



OneLogix Group Limited

(Registration number 1998/004519/06) Share code OLG ISIN ZAE000026399

HIGHLIGHTS

- Revenue from continuing operations up 41%
- EBITDA from continuing operations up 23%
- Operating profit from continuing operations up 15%

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MAY 2002

CONDENSED CONSOLIDATED INCOME STATEMENT

	Audited Year ended 31 May 2002 R'000	Audited Year ended 31 May 2001 R'000
Revenue	88 649	62 871
Earnings before interest, taxation, depreciation, amortisation (EBITDA)	12 225	9 925
Depreciation	1 962	977
Operating profit	10 263	8 948
Net interest paid/(received)	633	(9 861)
Exceptional items	4 590	563
Amortisation of goodwill	3 135	2 824
Profit before taxation	1 905	15 422
Taxation	3 201	3 276
Net (loss)/profit from continuing operations	(1 296)	12 146
Loss from discontinued operations	5 279	1 891
Loss arising on discontinuance of operations	5 041	–
Impairment and amortisation of goodwill on discontinued operations	20 264	714
Net (loss)/profit attributable to shareholders	(31 880)	9 541
Number of shares in issue ('000):		
– Total	138 711	194 812
– Weighted	180 750	194 812
– Headline earnings per share (cents)	0,6	7,0
– Headline earnings per share from continuing operations (cents)	3,6	8,0
– (Loss)/Earnings per share (cents)	(17,6)	4,9
– (Loss)/Earnings per share from continuing operations (cents)	(0,7)	6,2
Calculation of headline earnings		
Net (loss)/profit attributable to shareholders	(31 880)	9 541
<i>Adjusted for:</i>		
Amortisation of goodwill	3 135	2 824
Exceptional items	4 590	563
Loss arising on discontinuance of operations	5 041	–
Impairment and amortisation of goodwill on discontinued operations	20 264	714
Headline earnings	1 150	13 642
Loss from discontinued operations	5 279	1 891
Headline earnings from continuing operations	6 429	15 533
Analysis of exceptional items		
Share trust write-down	413	646
Profit on sale of subsidiary	–	(83)
Asset impairments and write-offs	4 177	–
	4 590	563

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited Year ended 31 May 2002 R'000	Audited Year ended 31 May 2001 R'000
Opening equity	100 719	87 971
Shares issued less costs (including the issue of treasury shares)	9 119	(115)
Shares to be issued to vendor	7 000	–
Adjustment to goodwill previously written-off against share premium	7 607	3 322

CONDENSED CONSOLIDATED BALANCE SHEET

	Audited 31 May 2002 R'000	Audited 31 May 2001 R'000
ASSETS		
Non-current assets	50 696	60 719
Property, plant and equipment	7 870	6 397
Intangible assets	27 388	50 595
Other assets	12 533	1 164
Deferred tax	2 905	2 563
Current assets	30 570	120 290
Cash resources	7 925	81 928
Trade and other receivables	22 645	38 362
Total assets	81 266	181 009
EQUITY AND LIABILITIES		
Equity		
Ordinary shareholders' funds	38 180	100 719
Liabilities		
Non-current liabilities		
Interest bearing borrowings	5 679	4 315
Vendors' liabilities	8 256	3 000
Current liabilities	29 151	72 975
Trade and other payables	12 314	24 517
Vendors' liabilities	1 785	40 948
Taxation	606	–
Bank overdraft	14 446	7 510
Total equity and liabilities	81 266	181 009
Net asset value per share (cents)	27,5	51,7
Net tangible asset value per issued share (cents)	7,8	25,7

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Audited Year ended 31 May 2002 R'000	Audited Year ended 31 May 2001 R'000
Net cash generated/(utilised) in operations	918	(1 955)
Net cash flows from investing activities	(34 315)	(45 989)
Net cash flows from financing activities (including share repurchase)	(47 542)	176
Net decrease in cash resources	(80 939)	(47 768)
Cash resources at beginning of period	74 418	122 186
Cash resources at end of period	(6 521)	74 418

SEGMENTAL REPORTING

Revenues and earnings before interest, tax, depreciation and amortisation (EBITDA) of the primary business segments were as follows:

	Revenue		EBITDA	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<i>Continuing</i>				
Logistics	75 493	50 997	11 365	12 087
Services	13 156	11 874	4 963	4 305
Corporate	–	–	(4 103)	(6 467)
	88 649	62 871	12 225	9 925

Discontinuing operations

Parcel distribution (previously included in "Logistics")	70 224	67 055	(4 414)	(551)
Technology and other services (previously included in "Services")	926	1 127	(2 175)	(1 418)
	71 150	68 182	(6 589)	(1 969)

Commitments

	2002 R'000	2001 R'000
Equipment and premises operating lease commitments (not exceeding five years)	11 580	17 298

Contingencies

Onelogix continues to guarantee certain of the asset-based operating lease commitments of X Press Net (Pty) Ltd (not exceeding five years), its former parcel distribution business, amounting to approximately R15,1 million. Securities and sureties are in place to offset any such contingencies which may arise.

