

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

Interim Consolidated Unaudited Financial Statements for the Six Months to
31 August 2013

Tradehold Limited is an investment holding company listed on the Main Board of the JSE. At 31 August 2013, its business consisted of an 85% interest in the property-owning Moorgarth group of companies and an indirect holding through Reward Investments Limited, of 71% in the two operating Reward LLP's, an asset backed, short-term lending business. These businesses are all UK-based. By far the largest investment is in Moorgarth which manages a €51,5 million portfolio of unencumbered retail, commercial and industrial buildings.

Although trading conditions did not change materially in the period under review, Tradehold produced a substantially improved set of financial results.

Revenue increased 23% to €5,8 million and the group achieved a trading profit for the period of €2,9 million (2012: €2,2 million). Exceptional items contributed €1,3 million to produce a net profit for the six months of €4,0 million (2012: €1,0 million). Moorgarth reported an operating profit of €1,4 million (2012: €1,3 million) to earn a net profit of €0,1 million (2012: €0,7 million). Reward Investments posted a net profit of €0,7 million compared to €0,4 million in the corresponding six months.

Business environment

In the period under review the recovery of the British economy gathered pace, although there are doubts as to its sustainability. This is mainly due to the many uncertainties that persist in the Eurozone where debt default by certain members remains a constant threat. In contrast with the accent in Britain over the past few years of austerity measures in response to the country's heavy indebtedness, there are now signs that the UK government's fiscal policy is becoming more flexible and more growth-oriented. Investment, however, is still below the level that would support growth in the long term. GDP is expected to increase from 0,2% in 2012 to 1,0% in 2013. With inflation at 2,7%, however, the country continues to experience negative growth, a situation expected to persist beyond 2014. Interest rates have been at historical lows for several

years now. Also unchanged is the attitude of banks which remain highly risk-averse, despite efforts by the government to encourage lending. Money remained tight and trading conditions continued to be demanding.

Moorgarth

The recovery noticeable in the economy has also produced greater confidence in real estate markets across the UK. Management continued to manage aggressively the group's existing portfolio and at the end of the reporting period was in discussion with prospective clients in respect of all the vacant space in its buildings. Moorgarth did not acquire any new properties in the six months to end August but continued its search for high-yielding, well-located quality shopping centres with established tenant bases. Management also continued its strategy of clearing the portfolio of smaller properties with limited potential to enhance value.

A disturbing tendency developing in the market as a whole is that rentals are not increasing in line with the upturn in the value of properties, thereby negatively influencing yields. However, Moorgarth was able to achieve an annualised return for the period of 5,5% which is in line with the IPD All Property Index.

Moorgarth remains ungeared in terms of external funding and continues to have access to group funds.

Reward

The two operating units of Reward Investments Limited - Reward Capital and Reward Commercial Finance - continued to benefit from prevailing market conditions. Tradehold, which funds their operations via a £12 million loan, indirectly holds 71% in the two units. They focus on short-term, asset-backed loans to small and medium-sized businesses and on invoice-discounting facilities to similar businesses respectively. Reward Capital is the dominant player of the two.

Together the two units achieved an operating profit of £1,5 million (2012: £1,0 million). No bad debt was incurred. The company remains highly vigilant of clients defaulting on payments and risk management is treated as a high priority.

Comments on the results
Exceptional items are:

(£'million)	Unaudited	Unaudited	
Audited	6 months	6 months	12
months			

	to 31/08/13	to 31/08/12	to
28/02/13			
- Fair-value gain/(loss) on financial assets at fair value through profit and loss	1,3	(1,1)	
2,8			
- Legal and professional expenses	-	(0,1)	
-			
Total	1,3	(1,2)	
2,8			

Dividend

The board has decided not to declare an interim dividend.

Outlook

Moorgarth has weathered the past few years extremely well. It continues to upgrade the quality of its portfolio and manages to restrict vacant space in its properties to manageable levels. It is well positioned with adequate access to capital, to benefit from the opportunities coming to market with the gradual resurgence of the British economy. We believe it has the potential to improve on the results achieved in the first six months, during the second half of the year.

We remain convinced of the very considerable potential of Reward which, in an environment of restricted lending by the banks, is creating a niche for itself to occupy successfully in a risk - averse debt funding market that is likely to continue for a number of years.

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

Accounting policy

The consolidated interim financial information is prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports and the requirements of the Companies Act of South Africa, Act 71 of 2008. The JSE Limited Listings Requirements require interim reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and must also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies adopted are consistent with those of the previous financial year except as described below.

The following new IFRSs and/or IFRICs were effective for the first time for this interim period from 1 January 2013:

- Amendment to IFRS 7, Disclosures - Offsetting Financial Assets and Financial Liabilities
- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement
- Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income
- Revised IAS 28, Investments in Associates and Joint Ventures

There was no material impact on the interim financial statements identified based on management's assessment of these standards.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

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

Items included in the consolidated interim financial information of each of the group's entities are measured using the currency of the primary economic environment in which each of the entities operate (the 'functional currency').

The consolidated annual financial statements are presented in Pound Sterling.

