OneLogix Group Limited

(Registration number 1998/004519/06) Share code OLG ISIN ZAE000026399
("OneLogix" or "the group")

- REVENUE UP 98%
- OPERATING PROFIT UP 33%
- HEPS UP 52%

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2005

("the interim period")

CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited Six months ended 30 November 2005 R'000	Unaudited Six months ended 30 November 2004 R'000	Unaudited* Year ended 31 May 2005 R'000
Revenue	**80 356**	40 663	106 142
Operating and administration costs	**67 736**	30 540	84 276
Depreciation	**2 286**	2 335	4 450
Operating profit	**10 334**	7 788	17 416
Share of associate loss	–	154	156
Finance costs	**842**	401	938
Profit before taxation	**9 492**	7 233	16 322
Taxation	**1 635**	2 233	2 566
Net profit	**7 857**	5 000	13 756
Attributable to:			
– Minority interest	**338**	–	326
– Equity holders of the company	**7 519**	5 000	13 430
Net profit	**7 857**	5 000	13 756
Number of shares in issue ('000)			
– Total	**197 273**	192 113	192 780
– Weighted	**197 273**	196 606	196 940
Basic and headline earnings per share (cents)			
– Basic and fully diluted	**3.8**	2.5	6.8

OTHER FINANCIAL INFORMATION

SEGMENTAL ANALYSIS

Revenue			
Logistics	**71 272**	33 008	90 629
Services	**9 084**	7 655	15 513
	80 356	40 663	106 142
Operating profit			
Logistics	**11 119**	7 389	17 109
Services	**2 332**	1 932	4 187
Corporate	**(3 117)**	(1 533)	(3 880)
	10 334	7 788	17 416

COMMITMENTS

Operating lease commitments (not exceeding five years)	**1 569**	3 030	1 914

The group has authorised capital expenditure over the next 12 months of R18 million. R15 million of the capital expenditure has been committed to acquiring properties which will be developed for future income generating vehicle storage.

*The audited results for the 12 months ended 31 May 2005 under SA GAAP have been restated as unaudited due to the IFRS adjustments not having been audited by the external auditors.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Six months ended 30 November 2005 R'000	Unaudited Six months ended 30 November 2004 R'000	Unaudited* Year ended 31 May 2005 R'000
Net cash generated from operations	**9 635**	5 313	11 517
Net cash flows from investing activities	**(10 373)**	(9 223)	(19 427)
Net cash flows from financing activities	**5 497**	2 343	7 097
Net increase/(decrease) in cash resources	**4 759**	(1 567)	(813)
Cash resources at beginning of period	**6 070**	6 883	6 883
Cash resources at end of period	**10 829**	5 316	6 070

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited at 30 November 2005 R'000	Unaudited at 30 November 2004 R'000	Unaudited* at 31 May 2005 R'000
ASSETS			
Non-current assets	**58 826**	42 693	50 677
Property, plant and equipment	**38 940**	23 425	31 502
Intangible assets	**19 175**	18 977	19 175
Interest in associate	**–**	291	–
Loans and receivables	**711**	–	–
Current assets	**38 552**	17 707	27 180
Inventories	**1 864**	1 177	1 875
Trade and other receivables	**25 859**	11 214	19 235
Cash resources	**10 829**	5 316	6 070
Total assets	**97 378**	60 400	77 857
EQUITY AND LIABILITIES			
Equity	**53 157**	36 447	45 518
Ordinary shareholders' funds	**52 461**	36 447	45 077
Minority interests	**696**	–	441
Liabilities			
Non-current liabilities	**19 937**	10 485	14 073
Interest-bearing borrowings	**14 936**	7 049	10 708
Deferred tax	**5 001**	3 436	3 365
Current liabilities	**24 284**	13 468	18 266
Trade and other payables	**18 200**	9 821	13 439
Interest-bearing borrowings	**6 069**	3 492	4 578
Taxation	**15**	155	249
Total equity and liabilities	**97 378**	60 400	77 857
Net asset value per share (cents)	**26.6**	19.0	23.4
Net tangible asset value per share (cents)	**16.9**	9.1	13.4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Retained income R'000	Minority interests R'000	Total R'000
At 1 June 2004 – unaudited	1 921	31 871	(2 945)	–	30 847
New shares issued *less* expenses	45	555	–	–	600
Net profit	–	–	5 000	–	5 000
At 30 November 2004 – unaudited	1 966	32 426	2 055	–	36 447
New shares issued *less* expenses	7	193	–	–	200
Minority loans	–	–	–	115	115
Net profit	–	–	8 430	326	8 756
At 31 May 2005 – unaudited	1 973	32 619	10 485	441	45 518
Share issue expenses	–	(135)	–	–	(135)
Minority loans	–	–	–	(83)	(83)
Net profit	–	–	7 519	338	7 857
At 30 November 2005	1 973	32 484	18 004	696	53 157

