



Tourism Investment Corporation Limited

(Incorporated in the Republic of South Africa)
 (Registration number 1996/008144/06)
 Share code: TRT ISIN: ZAE000012472
 ("Tourvest")



Imperial Holdings Limited

(Incorporated in the Republic of South Africa)
 (Registration number 1946/021048/06)
 Share code: IPL ISIN: ZAE000067211
 ("Imperial" or "the Group")

**Primetime Trading 6
 (Proprietary)
 Limited**

(Incorporated in the Republic of South Africa)
 (Registration number 2008/003870/07)
 ("Bidco")

*accelerating
 entrepreneurial
 momentum*

DISPOSAL OF TOURVEST SHARES BY IMPERIAL, FIRM INTENTION TO MAKE AN OFFER TO ACQUIRE THE ENTIRE ISSUED SHARE CAPITAL OF TOURVEST AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT BY TOURVEST

1. INTRODUCTION

Further to the cautionary announcement released on the Securities Exchange News Services ("SENS") of the JSE Limited ("the JSE") by Tourvest on 18 March 2008, shareholders of Tourvest ("Tourvest shareholders") and Imperial shareholders are advised that a consortium of investors ("the Consortium"), led by Union Square Properties 100 (Proprietary) Limited, trading as Guma Tourism Holdings ("Guma Tourism") (being a black owned company, holding the majority shareholding in Bidco), Old Mutual Life Assurance Company (South Africa) Limited ("OMLACSA"), the Industrial Development Corporation of South Africa Limited ("IDC") and certain members of the management of Tourvest ("management"), has, via Bidco (a wholly-owned subsidiary of Cherry Moss Trade & Invest 186 (Proprietary) Limited ("Holdco")), submitted on 24 April 2008 to the board of directors of Tourvest ("the board") a letter confirming Bidco's firm intention to make an offer ("the offer"). Bidco is making an offer to acquire the entire issued share capital of Tourvest, other than 41 748 545 shares held as treasury shares and shares held as unallocated shares for the benefit of employees ("excluded shares") for a cash consideration of 208 cents per share ("the scheme consideration"); the entire issued share capital of Tourvest, excluding the excluded shares, (hereinafter referred to as "the scheme shares").

Subject to the conditions precedent set out in paragraph 5 below ("conditions"), the offer is to be implemented, by way of a scheme of arrangement in terms of section 311 of the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act"), to be proposed by Bidco between Tourvest and all of the holders of the scheme shares ("the scheme").

2. RATIONALE FOR THE DISPOSAL BY IMPERIAL

Imperial currently owns 61.8% of the entire share capital of Tourvest (65.07% of the scheme shares). Whilst Imperial is committed to its involvement in the tourism industry through its car rental and coach touring activities, it has resolved that the activities of Tourvest are not aligned to the group's core competencies and business scope. Imperials businesses, other than the above-mentioned car rental and coach touring activities, include vehicle retailing and related financial-services and logistics. The sale proceeds will, in the short term, be applied to reduce existing debt, which includes repayment of banking facilities and the settlement of certain commercial paper upon maturity, as evaluated against the group's funding structure at the relevant time.

3. BLACK ECONOMIC EMPOWERMENT

Guma Tourism is a black owned and managed company led by entrepreneur Robert Gumede. On the successful implementation of the scheme, Guma Tourism will own 51% of the equity of Holdco, thereby introducing a broad-based Black Economic Empowerment ("BEE") shareholder

5.2 The scheme will be subject to (and will become operative on the relevant operative date upon) the fulfilment, or where applicable, waiver of the following conditions precedent:

- 5.2.1 the scheme having been approved by a majority representing not less than three-fourths of the votes exercisable by the scheme members present and voting, either in person or by proxy, at the scheme meeting;
- 5.2.2 the relevant Court having sanctioned the scheme;
- 5.2.3 a certified copy of the Order of Court sanctioning the scheme having been registered by the Companies and Intellectual Property Registration Office ("CIPRO");
- 5.2.4 in respect of the implementation of the scheme, the approvals of the Competition Authorities, the Exchange Control Division of the South African Reserve Bank, the JSE, the Securities Regulation Panel on Take-overs and Mergers ("the SRP") and any other relevant regulatory authorities (either unconditionally or subject to conditions acceptable to the party on whom the condition will be enforceable) having been obtained;
- 5.2.5 no dividend or similar payment other than the normal dividends having been declared between the date of the offer and the actual payment date;
- 5.2.6 PricewaterhouseCoopers Incorporated having certified on or before last date for the lodgement of the forms of proxy in respect of the scheme meeting ("the proxy date") that, at the date of such certification (which shall be dated the day before the proxy date) there shall not have:
 - 5.2.6.1 occurred any suspension or limitation of trading in securities generally (for reasons other than information technology or administrative disruptions) on the JSE;
 - 5.2.6.2 been declared any banking moratorium by the relevant authority in the Republic of South Africa ("South Africa");
 - 5.2.6.3 occurred any change in the South African financial or economic conditions or currency exchange rates or Exchange Controls as would absolutely preclude the implementation of the scheme; or
 - 5.2.6.4 occurred any declaration by South Africa of a national emergency or war or other calamity or crisis the effect of which would absolutely preclude the implementation of the scheme;
- 5.2.7 prior to the date on which the scheme is sanctioned, Tourvest has not, except in pursuance of a contract entered into earlier, undertaken any of the actions referred to in Rule 19 of the Securities Regulation Code on Take-overs and Mergers ("SRP Code"),

8. FUNDING

The aggregate scheme consideration will be funded by a combination of debt, equity and shareholder loans. The debt will be provided by FirstRand Bank Limited (acting through its Rand Merchant Bank division) and Old Mutual Specialised Finance (Proprietary) Limited. The equity funding and shareholders' loans will be provided by Guma Tourism, OMLACSA and the IDC.

In terms of Rule 2.3.2(b) and Rule 21.7 of the SRP Code, the SRP has been provided with the necessary cash confirmation letters.

9. OPINIONS AND RECOMMENDATIONS

An independent expert will be appointed as independent advisor to the board of Tourvest to give an opinion on the offer. The independent expert's written opinion and the board's opinion on the offer will be contained in the circular referred to in paragraph 13 below.

10. MARKET AND FINANCIAL INFORMATION FOR TOURVEST

Information regarding the price at which Tourvest shares traded immediately prior to the publication of Tourvest's first cautionary announcement and this announcement of Bidco's firm intention to make an offer; in relation to the scheme consideration, as well as a comparison of the scheme consideration to the EPS, HEPS and NAV and TNAV per Tourvest share for the six months ended 31 December 2007, is set out in the table below:

Per share figures	Before the scheme (cents)	After the scheme (cents)	Difference (%)
Market price on 7 June 2007 ⁽¹⁾	244	208	(14.8)
30-day VWAP to 7 June 2007 ⁽²⁾	238	208	(12.6)
Market price on 23 April 2008 ⁽³⁾	165	208	26.1
30-day VWAP to 23 April 2008 ⁽⁴⁾	195	208	6.7
EPS ⁽⁵⁾⁽⁶⁾	6.8	8.2	20.6
HEPS ⁽⁵⁾⁽⁶⁾	6.4	8.2	28.1
NAV ⁽⁵⁾	58.2	208	3.6*
TNAV	---	---	---

3. BLACK ECONOMIC EMPOWERMENT

Guma Tourism is a black owned and managed company led by entrepreneur Robert Gumede. On the successful implementation of the scheme, Guma Tourism will own 51% of the equity of Holdco, thereby introducing a broad-based Black Economic Empowerment ("BEE") shareholder into Tourvest and, in so doing, meeting the BEE criteria in terms of the draft Tourism Charter.

4. THE SCHEME TERMS

4.1 The scheme mechanics

The offer and, accordingly, the implementation of the scheme is subject to the fulfilment of the conditions as set out in paragraph 5.2 below.

On the successful implementation of the scheme, shareholders of Tourvest recorded in the register of Tourvest at the close of business on the record date of the scheme ("the scheme record date"), other than the holders of the excluded shares ("the scheme participants"), will be entitled to receive the scheme consideration and will be deemed to have disposed of their shares in Tourvest to Bidco.

4.2 The scheme consideration

The scheme consideration will consist of cash of 208 cents per Tourvest share held by each scheme participant on the scheme record date, subject to adjustment as described below.

