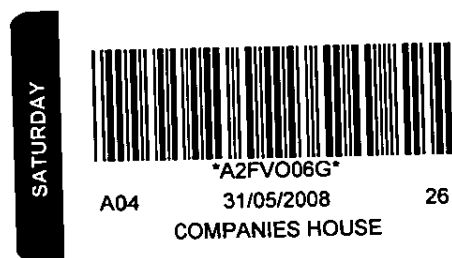


Company Number
2265613

Alexander Forbes International Limited

Report and financial statements

**For the year ended
31 March 2008**



Alexander Forbes International Limited
Report and financial statements
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Alexander Forbes International Limited

Company Information

Directors

M G Ilsley (resigned 15 June 2007)

J H Vickers (alternate director to M G Ilsley – resigned 15 June 2007)

G E Stobart

M P Moyo (resigned 9 November 2007)

D M Viljoen (appointed 15 June 2007)

T D Morgan (appointed 7 September 2007)

B Campbell (appointed 20 May 2008)

Non executive directors

M Nicholls (resigned 27 July 2007)

J V H Robins (resigned 27 July 2007)

Company Secretary

P J Harrison (resigned 21 December 2007)

L E Voss (appointed 21 December 2007)

Registered Office

6 Bevis Marks, London, EC3A 7AF

Registration Number

2265613

Auditors

PricewaterhouseCoopers LLP

Hay's Galleria

1 Hays Lane

London

SE1 2RD

Alexander Forbes International Limited

Directors' Report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2008.

Principal activities and review of business developments

The company continues to act as a holding company for a number of financial services and direct marketing businesses. The directors consider the future prospects of the company to be satisfactory. The company is set to continue with the principal activity outlined above.

Results and dividends

The profit for the year, after taxation, amounted to £3,462,775 (£2007: £49,018,407 loss). The loss in 2007 was driven by the disposal of Alexander Forbes Risk Services Holdings Limited ("IRS"). During the year, the directors declared an interim dividend of £nil (2007-£ nil).

Review of business and future developments

(i) Review of developments and performance of the business and position at year-end

Following the disposal of IRS in November 2006, the company traded during the year in line with expectations

(ii) Principal risks and uncertainties

The company is reliant on the operating performance of its underlying subsidiaries, which continue to trade profitably and largely in line with expectations.

(iii) Key performance indicators

The primary key performance indicator is the dividends received and other net cash flows by the company. The directors are satisfied with the performance of the company against its key performance indicators over the past financial year.

Directors

The directors of the company during the year under review are shown on page 1.

Alexander Forbes International Limited

Directors' Report

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are satisfied that adequate business reviews have been conducted over the company's internal controls and operations

Financial risk management objectives and policies

The directors consider that there is no material exposure to price, currency, credit, liquidity or interest rate risk for the financial instruments held by the company. The company does not hold equity instruments other than investments in group undertakings; the financial assets and liabilities are mainly British pound denominated and these are mainly represented by financial assets receivable from and payable to, and / or investments in, group undertakings. The Company may hold assets or liabilities where the underlying economic risk and rewards is in another currency, particularly Swiss Franc's or Euro's but has elected not to hedge these exposures, although it may seek to match the effective cash flow currency risk by funding the assets in the relevant base currency.

Disclosure of information to auditors

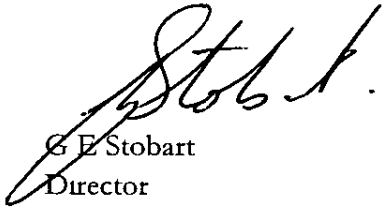
Each Director in office at the date of approval of this report confirms that so far as he is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Alexander Forbes International Limited Directors' Report

Auditors

In accordance with the Companies Act 2006, the company is no longer required to hold annual general meetings. Subject to the receipt of any objections as provided under statute or the company's Articles of Association, the company is relying on the provisions for the deemed reappointment of PricewaterhouseCoopers LLP as auditors as provided in section 485 of the Companies Act 2006 and PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors of the company.



