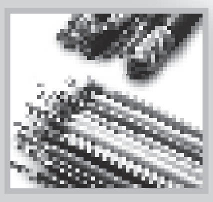
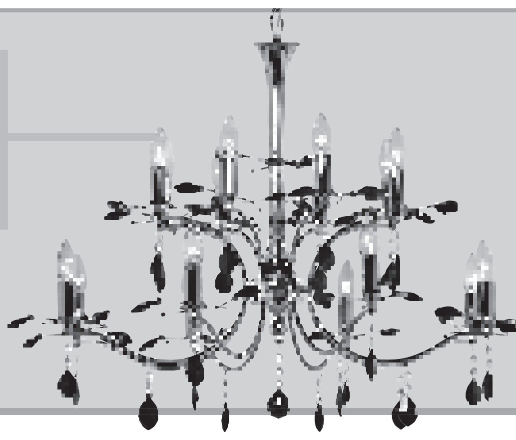


Interim financial results announcement

for the six months ended 30 June 2009



(Registration number 2007/002381/06)
Incorporated in the Republic of South Africa
("South Ocean", "the Group" or "the company")
Share code: SOH : ZAE000092748

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2009 (Unaudited) R'000	As at 30 June 2008 (Unaudited) R'000	As at 31 December 2008 (Audited) R'000
ASSETS				
Non-current assets		**583 627**	613 919	598 035
Property, plant and equipment	4	**235 329**	221 376	248 187
Intangible assets	4	**348 298**	391 593	349 848
Interest free loans receivable		**–**	950	–
Current assets		**381 719**	419 365	389 341
Inventories		**155 586**	183 601	189 806
Trade and other receivables		**187 037**	230 934	175 201
Interest free loans receivable		**–**	326	–
Taxation receivable		**1 301**	1 696	179
Cash resources		**37 795**	2 808	24 155
Total assets		**965 346**	1 033 284	987 376
EQUITY				
Capital and reserves				
Share capital	5	**1 274**	1 274	1 274
Share premium	5	**440 371**	440 371	440 371
Retained earnings		**223 742**	237 210	216 470
Total equity		**665 387**	678 855	658 115
LIABILITIES				
Non-current liabilities		**149 024**	168 902	168 237
Interest bearing borrowings	6	**123 362**	139 057	138 740
Deferred taxation		**25 662**	29 845	29 497
Current liabilities		**150 935**	185 527	161 024
Trade and other payables		**85 451**	94 273	86 088
Interest bearing borrowings	6	**47 749**	40 161	37 498
Taxation payable		**5 196**	10 963	7 049
Shareholders for dividends		**4**	4	4
Bank overdraft		**12 535**	40 126	30 385
Total liabilities		**299 959**	354 429	329 261
Total equity and liabilities		**965 346**	1 033 284	987 376

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2009 (Unaudited) R'000	Six months ended 30 June 2008 (Unaudited) R'000	Change %	Year ended 31 December 2008 (Audited) R'000
Revenue		**451 234**	574 876	(21,5)	1 136 617
Cost of sales		**(353 260)**	(391 329)		(826 061)
Gross profit		**97 974**	183 547	(46,6)	310 556
Other income		**3 567**	894		1 609
Administration expenses		**(23 827)**	(26 436)		(47 324)
Distribution expenses		**(9 077)**	(10 609)		(17 976)
Operating expenses		**(48 304)**	(31 934)		(114 128)
Operating profit		**20 333**	115 462	(82,4)	132 737
Finance income		**1 629**	1 800		2 762
Finance expense		**(11 141)**	(14 359)		(27 630)
Profit before taxation		**10 821**	102 903	(89,5)	107 869
Taxation	7	**(3 549)**	(32 008)		(46 768)
Comprehensive income for the period		**7 272**	70 895	(89,7)	61 101
		Cents per share	Cents per share		Cents per share
Earnings per share					
Earnings per share – basic and diluted		**4,7**	45,3	(89,6)	39,1

