onelogix

Annual Report 2007

CONTENTS

DEFINITIONS

"BEE"	Black economic empowerment
"the board"	the board of directors of OneLogix Group Limited
"CEO"	Chief Executive Officer
"the group"	OneLogix Group Limited and its subsidiaries, associates and affiliates
"JSE"	JSE Limited
"King II Report"	King Report on Corporate Governance for South Africa 2002
"OneLogix" or "the company"	OneLogix Group Limited
"Press Support"	Press Support (Pty) Limited
"the previous year" or "the prior year"	The year ended 31 May 2006
"SA"	South Africa
"SENS"	Stock Exchange News Service
"the year" or "the year under review"	The year ended 31 May 2007
"Gijima"	Gijima Supply Chain Management Services (Pty) Limited

Revenue ↑ 57%

Operating profit ↑ 74%

HEPS ↑ 23%

Net asset value per share ↑ 32% to 40,2 cents

Tangible net asset value per share ↑ 47% to 30 cents

Cash generated from operations ↑ 148% to R43,6 million

CHAIRMAN'S & CEO'S REPORT

for the year ended 31 May 2007

Introduction

The year saw the group continue its positive growth trend. Growth was entirely organic with each business maintaining, and in certain cases enhancing, market share in its respective niche area.

The conditional acquisition of Press Support, a micro-level newspaper and magazine distributor, as announced on 25 April 2007 was implemented on 8 June 2007. The acquisition was therefore not included in these annual financial results. Press Support is a complementary business to Media Express and extends OneLogix's established footprint in the printed media distribution market.

Review of Operations

Vehicle Delivery Services ("VDS") remains the group's stellar performer. VDS's growth strategy, implemented over the past few years, continues to drive a superior performance in the cross border as well as the local auto-logistics markets. The strategy has been furthered by continued investment in fleet expansion, facilities, IT software, people, management efficiency and the culture within the company. This has enabled VDS to grow its existing business base and significantly expand its market share.

PostNet, a franchised chain of 218 business service outlets which serve the high growth SME market, has delivered another good performance. The successful revitalisation of the PostNet brand over the past two years has built a solid platform for future growth.

Media Express performed well to retain a substantial market share in the price sensitive niche of express printed media delivery. The company successfully expanded its product range during the year, by leveraging synergies within its regional network and within PostNet's service offering including excess baggage and same day courier services.

4Logix and Gijima performed well, led by a skilled management team. Long-term contracts of a high revenue, low margin nature offer solid growth prospects. The business provides logistics solutions for the rail of bulk commodities to ports throughout South Africa.

Financial Results

Revenue for the group increased by 57% from R168 million to R263 million. Operating profit grew by 74% to R34,8 million, representing approximately 13% of revenue. Net profit before tax is up 63% from R18,2 million to R29,7 million. Headline earnings per share rose by 23% from 7,8 cents to 9,6 cents per share.

The group's effective tax rate has normalised to 30% (2006: 13%) for the year.

Despite the increased working capital requirements commensurate with growth in revenue, cash generated from operations increased from R21,1 million to R40,5 million which again underpinned earnings. The group invested a total of R75,8 million in infrastructure. Approximately R12,8 million was allocated to vehicle storage facilities, R3,7 million to IT infrastructure and R54,6 million to the expansion of the VDS fleet. The infrastructure spend was financed by cash generated by operations and a R43,6 million increase in interest-bearing borrowings.

As all previous tax losses are now fully reversed, the group will be in a tax-paying position in 2008 and anticipates that cash flows generated by operations will accordingly reduce in relation to earnings in the new financial year.

Property, plant and equipment includes land and buildings, mainly situated in Pomona, Kempton Park at a cost of R31 million and also in Pinetown, Durban at a cost of R4,7 million. These properties were financed at favourable fixed rates over a 10 year period and represent R14,9 million of the group's interest-bearing borrowings at year-end. These properties are accounted for at cost and the improvements are amortised over their useful lives.

BEE

The interim results for the six months ended 30 November 2006, as published on 7 February 2007, set out the impact on attributable earnings of the group's BEE deal, in terms of which 25,1% of earnings is attributable to the group's BEE partners. In the first half of the year this was not accounted for as the historical accumulated loss which had resided in the group's main operating subsidiary, OneLogix (Pty) Limited, had not completely been reversed. Following complete reversal in the second half of the year, OneLogix accounted for the impact of the BEE transaction on attributable earnings, which will continue going forward. The effective impact for the year was a reduction in attributable earnings of 5,6%. Had the group been required to account for the impact for the full year, there would have been a reduction in attributable earnings of approximately 16%.

Prospects

The outlook for the year ahead to May 2008 remains positive.

The directors believe that organic growth will be the key driver of the group's growth in the year ahead. This should be sustainable over the medium to long-term as a result of the group's strategic positioning in lucrative niche markets and skilled management with a customer-centric approach and strong execution of operational and business processes.

VDS in particular will enjoy the full benefit of major local market contracts, certain of which became operational late in the year and others of which will become operational in September 2007 after year-end. In addition the recently acquired Press Support business will contribute towards earnings for a full year with effect from June 2007.

OneLogix will also continue to investigate further earnings-enhancing acquisitive opportunities.

People

We are satisfied that OneLogix is continually enhancing its strong management team to deliver well on strategic and operational objectives.

We thank all management, employees, business partners, customers, suppliers, business advisors and shareholders for their continued support.

Sipho Pityana
Chairman

Ian Lourens
CEO

DIRECTORATE

Executive Directors

Ian K Lourens (55)
CEO
BA (Hons) MBA
Ian is the co-founder of PostNet Southern Africa (Pty) Limited and was previously Brand Manager at Beecham and Marketing Manager at Hoechst. He is a former mayor of Midrand and past Chairman of the Franchise Association of Southern Africa.

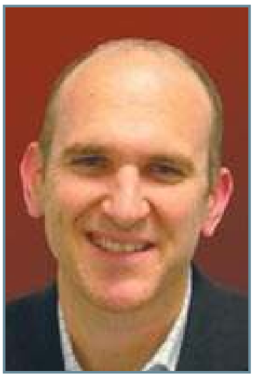
Neville J Bester (48)

Neville founded VDS in 1988. He is currently the Managing Director of VDS.

Cameron V McCulloch (35)
Financial Director
B.Com B.Acc CA(SA)
A chartered accountant, Cameron was the Financial Manager at Pinnacle Micro before becoming a Senior Manager at Pricewater-houseCoopers Inc. He joined the group in 2002.

Non-executive Directors

Sipho M Pityana (48)
Chairman
BSC M.Sc
Sipho is currently the Executive Chairman of Izingwe. He formerly held significant public sector positions including Director General of the Departments of Labour and Foreign Affairs. He is also currently Deputy Chairman of Aberdare Cables and a board member of Bytes Technologies, African Oxygen and Munich Reinsurance Company of Africa.



Andrew C Brooking (43)

BA LLB LLM
Andrew is a founder and director of Java Capital (Pty) Limited. He is an attorney and a member of the New York Bar. He was previously a partner in a large Johannesburg law firm.

Tsakani Matshazi (32)

CA(SA)
A chartered accountant, Tsakani is the Financial Director of Izingwe. She previously worked in private equity at Worldwide Capital and as a manager of a business unit within the Eastern Cape Development Corporation.

Independent Non-executive Directors

Alec J Grant (59)

B.Com FCIS CAIB MBL
Alec has 35 years' experience in banking and has held a senior executive position in the Barclays Group. He was also CEO and executive director of the Corpcapital Bank after starting Fulcrum Bank.

Joe G Modibane (49)

B.Com MBA
Joe has almost 10 years' experience in corporate finance and banking having worked at the Development Bank of Southern Africa. He has since been involved in the transport and ICT industries. He is currently CEO of MrPrePaid (Pty) Limited.

CORPORATE GOVERNANCE
for the year ended 31 May 2007

The directors acknowledge the importance of sound corporate governance and subscribe to the Code of Corporate Practices and Conduct set out in the King II Report. They are committed to the highest standards of corporate governance and continually monitor compliance to ensure ongoing improvement of operational and corporate practices.

Board of Directors

The OneLogix board is the focal point of the company's corporate governance processes. It is responsible and accountable for the performance and affairs of the company and the group. Delegating authority in respect of pre-approved matters to board committees or management does not in any way detract from the discharge by the board of its duties and responsibilities.

The unitary board is chaired by a non-executive director and further comprises four non-executive directors (two of whom are independent) and three executive directors.

The roles of non-executive Chairman and CEO are strictly separated in accordance with the King II Report. This separation of duties is echoed across the board to ensure that no director can exercise unfettered powers of decision-making. Non-executive directors are individuals of calibre with skill and experience sufficient to appraise and advise on strategy, governance, performance, resources, transformation, diversity, employment equity and standards of conduct. Non-executive directors also provide objectivity in board deliberations. Executive directors effect the day-to-day management of the company and its business operations.

