



NET PROFIT BEFORE TAXATION EXCEEDS R100 MILLION
 HEADLINE EARNINGS PER SHARE UP 90%
 CASH GENERATED BY OPERATIONS UP 46%
 DIVIDEND DECLARATION UP 114%

REVIEWED FINANCIAL RESULTS
 FOR THE YEAR ENDED 28 FEBRUARY 2009

CONSOLIDATED INCOME STATEMENT

R000's	% change	Reviewed 2009	Restated 2008
Revenue	15	1 368 117	1 185 785
Operating profit before depreciation, amortisation impairment and finance costs	46	213 729	146 062
Depreciation, amortisation and impairment		(75 445)	(65 577)
Operating profit	72	138 284	80 485
Share of profit of associate net of tax		673	26
Investment income		28 937	26 968
Finance costs		(46 648)	(41 075)
Net profit before taxation		121 246	66 404
Taxation (note 1)		(36 261)	(17 364)
Net profit for the year		84 985	49 040
Earnings per share (cents) (note 2)			
- Basic	91	46,3	24,3
- Headline	90	48,9	25,8
- Diluted basic		47,2	24,7
- Diluted headline		49,8	26,2

CONSOLIDATED BALANCE SHEET

R000's	% change	Reviewed 2009	Restated 2008
Assets			
Non-current assets		681 108	639 696
Property, vehicles, plant and equipment		654 845	619 506
Intangible assets		20 969	18 465
Deferred tax		2 639	1 603
Investments		2 655	122
Current assets		349 903	358 593
Inventory		52 742	39 838
Trade and other receivables		185 758	216 208
Bank and cash		111 403	102 547
Non-current assets held for sale		655	82
Total assets		1 031 666	998 371
Equity and liabilities			
Capital and reserves		429 909	394 316
Non-current liabilities		249 842	244 746
Interest-bearing borrowings		142 814	147 636
Deferred tax		107 028	97 110
Current liabilities		351 915	359 309
Trade and other payables		272 504	294 365
Current portion of interest-bearing borrowings		68 451	61 665
Taxation		10 960	3 279
Total equity and liabilities		1 031 666	998 371
Net asset value per share (cents)	18	240,2	203,3

CONSOLIDATED CASH FLOW STATEMENT

R000's	% change	Reviewed 2009	Restated 2008
Cash flows from operating activities		168 858	156 814
Cash generated by operations	46	225 291	154 785
Net finance costs		(17 711)	(14 107)
Changes in working capital		(5 834)	6 767
Taxation (paid)/refunds		(19 699)	9 369
Cash available from operating activities		182 047	156 814
Dividends paid		(13 189)	—
Cash flows from investing activities		(125 388)	(106 858)
Cash flows from financing activities		(34 614)	7 548
Net change in cash and cash equivalents		8 856	57 504
Cash and cash equivalents at beginning of year		102 547	45 043
Cash and cash equivalents at end of year		111 403	102 547

SEGMENTAL ANALYSIS

R000's	General distribution	Truck rental and other	Head office and other	Total
Revenue – 2009	1 078 656	289 157	304	1 368 117
Operating profit/(loss) – 2009	104 409	42 430	(8 555)	138 284
Revenue – 2008	923 378	261 542	865	1 185 785
Operating profit/(loss) – 2008	42 109	44 978	(6 602)	80 485

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R000's	Share capital and premium	Treasury shares	Reserves	Retained earnings	Ordinary shareholders' equity
Balance at 28 February 2007	21 229	(1 245)	369	343 267	363 620
Treasury shares sold	—	426	—	—	426
Share buy-back	(7 398)	—	—	—	(7 398)
Treasury shares acquired	—	(11 740)	—	—	(11 740)
Profit on disposal of treasury shares	—	—	—	89	89
Share-based payment	—	—	194	85	279
Net profit for the year	—	—	—	49 040	49 040
Balance at 29 February 2008	13 831	(12 559)	563	392 481	394 316
Share buy-back	(13 637)	—	—	—	(13 637)
Treasury shares sold	—	3 945	—	—	3 945
Treasury shares acquired	—	(24 132)	—	—	(24 132)
Loss on disposal of treasury shares	—	—	—	(2 754)	(2 754)
Share-based payment	—	—	209	166	375
Dividends paid	—	—	—	(13 189)	(13 189)
Net profit for the year	—	—	—	84 985	84 985
Balance at 28 February 2009	194	(32 746)	772	461 689	429 909

NOTES

The accounting policies adopted for the purpose of this report comply in all material respects with International Financial Reporting Standards (IFRS) and have been consistently applied to all years presented, except for the early adoption of the revised standard IAS 16 – Property, Plant and Equipment.

