OneLogix Group Limited
(Registration number 1998/004519/06)
Share Code: OLG ISIN Code: ZAE 000026399
("OneLogix" or "the group")

HIGHLIGHTS

- **NAV UP 12%**
- **NTAV UP 7%**
- **CAPITAL DISTRIBUTION OF 3 CENTS PER SHARE**

UNAUDITED CONDENSED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2009

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	%	**Unaudited Six months ended 30 November 2009 R'000**	Unaudited Six months ended 30 November 2008 R'000	Audited Year ended 31 May 2009 R'000
Continuing operations				
Revenue	(6)	**260 637**	277 322	478 107
Operating and administration costs	(6)	**(213 804)**	(227 233)	(403 662)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	(7)	**46 833**	50 089	74 445
Depreciation and amortisation	26	**(17 209)**	(13 660)	(27 874)
Impairment of intangible assets		**–**	–	(1 698)
Operating profit	(19)	**29 624**	36 429	44 873
Finance income	(6)	**312**	331	700
Finance costs	(23)	**(5 195)**	(6 790)	(13 007)
Share of associate income	–	**–**	85	4
Profit before taxation	(18)	**24 741**	30 055	32 570
Taxation	(17)	**(7 076)**	(8 488)	(10 036)
Profit from continuing operations	(18)	**17 665**	21 567	22 534
(Loss)/profit from discontinued operations	(120)	**(248)**	1 229	2 135
Net profit and comprehensive income for the period	(24)	**17 417**	22 796	24 669
Net profit and comprehensive income attributable to:				
– Minority interest	(49)	**2 802**	5 456	4 278
– Equity holders of the company	(16)	**14 615**	17 340	20 391
Net profit and comprehensive income	(24)	**17 417**	22 796	24 669
Number of shares in issue ('000):				
– Total		**210 131**	210 131	210 131
– Weighted		**210 131**	210 131	210 131
– Diluted		**210 131**	210 131	210 131
Basic and headline earnings per share (cents)				
Basic and diluted basic earnings per share (cents)	(16)	**7,0**	8,3	9,7
Headline and diluted headline earnings per share (cents)	(16)	**7,0**	8,3	10,2
Continuing operations:				
Basic and diluted basic earnings per share (cents)	(15)	**7,0**	8,2	9,5
Headline and diluted headline earnings per share (cents)	(15)	**7,0**	8,2	10,0
Discontinuing operations:				
Basic and diluted basic earnings per share (cents)	(100)	**0,0**	0,1	0,2
Headline and diluted headline earnings per share (cents)	(100)	**0,0**	0,1	0,2
Reconciliation between basic and headline earnings				
Basic earnings		**14 615**	17 340	20 391
Loss/(profit) on disposal of property, plant and equipment less taxation and minorities		**97**	1	(120)
Impairment of intangible assets less taxation and minorities		**–**	–	1 148
Loss on disposal of discontinued operation less taxation and minorities		**15**	–	–
Headline earnings		**14 727**	17 341	21 419

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	%	**Unaudited Six months ended 30 November 2009 R'000**	Unaudited Six months ended 30 November 2008 R'000	Audited Year ended 31 May 2009 R'000
Net cash generated from operations				
Continuing operations	(32)	**24 315**	35 948	74 265
Discontinuing operations	(91)	**39**	436	(600)
Net cash flows from investing activities				
Continuing operations	(50)	**(18 933)**	(38 211)	(58 168)
Discontinuing operations	462	**(163)**	(29)	(17)
Net cash flows from financing activities				
Continuing operations	(100)	**(70)**	17 469	2 335
Discontinuing operations	(100)	**–**	520	583
Net increase in cash resources		**5 188**	16 133	18 398
Cash resources at beginning of period		**27 399**	9 001	9 001
Cash resources at end of period		**32 587**	25 134	27 399
The group has authorised capital expenditure over the next six months of R25,3 million. R12,9 million is already committed. Given the prevailing economic conditions it is possible that the balance may not be utilised.				
Commitments				
Operating lease commitments (not exceeding five years)		**9 627**	12 468	15 490

