



LIBERTY HOLDINGS LIMITED

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008



Commentary on results

Liberty Holdings Limited (Liberty Holdings) is the holding company of Liberty Group Limited (Liberty Group). Liberty Holdings carries on no business other than that related to its investment in Liberty Group. At 30 June 2008 Liberty Holdings held a 50,23% interest in Liberty Group (31 December 2007: 51,19%).

Shareholders are consequently referred to the interim results announcement published by Liberty Group on 6 August 2008 (details of its review of operations by segment and prospects are available at www.liberty.co.za), the results of which are consolidated into Liberty Holdings.

Standard Bank Group Limited (Standard Bank) has acquired 98,93% of Liberty Holdings in terms of an offer to Liberty Holdings' minority shareholders. Further particulars of the transaction are set out in the note on related parties below.

As announced on the securities exchange news service on 21 July 2008 and 6 August 2008, Liberty Group is considering the merits of implementing a holding company structure which would facilitate its strategic intent to achieve a position where the immediate listed holding company of Liberty Group and its significant operating companies wholly owns these operations, and is not a registered long-term insurer.

Liberty Holdings and Standard Bank have been approached by Liberty Group to consider facilitating this structure by allowing Liberty Holdings to become such a listed holding company. If such holding company structure were implemented, this would entail existing Liberty Group shareholders, other than Liberty Holdings, exchanging their Liberty Group shares for an economically equivalent shareholding in Liberty Holdings via a scheme of arrangement. Standard Bank, Liberty Holdings, Liberty Group and their advisers are considering this proposal as well as other alternatives in relation to Liberty Holdings and a further announcement will be made in due course. Until finality has been reached on these deliberations, the Liberty Holdings board has decided to defer any declaration of an interim dividend.

Accounting policies and restatements

The results have been prepared in accordance with International Financial Reporting Standards (IFRS) including full compliance with IAS 34 *Interim Financial Reporting*. There have been no changes to accounting policies from those applied for the year ended 31 December 2007.

The group has chosen to early adopt the amendments to IAS 1 *Presentation of Financial Statements*. This amendment requires a statement of comprehensive income which is more relevant as it helps eliminate current mismatches in the income statement between the measurement of policyholder attributable assets and liabilities.

Comprehensive income for a period includes profit or loss for that period plus other income or expense items that are not recognised in profit or loss as required or permitted by other standards. The standard does not change the recognition or measurement of specific transactions but only where they are presented in the primary statements. All owner changes in equity remain recognised in the statement of changes in equity.

Accordingly, the statement of comprehensive income now includes the foreign currency translation of subsidiaries, the revaluation of owner-occupied properties and the related taxation expenses with the profit or loss for the period.

The 30 June and 31 December 2007 statements have been restated to reflect the above change.

No prior year restatements to the group's assets, liabilities or equity are required as a consequence of the amendment.

Derek Cooper

Chairman

8 August 2008

Liberty Holdings Limited

(the Company)

Incorporated in the Republic
of South Africa

(Registration number: 1968/002095/06)

Alpha code: LBH

ISIN code: ZAE000004032

Transfer Secretaries

Computershare Investor Services (Pty) Limited

(Registration number: 2004/003647/07)

