onelogix

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Definitions

"BEE"	Black economic empowerment
"the board"	The board of directors of OneLogix Group Limited
"CEO"	Chief Executive Officer
"COO"	Chief Operations Officer
"CFO"	Chief Financial Officer
"CVDS"	Commercial Vehicle Delivery Services (Pty) Limited
"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
"the previous year" or "the prior year"	The year ended 31 May 2007
"SA"	South Africa
"SENS"	Stock Exchange News Service
"the year" or "the year under review"	The year ended 31 May 2008
"Gijima"	Gijima Supply Chain Management Services (Pty) Limited
"HEPS"	Headline earnings per share as calculated based on SAICA Circular 8/2007. (The weighted average number of shares used is as for the basic earnings per share figure.)

CHAIRMAN'S & CEO'S REPORT

for the year ended 31 May 2008

Revenue **up 95%**

Operating profit **up 79%**

HEPS **up 42%**

Net asset value per share **up 57% to 63,3 cents**

Tangible net asset value per share **up 39% to 41,7 cents**

Driven by strong organic growth, the group's businesses outperformed expectations to achieve record results since inception despite challenging trading conditions. Revenue almost doubled, leading the growth in all key performance indicators. A significant portion of growth was achieved in the latter half of the year.

Review of operations

Vehicle Delivery Services ("VDS") operates in the vehicle logistics market and is the major driver of group revenue and profitability. During the year VDS continued to capture increasing market share in the contracting local passenger market, reflecting the benefit of past investment in critical components of the value chain such as logistics, IT systems and people. This has resulted in recognised superior levels of service which further helped boost market share notwithstanding declining vehicle sales. VDS further maintained its dominance in the cross-border vehicle logistics market.

In September 2007 a strategic decision was taken to leverage existing capability and enter the local commercial vehicle logistics market through CVDS. The company specialises in auto logistics of vehicles larger than 3,5 tonnes, used for instance in the construction and mining industries. Due to their size these vehicles must be individually driven rather than moved in bulk aboard carriers.

While escalating fuel prices do affect VDS' and CVDS' margins, increases are provided for contractually with clients bound to absorb these to an extent.

PostNet, a franchised chain of 223 business service outlets for the high growth SME market, sustained its record performance. Processes began in 2004 that more effectively evaluate and secure new business opportunities. These are now yielding significant benefits for the business. With a 14 year history of successive growth, PostNet is a defensive asset in OneLogix's portfolio – well established and largely resilient to market cyclicality. The award to PostNet of the distribution rights for Neotel further positions the business for strong growth.

Media Express continued to perform well and retained a substantial share in the price sensitive niche market of express delivery service. The group will continue to investigate integrated initiatives with PostNet as a means of boosting performance.

Press Support and Magscene, the recent acquisitions which began contributing to earnings from June 2007, excelled beyond expectations. These companies distribute upwards of 30 million newspapers and magazines per annum direct to the end-user and have strengthened OneLogix's presence in the printed media distribution market. Press Support enjoys a strong foothold at national airports and other tourist gateways, which the company sees as a growth driver in light of an anticipated increase in tourism. Magscene has a spread of titles aimed at the full spectrum of market segments.

Focus going forward will be on expanding market share and honing operational efficiencies to optimise profitability.

4Logix and Gijima are relatively high revenue, low margin businesses that offer logistics solutions for the rail of bulk commodities to ports throughout SA. A number of long-term contracts continue to drive a solid and sustainable performance.

Financial results

Revenue increased by 95% to R512 million from R263 million for the previous year. Operating profit grew by 79% to R62,4 million, representing approximately 12,2% of revenue. Net profit before taxation was up 69% from R29,7 million to R50,2 million.

HEPS rose by 42% from 9,6 cents to 13,6 cents. Included in the depreciation and amortisation charge is an amount of R2,4 million relating to the amortisation of intangibles identified on the acquisition of Press Support. This charge is expected to recur for the next five years.

Despite increased working capital requirements commensurate with growth in revenue as well as payment of tax (see below), cash flow from operations increased from R40,5 million to R41,6 million. The group invested R65,6 million in infrastructure, of which R54,9 million relates mainly to expansion of the VDS fleet, R5,2 million to IT infrastructure, R3,6 million to vehicle storage facilities and R1,9 million to other assets. During the year the R9,8 million cash portion of the purchase price for Press Support was settled. The infrastructure spend and cash investment in Press Support were financed by cash generated from operations and a R22,4 million increase in interest-bearing borrowings.

As previously announced all tax losses have been utilised and the company is now in a taxpaying position. Taxes of R17,9 million (2007: R2,2 million) were paid during the year.

Property, plant and equipment includes land and buildings mainly situated in Pomona, Kempton Park and also in Pinetown, Durban. The properties were revalued by independent valuers at year-end to R46,7 million, an increase of R15,0 million year-on-year. They have been financed at favourable fixed rates over a 10 year period and represented R13,9 million of the group's interest-bearing borrowings at year-end. The properties are accounted for at fair value and any improvements are depreciated over 10-20 years. Notwithstanding the growth in revenue, the group's debtors days remain satisfactory and in line with prior periods.

BEE dilution

As anticipated and previously announced, the full dilution resulting from the group's BEE transaction was incurred during the year at 11,7% compared with 5,6% in the previous year.

Prospects

The outlook for the year to May 2009 remains positive. The directors believe the group will continue to post organic growth, even in the face of current economic conditions (see 'Review of operations' above). Proven sustainability during downturns in markets and the economy, established infrastructure, experienced management and exciting growth initiatives should help to achieve this. A focus on highly competitive offerings to growth niche markets is a key strength.

In addition the directors believe that present market conditions could yield attractive acquisition opportunities to extend the group's offering in current areas of focus and to potentially expand into related markets. OneLogix will therefore continue to investigate further earnings-enhancing acquisition opportunities.

People

As previously announced on 13 February 2008 a number of changes were effected to the board of OneLogix. Cameron McCulloch, former CFO of OneLogix, was promoted to the newly-created position of COO and Geoff Glass was in turn appointed as the new CFO with effect 1 March 2008. These appointments are proving beneficial for the group. We are also satisfied that the OneLogix businesses are continually enhancing their existing strong management teams and staff in order to deliver on strategic and operational objectives.

