

Audited results for the year ended 31 March 2009

KEY FEATURES

- Diluted HEPS declined 27.8% to 33.1 cents per share
- H2 diluted HEPS increased by 189%
- Gross operating revenue declined 7% to R335 million
- Dividend 11.5 cents per share
- No 1 in derivatives dealing and research for 13th consecutive year
- Rated Best Company to Work For in financial services

FINANCIAL PERFORMANCE / Cadiz Holdings produced a stronger second half performance as a result of management's decisive action to minimise risk and focus on the core businesses in the current market downturn, although the results for the financial year reflect the impact of the significant slowdown in global and local financial markets.

Gross operating revenue declined by 7% to R334.6 million. Securities performed strongly and increased revenue by 23%, with structuring up 5% despite the challenging trading environment. Asset management revenues were 35% lower owing to weaker market conditions (ALSI down 28.5% in the financial year) and lower contributions from the hedge fund business. However, the business has stabilised in the second half.

Cadiz's operating businesses are all profitable and continue to generate strong annuity income and cash flows.

Revenue from the group's investment capital (comprising interest income and net income from investments) was negatively impacted by the downturn in financial markets and declined by 6%. Foreign exchange gains for the year were significantly lower at R1.9 million compared to an annualised R14.3 million in the previous reporting period.

However, active steps taken in the management of the group's capital resulted in significantly improved returns in the second half. This follows the strategic decision implemented in October 2008 to repatriate all foreign currency investments which totalled R68 million. This bolstered liquidity and eliminated all leverage from the Cadiz balance sheet. The funds were invested locally which generated higher returns and were applied to operating activities.

Tight cost management resulted in the growth in operating expenses being limited to 1%. Operating costs of R276 million included write-downs in goodwill and intangibles derecognition and impairment of R13.6 million (2008: R2.8 million). Following the decision to adopt a single brand strategy across Cadiz and no longer use the African Harvest brand in the asset management business, the African Harvest trademark of R9.0 million was derecognised.

The cost-to-income ratio, after excluding R3.3 million (2008: R7.1 million) direct costs related to the group investments and funding facility, and R18.4 million (2008: R12.9 million) intangibles and goodwill write-downs, increased from 71.1% in 2008 to 76.0%. This increase is partly due to the decline in gross revenue, but mostly due to continuous investment in the business to position the group for the eventual market turn and to ensure sustainable growth.

Cadiz has adopted stringent measures to contain costs, including freezing salaries for board, management and senior staff, limiting new staff appointments, reducing entertainment spend and cutting travel costs.

Diluted headline earnings per share (HEPS) were impacted by the lower returns on investment capital and declined by 27.8% to 33.1 cents per share (2008: 57.3 cents). Diluted HEPS for the second half reflect the improved performance and were 189% higher than the first half. These results are in line with the trading statement issued on SENS on 28 April 2009.

Earnings per share at 28.4 cents were lower than HEPS, mainly as a result of the derecognition of the African Harvest trademark referred to above.

Cadiz has maintained its dividend cover at a similar level to previous years and declared a dividend of 11.5 cents per share (2008: 20 cents per share).

OPERATIONAL REVIEW

	March 2009 12 months		March 2008 15 months annualised		% change
	R'000	% of total	R'000	% of total	
Securities	164 911	45%	134 502	33%	23%
Asset management	110 296	31%	169 973	42%	(35%)
Structuring	59 409	16%	56 650	14%	5%
Gross operating revenue	334 616	92%	361 125	89%	(7%)
Net income from investments	26 468	7%	28 262	7%	(6%)
Foreign exchange gain	1 899	1%	14 322	4%	(87%)
Net investment portfolio returns	28 367	8%	42 584	11%	(33%)
Gross revenue	362 983	100%	403 709	100%	(10%)

SECURITIES / In an environment of extreme volatility in equity markets, declining trading volumes on the JSE, and the reduced risk appetite of the banks, Cadiz Securities increased revenue by 23% to R164.9 million. This follows growth of 22% in the previous financial year.

The business has further increased its market penetration over the past year by successfully broadening its offering to attract new client segments.

