

LBH: LBH - Liberty Holdings Limited - Overview of trading for the three months

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Liberty Holdings Limited

Registration number 1968/002095/06

Incorporated in the Republic of South Africa

Share code: LBH

ISIN code: ZAE0000127148

("Liberty Holdings" or "the Company")

LIBERTY HOLDINGS LIMITED

OVERVIEW OF TRADING FOR THE THREE MONTHS ENDED 31 MARCH 2010

At the annual general meeting to be held later today, chief executive Bruce Hemphill will make the following comments regarding Liberty Holdings' trading for the first three months of 2010 in comparison with the similar period in 2009:

When the 2009 results were released, it was noted that the business environment remained challenging. Since then there has been some improvement in gross domestic product, consumer disposable income and financial markets generally. Although improved, economic activity has not yet fully normalised. Focus during the period has therefore remained on managing policyholder persistency, costs and capital.

The management of policyholder persistency in the Retail SA business unit has been further enhanced. Experience has remained broadly stable with that seen in the latter part of 2009, with encouraging signs that retention strategies in the major book of risk business are proving effective. Whilst representing a relatively small portion of the business unit's book, management is taking action to improve profitability by curtailing sales and improving persistency in entry level market products distributed through third party call centres.

Sales on an indexed basis are at similar levels to 2009, with investment and credit life product sales performing above expectations. Policyholder cash flows were marginally positive and costs remain well controlled.

Corporate Benefits indexed sales and cash flows are ahead of last year.

At STANLIB, new leadership has been appointed which is building on investment processes already in place. Sales and cash flows of money market products remain strong, although there have been some institutional outflows. Assets under management have increased by 4% from last year end, a function of money market inflows and positive market growth. Generally, investment performance improved over that in the final quarter of 2009.

Liberty Properties continues to perform to expectation.

The capital management strategies followed by Libfin have contributed to a good performance of its investment portfolio. Libfin also benefitted from lower volatility and more favourable interest rate conditions during the quarter. Its operations have stabilised and are maturing satisfactorily. Liberty Africa has made good progress towards ensuring that the CFC Insurance Holdings acquisition will be completed early in the second half of 2010. Sales, cash flows and assets under management are all showing positive trends.

Liberty Health "lives" under management have increased in excess of 20% from 31 December 2009 and the business is making satisfactory progress towards break-even earnings levels.

All regulated subsidiaries of Liberty Holdings remain well capitalised at levels similar to those at 31 December 2009. With persistency, investment and market returns being in line with expectations, return on embedded value has been positive.

Bruce Hemphill will also make the following comments on the outlook for the rest of 2010:

Although trading conditions are expected to improve steadily through the year, risks to a sustained global economic recovery remain. Improving persistency continues to be a key priority, which has been complemented by an increased focus on sales productivity and improved margins.

Audit Review

Shareholders are advised that the results discussed above have neither been audited, nor reviewed by Liberty Holdings' auditors. An actuarial valuation was not performed on the first quarter results.

13 May 2010

Sponsor

Merrill Lynch South Africa (Pty) Ltd

Date: 13/05/2010 07:30:01 Produced by the JSE SENS Department.

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2010-05-13 07:30:01 Source: JSE News Service (SENS)