

2007 financial results

South Ocean Holdings

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Chief Executive Officer



JP (Koos) Bekker
Group Financial Director



presentation overview



highlights

key financials

Radiant

SOEW

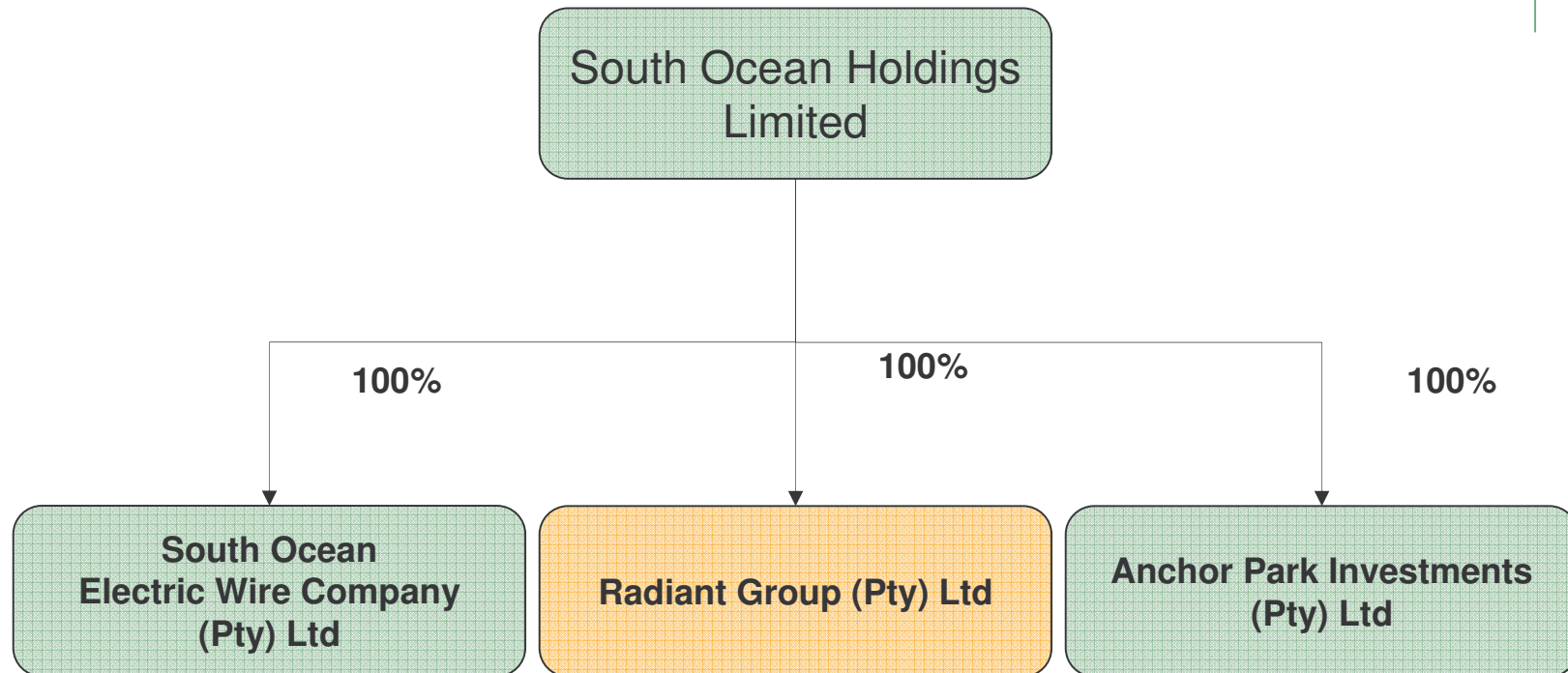
strategy and outlook

group highlights



- Listing on the main board of JSE – Feb 2007
- Acquisition of Radiant Group – August 2007
- Headline Earnings Per Share - up 58.4% to 97.4c
- Net Asset Value up from 116.1c to 408.8c
- Increased productivity and efficiency
- Successful expansion of capacity at both Radiant and SOEW

