

INTERIM CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED
31 AUGUST 2012

Tradehold Limited
("Tradehold" or "the company" or "the group")
(Registration number 1970/009054/06)
JSE share code: TDH ISIN: ZAE000152658

Tradehold is an investment holding company listed on the Main Board of the JSE Limited. It has no operating assets in South Africa. Its business consists of an 85% interest in the property-owning Moorgarth Holdings (Luxembourg) S. r.l. ("Moorgarth"), 71% of Reward Investments Limited ("Reward"), an asset-backed, short-term lending business, and an indirect holding of 15,9% in the variety retail group Instore. All these businesses are based in the UK. By far the largest investment is in Moorgarth which manages a £54,2 million portfolio of unencumbered retail, leisure and commercial properties.

Despite the continuing depressed state of the UK economy, Tradehold produced a trading profit of £2,2 million against a trading profit of £0,3 million in the corresponding period. After exceptional items of £1,2 million, interest and taxation, it recorded a profit for the period of £1,0 million compared to a loss of £3,3 million in the corresponding six months. Moorgarth produced a net profit of £0,7 million (2011: £0,4 million). The latter's results were boosted by a net increase of £0,5 million primarily driven by an escalation in the value of one of its properties for which planning permission for residential development was obtained.

Business review

The British economy remained in the doldrums during the reporting period with official figures released at the end of July indicating that the economy had shrunk for three consecutive quarters. However, towards the end of the period there was the start of a surge in job creation; inflation decreased closer to the government's target of 2% while consumer spending was slowly starting to gain momentum.

Moorgarth

The entire real estate market has slowed during the period under review with the number of transactions well down on the previous year. The commercial property sector continued to be negatively influenced by the deepening concern over the wider European economy. Few property investment opportunities were available during the first 4 months of the period although towards the end of the period a number of shopping centre opportunities have come to the market. Moorgarth responded hereto and acquired a shopping centre in Glasgow at an attractive gross initial yield. It has made it known in the market that it is keen to acquire similar properties, and management is at present investigating a number of options capable of providing similar returns. It is particularly on the lookout for properties offering opportunities for improving the fabric of the building to enhance the tenant mix, income stream and consequently capital value.

Management will continue to look to sell the smaller assets within the existing portfolio with a view to replacing these with higher yielding, better quality assets primarily in the retail sector. The value of the portfolio at the end of the reporting period stood at £54,2 million.

In the second half of the year the focus will be on acquiring more secondary retail warehouse and shopping centre properties. The group's available cash reserves enable management to respond quickly to opportunities.

Reward

Management's expectation at the end of the previous period that the outlook for this start-up business was highly promising was proven correct in the period under review when net profit of £0,4 million, after tax and members' interests, exceeded the £0,2 million, achieved for the whole of the previous year. The number of short-term loans granted to small businesses which are struggling to obtain funding from the major banks has increased sharply. Being highly aware of the risks involved in a business of this nature in the present economic climate, management has made a senior appointment for the full-time risk management of Reward's 35 loan investments.

Reward expects to exceed its profit forecast for the full year as the level of deal flow continues to gain momentum.

Comments on the results

Included in the trading profit are:

- An unrealised currency gain of £0,4 million on a Swiss Franc denominated loan, and
- Valuation gains on Moorgarth investment properties of £0,5 million.

Exceptional items are: (£ million)	Unaudited		Unaudited
Audited	6 months to 31/08/12	6 months to 31/08/11	12 months to 29/02/12
- Fair value loss on financial assets at fair value through profit and loss (2.2)	(1,1)	(2,1)	
- Impairment of loans (0,1)	-	-	
- Legal and professional expenses (0,5)	(0,1)	(0,4)	
Total (2,8)	(1,2)	(2,5)	

Reclassification of revenue

Following the establishment of Reward as a permanent part of the group's operations, it was determined that it would be more suitable to classify the income generated from this business as revenue, whereas this had previously been included within other income (included in trading profit). This reclassification resulted in an increase in revenue of £125 000 and £853 000 in the comparatives for the first half of 2012 and the 12 months ended 29 February 2012 respectively.

The effect on the 2012 accounts compared to the previous method is largely neutral; an increase in revenue is offset against a decrease in other income in 2012 and operating profit has remained unchanged.

The segmental analysis includes this restatement and the short-term lending business is now disclosed as a separate segment.

