

CASEY INVESTMENT HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration No: 1998/016433/06)

Share code: CSY ISIN code: ZAE000016127

("Casey" or "the company")

ACQUISITION OF 100% OF THE SHARES IN AND CLAIM'S AGAINST DATAPRO (PROPRIETARY) LIMITED ("DataPro"), AN ISSUE OF SHARES FOR CASH, INTRODUCTION OF AN ADDITIONAL EMPOWERMENT SHAREHOLDER, PROPOSED CHANGE OF NAME AND TRANSFER TO THE ALTERNATIVE EXCHANGE AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Introduction

Following the cautionary announcement published on 30 June 2004, the directors are pleased to announce that, in terms of two agreements signed on 13 August 2004, Casey has acquired 100% of the preference shares in and claims against DataPro, a first tier Internet Service Provider ("ISP"), from BOE Private Equity Investments (Proprietary) Limited ("BOE") and 100% of the ordinary shares in and claims against DataPro, from DataPro management comprising primarily Douglas Reed (53%) with the balance being widely held by management and staff. This will result in Casey holding 100% in DataPro. The effective date of the transaction is 01 March 2004.

As previously announced on 30 June 2004 the directors of Level 4 Group Holdings Limited ("Level 4") acquired 56 234 723 shares, being control of 75% of Casey from Black Information Technology Empowerment Company Limited ("Blitec") as well as Blitec's loan account claims against Casey, with effect from 01 March 2004. Blitec has retained a shareholding of approximately 12% in Casey. The listing of Level 4 on Alt^X was approved by the Alt^X Advisory Committee ahead of the acquisition of control of Casey, subject to JSE approval. During the run up to the formal Alt^X approval, the Level 4 directors acquired a controlling interest in Casey with an intention to reverse list Level 4 into the Casey shell in order to achieve spread of shareholders and secure a value-adding black empowerment company in the form of Blitec. At the same time, the Level 4 directors entered into negotiation with DataPro management and BOE Private Equity for the acquisition of 100% of DataPro by Casey.

Level 4 is a specialist solution provider in the outsourcing arena, an area of business familiar to Casey. Level 4 will introduce its business and contracts directly into Casey without any dilution to minority shareholders of Casey. Casey also provided internet service and hosting solutions to customers. Level 4 has been in business for a number of years, is profitable and has a strong SME customer base with an annuity income stream in terms of signed service level agreements or licence fees. Level 4 has had a long term relationship with DataPro both at director level and at a business level. It is the intention going forward that Level 4 will become the outsourcing division of DataPro but will retain the brand name of Level 4. DataPro will leverage off Level 4's expertise in the SME sector, currently the highest growth component of the Internet Service Provision arena.

DataPro is an ISP which primarily provides permanent Internet service connection through leased lines or ADSL to businesses. The company is currently rated amongst the top five South African first tier ISP's. DataPro has been built of a lean capital base, which required the business to operate more effective and efficiently. It has a substantial customer base, one of the most advanced networks in the world and provides a basket of communication products and services. DataPro currently services business of all sizes. In Gauteng the customer base consists predominately of mid-sized corporate companies, and in the Cape Town and Durban regions, small to medium enterprises. The largest portion of DataPro's business is annuity based income spread over a wide customer base comprising well over 3 000 customers.

DataPro also provides other services such as the recently launched Voice-Over-IP through leading Telecommunication companies, which secures another source of recurring monthly revenue. Voice-Over-IP has huge potential for growth once the market liberalises and voice and data technologies converge. All DataPro's Voice solutions are branded and sold under Vox Telecom and include cellular least cost routing, implementing VOIP PBX's and telephone management systems. DataPro is one of the few niche telecommunications companies in South Africa that has its own infrastructure.

The rationale for the acquisition of DataPro is to integrate the telecommunications and micro outsourcing businesses, thereby offering a complete solution to the combined customer base and to rapidly expand the business, bringing a high level of annuity income, profitability and cash flow to the group.

The acquisition and issue of shares for cash (“the transactions”)

The purchase price for the acquisition of the ordinary shares and claims from DataPro management, equating to an effective 13,573% shareholding in DataPro, is R5 653 650, to be settled through the issue of 66 500 000 new shares in Casey at 8,5 cents per share.

The purchase price for the acquisition of the preference shares and claims from BOE, equating to an effective 86,427% shareholding in DataPro, is R36 000 000, to be settled in cash. A bank guarantee has been put in place for the purchase price and the minimum cash requirement has been secured through irrevocable undertakings to subscribe for an issue of up to 87 500 000 new shares in Casey at an issue price of 55 cents per share, subject to the approval of the acquisition and issue of shares for cash by the shareholders of Casey in general meeting. Irrevocable undertakings to vote in favour of the transactions of 56 234 723 shares or 75% of the existing issued share capital of Casey have been secured.

The issue of shares for cash requires a prospectus to be issued which will be enclosed with the circular to shareholders. The acquisition of DataPro will require details of revised listing particulars which will be included in the said prospectus. The transactions will not result in a change in control of Casey. The largest shareholder in Casey after the share issues will be Vantage Investments (Proprietary) Limited, a black economic empowerment company, at approximately 23% assuming all the shares for cash are placed.

The combined financial effect of the transactions on the published unaudited financial information of Casey, as though the acquisition had been in effect for the period under review, on earnings for the year ended 29 February 2004 and on the net asset value as at 29 February 2004, is set out below.

	Published 29 Feb 2004 Before	Pro forma 29 Feb 2004 After	%
Loss/Earnings per share (cents)	(4.3)	(0,4)	91%
Headline loss/earnings per share (cents)	(1.2)	0,7	161%
Net asset value per share (cents)	(9.7)	15,0	255%
Tangible net asset value per share (cents)	(9.7)	1,7	118%
Weighted average number of shares in issue ('000)	74 980	228 980	205%
Shares in issue at year end ('000)	74 980	228 980	205%

The financial effect of the transactions has been combined as the transactions are integral to one another. Pro forma interest received on the difference between the cash to be raised and the purchase price has been calculated at 6% before taxation and taxation has been assumed at 30%. Goodwill of approximately R30,5 million will arise on the acquisition.

The company will be transferring its listing to Alt^X and at the same time the company intends changing its name to DataPro Group Limited. These details will also be included in the circular, which will be forwarded to shareholders within 28 days of this announcement. A further announcement incorporating salient dates will be made in due course.

Withdrawal of cautionary announcement

As a result of this announcement shareholders are advised that the cautionary announcement is now withdrawn.

Johannesburg
13 August 2004

Sponsor
Arcay Group Limited