group structure

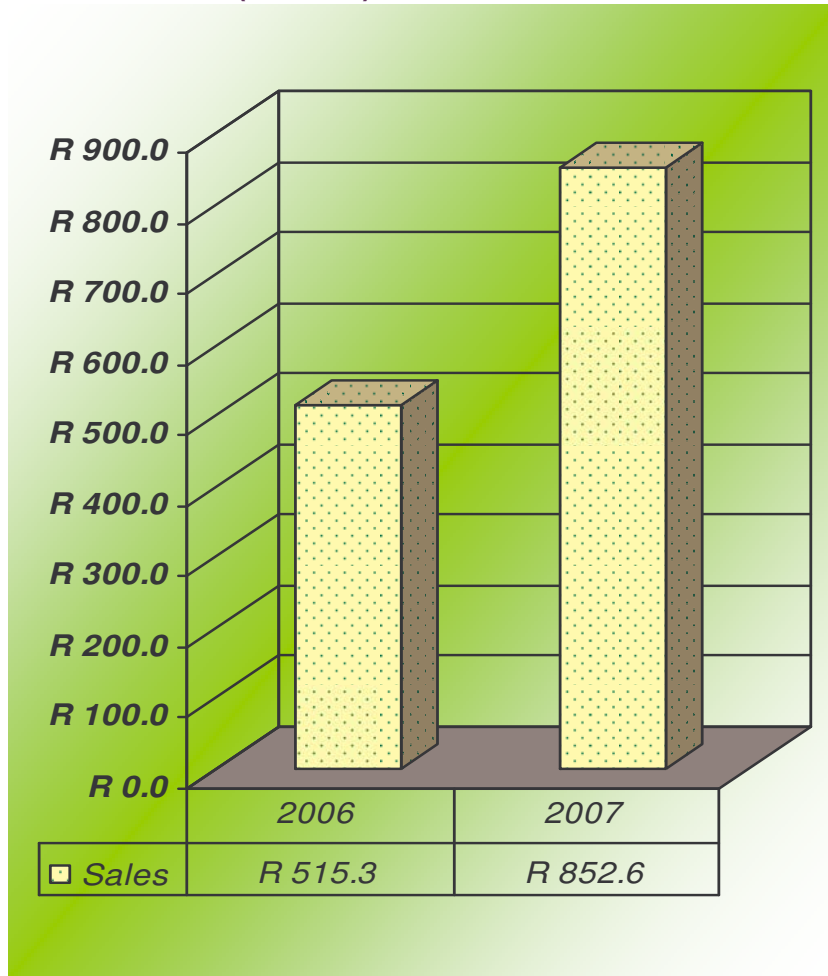


financial performance for the year



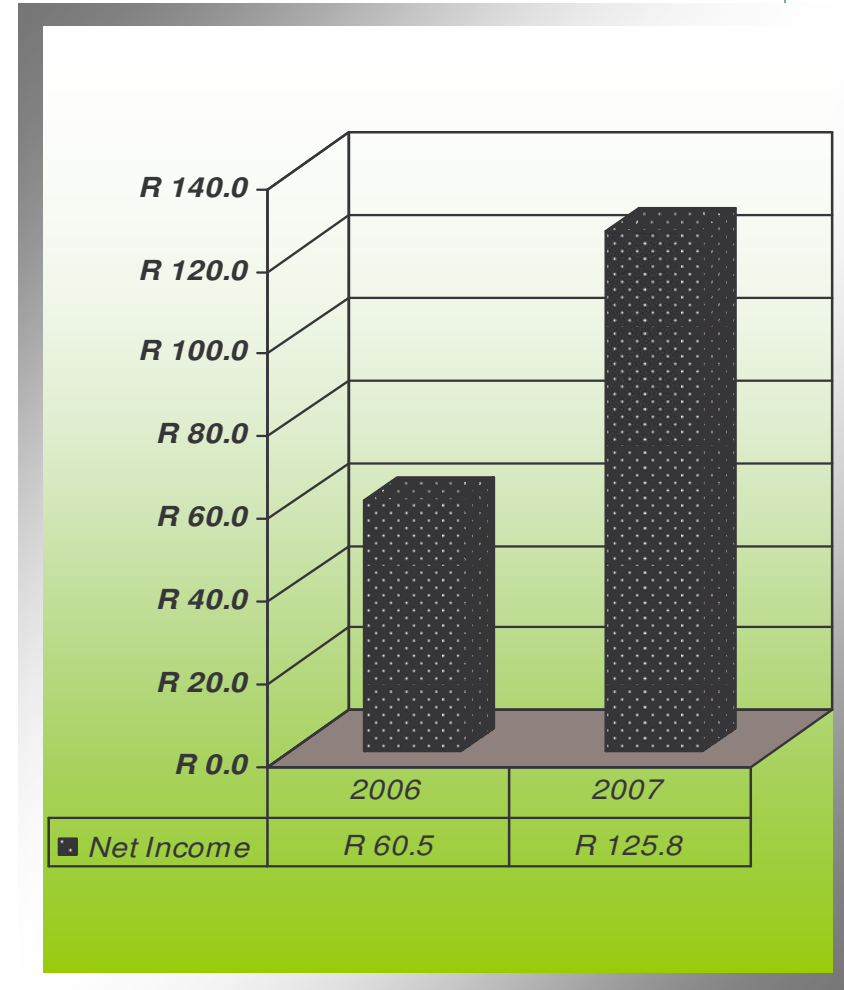
Net revenues

(Millions)



Attributable net profit

(Millions)