Comparative figures

In order to conform with the benchmark treatment of IAS 16 – Property, Plant and Equipment, the Group now classifies all non-current assets held for sale used as rental assets as inventory. These assets are no longer accounted for in terms of IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations. Proceeds from the sale of such assets are now classified as revenue in terms of IAS 18 – Revenue with the related carrying amount disposed classified as cost of sales. Previously the net proceeds and carrying amount of rental assets disposed were disclosed under operating expenses.

Segmental analysis has been restated accordingly.

Certain intangible assets with a carrying amount of R4.5 million previously classified as property, vehicles, plant and equipment have been reclassified as intangible assets.

The effects of the reclassification are as follows:

R'000	Previously stated 2008	Reclassification	Restated 2008
Balance sheet			
Non-current assets held for sale	4 661	(4 579)	82
Inventory	35 259	4 579	39 838
Property, vehicles, plant and equipment	623 962	(4 456)	619 506
Intangible assets	14 009	4 456	18 465
Income statement			
Revenue	1 164 528	21 257	1 185 785

R000's

	Reviewed 2009	Restated 2008
1. Taxation		
Adjustment included in taxation:		
- Secondary tax on companies	1 369	—
- Tax rate adjustment	—	(3 440)
2. Headline earnings		
2.1 Reconciliation between basic and headline earnings		
Basic earnings	84 985	49 040
Loss on disposal of property, vehicles, plant and equipment less taxation	3 263	1 812
Impairment of intangible assets less taxation	1 488	1 236
Headline earnings	89 736	52 088
2.2 Number of ordinary shares in issue		
- Actual	194 436 033	201 487 884
- Weighted average	183 359 591	201 550 074
- Diluted	180 039 679	198 469 487

COMMENTARY

INTRODUCTION

Value Group Limited 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 distribution services, clearing and forwarding, warehousing, fleet management, forklift and commercial vehicle rental and leasing.

FINANCIAL REVIEW

The Board is pleased to announce an exceptional improvement in the 2009 year end results. Over the past two years, management have been focused on returning the Group to acceptable levels of profitability. This has entailed repricing and remodelling of certain service offerings, improving vehicle utilisation and reducing costs in addition to targeting high growth industries. The effect of these initiatives has been to grow the customer base while simultaneously, improving margins and Group profitability. Even though volumes in the second half of the 2009 year were below that of the corresponding previous period, turnover increased by 15% from R1,186 billion to R1,368 billion.

The improved alignment of resources and planning of distribution requirements has contributed positively to the reduction of costs while at the same time improving infrastructure utilisation. Consequently, operating margins before depreciation improved from 12,3% to 15,6%. Operating profit after depreciation increased by 72% from R80,5 million to R138,3 million. The culmination of the above has contributed to a 90% increase in headline earnings from 25,8 cents to record earnings of 48,9 cents per share equating to R89,7 million.

Once again, the Group has demonstrated its ability to generate cash. Not only did the Group deliver record earnings for the year but also operating cash flow performance. Cash generated by operations improved by 46% from R154,8 million to R225,3 million. Operating cash flows improved by R12 million due to improved collections

and working capital management. Although interest bearing debt increased marginally, the improved cash flow funded R120 million in capital expenditure.

SHARE BUYBACKS

Since December 2007, the Group embarked on a share buyback programme. A total of R54,4 million was spent and was fully funded by cash flows from operating activities. As at February 2009, 26.9 million shares were acquired at an average cost of R2,02 each. In the 2008 financial year, 4.7 million shares were transferred to the Value Group Share Incentive Trust in order to cover existing option obligations which would arise in the future. Of the remaining 22.2 million shares, 11.1 million shares were cancelled in the 2009 financial year and the balance of 11.1 million are held by a wholly owned subsidiary as treasury shares. The value of these remaining shares at the current market price of R2,95 per share amounts to approximately R32,6 million.

