VALUE GROUP LIMITED

THE MEASURABLE LOGISTICS COMPANY

- REVENUE UP 13% TO R 1,8 BILLION
- ADJUSTED HEADLINE EARNINGS PER SHARE UP 7%
- NET ASSET VALUE UP 16% TO R3,53 PER SHARE
- DIVIDENDS UP 17%
- R263 MILLION CASH GENERATED BY OPERATIONS

REVIEWED FINANCIAL RESULTS

FOR THE YEAR ENDED 29 FEBRUARY 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R000's	% change	Reviewed 2012	Audited 2011
Revenue	13	**1 798 012**	1 588 315
Cost of sales		**(1 034 898)**	(891 874)
Gross profit	10	**763 114**	696 441
Other income		**9 022**	4 379
Operating expenses		**(595 149)**	(534 405)
Operating profit	6	**176 987**	166 415
Once-off BEE equity transaction costs		**—**	(12 192)
Share of profit of associate net of taxation		**34**	11
Investment income		**15 222**	17 715
Finance costs		**(38 224)**	(34 370)
Net profit before taxation		**154 019**	137 579
Taxation (note 2)		**(44 517)**	(43 468)
Net profit for the year	16	**109 502**	94 111
Other comprehensive income net of taxation		**—**	—
Total comprehensive income for the year		**109 502**	94 111
Earnings per share (cents) (note 3)			
– **Basic**		**66,4**	54,5
– **Headline**	21	**68,0**	56,2
– **Adjusted headline**	7	**68,0**	63,3
– Diluted basic		**58,7**	56,4
– Diluted headline		**60,2**	58,0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R000's	% change	Reviewed 2012	Audited 2011
Assets			
Non-current assets		**981 687**	864 931
Property, vehicles, plant and equipment		**938 715**	828 456
Intangible assets		**37 362**	31 611
Investments and loans		**2 414**	1 007
Deferred tax assets		**3 196**	3 857
Current assets		**397 627**	370 010
Inventories		**60 060**	68 260
Investments and loans		**902**	2 617
Trade and other receivables		**272 455**	218 857
Taxation in advance		**234**	100
Cash and cash equivalents		**63 976**	80 176
Non-current assets held for sale		**139**	20
Total assets		**1 379 453**	1 234 961
Equity and liabilities			
Equity		**582 728**	502 774
Non-current liabilities		**359 932**	315 212
Interest-bearing borrowings		**221 346**	194 963
Deferred tax		**138 586**	120 249
Current liabilities		**436 793**	416 975
Trade and other payables		**340 180**	317 346
Current portion of interest-bearing borrowings		**92 748**	84 042
Current tax payable		**3 865**	15 587
Total equity and liabilities		**1 379 453**	1 234 961
Net asset value per share (cents)	16	**353,0**	304,8

CONSOLIDATED STATEMENT OF CASH FLOWS

R000's	% change	Reviewed 2012	Audited 2011
Cash flows from operating activities		**145 010**	133 450
Cash generated by operations	7	**262 966**	246 908
Net finance costs		**(23 179)**	(16 967)
Changes in working capital		**(26 118)**	(36 098)
Taxation paid		**(37 375)**	(32 411)
Cash available from operating activities		**176 294**	161 432
Dividends paid		**(31 284)**	(27 982)
Cash flows from investing activities		**(196 571)**	(204 071)
Cash flows from financing activities		**35 361**	45 915
Net change in cash and cash equivalents		**(16 200)**	(24 706)
Cash and cash equivalents at beginning of year		**80 176**	104 882
Cash and cash equivalents at end of year		**63 976**	80 176

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R000's	Reviewed 2012	Audited 2011
Ordinary share capital and premium	**10 841**	10 841
Balance at beginning of year	**10 841**	194
Shares issued	**—**	73 003
Share issue expenses	**—**	(2 356)
Share buy back	**—**	(60 000)
A shares	**10**	10
Balance at beginning of year	**10**	—
Shares issued	**—**	10
Treasury shares	**(100 086)**	(100 325)
Balance at beginning of year	**(100 325)**	(28 323)
Treasury shares sold	**239**	1 011
Treasury shares acquired	**—**	(73 013)
Share-based payment reserve	**15 155**	13 623
Balance at beginning of year	**13 623**	746
Share-based payment expense	**1 532**	13 130
Transfer to retained income	**—**	(253)
Retained income	**656 808**	578 625
Balance at beginning of year	**578 625**	512 389
Transfer from share-based payment reserve	**—**	253
Profit/(Loss) on disposal of treasury shares	**33**	(120)
Dividends paid	**(31 352)**	(28 008)
Net profit for the year	**109 502**	94 111
Total capital and reserves	**582 728**	502 774