G E Stobart
Director

23 May 2008

Alexander Forbes International Limited
Independent auditors' report
to the members of Alexander Forbes International Limited

We have audited the financial statements of Alexander Forbes International Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Alexander Forbes International Limited
Independent auditors' report
to the members of Alexander Forbes International Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers UK

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

23 May 2008

Alexander Forbes International Limited
Profit and Loss Account
for the year ended 31 March 2008

	Notes	2008 £	2007 £
Turnover	2	6,456,283	2,872,868
Other operating income		1,981,921	127,152
Operating expenses		(4,023,838)	(5,004,455)
Operating profit/(loss)		4,414,366	(2,004,435)
Exceptional items: profit/(loss) on the disposal of investments	3	-	(39,488,432)
		4,414,366	(41,492,867)
Interest receivable		1,917,044	285,005
Interest payable		(5,876,606)	(8,963,845)
Profit/(loss) on ordinary activities before taxation		454,804	(50,171,707)
Tax on profit/(loss) on ordinary activities	6	3,007,971	1,153,300
Profit/(loss) on ordinary activities after taxation	14	3,462,775	(49,018,407)

All items dealt with in arriving at the above results relate to continuing operations.

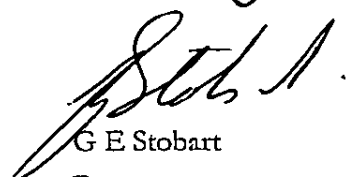
The company had no recognised gains and losses for the period other than the retained profit for the year and therefore no statement of total recognised gains and losses has been prepared.

There is no difference between the above results from ordinary activities before taxation and the results for the years stated above and their historical cost equivalents.

Alexander Forbes International Limited
Balance Sheet
as at 31 March 2008

	Notes	2008 £	2007 £
Fixed assets			
Investments	8	30,832,875	29,832,875
Current assets			
Debtors	8	50,742,780	42,857,327
Cash at bank and in hand		875,333	2,329,325
		<u>51,618,113</u>	<u>45,186,652</u>
Creditors: amounts falling due within one year	9	(27,119,887)	(25,801,607)
Net current assets		<u>24,498,226</u>	<u>19,385,045</u>
Total assets less current liabilities		<u>55,331,101</u>	<u>49,217,920</u>
Creditors: amounts falling due after more than one year	10	(49,750,000)	(50,750,000)
Provisions for liabilities and charges	11	(4,452,621)	(802,215)
		<u>1,128,480</u>	<u>(2,334,295)</u>
Capital and reserves			
Called up share capital	12	50,907,835	50,907,835
Share premium	13	57,837,317	57,837,317
Profit and loss account	14	(107,616,672)	(111,079,447)
Equity shareholders' funds	15	<u>1,128,480</u>	<u>(2,334,295)</u>

The financial statements on pages 7 to 16 were approved by the board of directors on
23rd May 2008 and signed on its behalf by


G E Stobart
Director

Alexander Forbes International Limited
Notes to the Financial Statements
for the year ended 31 March 2008

1 Principal accounting policies

Basis of accounting

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Acts 1985 and 2006 and applicable accounting standards. The company has adopted the requirements of all accounting standards, including those effective 31 March 2008. The principal accounting policies are set below.

New Accounting Policies

No new accounting policies were adopted during the current period. The Company has not adopted Financial Reporting Standard (FRS) 29 (Financial Instruments: Disclosures). The Company is exempt from this standard as it does not hold assets at fair value and has therefore not adopted FRS 26 (Financial Instruments: Recognition and Measurement).

Cash flow statement

The company is a wholly owned subsidiary of Alexander Forbes Limited and the cash flows of the company are included in the consolidated cash flow statement of that company whose financial statements are publicly available. Consequently the company is exempt under the terms of Financial Reporting Standard 1 from publishing its own cash flow statement.