The board meets at least quarterly with additional meetings when necessary. Directors are briefed timeously and comprehensively in advance of these meetings, and are supplied with information to enable them to discharge their responsibilities. Meetings are conducted in accordance with a formal agenda which ensures that all substantive matters are properly addressed.

Directors' attendance at board meetings for the year under review is set out below:

	28 August 2006	31 January 2007	23 April 2007
SM Pityana (Chairman) *	✓	✓	✓
NJ Bester	✓	✓	✓
AC Brooking *	✓	✓	✓
AJ Grant+	✓	✓	✓
IK Lourens (CEO)	✓	✓	✓
T Matshazi *	✓	✓	✓
CV McCulloch (Financial Director)	✓	✓	✓
JG Modibane+	✓	✓	Apologies

* non-executive
+ independent non-executive

Board Process

The board is governed by a formal Board Charter setting out composition, processes and responsibilities. The Charter further mandates the board with regularly reviewing operational processes and procedures, identifying key risk areas and monitoring non-financial aspects affecting the group. The board accordingly identifies key risk areas and key performance indicators of the company's business operations. These are monitored regularly with particular attention given to resource planning, processes, products and people.

The board adheres to a corporate code of conduct that addresses conflicts of interest, particularly relating to directors and management, which is reviewed and updated as necessary.

Directors have unrestricted access to the Company Secretary, company information, records, documents and property and are afforded the opportunity, at the company's expense, to seek independent counsel should this be deemed to be necessary.

The company has a formal policy restricting share dealing by directors and other officers with access to price-sensitive information. Trade in OneLogix shares is prohibited during "closed periods" prior to the announcement of interim and annual results or while the company is trading under a cautionary. Directors are required to report their share dealings to the Chairman who with the Company Secretary and designated advisor, ensures that these announcements are published on SENS.

With respect to new appointees the Board Charter mandates a formal induction programme, which is implemented largely through the mandatory Alt^x course conducted by the Wits Business School. The programme covers pertinent aspects of company law, stock exchange regulations, the roles, responsibilities and liabilities of directors, basic techniques of financial analysis and the importance of investor and media relations. The designated advisor is responsible for ensuring that the induction process is adhered to.

The board encourages shareholders to attend annual and other general meetings and directors including committee chairmen attend these meetings.

Board Committees

Audit Committee

The Audit Committee is governed by a formal Audit Committee Charter. It comprises independent non-executive director AJ Grant, who chairs the committee on account of his financial expertise, and non-executive directors AC Brooking and T Matshazi. The Audit Committee meets at least twice a year with the group's external auditors and executive management to review accounting, auditing, financial reporting, risk management and internal control matters. The CEO and Financial Director attend meetings by invitation. Further meetings are convened when necessary. The board is of the opinion that in light of the nature and size of the group, at this stage, two meetings per year are sufficient to discharge the responsibilities of the committee.

Attendance at the committee meetings for the period 1 June 2006 to 31 May 2007 is set out below:

	21 August 2006	31 January 2007
AC Brooking	✓	✓
AJ Grant+	✓	✓
IK Lourens*	✓	✓
T Matshazi	✓	✓
CV McCulloch*	✓	✓

+ Audit Committee Chairman
* attended by invitation

The Audit Committee sets the principles for recommending the firm of external auditors for non-audit services. A separate disclosure is made in the annual financial statements of the amounts paid for non-audit services.

The Audit Committee has satisfied its responsibilities during the year in accordance with its formal Charter.

Remuneration Committee

The Remuneration Committee comprises two independent non-executive directors (AJ Grant and JG Modibane, who chairs the committee) and one non-executive director (T Matshazi). The committee is responsible for determining the remuneration and terms of employment of the company's directors and senior management. It meets as and when required, but at least once on an annual basis. The CEO attends meetings by invitation and is excluded from deliberations in respect of his own remuneration.

The committee operates under formal terms of reference setting out its composition, role and responsibilities. In addition to establishing the group's remuneration policy the committee is tasked with determining the criteria used to measure the performance of executive directors. The terms of reference further include guidelines on base fees of directors' remuneration as well as payments on termination of an executive director's employment.

In evaluating the remuneration of executive directors and senior management the committee incorporates an evaluation of the performance against pre-determined benchmarks, industry standards and the company's value-add model. As set out in the Board Charter, non-executive directors' remuneration is approved by shareholders at the annual general meeting. Directors' emoluments are set out in Note 23 to the annual financial statements.

Attendance at the committee meeting for the period 1 June 2006 to 31 May 2007 is set out below:

Director	26 March 2007
AJ Grant	✓
IK Lourens*	✓
JG Modibane+	✓
T Matshazi	✓

+ Remuneration Committee Chairman
* attended by invitation

Employment Equity Committee

The group's Employment Equity Committee monitors the implementation of employment policies appropriate to the group's business environment and market and to the South African landscape. The policies are designed to attract, motivate and retain quality staff at all levels. The group is on track to meet its targets in terms of its Employment Equity and Skills Development plans.

Internal Control and Risk Management

Internal Control

The board and management make use of generally recognised risk management and internal control models to maintain a sound system of risk management and to sustain a practical and effective internal control environment. These internal control models and frameworks are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets, the maintenance of proper accounting records, the integrity and reliability of financial information and the minimisation of significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. The models and frameworks are designed to manage rather than eliminate risk of failure and opportunity risk.

In this manner the board is able to provide reasonable assurance regarding the achievement of organisational objectives in respect of the effectiveness and efficiency of operations and compliance with applicable laws, regulations and supervisory requirements. In addition the systems of internal control enable the board to ensure business sustainability under normal and adverse operating conditions and responsible behaviour towards all stakeholders.

Nothing has come to the attention of the directors to indicate that a material breakdown in the controls within the group has occurred during the year.

Risk Management

The board determines the company's tolerance for risk in the pursuit of its objectives and is responsible for assessing the effectiveness of the processes of risk management. Management is accountable to the board for implementing and integrating the processes into the day-to-day activities of the company.

The company has an effective ongoing process of identifying risk, measuring its potential impact against a broad set of assumptions and initiating mitigating activities to reduce the exposure to an acceptable level. Additional internal control activities are introduced to assist the process of mitigating risk exposure where appropriate.

Key industry risks facing the group include:

Risk	Risk Mitigation
Fluctuations in fuel pricing (VDS)	• Ongoing restructuring of client rates
Fleet management (VDS)	• Technology driven management systems and staff training
Increase in interest rates possibly leading to reduction in vehicle sales in SA (VDS)	• Identifying new related markets for diversification
Shortage of drivers (VDS)	• Extensive driver recruitment and learnership programme
Market saturation	• Identifying new related markets for diversification • Growth through strategic acquisitions
Increased competition	• Improved value added service levels • Exceeding market benchmarks for standards of delivery
Shortage of skilled labour, including mechanical and general management at all levels	• Improved working conditions • Continued employment and training of newly qualified logistics graduates

SUSTAINABILITY REPORT

Introduction

The group is committed to sound social and environmental reporting practices and where appropriate and relevant to the nature of the group's activities, these are prioritised alongside financial reporting.

BEE

The group believes broad-based empowerment is a business imperative, and continues to address its commitment through a number of initiatives. The group has completed its first preliminary assessment in terms of the generic scorecard, and has achieved a level 4 rating. The independent audit of the scorecard will be completed in the current financial year.

An extensive review of the group's supplier base has also been completed and policies and procedures have been formalised to allow for more black-owned companies to participate in the group's discretionary procurement spend. The group has contracted BISA to actively manage the group's spend with good BEE contributors on a monthly basis.

OneLogix continues to act as an incubator for suppliers in its business areas following its success with an effective 25,5% shareholding in Gijima. The group has further identified PostNet as a vehicle for establishing new, and assisting existing black franchisees with their PostNet franchises.

Skills Development and Training

The group submits annual employment equity reports focusing on accelerating diversity at all levels of employment. These reports are submitted in line with the Department of Labour's regulatory requirements and in particular with employment equity legislation. The Employment Equity Committee is responsible for reviewing and reporting on employment equity, while the board maintains overall responsibility in this regard.

OneLogix is committed to the ongoing training and development of employees, in particular black staff. All employees attend courses relating to their specific job functions on an ongoing basis.

The group allocates R100 000 annually to the OneLogix Annual Bursary Fund to assist mainly black employees to further their studies at recognised tertiary institutions. It also has a R200 000 bursary fund to provide assistance for the education of the families of black staff.

PostNet continued to utilise its Training Academy during the year. The academy benefits franchisees and their staff by equipping them with general business, personal development and technical skills particular to PostNet.

Safety and Health

The group ensures strict compliance with the South African Occupational Health and Safety Act, 1993. To this end OneLogix has implemented a formal Health and Safety policy to which all employees are bound. In terms of the policy the relevant managers of each of the operations is responsible for ensuring a safe and healthy work environment. Employees are required to report all incidents immediately as well as make suggestions for a safer work environment. Employees compulsorily attend health and safety training provided by the group.

OneLogix offers a medical aid scheme to all employees. The group recognises that the level of employment impacts on affordability and so fully subsidises the benefit for specific groups of employees including drivers.