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	%	**Unaudited at 30 November 2009 R'000**	Unaudited at 30 November 2008 R'000	Audited at 31 May 2009 R'000
ASSETS				
Non-current assets		**271 745**	252 172	270 175
Property, plant and equipment		**209 272**	206 567	213 406
Intangible assets		**54 922**	44 732	56 370
Interest in associate		**120**	201	120
Loans and receivables		**7 431**	672	279
Current assets		**115 086**	117 917	100 044
Inventories		**6 204**	6 000	5 044
Trade and other receivables		**76 295**	86 783	67 601
Cash resources		**32 587**	25 134	27 399
Total assets		**386 831**	370 089	370 219
EQUITY AND LIABILITIES				
Equity		**182 689**	166 631	168 210
Ordinary shareholders' funds		**168 097**	150 431	153 482
Minority interests		**14 592**	16 200	14 728
Liabilities				
Non-current liabilities		**86 256**	92 626	87 550
Interest-bearing borrowings		**66 972**	79 804	68 042
Deferred tax		**17 898**	12 822	18 605
Share-based compensation liability		**1 386**	–	903
Current liabilities		**117 886**	110 832	114 459
Trade and other payables		**72 604**	71 276	69 037
Interest-bearing borrowings		**42 888**	38 785	44 118
Taxation		**2 394**	771	1 304
Total equity and liabilities		**386 831**	370 089	370 219
Net asset value per share (cents)		**80,0**	71,6	73,0
Net tangible asset value per share (cents)		**53,9**	50,3	46,2
SEGMENTAL ANALYSIS				
Revenue				
Automotive and abnormal	(7)	**199 863**	214 644	359 486
Media	(11)	**43 160**	48 490	89 863
Retail	24	**17 614**	14 188	28 758
Continuing operations	(6)	**260 637**	277 322	478 107
Discontinued operations (Rail)	(100)	**–**	49 595	90 775
	(20)	**260 637**	326 917	568 882
Operating profit				
Automotive and abnormal	(22)	**25 659**	33 089	46 206
Media	(13)	**3 696**	4 259	856
Retail	31	**5 494**	4 193	9 570
Corporate	2	**(5 225)**	(5 112)	(11 759)
Continuing operations	(19)	**29 624**	36 429	44 873
Discontinued operations (Rail)	(101)	**(19)**	1 960	3 210
	(23)	**29 605**	38 389	48 083
Total assets				
Automotive and abnormal	14	**318 268**	278 107	307 551
Media	(18)	**43 268**	52 918	47 122
Retail	125	**17 209**	7 658	8 489
Corporate	(49)	**8 086**	15 720	(1 308)
Continuing operations	9	**386 831**	354 403	361 854
Discontinued operations (Rail)	(100)	**–**	15 686	8 365
	5	**386 831**	370 089	370 219

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	Minority interests R'000	Total R'000
At 1 June 2008 – audited	2 101	47 400	73 354	10 184	52	12 361	145 452
Dividends declared in subsidiaries	–	–	–	–	–	(1 617)	(1 617)
Net profit	–	–	17 340	–	–	5 456	22 796
At 30 November 2008 – unaudited	2 101	47 400	90 694	10 184	52	16 200	166 631
Dividends declared in subsidiaries	–	–	–	–	–	(294)	(294)
Net profit	–	–	3 051	–	–	(1 178)	1 873
At 31 May 2009 – audited	2 101	47 400	93 745	10 184	52	14 728	168 210
Dividends declared in subsidiaries	–	–	–	–	–	(2 809)	(2 809)
Minorities disposed on disposal of subsidiary	–	–	–	–	–	(129)	(129)
Net profit	–	–	14 615	–	–	2 802	17 417
At 30 November 2009 – unaudited	**2 101**	**47 400**	**108 360**	**10 184**	**52**	**14 592**	**182 689**

COMMENTS

The directors of OneLogix are pleased to present the unaudited condensed interim financial results for the six months ended 30 November 2009 ("the interim period").

Basis of preparation
The unaudited condensed consolidated interim financial statements have been prepared in accordance with *International Accounting Standard (IAS) 34 'Interim financial reporting'*, and the Companies Act (Act 61 of 1973), as amended. 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 M ay 2009 ("the annual financial statements"), which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

These condensed interim financial statements have not been audited or reviewed by PricewaterhouseCoopers Inc.

