

- REVENUE UP 10%
- HEADLINE EARNINGS PER SHARE DOWN 6%
- NET ASSET VALUE PER SHARE UP 14%
- INTERIM DIVIDEND DECLARED UP 14%
- CASH GENERATED BY OPERATIONS UP 8%

## UNAUDITED INTERIM FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2012

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R000's	% change	Unaudited August 2012	Unaudited August 2011	Audited February 2012
<b>Revenue</b>	10	<b>936 129</b>	847 264	1 798 012
Cost of sales		<b>(550 741)</b>	(496 129)	(1 034 898)
<b>Gross profit</b>	10	<b>385 388</b>	351 135	763 114
Other income		<b>3 706</b>	3 558	9 022
Operating expenses		<b>(319 350)</b>	(286 938)	(595 149)
<b>Operating profit</b>	3	<b>69 744</b>	67 755	176 987
Share of profit of associate net of taxation		<b>20</b>	8	34
Investment income		<b>6 769</b>	10 016	15 222
Finance costs		<b>(20 366)</b>	(19 260)	(38 224)
<b>Net profit before taxation</b>		<b>56 167</b>	58 519	154 019
Taxation (note 2)		<b>(18 803)</b>	(18 184)	(44 517)
<b>Net profit for the period</b>	(7)	<b>37 364</b>	40 335	109 502
Other comprehensive income net of taxation		—	—	—
<b>Total comprehensive income for the period</b>		<b>37 364</b>	40 335	109 502
<b>Earnings per share (cents) (note 3)</b>				
– Basic		<b>22,6</b>	24,5	66,4
– Headline	(6)	<b>23,4</b>	25,0	68,0
– Diluted basic		<b>20,0</b>	21,3	58,7
– Diluted headline	(6)	<b>20,6</b>	21,8	60,2

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R000's	% change	Unaudited August 2012	Unaudited August 2011	Audited February 2012
<b>Assets</b>				
<b>Non-current assets</b>		<b>1 011 857</b>	943 380	981 687
Property, vehicles, plant and equipment		<b>963 538</b>	906 741	938 715
Intangible assets		<b>40 032</b>	30 440	37 362
Investments and loans		<b>2 570</b>	1 083	2 414
Deferred tax		<b>5 717</b>	5 116	3 196
<b>Current assets</b>		<b>425 473</b>	386 551	397 627
Inventories		<b>61 241</b>	63 241	60 060
Investments and loans		<b>901</b>	2 309	902
Trade and other receivables		<b>284 406</b>	267 847	272 455
Taxation in advance		<b>3 718</b>	3 889	234
Cash and cash equivalents		<b>75 207</b>	49 265	63 976
<b>Non-current assets held for sale</b>		<b>270</b>	256	139
<b>Total assets</b>		<b>1 437 600</b>	1 330 187	1 379 453
<b>Equity and liabilities</b>				
<b>Equity</b>		<b>598 073</b>	524 095	582 728
<b>Non-current liabilities</b>		<b>373 211</b>	354 437	359 932
Interest-bearing borrowings		<b>226 133</b>	228 845	221 346
Deferred tax		<b>147 078</b>	125 592	138 586
<b>Current liabilities</b>		<b>466 316</b>	451 655	436 793
Trade and other payables		<b>363 520</b>	359 556	339 968
Current portion of interest-bearing borrowings		<b>99 314</b>	91 955	92 748
Current tax payable		<b>3 249</b>	—	3 865
Shareholders for dividend		<b>233</b>	144	212
<b>Total equity and liabilities</b>		<b>1 437 600</b>	1 330 187	1 379 453
Net asset value per share (cents)	14	<b>361,9</b>	317,7	353,0

### CONSOLIDATED STATEMENT OF CASH FLOWS

R000's	% change	Unaudited August 2012	Unaudited August 2011	Audited February 2012
<b>Cash flows from operating activities</b>		<b>83 776</b>	42 376	145 010
Cash generated by operations before movements in working capital		<b>115 472</b>	107 117	262 966
Movements in working capital	8	<b>22 110</b>	(2 225)	(26 118)
Net finance costs		<b>(13 782)</b>	(9 244)	(23 179)
Taxation paid		<b>(16 932)</b>	(33 476)	(37 375)
<b>Cash available from operating activities</b>		<b>106 868</b>	62 172	176 294
Dividends paid		<b>(23 092)</b>	(19 796)	(31 284)
<b>Cash flows from investing activities</b>		<b>(84 266)</b>	(115 082)	(196 571)
<b>Cash flows from financing activities</b>		<b>11 721</b>	41 795	35 361
<b>Net change in cash and cash equivalents</b>		<b>11 231</b>	(30 911)	(16 200)
Cash and cash equivalents at beginning of period		<b>63 976</b>	80 176	80 176
<b>Cash and cash equivalents at end of period</b>		<b>75 207</b>	49 265	63 976