No major health and safety incidences were reported during the year.

HIV/AIDS

The group is committed to mitigating the impact of the pandemic on its employees. In this regard OneLogix focuses on education through general awareness campaigns and the publication of regular comprehensive newsletters that address issues such as counselling, treatment, prevention, medication, voluntary anonymous testing and crisis planning.

The group respects the right of employees to confidentiality in respect of their HIV/AIDS status and is committed to fostering a workplace culture that is non-discriminatory and supportive of employees suffering from the disease.

Corporate Social Responsibility

In partnership with one of its major customers, VDS is close to completion of a driver learnership programme which will accommodate 20 new learners during the current year. These drivers will all be employed by VDS after successfully completing their learnerships.

Stakeholder Communication

The board acknowledges its duty to present a balanced and understandable assessment of the company's and group's position in reporting to stakeholders. The quality of this information is based on the principles of transparency with substance favoured over form, and the information addresses material matters of significant interest and concern to stakeholders.

Reports present a comprehensive and objective assessment of the activities of the company so that shareholders and relevant stakeholders with a legitimate interest in the company's and group's affairs can obtain a full and fair account of their performance.

Interim and annual results and other announcements required by the Listings Requirements of the JSE are timeously disseminated on SENS and on the Alt^x and company websites. The CEO and Financial Director are available on an ongoing basis to deal with investor and analyst queries and wherever possible engage with the financial media to ensure accurate reporting.

Annual Financial Statements

for the year ended 31 May 2007

Directors' Statement of Responsibility

The directors acknowledge their responsibility for the adequacy of accounting records, the effectiveness of risk management and the internal control environment, the appropriateness of accounting policies supported by reasonable and prudent judgements and the consistency of estimates. The directors further acknowledge their responsibility for the preparation of the annual financial statements, adherence to applicable accounting standards and presentation of related information that fairly presents the state of affairs and the results of the company and of the group.

The annual financial statements set out in this report incorporate the results for the year ended 31 May 2007. They have been prepared by the directors in accordance with International Financial Reporting Standards and in the manner required by the South African Companies Act, 1973. They incorporate full and adequate disclosure and are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgements and estimates.

No event material to the understanding of this report has occurred between the financial year-end and the date of this report. In the context of the audit carried out for the purposes of expressing an opinion on the fair presentation of the annual financial statements, the auditors have concurred with the disclosures of the directors on going concern.

The external auditors are not responsible for providing an independent assessment of internal financial controls but are responsible for reporting on whether the financial statements are fairly presented in conformity with International Financial Reporting Standards. The external audit offers reasonable, but not absolute, assurance on the accuracy of financial disclosures.

Board Approval

The annual financial statements were approved by the board of directors and are signed on its behalf by:

IK Lourens	**CV McCulloch**
CEO	Financial Director

21 August 2007
Johannesburg

Declaration by the Company Secretary

In our capacity as Company Secretary we declare, in terms of the South African Companies Act, 1973, that for the year ended 31 May 2007 the company has lodged with the Registrar of Companies all such returns as are required of a company in terms of this Act and that all such returns are true, correct and up to date.

Probity Business Services (Pty) Limited
Company Secretary
21 August 2007
Johannesburg

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF ONELOGIX GROUP LIMITED

We have audited the annual financial statements and group annual financial statements of OneLogix Group Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 May 2007, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 12 to 41.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group as at 31 May 2007, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: RL Shedlock
Registered Auditor
Johannesburg
21 August 2007

DIRECTORS' REPORT
for the year ended 31 May 2007

The directors present their annual report, which forms part of the annual financial statements of the company and the group for the year ended 31 May 2007.

Nature of Business

The group's activities are detailed in the Chairman's & CEO's Report.

Group Results

The group's financial results are highlighted in summary in the Chairman's & CEO's Report. Details of the group's results are set out in the annual financial statements and accompanying notes.

Share Capital

On 1 June 2006 the authorised share capital comprised 500 000 000 ordinary shares of 1 cent each, of which 197 272 589 were in issue. No additional shares were issued during the year. Post year-end a further 7 608 696 shares were issued in respect of the acquisition of Press Support (Pty) Limited as reflected in Note 25 to the annual financial statements.

The company's unissued shares have been placed under the control of the directors until the upcoming annual general meeting.

Subsidiaries and Associate

Details of the company's interest in its subsidiaries and associate are set out in Note 24 to the annual financial statements.

Dividend

In line with group policy, no dividend was declared or proposed during the year under review (2006: Nil).

Directors

The directors at the date of this report are:

Non-executive Directors

SM Pityana	(Chairman)
AC Brooking	
T Matshazi	

Independent Non-executive Directors

AJ Grant
JG Modibane

Executive Directors

IK Lourens	(CEO)
CV McCulloch	(Financial Director)
NJ Bester	

In terms of the articles of association, NJ Bester, AC Brooking and AJ Grant will retire as directors at the upcoming annual general meeting, and being eligible, offer themselves for re-election.

Directors' Shareholding

At 31 May 2007, the directors of the company held 114 233 934 (2006: 114 233 934) shares in the issued share capital of the company. Save for the shareholdings detailed below, no other director held any interest in the issued share capital of the company.

Director	Direct 2007	Indirect 2007	Direct 2006	Indirect 2006
NJ Bester *	**91 098 294**	-	91 098 294	-
AC Brooking ▲	-	**1 123 126**	-	1 123 126
IK Lourens *	-	**13 012 514**	-	13 012 514
CV McCulloch *	**9 000 000**	-	9 000 000	-
	100 098 294	**14 135 640**	100 098 294	14 135 640

* beneficially held
▲ non-beneficially held

Since year-end to the date of this report there has been no change in directors' shareholding.

Company Secretary

The secretary of the company during the year under review was Probity Business Services (Pty) Limited.

Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with Section 270(2) of the South African Companies Act, 1973.

Special Resolutions

The following special resolution was passed by shareholders and registered by the Registrar of Companies during the year:

27 February 2007: General authority for the company or its subsidiaries to acquire shares in the company.

Post Balance Sheet Events

OneLogix (Pty) Limited acquired the entire issued share capital of Press Support (Pty) Limited with effect from 8 June 2007. The purchase price payable is a minimum of R18 375 000 and a maximum of R23 625 000, dependant on the outcome of a one year profit warranty. For further details please refer to Note 25 of the annual financial statements.

No other material fact or circumstance has occurred between year-end and the date of this report which has a material impact on the financial position of the company or the group.

21 August 2007
Johannesburg

BALANCE SHEETS
at 31 May 2007

	Notes	Group 2007 R'000	Group 2006 R'000	Company 2007 R'000	Company 2006 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**123 598**	63 661	**-**	-
Intangible assets	8	**20 251**	19 919	**-**	-
Investment in subsidiaries	9	**-**	-	**77 830**	70 700
Investment in associate	10	**30**	-	**-**	-
Loans and receivables	11	**517**	533	**-**	-
		144 396	84 113	**77 830**	70 700
Current assets					
Inventories	12	**1 986**	2 310	**-**	-
Trade and other receivables	13	**41 715**	24 755	**-**	-
Cash and cash equivalents	14	**18 270**	6 375	**20**	1
		61 971	33 440	**20**	1
Total assets		**206 367**	117 553	**77 850**	70 701
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	15	**1 973**	1 973	**1 973**	1 973
Share premium	16	**32 484**	32 484	**37 259**	37 259
Retained earnings		**44 751**	25 767	**38 571**	31 460
Other reserves		**52**	-	**-**	-
Minority interests		**2 375**	659	**-**	-
		81 635	60 883	**77 803**	70 692
Non-current liabilities					
Interest-bearing borrowings	17	**56 553**	24 381	**-**	-
Deferred taxation	18	**5 981**	4 267	**-**	-
		62 534	28 648	**-**	-
Current liabilities					
Trade and other payables	19	**35 138**	17 287	**16**	-
Current portion of interest-bearing borrowings	17	**20 181**	8 765	**-**	-
Current tax liabilities		**6 879**	1 970	**31**	9
		62 198	28 022	**47**	9
Total liabilities		**124 732**	56 670	**47**	9
Total equity and liabilities		**206 367**	117 553	**77 850**	70 701

INCOME STATEMENTS
for the year ended 31 May 2007

	Notes	Group		Company	
		2007	2006	**2007**	2006
		R'000	R'000	**R'000**	R'000
Revenue	1	**263 338**	167 890	**-**	-
Fuel and motor vehicle expenses		**(49 411)**	(28 293)	**-**	-
Railage costs		**(67 771)**	(44 859)	**-**	-
Other expenses		**(54 490)**	(40 110)	**-**	(5)
Employment costs		**(44 744)**	(29 263)	**-**	-
Depreciation of property, plant and equipment and amortisation of intangible assets		**(12 139)**	(5 360)	**-**	-
Operating profit/(loss)	2	**34 783**	20 005	**-**	(5)
Finance cost	4	**(5 487)**	(2 027)	**-**	-
Finance income	4	**372**	240	**7 133**	3 115
Share of associate income		**30**	-	**-**	-
Profit before taxation		**29 698**	18 218	**7 133**	3 110
Taxation	5	**(8 798)**	(2 377)	**(22)**	(9)
Profit for the year		**20 900**	15 841	**7 111**	3 101
Attributable to:					
Equity holders		**18 984**	15 381	**7 111**	3 101
Minority interests		**1 916**	460	**-**	-
		20 900	15 841	**7 111**	3 101
Earnings per share (cents)					
Basic and diluted earnings per share	6	**9.6**	7.8		