	Audited Year ended 31 May 2002 R'000	Audited Year ended 31 May 2001 R'000
Opening equity	100 719	87 971
Shares issued less costs (including the issue of treasury shares)	9 119	(115)
Shares to be issued to vendor	7 000	–
Adjustment to goodwill previously written-off against share premium	7 607	3 322
Shares repurchased including costs	(54 385)	–
Net (loss)/profit	(31 880)	9 541
Closing equity	38 180	100 719

	2002 R'000	2001 R'000
Parcel distribution (previously included in "Logistics")	70 224	67 055
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Contingencies		
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Notes		
1. The results are prepared in accordance and comply with South African Statements of Generally Accepted Accounting Practice.		
2. The accounting policies used in the preparation of the financial results are consistent with those adopted in the annual financial statements for the year ended 31 May 2002.		
3. The results have been audited by PricewaterhouseCoopers Inc. and the unqualified audit opinion is available for inspection at the company's registered office.		

COMMENTS

• INTRODUCTION

The directors of OneLogix Group Limited ("OneLogix" or "the group") present the audited consolidated financial results for the year ended 31 May 2002 ("the year").

International and local business landscapes altered dramatically during the year. Tougher trading conditions and waning support for new economy opportunities impacted on the group. OneLogix therefore decisively realigned its strategy in order to deliver sustainable shareholder returns in the future.

Start-up business units operating in highly competitive, cyclical environments and those relying on new economy growth were disposed of or closed. Goodwill and other intangible assets were impaired to appropriate conservative values.

Effective 20 June 2001 R54 million was returned to shareholders following the *pro rata* share repurchase of 67 500 000 shares. Interest received was consequently reduced by R5,5 million for the year.

• PROFILE

OneLogix has been streamlined into a logistics fulfilment group focussing on niche, high margin, cash-generating businesses with predictable earnings streams.

• REVIEW OF OPERATIONS

Vehicle Delivery Services, the sub-Saharan leader in auto logistics and **GoLogix Media Couriers**, the African leader in express distribution of printed material, continued to perform exceptionally and again exceeded expectations.

PostNet continued its strong performance, also exceeding expectations. During the year the prestigious "Franchisor of the Year" accolade was awarded to PostNet in recognition of its successful nationwide network of 227 stores.

Profits from these businesses were eroded to an extent by start-up pressures in **GoLogix Couriers**, which failed to meet cash generation and operating profit expectations. The business has been rationalised and will capitalise on improved efficiencies and management to generate better results from its entrenched customer base. GoLogix Couriers has become the e-fulfilment partner of choice to high profile customers including flySAA.com, Digital Mall, Megashopper and McCarthy Online.

• DISPOSAL AND CLOSURES

As announced on 21 June 2002, the group disposed of X Press Net (Pty) Ltd encompassing GoLogix Distribution, to a consortium including the management of the business. The effective date for accounting purposes is 15 February 2002.

Following underperformance against projected business plans and budgets, procurement solutions provider ThinkLogix Strategic Sourcing; FPLogix, a mail management joint venture and SMME Internet portal BizzNet, were closed.

• FINANCIAL RESULTS

Based on the group's continuing operations and current capital structure, revenue for the year increased by 41% to R88,7 million, EBITDA rose 23% to R12,2 million and operating profit grew 15% to R10,3 million.

The disposal and closures resulted in a R5 million loss from discontinuance of the operations, and impairment of goodwill relating to discontinued operations of R18,9 million.

Interest received was reduced from R9,9 million to interest paid of R0,6 million as a result of the share repurchase and payment of vendor liabilities.

Exceptional items of R4,6 million relate mainly to the impairment of intangible assets.

Net headline earnings per share from continuing operations therefore amounted to 3,6 cents per share, compared with 8 cents per share for the previous financial year.

• PROSPECTS

The restructuring and consolidation of the group will enable OneLogix to focus on its niche, high margin business units to ensure sustainable organic growth.

• PEOPLE

Neville Bester, Managing Director of VDS, was appointed to the main board as Executive Director with effect from 13 August 2002. Peter Forshaw resigned as Executive Director of OneLogix effective from 1 July 2002. OneLogix thanks Peter for his valuable contribution.

OneLogix thanks its management, employees, PostNet franchisees and business partners for their persistence and commitment. The group also thanks its business advisors and its shareholders and customers for their ongoing support.

• DIVIDEND

In line with group policy, no dividend has been declared for the year.

By order of the Board.

Tony Wiese (CEO)

Cameron Mc Culloch (FD)

28 August 2002

Directors: Tony Wiese (*Chief Executive Officer*); Neville Bester; Alec Grant*; Benjamin Liebmann*; Ian Lourens (*Chief Operating Officer*); Cameron Mc Culloch (*Financial Director*); Joe Modibane* **Non-executive directors*

Registered office: C/o Probity Business Services (Pty) Ltd, Unit C1, The Guild Office Park, 2 Guild Road, Parktown (PO Box 85392, Emmarentia 2029)

Transfer secretaries: Computershare Investor Services Limited, 11 Diagonal Street, Johannesburg 2001 (PO Box 1053, Johannesburg 2000)

Company secretary: Probity Business Services (Pty) Ltd, Unit C1, The Guild Office Park, 2 Guild Road, Parktown (PO Box 85392, Emmarentia 2029)