OneLogix Group Limited

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

HIGHLIGHTS

- REVENUE UP 58%
- HEPS UP 15%
- OPERATING PROFIT UP 16%
- CASH GENERATED FROM OPERATIONS UP 83%

AUDITED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 MAY 2006

CONDENSED CONSOLIDATED INCOME STATEMENT

	Audited Year ended 31 May 2006 R'000	Restated Audited Year ended 31 May 2005 R'000
Revenue	**167 890**	106 142
Operating and administration costs	**142 525**	84 276
Depreciation and amortisation	**5 360**	4 589
Operating profit	**20 005**	17 277
Share of associate loss	**–**	156
Finance income	**(240)**	(40)
Finance costs	**2 027**	978
Profit before taxation	**18 218**	16 183
Taxation	**2 377**	2 526
Net profit	**15 841**	13 657
Attributable to:		
– Minority interest	**460**	326
– Equity holders of the company	**15 381**	13 331
Net profit	**15 841**	13 657
Number of shares in issue ('000):		
– Total	**197 273**	192 780
– Weighted	**197 273**	196 940
Basic and headline earnings per share (cents)		
– Basic and fully diluted	**7,8**	6,8
SEGMENTAL ANALYSIS		
Revenue		
Logistics	**149 923**	90 629
Services	**17 967**	15 513
	167 890	106 142
Operating profit		
Logistics	**21 480**	16 970
Services	**4 448**	4 187
Corporate	**(5 923)**	(3 880)
	20 005	17 277
Commitments		
Operating lease commitments (not exceeding five years)	**827**	1 914

The group has authorised capital expenditure over the next twelve months of R33 million. R19 million is already committed.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Audited Year ended 31 May 2006 R'000	Audited Year ended 31 May 2005 R'000
Net cash generated from operations	**21 107**	11 517
Net cash flows from investing activities	**(38 350)**	(19 427)
Net cash flows from financing activities	**17 548**	7 097
Net increase/(decrease) in cash resources	**305**	(813)
Cash resources at beginning of year	**6 070**	6 883
Cash resources at end of year	**6 375**	6 070

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained income	Minority interests	Total
At 1 June 2004	1 921	31 871	(2 945)	–	30 847
Pre-acquisition reserves	–	–	–	(127)	(127)
New shares issued less expenses	52	748	–	–	800
Net profit	–	–	13 331	326	13 657
At 31 May 2005	1 973	32 619	10 386	199	45 177
Share issue expenses	–	(135)	–	–	(135)
Net profit	–	–	15 381	460	15 841
At 31 May 2006	1 973	32 484	25 767	659	60 883

CONDENSED CONSOLIDATED BALANCE SHEET

	Audited At 31 May 2006 R'000	Restated Audited At 31 May 2005 R'000
ASSETS		
Non-current assets	**84 113**	50 538
Property, plant and equipment	**63 661**	30 827
Intangible assets	**19 919**	19 711
Loans and receivables	**533**	–
Current assets	**33 440**	27 180
Inventories	**2 310**	1 875
Trade and other receivables	**24 755**	19 235
Cash resources	**6 375**	6 070
Total assets	**117 553**	77 718
EQUITY AND LIABILITIES		
Equity	**60 883**	45 177
Ordinary shareholders' funds	**60 224**	44 978
Minority interests	**659**	199
Liabilities		
Non-current liabilities	**28 648**	14 033
Interest-bearing borrowings	**24 381**	10 708
Deferred tax	**4 267**	3 325
Current liabilities	**28 022**	18 508
Trade and other payables	**17 287**	13 681
Interest-bearing borrowings	**8 765**	4 578
Taxation	**1 970**	249
Total equity and liabilities	**117 553**	77 718
Net asset value per share (cents)	**30,5**	23,3
Net tangible asset value per share (cents)	**20,4**	13,1

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

RECONCILIATION OF PREVIOUS SA GAAP AND IFRS

Reconciliation of equity	Note	At 1 June 2005 R'000	At 1 June 2004 R'000
As reported under SA GAAP		40 448	26 503
Adjusted for:			
Fair value adjustment to property, plant and equipment	2	6 462	6 462
Depreciation	4	196	–
Leases	6	(278)	(343)
Deferred taxation		(1 850)	(1 775)
As reported under IFRS		44 978	30 847

Reconciliation of net profit	Note	Year ended 31 May 2005 R'000
As reported under SA GAAP		13 471
Adjusted for:		
Depreciation	4	196
Leases	6	65
Taxation		(75)
As reported under IFRS		13 657

COMMENTS

The directors of OneLogix Group Limited ("OneLogix" or "the group") are pleased to present the audited results for the year ended 31 May 2006 ("the year").

