

Metropolitan Holdings Limited - Announcement to Shareholders
Metropolitan Holdings Limited
Registration number 2000/031756/06
JSE code: MET
NSX code: MTD
ISIN code: ZAE000050456
("Metropolitan" or the "Company")

Announcement to shareholders regarding:

- * the issue price of the "A2" and "A3" Metropolitan preference shares (the "Met Prefs") issued in terms of the second phase of Metropolitan's Black Economic Empowerment transaction (the "Phase II transaction"); and
- * the share repurchase by Metropolitan

A. The Phase II transaction

1. Introduction

Shareholders are referred to the announcement released on SENS on 18 August 2005, the circular issued to shareholders on 5 September 2005, the revised terms announced on SENS on 27 September 2005 and the notice issued to shareholders on 28 September 2005, all relating to the Phase II transaction. As part of this transaction, a private company owned by Kagiso Trust Investments (Proprietary) Limited and the Metropolitan Empowerment Trust will acquire a stake in Metropolitan by subscribing for 47 081 139 variable rate cumulative convertible redeemable Met Prefs having a par value of 0.0001 cent each.

2. Issue price of the Met prefs

Shareholders are advised that the issue price per Met pref is R10.18 based on the volume weighted average price of the Metropolitan ordinary shares traded on the JSE Limited ("the JSE") over the five trading days ended on 18 October 2005.

3. Number of "A3" Met Prefs to be issued

The number of "A3" Met Prefs to be issued will be 34 381 139, being R350 million divided by the issue price.

B. The share repurchase

1. Details of share repurchase

An amount of 13,075,000 ordinary shares, representing 1.77% of Metropolitan's total issued shares, were repurchased by the Company during the period 19 September 2005 to 11 October 2005 at prices ranging from 1060 cents per ordinary share to 1139 cents per ordinary share for a total consideration (excluding dealing and other associated costs) of approximately R145 million. The Metropolitan ordinary shares were repurchased in the open market at a price not exceeding the limits as prescribed by the JSE. The shares repurchased will be cancelled and delisted from the JSE with effect from Wednesday, 19 October 2005. The Company bought back the Metropolitan ordinary shares through the order book operated by the JSE trading system and this has been done without any prior understanding or arrangement between the Company and the counterparties concerned.

2. Source of funds

The share repurchase has been funded from available cash resources.

3. Opinions

The Directors of Metropolitan have considered the impact of the share repurchase and are unanimously of the opinion that:

- the Company, and the Company and its subsidiaries ("the Group"), will be able in the ordinary course of business to pay their debts for a period of 12 months from the date of this announcement;
- the assets of the Company and the Group, fairly valued in accordance with statements of generally accepted accounting practice, will remain in excess of the liabilities of the Company and the Group;
- the issued ordinary share capital and reserves of the Company and the Group are adequate for the purposes of the business for a period of 12 months from the date of this announcement;
- the working capital available to the Company and the Group is sufficient for the Company's and the Group's requirements for a period of 12 months from the date of this announcement; and
- subsequent to any repurchase the Company will comply with the JSE's spread requirements.

4. Financial effects

The financial effects of the share repurchase are not significant, but it will reduce the dilutory impact of the Phase II transaction.

Announcement to shareholders

Cape Town

19 October 2005

Sponsor to Metropolitan in South Africa

Merrill Lynch South Africa (Pty) Limited

Sponsor to Metropolitan in Namibia

Simonis Storm Securities

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