

# Audited results for the year ended 28 February 2011 and Dividend Announcement



Consolidated Statement of Comprehensive Income	2011 R000	2010 R000
Revenue	538,298	443,812
Other income	5,370	5,405
Operating and administration costs	(326,458)	(268,808)
Employment costs	(156,938)	(117,922)
Depreciation	(32,135)	(29,205)
Profit on disposal of tangible assets	2,467	3,735
Reversal of impairment in Zimbabwe operations	-	2,509
Fair value adjustment to investment properties	542	10,018
Reversal of impairment/(impairment) of assets	3,262	(12,021)
Share of profits from associates and joint venture	3,814	1,395
<b>Profit before finance income and finance cost</b>	<b>38,222</b>	<b>38,918</b>
Finance income	6,555	9,157
Finance cost	(17,972)	(16,540)
<b>Profit before taxation</b>	<b>26,805</b>	<b>31,535</b>
Taxation	(9,872)	(6,709)
<b>Profit for the year</b>	<b>16,933</b>	<b>24,826</b>
<b>Profit for the year attributable to:</b>		
Equity holders of the company	16,713	24,826
Non-controlling interest	220	-
	<b>16,933</b>	<b>24,826</b>
<b>Other comprehensive (loss)/income:</b>		
Capital portion of revaluation	(3,045)	4,725
Income tax effect of revaluation	853	(1,323)
Exchange differences on translation of foreign operations	(1,771)	(4,376)
<b>Other comprehensive loss for the year, net of tax</b>	<b>(3,963)</b>	<b>(974)</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>12,970</b>	<b>23,852</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the company	12,750	23,852
Minority interests	220	-
<b>Total comprehensive income for the year, net of tax</b>	<b>12,970</b>	<b>23,852</b>

Financial Information	2011 R000	2010 R000
<b>Dividend per share (cents)</b>		
- interim declared during the year	12.0	9.5
- final declared after year end	5.0	20.0
Total dividends	17.0	29.5
<b>Earnings per share (cents)</b>	<b>86.1</b>	<b>128.0</b>
<i>Adjustments: (cents)</i>		
Profit on sale of tangible assets	(9.2)	(13.9)
Impairment of assets held for sale	(16.8)	62.0
Reversal of impairment in Zimbabwe operations	-	(12.9)
Revaluation of investment property to fair value	(2.4)	(44.4)
Fair value adjustment to carrying value of investment in subsidiary	(9.2)	-
<b>Headline earnings per share (cents)</b>	<b>48.5</b>	<b>118.8</b>
<b>Borrowings</b>		
Capacity utilised (%)	68.5%	15.2%
Total net borrowing capacity (R'000)	166,160	163,012
<b>Capital commitments (R'000)</b>	<b>3,763</b>	<b>1,111</b>
<b>Net asset value per share (cents)</b>	<b>1,706</b>	<b>1,681</b>
<b>Ordinary shares in issue (closing and weighted average) (000)</b>	<b>19,406</b>	<b>19,406</b>

Segmental Analysis	2011 R000	2010 R000
<b>Revenue</b>		
Industrial	363,966	256,479
Agricultural	118,560	132,650
Consumer	7,440	7,770
Aviation	10,908	12,426
Supply chain services	40,218	37,356
Property	2,576	2,536
	<b>543,668</b>	<b>449,217</b>
<b>Profit/(loss) from operating activities</b>		
Industrial	45,116	47,508
Agricultural	(11,490)	(14,969)
Consumer	(307)	(812)
Aviation	3,473	6,907
Supply chain services	(2,201)	(3,182)
Property	3,631	3,466
	<b>38,222</b>	<b>38,918</b>