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Six months ended 30 June 2009 (Unaudited) R'000	Six months ended 30 June 2008 (Unaudited) R'000	Change %	Year ended 31 December 2008 (Audited) R'000
Share capital					
Opening and closing balance	5	**1 274**	1 274		1 274
Share premium					
Opening and closing balance	5	**440 371**	440 371		440 371
Retained earnings					
Opening balance		**216 470**	197 591		197 591
Comprehensive income for the period		**7 272**	70 895		61 101
Dividend paid		**–**	(31 276)		(42 222)
Closing balance		**223 742**	237 210		216 470
Dividend per share (cents)		**–**	7,0	(100,0)	7,0

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June 2009 (Unaudited) R'000	Six months ended 30 June 2008 (Unaudited) R'000	Year ended 31 December 2008 (Audited) R'000
Cash flows from operating activities	**35 715**	(40 593)	27 139
Cash flows from investing activities	**(749)**	(44 421)	(77 983)
Cash flows from financing activities	**(3 476)**	2 364	(718)
Net increase/(decrease) in cash and cash equivalents	**31 490**	(82 650)	(51 562)
Cash and cash equivalents at the beginning of period	**(6 230)**	45 332	45 332
Cash and cash equivalents at the end of period	**25 260**	(37 318)	(6 230)

SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

1. General information

The company is a limited liability company with its principal place of business at 12 Botha Street, Alrode, Alberton, 1451, its registered address. South Ocean Holdings Limited (SOH) was incorporated in the Republic of South Africa. The company is listed on the Johannesburg Stock Exchange (JSE).

The unaudited condensed interim financial information was approved for issue by the directors on 11 August 2009.

2. Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with IAS 34 "Interim financial reporting" and in compliance with the listing requirements of the JSE Limited and the South African Companies Act and should be read in conjunction with the audited financial statements for the year ended 31 December 2008 which have been prepared in accordance with IFRS.

3. Accounting policies

The accounting policies adopted are consistent with those applied in the financial statements for the year ended 31 December 2008, except where indicated.

The following new standards and amendments to the standards are mandatory for the first time for the financial year beginning 1 January 2009.

- IAS 1 (revised) "Presentation of financial statements". The revised standard prohibits the presentation of items of income and expense in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (statement of comprehensive income) or two statements (income statement and statement of comprehensive income).

  The Group has elected to present a statement of comprehensive income. The financial statements have been prepared under the revised disclosure requirements.
- IFRS 8 "Operating segments". The statement replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a decrease in the number of reportable segments presented as the segment titled "other" in the previous reports does not fit the description of a segment per the new statement.

  Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the corporate office management that makes the strategic decisions.

  Goodwill is allocated by management to groups of cash generating units on a segment level. Goodwill relating to the acquisition of Radiant Group (Pty) Limited has as a result been allocated to the light fittings, lamps and electrical accessories segment. The application of the standard has not affected the allocation of goodwill.

The following new standards and amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009 but are not currently relevant for the Group.

- IAS 23 (amendment) 'Borrowing costs'.
- IFRS 2 (amendment) 'Share based payments'.
- IAS 32 (amendment) 'Financial instruments: presentation'.
- IFRC 13 'Customer loyalty programmes'.
- IFRC 15 'Agreements for the construction of real estate'.
- IFRC 16 'Hedges of net investment in a foreign operation'.
- IAS 39 (amendment) 'Financial instruments: recognition and measurement'.