Cadiz Securities expanded its industry-leading research offering with the launch of an equity analysis and economic research unit. A team of experienced analysts was recruited and current coverage includes equities in the consumer retail and platinum mining sectors, as well as corporate governance and macroeconomic strategy.

In the annual Financial Mail ranking of analysts announced last week, Cadiz was ranked first in derivatives research and dealing for the 13th consecutive year. Cadiz was also ranked number one in risk management research, quantitative analysis and innovative research. Cadiz was also rated in three new research categories which it entered for the first time this year.

Securities continues to increase its market share and leverage on growth in its new businesses while positioning the business for the anticipated increase in activity in the medium to long term.

ASSET MANAGEMENT / The impact of the global economic crisis over the past year has been particularly severe on the fund management industry. However, Cadiz African Harvest Asset Management (CAHAM) has shown its resilience, with significant continued client support, a stable and experienced investment team and significantly enhanced and robust operational processes.

As reported at the half-year, asset management revenues have been impacted by the declining equity market, as well as negative hedge fund performance in the first half of the year. These factors contributed to a 35% decline in revenue to R110.3 million.

Total assets under management were R45.6 billion at year-end (excluding new equity mandates won with effect from April 2009 of some R4 billion).

Equity and balanced fund performance has improved substantially in the second half of the year, while absolute return and fixed income funds continued to perform in the top quartile of their peer groups over one and three-year periods. Exceptional investment performance was particularly evident in the Cadiz unit trust funds.

The business will be rebranded as Cadiz Asset Management from July 2009.

STRUCTURING / Structuring revenue increased 5% to R59.4 million despite an increasingly challenging trading environment, reflecting the strength of Cadiz in the corporate and retail markets.

Corporate Solutions

Cadiz Corporate Solutions (CCS) produced its best performance since its inception despite the slowdown in M & A activity resulting from global economic conditions. In the annual *Ernst & Young Mergers & Acquisitions* review of investment advisers, CCS improved its ranking from 17th in 2007 to 7th in 2008 with transactions valued at R28.7 billion.

CCS was placed 4th in the *Dealmakers* annual 2008 rankings by transaction value with transactions of R49.2 billion and 7th in the rankings by deal value with transactions totalling R25.2 billion.

A healthy deal pipeline has been established for the year ahead. Current market conditions have created opportunities for corporate activity while BEE transactions will continue to be a major driver of deal flow.

Wealth management

The range of risk-profiled investments offered by Cadiz Wealth proved popular in uncertain market conditions and contributed to strong inflows, with funds under management increasing 105% to more than R7.6 billion.

Net inflows into Cadiz Collective Investments almost trebled over the previous reporting period to R1.5 billion with total unit trust fund assets under management of R2.5 billion (2008: R0.9 billion) at year-end.

The Cadiz Money Market Fund was the top performing money market unit trust fund over two and three years and ranked second over one year. The Cadiz Absolute Yield Fund, a flexible fixed interest fund, was the top performing Cadiz fund with returns of 14.26% over one year, 11.29% over two years and 10.27% over three years to 31 March 2009. The Equity Ladder Fund, a protected equity offering, is currently the leading equity fund in the market over one, two and three-year periods. (Source of performance data: Morningstar).

The Cadiz hedge fund business has been integrated into Cadiz Wealth and the team now offers a range of multi-strategy funds. Despite a difficult first half the restructuring of the offering and the integration of the team has resulted in a more robust process and significant increase in performance.

The launch of Cadiz Life at the start of the financial year has created the platform to offer pooled investment funds and retail retirement funds and is expected to be a growth vector in the year ahead.

GROUP CAPITAL / The group has continued to deploy its capital to grow the business and at the end of the period the capital had been invested as follows:

- R187.6 million invested in liquid assets for regulatory capital adequacy and working capital requirements;
- R13.9 million investment net of trading liabilities held as a hedge against Cadiz Prime Broking activities;
- R91.5 million invested as seed capital in asset management products; and
- R65.6 million strategic investments in empowerment partner Makana.