Dividend

In order to preserve cash and given the continuing uncertainty in the market the board does not recommend paying a dividend to shareholders.

Outlook

Although the present adverse conditions in the British economy are expected to continue, the board is nevertheless positive in its outlook for the next six months. Moorgarth will continue in its efforts to enhance the quality of its portfolio as well as its profitability. Given its results to date it is expected that Reward will make a meaningful contribution to group profit this year. The board therefore expects the positive trends in the business to continue for the remainder of the year.

This general forecast has not been reviewed nor reported on by the company's auditors.

Accounting policy

The interim results have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and the AC 500 Standards as issued by the Accounting Practices Board, including IAS 34: Interim Financial Reporting, and in accordance with the requirements of the South African Companies Act, Act 71 of 2008, as amended, and the Listings Requirements of the JSE Limited. Other than the reclassification explained above, the accounting policies are consistent with those applied in the annual financial statements for the year ended 29 February 2012.

Preparation of financial results

The preparation of the financial results was supervised by the group financial director, Cornus Moore, B Com. These results have not been audited nor have they been reviewed by the group's auditors, PricewaterhouseCoopers Inc.

Reporting currency

As the operations of Tradehold's subsidiaries are conducted in pound sterling and because of the distortion caused by the fluctuating value of the rand, the company is reporting its results in the former currency.

By order of the board

CH Wiese	C Moore
Chairman	Director

Malta
25 October 2012

Executive directors: CH Wiese, C Moore and TA Vaughan
Non-executive directors: MJ Roberts, C Stassen, HRW Troskie and JD Wiese
Independent non-executive directors: MJ Roberts, C Stassen and HRW Troskie
Company secretary: JF Pienaar
Transfer secretaries: Computershare Investor Services (Pty) Ltd
Sponsor: Deloitte & Touche Sponsor Services (Pty) Ltd

Statement of comprehensive income

	Unaudited 6 months to 31/08/12	Unaudited 6 months to 31/08/11*	Audited 12 months to
(£'000)			
29/02/12*			
Revenue	4 719	3 241	7 498
Trading profit	2 201	281	1 207
Exceptional items 761)	(1 167)	(2 589)	(2
Operating profit/(loss) 554)	1 034	(2 308)	(1
Finance income	191	120	390
Finance cost 558)	(25)	(1 099)	(1
Profit/(loss) before taxation 722)	1 200	(3 287)	(2
Taxation	151	34	124
Profit/(loss) for the period 846)	1 049	(3 321)	(2
Other comprehensive income			
Currency translation differences (14)	-	-	
Total comprehensive income/(loss) for the period 860)	1 049	(3 321)	(2
Profit/(loss) attributable to:			
Owners of the parent 493)	757	(3 392)	(2
Non-controlling interest (353)	292	71	
	1 049	(3 321)	(2
846)			
Total comprehensive income/(loss) attributable to:			
Owners of the parent 507)	757	(3 392)	(2
Non-controlling interest (353)	292	71	
	1 049	(3 321)	(2
860)			
Earnings/(loss) per share (pence): basic and diluted			
◆ basic and diluted earnings/(loss) (2,1)	0,5	(3,4)	
◆ headline earnings/(loss) (2,1)	0,2	(4,0)	
Number of shares for calculation of earnings per share (◆000) 841	138 394	99 550	118
* Reclassified			

Statement of financial position

	Unaudited 31/08/12	Unaudited 31/08/11	Audited
(£'000)			
29/02/12			

Non-current assets	54 875	71 844	47 247
Investment properties	49 198	65 800	41 498
Property, plant and equipment	5 644	6 029	5 737
Deferred taxation	25	-	-
Financial assets	8	15	12
Current assets	45 877	49 698	52 025
Financial assets	6 301	7 484	7 403
Trade and other receivables	11 715	1 932	5 601
Inventories	32	35	24
Cash and cash equivalents	27 829	40 247	38 997
Total assets	100 752	121 542	99 272
Equity	88 397	86 884	87 213
Ordinary shareholders' equity	87 730	85 768	86
838			
Non-controlling interest	667	1 116	375
Non-current liabilities	51	12	56
Preference share capital	51	12	51
Deferred taxation	-	-	5
Current liabilities	12 304	34 646	12 003
Short-term borrowings	6 279	28 659	6 601
Other current liabilities	6 025	5 987	5 402
Total equity and liabilities	100 752	121 542	99 272

