

Interwaste Holdings – Trading statement and cancellation of shares

**Interwaste Holdings Limited**

**(formerly Mentor Trading and Investment 66 (Pty) Limited)**

(Incorporated in the Republic of South Africa)

(Registration number 2006/037223/06)

(JSE code: IWE ISIN: ZAE000097903)

("Interwaste Holdings" or "the company")

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**TRADING STATEMENT AND CANCELLATION OF SHARES**

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In terms of the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on will differ by 20% or more from the financial results for the previous corresponding period or a profit forecast previously provided to the market.

The prospectus issued by the company contained a forecast of earnings and headline earnings per share of 11.8 cents, respectively. The earnings per share and headline earnings per share will be between 35% and 45% down on the forecast earnings per and headline earnings per share as a result of cost pressures and investment in new depots.

The company has however agreed with the Inter-Waste (Pty) Limited vendors, Enviro-Fill (Pty) Limited vendors and Ex-Waste (Pty) Limited ("Ex-Waste"), to cancel 90 000 000 of the shares issued on the effective date of the group restructuring. The cancellation of the shares will be subject to compliance with relevant regulatory requirements and legal agreements being concluded.

The rationale for the cancellation of the 90 000 000 ordinary shares, was as follows:

1. Various measures have been implemented by management to address the failure to meet the forecast of which the cancellation of shares is one.
2. The cancellation of the shares reduces the original purchase price at which the group restructuring occurred. The purchase price was based on a combination of historical and forecast earnings for the group.
3. The number of ordinary shares agreed to be cancelled was determined after consultation with the various vendors and the advisors of the company.

Had the cancellation of shares been in place for the full 2007 financial year, the company's earnings and headline earnings per share would have been down by between 10% and 20% on the forecast earnings and headline earnings per share. As a result of the cancellation, the issued ordinary share capital of Interwaste Holdings will be reduced to 253 979 551 shares.

In the event that the company's headline earnings for the year ending 31 December 2008 exceed R32.8 million, the Wilco Family Trust, the GL Share Trust, the Kusasa Trust, the Tibiyo Ta Mbuyze Trust, the Frilma Family Trust and Ex-Waste will be entitled to a pro-rata claw-back of the ordinary shares cancelled in pursuance of which the relevant number of ordinary shares will be re-issued. The pro rata claw-back will be based on headline earnings achieved in excess of R32.8 million and up to R43.3 million, the latter being the forecast headline earnings for the year ending 31 December 2008 as presented in the profit forecast.

The company's results for the year ended 31 December 2007 will be published as soon as the agreements for the cancellation of shares have been finalised and all regulatory approvals obtained.

1 April 2008  
Johannesburg

Designated Adviser  
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