Income from investments in group undertakings

Income from investments in group undertakings is recognised when the right to receive payment is established.

Deferred tax

The charge for ordinary taxation is based on the profits for the year. Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation, as required by Financial Reporting Standard 19. Deferred tax is measured in the financial statements on a non-discounted basis.

Investments

Fixed asset investments are stated at cost and are written down only where there is an impairment in value.

Provision for liabilities and charges

A provision is recognised where there is a present obligation (legal or constructive) as a result of a past event, and it is probable that a transfer of economic benefit will be required to settle that obligation, and a reliable estimate can be made.

Basis of consolidation

The financial statements contain information about Alexander Forbes International Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt from the requirement to prepare consolidated financial statements, as it and its subsidiaries are included by consolidation in the consolidated financial statements of Alexander Forbes Limited, and the other conditions set out in paragraph 21 of FRS2 'Accounting for Subsidiary Undertakings' have been met.

Alexander Forbes International Limited
Notes to the Financial Statements
for the year ended 31 March 2008

2 Turnover	2008 £	2007 £
Dividend received from subsidiary undertakings	6,456,283	2,872,868
3 Exceptional items	2008 £	2007 £
Loss on disposal of investments	-	(39,488,432)

In the prior year the company sold its entire interest in Lockton International Limited (formerly Alexander Forbes Risk Services Holdings Limited) and its subsidiaries ("IRS"), comprising the investment and outstanding loan accounts, to Lockton International Holdings Limited, for a total consideration of approximately £86 million resulting in a loss on disposal of £39,488,432

4 Directors' emoluments

The Executive Directors are employed and paid by companies in the Alexander Forbes International Limited group. An allocation of the emoluments for the Executive Directors' services to the company are disclosed below.

	2008 £	2007 £
Executive Directors		
Salaries and other emoluments	1,161,957	3,156,294
Aggregate contributions to defined contribution pension funds	14,016	479,283
	<u>1,175,973</u>	<u>3,635,577</u>
Amounts attributable to highest paid Director:		
Salaries and other emoluments	708,409	1,033,252
Aggregate contributions to defined contribution pension funds	-	412,500
	<u>708,409</u>	<u>1,445,752</u>

5 Employees

The Company has no employees. All staff costs were borne by Alexander Forbes Services Limited during the period. Alexander Forbes Services Limited is a group undertaking which recharged staff costs to the company as management fees. Details of employees and employee related costs, including pension costs, are shown in the financial statements of that company.

Alexander Forbes International Limited
Notes to the Financial Statements
for the year ended 31 March 2008

6 Taxation on profits on ordinary activities	2008 £	2007 £
United Kingdom Corporation Tax at 30% (2007 30%)		
Current tax:		
UK corporation tax on profits of the period	(761,317)	(88,234)
Other	(3,061)	24,129
Adjustments in respect of previous periods	(1,801,392)	(361,079)
Tax credit on loss on ordinary activities	<u>(2,565,770)</u>	<u>(425,184)</u>
Deferred tax:		
Origination and reversal of timing differences	(630,570)	(728,116)
Effect of decrease in tax rate on closing asset	188,369	-
Tax on profit / (loss) on ordinary activities	<u>(442,201)</u>	<u>(728,116)</u>
Tax on loss on ordinary activities	<u>(3,007,971)</u>	<u>(1,153,300)</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows.