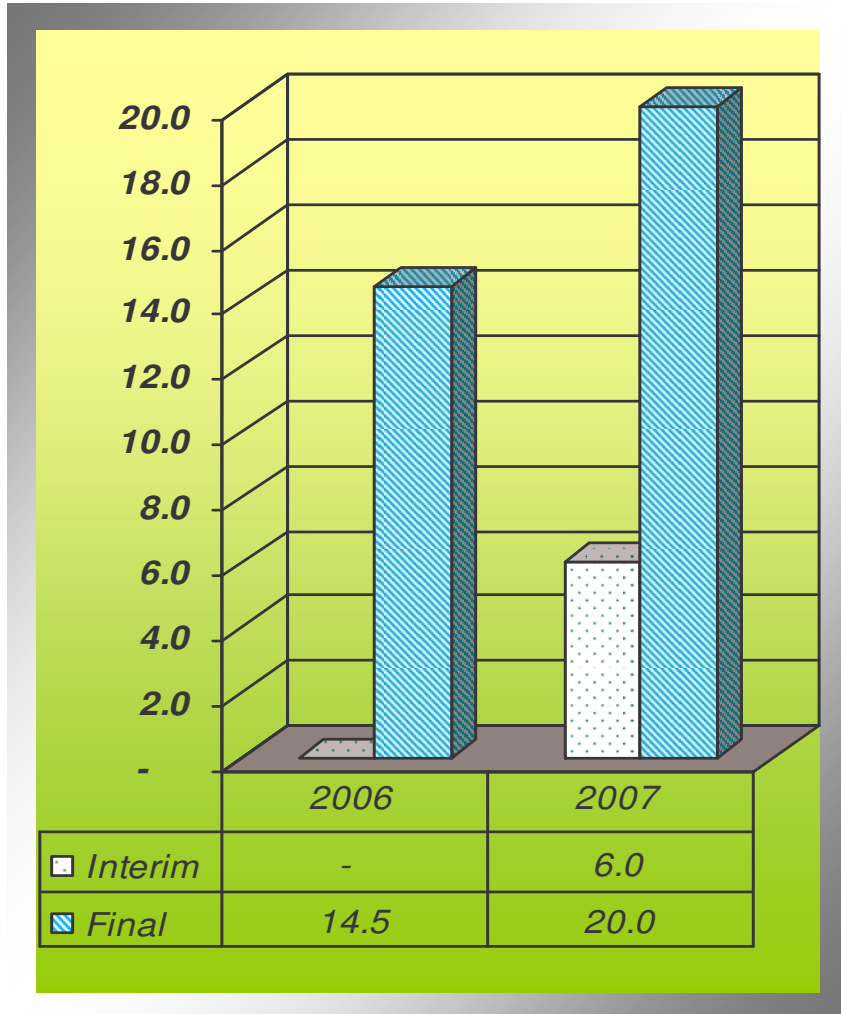


financial performance for the year



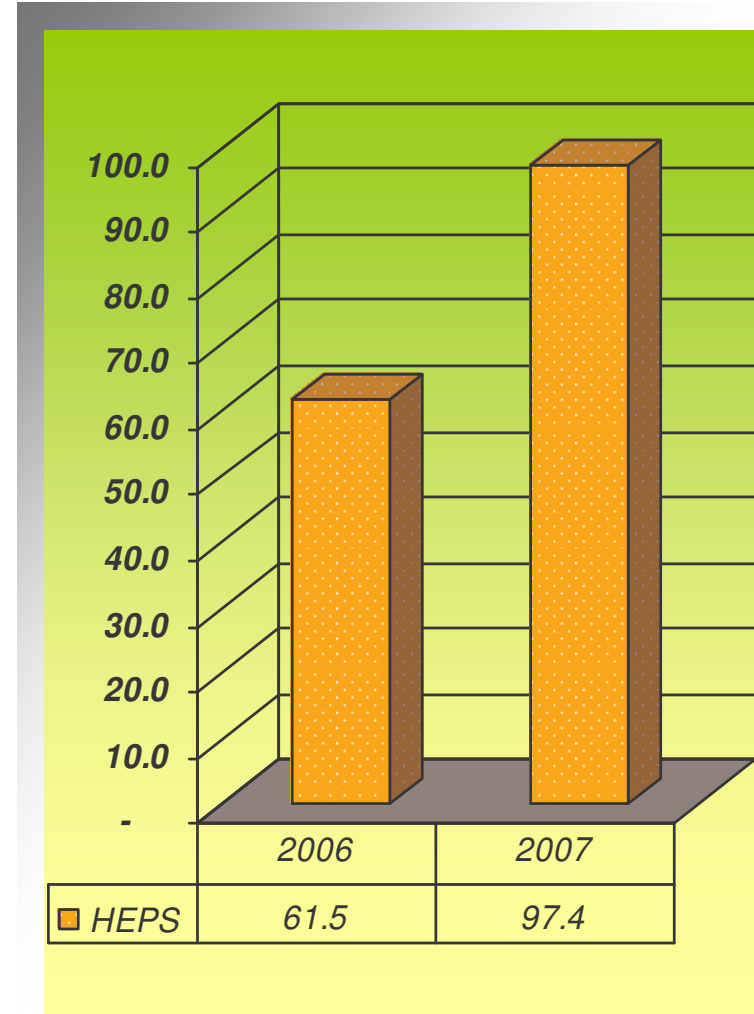
Dividends / Share

(cents)