SEGMENT INFORMATION

R000's	Reviewed 2012	Audited 2011
Total segment revenue	**1 941 589**	1 719 757
General distribution	**1 473 993**	1 266 234
Truck rental and other	**370 280**	368 640
Head office and other	**97 316**	84 883
Less: Inter-segment revenue	**143 577**	131 442
General distribution	**9 994**	3 609
Truck rental and other	**37 205**	43 017
Head office and other	**96 378**	84 816
External segment revenue	**1 798 012**	1 588 315
General distribution	**1 463 999**	1 262 625
Truck rental and other	**333 075**	325 623
Head office and other	**938**	67
Business segment results		
General distribution	**138 015**	142 376
Truck rental and other	**46 526**	39 228
Head office and other	**(7 554)**	(15 189)
Business segment results	**176 987**	166 415
Once-off BEE equity transaction costs	**—**	(12 192)
Share of profit of associate net of taxation	**34**	11
Investment income	**15 222**	17 715
Finance costs	**(38 224)**	(34 370)
Net profit before taxation	**154 019**	137 579
Total segment assets		
General distribution	**622 371**	532 612
Truck rental and other	**620 449**	560 690
Head office and other	**129 887**	134 078
Segment assets	**1 372 707**	1 227 380
Investments and loans	**3 316**	3 624
Deferred tax	**3 196**	3 857
Taxation in advance	**234**	100
Total assets	**1 379 453**	1 234 961

NOTES

1. Statement of compliance

The financial results have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and are presented in accordance with IAS 34: Interim Financial Reporting.

The basis for the preparation of the financial results is consistent with that applied in the preparation of the annual financial statements for the year ended 28 February 2011.

The Group's auditors, Charles Orbach & Company have reviewed these results. Their unqualified review opinion is available for inspection at the company's registered office.

R000's	Reviewed 2012	Audited 2011
2. Taxation		
Secondary tax on companies included in taxation	**3 244**	3 422
3. Headline earnings		
3.1 Reconciliation between basic and headline earnings		
Basic earnings	**109 502**	94 111
Loss on disposal of property, vehicles, plant and equipment less taxation	**2 746**	2 935
Headline earnings	**112 248**	97 046
Once-off BEE equity transaction costs less taxation	**—**	12 192
Adjusted headline earnings	**112 248**	109 238
3.2 Number of ordinary shares of R0,001 each in issue		
Actual	**198 627 386**	198 627 386
Weighted average	**164 991 563**	172 707 357
Diluted	**187 903 103**	189 376 556
3.3 Number of A shares of R0,001 each in issue		
Actual	**10 429 010**	10 429 010
4. Supplementary information		
Depreciation	**77 351**	69 710
Amortisation of intangible assets	**10 511**	8 698
Depreciation and amortisation	**87 862**	78 408

COMMENTARY

INTRODUCTION

Value Group Limited ("the Group") and its subsidiaries provide a comprehensive range of tailored logistical solutions throughout southern Africa. The major operating divisions specialise in providing a diversified range of supply chain services, which encompass distribution, transport of normal and abnormal loads, clearing and forwarding, warehousing, container and fleet management, forklift and commercial vehicle rental and leasing.

FINANCIAL REVIEW

Although the Group's customer base expanded, the year under review proved to be challenging with the Group faced with a number of extraneous market factors. Meaningful growth in the first half was achieved despite disruptive fuel supplies and operational changes in certain business units. Conversely, unexpected volume decline in the second half impacted revenue growth and profitability. Consequently, revenue for the year increased by 13% from R1,59 billion to R1,8 billion.

Expansion of the Group's infrastructure in addition to increased fuel, labour and maintenance costs contributed to the gross profit percentage reducing from 43,8% to 42,4%. Notwithstanding this, gross profit improved by 10% to R763,1 million. This improvement more than offset the increased operational expenses and net finance costs to produce increased earnings. In addition, the once-off non-deductable BEE equity transaction costs incurred in the previous year had a negative effect on comparative headline earnings. Accordingly, headline earnings increased by 21% from 56,2 cents per share to 68 cents

COMMENTARY – *continued*

per share. Excluding the previous year's once-off BEE equity transaction costs, adjusted headline earnings increased by 7% from 63,3 cents per share to 68 cents per share.