Statement of changes in equity

	Unaudited 6 months	Unaudited 6 months	Audited 12
months	to	to	to
(£'000)	31/08/12	31/08/11	
29/02/12			
Balance at beginning of the period	87 213	31 349	31 349
Proceeds from ordinary share issue	-	58 856	58 856
Disposal of treasury shares	135	-	-
Transactions with non-controlling shareholders	-	-	-
(43)			
Purchase of treasury shares	-	-	-
(89)			
Total comprehensive income/(loss) for the period	1 049	(3 321)	(2
860)			
Balance at end of the period	88 397	86 884	87 213

Statement of cash flows

	Unaudited 6 months	Unaudited 6 months	Audited 12 months
	to	to	to
(£'000)	31/08/12	31/08/11	
29/02/12			
Cash flows from operating activities	(3 719)	(865)	(3
874)			
Cash flows from investing activities	(7 262)	(13 882)	10 028
Acquisition of investment properties	(7 700)	(15 072)	(15
073)			
Acquisition of property, plant and equipment	(60)	(113)	
(233)			
Proceeds on disposal of investment properties	494	1 300	25 253

Other investment activities	4	3	81
Net cash flow	(10 981)	(14 747)	6 154
Cash flows from financing activities	(187)	45 965	23 814
Proceeds from ordinary share issue	-	58 856	58 856
Proceeds from preference share issue	-	-	39
Proceeds of borrowings	-	-	317
Repayment of borrowings	(322)	(12 891)	(35
266)			
Proceeds on disposal of treasury shares	135	-	-
Purchase of treasury shares	-	-	
(89)			
Transactions with non-controlling			
shareholders	-	-	
(43)			
Net (decrease)/increase in cash			
and cash equivalents	(11 168)	31 218	29 968
Cash and cash equivalents at			
beginning of the period	38 997	9 029	9 029
Cash and cash equivalents at			
end of the period	27 829	40 247	38 997

Supplementary information

	Unaudited 6 months to	Unaudited 6 months to	Audited 12 months to
(£'000)	31/08/12	31/08/11	
29/02/12			
1. Depreciation for the period	153	210	392
2. Capital expenditure for the period	7 760	15 185	15 306
3. Calculation of headline earnings			
Profit/(loss) attributable to			
owners of parent	757	(3 392)	(2
493)			
(Surplus)/shortfall on revaluation			
of investment properties	(450)	(642)	630
Profit on disposal of investment			
properties	(44)	-	
(923)			
Impairment of property, plant and			
equipment	-	-	230
Taxation	-	-	-
Non-controlling interest	74	96	9
547)	337	(3 938)	(2

	Unaudited 31/08/12	Unaudited 31/08/11	Audited 29/02/12
4. Number of shares in issue			
(net of treasury shares) (£'000)	138 567	138 488	138
296			
5. Net asset value per share (pence)	63,3	61,9	62,8
6. Financial assets			
Listed investments at fair value	4 489	5 672	5 591
Unlisted investments at fair value	1 812	1 812	1 812
Loans	8	133	12
	6 309	7 617	7 415
7. Contingent liabilities	-	5 349	-

Segmental analysis

(£'000)	Revenue	Trading profit/(loss)	Total
assets			
Six months to 31 August 2012 (unaudited)			
Property retail	1 562	851	36
858			
- commercial	275	767	7 883
offices	181	(15)	4
397			
leisure	1 381	154	7
226			
Short-term lending	1 320	1 005	10 120
Treasury	-	(561)	34 268
	4 719	2 201	100 752
Six months to 31 August 2011 (unaudited)*			
Property retail	1 325	1 893	56
167			
commercial	171	(38)	7
133			
offices	283	191	5
178			
leisure	1 337	99	7
112			
other	-	(133)	
154			
Short-term lending	125	65	915
Treasury	-	(1 796)	44 883
	3 241	281	121 542
Twelve months to 29 February 2012 (audited)*			
Property retail	2 879	3 176	30
475			
commercial	358	87	7
367			
offices	722	40	4
425			
leisure	2 686	(447)	6
546			
other	-	367	5
813			
Short-term lending	853	343	5 592
Treasury	-	(2 359)	39 054
	7 498	1 207	99 272

* Reclassified