	2008 £	2007 £
Profit/(loss) on ordinary activities before tax	<u>454,804</u>	<u>(50,171,707)</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007 30%)	136,441	(15,051,512)
Effects of		
Income and Expenses not deductible for tax purposes	(270,249)	15,715,523
Timing differences	(630,570)	(728,116)
Adjustments to tax charge in respect of previous periods	(1,801,392)	(361,079)
Current tax credit for the period	<u>(2,565,770)</u>	<u>(425,184)</u>

Alexander Forbes International Limited
Notes to the Financial Statements
for the year ended 31 March 2008

7 Investments

Cost	Investments in subsidiary undertakings £	Other investments £	Total £
At 1 April 2007	27,607,461	2,225,414	29,832,875
Additions - see below	-	1,000,000	1,000,000
At 31 March 2008	27,607,461	3,225,414	30,832,875

The addition to other investments relates to loan notes which were acquired as part of the sale of Alexander Forbes Risk Services Holdings Limited. These loan notes were conditional subject to certain underlying events and now these events have occurred, the asset and associated income in relation to these have been recognised.

In the opinion of the directors the value of each investment in the subsidiary undertakings is not less than the amount recognised in the financial statements.

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Alexander Forbes Financial Services Limited *	England and Wales	Ordinary	100
Alexander Forbes Financial Services No 2 Limited *	England and Wales	Ordinary	100
Alexander Forbes Financial Services Holdings Limited *	England and Wales	Ordinary	100
Chambers Townsend Consultancy Limited *	England and Wales	Ordinary	100
Alexander Forbes Financial Services Affinity Limited *	England and Wales	Ordinary	100
Alexander Forbes Media Services Limited *	England and Wales	Ordinary	80
10630 Limited *	England and Wales	Ordinary	100
Investment Solutions Group Limited *	England and Wales	Ordinary	100
10170 Limited *	England and Wales	Ordinary	100
Alfred Blackmore Group Limited *	England and Wales	Ordinary	100
Alexander Forbes Services Limited *	England and Wales	Ordinary	100
Alexander Forbes Trustee Services Limited	England and Wales	Ordinary	100
Alexander Forbes Remuneration Consultants Limited	England and Wales	Ordinary	100
Alexander Forbes Tax and Trusts Limited	England and Wales	Ordinary	100
Alexander Forbes I.O.M. Limited	Isle of Man	Ordinary	100
Lane Clark and Peacock LLP	England and Wales	Ordinary	60
LCP Europe Limited	England and Wales	Ordinary	80
DC Link Limited	England and Wales	Ordinary	100
LCP DC Link Limited	England and Wales	Ordinary	100
The Investors Bureau Limited	England and Wales	Ordinary	100
Alexander Forbes Media Holdings Limited	England and Wales	Ordinary	72
Media Insurance Services Limited	England and Wales	Ordinary	80
Alexander Forbes UK Direct Limited	England and Wales	Ordinary	40
Media Insurance Services UK Limited	England and Wales	Ordinary	40
Lane Clark and Peacock Belgium CVBA	Belgium	Ordinary	72
LCP Libera AG	Switzerland	Ordinary	76
LCP Netherlands BV	Netherlands	Ordinary	48
HLD Actuarial Consultants Limited	Ireland	Ordinary	36
GCW Actuarial Limited	Ireland	Ordinary	36

* Directly owned by the company

Alexander Forbes International Limited
Notes to the Financial Statements
for the year ended 31 March 2008

8 Debtors	2008	2007
	£	£
Trade debtors	4,101,787	152,962
Amounts owed by group undertakings	42,951,665	39,988,929
Corporation tax	690,727	422,312
Deferred taxation	2,637,169	2,194,968
Prepayments and accrued income	361,433	97,686
Other taxes and social security costs	-	470
	<u>50,742,781</u>	<u>42,857,327</u>

The deferred tax movement can be analysed as follows:

	2008	2007
	£	£
Accelerated tax depreciation		
Short-term timing differences	2,637,169	2,194,968
Total deferred tax asset	<u>2,637,169</u>	<u>2,194,968</u>
	£	£
At 1 April	2,194,968	1,466,852
Deferred tax charge in the profit and loss account	630,570	728,116
Impact of change to UK tax rate	(188,369)	-
At 31 March	<u>2,637,169</u>	<u>2,194,968</u>

During the year, as a result of the change in UK Corporation tax rates which will be effective from 1 April 2008, deferred tax balances have been remeasured. Deferred tax relating to temporary differences which are expected to reverse prior to 1 April 2008 is measured at 30%, and deferred tax relating to temporary differences expected to reverse after 1 April 2008 is measured at the tax rate of 28%, as these are the tax rates that are expected to apply on reversal. This has resulted in a charge to the profit and loss account of £188,369.