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Reconciliation of previous SA GAAP and IFRS

Reconciliation of equity	Notes	At 1 June 2005 R'000	At 30 November 2004 R'000	At 1 June 2004 R'000
As reported under SA GAAP		**40 448**	30 553	26 503
Adjusted for:				
Fair value adjustment to property, plant and equipment	2	**6 462**	6 462	6 462
Depreciation	4	**335**	(44)	–
Reversal of goodwill amortisation	5	**–**	1 557	–
Leases	6	**(278)**	(310)	(343)
Deferred taxation		**(1 890)**	(1 771)	(1 775)
As reported under IFRS		**45 077**	36 447	30 847

Reconciliation of net profit	Notes	Six months ended 30 November 2004 R'000	Year ended 31 May 2005 R'000
As reported under SA GAAP		3 450	**13 471**
Adjusted for:			
Depreciation	4	(44)	**335**
Reversal of goodwill amortisation	5	1 557	**–**
Leases	6	33	**66**
Taxation		4	**(116)**
As reported under IFRS		5 000	**13 756**

COMMENTS

BASIS OF PRESENTATION, ACCOUNTING POLICIES AND NOTES

The results for the interim period and comparative information have been prepared in terms of International Financial Reporting Standards ("IFRS") expected to be applicable at 31 May 2006 and comply with IAS 34 – Interim Financial Reporting and relevant sections of the Companies Act in South Africa.

The OneLogix transition date is 1 June 2004 ("the transition date"). The annual financial statements for the year ending 31 May 2006 will be the group's first consolidated IFRS – compliant annual financial statements. The disclosures required by IFRS – 1 *First-time Adoption of International Financial Reporting Standards* concerning the transition from South African Statements of Generally Accepted Accounting Practice ("SA GAAP") to IFRS and the required changes in accounting policies are presented under the heading "Transition to International Financial Reporting Standards – Reconciliation of previous SA GAAP and IFRS".

IFRS 1 – First-time Adoption of IFRS

At the transition date, IFRS allows a number of exemptions to the retrospective application principle. The group has elected the following exemptions available under IFRS 1:

1. *Business Combinations:* The group adopted IFRS 3 – Business Combinations, from 1 June 2004 and accordingly no adjustments were required;
2. *Property, Plant and Equipment:* As a first-time adopter the group elected to fair value its fleet of vehicles and trailers. The effect of the adjustment is disclosed under "Reconciliation of equity"; and
3. *Share-based Payments:* The group has elected to apply the share-based payments exemption. It applied IFRS 2 – Share-based Payments from 1 June 2004 to those options that were issued after 7 November 2002 but which had not vested by 1 January 2005. No options were issued during this period and hence no charge was incurred.

   Other adjustments as a result of the adoption of IFRS

   The impact of other adjustments as a result of adopting IFRS is summarised below. The quantification of the adjustments is shown in the reconciliation of equity and net profit.

4. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Residual values and useful lives of all assets are reassessed annually. This more robust assessment has resulted in an increase in estimated useful lives of property, plant and equipment, and accordingly the depreciation charged to the income statement has reduced for the year ended 31 May 2005 and the interim period ended 30 November 2005;
5. Goodwill, which was previously amortised, is tested annually for impairment and carried at cost less accumulated impairment losses; and
6. Operating lease charges are now accounted for on a straight-line basis. Previously operating lease charges were expensed on a cash flow basis as incurred. This has resulted in higher lease costs in previously reported periods and a reduction of lease costs in the year ended 31 May 2005 and the interim period ended 30 November 2005.

