



CAPESPAN GROUP FINANCIAL RESULTS – 2007

Exceeding the R2 billion mark for the first time, the Capespan Group's revenue rose by 19,4% from R1,79 billion to R2,14 billion. Operating profit (adjusted EBIT) was up by 157% to R98,7m.

After releasing the group's abridged 2007 report, managing director Neil Oosthuizen reported that headline earnings per share also showed good improvement from 15,3 cents to 20 cents per share – up 30,7%.

Extraordinary items had an impact on the profit attributable to the equity shareholders of the group. Oosthuizen said the port operations (FPT) remained under pressure because of the continued move towards containerisation. "Thus FPT's assets have been impaired by R32,9 million with annual Group net profit dropping from R88,5m (2006 – restated) to R50,8m."

While the group's fruit volume was up by 4% to 59 million cartons, the fruit pallets handled by the port terminals increased by only 1%. However, the growth in general cargo volumes was 83% year on year - taking the 2007 total to 716 000 tons.

Because of declining conventional reefer shipping opportunities, Universal Reefers had to deploy its vessels in other trades. "In the end this proved financially beneficial to the group," Oosthuizen remarked.

Meanwhile, Capespan also stepped up its farming operation involvement. Associate company Rapiprop acquired a further seven farming units during 2007, bringing its portfolio to 12 farms. Rapiprop's recent purchase of the apple and pear farm, Applethwaite, in the Grabouw (Elgin) area was another breakthrough.

Oosthuizen concluded, "Expanding our global footprint and positioning the group in new markets such as India & China remain priorities. To this effect, we recently concluded a Memorandum of Understanding with Mahindra in India, initiating a pilot project exploring fruit industry business opportunities."

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