

**FOR IMMEDIATE RELEASE**

**7 March 2001**

**ALEXANDER FORBES UK PLC**

**ACQUISITION OF ALFRED BLACKMORE GROUP LIMITED**

**Introduction**

Alexander Forbes UK PLC ("Alexander Forbes UK") is pleased to announce that it has completed the acquisition of Alfred Blackmore Group Limited ("Alfred Blackmore"), a leading UK insurance intermediary that specialises in providing professional indemnity insurance. The maximum consideration payable to the shareholders of Alfred Blackmore in respect of the acquisition amounts to £25.3 million. Alfred Blackmore's Group Chairman and Chief Executive, John Northridge, will join the Board of Alexander Forbes UK PLC.

The acquisition marks a further significant step in Alexander Forbes UK's international expansion and is consistent with Alexander Forbes UK's stated strategy of acquiring complementary financial services and risk services businesses outside of its domestic South African markets and increasing the proportion of the group's non-South African revenue. Together, the combined Alfred Blackmore and Alexander Forbes businesses will create a market leading professional indemnity insurance provider, as well as strengthening their financial services and other niche insurance businesses.

**John Percy-Davis, Chairman and Chief Executive of Alexander Forbes UK, commented:**

"This acquisition represents a significant step in our strategy of acquiring high quality businesses and expanding our client base. In addition we are delighted that John Northridge has agreed to join our Board - further strengthening our team"

**John Northridge Chairman and Chief Executive of Alfred Blackmore, said:**

"The enlarged grouping will combine two of the leading Professional Indemnity specialist businesses in the UK. We believe that this new grouping will continue to provide added-value benefits to our respective clients. I am particularly pleased for our staff who are joining an expanding group with all the opportunities that brings."

## **Overview of Alfred Blackmore**

Alfred Blackmore is a privately owned company whose shareholders comprise Alfred Blackmore's senior management and certain of its employees.

Alfred Blackmore is a leading firm in the insurance sector and is particularly well known as a Professional Indemnity (PI) intermediary, specialising in construction PI, insurance brokers PI and affinity schemes. In addition Alfred Blackmore has developed expertise in the Contractors, Reinsurance and Bloodstock markets.

Alfred Blackmore also offers:

- Independent advice on retirement planning, life insurance, investments and trusts and is regulated by the Personal Investment Authority (PIA).
- Healthcare benefit programmes for UK Corporates.

The business is headquartered in London and also operates four regional offices located in Bristol, Edinburgh, Newcastle and Spalding, employing a total of approximately 200 people.

For the year ended 31 March 2000, Alfred Blackmore generated revenue of £14.2 million and reported a profit after tax of £2.2 million. Net assets as at 31 March 2000 amounted to £6.5 million.

## **Summary of the Transaction**

The initial consideration paid by Alexander Forbes UK to Alfred Blackmore's shareholders amounts to £25 million. This assumes that the net assets of Alfred Blackmore as at 31 March 2001 will be in excess of £8.1 million and that the net assets will include excess working capital of not less than £5.1 million. A further amount of up to £0.25 million will also be payable on a £ for £ basis to the extent that adjusted profit after tax for the year ending 31 March 2001 exceeds £2.7 million.

The majority of the consideration has been paid in loan notes with the balance paid in cash. The cash consideration payable to Alfred Blackmore's shareholders is being financed using Alexander Forbes UK's existing cash resources.

### **Benefits of the Acquisition**

The Board of Alexander Forbes UK continues to seek expansion in the insurance and financial services market places both by organic growth and selective acquisition outside South Africa. Alfred Blackmore's market leading position in Professional Indemnity (PI) insurance makes it an attractive complement to Alexander Forbes's existing capability and capacity in this expanding niche. Alfred Blackmore also provides Alexander Forbes UK with entry units in other profitable niche businesses – Bloodstock and expatriate motor insurance in which Alexander Forbes UK at present has no presence – and an opportunity to jointly grow our reinsurance businesses.

Alfred Blackmore's network of regional offices is also complementary to Alexander Forbes UK's existing geographic presence in the UK and the transaction will not result in any overlap with any existing offices. A principal objective post completion will be to concentrate on the growth opportunities that the two companies have identified.

John Northridge, Group Chairman and Chief Executive of Alfred Blackmore, will join the Board of Alexander Forbes UK PLC with immediate effect. He will have responsibility for the strategic development and expansion of the professional indemnity and specialist niche insurance offerings within the enlarged company.

Lexicon Partners advised Alexander Forbes UK in relation to the acquisition of Alfred Blackmore.

-ENDS-

**For further information please contact:**

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**OTHER INFORMATION**

**About Alexander Forbes**

Alexander Forbes specialises in providing independent advice to corporate and individual clients around the world to find solutions to their risk management and financial planning needs.

Quoted on the Johannesburg Stock Exchange, this fast growing group has over 5,500 employees and operations in 31 countries. Its international operations are headquartered in London.

Alexander Forbes specialises in: risk management and risk finance, insurance and re-insurance broking; insurance underwriting and claims management; multi-manager investments; retirement fund administration, consulting, actuarial, legal and accounting services; healthcare consulting, financial planning services and provision of e-commerce products, services and software.

With a market capitalisation of over £500 million, Alexander Forbes has achieved an average annual increase in headline earnings per share of 33% since listing in 1996.

The group's website is [www.alexanderforbes.com](http://www.alexanderforbes.com).