onelogix GROUP

OneLogix Group Limited
Incorporated in the Republic of South Africa | (Registration number 1998/004519/06)
JSE share code: OLG | ISIN: ZAE000026399 | ("OneLogix" or "the company" or "the group")

Unaudited Condensed Consolidated Interim Results

for the six months ended 30 November 2014

Highlights

Revenue
up 9%

Trading profit
up 13%

HEPS and EPS
up 14%

Core HEPS
up 12%

Diluted core HEPS up 16%

Cash generated from operations
up 11%

Dividend of
8 cents per share

Umlaas Road development in KwaZulu-Natal **completed on time and within budget**

Condensed consolidated statement of comprehensive income

	%	Unaudited 6 months ended 30 November 2014 R'000	Unaudited 6 months ended 30 November 2013 R'000	Audited year ended 31 May 2014 R'000
Continuing operations				
Revenue	9	**703 028**	647 841	1 272 071
Operating and administration costs	7	**(596 957)**	(558 613)	(1 101 240)
Depreciation and amortisation	32	**(37 863)**	(28 611)	(61 792)
Trading profit	13	**68 208**	60 617	109 039
(Loss)/profit on sale of assets		**(114)**	83	9 572
Operating profit	12	**68 094**	60 700	118 611
Share of profits from associate	(36)	**1 698**	2 633	4 190
Finance income	9	**668**	611	1 330
Finance costs	50	**(13 135)**	(8 777)	(21 442)
Profit before taxation	4	**57 325**	55 167	102 689
Taxation	8	**(16 093)**	(14 834)	(26 308)
Profit from continuing operations	2	**41 232**	40 333	76 381
Profit from discontinued operations		**5 417**	5 038	10 075
Profit for the period	3	**46 649**	45 371	86 456
Other comprehensive income				
Movement in foreign currency translation reserve*		**75**	27	41
Revaluation of owner occupied properties		**–**	–	16 270
Total comprehensive income for the period	3	**46 724**	45 398	102 767
** The component of other comprehensive income may subsequently be reclassified to profit and loss during future reporting periods*				
Profit attributable to:				
– Non-controlling interest	(30)	**3 840**	5 508	10 367
– Owners of the parent	7	**42 809**	39 863	76 089
	3	**46 649**	45 371	86 456
Other comprehensive income attributable to:				
– Non-controlling interest		**–**	–	–
– Owners of the parent		**75**	27	16 311
		75	27	16 311
Total comprehensive income attributable to:				
– Non-controlling interest	(30)	**3 840**	5 508	10 367
– Owners of the parent	8	**42 884**	39 890	92 400
	3	**46 724**	45 398	102 767
Total comprehensive income attributable to owners of the parent arises from:				
– Continuing operations	8	**37 467**	34 852	82 325
– Discontinued operations	8	**5 417**	5 038	10 075
	8	**42 884**	39 890	92 400

Condensed consolidated statement of comprehensive income *(continued)*

	%	Unaudited 6 months ended 30 November 2014 R'000	Unaudited 6 months ended 30 November 2013 R'000	Audited year ended 31 May 2014 R'000
Number of shares in issue ('000):				
– Total issued less treasury shares		**214 759**	231 595	207 402
– Weighted		**214 370**	225 858	217 411
– Diluted		**214 813**	231 595	217 411
Basic and headline earnings per share (cents)				
Basic earnings per share (cents)	14	**20,0**	17,6	35,0
Continuing operations	14	**17,5**	15,4	30,4
Discontinued operations	14	**2,5**	2,2	4,6
Diluted basic earnings per share (cents)	16	**19,9**	17,2	35,0
Continuing operations	16	**17,4**	15,0	30,4
Discontinued operations	14	**2,5**	2,2	4,6
Headline earnings per share (cents)	14	**20,0**	17,6	31,2
Continuing operations	14	**17,5**	15,4	26,6
Discontinued operations	14	**2,5**	2,2	4,6
Diluted headline earnings per share (cents)	16	**20,0**	17,2	31,2
Continuing operations	17	**17,5**	15,0	26,6
Discontinued operations	14	**2,5**	2,2	4,6
Core headline earnings per share (cents)	12	**20,8**	18,5	33,3
Continuing operations	12	**18,3**	16,3	28,7
Discontinued operations	14	**2,5**	2,2	4,6
Diluted core headline earnings per share (cents)	16	**20,8**	18,0	33,3
Continuing operations	16	**18,3**	15,8	28,7
Discontinued operations	14	**2,5**	2,2	4,6
Calculation of headline earnings and core headline earnings				
Profit attributable to owners of the parent	7	**42 809**	39 863	76 089
Loss/(profit) on disposal of property, plant and equipment less taxation and non-controlling interests		**57**	(57)	(8 163)
Headline earnings	8	**42 866**	39 806	67 926
Amortisation of intangible assets acquired as part of a business combination less taxation and non-controlling interests		**1 781**	1 905	4 443
Core headline earnings	7	**44 647**	41 711	72 369
Segmental split of amortisation of intangible assets acquired in a business combination less taxation and non-controlling interests				
Specialised Logistics	(2)	**877**	891	1 810
Other	–	**80**	80	161
Share in associate	(12)	**824**	934	2 472
	(7)	**1 781**	1 905	4 443

