAV per share (cents) (vi)	97.44	-	97.44	0.00%
Ordinary shares in issue ('000)	772,142,090	-	772,142,090	0.00%
Ordinary shares in issue ('000) (excl. treasury shares)	771,095,918	-	771,095,918	0.00%
Weighted average number of ordinary shares in issue ('000) (excl. treasury shares)	757,559,000	-	757,559,000	0.00%
Diluted weighted average number of ordinary shares in issue ('000) (excl. treasury shares)	762,481,000	-	762,481,000	0.00%

The pro forma financial effects have been calculated on the basis of the following assumptions:

- i) The "Before" financial information has been extracted without adjustment from the unaudited, unreviewed, published results of Trustco for the six months ended 30 September 2013.
- ii) The "*Pro forma* adjustments - purchase of Elisenheim" column, which is based on the management accounts for the period ended 30 September 2013, also reflects the NAV and the TNAV of Elisenheim at acquisition date with gross assets equating to N\$ 300 million.
- iii) It is assumed that the acquisition will be funded by debt. This debt is to be funded at an interest rate of 10.25% (Namibian mortgage rate) and for the purposes of this announcement is assumed to have been acquired on 1 April 2013.
- iv) The once-off transaction costs to be paid amount to R1.1 million have been expensed. Transaction costs relating to debt have been capitalised to the financial liability in terms of IFRS.
- v) The Basic earnings, Diluted earnings, Headline earnings and Diluted headline earnings per share were calculated based on the assumption that the acquisition took place on 1 April 2013; and
- vi) The NAV and NTAV per share were calculated as if the acquisition took place on 30 September 2013.

7. CATEGORISATION OF THE ACQUISITION

The acquisition constitutes a Category 1 acquisition in terms of the JSE Listings Requirements and requires shareholder approval. Accordingly a circular detailing the terms of the acquisition and a notice convening a general meeting of shareholders will be posted to shareholders in due course.

By order of the Board.

DJ Steyn

Company Secretary

Windhoek

23 January 2014

JSE Sponsor

Sasfin Capital (a division of Sasfin Bank Limited)

NSX Sponsor

IJG Securities (Pty) Limited