

"Making a difference and creating value are our passions. We believe value creation, rather than just value claiming is the way to grow Cadiz, its clients and its people."

**key features**

- Gross operating revenue up 41%\* to R451 million
- Asset management revenue up 83%\* to R212 million
- Securities revenue up 22%\* to R168 million
- Diluted headline EPS down 13.5%\* to 57.3 cps (45.8 cps\*)
- Received an "A" rating from Empowerdex
- Top rated derivatives house in SA for 12th consecutive year

**group income statement**

**CHANGE IN FINANCIAL YEAR END** / The group has changed its financial year end from 31 December to 31 March and these results reflect the performance for the 15 months to 31 March 2008 ("the period"). All percentage changes for the period are shown on an annualised basis with the results for the 15 months being arithmetically converted to 12 months to allow for a comparison with the 12 months to 31 December 2006.

**FINANCIAL PERFORMANCE** / The performance trends reported for the 12 months to end-December 2007 have continued for the full reporting period. The strong operational performance is reflected in an increase of 41% in gross operating revenue to R451 million (2006: R256 million), driven by the asset management and securities businesses.

Asset management revenue increased 83% to R212 million, lifted by the incorporation of African Harvest for the full reporting period compared to only two months in the previous financial year.

Revenue from securities increased by 22% to R168 million with equity derivatives, stockbroking and transition management all performing well.

Consistent deal flow from Cadiz Corporate Solutions and increased market penetration from the retail business, Cadiz Wealth, contributed to an overall 7% increase in structuring revenue to R71 million.

Operating expenses rose by 51.3% to R341 million. The major components of the increase are:

- R72.3 million (31.0%) increase in operating costs related to the inclusion of African Harvest in the results for 15 months compared to two months for 2006, including an R8.6 million increase in intangible assets amortisation;
- R10.8 million (4.1%) of variable costs for profit share payments linked to the performance of the hedge funds;
- R3.9 million (1.4%) increase in direct costs related to the strategic investment portfolio and funding facility in respect of the African Harvest acquisition; and
- R73.4 million (14.8%) increase in ongoing operating costs, including the investment in new businesses referred to below.

The cost-to-income ratio, after excluding R7.1 million (2006: R3.2 million) direct costs related to the group investments and funding facility, and R12.9 million (2006: R4.1 million) intangibles amortisation and goodwill impairment charges, increased from 67.4% in 2006 to 71.1%. This increase is partly due to the slowdown in revenue growth as a result of tougher market conditions while the group continues to invest to position itself for long-term growth by building new businesses and revenue streams.

Cadiz's strong operational performance was negatively impacted by the returns on group investments (comprising interest income and net income from investments) which declined 46%. This reflects the impact of the outflow of R296 million paid for the African Harvest acquisition and one-off gains from group investments in 2006, which included a profit of R18.7 million on the sale of JSE Limited shares which was not repeated in the current period. Foreign exchange gains were also down 34% due to the lower offshore investment holdings despite recent Rand weakness.

Headline earnings declined 14.0% to R128.7 million, with diluted headline earnings per share decreasing by an annualised 13.5% to 57.3 cps (annualised 45.8 cps) for the 15-month period.

OPERATIONAL REVIEW	March 2008 (15 months)		December 2006 (12 months)		15 months annualised % change
	R'000	% of total	R'000	% of total	
Asset management	212 466	42%	92 753	28%	83%
Securities	168 128	33%	110 470	34%	22%
Structuring	70 813	14%	53 120	16%	7%
<b>Gross operating revenue</b>	<b>451 407</b>	<b>89%</b>	<b>256 343</b>	<b>78%</b>	<b>41%</b>
Net income from investments	35 328	7%	52 268	16%	(46%)
Foreign exchange gains	17 903	4%	21 634	6%	(34%)
Net investment portfolio returns	53 231	11%	73 902	22%	(42%)
<b>Gross revenue</b>	<b>504 638</b>	<b>100%</b>	<b>330 245</b>	<b>100%</b>	<b>22%</b>

**ASSET MANAGEMENT** / The integration of African Harvest Fund Managers was successfully completed during the first half of 2007, with all key investment professionals being retained and the majority of clients showing continued commitment to the business.

The teams are fully integrated with a single investment process and robust strategy. The combined entity, Cadiz African Harvest Asset Management (CAHAM), is one of the largest independent fund managers in the country with an enhanced fund offering, greater depth of resources and access to a broader potential client base.

Total assets under management were R48.2 billion at 31 March 2008.

**SECURITIES** / Equity derivatives and stockbroking, the largest revenue-generating units within Cadiz Securities, continued to gain market share on the back of industry-leading research and dealing.

The transition management team, which facilitates the transfer and restructuring of investment portfolios between asset managers, further entrenched its leadership position and executed several large transitions during the period.

Prime broking continues to capitalise on the growth in the local hedge fund industry and attracted new clients on to its administrative and portfolio management platform.

Cadiz Securities was last week voted as the country's leading Derivatives and Research team for the 12th successive year in the annual Financial Mail analyst rankings. Cadiz was also rated number one in Quantitative Research and Risk Management Research and second in Innovative Research.

