

TRADEHOLD BUILDS ON 2013 SUCCESS

Tradehold, which at its financial year-end in February 2014 had no South African assets, improved further on its strong results for 2013 by growing revenue by 24,4% to £12,6m and trading profit by 72,5% to £6,1m. Net profit after exceptional items was 12,1% higher at £7,3m.

The assets of Tradehold, which is listed on the main board of the JSE, consisted at year-end of an 85% holding in the Moorgarth group of companies which owns and manages a £77,4m property portfolio, and an indirect holding of 63% in the asset-backed, short-term lending businesses of Reward Investments. After year-end, Tradehold acquired the Cape Town-based financial services business Mettle. There exist considerable synergies between Mettle's operations and those of Reward's businesses.

In the steadily improving UK economy Moorgarth, which is by far Tradehold's biggest investment, increased its operating profit by 33,3% to £3,2m. Reward in its third year of operation increased turnover by 43,3% to £4,3m and net profit by 44,4% to £1,3m.

Tradehold's chairman Christo Wiese said market conditions continued to favour in particular Reward Investments' subsidiary Reward Capital, which offers short-term loan facilities to smaller businesses in a market in which such funding continues to be extremely difficult to obtain from High Street banks.

During the year, Moorgarth continued to dispose of non-core assets and focus on the acquisition of regionally dominant shopping centres. In November it bought the 37 000 m² Market Place shopping centre in Greater Manchester for £23,5m, increasing the value of its portfolio by 46%. Built at a cost of £105m, the centre has declined in recent years and Moorgarth plans to increase and upgrade its facilities extensively.

Also during the year Moorgarth, whose properties are located mainly in Northern England and Scotland, made its first foray into Central London where it agreed terms to acquire two smaller office buildings. Both transactions were finalised after year-end. Rentals in the office sector in Central London are expected to increase by 5,6% per annum, reflecting the shortage of supply.

After year-end the board of Tradehold was restructured and expanded. Of the four new directors, two are from Mettle. Friedrich Esterhuyse, CEO of Mettle, becomes joint chief executive with Tim Vaughan, CEO of Moorgarth, while Karen Nordier, a senior executive at Mettle, takes over as financial director of Tradehold. Among the new directors is also Martin Wragge, well-known in South African property circles for the development of Century City in Cape Town.

In looking ahead Wiese said he believed Tradehold and its main subsidiaries were well placed to gain from the steady improvement in the British economy, which is expected to grow by 2,9% in 2014, and the increasing business and consumer confidence.

The directors declared a dividend of 5,5c a share.

ISSUED BY	DKC (De Kock Communications)
ON BEHALF OF	Tradehold Limited
DATE ISSUED	28 May 2014
MEDIA ENQUIRIES	Karen Nordier, Tradehold, 0041 78 721 9115 Ben de Kock, DKC 021 422 2690