OPERATIONAL REVIEW

General distribution segment

The major improvement in the results came about from the chemical and single and multiparty distribution divisions where service offerings and associated costs were priced accordingly. Revenue increased by 16,8% with operating margins improving from 4,6% to 9,7%.

Towards the end of the financial year the coastal divisions in Port Elizabeth and Cape Town moved to new and larger premises. These new infrastructures will facilitate smoothing out of the operational requirements whilst at the same time, provide a platform for further growth in the respective areas.

The newly established Express division reduced its losses and has been restructured to break even in the new financial year.

Truck rental segment

The truck rental segment performed below expectation. Reduced vehicle utilisations, stemming from the economic downturn, have contributed to operating margins declining from 17,2% to 14,7%. The Group has made good progress in disposing of older vehicles. This will align the asset base to the division's current vehicle infrastructure requirements.

CAPITAL COMMITMENTS

The disposal of older vehicles coupled with the vehicle replacements and additions over the past few years has ensured that the Group operates a modern fleet which will sustain the current level of activity within the various divisions. Consequently capital expenditure on vehicles will be significantly curtailed to approximately half of that spent in 2009.

Budgeted capital expenditure (excluding Materials Handling equipment) amounts to R85 million of which R26,2 million pertains to various software and hardware upgrades with the balance being for new vehicles. It is expected that the bulk of this expenditure will be financed out of operating cash flows with the balance being funded by interest bearing debt.

BBBEE ACCREDITATION

The Group is committed to the upliftment of the South African economy through Black Economic Empowerment (BEE). BEE is not only a moral and social responsibility, but must also support the growth and development of South Africa. Subsequent to year end the Group is pleased to announce that it was accredited as a level 5 BBBEE contributor.

CONTAINER HANDLING

The Group is pleased to announce the formation of the new container handling division. This division will operate out of the new Port Elizabeth facility which has a railway siding and is strategically located nearby the new Coega port.

It is expected that this division will form an important link in the supply chain to facilitate the storage and handling of containers for existing and prospective customers.

PROSPECTS

The downturn in the South African economy has manifested itself in the level of operational activity within the Group. The trend of reduced volumes in the second half of the financial year has continued into the new financial year albeit to a lesser extent. Currently, volume recovery and growth amongst the existing customer base cannot be predicted with any certainty.

Nevertheless, the Group is well positioned to benefit from an increase in consumer demand. The growth of the customer base subsequent to year end has begun to yield positive results. Substantial new accounts have been procured which should partially mitigate against volume decline. In order to improve profitability in this difficult trading environment, management have also focused on continued cost reduction and optimal resource utilisation. Accordingly, management is cautiously optimistic that these initiatives will produce comparable earnings in the new financial year (this statement has not been reviewed nor reported on by the Group's auditors).

ACKNOWLEDGEMENTS

Mr Derek Todd, an executive director, resigned effective 28 February 2009. The Board thanks Mr Todd for his valued contribution and dedicated service to the Group since 2002 and wishes him success in his future endeavours.

AUDIT OPINION

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

DECLARATION OF DIVIDEND (NUMBER 5)

The Board is satisfied that the Group's profitability and generation of positive cash flows will be sufficient to cover future operational and reduced capital expenditure.

Accordingly, the Board has resolved to declare a dividend of 15 cents per ordinary share. This dividend is covered 3,3 times by headline earnings and is payable as follows:

Declaration date	Thursday, 14 May 2009
Last day to trade cum dividend	Friday, 19 June 2009
Trading ex-dividend commences	Monday, 22 June 2009
Record date	Friday, 26 June 2009
Payment date	Monday, 29 June 2009

Share certificates may not be dematerialised between 22 June 2009 and 26 June 2009, both days inclusive.

For and on behalf of the Board

C D Stein Chairman

S D Gottschalk Chief Executive Officer

Johannesburg
 14 May 2009



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 *Non-executive director

Sponsor: Investec Bank Limited