REVIEW OF OPERATIONS

The group's businesses continued to perform well across the board:

Vehicle Delivery Services ("VDS") continued to dominate a buoyant cross-border auto-logistics market. Historical investment in fleet expansion, vehicle tracking software and IT systems, supported by high levels of efficiency within the business, have now entrenched VDS as a local market operator as well. The group will continue to invest major capital expenditure in VDS over the next 12 months to meet the demand for increased vehicle carrier capacity in the auto-logistics market.

Media Express ("ME") has retained a sizeable market share in the niche market of express media delivery, which is characterised by customer price-sensitivity. Margins therefore remained under pressure during the interim period. With profitable associated niche markets identified by the group and strengthened management, an improved performance is expected from ME in the period ahead.

4Logix and Gijima are established suppliers in the local and export bulk commodity logistics market. The businesses' solid performances during the period were boosted by long-term contracts and skilled management.

PostNet's strong brand has been successfully revitalised as a result of an intensive brand re-engineering process. The business's entrenched position as a leading supplier of business service solutions has positioned PostNet to benefit from the rapid growth in the SMME market.

BEE

On 22 November 2005, the group's shareholders ratified a BEE transaction whereby 25% of the group's wholly-owned operating subsidiary was acquired by a consortium led by Sipho Pityana's Izingwe Capital (Pty) Ltd ("Izingwe") and including the group's BEE Staff Trust. Details of the BEE transaction were disclosed in an announcement dated 30 August 2005.

Had the transaction been completed on 1 June 2005, an approximate 15% dilution in earnings would have occurred. However, this dilution does not take into account additional earnings generated as a result of an enhanced BEE platform.

FINANCIAL RESULTS

Revenue for the group increased by 98% to R80 million from R41 million. Operating profit grew by 33% to R10,3 million, representing approximately 12,5% of revenue. Headline earnings per share ("HEPS") rose by 52% from 2,5 cents per share to 3,8 cents per share.

The increase in revenue can be attributed largely to the consolidation of 4Logix with effect from 1 December 2004, as well as the higher revenue generated by VDS on its successful entry into the local market. Notwithstanding the growth in revenue, debtors days have remained consistent with the previous period.

Operating profit included a once-off cost of approximately R0,75 million relating to the implementation of the group's BEE transaction.

The taxation charge of R1,6 million was reduced by learnership allowances totalling R1,1 million.

Despite the increased working capital requirements commensurate with growth in revenue, cash generated from operations increased from R5,3 million to R9,6 million which again underpinned headline earnings. The group invested a total of R9,7 million in infrastructure, mainly in VDS. Infrastructure spend was financed by cash generated from operations and a R5,5 million increase in interest-bearing borrowings.

PROSPECTS

On balance revenue is historically weighted to the first half of the financial year. However, the outlook for the balance of the current financial year remains good. Notwithstanding the dilution in earnings resulting from the BEE transaction (see 'BEE' above), the directors are confident that the group will show real growth in HEPS for the year to 31 May 2006.

PEOPLE

Following the successful conclusion of the BEE transaction, we are pleased to welcome to the board representatives of Izingwe – Sipho Pityana has been appointed the non-executive Chairman replacing Andrew Brooking, and Tsakani Matshazi has been appointed a non-executive director of the group. We thank Andrew for his invaluable contribution and are particularly pleased that he will remain on the board in a non-executive capacity.

OneLogix thanks its management, employees, business partners, customers, suppliers, business advisors and shareholders for their ongoing support.

By order of the board

Ian Lourens *(CEO)* **Cameron McCulloch** *(Financial Director)*

24 February 2006

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Directors: S M Pityana *(Chairman)**, N J Bester, A C Brooking*, A J Grant*#, I K Lourens *(Chief Executive Officer)*, T Matshazi*, C V McCulloch *(Financial Director)*, J G Modibane*#
**Non-executive director* *#Independent director*

Company secretary: Probity Business Services (Proprietary) Limited, Suite 204, 20 Baker Street, Rosebank, 2196 (PO Box 85392, Emmarentia, 2029)

Registered office: 46 Tulbagh Road, Pomona, Kempton Park (PO Box 85392, Emmarentia, 2029)

Transfer secretaries: Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107)