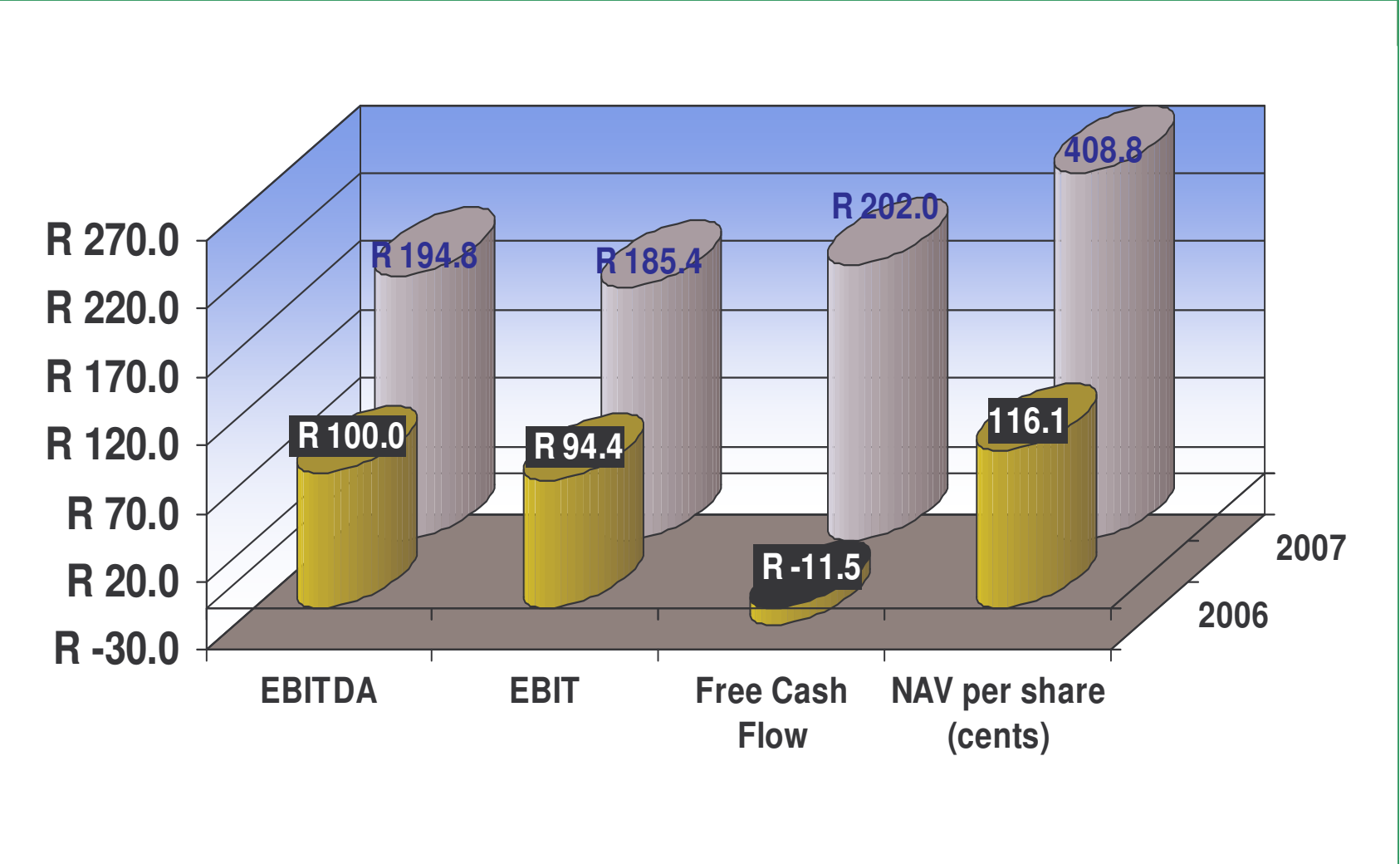


Earnings / Share

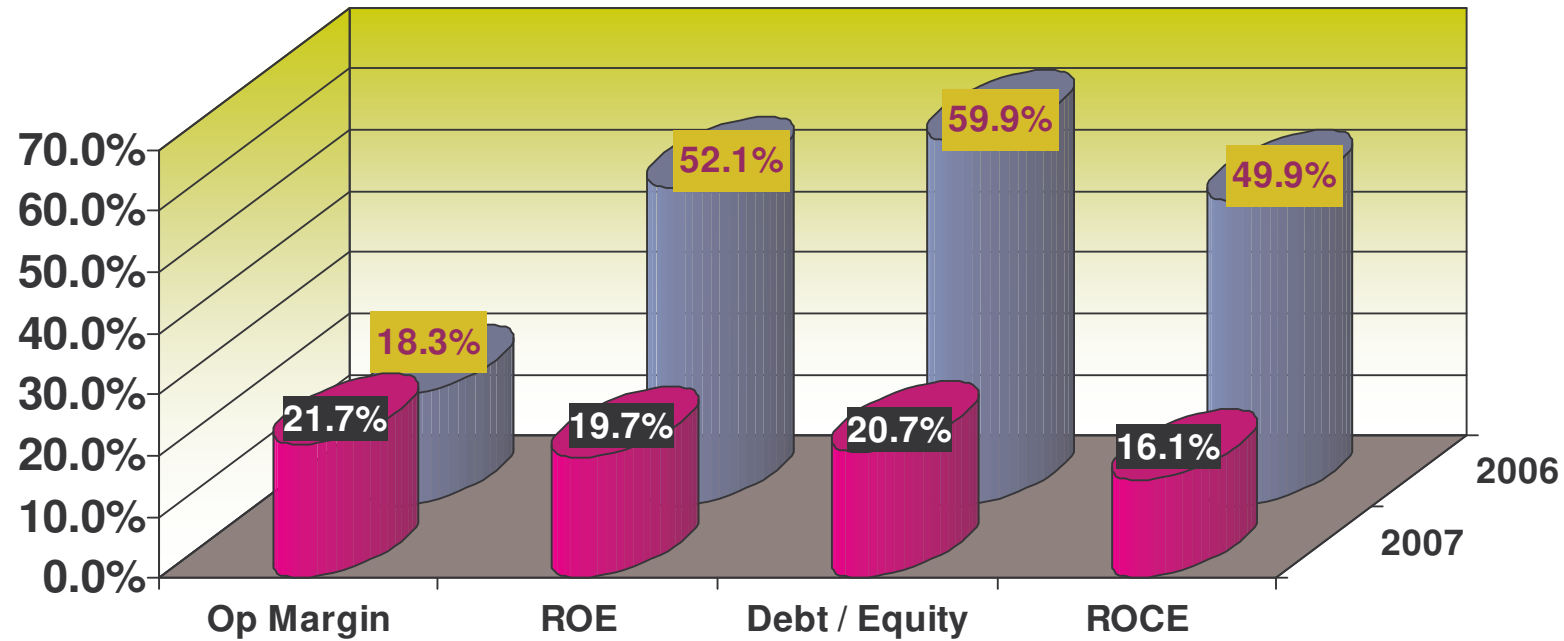
(Cents)