Basis of presentation, accounting policies and notes
The results for the year and comparative information have been prepared in terms of International Financial Reporting Standards ("IFRS") applicable at 31 May 2006 and comply with the relevant sections of the Companies Act in South Africa.

The results have been audited by PricewaterhouseCoopers Inc, and their unqualified audit opinion is available for inspection at the registered office of OneLogix.

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

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

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

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

4. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Residual values and useful lives of all assets are reassessed annually. This more robust assessment has resulted in an increase in estimated useful lives of property, plant and equipment, and accordingly the depreciation charged to the income statement has reduced for the year ended 31 May 2006 and the year ended 31 May 2005;
5. Goodwill, which was previously amortised, is tested annually for impairment and carried at cost less accumulated impairment losses; and
6. Operating lease charges are now accounted for on a straight-line basis. Previously operating lease charges were expensed on a cash flow basis as incurred. This has resulted in higher lease costs in previously reported periods and a reduction of lease costs for the year ended 31 May 2006 and the year ended 31 May 2005.

Review of operations
The group's businesses continued to perform well:
Vehicle Delivery Services ("VDS") continued to dominate the buoyant cross-border auto-logistics market. Continued investment in fleet expansion, vehicle tracking software and IT systems has been supported by investment in land and improvements at the Pomona premises and new facilities in Durban, as announced on 14 March 2006. Together with high levels of efficiency within the business, these factors have further established VDS as a local market operator as well.

Media Express ("ME") managed to retain a substantial market share in the price sensitive niche of express printed media delivery. ME has also begun to move successfully into aligned niche markets. With a strengthened management team, an improved performance from ME is expected in the period ahead.

PostNet, a franchised retail chain of 215 business service outlets with a predominant courier offering, operates in the growth market of small to medium enterprises. The development of strong management and successful introduction of new product and service initiatives are beginning to yield benefit. Consequently, expectations of future performance remain promising.

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

BEE
As announced on 30 August 2005, 25% of the group's major operating subsidiary was acquired by a consortium including Sipho Pityana's Izingwe Capital (Pty) Limited and the group's BEE Staff Trust. The group's shareholders ratified the transaction on 22 November 2005. The strategic BEE transaction has been successfully implemented and the group looks forward to a long, mutually beneficial relationship with its new partners.

Financial results
Revenue for the group increased by 58% from R106 million to R168 million. Operating profit grew by 16% to R20 million, representing approximately 12% of revenue. Headline earnings per share rose by 15% from 6,8 cents per share to 7,8 cents per share.

The increase in revenue can be attributed largely to the consolidation of 4Logix with effect from 1 December 2004, as well as the higher revenue generated by VDS from its expansion into the local market.

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

The reduced effective tax rate of 13% (2005: 16%) was as a result of once-off learnership allowances claimed and a release of a deferred tax provision no longer required in the year under review. The group expects the effective tax rate to return to approximately 29% going forward.

Despite the increased working capital requirements commensurate with growth in revenue, cash generated from operations increased from R11,5 million to R21,1 million which again underpinned headline earnings. The group invested a total of R38,3 million in infrastructure, mainly in VDS, to expand operations. Infrastructure spend was financed by cash generated from operations and a R17,5 million increase in interest-bearing borrowings.

Prospects
Each company within the group has built strong management. This, together with attractive product and service offerings within high growth niche markets, will enable organic growth to generate sustainable profits for the group over the long term. In addition, OneLogix will continue to explore acquisitive opportunities that complement its niche, cash generative businesses.

People
We are satisfied that OneLogix is developing a management team equipped with appropriate skills to steer the group's continued growth. OneLogix thanks its management, employees and PostNet business partners as well as its customers, business advisors and shareholders for their continued support.

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

By order of the Board

Ian Lourens (CEO) **Cameron McCulloch** (FD)

30 August 2006

Warning: The listing of the ordinary shares in the company is on Alt^{X}. Shareholders are advised of the risks of investing in a company listed on Alt^{X}. Shareholders are advised that the JSE does not guarantee the viability or the success of a company listed on Alt^{X}. In terms of the JSE Listings Requirements a designated advisor has to be retained by the company. The designated advisor is required to, inter alia, attend all board meetings held by the company to ensure that all JSE Listings Requirements and applicable regulations are complied with, approve the financial director of the company and guide the company in a competent, professional and impartial manner. If the company fails to retain the designated advisor it must make arrangements to appoint a new designated advisor within 10 business days, failing which the company faces suspension of trading of its securities. If a designated advisor is not appointed within 30 days of its suspension the company faces the termination of its listing without an offer to minority shareholders.

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

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

Company Secretary: Probity Business Services (Proprietary) Limited, Third Floor, JHI House, 11 Cradock Avenue, Rosebank, 2196

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