Amounts owed by group undertakings are unsecured and have no fixed dates of repayment.

9 Creditors: amounts falling due within one year	2008	2007
	£	£
Accrued interest on borrowings	9,451,814	7,740,604
Deferred consideration	-	1,122,272
Amounts owed to group undertakings	16,273,257	15,703,629
Corporation tax	253	-
Other taxes and social security costs	428,418	-
Accruals and deferred income	966,145	1,235,102
	<u>27,119,887</u>	<u>25,801,607</u>

Amounts due to group undertakings are unsecured and have no fixed dates of repayment. Accrued interest on borrowings is payable to Alexander Forbes Group Jersey Limited (see Note 10)

Alexander Forbes International Limited
Notes to the Financial Statements
for the year ended 31 March 2008

10 Creditors: amounts falling due after one year	2008 £	2007 £
Long term loan	<u>49,750,000</u>	<u>50,750,000</u>

On 15 September 2005, the Company issued a floating rate unsecured loan stock instrument redeemable by 15 September 2010 listed on The Channel Islands Stock Exchange in part settlement of the £118 million exchangeable bonds held by Alexander Forbes Group Jersey Limited (a fellow subsidiary of Alexander Forbes International Limited within the Alexander Forbes Equity Holdings (Pty) Limited Group). The outstanding balance on the loan at 31 March 2008 was £49,500,000 (2007 £50,750,000). Accrued interest of £9,458,619 (2007: £7,316,560) on the floating rate loan is included in Accruals and deferred income. Until such time as the loan stock instrument is redeemed, the Company shall accrue interest payable to the Stockholders. The interest shall be calculated based on the LIBOR rates as determined on the business day prior to the relevant interest period and is payable by half yearly instalments in arrears on 15 March and 15 September in each year, starting 15 March 2006, unless agreed otherwise

11 Provisions for liabilities and charges	2008 £	2007 £
Provisions for liabilities and charges	<u>4,452,621</u>	<u>802,215</u>

The company is involved in certain litigation which is normal for a business of this nature. Included in debtors is an amount to be recovered from insurers in relation to these claims

12 Share capital	2008 £	2007 £
<i>Authorised</i>		
82,500,000 Ordinary shares of £1 each	<u>82,500,000</u>	<u>82,500,000</u>
	2008 £	2007 £
<i>Allotted, called up and fully paid</i>		
50,907,835 Ordinary shares of £1 each	<u>50,907,835</u>	<u>50,907,835</u>

13 Share premium	2008 £	2007 £
At 1 April	57,837,317	57,837,317
At 31 March	<u>57,837,317</u>	<u>57,837,317</u>

14 Profit and loss account	2008 £	2007 £
At 1 April	(111,079,447)	(62,061,040)
Retained profit/(loss)	3,462,775	(49,018,407)
At 31 March	<u>(107,616,672)</u>	<u>(111,079,447)</u>

Alexander Forbes International Limited
Notes to the Financial Statements
for the year ended 31 March 2008

15 Reconciliation of movement in shareholders' funds	2008	2007
	£	£
Profit/(loss) for the financial year	3,462,775	(49,018,407)
At 1 April	(2,334,295)	15,684,112
Shares issued	-	22,962,962
Shares premium on share issue	-	8,037,038
At 31 March	<u>1,128,480</u>	<u>(2,334,295)</u>

On 29 January 2007 the company issued 22,962,962 ordinary shares of £1 each at a premium of £0.35 per share to Alexander Forbes Group Jersey Limited. The total consideration of £30,999,999 was settled by the redemption of a Zero Coupon Bond and the redemption of a portion of the floating rate stock instrument issued to Alexander Forbes Group Jersey Limited, including accrued interest. On 28 March 2007 Alexander Forbes Group Jersey Limited transferred its shareholding of 22,962,962 ordinary shares of £1 each in the company to Alexander Forbes Limited.

