

**INVICTA HOLDINGS LIMITED**

(Incorporated in the Republic of South Africa)  
 Registration number 1966/002182/06  
 Share code: IVT • ISIN code: ZAE000029773  
 ("Invicta" or "the Company" or "the Group")

## ANNOUNCEMENT REGARDING GRANTING AND ACCEPTANCE OF LOANS BY INVICTA DIRECTORS AND SPECIFIC ISSUE OF SHARES THEREOF

### 1. INTRODUCTION

Shareholders are referred to a terms announcement released on SENS on 23 June 2011 and in the press on 24 June 2011, where they were advised that Invicta and Humulani Marketing (Pty) Limited ("Humulani Marketing") have established a long-term loan scheme for Invicta executive directors ("executives"), in terms of which Humulani Marketing will make the loans ("loans") to the executives to acquire shares in Invicta within 90 days of the loan being approved, through a specific issue of Invicta shares for cash using treasury shares or the participant acquiring Invicta shares on the open market.

### 2. GRANT AND ACCEPTANCE OF LOANS

Shareholders are advised that Humulani Marketing and the executives have entered into loan agreements respectively on 30 June 2011 in terms of which Humulani Marketing has granted Mr A Goldstone R38 000 000, Mr C Barnard R11 500 000, Mr CE Walters R25 800 000 and Mr AM Sinclair R8 600 000. The total value of the loans being R83 900 000, which represents 2,64% of the market capitalisation of Invicta as at close of business on 29 June 2011. The loans taken up by the executives were Mr A Goldstone R38 000 000, Mr C Barnard R9 000 000, Mr CE Walters R15 000 000 and Mr AM Sinclair R8 600 000, total value being R70 600 000.

### 3. SPECIFIC ISSUE OF SHARES FOR CASH, USING TREASURY SHARES AND LOANS

Shareholders are also further advised that the executives have been issued with 1 659 614 Invicta shares (Mr A Goldstone 893 277 shares, Mr C Barnard 211 565 shares, Mr CE Walters 352 609 shares and Mr AM Sinclair 202 163 shares), held as treasury shares, on 30 June 2011 at R42,54, which is equal to the volume weighted average price per share for the 30 trading days up to 29 June 2011, being the day prior to the signature date of the agreements ("the specific issue").

#### 3.1 *Pro forma* financial effects of the specific issue and loans

The table below sets out the unaudited *pro forma* financial effects of the specific issue and loans. These *pro forma* financial effects are the responsibility of the Company's directors and are presented for illustrative purposes only to provide information regarding how the transaction may have impacted on Invicta's financial position had the specific issue and loans been implemented on 31 March 2011 and impacted on Invicta's financial results had the specific issue and loans been implemented on 1 April 2010.

The unaudited *pro forma* financial effects are based on the audited financial information of Invicta for the twelve months ended 31 March 2011 as announced on SENS on 1 June 2011 and has been prepared in accordance with the accounting policies of Invicta at that date. Due to the nature of the *pro forma* financial information, it may not fairly present the Group's financial position or financial results after the specific issue and loans.

#### Unaudited *Pro Forma* Financial Effects

	Before the specific issue and loans	After the specific issue and loans	% change
Earnings per share (cents)	504	496	(2)
Headline earnings per share (cents)	496	488	(2)
Diluted headline earnings per share (cents)	473	466	(1)
Net asset value per share (cents)	2 303	2 347	2
Tangible net asset value per share (cents)	1 785	1 841	3
Number of shares in issue net of treasury shares ('000)	69 954	71 614	2
Weighted average shares in issue ('000)	70 211	71 866	2

#### Notes and assumptions:

- The "Before the specific issue and loans" column has been extracted from the published audited financial statements of Invicta for the year ended 31 March 2011 as released on SENS on 1 June 2011;
- For the purpose of calculating earnings per share, headline earnings per share and diluted headline earnings per share in the "After the specific issue and loans" column, it was assumed that the specific issue and loans were implemented on 1 April 2010;
- For the purpose of calculating net asset value per share and net tangible asset value per share in the "After the specific issue and loans" column, it was assumed that the specific issue and loans were implemented on 31 March 2011;
- For purposes of calculating the impact on the financial position and financial results, the number of treasury shares issued is based on the volume weighted average share price of R42,54 for the previous 30 days as at 30 June 2011, being the date the *pro forma* financial effects have been calculated at and being the day the agreements were signed and a total loan value of R70,6 million and issue of 1 659 614 treasury shares;
- Interest on the loans to directors are based on the Income Tax official rate of interest for low interest loans to employees, currently 6,5%;
- Estimated once off transaction costs amount to R1,1 million; and
- The value of the put has been estimated to be Rnil at the start of the specific issue.

The granting of the loans and the specific issue are subject to approval by Invicta shareholders in general meeting, details of which will be set out in a circular to be posted to shareholders in due course. A fairness opinion by an independent expert on the loans and the specific issue will be included in the circular to shareholders, as the executives are related parties in terms of JSE Listings Requirements.

Cape Town  
5 July 2011

Sponsor

**Deloitte.**

Deloitte & Touche Sponsor Services (Pty) Ltd  
 (Incorporated in the Republic of South Africa)  
 (Registration number 1996/000034/07)