

Press Release from Alexander Forbes – FINAL

4 January 2012

Completion of Alexander Forbes Risk Services transaction facilitates full focus on Alexander Forbes's global growth strategy

On 6 December 2011 the Competition Commission approved the agreement between Alexander Forbes and the Marsh & McLennan Companies to acquire 100% of Alexander Forbes Risk Services (AFRS). The deal was approved with a number of conditions, which have been satisfied with the Threshold Closing occurring today, with effect from 1st January 2012.

This concludes the merger of AFRS's Corporate and Commercial broking business with Marsh, as well as the sale of Alexander Forbes iConnect Proprietary Limited (iConnect), Alexander Forbes Compensation Technologies Administration Proprietary Limited (AFCT Admin) and the sub-Saharan insurance broking investments of Alexander Forbes AfriNet Investments Proprietary Limited (AfriNet Risk Services) in Botswana and Namibia. The acquisition of AFRS operations in Malawi, Mozambique, Nigeria, Uganda and Zambia will comprise the second part of the transaction with Marsh and, subject to the fulfilment of certain conditions, will be completed in due course.

Edward Kieswetter, Group Chief Executive of Alexander Forbes commented that the conclusion of the First Closing of the sale "reflected Alexander Forbes' commitment to having a positive impact on the lives of all its stakeholders", with the transaction "marking a significant milestone on the path to the Company's realisation of its comprehensively structured growth strategy". Central to this strategy is the Group's focus on three market segments: Retail, Public Sector and Africa, to which it remains strongly committed, primarily through its Financial Services businesses, Investment Solutions, Alexander Forbes Insurance and Guardrisk.

This was borne out by the Group's half-year results which saw a year-on-year revenue growth from continuing operations of 8.3% in difficult trading conditions. Combined with a cost base increase of 6.8%, this grew trading profit from continuing operations by 13.2%. "This is the best performance we have achieved in 10 quarters", said Kieswetter.

"The AFRS/Marsh transaction provides AFRS Clients with immediate access to Marsh's global resources, their respected global industry teams and is in line with our original strategy to maximise growth opportunities for our employees, our clients, our shareholders, the economy and the continent", added Kieswetter.

ENDS

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