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 May 2007

Attributable to Equity Holders

	Share capital R'000	Share premium R'000	Retained income R'000	Minority interests R'000	Other reserves R'000	Total R'000
Group						
At 31 May 2005 – restated	1 973	32 619	10 386	199	-	45 177
Shares issue expenses	-	(135)	-	-	-	(135)
Net profit	-	-	15 381	460	-	15 841
At 31 May 2006	1 973	32 484	25 767	659	-	60 883
Profit on sale of shares by the staff trust	-	-	-	-	52	52
Net profit	-	-	18 984	1 916	-	20 900
Dividend declared in subsidiary	-	-	-	(200)	-	(200)
At 31 May 2007	1 973	32 484	44 751	2 375	52	81 635
Company						
At 31 May 2005	1 973	37 394	28 359	-	-	67 726
Share issue expenses	-	(135)	-	-	-	(135)
Net profit	-	-	3 101	-	-	3 101
At 31 May 2006	1 973	37 259	31 460	-	-	70 692
Net profit	-	-	7 111	-	-	7 111
At 31 May 2007	1 973	37 259	38 571	-	-	77 803

CASH FLOW STATEMENTS
for the year ended 31 May 2007

	Notes	Group		Company	
		2007	2006	**2007**	2006
		R'000	R'000	**R'000**	R'000
Cash flows from operating activities					
Cash receipts from customers		**284 087**	186 723	**-**	-
Cash paid to suppliers and employees		**(236 070)**	(163 523)	**16**	(19)
Cash flows from operating activities	22	**48 017**	23 200	**16**	(19)
Interest received		**372**	240	**77**	36
Interest paid		**(5 487)**	(2 027)	**-**	-
Taxation paid		**(2 174)**	(306)	**-**	-
Dividend paid		**(200)**	-	**-**	-
Net cash flows from operating activities		**40 528**	21 107	**93**	17
Cash flows from investing activities					
Purchase of property, plant and equipment to expand capacity		**(75 343)**	(37 526)	**-**	-
Purchase of software to expand capacity		**(436)**	(597)	**-**	-
Proceeds from disposal of property, plant and equipment		**3 542**	306	**-**	-
Net loans made to/(repaid by) subsidiaries		**-**	-	**(74)**	118
Decrease/(increase) in non-current loans		**16**	(533)	**-**	-
Net cash flows from investing activities		**(72 221)**	(38 350)	**(74)**	118
Cash flows from financing activities					
Share expenses		**-**	(135)	**-**	(135)
Increase in borrowings		**62 313**	23 751	**-**	-
Repayment of borrowings		**(18 725)**	(5 891)	**-**	-
Decrease in minority loans		**-**	(177)	**-**	-
Net cash flows from financing activities		**43 588**	17 548	**-**	(135)
Net increase in cash and cash equivalents		**11 895**	305	**19**	-
Cash and cash equivalents at beginning of year		**6 375**	6 070	**1**	1
Cash and cash equivalents at end of year	14	**18 270**	6 375	**20**	1

ACCOUNTING POLICIES
for the year ended
31 May 2007

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and are consistent with those of the previous year, unless otherwise indicated.

Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain items of plant and equipment.

Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group.

The group applies a policy of treating transactions with minority interests as transactions with parties external to the group. Disposals to minority interests result in gains and losses for the group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associates' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the group.

A listing of the group's principal subsidiaries and associates is set out in note 24 to the annual financial statements. The financial effects of the acquisition and disposal of the subsidiaries and associates are separately disclosed in the notes to the annual financial statements.

Foreign Currencies

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in South African Rand which is the group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Property, Plant and Equipment

Land and buildings comprise mainly vehicle storage facilities and offices. All property, plant and equipment (PPE) is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as follows:

	Years
Buildings	20
Plant and equipment	5 – 10
Office furniture and equipment	5 – 10
Computer equipment and software	3 – 4
Vehicles	4 – 7
Trailers	7-12
Vehicle storage facilities	10 – 20

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Trademarks and Licences

Trademarks and licences are recognised at cost. They have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives (15-20 years).

Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to four years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the costs of software development employees and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding four years).

Research and Development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have a finite useful life and that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding five years.

Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses on goodwill are not reversed.

Financial Asset

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial Assets at Fair Value Through Profit or Loss

This category has two sub-categories: financial assets held-for-trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held-for-trading unless they are designated as hedges. Assets in this category are classified as current if they are either held-for-trading or are expected to be realised within 12 months of the balance sheet date. The group did not hold any financial assets in this category during the year.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity. The group did not hold any financial assets in this category during the year.

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

Available-for-sale Financial Assets

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

The company records its investments at cost less any impairment charges.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Cash and Cash Equivalents

Cash and cash equivalents are carried at cost and includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Share Capital

Ordinary shares are classified as equity. Mandatory redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The non-discretionary dividends on these preference shares are recognised in the income statement as an interest expense.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Employee Benefits

Pension Obligations

Group companies operate various pension schemes. The schemes are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The group has defined contribution plans.

A defined contribution plan is a pension plan under which the group pays fixed contributions to a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Profit-sharing and Bonus Plans

The group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Provisions

Provisions for restructuring costs and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

Revenue Recognition

Revenue comprises the fair value of the sale of services, net of value-added tax, rebates and discounts and after eliminating sales within the group. Revenue is recognised as follows:

Sales of Services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest Income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost–recovery basis as conditions warrant.

Royalty Income
Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Dividend Income
Dividend income is recognised when the right to receive payment is established.

Leases

The Group is the Lessee
Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

The Group is the Lessor
When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Assets leased to third parties under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Dividend Distribution
Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

Segmental Reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The group's primary reporting format is based on business segments.

Critical Accounting Estimates and Assumptions
The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated Impairment of Goodwill
The group annually tests whether goodwill has suffered any impairment, in accordance with its accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Income Taxes
There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

New Standards, Interpretations and Amendments to Existing Standards issued that are not yet effective:

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the group's accounting periods beginning on or after 1 June 2007 or later periods but which the group has not early adopted, are as follows:

IFRS 7 – Financial Instruments: Disclosures and a complementary Amendment to IAS 1 – Presentation of Financial Statements: Capital Disclosures (effective for periods beginning 1 June 2007)

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about level of an entity's capital and how it manages capital. The group is assessing the disclosures requirements of IFRS 7 and the amendment to IAS 1 and will ascertain what additional disclosures in terms of the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1 are. This does not have any financial impact on the group. The group will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 June 2007.

IFRIC 10 – Interim Financial Reporting and Impairment (effective for periods beginning 1 November 2006)

IFRIC 10 requires that impairments in respect of goodwill or an investment in an equity instrument or a financial asset carried at cost recognised in a previous interim period are not reversed in a subsequent reporting period.

Management have assessed the relevance of the following standards, interpretations and amendments with respect to the group's operations and concluded that they are not relevant to the group:

- IFRIC 9 – Reassessment of Embedded Derivatives (effective for periods beginning 1 June 2006)
- AC 503 – Accounting for Black Economic Empowerment (BEE) Transactions (Effective for periods beginning 1 May 2006)
- IFRIC 8 – Scope of IFRS 2 (Effective for periods beginning 1 May 2006).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 May 2007

1 Segment Information

Segment information for the year ended 31 May 2007

	Revenues R'000	Segment results R'000	Segment assets R'000	Segment liabilities R'000
Group	-	(8 155)	19 588	(2 740)
Business services	20 986	5 715	7 063	(7 370)
Logistics services	242 352	37 223	179 716	(101 762)
	263 338	**34 783**	**206 367**	**(111 872)**
Unallocated:				
Finance cost	-	(5 487)	-	-
Finance income	-	372	-	-
Taxation	-	(8 798)	-	(6 879)
Deferred taxation	-	-	-	(5 981)
Share of associate income	-	30	-	-
	-	(13 883)	-	(12 860)
Total	**263 338**	**20 900**	**206 367**	**(124 732)**

	Capital expenditure R'000	Depreciation R'000	Amortisation R'000
Group	202	161	-
Business services	760	443	-
Logistics services	74 817	11 431	104
Total	**75 779**	**12 035**	**104**

1 Segment Information (continued)

Segment information for the year ended 31 May 2006

	Revenues R'000	Segment results R'000	Segment assets R'000	Segment liabilities R'000
Group	-	(5 923)	17 389	(252)
Business services	17 967	4 448	8 948	(5 721)
Logistics services	149 923	21 480	91 216	(44 460)
	167 890	**20 005**	**117 553**	**(50 433)**
Unallocated:				
Finance cost	-	(2 027)	-	-
Finance income	-	240	-	-
Taxation	-	(2 377)	-	(1 970)
Deferred taxation	-	-	-	(4 267)
	-	(4 164)	-	(6 237)
Total	**167 890**	**15 841**	**117 553**	**(56 670)**

	Capital expenditure R'000	Depreciation R'000	Amortisation R'000
Group	201	100	-
Business services	390	368	140
Logistics services	38 083	4 503	249
Total	**38 674**	**4 971**	**389**

Segment Assets and Liabilities

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash.