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R000's	Unaudited August 2012	Unaudited August 2011	Audited February 2012
<b>Ordinary share capital and premium</b>	<b>10 841</b>	10 841	10 841
<b>A ordinary shares</b>	<b>10</b>	10	10
<b>Treasury shares</b>	<b>(99 785)</b>	(100 325)	(100 086)
Balance at beginning of period	<b>(100 086)</b>	(100 325)	(100 325)
Treasury shares sold	<b>301</b>	—	239
<b>Share-based payment reserve</b>	<b>15 881</b>	14 405	15 155
Balance at beginning of period	<b>15 155</b>	13 623	13 623
Share-based payment expense	<b>726</b>	782	1 532
<b>Retained income</b>	<b>671 126</b>	599 164	656 808
Balance at beginning of period	<b>656 808</b>	578 625	578 625
Profit on disposal of treasury shares	<b>67</b>	—	33
Dividends paid	<b>(23 113)</b>	(19 796)	(31 352)
<b>Total comprehensive income for the period</b>	<b>37 364</b>	40 335	109 502
<b>Total capital and reserves</b>	<b>598 073</b>	524 095	582 728

### SEGMENT INFORMATION

R000's	Unaudited August 2012	Unaudited August 2011	Audited February 2012
<b>Total segment revenue</b>	<b>1 015 998</b>	915 866	1 941 589
General distribution	<b>763 232</b>	674 485	1 473 993
Truck rental and other	<b>195 074</b>	194 926	370 280
Head office and other	<b>57 692</b>	46 455	97 316
<b>Less: Inter-segment revenue</b>	<b>79 869</b>	68 602	143 577
General distribution	<b>5 966</b>	4 232	9 994
Truck rental and other	<b>16 898</b>	17 915	37 205
Head office and other	<b>57 005</b>	46 455	96 378
<b>External segment revenue</b>	<b>936 129</b>	847 264	1 798 012
General distribution	<b>757 266</b>	670 253	1 463 999
Truck rental and other	<b>178 176</b>	177 011	333 075
Head office and other	<b>687</b>	—	938
<b>Business segment results</b>			
General distribution	<b>62 582</b>	62 084	138 015
Truck rental and other	<b>16 414</b>	10 013	46 526
Head office and other	<b>(9 252)</b>	(4 342)	(7 554)
<b>Business segment results</b>	<b>69 744</b>	67 755	176 987
Share of profit of associate net of taxation	<b>20</b>	8	34
Investment income	<b>6 769</b>	10 016	15 222
Finance costs	<b>(20 366)</b>	(19 260)	(38 224)
<b>Net profit before taxation</b>	<b>56 167</b>	58 519	154 019
<b>Total segment assets</b>			
General distribution	<b>646 729</b>	594 899	646 470
Truck rental and other	<b>596 212</b>	614 096	596 383
Head office and other	<b>181 753</b>	108 795	129 854
<b>Segment assets</b>	<b>1 424 694</b>	1 317 790	1 372 707
Investments and loans	<b>5 117</b>	3 392	3 316
Deferred tax	<b>3 717</b>	5 116	3 196
Taxation in advance	<b>3 718</b>	3 889	234
<b>Total assets</b>	<b>1 437 600</b>	1 330 187	1 379 453

### 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 29 February 2012. The interim results have been prepared under the supervision of the financial director, Mr C L Sack.

R000's	Unaudited August 2012	Unaudited August 2011	Audited February 2012
<b>2. Taxation</b>	<b>2 056</b>	1 736	3 244
Secondary tax on companies included in taxation			
<b>3. Headline earnings</b>			
<b>3.1 Reconciliation between basic and headline earnings</b>			
Basic earnings	<b>37 364</b>	40 335	109 502
Loss on disposal of property, vehicles, plant and equipment less taxation	<b>1 227</b>	838	2 746
<b>Headline earnings</b>	<b>38 591</b>	41 173	112 248
<b>3.2 Number of ordinary shares of R0,001 each in issue</b>			
Actual	<b>198 627 386</b>	198 627 386	198 627 386
Weighted average	<b>165 129 994</b>	164 962 874	164 991 563
Diluted	<b>189 328 493</b>	189 220 691	187 903 103
<b>3.3 Number of A ordinary shares of R0,001 each in issue</b>			
Actual	<b>10 429 010</b>	10 429 010	10 429 010
<b>4. Supplementary information</b>			
Depreciation	<b>41 911</b>	37 042	77 351
Amortisation of intangible assets	<b>6 857</b>	4 757	10 511
<b>Depreciation and amortisation</b>	<b>48 768</b>	41 799	87 862

### COMMENTARY

#### INTRODUCTION

Value Group Limited ("the Group") and its subsidiaries provide a comprehensive range of tailored logistical solutions throughout southern Africa. The operating divisions specialised 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

Despite tough trading conditions which have manifested in volume decline and pricing pressures, annual escalations in conjunction with increased fuel recoveries and an extended customer base contributed to Group revenue growing by 10% to R936,1 million.

