



KRUGER

International

Private Wealth Management

10 May 2011

Dear Sir / Madam

NOTICE OF ACQUISITION BY STONEHOUSE CAPITAL (PROPRIETARY) LIMITED OF AN INTEREST IN KRUGER INTERNATIONAL

We are pleased to announce that StoneHouse Capital (Pty) Ltd ("**StoneHouse**") has acquired a 26% shareholding in our company. Hein & Marietjie Kruger, the founders of Kruger International, maintain a controlling shareholding of 52% and other employees of the company jointly maintain a 22% shareholding. Hein Kruger is contractually bound to be fully involved with Kruger International for at least the next ten years until his retirement age at 66.

StoneHouse invests in leading boutique wealth and asset management businesses in South Africa by acquiring minority interests in such companies.

As part of the acquisition process, StoneHouse conducted a thorough due diligence on our company and the resultant investment made by them once again confirms our position as a leading boutique financial services company. StoneHouse's holding company, Liberty Holdings Ltd ("**Liberty**"), is a member of the Standard Bank Group of companies and has been operating in South Africa for over fifty years. Liberty is the holding company of StanLib Collective Investments Ltd ("**StanLib**") which is a manager of certain of the funds in which we advise our clients to invest from time to time.

We will continue to operate as an independent financial service provider, which is owner managed and controlled. StoneHouse's investment in our business brings with it many advantages which include long term succession planning options to ensure continuity in respect of the services that we offer to clients, access to a pool of intellectual capital and a growing national brand strategy. StoneHouse has further agreed to licence the StoneHouse brand to us and has undertaken to procure benefits, which include preferential pricing structures for all our clients and product

KRUGER INTERNATIONAL

Reg No: 2000/007789/07 FSP No. 521

JHB: 1 Torwood Road | Forest Town | Johannesburg | 2193

GEORGE: 2nd Floor | Eagles View Building | 5 Progress Street | George | 6530

P O Box 72260 | Parkview | 2122

Tel: +27 (0) 11 726 7700 | Fax: +27 (0) 11 219 7111 | Website: www.krugerinternational.co.za

Directors: H Kruger, MM Kruger, JE Keller, JB Marais

STONEHOUSE
CAPITAL

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*Hein Kruger Internasionale Fondsbestuur (Pty) Ltd is approved by the Financial Services Board as a Discretionary FSP.
Hein Kruger Internasionale Fondsbestuur (Pty) Ltd is a member of the StoneHouse Capital Group.*



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evolutions that will benefit all Kruger International clients. In order to take advantage of these pricing benefits, as part of the transaction we have agreed to transfer certain investments to StanLib for administrative purposes and which may include assets which we manage on your behalf. However, it is an express term of the transaction that we shall not be obliged to make any investments with StanLib, which are not in our client's best interests.

We confirm our commitment that our analysis and overall recommendation to you will always be based on our analyses and assessment of your financial and security needs and at all times, we will invest your funds in the most appropriate investment product.

Should you require additional information, we would be pleased to assist you.

Yours sincerely

HEINRICH KRUGER

Managing Director on behalf of the Board of Directors

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