Condensed consolidated statement of financial position

		Unaudited at 30 November 2014 R'000	Unaudited at 30 November 2013 R'000	Audited at 31 May 2014 R'000
ASSETS				
Non-current assets	31%	**822 843**	629 784	665 288
Property, plant and equipment		**696 175**	505 490	532 672
Intangible assets		**75 711**	71 417	77 257
Investment in associate		**41 851**	36 567	38 125
Loans and receivables		**7 767**	14 836	15 033
Deferred taxation		**1 339**	1 474	2 201
Current assets	9%	**292 102**	269 037	260 935
Inventories		**10 436**	10 975	10 376
Trade and other receivables		**208 483**	189 333	179 455
Taxation		**764**	5 727	781
Non-current assets held-for-sale		**16 832**	–	–
Cash resources		**55 587**	63 002	70 323
Total assets	24%	**1 114 945**	898 821	926 223
EQUITY AND LIABILITIES				
Equity	13%	**406 102**	359 813	371 577
Ordinary shareholders' funds		**378 834**	327 279	334 978
Non-controlling interests		**27 268**	32 534	36 599
Liabilities				
Non-current liabilities	48%	**338 177**	227 898	234 812
Interest-bearing borrowings		**272 044**	172 008	168 165
Deferred tax		**66 133**	55 890	66 647
Current liabilities	19%	**370 666**	311 110	319 834
Trade and other payables		**196 256**	191 023	182 939
Interest-bearing borrowings		**119 575**	87 488	90 134
Vendor liability		**–**	9 000	9 000
Non-controlling interest put option		**–**	16 206	–
Taxation		**7 438**	7 393	1 371
Non-current liabilities held-for-sale		**3 449**	–	–
Bank overdrafts		**43 948**	–	36 390
Total equity and liabilities	24%	**1 114 945**	898 821	926 223
Net asset value per share (cents)	25	**176,4**	141,3	161,5
Net tangible asset value per share (cents)	28	**141,1**	110,5	124,3

Segmental analysis

	% change	Unaudited at 30 November 2014 R'000	Unaudited at 30 November 2013 R'000	Audited at 31 May 2014 R'000
Revenue				
Specialised Transport	8	649 091	600 896	1 183 153
Reportable segment	8	649 091	600 896	1 183 153
Other	15	53 937	46 945	88 918
	9	703 028	647 841	1 272 071
Segment results				
Specialised Logistics	13	82 374	73 033	141 783
Reportable segment	13	82 374	73 033	141 783
Other	(25)	3 124	4 148	7 277
Corporate items	6	(17 404)	(16 481)	(30 449)
	12	68 094	60 700	118 611
Unallocated:				
Share of profits from associate	(36)	1 698	2 633	4 190
Finance income	9	668	611	1 330
Finance costs	50	(13 135)	(8 777)	(21 442)
	4	57 325	55 167	102 689
Total assets				
Specialised Logistics	29	990 845	768 814	805 822
Discontinued operations – Retail	24	33 165	26 683	25 291
Reportable segments	29	1 024 010	795 497	831 113
Other	53	39 848	26 101	25 362
Corporate items	(79)	7 133	33 455	28 641
Investment in associate	14	41 851	36 567	38 125
Unallocated: Taxation and deferred taxation	(71)	2 103	7 201	2 982
	24	1 114 945	898 821	926 223
Total liabilities				
Specialised Logistics	30	527 551	404 292	392 617
Discontinued operations – Retail	9	19 896	18 200	18 888
Reportable segments	30	547 447	422 492	411 505
Other	95	23 451	12 013	12 160
Corporate items	56	64 374	41 220	62 963
Unallocated: Taxation and deferred taxation	16	73 571	63 283	68 018
	32	708 843	539 008	554 646
The group has authorised capital expenditure over the next 6 months of R51 million. R43 million is already committed.				
Commitments				
Operating lease commitments (not exceeding five years)		62 761	64 437	71 964