OUTLOOK / Market conditions remain tough and uncertain in the short to medium term and the prospects for financial markets remain unclear. The events of the past two years have yet to manifest themselves fully and we expect structural changes in the market and continuous tightening of the regulatory environment. We continue to manage the group activities cautiously while maintaining liquidity and a strong balance sheet, at the same time looking for possible opportunities that may arise from these market conditions.

In these tough times we continue to focus on the well-being of our staff, clients and suppliers as they are critical to our future.

All operating businesses are well positioned in their market segments and we will continue to invest for long-term sustainability. The Cadiz brand is strong and our culture resilient to these challenging times.

BEST COMPANY TO WORK FOR AWARD / Cadiz was ranked first in the financial services category in the Deloitte Best Company to Work For survey 2008, improving from second place in the previous year. Cadiz was also rated as the best managed company in the financial services (investment) category in CRF's Leading Managers 2008/09 survey.

SHARE CAPITAL AND TREASURY SHARES / During the year a subsidiary of Cadiz purchased 5.3 million shares for an average price of 159.4 cents per share. In addition 1.7 million of the deferred consideration shares vested and were released to staff formerly employed by African Harvest. The remaining 1.8 million shares are held as treasury shares until their release in October 2009.

BEE SHARE SCHEME AND STAFF SHARE OPTIONS / During the period Cadiz awarded 5.9 million of the 24 million 'A' ordinary shares and share appreciation rights set aside at the AGM for issue to existing and newly-appointed black staff over the next three years. The effective dates of issues were between August 2008 and March 2009. These vest at 20% per annum from years three to seven and are subject to a lock-in for seven years from the issue date. Staff paid a 5% deposit and the weighted average issue price was 213 cents per share, increasing by a notional interest amount equivalent to 75% of the prime interest rate less distributions per share made by the company.

A further 1.0 million share appreciation rights were issued to newly-appointed staff with an average strike price of 388 cents per share, increasing by a notional interest amount equivalent to the fringe benefits tax interest rate less distributions per share made by the company.

BASIS OF PRESENTATION / The abridged financial statements have been prepared in terms of International Financial Reporting Standards and comply with IAS 34 – Interim Financial Reporting. The accounting policies are consistent with those applied in the annual financial statements for 31 March 2008.

Short positions of R166.6 million (2008: R465.2 million) entered into on behalf of clients that were previously presented on a net basis have been reclassified to trade and other receivables/payables to better reflect the risks and rewards associated with these transactions.

AUDIT REPORT / The results for the period have been audited by the group's auditors, PricewaterhouseCoopers Inc., and their unqualified audit report on the 31 March 2009 group annual financial statements and the abridged group financial statements contained herein, is available for inspection at the company's registered office.

DIVIDEND / Notice is hereby given of a dividend of 11.5 cents per ordinary share.

In compliance with the Listings Requirements of the JSE Limited, the following dates are applicable:

Last date to trade:	Friday, 3 July 2009
Trading commences ex dividend:	Monday, 6 July 2009
Record date:	Friday, 10 July 2009
Payment date:	Monday, 13 July 2009

Share certificates may not be dematerialised or rematerialised between Monday, 6 July 2009 and Friday, 10 July 2009, both dates inclusive.

On behalf of the board of directors

Ray Cadiz Chairman
Ram Barkai Chief Executive Officer

Cape Town
1 June 2009

group income statement

	Audited 12 months 31 Mar 09 R'000	Audited 15 months 31 Mar 08 R'000
Gross operating revenue	334 616	451 407
Interest income	17 655	17 173
Net investment income – shareholders	14 788	40 778
Net income from investments	12 889	22 875
Foreign exchange gains	1 899	17 903
Income attributable to policyholder-linked assets	–	–
Net fair value gains on policyholder financial instruments	3 504	–
Policyholder liability adjustment	(3 504)	–
Operating expenses	(276 055)	(340 693)
Operating profit	91 004	168 665
Finance costs	(4 076)	(4 720)
Profit before taxation	86 928	163 945
Taxation	(24 370)	(38 038)
Profit for the period	62 558	125 907
Reconciliation of headline earnings:		
Profit for the period	62 558	125 907
Goodwill impairment	2 436	2 820
Intangible assets derecognition and impairment	11 173	–
Taxation impact	(3 128)	–
Profit on disposal of equipment	(21)	(7)
Taxation impact	3	2
Headline earnings	73 021	128 722
Issued number of shares ('000)	245 138	245 138
Consolidated number of shares ('000)	218 126	220 853
Weighted average number of shares ('000)	220 195	217 043
Diluted weighted average number of shares ('000)	220 453	224 616
Earnings per share (cents)		
Basic	28.4	58.0
Diluted	28.4	56.1
Headline earnings per share (cents)		
Basic	33.2	59.3
Diluted	33.1	57.3

