OneLogix Group Limited

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

HIGHLIGHTS:

- NAV UP 15%
- NTAV UP 11%
- REVENUE UP 11%
- CASH FLOW FROM OPERATIONS UP 77%
- RFB ACQUISITION SUCCESSFULLY COMPLETED

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MAY 2009

CONDENSED CONSOLIDATED INCOME STATEMENT

	Audited Year ended 31 May 2009 R'000	Audited Year ended 31 May 2008 R'000
Revenue	**568 882**	512 531
Operating and administration costs	**(491 169)**	(424 830)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**77 713**	87 701
Depreciation and amortisation	**(27 932)**	(25 288)
Impairment of intangible assets	**(1 698)**	–
Operating profit	**48 083**	62 413
Finance income	**764**	450
Finance costs	**(13 093)**	(12 738)
Share of associate income	**4**	86
Profit before taxation	**35 758**	50 211
Taxation	**(11 089)**	(14 286)
Net profit	**24 669**	35 925
Attributable to:		
– Minority interest	**4 278**	7 322
– Equity holders of the company	**20 391**	28 603
Net profit	**24 669**	35 925
Number of shares in issue ('000):		
– Total	**210 131**	210 131
– Weighted	**210 131**	210 131
– Diluted	**210 131**	210 131
Basic and diluted basic earnings per share (cents)	**9,7**	13,6
Headline and diluted headline earnings per share (cents)	**10,2**	13,6
Reconciliation between basic and headline earnings		
Basic earnings	**20 391**	28 603
Profit on disposal of property, plant and equipment less taxation and minorities	**(120)**	(19)
Impairment of intangible assets less taxation and minorities	**1 148**	–
Headline earnings	**21 419**	28 584
SEGMENTAL ANALYSIS		
Revenue		
Logistics	**540 124**	490 085
Services	**28 758**	22 446
	568 882	512 531
Operating profit		
Logistics	**50 272**	64 608
Services	**9 570**	7 165
Corporate	**(11 759)**	(9 360)
	48 083	62 413

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Audited Year ended 31 May 2009 R'000	Audited Year ended 31 May 2008 R'000
Net cash generated from operations	**73 665**	41 570
Net cash flows from investing activities	**(58 185)**	(73 239)
Net cash flows from financing activities	**2 918**	22 400
Net increase/(decrease) in cash resources	**18 398**	(9 269)
Cash resources at beginning of year	**9 001**	18 270
Cash resources at end of year	**27 399**	9 001

CONDENSED CONSOLIDATED BALANCE SHEET

	Audited At 31 May 2009 R'000	Audited At 31 May 2008 R'000
ASSETS		
Non-current assets	**270 175**	227 533
Property, plant and equipment	**213 406**	181 450
Intangible assets	**56 370**	45 457
Interest in associate	**120**	116
Loans and receivables	**279**	510
Current assets	**100 044**	92 616
Inventories	**5 044**	3 189
Trade and other receivables	**67 601**	80 426
Cash resources	**27 399**	9 001
Total assets	**370 219**	320 149
EQUITY AND LIABILITIES		
Equity	**168 210**	145 452
Ordinary shareholders' funds	**153 482**	133 091
Minority interests	**14 728**	12 361
Liabilities		
Non-current liabilities	**87 550**	80 686
Interest-bearing borrowings	**68 042**	71 128
Deferred tax	**18 605**	9 558
Share-based compensation liability	**903**	–
Current liabilities	**114 459**	94 011
Trade and other payables	**69 037**	61 685
Interest-bearing borrowings	**44 118**	29 473
Taxation	**1 304**	2 853
Total equity and liabilities	**370 219**	320 149
Net asset value per share (cents)	**73,0**	63,3
Net tangible asset value per share (cents)	**46,2**	41,7
Commitments		
Operating lease commitments (not exceeding five years)	**15 490**	12 454

The group has authorised capital expenditure over the next twelve months of R37,7 million. R2,4 million is already committed. Given the prevailing economic conditions it is possible that the balance may not be utilised.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Retained income R'000	Revaluation reserve R'000	Other reserves R'000	Minority interests R'000	Total R'000
At 31 May 2007	1 973	32 484	44 751	–	52	2 375	81 635
Shares issued	128	14 916	–	–	–	–	15 044
Dividends declared in subsidiaries	–	–	–	–	–	(975)	(975)
Minorities acquired on acquisition of subsidiary	–	–	–	–	–	923	923
Revaluation of land	–	–	–	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
Dividends declared in subsidiaries	–	–	–	–	–	(1 911)	(1 911)
Net profit	–	–	20 391	–	–	4 278	24 669
At 31 May 2009	**2 101**	**47 400**	**93 745**	**10 184**	**52**	**14 728**	**168 210**

COMMENTS

The directors of OneLogix present the consolidated audited financial results for the year ended 31 May 2009 ("the year"). Notwithstanding difficult economic and market conditions which adversely affected the group's performance, particularly in the second half of the year, OneLogix operations continued to hold onto market share in their respective industries. In addition the businesses recorded good growth year-on-year within less severely affected industries.

