OneLogix Group Limited
(Registration number 1998/004519/06)
Share Code: OLG ISIN Code: ZAE000026399
("OneLogix" or "the group")

HIGHLIGHTS

- Profit and comprehensive income **up 54%**
- HEPS **up 47%**
- HEPS from continuing operations **up 72%**
- NAV **up 18%**
- NTAV **up 44%**
- Cash generated by continuing operations **up 152%**
- Cash resources of **R60 million**
- Interim capital distribution of **4 cents per share**

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 30 NOVEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	%	**Unaudited Six months ended 30 November 2010 R'000**	Unaudited Six months ended 30 November 2009 R'000	Audited Year ended 31 May 2010 R'000
Continuing operations				
Revenue	51	**346 320**	229 285	496 769
Operating and administration costs	53	**(287 679)**	(187 648)	(411 256)
Depreciation and amortisation	22	**(18 825)**	(15 474)	(33 699)
Operating profit	52	**39 816**	26 163	51 814
Finance income	316	**1 165**	280	701
Finance costs	(36)	**(3 487)**	(5 453)	(9 798)
Profit before taxation	79	**37 494**	20 990	42 717
Taxation	77	**(10 639)**	(6 026)	(12 366)
Profit from continuing operations	79	**26 855**	14 964	30 351
Profit from discontinued operations	(100)	**–**	2 453	12 272
Profit for the period	54	**26 855**	17 417	42 623
Other comprehensive income				
Movement in foreign currency translation reserve		**(18)**	–	–
Total comprehensive income for the period	54	**26 837**	17 417	42 623
Profit attributable to:				
– Minority interest		**5 913**	2 802	7 912
– Equity holders of the company		**20 942**	14 615	34 711
	54	**26 855**	17 417	42 623
Other comprehensive income attributable to:				
– Minority interest		**(4)**	–	–
– Equity holders of the company		**(14)**	–	–
		(18)	–	–
Total comprehensive income attributable to:				
- Minority interest		**5 909**	2 802	7 912
- Equity holders of the company		**20 928**	14 615	34 711
	54	**26 837**	17 417	42 623
Number of shares in issue ('000):				
– Total		**202 131**	210 131	210 131
– Weighted		**206 066**	210 131	210 131
– Diluted		**202 131**	210 131	210 131
Basic and headline earnings per share (cents)				
Basic and diluted basic earnings per share (cents)	46	**10,2**	7,0	16,5
Headline and diluted headline earnings per share (cents)	47	**10,3**	7,0	13,0
Continuing operations:				
Basic and diluted basic earnings per share (cents)	70	**10,2**	6,0	11,8
Headline and diluted headline earnings per share (cents)	72	**10,3**	6,0	11,8
Discontinuing operations:				
Basic and diluted basic earnings per share (cents)		**0,0**	1,0	4,7
Headline and diluted headline earnings per share (cents)		**0,0**	1,0	1,2
Reconciliation between basic and headline earnings				
Basic earnings		**20 942**	14 615	34 711
Profit on disposal of property, plant and equipment less taxation and minorities		**(65)**	97	(29)
Professional fees related to specific repurchase of shares		**260**	–	–
Profit on disposal of discontinued operation less taxation and minorities		**–**	15	(7 442)
Headline earnings		**21 137**	14 727	27 240

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30 November 2010 R'000	Unaudited Six months ended 30 November 2009 R'000	Audited Year ended 31 May 2010 R'000
Net cash generated from operations	**49 865**	24 354	65 518
Continuing operations	**49 865**	19 803	59 277
Discontinuing operations	**–**	4 551	6 241
Net cash flows from investing activities	**(41 402)**	(19 096)	(18 326)
Continuing operations	**(41 402)**	(18 280)	(46 588)
Discontinuing operations	**–**	(816)	28 262
Net cash flows from financing activities	**(8 696)**	(70)	(14 358)
Continuing operations	**(8 696)**	7	(14 715)
Discontinuing operations	**–**	(77)	357
Net (decrease)/increase in cash resources	**(233)**	5 188	32 834
Cash resources at beginning of six months	**60 233**	27 399	27 399
Cash resources at end of six months	**60 000**	32 587	60 233

The group has authorised capital expenditure over the next six months of R31,3 million. R20,1 million is already committed.