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

Sipho Pityana
Chairman

Ian Lourens
CEO

20 August 2008

FIVE YEAR REVIEW

	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000
Group income statement					
Revenue	**512 531**	263 338	167 890	106 142	72 884
Operating and administration costs	**(424 830)**	216 416)	(142 525)	(84 342)	(53 952)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**87 701**	46 922	25 365	21 800	18 932
Depreciation on property, plant and equipment and amortisation of intangibles	**(25 288)**	(12 139)	(5 360)	(4 785)	(7 059)
Operating profit	**62 413**	34 783	20 005	17 015	11 873
Net finance costs	**(12 288)**	(5 115)	(1 787)	(938)	(648)
Share of associate income	**86**	30	-	(156)	-
Profit before taxation	**50 211**	29 698	18 218	15 921	11 225
Taxation	**(14 286)**	(8 798)	(2 377)	(2 450)	(3 561)
Profit from discontinued operations	**-**	-	-	-	516
Net profit	**35 925**	20 900	15 841	13 471	8 180
Attributable to:					
-Equity holders of the company	**28 603**	18 984	15 381	13 145	8 180
-Minority interest	**7 322**	1 916	460	326	-
Net profit	**35 925**	20 900	15 841	13 471	8 180

	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000
Group balance sheet					
Assets					
Non-current assets					
Property, plant and equipment	181 450	123 598	63 661	24 705	13 008
Intangible assets	45 457	20 251	19 919	19 175	18 976
Interest in associate	116	30	-	-	-
Loans and receivables	510	517	533	-	-
Deferred taxation	-	-	-	-	572
Current assets					
Inventories	3 189	1 986	2 310	1 875	720
Trade and other receivables	80 426	41 715	24 755	19 235	9 383
Cash and cash equivalents	9 001	18 270	6 375	6 070	6 883
Total assets	320 149	206 367	117 553	71 060	49 542
Equity and liabilities					
Equity					
Ordinary shareholders' funds	133 091	79 260	60 224	40 448	26 503
Minority interests	12 361	2 375	659	441	-
Liabilities					
Non-current liabilities					
Interest-bearing borrowings	71 128	56 553	24 381	10 708	4 648
Deferred taxation	9 558	5 981	4 267	1 475	-
Current liabilities					
Trade and other payables	61 685	35 138	17 287	13 161	11 570
Interest-bearing borrowings	29 473	20 181	8 765	4 578	6 650
Current tax liabilities	2 853	6 879	1 970	249	171
Total equity and liabilities	320 149	206 367	117 553	71 060	49 542

FIVE YEAR REVIEW (continued)

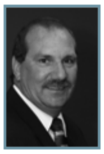
	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000
Group cash flow					
Net cash generated from operating activities	**41 570**	40 528	21 107	11 517	22 214
Net cash flows from investing activities	**(73 239)**	(72 221)	(38 350)	(19 427)	(8 122)
Net cash flows from financing activities	**22 400**	43 588	17 548	7 097	(11 790)
Net (decrease)/increase in cash resources	**(9 269)**	11 895	305	(813)	2 302
Cash and cash equivalents at beginning of year	**18 270**	6 375	6 070	6 883	4 581
Cash and cash equivalents at end of year	**9 001**	18 270	6 375	6 070	6 883
Number of shares in issue ('000)					
- Total	**210 131**	197 273	197 273	192 780	192 113
- Weighted	**210 131**	197 273	197 273	196 940	276 484
Basic earnings per share (cents)					
- Basic earnings per shares	**13.6**	9.6	7.8	6.7	3.0
- Basic earnings per share from continuing operations	**13.6**	9.6	7.8	6.7	2.8
Headline earnings per share (cents)					
- Headline earnings per share	**13.6**	9.6	7.8	6.7	4.1
- Headline earnings per share from continuing operations	**13.6**	9.6	7.8	6.7	3.9
Profitability					
Operating margin (%)	**12.2**	13.2	11.9	16.0	16.3
Return on net assets (%)	**29.8**	26.5	25.7	35.9	30.5
Return on ordinary shareholder's funds (%)	**26.9**	27.2	30.6	39.3	29.1
Effective rate of taxation (%)	**28.5**	29.6	13.0	15.4	31.7

onelogix DIRECTORATE

EXECUTIVE DIRECTORS

Ian K Lourens (56)
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 (49)

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

Cameron V McCulloch (36)
COO
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. Cameron previously held the position of CFO before being appointed COO in 2008.

Geoffrey M Glass (33)
CFO
BCom BCom Honours (Acc) CA (SA)

A chartered accountant, Geoffrey was the previous Financial Director of Cargo Africa Group (a subsidiary of Imperial Holdings). He joined OneLogix as CFO in 2008.

NON-EXECUTIVE DIRECTORS

Sipho M Pityana (49)
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 Limited.

Andrew C Brooking (44)
BA LLB LLM

Andrew is a founder and director of Java Capital (Pty) Limited, Designated Advisor to OneLogix. 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 (33)
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.

Joe G Modibane (50)
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.

Alec J Grant (60)
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 previously CEO and executive director of Corpcapital Bank after starting Fulcrum Bank.

CORPORATE GOVERNANCE REPORT

for the year ended 31 May 2008

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 four 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. They 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:

	2 August 2007	13 November 2007	8 February 2008	19 May 2008
SM Pityana (Chairman) *	Apologies	✓	Apologies	✓
AC Brooking *	✓	✓	Apologies	✓
NJ Bester	✓	✓	Apologies	✓
GM Glass (CFO) *(Appointed 1 March 2008)*	N/A	N/A	N/A	✓
AJ Grant+	✓	✓	✓	✓
IK Lourens (CEO)	✓	✓	✓	✓
T Matshazi *	✓	✓	✓	✓
CV McCulloch (COO)	✓	✓	✓	✓
JG Modibane+	✓	✓	✓	✓

* non-executive
+ independent non-executive

Board Processes

The board is governed by a formal Board Charter setting out its composition, processes and responsibilities. The Board Charter 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 performance indicators and risk areas of the group'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 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.

The board itself acts as nomination committee in the appointment of any new directors. With respect to new appointees the Board Charter mandates a formal induction programme, which is implemented largely through the mandatory AltX 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, COO and CFO 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 committee meetings during the year is set out below:

	2 August 2007	8 February 2008
AC Brooking	✓	Apologies
AJ Grant+	✓	✓
T Matshazi	✓	✓
IK Lourens*	✓	✓
CV McCulloch*	✓	✓

+ Audit Committee Chairman
*attended by invitation

The Audit Committee sets the principles and approves any non-audit services provided by the firm of external auditors. 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, as well as 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 for base fees of directors' remuneration as well as for payments on termination of an executive directors' 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 during the year is set out below:

Director	25 April 2008
AJ Grant	✓
JG Modibane+	✓
T Matshazi	✓
IK Lourens*	✓

+ 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 SA 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 systems 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 leading to reduction in vehicle sales in SA (VDS)	• Identifying new related markets for diversification • CVDS
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
for the year ended 31 May 2008

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 transformation is a business imperative and continues to address its commitment through a number of initiatives. OneLogix has completed its first audit in terms of the generic scorecard. The group has secured a 'Level 4' rating in terms of the Department of Trade and Industry's BBBEE Codes of Good Practice.

An extensive review of the group's supplier base is complete and policies and procedures have been formalised to allow for more black-owned companies to participate in the group's discretionary procurement spend. OneLogix has contracted B1SA to actively manage the group's spend with good BEE contributors on a monthly basis.

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

Skills Development and Training
The group submits annual employment equity reports focussing 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 previously disadvantaged 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 previously disadvantaged 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 previously disadvantaged 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. Further, VDS has successfully embarked on an employment programme that targets mostly previously disadvantaged logistics graduates.

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 are 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

OneLogix is committed to mitigating the impact of the pandemic on its employees. In this regard it 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.OneLogix 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 completed a driver learnership programme and 10 new drivers were employed. As a result of the success of this initiative, this programme will continue into the foreseeable future.

PostNet, in association with a major local media partner and an international humanitarian body, is closely involved in a book recycling project called 'Bury me in books'. Second hand educational books are sourced from North America and sorted and distributed to needy schools, libraries and prisons throughout SA. PostNet has to date distributed close to 1 million books in terms of this project. 'Bury me in books' is expected to gain momentum going forward.

