

## TRADEHOLD EXPECTS SUBSTANTIAL GROWTH IN NEW FINANCIAL YEAR

Tradehold expects to grow its business substantially despite the British economy slipping back into recession since its year-end in February. Although listed on the main board of the JSE, the interests of this investment holding company are all in the UK. It therefore also reports its results in sterling.

Tradehold ended the year to February 2012 with a loss of £2,8m against a profit of £2,0m in the previous financial year. However, the loss was primarily the result of a fair value adjustment of £2,2m in the UBS shares the company holds. Due to the precarious position in which the British economy finds itself, the board has decided to conserve the company's cash resources and not to recommend payment of a dividend to shareholders.

Tradehold chairman Dr Christo Wiese said the group performed better than the figures suggested. In addition to its 85% holding in the property group Moorgarth, by far Tradehold's biggest investment, it also owns 16% of the variety retail group Instore and 71% of Reward, a new asset-backed, short-term lending business which has just completed its first full year of trading.

Wiese said the successful rights issue in May last year to raise £59m had enabled the company to repay all the property loans owing on Moorgarth's £47m portfolio of 22 retail, commercial and industrial buildings.

"Not only does Moorgarth now have no external debt but the rights issue has left Tradehold with cash resources of £39m. The access to cash enables Moorgarth to acquire, at highly competitive prices, properties with strong upside potential that will ensure strong, positive growth in the future, and the group is consequently considering to acquire several real-estate investments.

"The access to cash also provides Moorgarth with the financial resources to upgrade existing buildings and so attract high-level tenants. One of the most positive aspects of the past year was that Moorgarth experienced the strongest increase in tenant interest in four years, resulting in a number of new lettings."

Wiese said in line with the property group's philosophy of managing its portfolio dynamically, it sold its large retail park in Wisbech in Cambridgeshire for £25,3m to realise a capital gain of £10,3m.

Commenting on Tradehold's investment in Reward, Wiese said it was still small at this stage, contributing £343 000 to group operating profits in its first year, but that there was a strong demand for its services in an environment in which bank loans had become hard to access.

“It is a business with considerable potential offering as it does products that are in very high demand at present. Consequently it can be very selective in terms of the businesses to which short-term loans are made and in the terms it applies. Towards the end of the financial year there was a surge in business and we believe the outlook for the new year to be extremely positive.”

Ends

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