

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")

TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Shareholders are advised that Liberty Holdings is currently in the process of compiling its results for the year ended 31 December 2017. This trading statement provides an early indication of a range of basic earnings per ordinary share, headline earnings per ordinary share and normalised headline earnings per ordinary share pending finalisation of the year-end process. Liberty Holdings' final results will be released on the Stock Exchange News Service of the JSE Limited on 2 March 2018.

Shareholders are advised that normalised headline earnings⁽¹⁾ per ordinary share is expected to be between 1% to 15% (between 913,5 cents and 1 040,2 cents per ordinary share) higher than the year ended 31 December 2016 ("the comparative period"). Normalised headline earnings per ordinary share reflects the economic substance of Liberty Holdings' investment in the listed Liberty Two Degrees REIT ("L2D") as opposed to the International Financial Reporting Standards ("IFRS") accounting treatment applied in the calculation of basic earnings per ordinary share and headline earnings per ordinary share.

In accordance with paragraph 3.4(b) of the JSE Listings Requirements, shareholders are further advised that basic earnings per ordinary share and headline earnings per ordinary share are expected to be between 40% to 55% (between 1 136,4 cents and 1 258,1 cents per ordinary share) higher than the comparative period.

The increase in basic and headline earnings per ordinary share is mainly attributable to an accounting mismatch arising on consolidation of L2D into the Liberty Holdings results. L2D units held to match policyholder liabilities in the group's wholly owned long-term insurer, Liberty Group Limited, are accounted for at net asset value on consolidation. The listed unit price however is used to measure the policyholder liability, creating a non-economic accounting mismatch between the movements of the L2D listed unit price and the underlying L2D net asset value.

The financial information on which this trading statement has been based has not been audited or reviewed by the company's auditors.

⁽¹⁾ *Normalised headline earnings reflect the economic reality of the consolidation of the listed Liberty Two Degrees REIT and the Black Economic Empowerment transaction which differs from the required IFRS accounting treatment.*

Queries:
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9 February 2018

Sponsor
Merrill Lynch South Africa (Pty) Limited