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 AltX and company websites. The CEO and CFO 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 2008

DIRECTORS' STATEMENT OF RESPONSIBILITY AND DECLARATION BY THE COMPANY SECRETARY

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 2008. 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
CEO

GM Glass
CFO

20 August 2008
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 2008 the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up-to-date.

Probity Business Services (Proprietary) Limited
Company Secretary
20 August 2008
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 2008, 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 15 to 49.

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 of 31 May 2008, 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: J Potgieter
Registered Auditor
20 August 2008
Johannesburg

DIRECTORS' REPORT
for the year ended 31 May 2008

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 2008.

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, and are set out in detail in the annual financial statements and accompanying notes.

Share Capital
At year-end the authorised share capital comprised 500 000 000 ordinary shares of 1 cent each, of which 210 131 285 (2007: 197 272 589) were issued. 12 858 696 shares were issued during the year to part fund the acquisition of Press Support (Pty) Limited. Further detail in respect of share capital is set out in note15 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
No dividend was declared or proposed during the year under review (2007: 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
NJ Bester
GM Glass (CFO) *(Appointed 1 March 2008)*
IK Lourens (CEO)
CV McCulloch (COO)

In terms of the articles of association GM Glass, T Matshazi, CV McCulloch, JG Modibane and SM Pityana will retire as directors at the upcoming annual general meeting, and being eligible offer themselves for re-election.

Directors' Interests
No material contracts in which directors have an interest were entered into during the year other than the transactions detailed in note 23 to the annual financial statements.

Directors' Emoluments
Directors' emoluments are set out in note 23 to the annual financial statements.

Directors' Shareholding

At 31 May 2008 the directors of the company held, directly and indirectly, 116 404 585 (2007: 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.

	Direct 2008	Indirect 2008	Direct 2007	Indirect 2007
Director				
NJ Bester *	91 098 294	1 155 651	91 098 294	-
AC Brooking >	-	1 123 126	-	1 123 126
IK Lourens *	6 232 804	6 779 710	-	13 012 514
CV McCulloch *	9 000 000	-	9 000 000	-
GM Glass *	-	1 015 000	-	-
	106 331 098	10 073 487	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, whose business and postal addresses are set out on page 58 of the annual report.

Audit Committee Report

The committee has fulfilled its responsibilities during the year (see Corporate Governance Report). The committee has further satisfied itself as to the independence of the external auditors and their suitability for re-appointment for the coming year.

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:

15 January 2008: General authority for the company or its subsidiaries to acquire shares in the company.

Post Balance Sheet Events

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.

20 August 2008
Johannesburg

ONELOGIX GROUP LIMITED
BALANCE SHEETS
at 31 May 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	181 450	123 598	-	-
Intangible assets	8	45 457	20 251	-	-
Investment in subsidiaries	9	-	-	104 677	77 830
Investment in associate	10	116	30	-	-
Loans and receivables	11	510	517	-	-
		227 533	144 396	104 677	77 830
Current assets					
Inventories	12	3 189	1 986	-	-
Trade and other receivables	13	80 426	41 715	-	-
Cash and cash equivalents	14	9 001	18 270	-	20
		92 616	61 971	-	20
Total assets		320 149	206 367	104 677	77 850
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	15	2 101	1 973	2 101	1 973
Share premium	16	47 400	32 484	52 175	37 259
Retained earnings		73 354	44 751	49 605	38 571
Other reserves		52	52	-	-
Revaluation reserve		10 184	-	-	-
Minority interests		12 361	2 375	-	-
		145 452	81 635	103 881	77 803
Non-current liabilities					
Interest-bearing borrowings	17	71 128	56 553	-	-
Deferred taxation	18	9 558	5 981	-	-
		80 686	62 534	-	-
Current liabilities					
Trade and other payables	19	61 685	35 138	-	16
Current portion of interest-bearing borrowings	17	29 473	20 181	-	-
Current tax liabilities		2 853	6 879	796	31
		94 011	62 198	796	47
Total liabilities		174 697	124 732	796	47
Total equity and liabilities		320 149	206 367	104 677	77 850

ONELOGIX GROUP LIMITED
INCOME STATEMENTS
for the year ended 31 May 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Revenue	1	512 531	263 338	-	-
Fuel and motor vehicle expenses		(91 538)	(49 411)	-	-
Railage costs		(86 691)	(67 771)	-	-
Other expenses		(153 763)	(54 490)	-	-
Employment costs		(92 838)	(44 744)	-	-
Depreciation of property, plant and equipment and amortisation of intangible assets		(25 288)	(12 139)	-	-
Operating Profit	2	62 413	34 783	-	-
Finance cost	4	(12 738)	(5 487)	-	-
Finance income	4	450	372	11 808	7 133
Share of associate income	10	86	30	-	-
Profit Before Taxation		50 211	29 698	11 808	7 133
Taxation	5	(14 286)	(8 798)	(774)	(22)
Profit for the year		35 925	20 900	11 034	7 111
Attributable to:					
Equity holders		28 603	18 984	11 034	7 111
Minority interests		7 322	1 916	-	-
		35 925	20 900	11 034	7 111
Earnings Per Share (Cents)					
Basic and diluted earnings per share	6	13.6	9.6		

ONELOGIX GROUP LIMITED
STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 May 2008

	Attributable to equity holders						
	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
GROUP							
At 31 May 2006	1 973	32 484	25 767	-	-	659	60 883
Profit on sale of shares by the staff trust	-	-	-	-	52	-	52
Dividend declared in subsidiary	-	-	-	-	-	(200)	(200)
Net profit	-	-	18 984	-	-	1 916	20 900
At 31 May 2007	1 973	32 484	44 751	-	52	2 375	81 635
Shares issued	128	14 916	-	-	-	-	15 044
Dividend declared in subsidiaries	-	-	-	-	-	(975)	(975)
Minorities acquired on acquisition of subsidiary	-	-	-	-	-	923	923
Revaluation of fixed properties	-	-	-	10 184	-	2 716	12 900
Net profit	-	-	28 603	-	-	7 322	35 925
At 31 May 2008	2 101	47 400	73 354	10 184	52	12 361	145 452
COMPANY							
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
Shares issued	128	14 916	-	-	-	-	15 044
Net profit	-	-	11 034	-	-	-	11 034
At 31 May 2008	2 101	52 175	49 605	-	-	-	103 881

ONELOGIX GROUP LIMITED
CASH FLOW STATEMENTS
for the year ended 31 May 2008

	Notes	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Cash flows from operating activities					
Cash receipts from customers		525 913	284 087	-	-
Cash paid to suppliers and employees		(453 175)	(236 070)	(16)	16
Cash flows from operating activities	22	72 738	48 017	(16)	16
Interest received		450	372	-	77
Interest paid		(12 738)	(5 487)	-	-
Taxation paid		(17 907)	(2 174)	(9)	-
Dividend paid		(975)	(200)	-	-
Net cash flows from operating activities		41 568	40 528	(25)	93
Cash flows from investing activities					
Purchase of property, plant and equipment to expand capacity		(64 663)	(75 343)	-	-
Purchase of intangible assets to expand capacity		(967)	(436)	-	-
Proceeds from disposal of property, plant and equipment		2 156	3 542	-	-
Net loans made to subsidiaries		-	-	5	(74)
Decrease in non-current receivables		7	16	-	-
Investment in subsidiary	22.1	(9 770)	-	-	-
Net cash flows used in investing activities		(73 237)	(72 221)	5	(74)
Cash flows from financing activities					
Increase in borrowings		56 975	62 313	-	-
Repayment of borrowings		(34 575)	(18 725)	-	-
Net cash flows from financing activities		22 400	43 588	-	-
Net (decrease)/increase in cash and cash equivalents		(9 269)	11 895	(20)	19
Cash and cash equivalents at beginning of year		18 270	6 375	20	1
Cash and cash equivalents at end of year	14	9 001	18 270	-	20

ONELOGIX GROUP LIMITED
ACCOUNTING POLICIES
for the year ended 31 May 2008

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

1 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 property, as well as financial assets and financial liabilities.