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Sponsor



Global Markets & Investment Banking Group

Merrill Lynch South Africa (Proprietary) Limited

Registration number 1995/001805/07

Registered Sponsor and Member of the
JSE Securities Exchange South Africa

These results are available at www.libertyholdings.co.za

Condensed group statement of financial position

as at 30 June 2008

	Unaudited 30 June 2008 Rm	Unaudited 30 June 2007 Rm	Audited 31 December 2007 Rm
Assets			
Investments	204 623	206 996	209 417
Intangible assets	1 047	1 234	1 137
Reinsurance assets	742	851	820
Defined benefit pension fund employer surplus	165		162
Deferred taxation	24	75	51
Prepayments, insurance and other receivables	3 941	4 741	3 528
Cash and cash equivalents	3 739	2 068	4 688
Other assets	885	997	844
Total assets	215 166	216 962	220 647
Liabilities			
Policyholders' liabilities	180 493	182 817	186 137
Insurance contracts	126 846	129 655	131 552
Investment contracts with discretionary participation features	3 233	2 883	3 353
Financial liabilities under investment contracts	50 414	50 279	51 232
Financial liabilities	2 380	2 718	2 484
Third party liabilities arising on consolidation of mutual funds	8 326	8 560	8 040
Deferred taxation	3 246	3 366	3 484
Insurance and other payables	6 153	6 166	5 993
Other liabilities	1 723	1 728	2 018
Total liabilities	202 321	205 355	208 156
Equity			
Ordinary shareholders' funds	5 433	4 894	5 288
Minority interests	7 412	6 713	7 203
Total equity	12 845	11 607	12 491
Total equity and liabilities	215 166	216 962	220 647

Condensed group statement of comprehensive income

for the six months ended 30 June 2008

	Unaudited 30 June 2008 Rm	Unaudited 30 June 2007 Rm	Audited 31 December 2007 Rm
Total revenue	12 842	28 309	50 173
Net insurance benefits and claims	(6 769)	(17 577)	(30 683)
Fair value adjustment to policyholders' liabilities under investment contracts	(218)	(4 217)	(6 281)
Fair value adjustment on third party mutual fund liabilities	(286)	(1)	(189)
Acquisition costs associated with insurance and investment contracts	(1 263)	(1 355)	(2 894)
Expenses	(2 593)	(2 152)	(4 689)
Preference dividend in subsidiary	(172)	(136)	(274)
Profit on sale of subsidiaries		2	6
Equity accounted earnings from joint ventures	16	17	51
Defined benefit pension fund employer surplus			162
Profit before taxation	1 557	2 890	5 382
Taxation	(604)	(1 225)	(2 105)
Total earnings	953	1 665	3 277
Other comprehensive income			
Owner-occupied properties – fair value adjustment	22	21	127
Foreign currency translation	17	16	16
Income tax relating to components of other comprehensive income	(7)	(6)	(41)
Total comprehensive income	985	1 696	3 379
Total earnings attributable to:			
Equity holders	410	798	1 463
Minority interests	543	867	1 814
	953	1 665	3 277
Total comprehensive income attributable to:			
Equity holders	425	814	1 516
Minority interest	560	882	1 863
	985	1 696	3 379
Reconciliation of total earnings to headline earnings attributable to equity holders			
Total earnings attributable to equity holders	410	798	1 463
Profit on sale of subsidiaries		(1)	(3)
Headline earnings	410	797	1 460
Insurance operations	386	495	921
Asset management operations	121	106	229
Shareholders' fund investments	(97)	196	310
Total and fully diluted earnings per share			
Basic	883,3	1 721,1	3 155,3
Headline ⁽¹⁾	883,3	1 718,4	3 149,0

(1) Liberty Holdings elected to early adopt the long-term insurance industry exemption contained in the addition to circular 8 of 2007 dated 22 February 2008 which allows for no headline earnings adjustment in respect of realised or unrealised remeasurements of investment properties.

Condensed statement of changes in group shareholders' funds

for the six months ended 30 June 2008

	Unaudited 30 June 2008 Rm	Unaudited 30 June 2007 Rm	Audited 31 December 2007 Rm
Opening balance at 1 January	12 491	11 921	11 921
Excess purchase price over NAV of STANLIB		(2 194)	(2 198)
Total comprehensive earnings	985	1 696	3 379
Increase in minorities resulting from acquisition of STANLIB Limited			11
Capital reduction in subsidiary	(369)		(207)
Ordinary dividends	(341)	(319)	(503)
Minority share of subsidiary dividend		(308)	(312)
Preference dividend	(1)	(1)	(2)
Unincorporated property partnerships – minority movements	(49)	(64)	(77)
Black Economic Empowerment transaction	60	54	98
Share-based payments	33	27	54
Treasury shares	36	(51)	(521)
Formation of Liberty Life Assurance Uganda			2
Issue of shares in subsidiary		846	846
Shareholders' funds	12 845	11 607	12 491
Ordinary shareholders' funds	5 433	4 894	5 288
Minority interests	7 412	6 713	7 203

Condensed group statement of cash flows

for the six months ended 30 June 2008

	Unaudited 30 June 2008 Rm	Unaudited 30 June 2007 Rm	Audited 31 December 2007 Rm
Operating activities	(622)	5 467	7 989
Investing activities	152	(9 517)	(7 711)
Financing activities	(479)	751	(957)
Net decrease in cash and cash equivalents	(949)	(3 299)	(679)
Cash and cash equivalents at beginning of period	4 688	5 242	5 242
Cash and cash equivalents acquired through business acquisition		166	166
Cash and cash equivalents disposed through business disposal		(41)	(41)
Cash and cash equivalents at end of period	3 739	2 068	4 688

Commitments

as at 30 June 2008

	Unaudited 30 June 2008 Rm	Unaudited 30 June 2007 Rm	Audited 31 December 2007 Rm
Capital commitments	1 228	288	1 090
Business acquisitions	263		386
Equipment	302	89	216
Investment and owner-occupied property	663	199	488
Under contracts	566	33	25
Authorised by the directors but not contracted	662	255	1 065
	1 228	288	1 090

Funding for the 30 June 2008 commitments will be from shareholders' funds and where applicable with proportionate recovery from minority interests.

Related parties

as at 30 June 2008

In addition to the nature of the related party transactions as described in note 41 to the 31 December 2007 annual financial statements, the following related party transactions have subsequently occurred:

1) As announced on the securities exchange news service on 27 March 2008, Liberty Group, with effect from 31 March 2008, acquired from a wholly-owned subsidiary of Standard Bank, 50% of the issued share capital and loan claims of Fountainhead Property Trust Management Limited and Evening Star Trading 768 (Pty) Limited for a consideration of R186,2 million.

2) On 27 May 2008, Standard Bank announced its intention to acquire the remaining issued ordinary share capital of Liberty Holdings.

The consideration offered was 21 925 cents per ordinary share. Full details of the offer were contained in the circular issued to Liberty Holdings' ordinary shareholders on 26 June 2008. The offer closed on 18 July 2008.

The acceptances of the offer exceeded nine tenths of the offer shares (other than those held by subsidiaries of Standard Bank). Accordingly Standard Bank has the right to invoke the provisions of Section 440K(1) of the Companies Act (Act 61 of 1973) to compulsorily acquire the Liberty Holdings ordinary shares of the holders of such shares who did not accept the offer. Standard Bank is currently considering whether to exercise this right.

Standard Bank will advise the holders of the remaining ordinary shares of its decision in relation to Section 440K(1) of the Act in due course, but not later than 18 September 2008.

The holders of the remaining ordinary shares registered as such on Friday, 18 July 2008, were given the required notice of their rights in terms of Section 440K(3) of the Act on 31 July 2008, which gives them the right to require Standard Bank to acquire their ordinary shares on the same terms as the offer.

Investments in ordinary shares held by subsidiaries of Liberty Holdings in the group's holding company are as follows:

	Number '000	Market value Rm	Ownership %
Standard Bank Group Limited	38 857	2 945	2,54

Retirement Benefit Obligations

as at 30 June 2008

Post-retirement medical benefit

Liberty Group operates an unfunded post-retirement medical aid benefit for employees who joined the group prior to 1 July 1998.

As at 30 June 2008, the Liberty Group post-retirement medical aid benefit liability was R292 million (31 December 2007: R293 million).

Defined benefit retirement funds

The Liberty Group operates a number of defined benefit pension schemes on behalf of employees. All these funds are closed to new membership and are well funded with no deficits reported.