Commitments			
Operating lease commitments (not exceeding five years)	**13 581**	9 627	8 715

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited At 30 November 2010 R'000	Unaudited At 30 November 2009 R'000	Audited At 31 May 2010 R'000
ASSETS			
Non-current assets	**280 525**	271 745	258 119
Property, plant and equipment	**240 670**	209 272	217 682
Intangible assets	**32 998**	54 922	33 550
Interest in associate	**–**	120	–
Loans and receivables	**6 857**	7 431	6 887
Current assets	**173 458**	115 086	160 853
Inventories	**10 384**	6 204	9 525
Trade and other receivables	**102 216**	76 295	88 866
Taxation	**858**	–	2 229
Cash resources	**60 000**	32 587	60 233
Total assets	**453 983**	386 831	418 972
EQUITY AND LIABILITIES			
Equity	**214 189**	182 689	201 316
Ordinary shareholders' funds	**189 953**	168 097	181 889
Minority interests	**24 236**	14 592	19 427
Liabilities			
Non-current liabilities	**91 765**	86 256	83 390
Interest-bearing borrowings	**68 245**	66 972	61 208
Deferred tax	**19 988**	17 898	20 196
Share-based compensation liability	**3 532**	1 386	1 986
Current liabilities	**148 029**	117 886	134 266
Trade and other payables	**99 032**	72 604	86 330
Interest-bearing borrowings	**43 637**	42 888	46 506
Taxation	**5 360**	2 394	1 430
Total equity and liabilities	**453 983**	386 831	418 972
Net asset value per share (cents)	**94,0**	80,0	86,6
Net tangible asset value per share (cents)	**77,7**	53,9	70,6
Cash resources per share (cents)	**29,7**	15,5	28,7

SEGMENTAL ANALYSIS

Revenue				
Automotive and abnormal	59	**317 426**	199 863	441 041
Retail	(12)	**15 582**	17 614	30 585
Media	13	**13 312**	11 808	25 143
Continuing operations	51	**346 320**	229 285	496 769
Discontinued operations	(100)	**–**	31 352	56 206
	33	**346 320**	260 637	552 975
Segment results				
Automotive and abnormal	63	**41 741**	25 659	51 980
Retail	(2)	**5 387**	5 494	11 780
Media	306	**955**	235	129
Corporate	58	**(8 267)**	(5 225)	(12 075)
Continuing operations	52	**39 816**	26 163	51 814
Discontinued operations	(100)	**–**	3 442	3 878
	34	**39 816**	29 605	55 692
Unallocated:				
Finance income	316	**1 165**	280	701
Finance income	(36)	**(3 487)**	(5 453)	(9 798)
Discontinued operations	(100)	**–**	(3 442)	(3 878)
	79	**37 494**	20 990	42 717
Total assets				
Automotive and abnormal	21	**385 930**	318 268	350 639
Retail	1	**17 343**	17 209	16 767
Media	30	**9 337**	7 201	8 336
Corporate	412	**41 373**	8 086	43 230
Continuing operations	29	**453 983**	350 764	418 972
Discontinued operations	(100)	**–**	36 067	–
	17	**453 983**	386 831	418 972
Total liabilities				
Automotive and abnormal	29	**181 871**	140 498	161 051
Retail	(51)	**7 170**	14 512	7 568
Media	52	**10 313**	6 767	11 505
Corporate	1	**15 092**	15 005	15 906
Continuing operations	21	**214 446**	176 782	196 030
Discontinued operations	(100)	**–**	7 068	–
Unallocated: Taxation and deferred taxation	25	**25 348**	20 292	21 626
	17	**239 794**	204 142	217 656

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Retained income R'000	Revaluation reserve R'000	Other reserves R'000	Foreign currency translation reserve R'000	Minority interests R'000	Total R'000
At 1 June 2009 – audited	2 101	47 400	93 745	10 184	52	–	14 728	168 210
Dividends declared in subsidiaries	–	–	–	–	–	–	(1 100)	(1 100)
Dividends declared in discontinued operations	–	–	–	–	–	–	(1 709)	(1 709)
Minority interests disposed	–	–	–	–	–	–	(129)	(129)
Comprehensive income	–	–	14 615	–	–	–	2 802	17 417
At 30 November 2009 – unaudited	2 101	47 400	108 360	10 184	52	–	14 592	182 689
Dividends declared in subsidiaries	–	–	–	–	–	–	(200)	(200)
Capital distribution	–	(6 304)	–	–	–	–	–	(6 304)
Minority interests purchased	–	–	–	–	–	–	(75)	(75)
Comprehensive income	–	–	20 096	–	–	–	5 110	25 206
At 31 May 2010 – audited	2 101	41 096	128 456	10 184	52	–	19 427	201 316
Dividends declared in subsidiaries	–	–	–	–	–	–	(1 100)	(1 100)
Specific share repurchase	(80)	(6 720)	–	–	–	–	–	(6 800)
Capital distribution	–	(6 064)	–	–	–	–	–	(6 064)
Profit for the period	–	–	20 942	–	–	–	5 913	26 855
Other comprehensive income	–	–	–	–	–	(14)	(4)	(18)
At 30 November 2010 – unaudited	**2 021**	**28 312**	**149 398**	**10 184**	**52**	**(14)**	**24 236**	**214 189**