group balance sheet

	Audited 31 Mar 09 R'000	Audited 31 Mar 08 R'000
ASSETS		
Non-current assets	1 152 668	439 457
Plant and equipment	5 690	7 030
Intangible assets	277 334	296 456
Deferred taxation	16 965	17 409
Investments backing policyholder funds	747 704	–
Other financial assets	100 398	110 283
Receivables and prepayments	4 577	8 279
Current assets	855 022	1 426 499
Other financial assets	190 688	77 971
Receivables and prepayments	578 589	1 197 503
Taxation	2 825	1 396
Cash and cash equivalents	82 920	149 629
Total assets	2 007 690	1 865 956
EQUITY		
Capital and reserves		
Ordinary share capital and premium	2 869	34 678
Treasury shares	(70 639)	(71 795)
Share-based payment reserve	30 712	21 254
Retained earnings	596 996	552 975
Total equity	559 938	537 112
LIABILITIES		
Non-current liabilities	762 367	34 526
Deferred taxation	7 324	13 034
Policyholder investment contract liabilities	747 704	–
Trade and other payables	7 339	21 492
Current liabilities	685 385	1 294 318
Trade and other payables	656 548	1 236 138
Taxation	13 424	14 696
Borrowings	–	25 073
Trading liabilities	15 413	18 411
Total liabilities	1 447 752	1 328 844
Total equity and liabilities	2 007 690	1 865 956
Net asset value (cents per share)	257	243
Net tangible asset value (cents per share)	125	107

abridged group cash flow statement

	Audited 12 months 31 Mar 09 R'000	Audited 15 months 31 Mar 08 R'000
Cash flow from operating activities	102 890	83 034
Cash generated from operations	150 867	133 987
Taxation paid	(32 242)	(44 272)
Dividends paid	(15 735)	(6 681)
Cash flow from investing activities	(110 110)	(4 259)
Cash flow from financing activities	(36 774)	(32 898)
Net change in cash and cash equivalents	(43 994)	45 877
Effect of exchange rate adjustment	2 358	14 748
Cash and cash equivalents at beginning of period	124 556	63 931
Cash and cash equivalents at end of period	82 920	124 556

abridged group statement of changes in equity

	Audited 12 months 31 Mar 09 R'000	Audited 15 months 31 Mar 08 R'000
Share capital, share premium and treasury shares		
Opening balance	(37 117)	(22 470)
Issue of shares	59	22 914
Issued shares held as treasury shares	–	(15 435)
Capital reduction	(29 223)	(37 858)
Sale of treasury shares on exercise of options	3 722	15 732
Delivery of treasury shares in settlement of deferred consideration	3 318	–
Purchase of treasury shares	(8 529)	–
	(67 770)	(37 117)
Reserves		
Opening balance	574 229	455 594
Premium on issue of equity-settled share appreciation rights	569	–
Sale of treasury shares on exercise of options	(3 371)	(10 772)
Employee share option scheme – value of services provided	9 458	10 181
Profit for the period	62 558	125 907
Dividends paid	(15 735)	(6 681)
	627 708	574 229
Total shareholders' funds	559 938	537 112

CADIZ HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
("Cadiz", "the group" or "the company")
Registration number: 1997/007258/06
JSE share code: CDZ
ISIN: ZAE000017661

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Directors: R F G Cadiz (Chairman)*, R Barkai (Chief Executive Officer), C A Hall*, B H Kent*, D M Lawrence*, N S Mjoli-Mncube*, S P Ngwenya*, S J Saunders*, N S Buthelezi* (alternate)
(* Non-executive directors)
Sponsor: Investec Bank Limited