2 Consolidation

2.1 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.

2.2 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.

3 Foreign Currencies

Items included in the annual 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.

4 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 revaluation less impairment. This represents a change in accounting policy as previously properties were shown using the historical cost method. Properties are shown at fair value based on periodic, but at least triennially, valuations by external independent valuers, less subsequent depreciation for buildings. All other classes of plant and equipment is stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation of properties are credited to revaluation reserve in shareholders equity. 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
Vehicles – Trailers	7 – 12
Vehicles – Horses	4 - 5
Buildings	20
Plant and equipment	5 – 10
Office furniture and equipment	5 – 10
Computer equipment and software	3 – 4
Vehicles	4 – 5
Leasehold improvements	Over the period of the lease
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 the 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.

5 Intangible Assets

(a) 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.

(b) 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).

(c) 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).

(d) 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.

6 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.

7 Financial Assets
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.

(a) 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.

(b) 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.

(c) 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.

(d) 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.

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.

8 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.

9 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.

10 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.

11 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.

12 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 nondiscretionary dividends on these preference shares are recognised in the income statement as 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.

13 Deferred Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in countries where the company's subsidiaries and associate operate and generate taxable income.

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.

14 Employee Benefits

(a) 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 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.

(b) 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.

(c) 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.

15 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.

16.1 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:

(a) 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.

(b) Sales of publications

Sales of publications are recognised as they are distributed less the estimated expected returns of unsold publications.

(c) Royalty income

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

16.2 Recognition of Other Income

(a) 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.

(b) Dividend income

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

17 Leases

(a) 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.

(b) 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.

18 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.

19 Secondary Tax on Companies

South African resident companies are subject to a dual corporate tax system, one part of the tax being levied on the taxable income and the other, a secondary tax (STC) on distributed income. A company has STC charges on the declaration or deemed declaration of dividends (as defined under tax law) to its shareholders. STC is not a withholding tax on shareholders, but a tax on companies.

The STC tax consequence of dividends is recognised as a taxation charge in the income statement in the same period that at the related dividend is accrued as a liability. The STC liability is reduced by dividends received during the dividend cycle. Where dividends received exceed dividends declared within a cycle, STC is payable in the current STC rate on the net amount. Where dividends received exceed dividends declared within a cycle, there is no liability to pay STC. The potential tax benefit related to excess dividends received is carried forward to the next dividend cycle as an STC credit. Deferred tax assets are recognised on unutilised STC credits to the extent that it is probable that the group will declare future dividends to utilise such STC credits.

20 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.

21 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.

a) 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.

(b) Estimated returns of unsold publications

Management base their estimate of returns of unsold publications on past history and update their estimates on a monthly basis taking into account the latest distribution figures. Any significant unexpected changes in the market may impact on estimates made and ultimately the revenue recognised.

22 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 2008 or later periods which the group has not early adopted. These are as follows:

22.1 IFRS 8 – Operating Segments (effective for periods beginning 1 January 2009)

IFRS 8 specifies how an entity should report information about its operating segments in annual financial statements and, as a consequential amendment to IAS 34 Interim Financial Reporting, requires an entity to report selected information about its operating segments in interim financial reports. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The group is assessing the disclosure requirements of IFRS 8. The group will apply IFRS 8 from annual periods beginning 1 June 2009.

22.2 IFRIC 13 – Customer Loyalty Programmes (effective for periods beginning 1 July 2008)

IFRIC 13 addresses the accounting by an entity that grants award credits to its customers as part of a sales transaction or the rendering of services and, subject to meeting any further qualifying conditions, the customers can redeem in the future for free or discounted goods or services. The group is assessing the accounting and disclosure requirements of IFRIC 13. The group will apply IFRIC 13 from annual periods beginning 1 June 2009.

22.3 IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for periods beginning 1 January 2008)

IFRIC 14 addresses when refunds or reductions in future contributions should be regarded as available to an entity in accordance with paragraph 58 of IAS 19. It also addresses how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. Management have considered IFRIC 14 and concluded that it is not relevant to the group.

22.4 IAS 23 – Borrowing Costs Revised (effective for periods beginning 1 January 2009)

IAS 23 specifies borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset. Previously an entity had an option to capitalise these borrowing costs or not. The accounting policy of the group is to capitalise borrowing costs and therefore this amendment will not have any financial impact on the group.

22.5 Management has assessed the relevance of the following interpretation with respect to the group's operations and concluded it is not relevant to the group:

- IFRIC 12 – Service Concession Arrangements (Effective for periods 1 January 2008)

ONELOGIX GROUP LIMITED NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 May 2008

1 Segment Information

Segment information for the year ended 31 May 2008

	Revenues R'000	Segment results R'000	Segment assets R'000	Segment liabilities R'000
Group	-	(9 360)	39 380	(5 228)
Business services	22 446	7 165	8 703	(7 833)
Logistics services	490 085	64 608	272 066	(149 225)
	512 531	62 413	320 149	(162 286)
Unallocated:				
Finance cost	-	(12 738)	-	-
Finance income	-	450	-	-
Taxation	-	(14 286)	-	(2 853)
Deferred taxation	-	-	-	(9 558)
Share of associate income	-	86	-	-
	-	(26 488)	-	(12 411)
Total	512 531	35 925	320 149	(174 697)

	Capital expenditure R'000	Depreciation R'000	Amortisation R'000
Group	857	308	-
Business services	586	426	-
Logistics services	64 187	21 630	2 924
Total	65 630	22 364	2 924

1 Segment Information (continued)

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

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

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
The following items have been charged/(credited in arriving at operating profit:				
Depreciation on property, plant and equipment (note 7)	22 364	12 035	-	-
Intangible amortisation (note 8)	2 924	104	-	-
Profit on disposal of property, plant and equipment	(27)	(171)	-	-
Repairs and maintenance expenditure	658	319	-	-
Operating lease rentals				
Property	9 482	1 852	-	-
Office equipment	1 006	362	-	-
	10 488	2 214	-	-
Staff costs (note 3)	92 838	44 744	-	-
Foreign exchange profit	(13)	(21)	-	-
Auditors' remuneration				
Audit fees	1 258	885	-	-
Royalty fees	3 570	2 761	-	-

3 Staff Costs

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
Salaries and wages	88 741	43 024	-	-
Staff recruitment	507	210	-	-
Staff training	1 184	495	-	-
Staff relocation	52	182	-	-
Contributions to defined benefit plans	2 354	833	-	-
	92 838	44 744	-	-
Average weekly number of persons employed by the group and company during the year	829	420	-	-

