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## Capespan's 2008 performance best in 10 years

Delivering the best performance in its 10 years of existence, the Capespan Group's operating profit increased from R98,7 million to R168,0 million, representing a 70,2% increase. Group managing director Neil Oosthuizen said, "The results can be ascribed to a significant rise in the operating profits of the Fruit and Logistics Divisions. In the Fruit Division the improvement was primarily as a result of South African exports and the first-time inclusion of the operating income generated from farm management activities. The Logistics Division posted excellent profits in all its subsidiaries, with the port terminals significantly increasing citrus steri volumes and containers handled.

"Thanks to a solid performance by the Hong Kong operation and improved results by our farming and wine interests, there was growth in the share of associates' operating profit."

Mainly driven by the Fruit Division, the Capespan Group's revenue for 2008 grew by 13,1% from R2,14 billion to R2,42 billion. Oosthuizen explained that the division's revenue increase was mainly because of higher market prices achieved and the effects of the rand's devaluation versus major trading currencies.

Although the Logistics Division showed growth in its terminals, these gains were offset by the drop in shipping revenue. The latter arose from a change in vessel deployment as they mainly were traded in the charter market rather than the fruit trade.

Headline earnings per share also showed a first-rate result – up by 64% from 20,0 cents to 32,8 cents. The Group will pay an interim dividend of 8,5 cents per share to shareholders, representing a 21% increase in shareholder dividends year on year.

In January this year, the Group's proposed shareholding restructuring was approved by an overwhelming majority of shareholders. Take-up on the share buy-back offer 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; therefore, the issued share capital has dropped to 331,2 million of which Capespan (Pty) Ltd holds just less than 10%.

Various factors contributed towards the exceptional financial performance in 2008, Oosthuizen said. But he warned that the 2009 profits would be under pressure. "Final impacts of the global financial crisis aren't all known yet. The liquidity and credit crises will influence our markets and customers in different ways and the company will have to remain flexible and adjust to changing demand patterns and pricing structures."

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