Consolidated Statement of Financial Position	2011 R000	2010 R000
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible assets	431,020	332,505
Deferred taxation	11,128	10,530
Investments in associates	15,208	16,436
Investment in joint venture	1,319	14,056
Goodwill	2,685	-
	<b>461,360</b>	<b>373,527</b>
<b>Current assets</b>		
Trade and other receivables	84,995	69,410
Inventories	6,137	6,184
Taxation	3,265	-
Cash and cash equivalents	65,870	88,506
	<b>160,267</b>	<b>164,100</b>
Non-current assets held for sale	3,112	3,249
<b>Total Assets</b>	<b>624,739</b>	<b>540,876</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Ordinary shareholders' interest	330,892	326,023
Non-controlling interest	1,427	-
<b>Total Equity</b>	<b>332,319</b>	<b>326,023</b>
<b>Non-current liabilities</b>		
Deferred taxation	51,487	43,673
Secured loans	130,188	77,881
	<b>181,675</b>	<b>121,554</b>
<b>Current liabilities</b>		
Trade and other payables	61,233	53,462
Short-term portion of secured loans	49,512	35,361
Taxation	-	4,476
	<b>110,745</b>	<b>93,299</b>
<b>Total Equity and Liabilities</b>	<b>624,739</b>	<b>540,876</b>

Consolidated Statement of Cash Flows	2011 R000	2010 R000
Operating profit after non-cash flow items	58,597	62,712
Increase in working capital	(9,545)	(4,850)
<b>Cash generated by operations</b>	<b>49,052</b>	<b>57,862</b>
Finance income	6,555	9,157
Finance costs paid	(17,972)	(16,540)
Dividends paid	(6,210)	(3,590)
Taxation (paid)/received	(9,492)	1,960
<b>Cash inflow from operating activities</b>	<b>21,933</b>	<b>48,849</b>
<b>Net cash inflow/(outflow) from financing activities</b>	<b>66,458</b>	<b>(10,809)</b>
<b>Net cash outflow from investing activities</b>	<b>(110,948)</b>	<b>(53,363)</b>
Decrease/(increase) in loan to joint venture and associates	2,186	(6,667)
Acquisition of subsidiary	580	-
Replacement of tangible assets	(123,373)	(64,862)
Proceeds on sale of tangible assets	9,659	18,166
	<b>(22,557)</b>	<b>(15,323)</b>
<b>Net decrease in cash</b>	<b>(22,557)</b>	<b>(15,323)</b>
Net cash at beginning of period	88,506	104,101
Net foreign exchange difference	(79)	(272)
<b>Net cash at end of period</b>	<b>65,870</b>	<b>88,506</b>

## Commentary

### Review

Revenue and operating and administration costs during the reporting period have increased by 21.0% and 21.4% respectively. The increase in revenue is most pleasing in light of the Group's long-term growth strategy. Operating and administration costs have increased in line with revenue notwithstanding the increases in fuel and labour related costs. Other overhead costs relating to business

Consolidated Statement of Changes in Equity	Share Capital	Asset revaluation reserve	Distributable reserves	Foreign currency translation reserve	Non-Controlling interests	Other reserves	Total
<b>Opening balance 1 March 2009</b>	<b>194</b>	<b>42,851</b>	<b>258,572</b>	<b>4,094</b>	<b>-</b>	<b>50</b>	<b>305,761</b>
Total comprehensive income	-	3,402	24,826	(4,376)	-	-	23,852
- Profit for the period	-	-	24,826	-	-	-	24,826
- Other comprehensive income/(loss)	-	3,402	-	(4,376)	-	-	(974)
Transfer of fair value gains between reserves	-	3,660	(3,660)	-	-	-	-
Dividends paid	-	-	(3,590)	-	-	-	(3,590)
<b>Balance at 1 March 2010</b>	<b>194</b>	<b>49,913</b>	<b>276,148</b>	<b>(282)</b>	<b>-</b>	<b>50</b>	<b>326,023</b>
Total comprehensive income	-	(2,192)	16,713	(1,771)	220	-	12,970
- Profit for the period	-	-	16,713	-	220	-	16,933
- Other comprehensive loss	-	(2,192)	-	(1,771)	-	-	(3,963)
Change in shareholding in subsidiary company	-	-	(1,671)	-	1,207	-	(464)
Transfer of fair value gains between reserves	-	466	(466)	-	-	-	-
Dividends paid	-	-	(6,210)	-	-	-	(6,210)
<b>Balance at 28 February 2011</b>	<b>194</b>	<b>48,187</b>	<b>284,514</b>	<b>(2,053)</b>	<b>1,427</b>	<b>50</b>	<b>332,319</b>