Condensed consolidated statement of cash flows

		Unaudited 6 months ended 30 November 2014 R'000	Unaudited 6 months ended 30 November 2013 R'000	Audited year ended 31 May 2014 R'000
Net cash generated from operations	11	**70 096**	63 292	133 434
Continuing operations		**62 875**	57 968	119 072
Discontinued operations		**7 221**	5 324	14 362
Net cash flows from investing activities	>100	**(67 347)**	(15 236)	1 265
Continuing operations		**(67 817)**	(16 563)	1 252
Discontinued operations		**470**	1 327	13
Net cash flows from financing activities	(24)	**(25 107)**	(32 971)	(148 680)
Continuing operations		**(24 883)**	(32 872)	(148 304)
Discontinued operations		**(224)**	(99)	(376)
Net movement in cash resources		**(22 358)**	15 085	(13 981)
Cash resources at beginning of period		**33 933**	47 899	47 899
Exchange gain on cash resources		**64**	18	15
Cash resources at end of period		**11 639**	63 002	33 933

The statement of comprehensive income and cash flows distinguish discontinued operations from continuing operations.

Comparative figures have been restated.

Condensed consolidated statement of changes in equity

	Stated capital R'000	Treasury shares R'000	Retained income R'000
At 1 June 2013 – audited	37 691	(8 431)	271 779
Dividends declared to non-controlling interests	–	–	–
Dividend paid to OneLogix shareholders	–	–	(11 580)
Non-controlling interest acquired as a result of a business combination	–	–	–
Share-based compensation reserve movement	–	–	–
Transactions with non-controlling interests	–	–	–
Treasury shares becoming unrestricted on vesting to BEE share scheme participants	–	8 431	–
Share-based payment scheme completed	–	–	8 075
Profit for the period	–	–	39 863
Other comprehensive income	–	–	–
At 30 November 2013 – unaudited	37 691	–	308 137
Dividends declared to non-controlling interests	–	–	–
Specific share repurchase	–	–	(60 168)
Non-controlling interest acquired as a result of a business combination	–	–	–
Treasury shares becoming unrestricted on vesting to BEE share scheme participants not allocated	–	(629)	–
Transfer to retained income on disposal	–	–	1 488
Transactions with non-controlling interests	–	–	–
Profit for the period	–	–	36 226
Other comprehensive income	–	–	–
At 31 May 2014 – audited	**37 691**	**(629)**	**285 683**
Dividends declared to non-controlling interests	**–**	**–**	**–**
Transactions with non-controlling interests	**29 019**	**–**	**–**
Profit for the period	**–**	**–**	**42 809**
Other comprehensive income	**–**	**–**	**–**
At 30 November 2014 – unaudited	**66 710**	**(629)**	**328 492**

Revaluation reserve R'000	Other reserves R'000	Share-based compensation reserve R'000	Foreign currency translation reserve R'000	Transactions with non-controlling interests R'000	Non-controlling interests R'000	Total R'000
13 258	153	7 286	288	(29 752)	17 184	309 456
–	–	–	–	–	(1 250)	(1 250)
–	–	–	–	–	–	(11 580)
–	–	–	–	–	8 015	8 015
–	–	789	–	–	–	789
–	–	–	–	5 908	3 077	8 985
–	–	–	–	(8 431)	–	–
–	–	(8 075)	–	–	–	–
–	–	–	–	–	5 508	45 371
–	–	–	27	–	–	27
13 258	153	–	315	(32 275)	32 534	359 813
–	–	–	–	–	(691)	(691)
–	–	–	–	–	–	(60 168)
–	–	–	–	–	344	344
–	–	–	–	629	–	–
(1 488)	–	–	–	–	–	–
–	–	–	–	15 357	(447)	14 910
–	–	–	–	–	4 859	41 085
16 270	–	–	14	–	–	16 284
28 040	**153**	**–**	**329**	**(16 289)**	**36 599**	**371 577**
–	**–**	**–**	**–**	**–**	**(3 200)**	**(3 200)**
–	**–**	**–**	**–**	**(28 047)**	**(9 971)**	**(8 999)**
–	**–**	**–**	**–**	**–**	**3 840**	**46 649**
–	**–**	**–**	**75**	**–**	**–**	**75**
28 040	**153**	**–**	**404**	**(44 336)**	**27 268**	**406 102**

Commentary

Despite numerous challenges, the group has continued its uninterrupted growth trajectory with a satisfactory performance for the interim period while further consolidating for continued growth, including undertaking significant preparatory work for identifiable future opportunities.