Segment liabilities comprise operating liabilities and exclude such items as taxation. Capital expenditure comprises additions to property, plant and equipment and intangible assets, excluding goodwill.

Segment Revenue and Expenses

There are no sales or other business transactions between the segments.

Secondary Reporting Format – Geographical Segments

A geographical segment analysis is not presented as all significant segments operate within the same economic environment and are subject to the same risks and returns.

2 Operating Profit/(Loss)

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
The following items have been charged/(credited) in arriving at operating profit/(loss):				
Depreciation on property, plant and equipment (note 7)	**12 035**	4 971	**-**	-
Software amortisation (note 8)	**104**	389	**-**	-
Profit on disposal of property, plant and equipment	**(171)**	(34)	**-**	-
Repairs and maintenance expenditure	**319**	240	**-**	-
Operating lease rentals				
Property	**1 852**	1 890	**-**	-
Office equipment	**362**	93	**-**	-
	2 214	1 983	**-**	-
Staff costs (note 3)	**44 744**	29 263	**-**	-
Foreign exchange (profit)/loss	**(21)**	5	**-**	-
Auditors' remuneration				
Audit fees	**885**	480	**-**	-
Royalty fees	**2 761**	2 404	**-**	-

3 Staff Costs

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Salaries and wages	**43 857**	28 910	**-**	-
Staff recruitment	**210**	70	**-**	-
Staff training	**495**	283	**-**	-
Staff relocation	**182**	-	**-**	-
	44 744	29 263	**-**	-
Average weekly number of persons employed by the group during the year	**420**	302	**-**	-

4 Finance (Cost)/Income

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Interest received				
Bank	**23**	2	**-**	-
Preference share investment dividend accrued	**-**	-	**7 056**	3 079
Other	**349**	238	**77**	36
	372	240	**7 133**	3 115
Interest paid				
Bank overdrafts	**(66)**	(115)	**-**	-
Instalment sale and mortgage bond liabilities	**(5 244)**	(1 784)	**-**	-
Other	**(177)**	(128)	**-**	-
	(5 487)	(2 027)	**-**	-

5 Taxation

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
SOUTH AFRICAN NORMAL TAXATION				
Current taxation				
Current year	**7 094**	1 945	**22**	9
Prior year (over)/under provision	**(60)**	21	**-**	-
Secondary tax on companies	**50**	-	**-**	-
	7 084	1 966	**22**	9
Deferred taxation				
Current year	**1 679**	2 117	**-**	-
Prior year under/(over) provision	**35**	(1 706)	**-**	-
	1 714	411	**-**	-
	8 798	2 377	**22**	9
The taxation on the group's and company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:				
Profit before taxation	**29 698**	18 218	**7 133**	3 110
Tax calculated at a tax rate of 29% (2006: 29%)	**8 612**	5 283	**2 069**	902
Secondary tax on companies	**50**	-	**-**	-
Learnership allowance	**-**	(1 378)	**-**	-
Expenses not deductible for tax purposes	**170**	157	**-**	-
Prior year over provision	**(25)**	(1 685)	**-**	-
Income not subject to taxation	**(9)**	-	**(2 047)**	(893)
Taxation	**8 798**	2 377	**22**	9

Further information about deferred taxation is presented in note 18.

6 Earnings Per Share

	Group	
	2007 R'000	2006 R'000
Basic and diluted earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.		
Net profit attributable to shareholders		
Net profit attributable to shareholders	**18 984**	15 381
Headline earnings		
Headline earnings*	**18 862**	15 357
Net number of shares in issue		
Total	**197 273**	197 273
Weighted average	**197 273**	197 273
Basic and diluted earnings per share (cents)		
Basic and diluted earnings per share	**9,6**	7,8
Headline earnings per share (cents)		
Headline earnings per share	**9,6**	7,8

* Headline earnings have been adjusted for the profit on disposal of property, plant and equipment.

7 Property, Plant and Equipment

	Leasehold improvements R'000	Land and buildings R'000	Plant and equipment R'000	Vehicles R'000	Office furniture and equipment R'000	Computer equipment R'000	Total R'000
GROUP							
Year ended 31 May 2007							
Opening carrying amount	-	19 328	150	42 698	388	1 097	63 661
Additions	3 047	12 817	349	55 448	442	3 240	75 343
Disposals	-	-	-	(3 282)	(10)	(79)	(3 371)
Depreciation charge	-	(749)	(139)	(9 914)	(169)	(1 064)	(12 035)
Closing carrying amount	3 047	31 396	360	84 950	651	3 194	123 598
At 31 May 2007							
Cost	3 047	32 362	612	101 966	1 929	7 735	147 651
Accumulated depreciation	-	(966)	(252)	(17 016)	(1 278)	(4 541)	(24 053)
Carrying amount	3 047	31 396	360	84 950	651	3 194	123 598

Details of assets pledged as security are disclosed in note 17. The register of property is held at the company's registered office.

7 Property, Plant and Equipment (continued)

	Land and buildings R'000	Plant and equipment R'000	Vehicles R'000	Office furniture and equipment R'000	Computer equipment R'000	Total R'000
GROUP						
Year ended 31 May 2006						
Opening carrying amount	1 670	90	27 767	378	922	30 827
Additions	9 107	130	19 371	171	747	29 526
Disposals	-	-	(269)	-	(3)	(272)
Depreciation charge	-	(70)	(4 171)	(161)	(569)	(4 971)
Acquisition of subsidiaries	8 551	-	-	-	-	8 551
Closing carrying amount	19 328	150	42 698	388	1 097	63 661
At 31 May 2006						
Cost	19 328	261	51 157	1 487	4 195	76 428
Accumulated depreciation	-	(111)	(8 459)	(1 099)	(3 098)	(12 767)
Carrying amount	19 328	150	42 698	388	1 097	63 661

8 Intangible Assets

	Goodwill R'000	Software R'000	Total R'000
GROUP			
Year ended 31 May 2007			
Opening carrying amount	19 175	744	19 919
Additions	-	436	436
Amortisation charge	-	(104)	(104)
Closing carrying amount	19 175	1 076	20 251
At 31 May 2007			
Cost	19 175	1 558	20 733
Accumulated amortisation	-	(482)	(482)
Closing carrying amount	19 175	1 076	20 251

8 Intangible Assets (continued)

	Goodwill R'000	Software R'000	Total R'000
GROUP			
Year ended 31 May 2006			
Opening carrying amount	19 175	536	19 711
Additions	-	597	597
Amortisation charge	-	(389)	(389)
Closing carrying amount	19 175	744	19 919
At 31 May 2006			
Cost	19 175	1 499	20 674
Accumulated amortisation	-	(755)	(755)
Closing carrying amount	19 175	744	19 919

Impairment Tests for Goodwill

Goodwill is allocated to one of the group's cash-generating units (CGUs - Vehicle Delivery Services, a division of OneLogix (Pty) Limited.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 5%.

Management determined budgeted gross margin based on past performance and its expectations for the market development. The weighted average growth rates used are consistent with the expectations of management. The discount rates used are pre-tax and reflect specific risks relating to the relevant segment.

9 Investment in Subsidiaries

	Company	
Unlisted:	**2007 R'000**	2006 R'000
Shares at cost		
Balance at beginning and end of year	**1 960**	1 960
Indebtedness		
By subsidiaries	**75 870**	68 740
	77 830	70 700
Aggregate attributable after tax profits of subsidiaries:	**13 598**	12 736
Refer to note 24 for detail of principal subsidiary undertakings.		
Directors' valuation – at cost	**77 830**	70 700

The above claims and loans are ceded to Nedcor Bank Limited as security for the group's borrowing facilities.

10 Investment in Associate

The group has a 26% interest in Internet Express (Pty) Limited, an unlisted company incorporated in South Africa.

	Company	
	2007 R'000	2006 R'000
Balance at beginning of year	**-**	-
Share of profit	**30**	-
Balance at end of year	**30**	-
The group's interest in its associate is as follows:		
Total assets	**375**	-
Total liabilities	**(174)**	-
Net assets	**201**	-
The group's share of the net assets	**52**	-
Revenue	**890**	-
Profit for the five months ended 31 May 2007	**116**	-
The group's share of the net profit	**30**	-

11 Loans and Receivables

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Loans to franchisees[1]	**337**	533	**-**	-
Other	**180**	-	**-**	-
	517	533	**-**	-

[1]The above loans are receivable over a 3 year period and bear interest at prime plus two per cent. The fair value approximates the carrying value.