Cash flows remained solid. A total of R239 million was spent on the acquisition of capital assets which consisted of R129,6 million for vehicles, R42,7 million for materials handling equipment, R37,8 million for IT hardware and software, R17,3 million for property upgrades and the balance of R11,6 million for plant, equipment and accessories. R203,9 million of this capital expenditure was funded by a 7% increase in cash generated by operations and proceeds on disposal of assets. The remainder of the capital expenditure totalling R35,1 million was funded by net interest-bearing debt.

The balance sheet remains sound with net asset value per share increasing by 16% from 304,8 cents per share to 353 cents per share. The debt equity ratio improved marginally to 53,9%. Interest-bearing debt levels are expected to remain within the target range of 40% to 60%.

OPERATION REVIEW

General distribution segment

Annual price adjustments and fuel recoveries contributed to the segment's revenue growing by 16% from R1,26 billion to R1,46 billion. Although additional business from new and existing customers contributed to revenue growth, volumes throughout the period were flat. Furthermore, unexpected volume declines in September 2011 and more so in January 2012 impacted the segment's results. Consequently, operating margins reduced from 11,3% to 9,4%. Operating profit reduced by 3% from R142,4 million to R138 million.

Truck rental and other segment

Despite extremely competitive market conditions, a positive turnaround in profitability was achieved. Although revenue increased marginally from R325,6 million to R333,1 million, operating margins improved from 12% to 14%, a direct result of repricing service offerings to drive up utilisations. Operating profit increased by 19% from R39,2 million to R46,5 million.

INFORMATION TECHNOLOGY

The substantial portion of the Group's information technology infrastructure upgrade is complete. A new world class data centre has been constructed and is fully operational. The latest technology in servers, data storage devices and network equipment has been commissioned. The Group will continue to invest in its IT infrastructure to enhance scalability, security, redundancy, and manageability of its core networks and server environment. This long-term investment will not only improve response times, but also provide a platform for the Group's future applications, data and transactional volume growth requirements.

The application environment has been bolstered by the recruitment of highly skilled staff, the result of which has been an improved turnaround time and quality of customer interface and Group software development and support. In addition, the implementation of specialised software applications continues throughout the business.

CAPITAL EXPENDITURE

Capital expenditure for the 2013 financial year is estimated to be R200 million. This will be funded by interest-bearing debt and internally generated funds.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce the appointment of Mr Velile Welcome Mcobothi as a non-executive director effective 3 November 2011 and as an independent non-executive director effective 29 February 2012. The Board congratulates Velile on his appointments to the Board, the audit and risk committee and the social and ethics committee.

PROSPECTS

Management expects the effects of the ongoing fuel price hikes and current trading environment to continue into the new financial year. Consequently, consumer discretionary spend could be impacted further which may negate volume recovery within the existing customer base. In addition, certain costs have escalated above inflation. These challenges in this economic environment have led to rate pressures and resistance in obtaining the required annual increases.

Growing a diversified profitable revenue base across all logistical service offerings, whilst simultaneously containing and reducing costs, remains a top priority of the Group. The Group's infrastructure base has been expanded to enable it to manage large growth in trading activity and critical mass. The restructuring and expansion of the Group's sales force has been completed. New accounts have been procured and commenced in the current financial year. Although volumes in March were flat, contribution from other revenue streams within the Group has produced reasonable results.

In the absence of any material unforeseen circumstances, management expect headline earnings to improve. This forecast has not been reviewed nor reported on by the Group's auditors.

DECLARATION OF FINAL DIVIDEND (NUMBER 11)

As previously announced on 29 March 2012, the Board declared a final dividend of 14 cents per ordinary share. This dividend is covered 3,1 times by second half earnings and is payable as follows:

Declaration date	Wednesday, 28 March 2012
Last day to trade *cum* dividend	Friday, 22 June 2012
Trading *ex*-dividend commences	Monday, 25 June 2012
Record date	Friday, 29 June 2012
Payment date	Monday, 2 July 2012

Share certificates may not be dematerialised or rematerialised between 25 June 2012 and 29 June 2012 both days inclusive.

Total dividends declared have increased by 17% from 18 cents per share in 2011 to 21 cents per share in 2012.

For and on behalf of the Board

C D Stein
Chairman

S D Gottschalk
Chief Executive Officer

Johannesburg
16 May 2012

Value Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1997/002203/06) ISIN: ZAE000016507 Share code: VLE
Directors: C D Stein* (Chairman), S D Gottschalk (CEO), C L Sack, I M Groves*, N M Phosa*, M Padiyachy, V W Mcobothi* ***Non-executive director***
Sponsor: Investec Bank Limited