Review of operations

The group's existing businesses largely performed well. Recent acquisitions have been successfully integrated and throughout the group, activity is continually focused on the present and future requirements of a strong customer base.

Specialised Logistics

The largest business segment in the group, Specialised Logistics, has been earmarked as a growth opportunity for OneLogix.

The recent completion of a R130 million vehicle storage facility for 5 000 vehicles for ***OneLogix Vehicle Delivery Services*** ("VDS"), located between Durban and Pietermaritzburg, offers additional facilities to be utilised by all group companies such as offices, workshops, fuel tanks, driver accommodation and truck parking areas and reflects the group's investment strategy. VDS remains an important component within OneLogix. A mature business in a mature industry, VDS nonetheless continues to exceed expectations despite difficult trading conditions which manifest in margin pressure. Its strong and motivated management team has mastered a complex business model, and continues to focus on business opportunities and improving operational efficiencies.

OneLogix Commercial Vehicle Delivery Services ("CVDS") also performed beyond expectations in a relatively quiet market. Marginal market share growth was complemented by increased revenue from storage. CVDS has maintained its exceptional delivery standards track record of nearly 100% on-time deliveries.

OneLogix United Bulk ("United Bulk") has a strong customer base in the southern African liquid bulk delivery market. A recent expansion into the dry bulk market capitalised on this advantage. Performance for the period was satisfactory, especially given the impact of the platinum and metalworkers strike most keenly felt at the start of the period.

OneLogix Projex ("Projex") managed to trade well in challenging market circumstances. It is a significant player in the Durban harbour freight logistics market, with the capacity to project manage the movement of large shipments of abnormal or general freight within tight deadlines. The acquisition at end May 2014 of ***OneLogix Projex Cargo Solutions*** ("Cargo Solutions") extended Projex's capability with import and export warehouse handling and storage, loading/offloading and railway siding capabilities. Cargo Solutions has a warehouse presence in the Durban and Cape Town harbours and offers several synergies to Projex and other group companies.

Madison recovered well from the negative impact of the platinum belt strikes. It specialises in the movement of heavy and abnormal equipment, especially heavy crane loads.

OneLogix Linehaul, the third successful group start-up, specialises in the cross-border movement of commodities and general freight. It has established a loyal customer base, built a good reputation based on quality performance and traded ahead of expectations in the period.

Retail

The company disposed of its entire shareholding in PostNet Holdings (Pty) Ltd ("PostNet") in early December 2014 (see Post year-end events). During the interim period PostNet traded well, benefitting in particular from the

Post Office strike towards the end of the 2014 calendar year. In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) the results of PostNet have been presented as a discontinued operation during the reporting period.

Other – Logistics Services

The remaining businesses are involved in providing services to the logistics industry. These businesses do not meet the recognition criteria of a separately reportable segment and include:

- ***Atlas 360*** (“Atlas”) was recently renamed from Atlas Panelbeaters on the extension of its services beyond traditional panelbeating into adjacent markets. It performed well and will be relocating to expanded premises in the next few months; and
- ***DriveRisk*** (a 49%-owned associate), which performed well in an increasingly competitive market. It maintains a market leading position and has a solid customer base. The results for DriveRisk have been equity-accounted.

Corporate transactions

As announced on 23 April 2014 and 30 May 2014, respectively, and with effect from 1 June 2014, OneLogix concluded three related party transactions which resulted in the group acquiring:

- A further 10% shareholding in Projex for a purchase consideration of R7,5 million. The purchase price was settled by way of a cash payment of R3,75 million and by the issue of 1 071 428 fully paid up OneLogix shares for the balance. OneLogix now owns 90% of Projex with Projex management holding the remaining 10% interest.
- A further 25% shareholding in CVDS for a purchase consideration of R14,25 million, payable by way of a cash payment of R5,25 million and by the issue of 2 571 428 fully paid up OneLogix shares for the balance. OneLogix now owns 100% of CVDS; and
- A further 14% in United Bulk for a purchase consideration of R13 million, payable by way of the issue of 3 714 285 fully paid up OneLogix shares. OneLogix now owns 74% of United Bulk.