12 Inventories

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Trading merchandise	**66**	212	**-**	-
Vehicle spares and consumables	**1 364**	1 407	**-**	-
Work-in-progress	**556**	691	**-**	-
	1 986	2 310	**-**	-

The cost of inventories expensed is R61,9 million (2006: R29,7 million).

13 Trade and Other Receivables

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Trade receivables	**40 613**	24 494	**-**	-
Provision for impairment	**(1 654)**	(1 669)	**-**	-
Other receivables	**1 769**	1 912	**-**	-
Sundry loans	**987**	18	**-**	-
	41 715	24 755	**-**	-

The group has provided Nedcor Bank Limited with a first cession over its book debts in order to secure credit facilities (refer note 17).

14 Cash and Cash Equivalents

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Cash at bank and on hand	**18 270**	6 375	**20**	1

15 Share Capital

	No. of shares 2007	No. of shares 2006	2007 R'000	2006 R'000
GROUP AND COMPANY				
Authorised				
The total authorised number of ordinary shares is 500 000 000 shares (2006: 500 000 000 shares) with a par value of 1 cent per share	**500 000 000**	500 000 000	**5 000**	5 000
GROUP AND COMPANY				
Issued				
Balance at beginning and end of year	**197 272 589**	197 272 589	**1 973**	1 973

16 Share Premium

	Group		Company	
	2007 R'000	2006 R'000	**2007 R'000**	2006 R'000
Issued				
Balance at beginning and end of year	**81 865**	81 865	**86 640**	86 640
Goodwill written off				
Balance at beginning and end of year	**(43 526)**	(43 526)	**(43 526)**	(43 526)
Share issue and listing expenses written off				
Balance at beginning of year	**(5 855)**	(5 720)	**(5 855)**	(5 720)
Expenses relating to the issue of shares	**-**	(135)	**-**	(135)
	(5 855)	(5 855)	**(5 855)**	(5 855)
Balance at end of year	**32 484**	32 484	**37 259**	37 259

Reconciliation of Share Premium Between Group and Company:

OneLogix (Pty) Limited acquired 19 481 215 treasury shares in June 2001 at a cost of R15 501 398. OneLogix (Pty) Limited then disposed of these shares in 2002 and 2003 for a total consideration of R10 725 955. The loss of R4 775 443 was subsequently written off against share premium on consolidation.

17 Interest-bearing Borrowings

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Current				
Instalment sale liabilities	**19 523**	8 436		
Mortgage bond liabilities	**658**	329	**-**	-
	20 181	8 765	**-**	-
Non-current				
Instalment sale liabilities	**42 485**	19 575		
Mortgage bond liabilities	**14 068**	4 806	**-**	-
	56 553	24 381	**-**	-
Total borrowings	**76 734**	33 146	**-**	-
Maturity of non-current borrowings				
Between one and two years	**18 862**	7 717	**-**	-
Later than two years and not later than five years	**33 725**	16 664	**-**	
Later than five years	**3 966**	-	**-**	-
	56 553	24 381	**-**	-

Securities

1. The group has a R93,8 million credit facility with Nedcor Bank Limited which is secured by way of first cession over the debtors' book of the group. The group has supplied Nedcor Bank Limited with an unlimited suretyship, incorporating cessions of all loan funds in favour of OneLogix (Pty) Limited, PostNet Southern Africa (Pty) Limited, PostNet Advertising (Pty) Limited, OneLogix Pomona Property Company (Pty) Limited, OneLogix Durban Property Company (Pty) Limited, Road Sea (Pty) Limited and Starzone Investments (Pty) Limited.

2. The group has a R20 million credit facility with Daimler Chrysler Financial Services (Pty) Limited and a further R15 million with The Standard Bank of South Africa Limited for future vehicle finance.

3. Instalment sale liabilities are secured over vehicles with a net carrying value of R70,1 million (2006: R29,8 million). The instalment sale and finance lease liabilities bear interest at varying rates approximating prime lending rates. The carrying value approximates fair value.

4. Mortgage bond liabilities are secured over land and buildings with a net carrying value of R30,8 million (2006: R9 million). The majority of mortgage bond liabilities bear interest at fixed rates. The carrying value approximates fair value.

17 Interest-bearing Borrowings (continued)

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Borrowing facilities				
The group has the following undrawn committed borrowing facilities:				
Total bank borrowings capacity at year-end	**128 800**	100 252	**-**	-
Total bank borrowings at year-end	**76 734**	33 146	**-**	-
Leaving reserve borrowing capacity of	**52 066**	67 106	**-**	-

18 Deferred Taxation

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Deferred taxation is calculated on all temporary differences under the liability method using a principal tax rate of 29% (2006: 29%).				
The movement on deferred taxation is as follows:				
At beginning of year	**(4 267)**	(3 325)	**-**	-
Income statement movement	**(1 714)**	(411)	**-**	-
On acquisition of subsidiaries	**-**	(531)	**-**	-
At end of year	**(5 981)**	(4 267)	**-**	-
The deferred tax balance comprises:				
Capital allowances	**(7 391)**	(5 280)	**-**	-
Provisions and other	**1 350**	808	**-**	-
Tax losses carried forward	**60**	205	**-**	-
	(5 981)	(4 267)	**-**	-

19 Trade and Other Payables

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Trade payables	**26 893**	14 453	**-**	-
Sundry payables	**6 620**	1 960	**-**	-
Accruals for liabilities and charges	**1 625**	874	**16**	-
	35 138	17 287	**16**	-

20 Contingencies

Contingent Liabilities

At 31 May 2007, the group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material unrecorded liabilities will arise.

21 Commitments

Capital Commitments

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Capital expenditure contracted at the balance sheet date but not recognised in the financial statements is as follows:				
Vehicles	**22 000**	19 000	**-**	-
Operating lease commitments				
The future minimum lease payments under non-cancellable operating leases are as follows:				
Not later than one year	**2 866**	542	**-**	-
Later than one year and not later than five years	**1 328**	285	**-**	-
	4 194	827	**-**	-

22 Cash Flows from Operating Activities

	Group		Company	
	2007	2006	**2007**	2006
	R'000	R'000	**R'000**	R'000
Reconciliation of operating profit to cash flows from operating activities:				
Operating profit/(loss)	**34 783**	20 005	**-**	(5)
Adjustments for:				
Depreciation of property, plant and equipment	**12 035**	4 971	**-**	-
Amortisation of software	**104**	389	**-**	-
Profit on disposal of property, plant and equipment	**(171)**	(34)	**-**	-
Changes in working capital (excluding the effects of acquisition and disposal):				
Decrease/(increase) in inventories	**324**	(435)	**-**	-
Increase in trade and other receivables	**(16 909)**	(5 521)	**-**	-
Increase/(decrease) in trade and other payables	**17 851**	3 825	**16**	(14)
	48 017	23 200	**16**	(19)

23 Related Party Transactions

The group entered into a 5 year leasehold agreement with Miradel Street Investments (Pty) Limited, a company owned by NJ Bester with effect 1 June 2007. The leasehold improvements approximated R4,3 million and the monthly rental equates to R40 000 per month escalating annually at 6%.

Directors' Remuneration

	Incentive	Gross salary	2007 R'000 Total	2006 R'000 Total
Executive				
NJ Bester	294	946	1 240	1 697
IK Lourens	299	1 008	1 307	964
CV McCulloch	292	918	1 210	1 584
	885	2 872	3 757	4 245
Non-executive directors				
AJ Grant			18	15
JG Modibane			9	4
			27	19

	Group	
	2007 R'000	2006 R'000
Executive directors		
Gross salaries	**2 872**	2 754
Incentive	**885**	-
Non-executive directors		
Fees	**27**	19
	3 784	2 773
Paid by subsidiaries	**(3 784)**	(2 773)
	-	-

The executive directors are considered to be the only key management.

BEE Service Fee Paid to Izingwe Holdings (Pty) Limited

	Group		Company	
	2007 R'000	2006 R'000	**2007 R'000**	2006 R'000
BEE Service Fee Paid to Izingwe Holdings (Pty) Limited	**369 660**	270 000	**369 660**	270 000

24 Interest in Subsidiaries and Associates

	Country	Issued ordinary shares	Percentage held	Shares at cost less provision	Loans 2007	Loans 2006
Details of companies are reflected below:						
Directly held:						
Subsidiary of OneLogix Group Limited:						
OneLogix (Pty) Limited	RSA	1 000	75%	1 960	75 870	68 740
Indirectly held:						
Subsidiaries of OneLogix (Pty) Limited:						
PostNet Holdings (Pty) Limited	RSA	100	100%	-	-	-
Netexpress (Pty) Limited	RSA	200	100%	-	-	-
BizzNet Business Hub (Pty) Limited	RSA	100	100%	-	-	-
OneLogix Pomona Property Company (Pty) Limited	RSA	1 000	100%	-	-	-
Vehicle Delivery Services Zimbabwe (Pvt) Limited	Zimbabwe	32 000	100%	-	-	-
4Logix (Pty) Limited	RSA	100	51%	-	-	-
OneLogix Durban Property Company (Pty) Limited	RSA	1 000	100%	-	-	-
Road Sea (Pty) Limited	RSA	500	100%	-	-	-
Starzone Investments (Pty) Limited	RSA	1 000	100%	-	-	-
Subsidiary of 4Logix (Pty) Limited						
Gijima Supply Chain Management Services (Pty) Limited	RSA	180	50%	-	-	-
Subsidiary of PostNet Holdings (Pty) Limited:						
PostNet Southern Africa (Pty) Limited	RSA	100	100%	-	-	-
Subsidiary of PostNet Southern Africa (Pty) Limited:						
PostNet Advertising (Pty) Limited	RSA	100	100%	-	-	-
Associate of Onelogix (Pty) Limited						
Internet Express (Pty) Limited	RSA	1 000	26%	-	-	-
				1 960	75 870	68 740

OneLogix (Pty) Limited acquired 100% of Press Support (Pty) Limited on 8 June 2007. Refer note 25. There were no other investments purchased or disposed of during the year by the group.