The scheme consideration of 208 cents is at a 6.7% premium to the 30-day volume weighted average price ("VWAP") per Tourvest share on the JSE up to and including 23 April 2008.

The scheme consideration will be increased with reference to interest at the Johannesburg Inter-bank Accepted Rate (JIBAR) plus 100 basis points calculated from the date on which payment of the scheme consideration is expected to be made in terms of the scheme being 8 September 2008 ("the expected payment date") to the date on which the scheme consideration is actually paid in terms of the scheme ("the actual payment date"), should the actual payment date be later than the expected payment date.

Tourvest will be entitled to make dividend payments to Tourvest shareholders in the normal course of business on the same basis as dividends have been calculated and paid historically ("normal dividends"). No payments to the Tourvest shareholders, other than the normal dividends, will be declared or paid between the date of the offer and the actual payment date.

Should Tourvest declare normal dividends after the date of the offer but before the actual payment date, the aggregate scheme consideration will be adjusted downwards by an amount equal to the total amount of the normal dividends to be paid to the Tourvest shareholders on the date of the declaration of the normal dividends plus the total amount of the Secondary Tax on Companies payable in respect of normal dividends.

5. CONDITIONS

5.1 The offer is made subject to the fulfilment or waiver of the following conditions precedent, namely that:

- 5.1.1 by no later than the date of the issue of the scheme document, a statement is made by the majority of the directors of Tourvest, entitled to vote and who are not conflicted that:
 - 5.1.1.1 they have considered the terms and conditions of the scheme and at the time of such statement they are, subject to the opinion of an independent expert as referred to in paragraph 9 below which will be providing the appropriate independent advice to the board reasonably satisfied with the terms and conditions of the scheme;
 - 5.1.1.2 they intend to support the scheme and to facilitate the scheme to the extent that a board of directors will normally be required for purposes of the implementation of a scheme;
 - 5.1.1.3 they intend to recommend that scheme members vote in favour of the scheme.

implementation of the scheme;

5.2.7 prior to the date on which the scheme is sanctioned, Tourvest has not, except in pursuance of a contract entered into earlier, undertaken any of the actions referred to in Rule 19 of the Securities Regulation Code on Take-overs and Mergers ("SRP Code"), without the prior written consents of the SRP and of Bidco which consents shall not unreasonably be withheld or delayed.

Holdco and Bidco will be entitled to waive all or any of the offer conditions in paragraphs 5.1.1.1 and 5.1.1.3 and/or the scheme conditions in paragraphs 5.2.6 and 5.2.7 upon written notice to that effect to Tourvest prior to the date of the fulfilment of the relevant condition.

Bidco will be entitled to extend the date of the fulfilment of any of the offer conditions and/or the scheme conditions by 30 days in its own discretion upon written notice to that effect to Tourvest and Imperial, but shall not be entitled to extend the date to a date later than the aforesaid 30-day period, without the prior written consents of Holdco, Tourvest and Imperial.

6. TERMINATION OF TOURVEST'S LISTING ON THE JSE

Following the successful implementation of the scheme, the listing of Tourvest's shares on the JSE will be terminated and Tourvest will become a wholly-owned subsidiary of Bidco.

7. UNAUDITED PRO FORMA FINANCIAL EFFECTS ON IMPERIAL

The unaudited *pro forma* financial effects set out below have been prepared for illustrative purposes only to assist the shareholders of Imperial in the assessment of the impact of the disposal on the earnings per share ("EPS"), headline earnings per share ("HEPS"), net asset value ("NAV") per share and tangible net asset value ("TNAV") per share of Imperial. The unaudited *pro forma* financial effects are based on Imperial's interim results for the six months ended 31 December 2007.

These unaudited *pro forma* financial effects have been disclosed in terms of the JSE Listings Requirements and, because of their nature, may not fairly present Imperial's financial position, changes in equity, results of operations or cash flows. The unaudited *pro forma* financial effects are the responsibility of the directors of Imperial.

