

IQuad Group Limited
Registration Number 2004/025177/06
Share Code: IQG ISIN: ZAE000101622
("IQuad" or "the Company")

DISPOSAL BY IQUAD TECHNOLOGIES (PTY) LIMITED OF ITS INTEREST IN
AFROPULSE 366 (PTY) LIMITED

1. THE TRANSACTION

Shareholders are hereby advised that IQuad Technologies (Pty) Limited ("the seller"), a wholly owned subsidiary of the Company, has entered into a sale of shares agreement with Hasso Plattner Ventures Africa Management (Pty) Limited ("the purchaser") as nominee for the Hasso Plattner Ventures Africa Fund 1 (a limited (en commandite) partnership), dated 14 April 2009 ("the sale of shares agreement"), in terms of which the seller will dispose of 952 382 issued ordinary shares of R0.01 each, which constitutes its 30% equity interest in Afropulse 366 (Pty) Limited, the holding company of Global Vision Information Technology (Pty) Limited (hereinafter referred to as "Afropulse"), on the terms and conditions as set out below ("the disposal").

2. BACKGROUND INFORMATION ON THE PURCHASER

The purchaser started its operations during 2005, by Professor Hasso Plattner. It is a venture capital and incubation firm specialising in investments in start-up companies in the information technology and software sectors.

3. RATIONALE FOR THE TRANSACTION

In response to current market conditions, ongoing commitments facing IQuad and the fact that Afropulse does not form part of the core business of the Company, the Board of Directors of IQuad elected, in the best interest of the Company, to dispose of its shareholding in Afropulse.

4. PURCHASE CONSIDERATION

The consideration payable by the purchaser to the seller in terms of the agreement is R9 450 000 in cash ("sale proceeds"), and will be paid on the closing date, which is within five business days after the fulfillment or waiver of all conditions precedent to the disposal.

The seller has furthermore entered into a waiver and cession agreement with J Jacobson and W Powell (hereinafter collectively referred to as "the vendors") in terms of the subscription agreement originally entered into on 7 September 2007, between the seller, the vendors and Afropulse, whereby the seller will be entitled to an amount of R 550 000 payable by the vendors for the seller waiving its right to acquire additional shares in Afropulse

in terms of the profit warranties contained in the aforementioned subscription agreement.

5. APPLICATION OF SALE PROCEEDS

The sale proceeds will be applied primarily towards meeting current and future obligations of the Company and to further organic growth within the IQuad group.

6. FINANCIAL EFFECTS

The pro forma financial effects of the disposal are presented for illustrative purposes only and because of their nature may not give a fair reflection of the Company's financial position nor of the effect on future earnings after the disposal. Set out below are the unaudited pro forma financial effects of the disposal, based on the reviewed preliminary results for the year ending 28 February 2009. The directors of IQuad are responsible for the preparation of the unaudited pro forma financial information.

	Reviewed before disposal (cents)	Unaudited pro forma after disposal (cents)	Change(%)
Basic earnings per share	35.9	44.5	24.0
Basic headline earnings per share	50.4	55.1	9.3
Net asset value per share	468.1	468.1	0.0
Net tangible asset value per share	115.8	115.8	0.0

Notes and assumptions:

1. The basic earnings per share and basic headline earnings per share figures in the "Pro forma after disposal" column have been calculated on the basis that the disposal was effected on 1 March 2008.
2. The net asset value per share and net tangible asset value per share figures in the "Pro forma after disposal" column have been calculated on the basis that the disposal was effected on 28 February 2009.
3. Interest on the cash consideration received has been calculated based on the monthly cash/borrowing position of the IQuad group. Interest earned on positive balances was calculated at 12.1% per annum. Interest saved on borrowings was calculated at 15.1% per annum.
4. The taxation rate applicable is assumed to be 28%.

5. The basic earnings per share and basic headline earnings per share figures are calculated based on weighted average number of shares in issue of 28 085 million shares at 28 February 2009.
6. The net asset value per share and net tangible asset value per share have been calculated based on 28 085 million shares in issue at 28 February 2009.

7. CONDITIONS PRECEDENT

All of the conditions precedent as set out in the sale of shares agreement has been fulfilled by the parties to the agreement.

8. EFFECTIVE DATE

In terms of the sale of shares agreement the effective date of the transaction is 28 February 2009.

9. CLASSIFICATION OF THE TRANSACTION

The transaction is classified as a Category 2 transaction in terms of the Listings Requirements of the JSE Limited.

17 April 2009

Designated Adviser:

PSG Capital (Pty) Limited