

Alexander Forbes Preference Share Investments Limited

(Formerly Micawber 515 (Proprietary) Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2006/031561/06)
Share code: AFP ISIN number: ZAE00098067
("AF Pref" or "the Company")

Abridged pre-listing statement

Abridged pre-listing statement relating to:

- a private placing by way of an offer for the subscription of a maximum of 55.6% of the number of qualifying Alexander Forbes shares held, of AF Pref linked units comprising AF Pref Preference Shares and AF Pref Debentures at a subscription price of R18.72 per AF Pref linked unit;
- the subsequent listing of the AF Pref linked units on the JSE Limited ("JSE").

This abridged pre-listing statement is not an invitation to the general public to subscribe for AF Pref linked units ("linked units"). The private placing is offered to certain Alexander Forbes ordinary shareholders only.

The purpose of this abridged pre-listing statement is to provide parties participating in the private placing and members of the investment community with information relating to AF Pref, its directors and financial information.

1. INTRODUCTION AND RATIONALE

Cleansheet Investments will acquire Alexander Forbes Limited by way of a scheme of arrangement in terms of section 311 of the Companies Act, 1973 ("the Scheme"). As part of the Scheme, Cleansheet Investments is offering qualifying scheme participants the opportunity to re-invest in Richtrau No. 131 (Proprietary) Limited ("EquityCo"), the new holding company of the entire Alexander Forbes business.

The re-investment election is structured through a newly incorporated special purpose vehicle, namely AF Pref. AF Pref will hold 26.5% of the EquityCo ordinary shares and 28.6% of the EquityCo preference shares as well as 100% of the PIK debentures issued by Richtrau No. 132 (Proprietary) Limited ("PIKCo"). PIKCo is a subsidiary of EquityCo specifically formed as part of the financing arrangements of EquityCo. The total equity investment of AF Pref in EquityCo is R1 122 million and the total PIK debenture investment by AF Pref in PIKCo is R750 million.

AF Pref will issue two instruments, namely:

- AF Pref Preference Shares, which will give the holder see-through economic and voting rights into the *pro rata* underlying investment by AF Pref in the equity of EquityCo; and
- AF Pref Debentures, which will give the holder see-through economic rights into the *pro rata* underlying investment by AF Pref in the PIKCo debentures.

The JSE has approved the listing of 100 000 000 AF Pref linked units comprising of AF Pref Preference Shares and AF Pref Debentures, with effect from the commencement of business on 26 July 2007, in the 'Investment Products' sector of the JSE lists under the abbreviated name 'Afprefinv'.

The purpose of listing AF Pref linked units is to afford eligible Alexander Forbes shareholders the opportunity to retain indirect exposure to Alexander Forbes after the implementation of the Scheme via a listed instrument.

The subsequent listing will also:

- enhance investors' awareness of AF Pref;
- facilitate direct investment in AF Pref;
- provide investors with a market for trading the linked units.

2. OVERVIEW OF AF PREF

AF Pref was incorporated for the purpose of holding EquityCo ordinary shares, EquityCo "A" preference shares and PIK debentures for the purposes of the re-investment election.

It has no trading history and will not conduct any other business activities. Its memorandum and articles of association have been framed accordingly. Accordingly, AF Pref will not incur any liabilities or obligations that are not either necessary in order for it to operate and/or covered by an indemnity from EquityCo.

AF Pref's ordinary shares will be 100% owned by The AF Management Trust, an independent trust with independent trustees. The AF Management Trust will be empowered to appoint the board of directors of AF Pref, which will fulfil a mainly administrative role in AF Pref. Most of AF Pref's costs will be borne by EquityCo.

In order to facilitate the acquisition of equity in EquityCo by the BEE partners and management, AF Pref and the Actis led consortium will provide interim funding to the BEE partners and management ("BEE and management underwrite") to allow them to subscribe for ordinary and preference shares in EquityCo. Accordingly, AF Pref will provide its *pro rata* share of the BEE and management underwrite.

In addition, AF Pref will advance the PIK bridging loan to PIKCo on or about the operative date to fund R750 million of the consideration payable under the Scheme and will, subject to receipt of R750 million from Rand Merchant Bank, on reorganisation date, subscribe for PIK debentures in PIKCo to fund the reorganisation. The PIK bridging loan will be repaid by PIKCo on the reorganisation date.

3. PROSPECTS OF THE COMPANY

AF Pref will not undertake any additional business activities outside of holding EquityCo shares, PIK Debentures and the BEE and management underwrite nor will it make any other investments. AF Pref's prospects will therefore be wholly dependent on the performance of EquityCo. AF Pref will also provide a *pro rata* proportion of the R160 million standby facility to EquityCo.