key financial indicators



ratio analysis



● Impact of Radiant

financial highlights



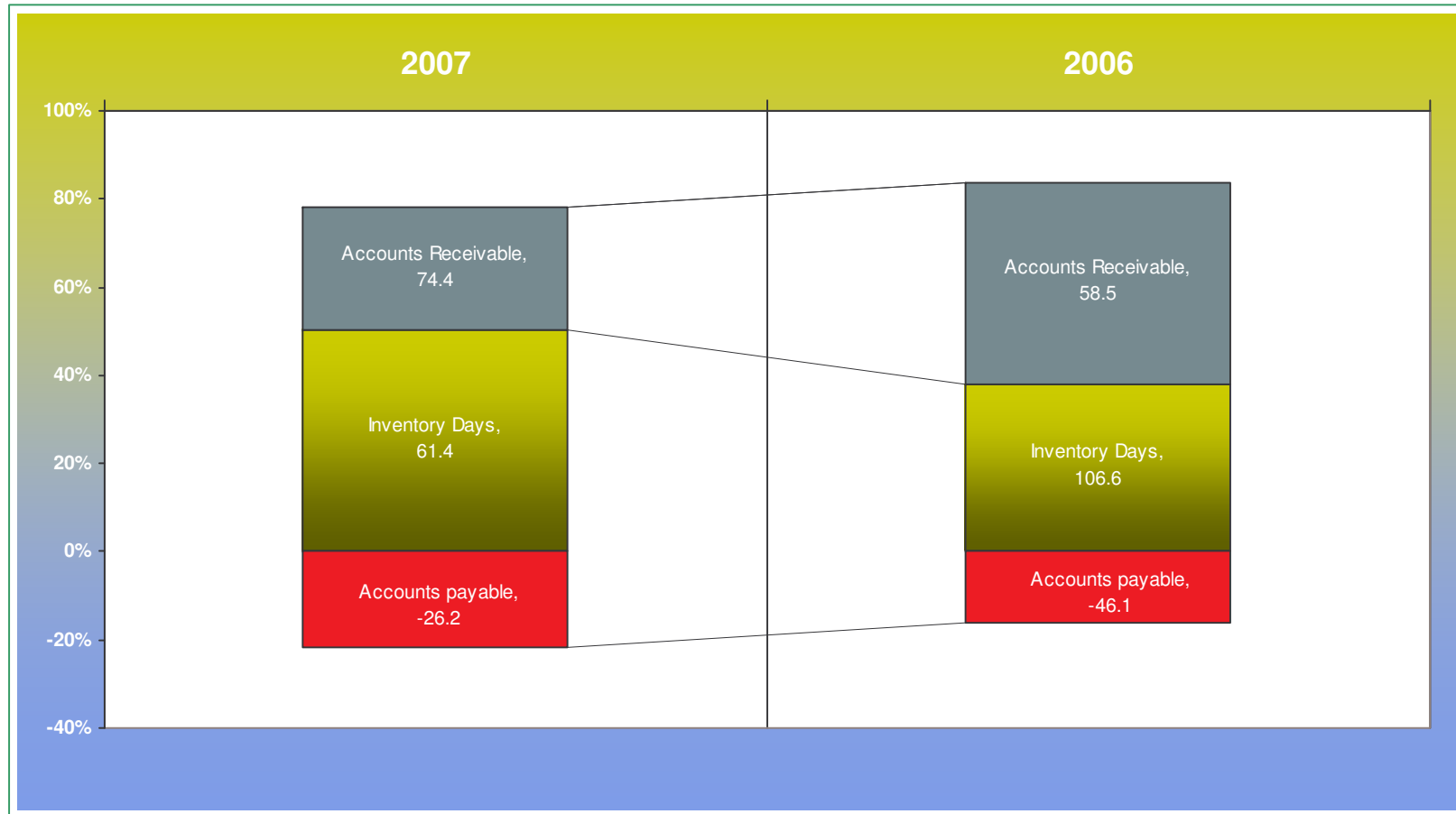
			2007	2006
Net revenues	↑	65.5%	R852.6m	R515.3m
Operating profit	↑	96.4%	R185.4m	R94.4m
NPAT	↑	107.9%	R125.8m	R60.5m
Operating profit margin (%)	↑	18.6%	21.7%	18.3%
Headline Earnings	↑	108.8%	R126.3	R60.5m
HEPS (cents)	↑	58.4%	97.4c	61.5c
Net cash and cash equivalents	↑	R104.6m	R45.3m	-R59.3m
Free cash flow	↑	R225.2m	R202.0m	-R11.5m
Total assets	↑	297.7%	R936.9m	R235.6m
Shareholder's equity	↑	450.6%	R639.2m	R116.1m

