

Press Release

For immediate release

31st January 2008

IQuad Group acquires Entrepreneurs Survival Solutions for R7,8m

AltX-listed, specialised financial and business services company, IQuad Group, has acquired a 60% interest in Durban-based, Entrepreneurs Survival Solutions (ESS) - a provider of support services to small and medium enterprises.

The purchase price of R7,8m will be paid in two tranches via a combination of cash and IQuad Group shares. The transaction is subject to the fulfilment of certain suspensive conditions.

A core part of IQuad's business is assisting companies process claims for various government investment incentives and development subsidies. The company also offers its clients treasury risk management services; specialist audit and verification services and business development and optimisation services.

ESS has become a dominant supplier of business and financial planning; business engineering; management information services; training and BEE scorecards to small companies in KwaZulu Natal.

It is closely involved with government's Small Enterprise Development Agency, the Umsobomvu Youth Fund and various financial institutions in the Province.

IQuad's CEO, Trevor Hayter, says government is continuing to focus on developing the SME market as an increasing contributor to economic growth in SA.

He notes that ESS is active in a portion of government incentive funding schemes currently ignored by the IQuad Group. Moreover, ESS's regional branches are "owner managed" with the head office providing strategic direction, on-going training and operational support. Thus the opportunity exists for IQuad to expand ESS's successful business model nationally. ESS will also provide a feeder client base for other IQuad businesses.

"We think that this is an important strategic acquisition for IQuad that will add tangible value to our business as we go forward," he says.

Hayter adds that IQuad Group is on track to meet its prospectus profit forecasts for the year ending 29th February 2008.