In all instances synergies between OneLogix and the companies concerned will be maximised and management interests will be more closely aligned with those of shareholders.

On 4 November 2014, the group fulfilled a contingent payment condition in terms of the original purchase agreement with DriveRisk (then Drive Report) as announced on 21 December 2012. Simultaneously with this, an additional 9% of DriveRisk equity was acquired for an aggregate amount of R11 million, resulting in the group owning 49% of the issued shares of DriveRisk.

Financial results

Revenue from continuing operations increased by 9% to R703 million on the back of the maiden contributions for a full reporting period from OneLogix Linehaul, Madison and Cargo Solutions. Organic growth was subdued in tough trading conditions.

The trading margin from continuing operations increased from 9,4% to 9,7%. This is reassuring as it underpins the commercial practices that manage input costs in line with top-line growth. During the prior period the group extended the estimated useful lives of a portion of the fleet based on past experience of fleet replacement, resulting in an once-off reduction in the depreciation charge of approximately R4 million.

Net finance costs increased by 52% from R8,2 million to R12,5 million as a result of the group’s increased investment in fleet as well as the reduced cash on hand due to the funding of the specific share repurchase from Izingwe Holdings (Pty) Ltd (“Izingwe”) for R60,8 million in December 2013. Interest cover from continuing operations of 5,5 times (November 2013: 7,4 times) remains comfortably within set parameters and allows for ongoing additional funding should opportunities arise.

Headline earnings per share (HEPS) and earnings per share (EPS) rose 14% from 17,6 cents to 20 cents. This is mainly as a result of the reduced shares in issue during the interim period.

As previously communicated, we aim to present stakeholders with the same information that management uses to evaluate the performance of the group's operations. Accordingly we present core headline earnings, which are headline earnings (as calculated based on SAICA Circular 2/2013) adjusted for the amortisation charge of intangibles recognised on acquisitions. Core HEPS increased 12% and diluted core HEPS increased 16% to 20,8 cents. Reconciliation between headline earnings and core headline earnings is provided.

Cash flows from operations increased by 11% in line with trading profit growth, to R70,1 million, due to ongoing focus on working capital management and the demonstrated capability of the group to translate profits into cash.

During the interim period, the group invested R213,4 million in operational infrastructure as follows: R125,7 million in property, R83 million in fleet (of which R68,8 million relates to expansionary spend), R2,5 million in IT-related assets, and R2,2 million for other assets. Net proceeds of R3,3 million were received on the disposal of tangible assets. Additional investments of R20 million in subsidiaries and DriveRisk were settled in cash during the period.

Post interim period events

As announced on 28 November 2014, OneLogix shareholders approved agreements for the implementation of an Employee Share Participation transaction in terms of which eligible employees of OneLogix (other than directors and prescribed officers of the group) will obtain a 10% indirect shareholding interest in OneLogix, as well as a Management Share Participation transaction in terms of which management and executive directors of OneLogix will obtain a 5% indirect shareholding in OneLogix. These participation schemes have been implemented during January/February 2015.

It was further announced on 2 December 2014, that as a result of the effect of Izingwe's exit on the group's ownership structures, OneLogix had entered into a subscription agreement with Kagiso Capital (Pty) Ltd ("Kagiso Capital"), a wholly-owned subsidiary of the well-respected Kagiso Charitable Trust, in terms of which Kagiso Capital will subscribe for, and the company will issue, 28 086 585 OneLogix ordinary shares at a subscription price of R3,60 per share, for an aggregate amount of R101 111 706. This transaction results in an improved ownership element of the OneLogix BEE scorecard. An announcement on 20 January 2015 confirmed shareholders' approval of this agreement.

On 15 December 2014 it was also announced that the group, through its wholly-owned subsidiary OneLogix (Pty) Ltd, concluded an agreement to dispose of its 100% shareholding in PostNet to Aramex (UK) Ltd, for a disposal consideration of R190,6 million. Proceeds net of cash balances disposed of amounted to R177,2 million and after tax profit on the disposal is expected to amount to approximately R143 million.

It was becoming increasingly clear that the skills required to optimise the growth of PostNet were becoming removed from the evolving core competencies of the group. This posed risks to both PostNet and OneLogix and the sale was deemed to be in the best interests of all parties.