Per share figures	Before disposal ⁽¹⁾ (cents)	After disposal ⁽²⁾ (cents)	Change (%)
Earnings – continuing	562.5	562.5	–
Headline earnings – continuing	550.6	550.6	–
Diluted earnings – continuing	534.8	534.8	–
Diluted headline earnings – continuing	523.8	523.8	–
Earnings – discontinued	(852.1)	(542.7)	36.3
Headline earnings – discontinued	(15.1)	(11.0)	27.2
Diluted earnings – discontinued	(781.1)	(497.4)	36.3
Diluted headline earnings – discontinued	(13.8)	(10.1)	26.8
Earnings – total	(289.6)	19.8	106.8
Headline earnings – total	535.5	539.6	0.8
Diluted earnings – total	(246.3)	37.4	115.2
Diluted headline earnings – total	510.0	513.7	0.7
NAV	5 569.0	5 850.2	5.0
TNAV	4 922.4	5 426.6	10.2

Notes:

- 1. The figures in the column "Before disposal" are extracted from Imperial's interim results for the six months ended 31 December 2007.
- 2. The "After disposal" column is calculated on the following bases:
 - Imperial's interest in Tourvest was sold with effect from 26 June 2007;
 - the cash proceeds from the disposal of R1,067,324,415 were received on 26 June 2007;
 - interest was earned on the net cash proceeds (net of Capital Gains Tax) received at an after-tax rate of 8.1% per annum for the period 26 June 2007 to 31 December 2007; and
 - the profit on disposal of R570 million has been adjusted in the calculation of headline earnings per ordinary share and fully diluted headline earnings per ordinary share.

EPS ⁽⁵⁾⁽⁶⁾	6.8	8.2	20.6
HEPS ⁽⁵⁾⁽⁶⁾	6.4	8.2	28.1
NAV ⁽⁵⁾	58.2	208	3.6*
TNAV ⁽⁵⁾	20.3	208	10.2*

Notes:

- 1. Closing price of Tourvest shares on the JSE on 7 June 2007, being the last trading day prior to publication of the first cautionary announcement.
- 2. VWAP at which Tourvest shares traded on the JSE for the 30 trading days up to and including 7 June 2007, being the last trading day prior to publication of the first cautionary announcement.
- 3. Closing price of Tourvest shares on the JSE on 23 April 2008, being the last trading day prior to the publication of this announcement of Bidco's firm intention to make an offer.
- 4. VWAP at which Tourvest shares traded on the JSE for the 30 trading days up to and including 23 April 2008, being the last trading day prior to the publication of this announcement of Bidco's firm intention to make an offer.
- 5. The EPS, HEPS, NAV per share and TNAV per share in the "After the scheme" column are based on the assumption that the scheme became operational and was in full effect from 26 June 2007.
- 6. EPS and HEPS are based on the assumption that the scheme consideration of 208 cents per scheme share was reinvested by scheme participants to earn an after-tax return of 7.9%, being the deposit rate for that time period adjusted for a corporate tax rate of 29%. Shareholders should apply their own appropriate tax rate for a more accurate reflection.

*The information reflected in the table above does not take into account any possible dividend and interest entitlements referred to in paragraph 4 above.

11. IRREVOCABLE UNDERTAKINGS

Imperial has irrevocably agreed to vote in favour of the scheme in respect of its 513 136 738 Tourvest ordinary shares (representing 65.07% of the scheme shares). Sanlam Investment Management (Proprietary) Limited has irrevocably agreed to vote in favour of the scheme in respect of its 118 043 246 Tourvest ordinary shares (representing 14.97% of the scheme shares). Accordingly, shareholders holding 80.04% of the scheme shares have irrevocably undertaken to support the scheme.

12. TOURVEST MANAGEMENT

Bidco is fully supportive of the existing management team of Tourvest and has invited management to participate in the equity of Holdco.

13. DOCUMENTATION

Shareholders are advised to consult the circular for full details of the scheme. The circular will provide further information on the offer and containing, *inter alia*, a notice of scheme meeting, an Order of Court, a form of proxy and a form of surrender will be posted to Tourvest shareholders in due course.

14. IMPORTANT DATES AND TIMES

Tourvest shareholders will be advised of important dates and times of the offer in due course.

15. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Tourvest shareholders are advised that the cautionary announcement referred to in paragraph 1 above is hereby withdrawn.

Johannesburg
24 April 2008

Joint transaction advisors to Imperial



Legal advisors to Imperial



Sponsor to Imperial



Sponsor to Tourvest



Legal advisors to Tourvest



Members of Bidco



Funders to Bidco



Legal advisors to Bidco