COMMENTS

The directors of OneLogix are pleased to present the unaudited condensed consolidated interim financial results for the six months ended 30 November 2010 ("the interim period"), reflecting an exceptionally strong performance. The group effectively capitalised on the progressive upturn in the niche markets in which it operates, through continued reinforcement of its leading market position in its areas of operation to achieve the results.

Basis of preparation
The unaudited condensed consolidated interim financial statements have been prepared in accordance with *International Accounting Standard (IAS) 34 'Interim financial reporting'*, the AC 500 series of interpretations, the requirements of the South African Companies Act and the Listings Requirements of the JSE Limited. The unaudited condensed consolidated interim financial information should be read in conjunction with the most recent audited annual financial statements for the year ended 31 May 2010 ("the annual financial statements"), which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

Accounting policies and computations are consistently applied as in the annual financial statements. These condensed consolidated interim financial statements have not been audited or reviewed by PricewaterhouseCoopers Inc.

Review of operations
As a result of prior strategic planning and implementation of initiatives and systems, the group's companies were well-positioned to benefit from the recent improvement in the niche markets in which it operates.

Vehicle Delivery Services ("VDS") maintained its robust track record with a continued strong performance. The economic recovery worked to the company's advantage, revitalising its market of operation. This was underpinned by infrastructure investments, an historically proven market leading position, stellar customer service, sound business processes and efficiency levels.

With similarly boosted market conditions, **Commercial Vehicle Delivery Services ("CVDS")** also performed ahead of expectations. The customer base was expanded and the company's exceptional delivery record maintained.

PostNet's 231 franchised stores, operating in the resilient SME sector, continued to deliver a stellar performance and maintained superior profit margins. PostNet's annuity-based revenue ensures that it remains a defensive asset for OneLogix with continued promising growth prospects.

Magscene delivered a more stable performance during the interim period, which is expected to be maintained going forward.

The **RFB Logistics ("RFB")** acquisition has proven beneficial to the group, as anticipated. RFB serves a diversified customer base in the general freight and abnormal load market. Notwithstanding a highly competitive environment, the company outstripped expectations. The performance was largely attributable to an expanded fleet, upgraded administration processes, consistently good customer service and appropriate exploitation of group synergies.

During the period the group established **OneLogix Projex ("Projex")**. Projex works closely with RFB and specialises in the project logistics and abnormal transport market. Highly experienced management has ensured that a substantial and loyal customer base has been built, which bodes well going forward.

Onelogix's most recent acquisition, **Atlas Panelbeaters**, also continued to perform ahead of expectations. A thorough review of operations, improved and new infrastructure and development of management have ensured continued success.

Discontinued operations
The outstanding sale conditions relating to the disposal of certain of the group's media interests to Media24 Limited have been fulfilled, and the deferred payment of R5,5 million was received in December 2010.

The statement of comprehensive income and the cash flow statement distinguish discontinued operations from continuing operations. Comparative figures have been restated.

Specific share repurchase
As previously announced on 27 July 2010, the specific share repurchase and subsequent cancellation of 8 million shares, purchased from Jeremy Eaton and The Eaton Family Trust at R0,85 per share, have been implemented (in accordance with the Companies Act, 1973 and the JSE Listings Requirements) with effect from 30 August 2010.

Financial results
Revenue from continuing operations for the interim period increased 51% on the back of a significant upturn in the automotive and abnormal load markets as well as the first time contributions from the newly acquired and established businesses (see Review of Operations above).

Operating profit, representing 11,5% (November 2009: 11,4%) of revenue, rose by 52% from R26,2 million to R39,8 million. The increase is attributable to an improved utilisation of infrastructure within the group on the back of greater workload and higher revenue being generated during the interim period. A charge of R1,5 million relating to the BEE share trust, of which R0,6 million related to employees of discontinued operations, was incurred during the interim period. The fleet is currently fully operational and deployed across the group's businesses, with further expansion being considered.