4. Capital expenditure

During the six months, the Group invested a further R14,5 million in capital expenditure, related mainly to plant and machinery, furniture and office equipment. The details of changes in tangible and intangible assets are as follows:

	Tangible assets R'000	Intangible assets R'000
Six months ended 30 June 2009		
Opening net carrying amount	**248 187**	**349 848**
Additions	**13 860**	**647**
Disposals	**(19 760)**	**–**
Depreciation, amortisation and other movements	**(6 958)**	**(2 197)**
Closing net carrying amount	**235 329**	**348 298**
Six months ended 30 June 2008		
Opening net carrying amount	186 990	388 868
Additions	40 041	4 380
Depreciation, amortisation and other movements	(5 655)	(1 655)
Closing net carrying amount	221 376	391 593
Year ended 31 December 2008		
Opening net carrying amount	186 990	388 868
Additions	73 171	3 688
Disposals and write offs	(52)	–
Depreciation, amortisation and other movements	(11 922)	(42 708)
Closing net carrying amount	248 187	349 848

5. Share capital

	Number of shares	Ordinary shares R'000	Share premium R'000	Total R'000
At 30 June 2009				
Opening and closing balance	**156 378 794**	**1 274**	**440 371**	**441 645**
At 30 June 2008				
Opening and closing balance	156 378 794	1 274	440 371	441 645
At 31 December 2008				
Opening and closing balance	156 378 794	1 274	440 371	441 645

6. Interest bearing borrowings

Secured loans	As at 30 June 2009 R'000	As at 30 June 2008 R'000	As at 31 December 2008 R'000
Non-current	**123 362**	139 057	138 740
Current	**47 749**	40 161	37 498
	171 111	179 218	176 238

	Six months ended 30 June 2009 R'000	Six months ended 30 June 2008 R'000	Year ended 31 December 2008 R'000
The movement in borrowings is analysed as follows:			
Opening balance	**176 238**	177 528	177 528
Additional loans raised	**17 000**	20 786	38 786
Finance expense	**9 978**	11 183	23 187
Repayments	**(32 105)**	(30 279)	(63 263)
Closing balance	**171 111**	179 218	176 238

7. Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate calculated before taking into account STC is 29,4% (2008: 27,8%).

8. Reconciliation of headline earnings

	Six months ended 30 June 2009 (Unaudited) R'000	Six months ended 30 June 2008 (Unaudited) R'000	Year ended 31 December 2008 (Audited) R'000
Reconciliation of headline earnings			
Comprehensive income for the period	**7 272**	70 895	61 101
Impairment of intangible assets	**–**	–	39 000
Impairment of available for sale financial assets	**–**	–	1 582
Impairment of interest free loans receivable	**–**	–	1 070
Loss/(surplus) on disposal of property, plant and equipment	**6 001**	–	(29)
Headline earnings for the period	**13 273**	70 895	102 724
Headline earnings per share (cents)	**8,5**	45,3	65,7

9. Weighted average number of shares

	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)	Year ended 31 December 2008 (Audited)
Number of shares in issue	**156 378 794**	156 378 794	156 378 794
Weighted average number of shares in issue at the beginning and end of the period	**156 378 794**	156 378 794	156 378 794
Weighted average number of shares in issue for diluted earnings per share	**156 378 794**	156 378 794	156 378 794

10. Net asset value

	As at 30 June 2009 (Unaudited)	As at 30 June 2008 (Unaudited)	As at 31 December 2008 (Audited)
Net asset value per share (cents)	**425,5**	434,1	420,8

11. Interim dividend declaration

The board of directors (board) has not recommended a dividend for the first six month period due to difficult trading conditions experienced since the last half of 2008.

12. Segment reporting

The Group's primary reporting format is its business segments, and secondary format is geographical segments. The chief operating decision maker has been identified as the corporate office management. Management reviews the Group's internal reporting in order to assess performance. Management has determined the operating segments based on these reports.

Management assesses the business mainly from the market and product perspective. From this perspective management assesses the performance of the subsidiaries South Ocean Electric Wire Company (SOEW), Radiant Group (Radiant) and Anchor Park.

The assessment of the performance of the operating segments is based on the measure of operating profit before interest, tax, depreciation and amortisation (EBITDA). This measurement basis excludes the effect of non-recurring expenditure from the operating segments, such as restructuring costs, profit on disposal of property, plant and equipment, impairments, etc. Interest income and expenditure are included in the results of the operating segments that are reviewed.

