



## Enterprise Risk Management Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1995/001603/06)  
Share code: ERM ISIN: ZAE000037701  
("ERM")

## Sable Holdings Limited

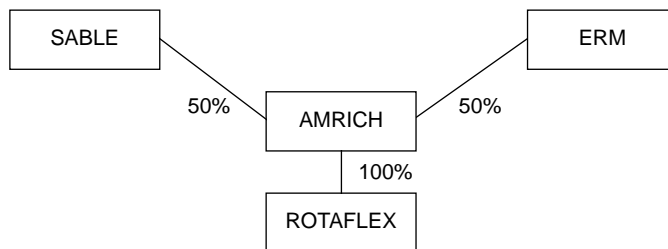
(Incorporated in the Republic of South Africa)  
(Registration number 1968/010636/06)  
Share code: SBL ISIN: ZAE000006383  
("SABLE")

- INCREASED INVESTMENT IN A PROPERTY PORTFOLIO BY ERM AND SABLE
- CONSOLIDATION OF INTERESTS
- FURTHER CAUTIONARY ANNOUNCEMENT

### ● INCREASED INVESTMENT IN A PROPERTY PORTFOLIO BY ERM AND SABLE

#### 1. Introduction

Further to the announcement dated 30 November 2006 and the joint cautionary announcement dated 25 January 2007, shareholders are advised that subsequent to the acquisition by Amrich 58 Properties (Proprietary) Limited ("Amrich") of 34% of the issued share capital of Rotaflex Investments (Proprietary) Limited ("Rotaflex"), agreement has been reached with the remaining shareholder of Rotaflex, being Telematic Frontiers International Corporation, in terms of which Amrich will acquire the remaining 66% of the issued share capital of Rotaflex ("the first transaction"), resulting in Amrich owning 100% of Rotaflex. Rotaflex is a company with a diversified portfolio of retail, commercial, residential and industrial properties. Following the conclusion of the first transaction, the resulting structure will be:



#### 2. Rationale for the first transaction

ERM had previously indicated its intention to invest in the property sector. ERM believes that the first transaction will further enhance shareholder value and contribute towards expanding its interests in property. Together with SABLE, having been involved in the property industry in excess of 40 years, both companies strongly believe that this transaction will enhance the development of their joint property interests.

#### 3. Salient terms of the first transaction

The purchase consideration, which amounts to R62.70 million, will be settled by Amrich in cash and will be funded by way of a cash contribution of R31.35 million each by ERM and SABLE to Amrich. The net value of the Rotaflex portfolio of properties is approximately R95 million made up of a gross property value of R224 million and debt of R129 million. Payment in full will be made on the effective date of the acquisition, being 31 March 2007. This will be funded partly by reserves and partly by facilities.

#### 4. Conditions precedent of the first transaction

The first transaction is conditional upon *inter alia*:

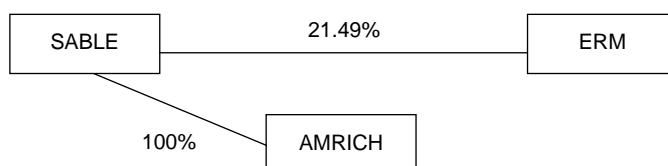
- Delivery of a written resolution passed by the directors of Amrich approving the first transaction;
- Competition Commission approval;
- Approval by the Exchange Control Division of the South African Reserve Bank; and
- Approval of the first transaction by the shareholders of SABLE and ERM.

### ● CONSOLIDATION OF INTERESTS

#### 1. Introduction

Simultaneously to the conclusion of the first transaction, ERM has agreed to sell its 50% shareholding in Amrich to SABLE, which consideration will be discharged by the issue of SABLE ordinary shares to ERM. SABLE will issue a further 392 500 ordinary shares at a price of R40 per share to ERM for cash ("the second transaction").

Following the conclusion of the second transaction, the resulting structure will be:



#### 2. Rationale for the second transaction

SABLE has entered into the second transaction to increase the size, diversity and geographical location of its property portfolio. SABLE is listed in the Real Estate sector of the JSE Limited ("JSE") List, and is a property and treasury investment company with interests in commercial, retail, residential and industrial property developments in South Africa. Both transactions will increase the gross property assets of SABLE to approximately R436 million, excluding other property transactions and revaluations effected after 30

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ERM has entered into the second transaction to increase its shareholding in SABLE, thereby exposing itself to a much stronger and more diversified property holding.

ERM and SABLE have identified a synergistic association, through which both companies wish to grow, expand and diversify their property activities.

## 3. Salient terms of the second transaction

The purchase consideration, which amounts to R47.5 million, will be discharged by the issue of 1 187 500 SABLE ordinary shares to ERM at a price of R40 per share.

The effective date of the second transaction is 30 May 2007. As a result of this second transaction, ERM's shareholding in SABLE will increase to an effective holding of 21.49%.

## 4. Conditions precedent of the second transaction

The second transaction is conditional upon *inter alia*:

- Delivery of a written resolution passed by the directors of ERM and SABLE approving the transaction;
- Competition Commission approval;
- ERM performing a due diligence investigation on the value of the SABLE shares;
- Approval of SABLE shareholders to issue shares for cash; and
- Approval of the second transaction by ERM and SABLE shareholders.

### CATEGORISATION AND DOCUMENTATION

In terms of the JSE Listings Requirements, the combined transactions will be category 1 transactions both for SABLE and for ERM, which require the posting of circulars and notices of general meetings to ERM and SABLE shareholders.

### • FURTHER CAUTIONARY ANNOUNCEMENT

Further to the above, shareholders are advised that they should continue to exercise caution when dealing in the respective companies' securities until a further announcement is made which will include the financial effects and the details of further discussions between SABLE and ERM. Circulars relating to both transactions will be issued in due course.

Randburg  
16 February 2007

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Corporate adviser and sponsor to ERM and SABLE

sasfin

CAPITAL

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