Due to the comparatively lower lending rates as well as substantially increased cash resources, net finance costs decreased by 55% from R5,2 million to R2,3 million. This further enhanced profit before taxation which increased 79% from R21,0 million to R37,5 million.

Headline earnings per share ("HEPS") grew 47% from 7,0 cents to 10,3, cents. HEPS from continuing operations was up 72% from 6,0 cents to 10,3 cents.

Increased revenue generation and strict working capital structures saw cash flow from operations from continuing operations increase 152% from R19,8 million to R49,9 million.

During the interim period the group invested R42,8 million in continuing operations infrastructure as follows: R32,1 million for fleet, R7,3 million for property developments, R1,5 million for IT infrastructure; and R1,9 million for other assets. Net proceeds on disposal of tangible assets raised R1,4 million. New interest-bearing borrowings of R35,6 million were raised during the interim period, set off by repayments of interest-bearing borrowings of R31,4 million. Capital distribution No. 2, totalling R6,1 million was paid in the interim period. A further R6,8 million was invested in the share repurchase transaction as detailed above (see Specific Share Repurchase).

Cash resources at the reporting date increased by 84% from R32,6 million to R60,0 million, which is in line with the cash holdings at 31 May 2010 of R60,2 million.

Capital distribution
Shareholders are advised that a cash capital distribution of 4,0 cents per share (November 2009: 3,0 cents) by way of a capital reduction out of share premium has been declared for the interim period ("interim capital distribution No. 3").

The salient dates in respect of the capital distribution are as follows:	2011
Last day to trade *cum* dividend on	Thursday, 17 March
Shares will trade *ex* dividend from	Friday, 18 March
Record date	Friday, 25 March
Payment of dividend	Monday, 28 March

Shareholders may not de-materialise or re-materialise their shares between Friday, 18 March 2011 and Friday, 25 March 2011, both dates inclusive.

The interim capital distribution, amounting to R8,1 million, has not been recognised as a liability in the condensed consolidated interim financial statements. It will be recognised in shareholders' equity (utilised against share premium) in the year to 31 May 2011.

OneLogix will continue to assess the payment of interim and final capital distributions in light of the board's ongoing review of earnings, after providing for long-term growth and cash/debt resources, the amount of reserves available using a going concern assessment and covenants of banking facilities providers.

Prospects
Revenue is traditionally weighted to the first half of the financial year. Notwithstanding this, the outlook for the full financial year to May 2011 remains positive. The group is expected to continue benefitting from its proven leading market positions, superior customer service and solid business processes supported by a skilled and motivated management team. OneLogix also has a comparatively large cash reserve and will continue to assess appropriate earnings-enhancing acquisitions.

In the interests of increasing the liquidity of the OneLogix share and to accommodate demand, certain directors have agreed to release a limited amount of their personal shareholdings onto the market during the coming months.

People
Tsakani Matshazi resigned as a non-executive director of OneLogix (and of all the OneLogix subsidiaries of which she was a director) with effect from 22 November 2010. Tsakani was appointed to the board of OneLogix and its subsidiaries as a representative of the company's empowerment partner and shareholder, Izingwe Holdings (Pty) Limited. As she has left Izingwe to pursue new interests, she has resigned her OneLogix positions. We thank her for the valuable contribution over the years and wish her well.

Ashley Basil Ally has been appointed as non-executive director of OneLogix in Tsakani's stead, with Debrah Ann Hirschowitz as an alternate director to Ashley.

We remain satisfied that our management teams and staff, undergoing continual training and skills development, are well-equipped to deliver on strategic and operational objectives.

We thank our management and employees for their efforts and tenacity which have driven our success. We further extend our appreciation to our business partners, customers, suppliers, business advisors and shareholders for their ongoing invaluable support.

By order of the board

Ian Lourens
CEO

Geoff Glass
Financial Director

21 February 2010

Directors: SM Pityana *(Chairman)**, AB Ally* *(Alternate: DA Hirschowitz)*, NJ Bester, AC Brooking*, GM Glass *(FD)*, AJ Grant*#, IK Lourens *(CEO)*, CV McCulloch *(COO)*, JG Modibane*# **Non-executive #Independent*
Registered office: 46 Tulbagh Road, Pomona, Kempton Park (Postnet Suite 10, Private Bag X27, Kempton Park, 1620)
Company Secretary: Probity Business Services (Pty) Limited, Third Floor, The Mall Offices, 11 Cradock Avenue, Rosebank, 2196
Transfer secretaries: Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107)

Designated advisor

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