4 Finance (Cost)/Income

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Interest received				
Bank	450	23	-	-
Preference share investment dividend accrued	-	-	9 045	7 056
Other	-	349	-	77
Subsidiary	-	-	2 763	-
	450	372	11 808	7 133
Interest paid				
Bank overdrafts	(188)	(66)	-	-
Instalment sale and mortgage bond liabilities	(11 585)	(5 244)	-	-
Other	(965)	(177)	-	-
	(12 738)	(5 487)	-	-

5 Taxation

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
SOUTH AFRICAN NORMAL TAXATION				
Current taxation				
Current year South African Normal Tax	12 247	7 094	774	22
Prior year over provision	-	(60)	-	-
Secondary Tax on Companies	174	50	-	-
Foreign taxation	304	-	-	-
	12 725	7 084	774	22
Deferred taxation				
Current year	1 561	1 679	-	-
Prior year under provision	-	35	-	-
	1 561	1 714	774	-
	14 286	8 798	774	22
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	50 211	29 698	11 808	7 133
Tax calculated at a tax rate of 28% (2007: 29%)	14 059	8 612	3 306	2 069
Secondary Tax on Companies	174	50	-	-
Rate change	(203)	-	-	-
Expenses not deductible for tax purposes	234	170	-	-
Prior year over provision	(15)	(25)	-	-
Foreign tax rate differential	61	-	-	
Income not subject to taxation	(24)	(9)	(2 532)	(2 047)
Taxation	14 286	8 798	774	22

Further information about deferred taxation is presented in note 18.

6 Earnings per share

	Group 2008	2007
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 (R'000)		
Net profit attributable to shareholders	28 603	18 984
Headline earnings (R'000)		
Headline earnings*	28 583	18 862
Net number of shares in issue ('000)		
Total	210 131	197 273
Weighted average	210 131	197 273
Basic and diluted earnings per share (cents)		
Basic and diluted earnings per share	13.6	9.6
Headline earnings per share (cents)		
Headline earnings per share	13.6	9.6

* 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 2008							
Opening carrying amount	3 047	31 396	360	84 950	651	3 194	123 598
Acquisition of subsidiaries	-	-	-	1 570	667	445	2 682
Revaluation of land	-	15 000	-	-	-	-	15 000
Additions	2 307	1 343	656	54 898	1 108	4 351	64 663
Disposals	-	-	-	(2 082)	-	(47)	(2 129)
Depreciation charge	(936)	(1 007)	(175)	(17 377)	(408)	(2 461)	(22 364)
Closing carrying amount	4 418	46 732	841	121 959	2 018	5 482	181 450
At 31 May 2008							
Cost	5 354	48 704	1 207	155 870	3 988	12 965	228 088
Accumulated depreciation	(936)	(1 972)	(366)	(33 911)	(1 970)	(7 483)	(46 638)
Carrying amount	4 418	46 732	841	121 959	2 018	5 482	181 450

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

Land and buildings were revalued in January 2008 by independent valuers. The method used to value the properties was based on the direct comparative market value method. The fair value of the land at 31 May 2008 included in land and buildings is R33 million. If land and buildings were to be recognised at cost, the carrying amount would have been R31,7 million.

7 Property, Plant and Equipment (continued)

Reconciliation to revaluation reserve included in equity

	Land and buildings R'000
Revaluation	15 000
Deferred tax charge	(2 100)
Minority interest	(2 716)
Revaluation reserve	10 184

	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

8 Intangible Assets

	Distribution rights R'000	Identified intangibles on acquisition of subsidiaries R'000	Goodwill R'000	Software R'000	Total R'000
GROUP					
Year ended 31 May 2008					
Opening carrying amount	-	-	19 175	1 076	20 251
On acquisition of subsidiary	611	11 926	14 626	-	27 163
Additions	44	-	-	923	967
Amortisation charge	(109)	(2 424)	-	(391)	(2 924)
Closing carrying amount	546	9 502	33 801	1 608	45 457
At 31 May 2008					
Cost	655	11 926	33 801	2 450	48 862
Accumulated amortisation	(109)	(2 424)	-	(872)	(3 405)
Closing carrying amount	546	9 502	33 801	1 608	45 457

8 Intangible Assets (continued)

	Distribution rights R'000	Identified intangible on acquisition of subsidiaries R'000	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

Impairment tests for goodwill

Goodwill is allocated to three of the group's cash-generating units (CGUs), namely Vehicle Delivery Services, a division of OneLogix (Pty) Limited, Press Support (Pty) Limited and MagScene (Pty) Limited.

The attributable goodwill allocated to the CGU's is as follows:

	Goodwill 31 May 2008 R'000
Vehicle Delivery Services	**19 175**
Press Support (Pty) Limited	**13 799**
MagScene (Pty) Limited	**827**
	33 801

	Amortisation period (years)	Carrying value at acquisition R'000	Accumulated Amortisation R'000	Carrying value at 31 May 2008 R'000
On acquisition of Press Support (Pty) Limited and MagScene (Pty) Limited the following intangibles were identified and amortised over estimated useful lives.				
Contractual business	5	7 322	(1 464)	5 858
Non-contractual business	5	2 598	(519)	2 079
Information Technology	4	728	(184)	544
Brand	5	1 278	(257)	1 021
		11 926	(2 424)	9 502

8 Intangible Assets (continued)

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 and are in the range of 7% - 9.7%. The discount rate of 11.7% is pre-tax and reflects specific risks relating to the relevant segment.

9 Investment in Subsidiaries

	Company	
	2008 R'000	2007 R'000
Unlisted:		
Shares at cost		
Balance at beginning and end of year	1 960	1 960
Indebtedness		
By subsidiaries	102 717	75 870
	104 677	77 830
Aggregate attributable after tax profits of subsidiaries:	24 890	13 598
Refer to note 24 for detail of principal subsidiary undertakings.		
Directors' valuation – at cost	104 677	77 830

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

The loans are all receivable from OneLogix (Pty) Limited and consist of R65 million (2007: R65 million) cumulative preference shares issued by OneLogix (Pty) Limited. The dividend on the preference shares is based on the ruling prime rate plus 2%. The remaining receivable balance relates to the accrued preference dividend of R19,2 million (2007: R10,1 million) and a loan receivable of R18,5 million (2007: R0,7 million) which bears interest at prime plus 2% and has no fixed terms of repayments.

10 Investment in Associate

The group has a 26% interest in Internet Express (Pty) Limited, an unlisted company incorporated in South Africa. The company carries on the business of facilitating web based courier solutions.