CH Wiese	C Moore
Chairman	Director

Malta
24 October 2013

Directors and administration

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 secretary: Computershare Investor Services (Pty) Ltd

Sponsor: Bravura Equity Services (Pty) Ltd

STATEMENT OF COMPREHENSIVE INCOME

Audited	Unaudited	Unaudited	
to	6 months to	6 months to	12 months
(€'000)	31/08/13	31/08/12	
28/02/13			
Revenue	5 795	4 719	10
095			
Trading profit	2 892	2 201	3
561			
Exceptional items	1 288	(1 167)	2
823			

Operating profit	4 180	1 034	6
384			
Finance income	51	191	
257			
Finance cost	(34)	(25)	
(63)			
Profit before taxation	4 197	1 200	6
578			
Taxation	221	151	
84			
Profit for the period	3 976	1 049	6
494			
Other comprehensive income			
Currency translation differences	-	-	
(47)			
Total comprehensive income for the period	3 976	1 049	6
447			
Profit attributable to:			
Owners of the parent	3 666	757	6
527			
Non-controlling interest	310	292	
(33)			
	3 976	1 049	6
494			
Total comprehensive income attributable to:			
Owners of the parent	3 666	757	6
480			
Non-controlling interest	310	292	
(33)			
	3 976	1 049	6
447			
Earnings per share (pence): basic and diluted			
- basic	2,6	0,5	
4,7			
- headline earnings	2,6	0,2	
6,4			
Number of shares for calculation of earnings per share ('000)	138 567	138 394	138
476			

STATEMENT OF FINANCIAL POSITION

	Unaudited	Unaudited	
Audited			
(€'000)	31/08/13	31/08/12	
28/02/13			
Non-current assets	52 616	54 875	51
900			
Investment properties	46 506	49 198	46
341			
Property, plant and equipment	5 449	5 644	5
524			
Deferred taxation	27	25	
-			
Financial assets	634	8	
35			
Current assets	54 396	45 877	51
136			
Financial assets	10 346	6 301	10
238			

Trade and other receivables 714	14 477	11 715	10
Inventories -	-	32	
Cash and cash equivalents 184	29 573	27 829	30
Total assets 036	107 012	100 752	103
Equity 793	97 039	88 397	93
Ordinary shareholders' equity 465	96 631	87 730	93
Non-controlling interest 328	408	667	
Non-current liabilities 88	51	51	
Preference share capital 51	51	51	
Deferred taxation 37	-	-	
Current liabilities 155	9 922	12 304	9
Short-term borrowings 706	6 587	6 279	6
Other current liabilities 449	3 335	6 025	2
Total equity and liabilities 036	107 012	100 752	103

STATEMENT OF CHANGES IN EQUITY

Audited	Unaudited	Unaudited	
	6 months to	6 months to	12 months
to			
(€'000)	31/08/13	31/08/12	
28/02/13			
Balance at beginning of the period 213	93 793	87 213	87
Proceeds from ordinary share issue 133	-	135	
Transactions with non-controlling shareholders -	(230)	-	
Total comprehensive income for the period 447	3 976	1 049	6
Distributions to equity holders -	(500)	-	
Balance at end of the period 793	97 039	88 397	93

STATEMENT OF CASH FLOWS

Audited	Unaudited	Unaudited	
	6 months to	6 months to	12 months
to			
(€'000)	31/08/13	31/08/12	
28/02/13			
Cash flows from operating activities 716	2 698	1 243	3

Cash flows utilised by investing activities	(2 959)	(12 224)	(12 720)
Acquisition of investment properties	(208)	(7 700)	(8 093)
Acquisition of property, plant and equipment	(37)	(60)	(120)
Proceeds on disposal of investment properties	-	494	494
Reward loans issued	(19 562)	(9 314)	(20 633)
Reward loans repaid	16 282	4 352	15 632
Other investment activities	566	4	-
Net cash flow	(261)	(10 981)	(9 004)
Cash flows (utilised by)/from financing activities	(350)	(187)	238
Proceeds from ordinary share issue	-	135	133
Proceeds of borrowings	-	-	105
Repayment of borrowings	(120)	(322)	-
Transactions with non-controlling shareholders	(230)	-	-
Net decrease in cash and cash equivalents	(611)	(11 168)	(8 766)
Effects of exchange rate	-	-	(47)
Cash and cash equivalents at beginning of the period	30 184	38 997	38 997
Cash and cash equivalents at end of the period	29 573	27 829	30 184

SUPPLEMENTARY INFORMATION

Audited	Unaudited	Unaudited	
	6 months to	6 months to	12 months
to			
(€'000)	31/08/13	31/08/12	
28/02/13			
1. Depreciation for the period	154	153	
333			
2. Capital expenditure for the period	245	7 760	8 213
3. Calculation of headline earnings			
Profit attributable to owners of parent	3 666	757	6 527
(Surplus)/shortfall on revaluation of investment properties	-	(450)	2 800
Profit on disposal of investment properties	-	(44)	(44)
Non-controlling interest	-	74	(413)

870	3 666	337	8
	Unaudited	Unaudited	
Audited	31/08/13	31/08/12	
28/02/13			
4. Number of shares in issue (net of treasury shares) ('000)	138 567	138 567	138
567			
5. Net asset value per share (pence)	69,7	63,3	
67,5			
6. Financial assets			
Listed investments at fair value	7 946	4 489	6
657			
Unlisted investments at fair value	-	1 812	3
581			
Loans	3 034	8	
-			
	10 980	6 309	10
238			
7. Contingent liabilities	-	-	
-			
SEGMENTAL ANALYSIS		Trading	
Total		Revenue	profit/(loss)
(£'000)			
assets			
Six months to 31 August 2013 (unaudited)			
Property - retail	1 860	1 378	38
722			
- commercial	245	138	5
850			
- offices	137	(5)	4
128			
- leisure	1 388	158	6
719			
- other	-	(4)	1
027			
Short-term lending	2 165	1 484	13
798			
Treasury	-	(257)	36
768			
	5 795	2 892	107
012			
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			

Twelve months to 28 February 2013 (audited)

Property - retail	3 288	11	36
732			
- commercial	522	(514)	6
817			
- offices	441	(973)	4
000			
- leisure	2 833	1 119	6
750			
- other	-	(61)	
197			
Short-term lending	3 011	2 036	11
820			
Treasury	-	1 943	36
720			
	10 095	3 561	
103 036			