balance sheet summary



<i>(In millions)</i>	2007 Rm	2006 Rm
Assets		
•Cash and short-term investments	45.4	0.6
•Accounts receivable	136.3	105.0
•Loans Receivable	1.4	-
•Inventories	177.9	65.7
•Property plant & equipment	187.0	64.3
•Intangible assets	388.9	-
Total Assets	936.9	235.6
Liabilities		
•Trade & other payable	76.9	28.0
•Long Term Borrowings – interest bearing	177.5	10.3
•Income taxes payable	13.5	1.1
•Bank Overdraft	-	60.0
•Deferred tax liability	29.8	9.5
•Shareholders for dividends	-	10.6
Total Liabilities	297.7	119.5
Shareholder's Equity	639.2	116.1

investment in working capital



•Impact of Radiant

group results by division - 2007



Mainly
 • interest on property
 • listing expenses and
 • group operating expenses

	Radiant 5 months	SOEW 12 months	Corporate	Group
Net revenues	R178.8m	R673.4m	R0.4m	R852.6m
Operating profit	R52.6m	R136.6m	-R3.8m	R185.4m
NPAT	R37.3m	R95.5m	-R7.0m	R125.8m
Operating profit margin	29.4%	20.2%	-%	21.7%
EPS contribution (cents)	28.8c	73.6c	-5.4c	97.0c
Net Cash and cash equivalents	R14.3m	R29.9m	R1.1m	R45.3m
Total assets	R567.9m	R246.6m	R122.4m	R936.9m

Goodwill and intangibles included

rationale for Radiant acquisition



- Earnings and cash flow enhancing
- Complement to South Ocean
- Enter new markets
- Extend product offering
- Diversification

Radiant – lighting products



Financial performance

Business review

Radiant - financial highlights



			2007 10 months	2006 10 months
Net revenues	↑	11.6%	R333.6m	R298.9m
Operating profit	↑	9.7%	R84.9m	R77.4m
NPAT	↑	18.6%	R64.5m	R54.4m
Operating profit margin (%)	↓	2.0%	25.4%	25.9%

Radiant – business review



- Installation of new computer systems
- Latest green and energy saving products
- Increasing warehouse capacity, building new warehouse, showroom and offices in Cape Town
- Building a new warehouse and showroom in Wynberg