	Group	
	2008 R'000	2007 R'000
Balance at beginning of year	30	-
Share of profit	86	30
Balance at end of year	116	30

10 Investment in Associate (Continued)

	Company	
	2008 R'000	2007 R'000
The group's interest in its associate is as follows:		
Total assets	1 082	375
Total liabilities	(550)	(174)
Net assets	532	201
The group's share of net assets	138	52
Revenue	2 412	890
Profit for the five months ended 31 May 2007	-	116
Profit for the 12 months ended 31 May 2008	330	-
The group's share of net profit	86	30

11 Loans and Receivables

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Loans to franchisees[1]	350	337	-	-
Other	160	180	-	-
	510	517	-	-

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

12 Inventories

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Trading merchandise	107	66	-	-
Vehicle spares and consumables	2 286	1 364	-	-
Work-in-progress	703	556	-	-
Publications	93	-	-	-
	3 189	1 986	-	-

The cost of inventories expensed is R107,8 million (2007: R61,9 million)

13 Trade and Other Receivables

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Trade receivables	79 649	40 613	-	-
Provision for impairment	(2 818)	(1 654)	-	-
Other receivables	2 253	1 769	-	-
Sundry loans	1 342	987	-	-
	80 426	41 715	-	-

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

The age analysis of trade receivables is as follows:

	2008		2007	
	Gross	Impairment	Gross	Impairment
Fully performing	49 908	-	29 476	-
Past due not impaired: 30 to 60 days	20 734	-	5 962	-
Past due not impaired: 60 to 90 days	2 033	-	2 646	-
Past due not impaired: 90 days and over	4 156	-	875	-
Past due and impaired: 90 days and over	2 818	(2 818)	1 654	(1 654)
Total	79 649	(2 818)	40 613	(1 654)

Reconciliation of impairment	
Balance at 1 June 2006	1 669
Decrease in provision during the year	(15)
Balance as at 31 May 2007	1 654
Increase in provision during the year	1 164
Balance as at 31 May 2008	2 818

14 Cash and Cash Equivalents

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Cash at bank and on hand	9 001	18 270	-	20

15 Share Capital

	No. of shares 2008	No. of shares 2007	2008 R'000	2007 R'000
GROUP AND COMPANY				
Authorised				
The total authorised number of ordinary shares is 500 000 000 shares (2007: 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 of year	197 272 589	197 272 589	1 973	1 973
Share issued during the year on acquisition of Press Support Group	12 858 696	-	128	-
Balance at end of year	210 131 285	197 272 589	2 101	1 973

16 Share Premium

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Issued				
Balance at beginning of year	81 865	81 865	86 640	86 640
Share premium raised on share issue	14 916	-	14 916	-
	96 781	81 865	101 556	-
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 and end of year	(5 855)	(5 855)	(5 855)	(5 855)
Balance at end of year	47 400	32 484	52 175	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	
	2008 R'000	2007 R'000	**2008 R'000**	2007 R'000
Current				
Instalment sale liabilities	28 402	19 523	-	-
Mortgage bond liabilities	1 071	658	-	-
	29 473	20 181	-	-
Non-current				
Instalment sale liabilities	58 315	42 485	-	-
Mortgage bond liabilities	12 813	14 068	-	-
	71 128	56 553	-	-
Total borrowings	100 601	76 734	-	-
Maturity of non-current borrowings				
Between one and two years	30 871	18 862	-	-
Later than two years and not later than five years	33 226	33 725	-	-
Later than five years	7 031	3 966	-	-
	71 128	56 553	-	-

Securities

1. The group has a R126,7million 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 R40 million credit facility with Daimler Chrysler Financial Services (Pty) Limited and a further R20 million with Wesbank a Division of Firstrand Bank Limited for future vehicle finance.

3. Instalment sale and finance lease liabilities are secured over vehicles with a net carrying value of R93,2 million (2007: R70,1 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 R46,7 million (2007: R30,8million). The majority of mortgage bond liabilities bear interest at fixed rates. The carrying value approximates fair value.

	Group		Company	
	2008 R'000	2007 R'000	**2008 R'000**	2007 R'000
Borrowing facilities				
The group has the following undrawn committed borrowing facilities:				
Total bank borrowings capacity at year-end	186 737	128 800	-	-
Total bank borrowings at year-end	100 601	76 734	-	-
Leaving reserve borrowing capacity of	86 136	52 066	-	-

The group has a portion of borrowings from lenders at fixed rates. If the group had to fair value the financial instrument using current market conditions a benefit of R1,2 million before taxation would accrue in the income statement.

18 Deferred Taxation

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Deferred taxation is calculated on all temporary differences under the liability method using a principal tax rate of 28% (2007: 29%). The movement on deferred taxation is as follows:				
At beginning of year	(5 981)	(4 267)	-	-
Income statement movement	(1 561)	(1 714)	-	-
On revaluation of land	(2 100)	-	-	-
On acquisition of subsidiaries	84	-	-	-
At end of year	(9 558)	(5 981)	-	-
The deferred tax balance comprises:				
Capital allowances	(12 691)	(7 391)	-	-
Provisions and other	3 017	1 350	-	-
Tax losses carried forward	116	60	-	-
	(9 558)	(5 981)	-	-

19 Trade and Other Payables

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Trade payables	40 458	26 893	-	-
Sundry payables	18 825	6 620	-	-
Accruals for liabilities and charges	2 402	1 625	-	16
	61 685	35 138	-	16

Trade payables are non-interest bearing and are generally on 30 day terms.

20 Contingencies

Contingent liabilities

At 31 May 2008, 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

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Capital commitments				
Capital expenditure contracted at the balance sheet date but not recognised in the financial statements is as follows:				
Vehicles	12 800	22 000	-	-
Land	14 383	-	-	-
	27 183	22 000	-	-
Operating lease commitments				
The future minimum lease payments under non-cancellable operating leases are as follows:				
Not later than one year	6 481	2 866	-	-
Later than one year and not later than five years	5 973	1 328	-	-
	12 454	4 194	-	-

22 Cash flows from operating activities

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Reconciliation of operating profit to cash flows from operating activities:				
Operating profit	62 413	34 783	-	-
Adjustments for:				
Depreciation of property, plant and equipment	22 364	12 035	-	-
Amortisation of intangible assets	2 924	104	-	-
Profit on disposal of property, plant and equipment	(27)	(171)	-	-
Changes in working capital (excluding the effects of acquisition and disposal):				
(Increase)/decrease in inventories	(325)	324	-	-
Increase in trade and other receivables	(28 652)	(16 909)	-	-
Increase/(decrease) in trade and other payables	14 041	17 851	(16)	16
	72 738	48 017	(16)	16

22 Cash flows from operating activities (continues)

22.1 Acquisition of subsidiaries

	Group 2008 R'000	Group 2007 R'000	Company 2008 R'000	Company 2007 R'000
During the year the group acquired interests in subsidiaries as follows:				
Plant and equipment	(2 681)	-	-	-
Route license	(611)	-	-	-
Loans receivable	(44)	-	-	-
Cash and bank	(3 783)	-	-	-
Deferred taxation	(84)	-	-	-
Inventories	(878)	-	-	-
Trade and other receivables	(10 015)	-	-	-
Minority interests	923	-	-	-
Shareholders' loans	34	-	-	-
Long term borrowings	894	-	-	-
Taxation	1 154	-	-	-
Trade and other payables	12 472	-	-	-
Current portion of borrowings	573	-	-	-
Other intangibles	(11 926)			
Goodwill	(14 626)	-	-	-
Total	(28 598)	-	-	-
Less : Cash and cash equivalent acquired	3 783	-	-	-
Purchase price net of cash	(24 815)			
Cash flow on acquisition	(9 770)	-	-	-
Purchase funded by issue of shares	(15 045)	-	-	-

23 Related Party Transactions

23.1 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 R4,8 million and the monthly rental equates to R40 000 per month escalating annually at 6%. The leasehold agreement relates to the rental of 40 000m^2 of land for vehicle storage in Pomona, Kempton Park. This transaction occurred at arms length.

