



NEWS RELEASE

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TRUSTCO MAINTAINS GROWTH TRAJECTORY FIVE YEARS IN A ROW

Trustco Group Holdings Ltd (“TTO”/ “TUC”) has grown consistently over the last five financial years, as encapsulated by its five year average revenue growth of 34%, its five year average headline earnings growth of 41% and its five year average book value growth of 45%. The year 2012 continues the trend.

The group’s financial overview for 2011/2012 reveals that revenue grew by 22% from NAD 587 to NAD 713 million. Gross profit increased by 22% from NAD 322 million to NAD 393 million. Earnings before interest, tax, depreciation and amortization (EBITDA) grew by 15% from NAD 262 million to NAD 300 million. After tax profit increased by 9% from NAD 190 million to NAD 207 million, while headline earnings grew with 5% from NAD 132 to NAD 139 million.

Micro Insurance and Technology Solutions

Revenue increased by 10% from NAD 420 million to NAD 464 million, with a corresponding net profit increase of 9%, from NAD 90 million to NAD 98 million.

Namibia Insurers continued their growth trajectory with revenue growth of 13% from NAD 112 million to NAD 126 million, with net after tax profit increasing by 26% from NAD 50 million to NAD 63 million.

South Africa’s Business accounted for an upsurge in revenue; by 18% from NAD 263 million to NAD 309 million and an after tax decrease of 31% from NAD 16 million to NAD 11 million. This experience calls for a revamp in the business model applicable in South Africa, to be in line with the high riding Namibian business model that focuses on ownership of a greater part in the value chain. To this end, work has advanced.

Micro Finance and Education in Namibia

The section has performed well, with revenue increasing by 25%. However, net after tax profit decreased by 14% due to increased cost of high tech educational materials. Gross educational loans increased by 18% from NAD 226 to NAD 266 million, while non-performing loans decreased by 23% to 6.1% of the total loan book.

Group Managing Director Quinton Van Rooyen says given the unyielding disparities in education, the Group has secured adequate funding to meet the expected continuous demand in Namibia's education for the next five years.

Trustco Properties in Namibia

During the financial year under review, the segment sold 92 000 square meters of serviced industrial land. This represents only 2% of the total land held available for sale in Namibia. Furthermore, the segment increased its revenue from NAD 64 million to NAD 122 million, accounting for a growth of 91% with after tax profit increasing by 43% from NAD 91 million to NAD 130 million. Currently, only 5% of the total property portfolio has been sold and transfers to the owners are expected to take effect by the third quarter of 2012. The current property portfolio will be monetized during the next ten to fifteen years and 40% of the sales are expected to be financed by Trustco Capital, a subsidiary in Namibia.

According to Van Rooyen it is not Group strategy to expand the property segment beyond Namibia at this stage. "There is an acute shortage of serviced land in Namibia, and this is not necessarily the case in other jurisdictions that Trustco targets."

Future Outlook and Prospects

Trustco continues to grow in leaps and bounds.

Van Rooyen says the Group has set itself high expectations and aims to chart unexplored frontiers. "Our focus is to take financial services to hitherto underserved communities in Africa and to the BRICS countries, through the application of high-end technology solutions... we take the global village concept very seriously and we believe that real development in our countries will come through cross-border and trans-continental economic synergies. And while there is a tendency to be conservative in some quarters, Trustco maintains that Africa has its own rhythm, we must move with it, or lag behind.'

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