Total assets exclude deferred taxation and available for sale financial assets.

The details of the business segments are reported as follows:

Six months ended	Revenue R'000	Adjusted EBITDA R'000	Segment assets R'000	Segment liabilities R'000
30 June 2009				
Electrical wire manufacturing	**279 401**	**10 401**	**247 619**	**54 446**
Light fittings, lamps and electrical accessories	**171 833**	**24 131**	**561 232**	**121 060**
Property investments	**8 597**	**1 706**	**155 801**	**89 218**
	459 831	**36 238**	**964 652**	**264 724**
30 June 2008				
Electrical wire manufacturing	393 161	78 236	305 078	102 046
Light fittings, lamps and electrical accessories	181 715	38 485	575 600	100 932
Property investments	8 708	8 352	151 218	108 290
	583 584	125 073	1 031 896	311 268
31 December 2008				
Electrical wire manufacturing	747 994	99 633	242 367	41 158
Light fittings, lamps and electrical accessories	388 623	77 859	568 675	150 718
Property investments	17 183	16 544	176 275	98 640
	1 153 800	194 036	987 317	290 516

Reconciliation of total EBITDA to profit before tax is provided as follows:

	Six months ended 30 June 2009 (Unaudited) R'000	Six months ended 30 June 2008 (Unaudited) R'000	Year ended 31 December 2008 (Audited) R'000
Adjusted EBITDA	**36 238**	125 073	194 036
Corporate overheads	**(6 750)**	(2 301)	(4 017)
Depreciation	**(6 958)**	(5 655)	(11 922)
Amortisation of intangible assets	**(2 197)**	(1 655)	(3 708)
Impairment of intangible assets	**–**	–	(39 000)
Impairment of available for sale financial assets	**–**	–	(1 582)
Impairment of interest free loans	**–**	–	(1 070)
Operating profit	**20 333**	115 462	132 737
Finance income	**1 629**	1 800	2 762
Finance expense	**(11 141)**	(14 359)	(27 630)
Profit before income tax	**10 821**	102 903	107 869
Reportable segments are reconciled to the group balance as follows:			
Reportable segment assets	**964 652**	1 031 896	987 317
Corporate assets	**694**	1 388	59
Total assets per statement of financial position	**965 346**	1 033 284	987 376
Reportable segment liabilities	**264 724**	311 268	290 516
Corporate	**4 377**	2 353	2 199
Deferred taxation	**25 662**	29 845	29 497
Taxation payable	**5 196**	10 963	7 049
Total liabilities per statement of financial position	**299 959**	354 429	329 261
Reportable segment revenue	**459 831**	583 584	1 153 800
Inter-group revenue	**(8 000)**	(8 000)	(16 000)
Property Investments revenue disclosed in other revenue	**(597)**	(708)	(1 183)
Revenue per consolidated statement of comprehensive income	**451 234**	574 876	1 136 617

13. Director changes

At the annual general meeting held on 23 June 2009, Messrs PJM Ferreira, G Stein and H Schwartz did not avail themselves for re-election as directors of South Ocean Holdings, in line with the executive director reorganisation announced in the 2008 annual report. Accordingly, they are no longer directors of SOH from that date. As announced on SENS on 23 July 2009, Mr JB Magwaza, the Group chairman resigned from the board effective 31 July 2009 for personal reasons. Mr EG Dube has been appointed as chairman from 31 July 2009.

14. Subsequent events

The directors are not aware of any significant events arising since the end of the financial period not dealt with in the financial results, which would affect the operations of the Group or the operating segments.

COMMENTARY

Introduction

South Ocean Holdings Limited (SOH) is an investment holding company, operating through subsidiaries South Ocean Electric Wire Company (SOEW), manufacturer of low voltage electrical wire, Radiant Group (Radiant), importer and distributor of light fittings, lamps and electrical accessories, and Anchor Park, a property holding company. This report presents the interim financial results to shareholders for the six months ended 30 June 2009.