The company confirms that the proceeds of both the Kagiso Capital and PostNet transactions will be used for paying down short-term debt and the balance to fund the group's growth through acquisitions and organic activities, as well as further investment in revenue-generating property investments.

As announced on 9 February 2015 the group, subject to the fulfilment of certain conditions, acquired a 74% interest in four specialised logistics companies (known as "Jackson and Buffelshoek") for a purchase consideration of R110 million to be settled through the issue of R20 million worth of OneLogix shares at the issue price of R6,14 per share and a cash payment of R90 million funded from internal cash resources.

Jackson and Buffelshoek are leading logistics operators within the refrigerated fresh produce, industrial food and related markets both within the South African and greater Southern African region. The acquisition complements the group's specialised logistics operations and represents the continued and systematic progression of the group's acquisition strategy of further reducing dependence on auto-logistics. Further, Jacques du Randt, a respected entrepreneur, will remain vested in the business with interests in Jackson and Buffelshoek of 26% and 16%, respectively.

Dividend

Shareholders are advised that an interim gross dividend, No.4, of 8 cents per share in respect of the six months ended 30 November 2014, was declared on Tuesday, 10 February 2015.

This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. The South African dividends tax ("DT") rate is 15%. The net dividend payable to shareholders who are subject to DT is 6,8 cents per share, while it is 8 cents per share for those shareholders who are exempt from dividends tax. The income tax reference number of the company is 9361229710.

At the declaration date, the issued share capital was 280 865 853 ordinary shares of no par value (with no STC reserves available for utilisation).

The salient dates in respect of the interim dividend are as follows:

	2015
Last day to trade cum dividend:	Friday, 6 March
Shares will trade ex dividend:	Monday, 9 March
Record date:	Friday, 13 March
Payment of dividend:	Monday, 16 March

Shareholders may not de-materialise or re-materialise their shares between Monday, 9 March 2015 and Friday, 13 March 2015, both dates inclusive.

The interim dividend, amounting to R22,5 million, has not been recognised as a liability in the consolidated interim financial statements. It will be recognised in shareholders' equity for the year ending 31 May 2015.

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

Changes to the board

Ms Anuradha Sing has been appointed as a non-executive director to the board of directors of OneLogix with effect from 21 January 2015. Anuradha is the Chief Investment Officer of Kagiso Capital and the board welcomes her and looks forward to her contribution to the company.

Prospects

The group strategy remains unchanged - to continue to grow existing businesses, establish in-house start-ups where aligned new opportunities arise and to seek appropriate acquisitions. Most of this activity will take place within the Specialised Logistics segment of the business.

The existing group businesses are all well positioned as leaders within their niche markets. The group understands the importance of superior customer interaction and much time and effort is spent on ensuring the most productive manner in which to maintain and improve this well-established company norm. Further, specific expansion opportunities have been identified and capital will be prudently allocated to take advantage of these prospects.

People

We go to great lengths to ensure that we attract and retain high-quality people within a healthy and enabling cultural environment at work, which supports the group in achieving our strategic objectives. We therefore remain highly appreciative of our quality management team and staff, who continue to perform at the highest levels of excellence.

We further thank our business partners, customers, suppliers, business advisors and shareholders for their ongoing invaluable support.

Basis of presentation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in terms of the disclosure requirements set out in International Accounting Standards ("IAS") 34, as well the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act, 2008. The unaudited condensed consolidated interim financial information should be read in conjunction with the most recent audited annual financial statements for the year ended 31 May 2014.

Accounting policies and computations are consistently applied as in the annual financial statements.

The following new and amended standards and interpretations of IFRS were effective for the first time from 1 June 2014.

The following new standards were adopted during the period:

- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment entities
- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities

None of these standards had a material impact on these interim results.

The interim financial statements have been approved by the board of directors on 11 February 2015. These results have been compiled under the supervision of the Financial Director, GM Glass (CA (SA)). The interim results have not been audited or reviewed by the group auditors, PricewaterhouseCoopers Inc.

The unaudited condensed consolidated interim financial statements are available on the company's website www.onelogix.com.

By order of the board

12 February 2015

Corporate information

Directors
SM Pityana (Chairman)*#,
NJ Bester,
GM Glass (FD),
AJ Grant*#,
DA Hirschowitz *#,
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CV McCulloch (COO),
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A Sing*
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