## Commentary (continued)

establishment of new contracts gained, an increase in the wage costs which was higher than inflation and a provision raised for bad debt of R4.7 million created for a loan owing by an associate company, have contributed to a decrease in earnings per share of 32.7% and headline earnings per share of 59.2%.

The decline in earnings is further compounded by the Group's high effective tax rate that reflects certain losses incurred in subsidiary companies for which no deferred tax assets have been raised, and the reallocation in the current period of the fair value adjustment to owner occupied property to the asset revaluation reserve, which was expensed in the prior year.

The Group continues with its plan of disposing of non-operating assets to enable cash generation for further capital expansion and acquisition opportunities. Further non-core assets have been impaired and re-classified to 'non-current assets held for sale' with the intention of disposing of them within the next 12 months.

Finance income has decreased by 28.4% and finance costs have increased by 8.7% respectively. The reduction in finance income is due to lower interest rates and the increase in finance costs is in line with increased capital expenditure.

### Prospects

The Group remains positive about the coming financial year and expects its new contracts to generate the required level of returns. A major restructure of the agricultural operation's management team was also implemented during the current period and this is expected to lead to improved results, however, weather patterns remain a significant risk. The Group's long-term strategy of growth remains a key focus initiative.

### Dividend Declaration

A final dividend (no. 40) of 5.0 (2010: 20.0) cents per share for the year ending 28 February 2011 has been declared to shareholders recorded in the books of the company at the close of business on Friday, 17 June 2011. The last date to trade cum dividend will be Thursday, 9 June 2011 and the shares will trade ex dividend from the commencement of business on Friday, 10 June 2011. The dividend will be paid on Monday, 20 June 2011. Share certificates may not be dematerialised / rematerialised between Friday, 10 June 2011 and Friday, 17 June 2011, both days inclusive.

## Accounting Policies

The consolidated financial statements for the year ended 28 February 2011 have been prepared in accordance with IAS 34 and the Listings Requirements of the JSE Limited. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should

be read in conjunction with the Group's annual financial statements as at 28 February 2011. The annual financial statements are expected to be available to shareholders towards the end of May 2011.

The accounting policies applied in the current year are consistent with those of the previous year, except for the adoption of IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) and Improvements to IFRSs (April 2009).

## Independent Auditor's Report

These results have been audited by Ernst & Young Inc and their unqualified audit opinion is available on request from the company secretary at Cargo Carriers Limited's registered office. The Group's annual report will be available by the end of May 2011.

### Registered Office

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### Transfer Secretaries

Computershare Investor Services (Proprietary) Limited  
70 Marshall Street, Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

### Website

www.cargocarriers.co.za

### Cargo Carriers Limited

Registration number: 1959/003254/06  
Incorporated in the Republic of South Africa  
("Cargo Carriers" or "the Group")  
JSE Share code: CRG ISIN Code: ZAE000001764

### By order of the board

**MJ Bolton**  
Company Secretary  
19 May 2011

### Board of Directors

SG Chilvers# (Chairman), GD Bolton (Joint CEO),  
MJ Bolton (Joint CEO), AE Franklin\*, BB Fraser#,  
S Maharaj (FD), SP Mzimela\*, V Raseroka\*, MJ Vuso\*  
# non-executive director  
\* independent non-executive director

### Sponsor

**ARCAY MOELA**

Arcay Moela Sponsors (Pty) Limited  
Registration number 2006/033725/07