25 Post Balance Sheet Events

On 8 June 2007, the company acquired 100% of the share capital of Press Support (Pty) Limited, a magazine distribution company which operates in major urban areas of South Africa.

Details of net assets acquired and goodwill are as follows:

	R'000
Purchase consideration:	
- Cash paid on 15 June 2007	5 250
- Cash payable on 1 April 2008 (assuming maximum warranty achieved)	7 875
- Direct costs relating to the acquired (approximate)	450
- Fair value of shares issued on 18 June 2007	8 902
- Fair value of shares to be issued on 13 September 2007	6 143
Total purchase consideration	28 620
Fair value of net assets acquired (see below)	1 953
	26 667

The goodwill is attributable to the workforce of the acquired business and the significant synergies expected to arise after the company's acquisition of Press Support (Pty) Limited.

The fair value of the shares issued was based on the published share price (8 June 2007). The assets and liabilities as of 8 June 2007 arising from the acquisition are as follows:

The assets and liabilities arising from the acquisition, provisionally determined, are as follows:

	Fair value R'000	Acquiree's carrying amount R'000
Property, plant and equipment	2 682	2 682
Goodwill	917	917
Inventories	497	497
Cash on hand	3 872	3 872
Trade and other receivables	10 655	10 655
Trade and other payables	(13 351)	(13 351)
Attributable to outside shareholders	(517)	(517)
Taxation payable	(1 450)	(1 450)
Borrowings	(1 467)	(1 467)
Deferred tax assets	115	115
Net assets acquired	1 953	1 953

26 Financial Instruments

Interest Rate Risk

The group is exposed to interest rate risk as it places funds at floating rates. The risk is managed by maintaining floating rate borrowings.

Net Fair Values

At 31 May 2007, the carrying amounts of cash and cash equivalents, trade receivables, trade payables and current borrowings approximate their fair values due to the short-term maturities of these assets and liabilities.

Credit Risk

Potential concentrations of credit risk consist principally of cash investments and trade debtors. The group only deposits short-term cash surpluses with banks of a high credit standing. Trade debtors comprise of a large widespread customer base, and ongoing credit evaluations are performed on the financial condition of customers and where appropriate, specific provisions for doubtful receivables are made. The group insures certain of its trade debtors which requires a high amount of credit in relation to the margins achieved. At 31 May 2007, the group did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

Liquidity Risk

At 31 May 2007 the group has adequate cash resources on hand to meet its known current and future commitments.

Management enforce current trade and credit terms to ensure a constant level of liquidity.

27 Employee Share Incentive Trust

The group established a share trust in 2001. The share trust was set up to facilitate the allocation of shares to employees. The shares are held in the name of the trust purely for administration purposes however they are controlled by the employee, who may dispose of the shares at any point in time.

All employee benefits in respect of the above shares vested immediately on allocation.

Shares disposed of are at the election of the employee through a broker to the open market.

	No. of shares 2007	2006
Maximum number of ordinary shares permitted to the share incentive scheme as approved by shareholders	**29 590 888**	29 590 888
Number of shares held by the trust on behalf of employees	**7 166 998**	6 238 167

There are no unallocated shares held by the trust.

ANALYSIS OF SHAREHOLDERS
at 31 May 2007

	Number of ordinary shareholders	%	Number of ordinary shares	%
At 31 May 2007				
Major shareholders (over 10 000 000 shares)	1	0,1	10 123 558	5,1
Directors	3	0,2	114 233 934	57,9
Other individuals	1 317	87,9	47 436 385	24,0
Institutions and other companies	177	11,8	25 478 712	13,0
Total	**1 498**	**100,0**	**197 272 589**	**100,0**
1 – 999	94	6,3	45 771	0,1
1 000 – 9 999	754	50,3	3 228 498	1,6
10 000 – 99 999	566	37,8	14 645 813	7,4
100 000 shares and over	84	5,6	179 352 507	90,9
Total	**1 498**	**100,0**	**197 272 589**	**100,0**
At 31 May 2006				
Major shareholders (over 10 000 000 shares)	2	0,3	21 327 700	10,8
Directors	4	0,7	114 233 934	57,9
Other individuals	479	81,3	37 707 684	19,1
Institutions and other companies	104	17,7	24 003 271	12,2
Total	**589**	**100,0**	**197 272 589**	**100,0**
1 – 999	37	6,3	15 329	0,1
1 000 – 9 999	169	28,6	682 445	0,4
10 000 – 99 999	292	49,6	9 421 996	4,7
100 000 shares and over	91	15,5	187 152 819	94,8
Total	**589**	**100,0**	**197 272 589**	**100,0**

The following are the shareholders holding 4% or more of the listed ordinary shares in the company at 31 May:

	2007 Number of ordinary shares	**2007** %	2006 Number of ordinary shares	2006 %
Directors	**114 233 934**	**57,9**	114 233 934	57,9
Wheeler Family Trust	**10 123 558**	**5,1**	10 123 558	5,1
Ellerine Brothers	**8 077 313**	**4,1**	11 204 142	5,7
Total	**132 434 805**	**67,1**	135 561 634	68,7

At year-end 1 489 shareholders, holding 61 019 413 shares, were classified as public shareholders (being 99,4% of the total number of shareholders and 31% of the total number of issued shares), and 9 shareholders holding 136 253 176 shares were classified as non-public shareholders (being 0,6% of the total number of shareholders and 69% of the total number of issued shares).

JSE STATISTICS
for the year ended 31 May 2007

	2007	2006
Market price (cents per ordinary share)		
Closing 31 May	114	68
High for the year	150	79
Low for the year	56	30
Volume of units traded ('000) during the year	55 597	45 586
Value of shares traded (R'000) during the year	44 586	20 742

Shareholders' Diary

Financial year-end	31 May
Announcement of interim results	February
Announcement of annual results	August
Annual Report	October
Annual General Meeting	13 November 2007

OneLogix Group Limited
(Registration number 1998/004519/06)
("OneLogix" or "the company")
(Incorporated in the Republic of South Africa)
Share Code: OLG ISIN: ZAE 000026399

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of OneLogix will be held at the offices of the company at 46 Tulbagh Road, Pomona, Kempton Park, Gauteng on Tuesday, 13 November 2007 at 10h00 for the following purposes:

1 To consider the annual financial statements for the year ended 31 May 2007;

2 To transact such other business as may be transacted at an annual general meeting of a company including the re-appointment of the auditors and re-election of retiring directors; and

3 To consider and, if deemed fit, to pass, with or without modification, the special and ordinary resolutions set out below, in the manner required by the South African Companies Act, 1973, as amended:

Special Resolution Number 1: Share Repurchases

"Resolved that the directors be authorised pursuant inter alia to the company's articles of association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months from date of passing this special resolution, for the company or any subsidiary of the company to acquire shares of the company, subject to the Listings Requirements of the JSE Limited ("JSE") on the following bases:

1 repurchases of shares must be effected through the order book operated by the JSE trading system, and done without any prior arrangement between the company and the counter-party;
2 the company may only appoint one agent to effect repurchases on its behalf;
3 the company must be authorised thereto by its articles of association;
4 the number of shares which may be acquired pursuant to this authority in any financial year (which commenced 1 June 2007) may not in the aggregate exceed 20% (twenty percent) of the company's share capital as at the date of this notice of annual general meeting;
5 repurchases of shares may not be made at a price more than 10% (ten percent) above the weighted average of the market value on the JSE of the shares in question for the five business days immediately preceding the repurchase;
6 repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE);
7 repurchases may only take place if, after such repurchase, the shareholder spread of the company still complies with the Listings Requirements of the JSE;
8 after the company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time; and
9 the company's designated advisor shall confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of shares in writing to the JSE prior to entering the market to proceed with the repurchase."