23.2 Press Support (Pty) Limited, a wholly owned subsidiary of OneLogix (Pty) Limited, entered into a 18 month lease agreement with Guernsey Drive Longmeadow (Pty) Limited, a company of which 92,1% is directly and indirectly owned by JJ Eaton and MG Gooderham who serve as directors of the Press Support Group.

23.3 OneLogix Group Share Trust has advanced R1 002 959 to GM Glass, a director of OneLogix Group Limited, in order to procure shares in the company. This loan incurs interest at the prime overdraft rate. The outstanding balance at 31 May 2008 was R1 024 502.

23.4 Directors' remuneration

	Incentive R'000	Gross salary R'000	2008 R'000 Total	2007 R'000 Total
Executive				
NJ Bester	1 200	1 136	2 336	1 240
IK Lourens	1 200	1 210	2 410	1 307
CV McCulloch	1 200	1 102	2 302	1 210
GM Glass	100	210	310	-
	3 700	3 658	7 358	3 757
Non-executive directors				
AJ Grant			38	18
JG Modibane			28	9
			66	27

	Company	
	2008 R'000	2007 R'000
Executive directors		
Gross salaries	7 358	3 757
Non-executive directors		
Fees	66	27
	7 424	3 784
Paid by subsidiaries	(7 424)	(3 784)
	-	-

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

23.5 BEE service fee paid to Izingwe Holdings (Pty) Limited.

	Group		Company	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
BEE service fee paid to Izingwe Holdings (Pty) Limited.	421	370	421	370

24 Interest in Subsidiaries

	Country	Issued ordinary shares	Percentage held	Shares at cost less provision	Loans 2008	Loans 2007
Details of companies are reflected below:						
Directly held:						
Subsidiary of OneLogix Group Limited:						
OneLogix (Pty) Limited	RSA	1 000	75%	1 960	102 717	75 870
Indirectly held:						
Subsidiaries of OneLogix (Pty) Limited:						
PostNet Holdings (Pty) Limited	RSA	100	100%	-	-	-
Net Express (Pty) Limited	RSA	200	100%	-	-	-
Commercial Vehicle Delivery Services (Pty) Limited	RSA	1 000	75%	-	-	-
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%	-	-	-
Press Support (Pty) Limited	RSA	206 213	100%	-	-	-
Subsidiary of Press Support (Pty) Limited						
MagScene (Pty) Limited	RSA	1 000	60%	-	-	-
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	102 717	75 870

OneLogix (Pty) Limited acquired 100% of Press Support (Pty) Limited on 7 June 2007. 25% of Commercial Vehicle Delivery Services (Pty) Limited formerly known as Bizznet Business Hub (Pty) Limited was sold to a minority interest at nominal value on 1 September 2007.

25 Business Combinations

On 7 June 2007 the group acquired 100% of the Press Support Group. A 60% owned subsidiary of Press Support (Pty) Limited , MagScene (Pty) Limited, also forms part of the acquisition of Press Support (Pty) Limited. Press Support (Pty) Limited and MagScene (Pty) Limited are principally involved in the distribution of newspaper and magazines to end users. The acquired business contributed revenues of R57,0 million and net profit after minorities of R4,7 million in the current financial year. Details of net assets acquired and goodwill are as follows:

	R'000
Purchase consideration:	
- Cash paid	13 125
- Direct costs relating to the acquisition	428
- Fair value of shares issued (notes 15 and 16)	15 045
Total purchase consideration	28 598
Fair value of net assets acquired	(13 972)
Goodwill (note 8)	14 626

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

The fair value of the shares issued was based on the published share price on 8 June 2007.

The assets and liabilities as of 7 June 2007 arising from the acquisition is detailed in note 22.1.

26 Financial Instruments

26.1 Introduction

The group's principal financial instruments comprise cash and cash equivalents, bank loans and overdrafts, instalment sale agreements, loans to and from subsidiary companies and unlisted investments. The main reason for these instruments is to raise funds to finance the group's operations. Other financial instruments such as trade receivables, trade payables and foreign exchange contracts arise directly as a consequence of the group's operations.

The main risks arising from the group's financial instruments are credit risk, market risks (currency risk and interest rate risk), and liquidity risk. The board reviews and agrees policies for managing each of these risks which are summarised below.

26.2 Credit Risk

The most significant exposure to credit risk is in trade receivables and cash investments. The group only deposits short term cash surpluses with banks of a high credit rating. Trade receivables comprise a widespread customer base.

The majority have been contractually tied for some years and have proven credit risk ratings. The group policy is to evaluate credit worthiness of customers on an ongoing basis.

The group has a policy of insuring trade receivables that require a high amount of credit in relation to the margin achieved.

At 31 May 2008, the group did not consider there to be any significant concentration of credit risk that was not adequately provided for. Refer to note 13 for quantitive analysis of credit risk.

The carrying amounts of financial assets included in the group's balance sheet represent the group's exposure to credit risk in relation to these assets.

26 Financial Instruments (continued)

26.3 Market risk and sensitivity analysis

The group has used a sensitivity analysis technique that measures the estimated change to the income statement of either an instantaneous increase or decrease of 1% (100 basis points) in market interest rates or a 10% strengthening or weakening in the rand against all other currencies, from the rates applicable at 31 May 2008, for each class of financial instrument.

This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation.

Interest Rate Risk

The interest rate sensitivity analysis is based on the assumption that changes in the market interest rates affect the interest income or expense of variable interest financial instruments only.

Year	Increase/decrease in basis points	Effect on profit before tax on interest rate increase R'000	Effect on profit before tax on interest rate decrease R'000
Group			
2008	100	(786)	786
2007	100	(398)	398
Company			
2008	100	851	(851)
2007	100	538	(538)

Currency risk

The currency risk sensitivity analysis assumes that all net investment and cash flow hedges are highly effective. Under this assumption, with a 10% strengthening or weakening of the Rand against all other currencies, profit before tax would have decreased by R178,000 or increased by R178,000 respectively.

Other price risks

As at 31 May 2008, hypothetical changes in other risk variables would not significantly affect the price of financial instruments at that date.

26 Financial Instruments (continued)

26.4 Liquidity risk

The group monitors risk to a shortage of funds by using strict working capital models and projected cash flow modeling. The cash flows from trade receivables and trade payables are well matched in that payment terms agreed with customers are replicated with suppliers. The group enforces current trade and credit terms to ensure a constant level of liquidity.

The table below summarises the maturity profile of the group's financial liabilities at 31 May 2008 based on contractual undiscounted cash flows.

Maturity profile of financial liabilities	Instalment sale liabilities R'000	Mortgage bond liabilities R'000	Trade payables R'000	Other trade payables R'000	Foreign exchange contracts R'000
Group					
Within one month	3 555	220	40 458	21 237	760
Later than one month but not later than one year	34 984	2 420	-	-	3 091
Between one and two years	34 673	2 640	-	-	-
Later than two years but not later than five years	31 468	7 919	-	-	-
Later than 5 years	-	8 474	-	-	-
Total	104 680	21 673	40 458	21 237	3 851

26.5 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust this capital structure, the group may issue new shares, pay a dividend to shareholders, return capital to shareholders or sell assets to reduce debt.

The group monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings (including current and non-current borrowings as shown on the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

There has been no change to the group's approach to capital management during the year.