**STRUCTURING** / Consistent deal flow in Cadiz Corporate Solutions (CCS) and the repositioning of the retail business, Cadiz Wealth, has resulted in an improved performance from the structuring businesses.

CCS was ranked 17th in the annual Ernst & Young *Review of Mergers & Acquisitions Activity for 2007*, with transactions totalling more than R15 billion. This is a particularly pleasing achievement considering that CCS did not participate in any mega cross-border deals or any private equity deals and also that the business does not have a balance sheet.

BEE transactions were the major driver of deal flow in the corporate structuring market following the finalisation of the Codes of Good Practice on BEE in February 2007 and CCS has a healthy transaction pipeline.

The retail arm of Cadiz was repositioned over the past year and rebranded as Cadiz Wealth to reflect the broader product offering to individual investors and smaller pension funds. Cadiz Green, the specialist hedge fund business, has been incorporated into Cadiz Wealth from the start of the new financial year, and will leverage off the latter's distribution, systems and marketing platform. Cadiz Wealth now comprises Cadiz Investment Products (capital protected investments and structured products), Cadiz Collective Investments (unit trusts), Cadiz Green and Cadiz Life (pooled investment products).

Cadiz Wealth has continued to build a strong annuity income base as the business experienced its most successful period since inception, with fund inflows increasing by an annualised 167%. Funds managed on behalf of retail clients are R3.7 billion.

Total unit trust funds under management at 31 March 2008 were R888 million. The Cadiz Equity Ladder Fund was the top performing absolute return fund in South Africa over three years and the Cadiz Money Market Fund was the top performing money market unit trust over both one and two year periods to 31 March 2008.

**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:

- R144.0 million invested in liquid assets for regulatory capital adequacy and working capital requirements;
- R17.4 million investment net of trading liabilities held as a hedge against products written by Cadiz Prime Broking;
- R72.4 million invested as seed capital in new asset management products and co-invested in in-house hedge funds; and
- R85.7 million strategic investments in empowerment partner Makana.

R81.6 million (26%) of the group's capital is invested in conservative US Dollar, Euro and Sterling investments.

**STRATEGY AND PROSPECTS** / The operating environment has changed significantly over the past six to nine months as the effects of the global slowdown, lack of market liquidity and tougher domestic environment start to impact growth. Local economic conditions have been severely impacted by continually rising interest rates, while spiralling food and fuel costs have contributed to CPIX exceeding the Reserve Bank's inflation targets. Political uncertainty and erratic power supplies have further dented consumer confidence.

Current market conditions may not be conducive to growth in the short term. However, Cadiz has operated successfully in turbulent markets before and plans to capitalise on opportunities that may arise in this environment. The group will continue to follow a prudent approach to growth in the year ahead and invest to position the business for the next market growth phase.

The group has built a robust platform for sustainable long-term earnings growth and annuity income now accounts for some 50% of Cadiz's total revenue. The board is confident that the leadership team will deliver on its strategy in these more challenging times.

**SHARE CAPITAL AND TREASURY SHARES** / During the period R22.9 million of the deferred consideration payable to African Harvest staff over three years was settled through the issue of 5.3 million shares. In October 2007 1.7 million of these vested and the remaining shares are held as treasury shares until their release.

**STAFF SHARE OPTIONS** / During the period Cadiz awarded 23.6 million share appreciation rights to current and newly appointed staff. The effective dates of issue were between 1 February 2007 and 14 March 2008. These options vest at 20% per annum from years three to seven and the weighted average strike price is 423 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 December 2006 except for the adoption of IFRS 7 - 'Financial Instruments: Disclosures' which has had no impact on the reported results except for the reclassification of R5.4 million of financial assets from non-current to current in the 2006 balance sheet.

**AUDITOR'S 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 2008 group annual financial statements and the abridged group financial statements contained herein, is available for inspection at the company's registered office.

**DIVIDEND AND CAPITAL REDUCTION** / Notice is hereby given of a distribution of 20 cents per ordinary share comprising a dividend of 7 cents per ordinary share, and a capital distribution of 13 cents per ordinary share payable out of share premium for the period ended 31 March 2008, in terms of the resolution approved by the shareholders at the annual general meeting held on Wednesday, 16 May 2007.

Last date to trade cum distribution: Friday, 20 June 2008  
 Trading commences ex distribution: Monday, 23 June 2008  
 Record date: Friday, 27 June 2008  
 Payment date: Monday, 30 June 2008

Share certificates may not be dematerialised or rematerialised between Monday, 23 June 2008 and Friday, 27 June 2008, both dates inclusive. In terms of the requirements of the Companies Act, the directors confirm that after the payment of the distribution, the company will be able to pay its debts as they become due in the ordinary course of business, and the company and the group's assets fairly valued exceed its liabilities.

On behalf of the board of directors

**Ray Cadiz** **Ram Barkai**  
 Chairman Chief Executive Officer  
 Cape Town  
 2 June 2008

	Audited 15 months 31 Mar 08 R'000	Audited 12 months 31 Dec 06 R'000
<b>Gross operating revenue</b>	<b>451 407</b>	<b>256 343</b>
Interest income	17 173	14 531
Net investment income	40 778	61 876
Net income from investments	22 875	40 242
Foreign exchange gains	17 903	21 634
<b>Operating expenses</b>	<b>(340 693)</b>	<b>(180 184)</b>
<b>Operating profit</b>	<b>168 665</b>	<b>152 566</b>
Finance costs	(4 720)	(2 505)
<b>Profit before taxation</b>	<b>163 945</b>	<b>150 061</b>
Taxation	(38 038)	(33 015)
<b>Profit for the period</b>	<b>125 907</b>	<b>117 046</b>
<b>Reconciliation of headline earnings:</b>		
<b>Profit for the period</b>	<b>125 907</b>	<b>117 046</b>
Goodwill impairment	2 820	2 603
(Profit)/Loss on disposal of equipment	(7)	80
Taxation impact	2	(23)
<b>Headline earnings</b>	<b>128 722</b>	<b>119 706</b>
Issued number of shares ('000)	245 138	239 810
Consolidated number of shares ('000)	220 853	209 812
Weighted average number of shares ('000)	217 043	209 659
Diluted weighted average number of shares ('000)	224 616	225 670
<b>Earnings per share (cents)</b>		
Basic	58.0	55.8
Diluted	56.1	51.9
<b>Headline earnings per share (cents)</b>		
Basic	59.3	57.1
Diluted	57.3	53.0

**group balance sheet**

	Audited 31 Mar 08 R'000	Audited 31 Dec 06 R'000
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>439 457</b>	<b>473 230</b>
Plant and equipment	7 030	7 609
Intangible assets	296 456	312 451
Deferred taxation	17 409	19 851
Financial assets	110 283	128 758
Receivables and prepayments	8 279	4 561
<b>Current assets</b>	<b>961 342</b>	<b>1 196 573</b>
Financial assets	77 971	43 714
Receivables and prepayments	732 346	1 062 247
Taxation	1 396	545
Cash and cash equivalents	149 629	90 067
<b>Total assets</b>	<b>1 400 799</b>	<b>1 669 803</b>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Ordinary share capital and premium	34 678	53 438
Treasury shares	(71 795)	(75 908)
Share-based payment reserve	21 254	11 073
Retained earnings	552 975	444 521
<b>Total equity</b>	<b>537 112</b>	<b>433 124</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>	<b>34 526</b>	<b>54 729</b>
Deferred taxation	13 034	14 787
Trade and other payables	21 492	39 942
<b>Current liabilities</b>	<b>829 161</b>	<b>1 181 950</b>
Trade and other payables	770 981	1 135 345
Taxation	14 696	20 469
Borrowings	25 073	26 136
Trading liabilities	18 411	-
<b>Total liabilities</b>	<b>863 687</b>	<b>1 236 679</b>
<b>Total equity and liabilities</b>	<b>1 400 799</b>	<b>1 669 803</b>
Net asset value (cents per share)	243	206
Net tangible asset value (cents per share)	107	55

**abridged group cash flow statement**

	Audited 15 months 31 Mar 08 R'000	Audited 12 months 31 Dec 06 R'000
<b>Cash flow from operating activities</b>	<b>83 034</b>	<b>20 925</b>
Cash generated from operations	133 987	78 142
Taxation paid	(44 272)	(40 257)
Dividends paid	(6 681)	(16 960)
<b>Cash flow from investing activities</b>	<b>(4 259)</b>	<b>(5 949)</b>
<b>Cash flow from financing activities</b>	<b>(32 898)</b>	<b>(62 912)</b>
<b>Net change in cash and cash equivalents</b>	<b>45 877</b>	<b>(47 936)</b>
Effect of exchange rate adjustment	14 748	(1 306)
<b>Cash and cash equivalents at beginning of period</b>	<b>63 931</b>	<b>113 173</b>
<b>Cash and cash equivalents at end of period</b>	<b>124 556</b>	<b>63 931</b>

**abridged group statement of changes in equity**

	Audited 15 months 31 Mar 08 R'000	Audited 12 months 31 Dec 06 R'000
<b>Share capital, share premium and treasury shares</b>		
Opening balance	(22 470)	33 074
Issue of ordinary shares	22 914	-
Issued shares held as treasury shares	(15 435)	-
Capital reduction	(37 858)	(25 439)
Sale of treasury shares on exercise of options	15 732	8 389
Purchase of treasury shares	-	(38 494)
	(37 117)	(22 470)
<b>Reserves</b>		
Opening balance	455 594	356 168
Sale of treasury shares on exercise of options	(10 772)	(7 368)
Employee share option scheme - value of services provided	10 181	6 708
Profit for the period	125 907	117 046
Dividends paid	(6 681)	(16 960)
	574 229	455 594
<b>Total shareholders' funds</b>	<b>537 112</b>	<b>433 124</b>

**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

Company secretary: F C Shaw: fraser.shaw@cadiz.co.za

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 PO Box 44547, Claremont, 7735

Transfer secretaries: Computershare Investor Services (Pty) Limited  
 70 Marshall Street, Johannesburg, 2001  
 PO Box 61051, Marshalltown, 2107

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