Reduced utilisation of external subcontractors offset escalating fuel, maintenance and labour costs. Accordingly, gross profit margins were maintained. Gross profit improved by 10% from R351,1 million to R385,4 million. Headline earnings, however, reduced by 6% from 25 cents per share to 23,4 cents per share. Earnings were impacted by increased sales staff employment costs and additional STC charges which pushed up the effective tax rate to 33,5%. Net finance costs increased from R9,2 million to R13,6 million predominantly due to the notional fair value adjustment made to revenue and expenditure.

Notwithstanding a small reduction in headline earnings, cash generated by operations improved by 8% to R115,5 million. Cash flows of the Group remain resilient with ongoing focus on working capital management. Capital expenditure amounted to R104,3 million and consisted of R63,4 million for vehicles, R21,9 million for IT hardware and software, R10,5 million for materials handling equipment and the balance of R8,5 million for plant, equipment and accessories. R92,9 million of this expenditure was funded by internally generated cash flows with the balance of R11,4 million being funded by interest-bearing debt. Cash balances improved from R64 million to R75 million.

The Group remains adequately capitalised with interest-bearing debt levels well within the debt:equity target of 40% to 60%. Net asset value per share increased by 14% from 317,7 cents per share to 361,9 cents per share.

#### OPERATIONAL REVIEW

##### General distribution segment

Annual price adjustments and fuel recoveries contributed to the segment's revenue increasing by 13% from R670,3 million to R757,3 million. Although additional business from new and existing customers contributed to revenue growth, overall volumes throughout the period declined. Consequently, operating costs were reduced where possible. Notwithstanding the reduction in operating margins from 9,3% to 8,3%, operating profits increased marginally from R62,1 million to R62,6 million.

##### Truck rental and other segment

Despite the extremely competitive market conditions, operating profits increased from R10 million to R16,4 million. The turnaround of previous loss making divisions, fleet realignment and additional truck rental business contributed to operating profit margins improving from 5,7% to 9,2%.

#### FUTURE CAPITAL EXPENDITURE

Approved capital expenditure of approximately R35,7 million will be incurred in the remaining six months of the financial year. This expenditure will be funded out of a combination of existing interest-bearing debt facilities and cash flows. The expenditure consists of R20,3 million for vehicles, R8,9 million for various IT hardware and software projects and R6,5 million for plant and equipment.

#### PROSPECTS

In light of the quality of the existing infrastructure, capital expenditure has been materially reduced. This will enable the Group to continue to reduce debt and utilise its consistent positive cash flows to build up its cash resources which over the next five years, will be earmarked for expansion opportunities into the rest of Africa. The Group aims to benefit from the substantially higher growth rates achieved across the continent. This expansion will enable the Group to service the growth requirements of its customers, penetrate new markets and increase its overall volume base.

Although sustainable cost reduction initiatives have been and continue to be implemented, an improvement in the current trading environment is not expected. Notwithstanding the take-on of new customers, the volume decline trend continued in September 2012. This was further exacerbated by the protracted transport sector strike towards the end of September and into October 2012. This strike will have an effect on profitability. Nevertheless, in the absence of any unforeseen circumstances, the Board anticipates headline earnings to be similar to the previous year. This forecast has not been reviewed nor reported on by the Group's auditors.

#### DECLARATION OF INTERIM DIVIDEND (NUMBER 12)

Generation of additional positive cash flows has enabled the Board to declare a 14% increase in the gross interim dividend to 8 cents per ordinary share which will be paid out of distributable reserves. The total STC credits utilised as part of this declaration amount to R446 943,17. The number of ordinary shares in issue at the date of this declaration is 198 627 386 and consequently the STC credits utilised per share amounts to 0,22502 cents per share. The dividend will be subject to a dividend withholding tax of 15% which amounts to 1,16625 cents per share. This will result in a net dividend of 6,83375 cents per share to those shareholders who are not exempt from paying dividend withholding tax. The tax reference number of Value Group Limited is 9319/054/71/5. The gross dividend is covered 2,9 times by interim headline earnings and is payable to shareholders as follows:

Declaration date	Tuesday, 16 October 2012
Last day to trade cum dividend	Friday, 11 January 2013
Trading ex-dividend commences	Monday, 14 January 2013
Record date	Friday, 18 January 2013
Payment date	Monday, 21 January 2013
Share certificates may not be dematerialised or rematerialised between Monday, 14 January 2013 and Friday, 18 January 2013, both days inclusive.	

For and on behalf of the Board

**C D Stein** Chairman  
**S D Gottschalk** Chief Executive Officer

Johannesburg  
16 October 2012