In accordance with the Listings Requirements of the JSE, the directors record that:

Although there is no immediate intention to effect a repurchase of securities of the company, the directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The directors, after considering the maximum number of securities which may be purchased and the price at which the repurchases may take place pursuant to the buyback general authority, are of the opinion that for a period of 12 months after the date of notice of this annual general meeting:

1 the company and the group will be able to pay their debts in the ordinary course of business;
2 the consolidated assets of the company and of the group fairly valued in accordance with generally accepted accounting

practice, will exceed the consolidated liabilities of the company and of the group after the buyback;

3 the working capital, share capital and reserves of the company and of the group will be adequate for the purposes of the business of the company and its subsidiaries.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of paragraph 11.26 of the Listings Requirements of the JSE for purposes of this general authority:

1 Directors – pages 3-4
2 Major beneficial shareholders – page 43
3 Directors' interests in ordinary shares – page 13
4 Share capital of the company – page 34

Litigation Statement

The directors, whose names appear on pages 3-4 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 (twelve) months) a material effect on the group's financial position.

Directors' Responsibility Statement

Directors, whose names appear on pages 3-4 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the Listings Requirements of the JSE.

Material Changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the year ended 31 May 2007 and up to the date of this notice.

Reasons for and Effects of Special Resolution 1

The reason for Special Resolution 1 is to afford directors of the company or a subsidiary of the company a general authority to effect a buyback of the company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Rules and Requirements of the JSE, to effect acquisitions of the company's shares on the JSE.

Ordinary Resolution Number 1: Issue of Shares for Cash

"Resolved that the directors be authorised pursuant inter alia to the company's articles of association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company provided that it shall not extend beyond 15 months, to allot and issue any ordinary shares for cash subject to the Rules and Requirements of the JSE Limited ("JSE") on the following bases:

1. the allotment and issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE and not to related parties;

2. the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

3. the number of shares issued for cash shall not in the aggregate in any one financial year exceed 15% (fifteen percent) of the company's issued share capital of ordinary shares. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application less any ordinary shares issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application including announcement of the final terms) may be included as though they were shares in issue at the date of application;

4. the maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the company; and

5. after the company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, (including the number of shares issued, the average discount to the weighted average traded price of the shares over

the 30 days prior to the date that the price of the issue is determined or agreed to by the directors and the effect of the issue on net asset value and earnings per share), or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time."

In terms of the Listings Requirements of the JSE a 75% (seventy-five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting must be cast in favour of Ordinary Resolution Number 1 for it to be approved.

Ordinary Resolution Number 2: Unissued Ordinary Shares

"Resolved that the authorised and unissued ordinary share capital of the company be and is hereby placed under the control of the directors of the company which directors are, subject to the Rules and Regulations of the JSE Limited and the provisions of section 221 and section 222 of the Companies Act of 1973 as amended, authorised to allot and issue any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the company."

Ordinary Resolution Number 3: Re-election of NJ Bester as a Director of the Company

"Resolved that NJ Bester be re-elected as a director of the company."

A brief curriculum vitae in respect of NJ Bester is set out on page 3 of the annual report of which this notice forms part.

Ordinary Resolution Number 4: Re-election of AC Brooking as a Director of the Company

"Resolved that AC Brooking be re-elected as a director of the company."

A brief curriculum vitae in respect of AC Brooking is set out on page 3 of the annual report of which this notice forms part.

Ordinary Resolution Number 5: Re-election of AJ Grant as a Director of the Company

"Resolved that AJ Grant be re-elected as a director of the company."

A brief curriculum vitae in respect of AJ Grant is set out on page 4 of the annual report of which this notice forms part.

Ordinary Resolution Number 6: Directors' Remuneration

"Resolved that the remuneration of the non-executive directors, as set out on page 38 of the annual report of which this notice forms part, be and is hereby confirmed and ratified."

Ordinary Resolution Number 7: Re-appointment of Auditors

"Resolved that PricewaterhouseCoopers Inc. be re-appointed as auditors of the company."

Ordinary Resolution Number 8: Signature of Documentation

"Resolved that any director or the company secretary of the company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of Special Resolution number 1 and Ordinary Resolution numbers 1, 2, 3, 4, 5, 6 and 7 which are passed by the members in accordance with and subject to the terms thereof."

Voting and Proxies

A shareholder of the company entitled to attend and vote at the general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

A form of proxy is attached for the convenience of any shareholder holding OneLogix shares who cannot attend the annual general meeting. Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at or posted to the office of the transfer secretaries of the company, Computershare Investor Services 2004 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 1053, Johannesburg, 2000) to be received at least 48 hours prior to the meeting. Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should the member subsequently decide to do so.

Shareholders who have already dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker rather than through own-name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.

Dematerialised shareholders who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting, should complete and lodge the attached form of proxy with the transfer secretaries of the company.

Dematerialised shareholders who have not elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting, should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between the shareholder and his CSDP or broker.

By order of the board

Probity Business Services (Pty) Limited
Company Secretary
21 August 2007

Registered address

46 Tulbagh Road
Pomona
Kempton Park
1620

(PO Box 85392,
Emmarentia, 2029)

Transfer Secretaries

Computershare Investor
Services 2004 (Pty)
Limited
70 Marshall Street
Johannesburg
(P O Box 6105,
Marshalltown, 2107)

OneLogix Group Limited
(Registration number 1998/004519/06)
("OneLogix" or "the company")
(Incorporated in the Republic of South Africa)
Share Code: OLG ISIN: ZAE 000026399

FORM OF PROXY

For use by the holders of the company's certificated ordinary shares ("certified shareholders") and/or dematerialised ordinary shares held through a Central Securities Depository Participant (CSDP) or broker who have selected "own name" registration ("own-name dematerialised shareholders") at the annual general meeting of the company to be held at 10:00 on Tuesday, 13 November 2007, or at any adjournment thereof if required. Additional forms of proxy are available from the transfer secretaries of the company.

Not for use by holders of the company's dematerialised ordinary shares who have not selected "own-name" registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions thereat.

I/We ....(Name in block letters)

Of ....(Address)

being the registered holder of [ ] ordinary shares in the capital of the company hereby appoint

1. ....

or failing him

2. ....

or failing him

3. the chairperson of the meeting

as my/our proxy to act for me/us on my/our behalf at the annual general meeting, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions as detailed in the Notice of Annual General Meeting, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instructions:

	Number of votes		
	In favour of	**Against**	**Abstain**
To pass special resolution: 1 General authority to effect share repurchases			
To pass ordinary resolutions:			
1. General authority to issue for cash the authorised but unissued shares			
2. To place the unissued shares under the control of the directors			
3. To re-elect NJ Bester as a director of the company			
4. To re-elect AC Brooking as a director of the company			
5. To re-elect AJ Grant as a director of the company			
6. To ratify non-executive directors' remuneration			
7. To re-appoint PricewaterhouseCoopers Inc. as auditors of the company			
8. To authorise the signature of documentation			

Indicate instructions to proxy in the spaces provided above. Unless otherwise instructed, my proxy may vote as he thinks fit.

Signed this ....day of 2007

Signature .... Assisted by (if applicable)..

Please read the notes on the reverse.

NOTES:

1. Each shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder of the company) to attend, speak and vote in place of that shareholder at the annual general meeting.

2. Shareholder(s) that are certificated or own-name dematerialised shareholders may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairperson of the meeting", but any such deletion must be initialled by the shareholder(s). The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairperson shall be deemed to be appointed as the proxy.

3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.

4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained from may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.

5. Forms of proxy must be lodged at or posted to Computershare Investor Services 2004 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 1053, Johannesburg, 2000) to be received not less than 48 hours prior to the meeting.

6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.

7. The chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the shareholder concerned wishes to vote.

8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services 2004 (Pty) Limited or waived by the chairperson of the general meeting.

9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

10. A minor must be assisted by his/her parent guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services 2004 (Pty) Limited.

11. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.

ADMINISTRATION

OneLogix Group Limited

Company registration number
1998/004519/06

Business address and registered office
46 Tulbagh Road, Pomona, Kempton Park
Postnet Suite 10, Private Bag X27,
Kempton Park, 1620
Telephone +27 11 396 9040
Facsimile +27 11 396 9050

JSE Code
OLG

ISIN Number
ZAE 000026399

Company secretary
Probity Business Services (Pty) Limited
3rd Floor, JHI House
11 Cradock Avenue, Rosebank
P O Box 85392, Emmarentia, 2029
Telephone +27 11 726 2446
Facsimile +27 11 726 2439

Transfer secretaries
Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street
Johannesburg
P O Box 61051, Marshalltown, 2107
Telephone +27 11 370 5000
Facsimile +27 11 688 5238

Auditors
PricewaterhouseCoopers Inc.
Director: RL Shedlock
Registered Auditor
2 Eglin Road, Sunninghill, 2157
Private Bag X36, Sunninghill, 2157
Telephone +27 11 797 4000
Facsimile +27 11 797 5800

Designated advisor
Java Capital (Pty) Limited
(a designated advisor registered with JSE Limited)
2 Arnold Road, Rosebank
P O Box 471917, Parklands, 2121

Telephone +27 11 283 0000
Facsimile +27 11 283 0065

NOTES:

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