The group is not subject to externally imposed capital requirements.

26.6 Net fair values

The carrying amounts of financial instruments approximated their fair values due to the short term maturities of these assets and liabilities.

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 on the employee through a broker to the open market.

	No. of shares	
	2008	2007
Maximum number of ordinary shares permitted to share incentive scheme as approved by shareholders	**29 590 888**	29 590 888
Number of shares held by the trust on behalf of employees	**7 961 457**	7 166 998

There are no unallocated shares held by the trust.

ONELOGIX GROUP LIMITED
ANALYSIS OF SHAREHOLDERS

at 31 May 2008

	Number of ordinary shareholders	%	Number of ordinary shares	%
At 31 May 2008				
Directors	5	0,4	116 404 585	55.4
Other individuals	1 016	87,2	38 803 621	18,5
Institutions and other companies	144	12,4	54 923 379	26,1
Total	1 165	100,0	210 131 585	100,0
1 – 999	109	9,4	48 615	0,1
1 000 – 9 999	554	47,6	2 207 652	1,0
10 000 – 99 999	414	35,5	10 974 244	5,2
100 000 shares and over	88	7,5	196 900 774	93,7
Total	1 165	100,0	210 131 285	100,0
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

The following are the shareholders holding 5% or more of the listed ordinary shares in the company at 31 May (excluding directors):

	2008		2007	
	Number of ordinary share	%	Number of ordinary share	%
Wheeler Family Trust	10 103 558	4,8	10 123 558	5,1
Total	10 103 558	4,8	10 123 558	5,1

At year-end 1 160 shareholders holding 93 727 000 shares were classified as public shareholders (being 99,6% of the total number of shareholders and 44,6% of the total number of issued shares) and five shareholders holding 116 404 585 shares were classified as non-public shareholders (being 0,4% of the total shareholders and 55,4% of the issued shares).

ONELOGIX GROUP LIMITED
JSE STATISTICS for the year ended 31 May 2008

	2008	2007
Market price (cents per ordinary share)		
Closing 31 May	**83**	114
High for the year	**146**	150
Low for the year	**75**	56
Volume of units traded ('000) during the year	**29 259**	55 597
Value of shares traded (R'000) during the year	**33 339**	44 586

SHAREHOLDERS' DIARY

Financial year-end	31 May
Announcement of interim results	February
Announcement of annual results	August
Annual Report	November
Annual General Meeting	28 November 2008

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 Friday, 28 November 2008 at 10h00 for the following purposes:

1 To consider the annual financial statements for the year ended 31 May 2008;
2 To transact such other business as may be transacted at an annual general meeting of a company including the reappointment 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:

3.1 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 the 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 the counter-party;
2. at any point in time the company may only appoint one agent to effect repurchases on its behalf;
3. the company (or any subsidiary) 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 2008) may not in the aggregate exceed 20% (twenty percent), or 10% (ten percent) where the acquisition is effected by a subsidiary, 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), unless a repurchase programme (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) is in place and full details thereof are announced on SENS prior to the commencement of the prohibited period;
7. repurchases of shares may only take place if, after such repurchase, the shareholder spread of the company still complies with 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 undertake that, after considering the maximum number of securities which may be repurchased and the price at which the repurchases may take place pursuant to the buyback general authority, for a period of 12 months after the date of notice of this annual general meeting:

- the company and the group will be able in the ordinary course of business to pay their debts;
- 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;
- 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:

- Directors – page 6
- Major beneficial shareholders – page 50
- Directors' interests in ordinary shares – page 16
- Share capital of the company – page 39

Litigation statement

The directors, whose names appear on page 6 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 page 6 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 2008 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.

3.2 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;
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 50% (fifty 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 agreed between the company and the party subscribing for the shares;

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 and the effect of the issue on net asset value per share, net tangible asset value per share earnings per share, headline earnings per share, and if applicable, diluted earnings per share and diluted headline 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 (excluding votes of the Designated Advisor and the controlling shareholders, and their associates) of the votes cast by shareholders present or represented by proxy at the annual general meeting must be cast in favour of Ordinary Resolution Number 1 for it to be approved.

3.3 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."

3.4 Ordinary resolution number 3: Re-election of GM Glass as a director of the company

"Resolved that GM Glass be re-elected as a director of the company."

A brief curriculum vitae in respect of GM Glass is set out on page 6 of the annual report of which this notice forms part.

3.5 Ordinary resolution number 4: Re-election of T Matshazi as a director of the company

"Resolved that T Matshazi be re-elected as a director of the company."

A brief curriculum vitae in respect of T Matshazi is set out on page 6 of the annual report of which this notice forms part.

3.6 Ordinary resolution number 5: Re-election of CV McCulloch as a director of the company

"Resolved that CV McCulloch be re-elected as a director of the company."

A brief curriculum vitae in respect of CV McCulloch is set out on page 6 of the annual report of which this notice forms part.

3.7 Ordinary resolution number 6: Re-election of JG Modibane as a director of the company

"Resolved that JG Modibane be re-elected as a director of the company."

A brief curriculum vitae in respect of JG Modibane is set out on page 6 of the annual report of which this notice forms part.

3.8 Ordinary resolution number 7: Re-election of SM Pityana as a director of the company

"Resolved that SM Pityana be re-elected as a director of the company."

A brief curriculum vitae in respect of SM Pityana is set out on page 6 of the annual report of which this notice forms part.

3.9 Ordinary resolution number 8: Directors Remuneration

"Resolved that the remuneration of the non-executive directors, as set out on page 44 of the annual report of which this notice forms part be, and is hereby confirmed and ratified."

3.10 Ordinary resolution number 9: Re-appointment of auditors

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

3.11 Ordinary resolution number 10: 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, 7, 8 and 9 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 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) 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 (Proprietary) Limited
Company Secretary
20 August 2008

Registered address
46 Tulbagh Road
Pomona 70
Kempton Park
1620
(Postnet Suite 10, Private Bag X27,
Kempton Park, 1620)

Transfer Secretaries
Computershare Investor Services (Pty) Limited
Marshall Street
Johannesburg
(PO Box 61051, Marshalltown, 2107)

FORM OF PROXY

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

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 10h00 on Friday, 28 November 2008, 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 at the annual general meeting.

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 To effect share repurchases			
To pass ordinary resolutions:			
1. 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 GM Glass as a director of the company			
4. To re-elect T Matshazi as a director of the company			
5. To re-elect CV McCulloch as a director of the company			
6. To re-elect JG Modibane as a director of the company			
7. To re-elect SM Pityana as a director of the company			
8. To ratify non-executive directors' remuneration for the year ended 31 May 2008			
9. To re-appoint PricewaterhouseCoopers Inc. as auditors of the company			
10. To authorise the signature of documentation			

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

Signed .... this day of 2008

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 shareholders (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 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 (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received no later 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 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 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 (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 (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

JSE Code
OLG

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

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 11 327 7146
Facsimile +27 11 327 7149

Transfer secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg
P O Box 61051, Marshalltown, 2107
Telephone +27 11 370 5000
Facsimile +27 11 370 5271

Auditors
PricewaterhouseCoopers Inc.
Director: J Potgieter
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
PO Box 471917, Parklands, 2121
Telephone +27 11 283 0000
Facsimile +27 11 283 0065

Notes: