



CAPESPAN

we deliver

CAPESPAN GROUP HOLDINGS LIMITED
AUDITED PRELIMINARY RESULTS
FOR YEAR ENDED 31 DECEMBER 2008

Afrikaanse weergawe beskikbaar
by die Maatskappysekretaris of www.capespan.com

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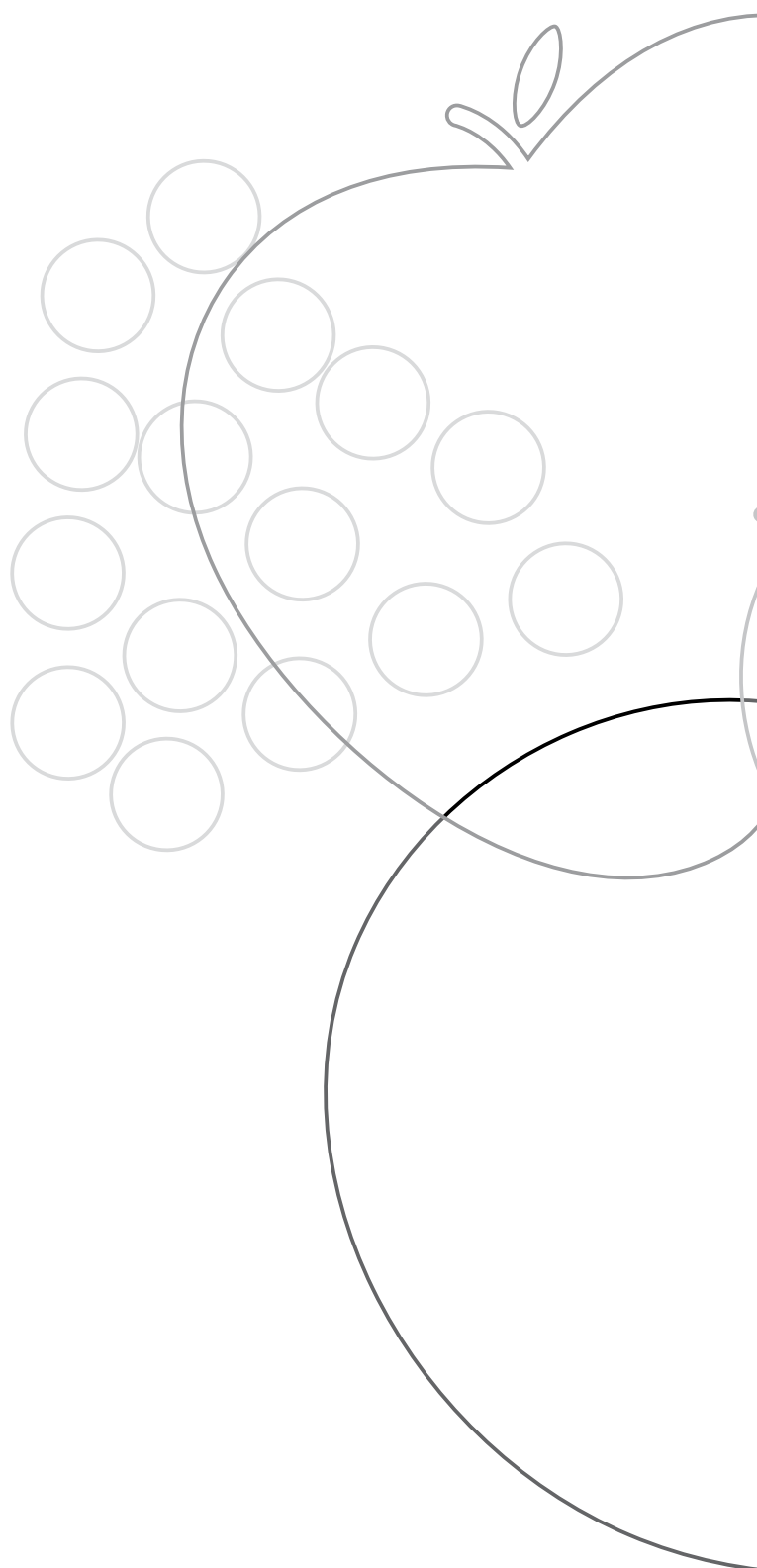
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Summary Income Statement	2008 R m	2007 R m	% Change
Group revenue	2 424.2	2 143.7	13.1%
Adjusted EBIT *			
- parent and subsidiaries	140.0	75.9	84.5%
- share of associate companies	28.0	22.8	22.8%
Total adjusted EBIT	168.0	98.7	70.2%
Net interest income	36.4	26.3	38.4%
Adjusted profit before taxation **	204.4	125.0	63.5%
Profit on sale of investments / associate	0.5	-	
Profit on disposal of fixed assets	0.3	0.8	
Impairment of fixed assets	(0.2)	(32.9)	
Impairment of goodwill	(4.4)	(4.0)	
Taxation of associate companies	(4.7)	(5.9)	
Profit before taxation per income statement	195.9	83.0	136.0%
Taxation	(66.3)	(32.2)	105.9%
Minority interest	(0.1)	(1.2)	-91.7%
Profit attributable to equity shareholders	129.5	49.6	161.1%
Headline earnings per share (cents)	32.8	20.0	64.0%

* **Adjusted EBIT** is operating profit excluding the impairment charges, profit on sale of investments, net interest and tax including the equivalent share of associate profit before taxation.

** **Adjusted profit before taxation** excludes the impairment charges, profit on sale of investments, and the Group share of tax of associates.

Revenue

The Group's revenue increased by 13,1% from R2,14 billion to R2,42 billion mainly driven by the Fruit Division. The increase in the division's revenue was as a result of higher prices achieved in the market and the effects of the devaluation of the rand versus our major trading currencies. The company was able to, on average, increase payments to RSA suppliers by between 23% - 46% depending on the fruit kind. The Logistical Division showed growth in its port terminals, however, these gains were offset by the decrease in the revenue from shipping. The latter arose from a change in the deployment of the vessels as they were mainly traded in the charter market, rather than being operated in the fruit trade.

Operating profit

Adjusted EBIT increased from R98,7 million to R168,0 million, representing a 70,2% increase. This is the best performance the Group has delivered in its 10 years of existence. The results can be ascribed to a significant increase in the operating profits of the Fruit and Logistics Divisions. The improvement in the Fruit Division was mainly as a result of the South African exports and the inclusion, for the first time, of the operating income generated from farm management activities. The Logistics Division posted excellent profits in all of its subsidiaries with the port terminals significantly increasing its containers handled and citrus steri volumes.

The increase in the share of associate's operating profit is due to a good performance by our Hong Kong operation together with improved results by our farming and wine interests, where losses in the prior year were turned into profits in 2008.

Exceptional items

The exceptional items in 2008 total R 3,8 million (2007 : R36,1 million) as detailed in the table below.

	2008 R m	2007 R m
Impairment of fixed assets: FPT Cape Town port terminal	(0.2)	(32.9)
Impairment of goodwill	(4.4)	(4.0)
Profit on disposal of fixed assets and investments	0.8	0.8
	(3.8)	(36.1)

Financial income

The net interest income increased by 38,4% from R26,3 million to R36,4 million. The increase is a result of the improved net opening cash position and increased interest rates in the South African market, which were partly offset by declining interest rates internationally.

Profit before taxation

Adjusted profit before taxation of R204,5 million is a 63,5% increase on the previous year's figure of R125,0 million. As set out in the summary income statement the adjusted profit before taxation excludes the impairment charges, capital profit on sale of investments and the Group share of taxation of associates. These items, however, are applied to determine the profit before tax reflected in the statutory income statement which amounted to R195,9 million compared to the prior year's R83,0 million.

Taxation

The taxation expense per the income statement increased from R32,2 million to R66,3 million. Taxation on the underlying activities increased from R42,5 million to R71,0 million with an effective tax rate of 34,7% compared to 34,0% in the prior year. The effective tax rate being higher than the South African tax rate of 28% is attributable to a greater portion of the profits being earned in higher tax paying jurisdictions.

	2008 R m	2007 R m
Taxation per income statement	66.3	32.2
Taxation of associate companies	4.7	5.9
	71.0	38.1
Adjustments		
Taxation impact on impairments	-	4.6
Taxation on profit on sale of fixed assets	-	(0.2)
Taxation on underlying activities	71.0	42.5

Earnings per share

The calculation of the headline earnings per share excludes the extraordinary items mentioned above and is set out below. Headline earnings per share increased by 64,0% from 20,0 cents to 32,8 cents.

	2008 R m	2007 R m
Adjusted profit before taxation	204.4	125.0
Underlying tax charge	(71.0)	(42.5)
Minority portion	(0.1)	(1.2)
Headline earnings	133.3	81.3
Weighted average number of shares	406.2	406.2
Headline earnings per share (cents)	32.8	20.0

Balance sheet

Shareholders equity

Total equity attributable to the equity holders of the parent has exceeded the one billion mark and increased by R213,0 million to R1 025,0 million. The increase in equity resulted in an increase in net asset value (NAV) per ordinary share from 199.5 cents in the prior year to 252.9 cents. During the year a dividend of R28,4 million (7c per share) was also paid.

Translation differences arose from our foreign investments, due to the devaluation of the rand versus the JPY (70,1%), USD (36,1%) and MZM (27,4%), offsetting the slight appreciation versus GBP (1,2%) and this resulted in translation differences increasing by R103,6 million.

Movement in shareholders equity:

	2008
	R m
Opening balance previously reported	812.2
Net profit for the year	129.5
Recognised directly in equity	8.1
Translation difference net of tax	103.6
Dividends paid	(28.4)
Balance at end of year	1 025.0

Cash flow

The Group's net cash and cash equivalents decreased by R148,8 million mainly as a result of R124,5 million cash outflow as the group repaid R99,0 million relating to the loan funding for the empowerment transaction in FPT and R25,5 million for the repayment of other interest-bearing borrowings.

Dividend

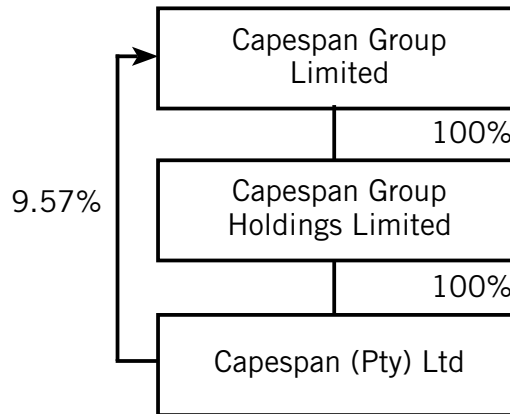
The Company has proposed to pay a dividend to its shareholder (Capespan Group Limited) of R28,2 million (2008: R28,4 million).

In turn Capespan Group Limited has proposed to pay an interim dividend of 8,5 cents per share to shareholders registered on 29 May 2009 and payable on 19 June 2009. This represents a 21% increase in dividends paid to the shareholders on a year on year basis.

Shareholding Restructuring

The Group's proposed shareholding restructuring was approved by an overwhelming majority of the shareholders in January 2009. The take up on the share buy back was 98% and Capespan (Pty) Ltd and Capespan Group Limited acquired 99,6 million shares. Of the shares bought back, 75,6 million shares have been cancelled and the issued share capital has therefore reduced to 331,2 million of which Capespan (Pty) Ltd holds 9,57%.

The following diagram indicates the current shareholding structure:



Outlook

Capespan, like most other businesses, is exposed to the global environment. We are aware of the enormity of the financial crisis facing the world and all the final impacts of it are not yet known.

The liquidity and credit crises will impact on our markets and customers in different ways and the company will have to remain flexible and adjust to the changing demand patterns and pricing structures.

Various factors in 2008 contributed towards the exceptional financial performance. Due to the above, however, these results will not be exceeded and the 2009 profits will be under pressure.

Neil Oosthuizen, Managing Director
On behalf of the Board
25 March 2009

Group Income Statement for the year ended 31 December 2008

	2008 R'000	2007 R'000
Revenue	2 424 192	2 143 697
Cost of sales, distribution and administration expenses	(2 290 184)	(2 068 841)
Other income	4 710	819
Other expenses	(2 494)	(35 887)
Profit before financing costs and profits of associates	136 224	39 788
Financial income	86 253	69 614
Financial expenses	(49 869)	(43 275)
Share of profits of associates	23 334	16 947
Profit before taxation	195 942	83 074
Income taxation expense	(66 321)	(32 221)
Net profit for the year	129 621	50 853
Attributable to:		
Equity holders of the parent	129 531	49 625
Minority interest	(90)	1 228
Net profit for the year	129 621	50 853

Earnings Per Share

	2008 R'000	2007 R'000
Weighted average number of ordinary shares in issue ('000)	406 193	406 193
Earnings per share (cents)	31.9	12.2
Headline earnings per share (cents)	32.8	20.0
Dividend per share (cents)	7.0	6.0

Group Cash Flow Statement for the year ended 31 December 2008

	2008 R'000	2007 R'000
Net cash inflow from operating activities	14 111	40 628
Net cash outflow from investing activities	(38 439)	(64 192)
Net cash outflow from financing activities	(124 498)	(15 097)
Net decrease in cash and cash equivalents	(148 826)	(38 661)
Effects of exchange fluctuations on cash and cash equivalents	88 674	-
Cash and cash equivalents at beginning of year	260 750	299 411
Cash and cash equivalents at end of year	200 598	260 750

Group Balance Sheet as at 31 December 2008

	Dec 2008 R'000	Dec 2007 R'000
Assets		
Non-current assets	531 573	494 410
Property, plant and equipment	252 253	259 029
Intangible assets	2 811	-
Goodwill	36 056	38 334
Investments in associates	149 792	107 928
Other financial assets	59 027	60 887
Deferred taxation assets	31 634	28 232
Current assets	1 106 587	923 005
Inventories	18 784	10 624
Income tax receivables	11 466	5 679
Trade and other receivables	656 890	502 681
Cash and cash equivalents	419 447	404 021
Total assets	1 638 160	1 417 415
Equity and liabilities		
Equity		
Issued capital and premium	461 784	461 784
Treasury shares	168	99
Other reserves	94 373	3 126
Retained earnings	468 660	347 256
Total equity attributable to equity holders of the parent	1 024 985	812 265
Minority interest	2 887	3 008
Total equity	1 027 872	815 273
Non-current liabilities	70 314	187 363
Interest-bearing borrowings	21 638	154 241
Non-interest-bearing borrowings	25 370	17 753
Employee benefits	10 197	5 423
Deferred taxation liabilities	13 109	9 946
Current liabilities	539 974	414 779
Bank overdraft and short-term borrowings	218 849	143 271
Interest-bearing borrowings	15 284	14 796
Income tax payables	32 788	16 526
Trade and other payables	223 711	193 590
Provisions	49 342	46 596
Total equity and liabilities	1 638 160	1 417 415
Net asset value per share (cents)	252.9	199.5

Group Changes in Equity

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

GROUP	SHARE CAPITAL	SHARE PREMIUM	TRANS-LATION RESERVES	OTHER RESERVES	RETAINED EARNINGS	TREASURY SHARES	TOTAL	MINORITY INTEREST	TOTAL EQUITY
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance 1 January 2007	4 072	457 712	-	3 895	324 238	40	789 957	(2 360)	787 597
Profit for the year	-	-	-	-	49 625	-	49 625	1 228	50 853
Recognised directly in equity - associates	-	-	1 045	(769)	-	-	276	211	487
Subsidiary aquired	-	-	-	-	-	-	-	4 622	4 622
Translation difference - subsidiaries	-	-	(3 221)	-	-	-	(3 221)	-	(3 221)
Transfer to (from) reserves	-	-	2 176	-	(2 176)	-	-	-	-
Dividend paid	-	-	-	-	(24 431)	59	(24 372)	(693)	(25 065)
Balance 31 December 2007	4 072	457 712	-	3 126	347 256	99	812 265	3 008	815 273
Net profit for the year	-	-	-	-	129 531	-	129 531	90	129 621
Recognised directly in equity - associates	-	-	7 366	689	42	-	8 097	373	8 470
Subsidiary disposed	-	-	-	-	-	-	-	84	84
Taxation transferred to translation reserve	-	-	(22 913)	-	-	-	(22 913)	-	(22 913)
Translation difference - subsidiaries	-	-	126 439	-	-	-	126 439	-	126 439
Transfer (from) / to reserves	-	-	(20 334)	-	20 334	-	-	-	-
Dividend paid	-	-	-	-	(28 503)	69	(28 434)	(668)	(29 102)
Balance 31 December 2008	4 072	457 712	90 558	3 815	468 660	168	1 024 985	2 887	1 027 872



CAPESPAN

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