

TRADEHOLD INCREASES TRADING PROFIT IN DIFFICULT YEAR

Tradehold increased its trading profit for the year to February 2011 to £6,1m (2010: £2,4m) mainly due to a net uplift of £5,4m in the value of its UK property portfolio to £56,9m in a market still in the initial phases of what seems to be a fragile recovery.

Tradehold, which is listed in the property section of the main board of the JSE, reports its results in pound sterling as the activities of its operating subsidiaries, all located in the UK, are conducted in that currency. Its main holdings are 85% of the Moorgarth property group and 16% of the variety retailer Instore which operates some 300 outlets in the UK and Ireland.

Exceptional items of £2,1m reduced operating profit to £4,0m (2010: R3,8m). The major items among the exceptionals were write-offs resulting from the sale of a large property portfolio prior to the establishment of Moorgarth. After interest, the bottom-line profit was £1,9m, before minority interest. In the light of the uncertainty in the market and the need to conserve cash the directors have not recommended paying a dividend.

Tradehold chairman Christo Wiese said the British economy remained in a state of uncertainty as the coalition government's austerity measures were starting to bite. In the property market demand for space remained weak while retail rents continued to slip and incentives for tenants increased.

"Nevertheless, Moorgarth's property portfolio remained quite resilient despite the recessionary conditions, and the group managed to turn in a robust performance. By focusing on maximising the value of its existing properties, it achieved a revaluation surplus of £5,4m at the end of the reporting period," Wiese said. The size of the portfolio remained unchanged at 22 properties.

Tradehold was successful recently in raising R650m in the South African market. Wiese said the money would be used to expand and diversify the portfolio further. "Funding by financial institutions remains in short supply and cash has thus become a key requirement in competing for the limited number of prime properties coming on the market.

"The cash raised will make it possible for us to take advantage of opportunities to expand our portfolio with quality acquisitions that up to now have been outside our financial reach," Wiese said.

Ends

ISSUED BY	De Kock Communications (DKC)
ON BEHALF OF	Tradehold Limited
DATE	00 May 2011
MEDIA ENQUIRIES	Cornus Moore, Tradehold, 0041 792 144 585
	Ben de Kock, DKC 021 422 2690