Adverse economic conditions coupled with a decrease in demand and weaker Rand exchange rates have resulted in a difficult financial period for the Group. The Group operating margin for the period was 4,5% compared to 20.1% for the same period last year, which represents a decrease of 77.6%. The pressure has been felt mainly at our manufacturing segment SOEW, where operating margins have continued to be depressed. This is due to highly competitive pricing in the market, which was only partly compensated by increased volumes. The strengthening Rand also nullified the increase in the Dollar price of copper.

The incorporation of Radiant, which was acquired in August 2007, contributed materially to the consolidated earnings for the period.

The corporate expenses of R6,8 million (2008: R2,3 million) compared to the prior year are as a result of the establishment of the corporate office and management expenses which were previously carried by SOEW have been classified as corporate.

Financial overview

Earnings

Group revenue for the six month period to June 2009 decreased by 21,5% to R451,2 million (2008: R574,9 million). The consolidated Group gross profit of R98,0 million (2008: R183,5 million) is 46,6% down and operating profit of R20,3 million (2008: R115,5 million) is 82,4% down compared to the same period in the previous financial year.

Towards the end of last year the Group increased its staff complement and management capacity in order to strengthen its operating capacity in preparation for the anticipated growth. This has resulted in a higher labour cost which is above the normal inflation increase. In addition, the expansion on infrastructure that was commissioned last year has resulted in higher depreciation compared to the prior period.

Group profit before tax of R10,8 million (2008: R102,9 million) is 89,5% lower than the same period last year. Earnings and headline earnings per share have, as a result, been negatively affected. The basic earnings per share of 4,7 cents (2008: 45,3 cents) is 89,7% down compared to the same period last year while the headline earnings per share of 8,5 cents (2008: 45,3 cents) is 81,2% down compared to the same period last year. Headline earnings was R13,3 million (2008: R70,9 million) which is 81,2% down from the same period last year.

The effective tax rate before the charge for STC is 29,4% (2008: 27,8%). The higher tax rate is due to a taxable profit on the sale of building compared to an accounting loss.

Cash flow and working capital management

Despite the lower comprehensive income, the cash flow from operations was R57,2 million (2008: R39,1 million) an increase of 46,3% compared to the same period in the previous year. The effort by management to improve the inventory holding and trade and other receivables is paying off. The investment in working capital has been reduced by R21,7 million compared to 31 December 2008 and R63,1 million compared to 30 June 2008.

The Group invested another R14,5 million in capital expenditure, of which about R10,0 million related to the infrastructure expansion programme and R4,5 million to normal capital expenditure related to the operations of the Group. The loss on sale of property, plant and equipment of R5,9 million was incurred from the disposal of the Cape Town building previously occupied by Radiant, which was sold for R13,5 million.

The Group utilised a further R17,0 million (2008: R20,8 million) from its existing long-term loan facilities during the year. The repayment of loans inclusive of interest amounted to R32,1 million (2008: R30,3 million).

The Group net cash inflows of R31,5 million (2008: R82,6 million outflow) resulted in the improvement of the net cash position from an overdraft of R37,3 million at 30 June 2008 and an overdraft of R6,2 million at year end to the current positive cash balance of R25,3 million.

Segment results

Electrical wire manufacturing – SOEW

Revenue declined by 28,9% to R279,4 million (2008: R393,2 million). This was mainly due to the competitiveness of the market which resulted in significantly lower sales prices. Gross profit has, as a result, come under pressure. This represents a reduction of 82,0% compared to the same period last year.

Profit before tax has declined by 95,4% to R3,3 million (2008: R71,3 million) for the six months ended 30 June 2009. Although the Rand copper price has increased by 1,9% from R37 610 in December 2008 to R38 306 in June 2009, the impact of the lower sales prices due to de-stocking by our competition and attempts to maintain market share has affected the entire copper wire market.