Accounting policies
Save as set out below, the accounting policies and methods of measurement and recognition applied in preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied and set out in the annual financial statements.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected annual earnings.

The following new Standards and amendments to Standards are mandatory for the first time for the financial year beginning 1 June 2009:

- IAS 1 (revised), 'Presentation of financial statements': The revised Standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.
  Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).
  The group has elected to present one statement of comprehensive income. The unaudited condensed consolidated interim financial statements have been prepared under the revised disclosure requirements.
- IFRS 8, 'Operating segments': IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented, as the previously reported Logistics segment has been split into Automotive and Abnormal, Media, Retail and Rail (discontinued operations) segments. The previously reported Services segment has been renamed the Retail segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive committee that makes strategic decisions.
  Goodwill is allocated by management to groups of cash-generating units on a segment level. The change in reportable segments has not resulted in any additional goodwill impairment. Comparatives for the prior periods have been restated.

Review of operations
Notwithstanding a recessionary economic environment in the second half of 2009, without exception, each of the OneLogix businesses achieved strong organic growth compared to the previous six months to May 2009. This clearly reflects the resilience of the group's product offerings, the capability of management and staff and established loyal customer relationships.

In particular **Vehicle Delivery Services ("VDS")** shone during the interim period. VDS has established a compelling advantage in a severely depressed industry, managing to grow market share through industry consolidation. This, together with a host of management initiatives, ensured a healthy performance despite the continued contraction of the vehicle delivery market and leaves VDS well-positioned to take advantage of any uptick in the industry.

Commercial Vehicle Delivery Services ("CVDS") performed credibly, also in the face of a continually shrinking market. The customer base remained solid and CVDS will continue to broaden this going forward.

Pleasingly **RFB Logistics ("RFB")**, which contributed to earnings for the first time in June 2009, outperformed expectations despite difficult market circumstances. RFB has a strong foothold in its market and guided by competent management, has promising growth potential.

The sought after national franchised chain of 226 business service outlets, **Postnet,** was again the group's best performer in terms of consistent profit growth. Operating in the thriving SME market, it has sustained its superior margins and remains a defensive asset for OneLogix with good growth prospects.

Media Express performed well in poor market conditions and improved operating margins, which should continue into the future.

Also performing well, **Press Support** will continue to exploit new opportunities to maintain its hard-won organic growth.

Magscene has emerged stronger following the successful resolution of operational and administrative issues. The business has returned to profitability, underpinned by positive cash flows during the interim period.

Acquisition
As previously announced on 3 December 2009 OneLogix has acquired Atlas Panelbeaters, a business specialising in larger commercial vehicles, in a further move to develop niche offerings and boost revenue as well as promote integration with cost saving benefits for the group. Contribution to earnings is expected from 1 January 2010 and OneLogix is excited about the business's potential.

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

	Provisional fair value
Property	5 400
Plant and equipment	1 400
Inventories	3 200
Net identifiable assets acquired	**10 000**
Cash flow on acquisition	(1 186)
Purchase funded by bond over fixed property	(4 214)
Purchase funded by vendor liability	(4 600)
Total funding	**(10 000)**
Outflow of cash to acquire business:	
– cash consideration	1 186
Cash outflow on acquisition	**1 186**

Discontinued operations
As previously announced on 21 August 2009 OneLogix has disposed of its interests in the 4Logix and Gijima businesses with effect from 1 June 2009.

Financial information relating to the 4Logix and Gijima operations for the interim period to the date of disposal is set out below. The income statement and the cash flow statement distinguish discontinued operations from continuing operations. Comparative figures have been restated.