The EquityCo structure will be highly leveraged with a significantly higher risk profile than traditional publicly-listed companies. As such, shareholders and prospective shareholders of AF Pref and EquityCo should carefully consider this investment opportunity after reviewing the pre-listing statement in its entirety, considering all aspects of the Scheme and should seek their own independent investment advice.

It is important for prospective AF Pref preference shareholders to be aware that the nature of EquityCo is such that:

- the capital structure of EquityCo and its subsidiaries will contain a significant level of gearing;
- EquityCo will not have the same cash flow characteristics as Alexander Forbes;
- EquityCo will not pay dividends in the foreseeable future as a result of the high level of gearing referred to above.

4. DIRECTORS

The names, ages, business addresses, qualifications, occupations, nationalities and brief curricula vitae of the Directors are set out below:

Non-executive Directors

Director	Business address	Abbreviated curriculum vitae
John Richard Parker Doidge (58) (Director and company secretary) South African	6th Floor, Mariendahl House Newlands on Main Main Road, Newlands Cape Town 7700 (PO Box 44774, Claremont, 7735)	John Doidge is the managing director of Sentinel Corporate Fiduciary services and is a 58 years old graduate of the University of Cape Town. He is an attorney with a small practice in Cape Town and he is a director of many companies. John is the founder and deputy chairman of the South African Securitisation Forum and is an honorary life member of the Association of Trust Companies of South Africa. John is a trustee and the founding Chairman of the Asbestos Relief Trust.
Sean Gaskell (32) (Director) South African	6th Floor Mariendahl House Newlands on Main Main Road, Newlands Cape Town 7700 (PO Box 44774, Claremont, 7735)	John has been specialising in trusts since 1979 and has extensive trust experience. His main focus these days is on matters relating to the securitisation industry. His company provides securitisation trustee services to all of the major banks in South Africa. Apart from practising law, John held various senior positions in the Nedcor Group for some 19 years. John has a B.Proc and is a practicing attorney and a director of various companies. Sean Gaskell has been holding directorships and acting as specialist trustee for eight years and is a director at Sentinel International Advisory Services (Pty) Ltd, consulting in professional trusteeship and taxation. Sean has a B.Bus.Sci honours degree in Finance from the University of Cape Town and is a director of various companies.

There are no executive directors of AF Pref.

5. SHARE CAPITAL

The authorised and issued share capital of AF Pref, before and after the private placing, is set out below:

	Rand
Authorised share capital of AF Pref, before and after the private placing, 1 000 ordinary shares of par value R1.00 each	1 000
500 000 000 redeemable participating preference shares of par value R0.000001 each	500
Issued share capital of AF Pref, before the private placing, 1 000 ordinary shares of R1.00 each	1 000
Issued share capital of AF Pref, after the private placing, 1 000 ordinary shares of R1.00 each	1 000
A maximum of 100 000 000 preference shares of par value R0.000001 each	100
A maximum of 100 000 000 debentures issued at R7.50 each	750 000 000
Share premium	1 121 999 900

* Calculated using an issue price of R18.72, being the the subscription price per AF Pref linked unit.

The AF Pref Preference Shares will rank prior to the ordinary shares and any other class of shares in the share capital of AF Pref not ranking prior to or *pari passu* with the AF Pref Preference Shares, in all respects. The entire issued preference share capital of AF Pref will be listed on the JSE. The securities will be issued in dematerialised form.

6. COPIES OF THE PRE-LISTING STATEMENT

Copies of the pre-listing statement are available in English from the registered office of AF Pref and the offices of Rand Merchant Bank, a division of FirstRand Bank Limited and Alexander Forbes Limited during normal business hours.

The registered office of AF Pref:
Sentinel Corporate Fiduciary Services (Proprietary) Limited
6th Floor, Mariendahl House, Newlands on Main
Main Road, Newlands
Cape Town, 7700
South Africa
(PO Box 44774, Claremont, 7735)

The office of Rand Merchant Bank:
1 Merchant Place
Fredman Drive
Sandton, 2196
South Africa
(PO Box 786273, Sandton, 2146)

The office of Alexander Forbes Limited:
Alexander Forbes Place
61 Katherine Street
Sandton, 2196
South Africa
(PO Box 787240, Sandton, 2146)

Sandton
19 July 2007

Merchant bank, underwriter and sponsor



Reporting accountants



Lead attorneys
to Cleansheet Investments and AF Pref



Attorneys to the underwriter



Attorneys



Transaction proposer



Transactional sponsor