There was an improvement in cash generated from operations from R18,2 million for the period to 30 June 2008 to R48,9 million at the end of the current period. This was achieved through the reduction in inventory holding and trade and other receivables as management focused on effective cash management. Management has reduced investment in working capital by R41,3 million since December 2008.

An amount of R8,5 million was spent on acquisition of plant and machinery in the first half of the year for a new production line and an upgrade to an existing line, expanding capacity, both of which will be commissioned in the beginning of the second half of the year. This will help SOEW in its effort to improve efficiencies and further decrease costs.

Despite the economic constraints, SOEW has managed to increase production volumes during this period compared to the first six months of 2008. The investments to increase capacity have enabled the segment to improve efficiency levels, positioning it to meet an increase in demand.

Light fittings, lamps and electrical accessories – Radiant

Revenue is down marginally by 5,4% to R171,8 million (2008: R181,7 million). The operating profit decreased by 48,9% to R18,7 million (2008: R36,6 million). In spite of the economic downturn, Radiant has largely maintained its gross profit margins. This has been achieved by targeting growth areas and improving its service levels.

Management has continued to commit itself to the strategic plan that commenced in 2008, which has resulted in increased employee costs and increased depreciation due to higher capital expenditure during 2008. Because most of the products are imported, the volatility in the Rand/Dollar exchange rate had an effect on both cost and selling prices. The financing costs incurred of R4,7 million (2008: R4,9 million) were mainly due to additional loans taken last year to finance the capital expansion. The profit before tax of R14,3 million (2008: R32,2 million) declined by 55,6% compared to the same period last year.

Cash generated from operations amounted to R4,3 million. There has been an improvement in the inventory holding since the year end which decreased by R16,8 million. The cash position has improved to R11,1 million since the beginning of the year from R1,4 million.

Radiant's products continue to deliver acceptable sales levels and growth in market share is expected in the electrical and export markets.

Property investment – Anchor Park

Anchor Park's revenue is mainly derived from Group companies as it leases its properties to fellow subsidiaries. The Cape Town building, which was previously occupied by Radiant, was disposed of for R13,5 million resulting in a loss of R5,9 million.

The reduction in interest expense is due to the repayment of loan balances and lower effective interest rates.

Seasonality

The Group's earnings are affected by seasonality as earnings for the second half of the year are historically more than the first six months. The impact of the global economic crisis in the latter half of last year had a negative impact on the traditional seasonality of the Group. Management does however expect the traditional seasonality trend to improve in the second half of the year.

Prospects

The earnings of the Group for the next six months will be influenced by the copper price, the performance of the construction and building industry, infrastructure development, interest rates and the value of the Rand.

The Group will maintain its focus on organic growth with SOEW and Radiant ideally positioned to capitalise on the market upturn. Investments at Radiant will allow this company to take advantage of increase in demand, while SOEW continues to produce cost effective and efficient electric copper wire products. The model of extracting value from the operations has been successful and the Group will continue to concentrate on improving business efficiencies. The investment in operating capacity will further increase the ability to operate at optimal levels. The Group's focus is to maintain market share.

On behalf of the board

EG Dube
Chairman

EHT Pan
Chief Executive Officer

12 August 2009

CORPORATE INFORMATION

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Sponsor: Investec Bank Limited (Registration no: 1969/004763/06), Second floor, 100 Grayston Drive, Sandown, Sandton, 2196

Share Transfer Secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Ground floor, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107, South Africa) Telephone: +27 11 370 5000, Telefax: +27 11 688 5200,

Website: www.computershare.com

Directors: EG Dube[#] *(Chairman)*, EHT Pan[*@] *(Chief Executive)*, JP Bekker[*] *(Chief Financial Officer)*, CY Wu[√†] KH Pon[√#], HL Li[√†], JL Law[*] (Alternate), CH Pan[√†] (Alternate)
[*]Executive [#]Independent Non-Executive [√]Non-Executive [†]Taiwanese [@] Brazilian

Company Secretary: WT Green

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