16 Related party transactions

The company is a wholly owned subsidiary within the Alexander Forbes Limited Group and advantage has been taken of the exemption in Financial Reporting Standard No. 8 not to disclose any transactions with entities that are part of that group, as the accounts of Alexander Forbes Limited are publicly available. Details of directors are shown on page 1.

17 Ultimate parent company and controlling party

The company's ultimate and controlling party at 31 March 2008 was Alexander Forbes Equity Holdings (Pty) Limited, a company registered in South Africa.

The groups for which group accounts are prepared and of which the company is a member are as follows:

	Largest	Smallest
Name	Alexander Forbes Equity Holdings (Pty) Limited	Alexander Forbes Limited
Country of incorporation	South Africa	South Africa
Address from which copies of the group accounts can be obtained	61 Katherine Street Sandown 2196 South Africa	61 Katherine Street Sandown 2196 South Africa

Alexander Forbes International Limited
Notes to the Financial Statements
for the year ended 31 March 2008

18 Contingent liabilities, guarantees and other financial instruments

(a) The company is subject to claims and litigations in the ordinary course of business resulting principally from alleged error and omissions. Although all claims are strenuously defended, a provision is made for financial liabilities, including expenses, that are deemed more likely than not to arise in respect of potential claims notified to the company at the date of these accounts. Claims may arise several years after the original events which are the subject of dispute.

b) The company has been notified of a potential impending warranty claim relating to the risk services operations that were previously disposed of as part of the sale of Lockton International Limited (formerly Alexander Forbes Risk Services Holdings Limited) in the prior year. Details of the impending claim have not yet been provided.

c) The Alexander Forbes group has obtained debt financing from several different providers. One of the debt arrangements is a bridge loan provided by JP Morgan Chase Bank N.A. and Goldman Sachs Credit Partners L.P. whereby ZAR1 500 million was advanced to the Alexander Forbes group. The company is one of the guarantors under the Bridge Loan Agreement and as such has absolutely, unconditionally and irrevocably guaranteed the full and punctual payment of the principal of and interest, fees and premium (if any) on the bridge loan and any other obligation under this agreement.

Other debt provided to the Alexander Forbes group is senior debt preference shares amounting to ZAR2 480 million, revolving credit facilities of ZAR200 million and Pay-in-Kind loan of ZAR750 million. There is an Intercreditor Agreement between the debt providers and various Alexander Forbes holding companies which regulates the ranking of the funding made available under these debt arrangements and the security related thereto. The company is an acceding party to this Intercreditor Agreement.

d) Alexander Forbes International Limited has a revolving credit facility with FirstRand (Ireland) Plc, a subsidiary of FirstRand Bank Limited, a bank incorporated in South Africa, in the amount of GBP 7 million which is used for general corporate purposes. This facility bears interest at a variable rate equal to LIBOR plus an applicable margin of between 3.5% and 4%, depending on the certain undertakings being fulfilled. The revolver credit facility is available for drawing until the 25 July 2014.

This facility ranks *pari passu* with the senior debt preference shares issued by a holding group company, Alexander Forbes Acquisition (Pty) Limited, as set out in the Intercreditor Agreement. This facility has also been guaranteed by Alexander Forbes Acquisition (Pty) Limited who has irrevocably and unconditionally guaranteed punctual performance by Alexander Forbes International Limited of its obligations. Alexander Forbes Acquisition (Pty) Limited will, whenever Alexander Forbes International Limited does not pay any amount due, immediately pay such obligation on demand.