Basis of preparation

The accounting policies and method of measurement and recognition applied in preparation of the consolidated audited annual financial statements are consistent with those applied in the audited financial statements for the previous year ended 31 May 2008.

The consolidated audited annual financial statements and the condensed consolidated audited annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34 respectively, and the requirements of the Companies Act (Act 61 of 1973).

The consolidated audited annual financial results have been audited by PricewaterhouseCoopers Inc. and their unqualified audit opinion is available for inspection at the registered offices of OneLogix.

Review of operations

The economic downturn particularly impacted group businesses operating in the contracting automotive industry.

Nonetheless **Vehicle Delivery Services ("VDS")** performed credibly in the face of a dramatically contracting market. Traditionally strong customer service ensured that the customer base remained intact, and should ensure gains in market share going forward.

Commercial Vehicle Delivery Services ("CVDS") was equally affected by the severe decline in the commercial vehicle market. Its offering remains solid and CVDS will continue to investigate broadening its customer base.

PostNet, a national franchised chain of 226 business service outlets for the resilient SME market, was the group's strongest performer and exceeded expectations. PostNet remains a defensive asset for OneLogix with good growth potential.

Although **Media Express** maintained its market share during the year, the weak economy nonetheless resulted in a performance below par.

Press Support performed well. A focus on customer service, innovative management and firm infrastructure ensured organic revenue and profit growth despite the trading conditions. Several market opportunities have been identified and will be pursued in the current financial year.

Magscene remains well-positioned with a compelling product offering in a competitive market. The business has emerged better equipped following the resolution during the year of challenging operational and administrative issues.

While **4Logix and Gijima** performed well in a tough market, outlook for these businesses has been muted by economic factors affecting the railing of bulk commodities to ports within South Africa. (See 'Post balance sheet events').

Acquisitions

As previously announced on 11 March 2009 OneLogix acquired niche operators RFB Logistics (Pty) Limited and PM Hire (Pty) Limited ("the RFB group") with effect from the end of May 2009. The RFB group has a longstanding track record in providing transport solutions throughout Southern Africa, with a particular focus on the niche 'abnormal load' market. The acquisition is in line with the group's diversification strategy within the framework of niche logistics services.

Financial results

Revenue increased by 11% to R568,9 million from R512,5 million for the previous year. The prevailing fuel price is a significant factor influencing revenue, and during the year was on average 15% higher than in the previous year.

EBITDA declined by 11% from R87,7 million to R77,7 million, largely attributable to the fixed costs required to support the levels of activity experienced during the first half of the year. EBITDA included a R4,4 million write-off in Magscene relating to uncollectable accounts receivable as well as a R0,9 million BEE share trust charge. Accordingly with a net interest expense of R12,3 million, this equates to satisfactory interest cover of 6,3 times.

Operating profit declined by 23% from R62,4 million to R48,1 million, representing 8,5% of revenue. A R1,7 million impairment charge related to the intangible assets associated with the Magscene acquisition was recognised during the year. Net profit before taxation was down 29% from R50,2 million to R35,8 million. Headline earnings per share declined by 25% from 13,6 cents to 10,2 cents per share.

Reduced working capital requirements as a result of a slowdown in revenue generation during the second half of the year, together with an improvement in trade receivables collections, saw cash flow from operations increase from R41,6 million to R73,7 million.

The group invested R50,8 million in infrastructure: R26,5 million for fleet; R5,3 million for IT infrastructure; R17,9 million for storage facilities; and R1,1 million for other assets. The initial net cash payment of the purchase price for the RFB group of R10,5 million was paid in the year. The infrastructure spend and cash investment in the new acquisition were financed by cash generated by operations and a R2,9 million increase in interest-bearing borrowings.

Proceeds on disposal of assets raised R2,9 million. Cash resources at balance sheet date increased by 204% from R9,0 million in the previous year to R27,4 million as at 31 May 2009.

Post balance sheet events

As previously announced, OneLogix has disposed of its interests in the 4Logix and Gijima businesses with effect from 1 June 2009, in order to focus attention on its higher margin core operations.

Prospects

It is expected that adverse economic conditions will continue to affect the contracting automotive industry. However, the group's reputed customer service should ensure that market share is maintained in this industry by VDS and CVDS. Further, PostNet and Press Support are anticipated to gain market share in their respective industries. In addition the newly acquired RFB group should perform well during the year ahead.

OneLogix will also continue to explore acquisitive opportunities which are expected to arise in the current trading conditions. In accordance with the group's strategy possible acquisitions would be in aligned niche markets, and are expected to further assist in offsetting the slowing of organic growth.

The group's focus on highly competitive offerings in healthy niche markets remains a key strength, and is well-supported by an established infrastructure and experienced and motivated management.

People

We remain satisfied that the strong management teams and staff, undergoing continual training and skills development, are well equipped 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.

By order of the board

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

28 August 2009

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

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

Company Secretary: Probity Business Services (Pty) Limited, Third Floor, The Mall Offices, 11 Cradock Avenue, Rosebank, 2196

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

Designated advisor
JAVACAPITAL

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