SOEW



Financial performance

Business Review

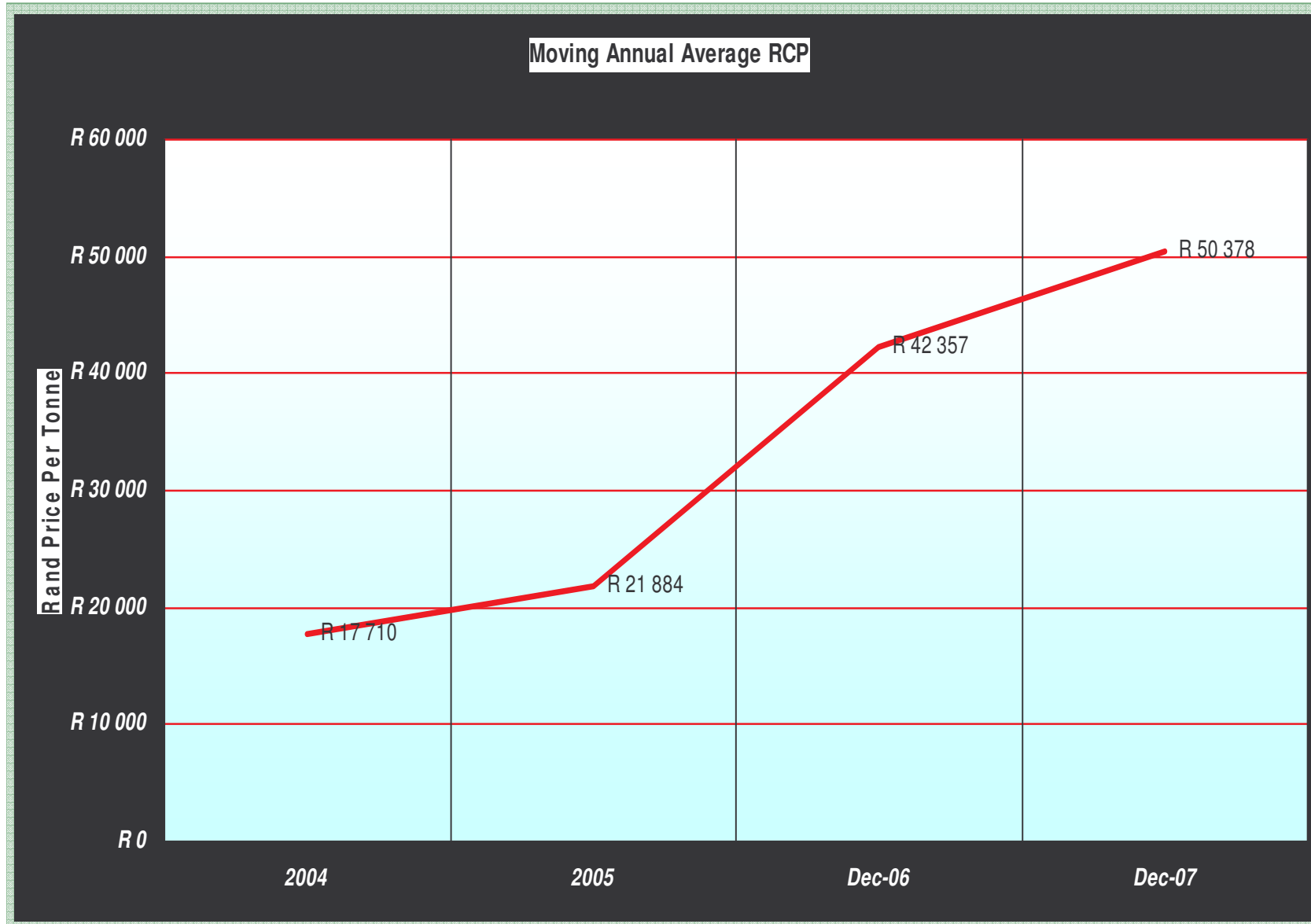
SOEW - financial highlights



land & buildings
have been sold
to anchor park

			2007	2006 12 months
Net revenues	↑	30.7%	R673.4m	R515.3m
Operating profit	↑	40.9%	R133.0m	R94.4m
NPAT	↑	54.7%	R93.6m	R60.5m
Operating profit margin (%)	↑	7.7%	19.7%	18.3%
Net Financing costs			R0.7m	-R4.3m
Net Cash and cash equivalents	↑	R89.6m	R30.0m	-R59.3m
Total assets	↑	4.7%	R246.7m	R235.6m
Shareholder's equity	↑	53.3%	R178.0m	R116.1m

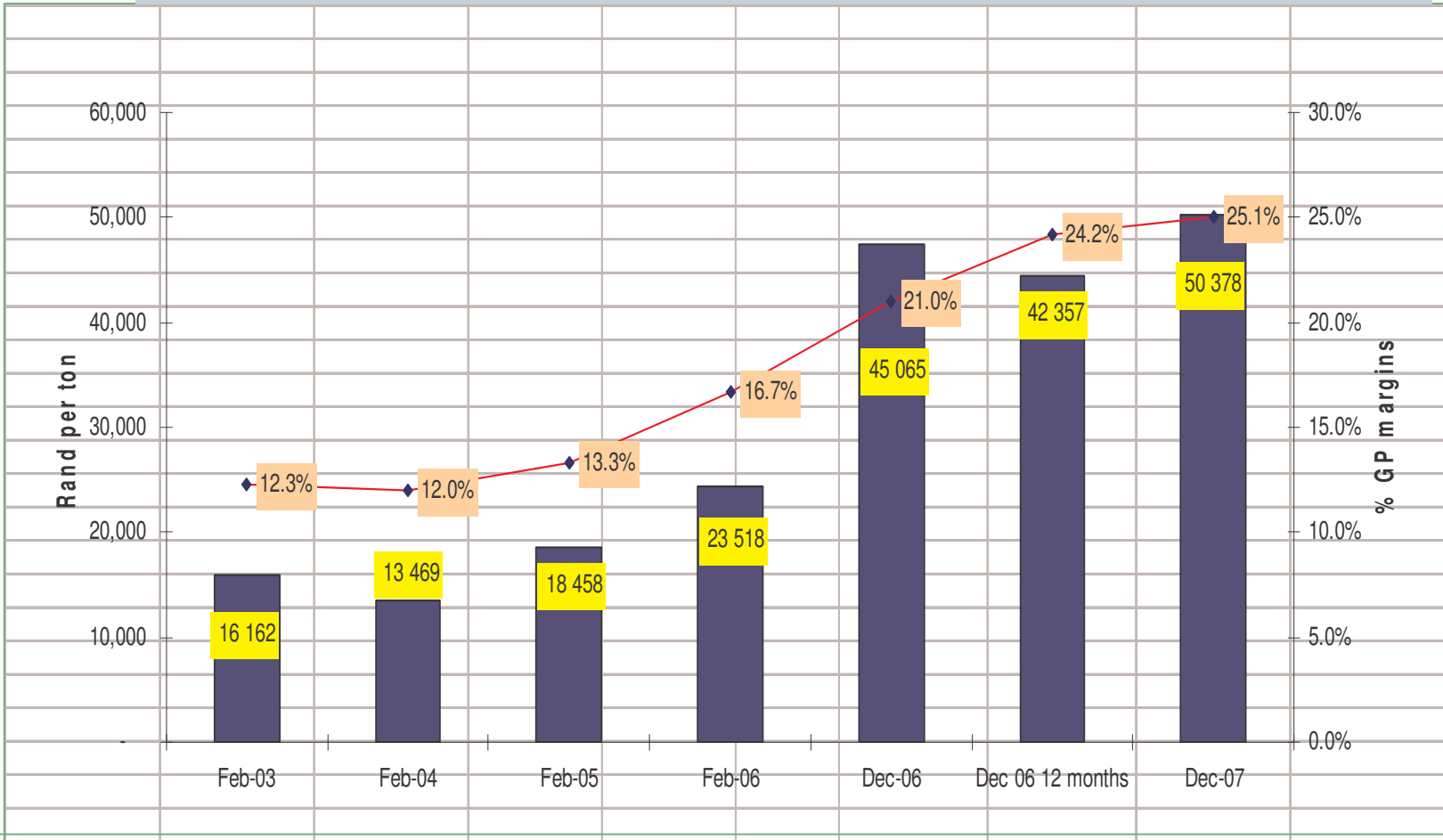
copper price



copper market



Gross profit margins of South Ocean vs Average Copper prices



- The increase in the average copper price has had a positive impact on profitability
 - Price increases have been passed on to customers
 - The company has made profits on its stock holding

productivity



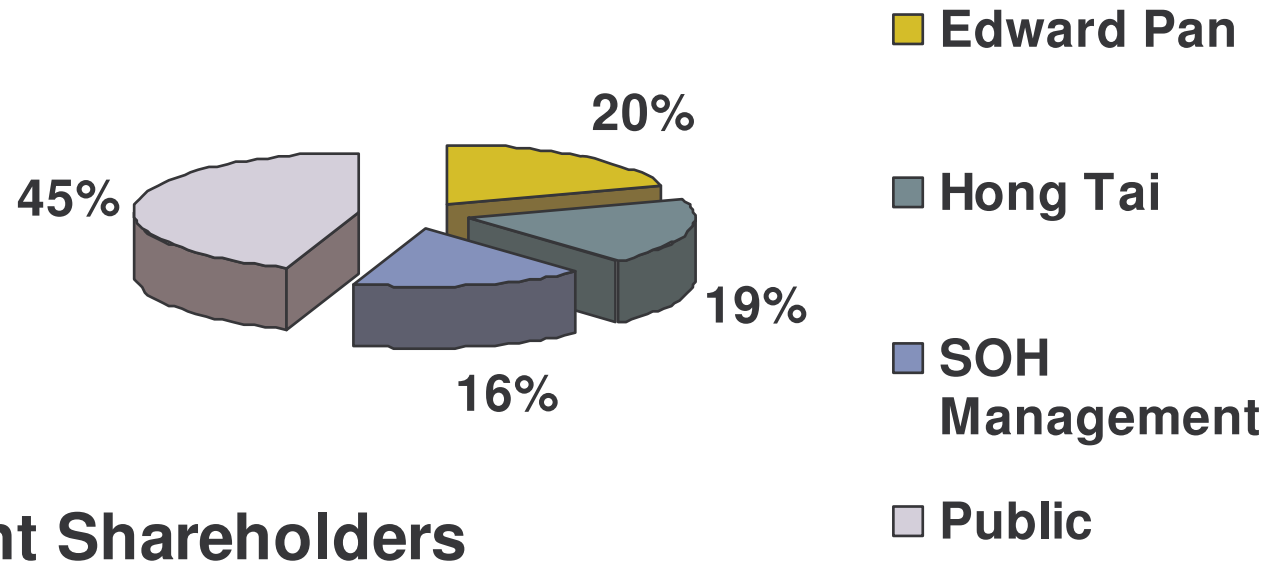
<i>(In millions)</i>	Dec 2007	Dec 2006
Revenue	R673.4m	R515.3m
% growth	30.7%	98.1%
Capacity analysis	93%	93%
Volume analysis (tonnes)	13 510	12 925
% volume growth	4.5%	19.1%
Moving average copper price (R/t)	R50 378	R42 357
Increase in copper price	19%	94.1%

SOEW – business review



- Completion of phase 1 expansion
- Commissioning and testing of phase 2
- Improving productivity
- Increase in staff complement by about 10%
- Lost one week's production due to sector strike in July

liquidity of shares



- Liquidity is an issue
- Lock in period for Hong Tai and Mr Pan expires during 2008
- Resistant to further equity dilution

group strategy



- Increase capacity at SOEW
- Accelerate growth at Radiant
- Maximize synergies
- Keep reviewing opportunities for value enhancing acquisitions
- Export markets

group prospects



- Extraordinary success of this year difficult to repeat
- Increased capacity at SOEW plus strong fundamentals will drive growth
- Radiant's strong brands and leading market position provide resilience
- Despite increasingly uncertain environment, group expects double digit earnings growth



South Ocean Group

- **Delivering on our promises**
- **Delivering strong results**
- **More growth to come**