Income statement information

	Unaudited Six months ended 30 November 2009 R'000	Unaudited Six months ended 30 November 2008 R'000	Audited Year ended 31 May 2009 R'000
Revenue	–	49 595	90 775
Operating and administration costs	**(19)**	(47 608)	(87 507)
Earnings before interest, taxation depreciation and amortisation (EBITDA)	**(19)**	1 987	3 268
Depreciation and amortisation	–	(27)	(58)
Impairment of intangible assets	–	–	–
Operating profit	**(19)**	1 960	3 210
Finance income	–	18	64
Finance costs	–	(58)	(86)
Share of associate income	–	–	–
Profit before taxation	**(19)**	1 920	3 188
Taxation	**(229)**	(691)	(1 053)
Net profit	**(248)**	1 229	2 135

Financial results
Revenue from continuing operations decreased by 6% to R260,6 million from R277,3 million for the previous comparative period ended 30 November 2008. Notwithstanding the marginal reduction overall, the downturn in the vehicle delivery market was in large measure successfully offset by revenue derived from the newly-acquired RFB.

EBITDA declined by 7% from R50,1 million to R46,8 million in line with the decline in revenue. With a net interest expense of R4,9 million, this still equates to a satisfactory interest cover of 9,6 times.

Operating profit, representing 11,4% (Nov 2008: 13,1%) of revenue, reduced by 19% from R36,4 million to R29,6 million. The reduction is attributable to the fixed cost of owning sufficient fleet to service the levels of activity experienced before the economic downturn. The fleet is currently fully operational and is being utilised across the group's businesses.

Due to the comparatively lower lending rates in the interim period, net finance costs decreased by 24% from R6,5 million to R4,9 million. This restricted the decline in net profit before taxation to 18% from R30,1 million to R24,7 million.

Headline earnings per share ("HEPS") reduced by 16% from 8,3 cents to 7,0 cents. HEPS from continuing operations reduced by 15% from 8,2 cents to 7,0 cents.

Increased working capital requirements as a result of a growth in revenue generation since the previous year-end saw cash flow from operations decrease from R35,9 million to R24,3 million.

The group invested R15,3 million in infrastructure: R11,5 million for fleet; R1,9 million for IT infrastructure; R1,5 million for workshop facilities; and R0,4 million for other assets. The infrastructure spend was financed by cash generated by operations. New interest-bearing borrowings of R17,9 million raised during the interim period, was offset by repayments of interest-bearing borrowings of R 18,0 million.

Proceeds on disposal of assets raised R3,4 million. Cash resources at balance sheet date increased by 30% from R25,1 million to R32,6 million as at 30 November 2009.

Capital distribution
Shareholders are advised that a distribution, by way of a capital reduction out of the share premium account, of 3,0 cents per share (Nov 2008: Nil) has been declared in respect of the interim period.

The salient dates in respect of the distribution are as follows:

	2010
Last day to trade *cum* distribution on	Thursday, 18 March
Shares will trade *ex* distribution from	Friday, 19 March
Record date	Friday, 26 March
Payment of distribution	Monday, 29 March

Shareholders may not de-materialise or re-materialise their shares between Friday, 19 March 2010 and Monday, 29 March 2010, both dates inclusive.

The distribution, amounting to R6,3 million, has not been recognised as a liability in the interim financial information set out herein. It will be recognised in shareholders' equity (utilised against share premium) in the year to 31 May 2010.

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

Prospects
Revenue is traditionally weighted to the first half of the financial year. Notwithstanding this and the slow economic growth expected in the six months ahead, the directors remain cautiously optimistic that the strength of the core operations should enable the group at the least to maintain market share and to perform well over the full financial year. Highly competitive offerings in healthy niche markets are a key strength, which is well-supported by an established infrastructure and experienced and motivated management.

A strong Balance Sheet is a major advantage and OneLogix will continue to explore acquisitive opportunities in line with proven strategy to target well-performing niche markets.

People
We are satisfied that our management and staff, who undergo continued training and skills development, are well equipped to deliver on strategic and operational objectives.

We thank them and our business partners, customers and shareholders for their continued and invaluable support.

By order of the board

Ian Lourens *(CEO)*
Geoff Glass *(FD)*

22 February 2010

Directors: SM Pityana *(Chairman)**, NJ Bester, AC Brooking*, GM Glass *(FD)*, AJ Grant*#, IK Lourens *(CEO)*, T Matshazi*, CV McCulloch *(COO)*, JG Modibane*#
**Non-executive #Independent*

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Designated advisor