

Unaudited results for the six months ended 31 August 2007 and Dividend Announcement

	Unaudited 6 months ended 31/08/2007 R000	Unaudited 6 months ended 31/08/2006 R000	Audited year to 28/02/2007 R000
CONSOLIDATED INCOME STATEMENT			
Revenue	229,178	199,756	424,849
Other revenue	4,314	3,279	6,687
Operating and administration costs	(194,049)	(170,578)	(372,950)
Depreciation	(14,189)	(10,472)	(25,124)
(Loss)/Profit on disposal of assets	(1,507)	88	(751)
(Decrease)/Increase in value of assets	(5,069)	-	15,710
Net Monetary gain - Zimbabwe operations	445	50	2,570
Income/(losses) from associates and joint venture	754	(475)	(1,149)
Profit from operating activities	19,876	21,647	49,842
Finance costs	(7,843)	(5,932)	(10,382)
Profit before taxation	12,034	15,715	39,460
Taxation	(3,390)	(4,404)	(10,192)
Profit of the group for the year	8,644	11,312	29,268
Attributable to:			
Equity holders of the parent	7,658	11,204	28,912
Minority interests	985	107	356
Profit for the year	8,644	11,312	29,268

FINANCIAL INFORMATION			
Dividend per share (cents)			
- paid during the period	9.0	22.5	9.5
- declared after period end	9.5	9.5	9.0
Total dividends	18.5	32.0	18.5

INCLUDING ZIMBABWE OPERATIONS			
Earnings per share (cents)	39.5	57.7	149.0
Adjustments:			
- Loss/(Profit) on sale of tangible assets	0.8	(0.3)	2.8
- Loss on sale of part investment in subsidiary	4.7	-	-
- Adjustment to value of assets	18.5	-	(69.2)
- Impairment of investment	-	-	0.5
Headline earnings per share (cents)	63.5	57.4	83.1
Borrowings			
Capacity utilised (%)	69%	51%	40%
Total net borrowing capacity (R000)	120,921	103,302	119,075
Capital commitments (R000)	9,080	12,174	3,286
Net asset value per share (cents)	1246	1054	1215
Ordinary shares in issue (closing and weighted average)	19,406	19,406	19,406

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CONSOLIDATED BALANCE SHEET			
<i>Non-current assets</i>			
Tangible assets	251,873	278,974	325,382
Asset held for sale	62,848	-	-
Deferred taxation	2,108	197	143
Investments in associates	7,027	2,231	2,576
Investment in joint venture	2,562	3,174	4,409
<i>Current assets</i>			
Receivables and inventories	104,344	97,851	61,308
Taxation	4,531	-	1,753
Cash resources	12,184	34,465	51,691
	447,478	416,892	447,262
<i>Equity</i>			
Ordinary shareholders' interest	241,842	204,478	235,773
Minority shareholders' interest	-	2,126	2,377
<i>Non-current liabilities</i>			
Deferred taxation	40,980	42,646	42,558
Interest-bearing long-term loans	81,617	72,894	73,226
<i>Current liabilities</i>			
Payables	69,619	78,999	67,488
Taxation	-	1,875	-
Interest-bearing borrowings	13,419	13,873	25,840
	447,478	416,892	447,262

MOVEMENT IN EQUITY			
Opening Equity	235,773	197,275	197,275
Revaluation of tangible assets	-	-	13,233
Transferred to deferred taxation	-	-	(3,837)
Foreign currency translation reserve	156	364	3,940
Prior Year Adjustment	-	-	2,460
Net profit for the period	7,658	11,204	28,912
Dividends paid during the year	(1,746)	(4,366)	(6,210)
	241,842	204,478	235,773

	Unaudited 6 months ended 31/08/2007 R000	Unaudited 6 months ended 31/08/2006 R000	Audited year to 28/02/2007 R000
CONSOLIDATED CASH FLOW STATEMENT			
Operating profit after non-cash flow items	35,558	29,693	52,224
Decrease/(Increase) in working capital	(40,904)	(23,101)	2,633
<i>Cash generated by operations</i>	(5,346)	6,592	54,857
Interest received	3,634	3,279	5,093
Finance costs paid	(7,843)	(5,932)	(10,382)
Dividends paid	(1,746)	(4,366)	(6,210)
Taxation paid	(7,785)	(3,342)	(12,793)
<i>Cash inflow from operating activities</i>	(19,086)	(3,769)	30,565
Net cash inflow/(outflow) from financing activities	10,245	29,366	41,665
Net cash flow from investing activities	(30,666)	(41,287)	(70,694)
- Disposal of investment in subsidiary	917	-	-
- Increase in loan to joint venture and associates	(139)	-	(2,485)
- Replacement of tangible assets	(32,313)	(47,599)	(78,141)
- Proceeds on sale of tangible assets	869	6,312	9,933
Cash generated/(utilised) during period	(39,507)	(15,690)	1,536
Net cash at beginning of period	51,691	50,155	50,155
Net cash at end of period	12,184	34,465	51,691

SEGMENTAL ANALYSIS			
<i>Turnover</i>			
Industrial	135,185	126,866	237,394
Agricultural	77,663	58,744	155,376
Consumer	10,535	6,222	10,464
Supply chain services	5,795	7,924	21,615
	229,178	199,756	424,849
<i>Profit from operating activities</i>			
Industrial	17,230	17,540	50,476
Agricultural - post Zimbabwe asset adjustment	4,683	5,191	3,008
Consumer	348	247	(745)
Supply chain services	(2,385)	(1,332)	(2,897)
	19,876	21,647	49,842

Accounting Policies The financial results to half year ended August 2007 have been prepared in accordance with IAS 34, International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act, Act 61 of 1973, and the Listing Requirements of the JSE Limited.

Review Turnover for the period has increased by 14.7%, however, profit before tax has decreased by 23.4%. The major contributor to the lower profitability of the group is the impairment charge of R5.07 million incurred on our Zimbabwe operations. Due to worsening economic conditions and a lack of foreign exchange in that country an impairment review was undertaken in May 2007, and, as a result a decision was taken to impair the assets of that subsidiary.

Finance costs and depreciation have both increased in line with the capital expenditure and interest rate increases in the reporting period. The sale of a 24% portion of our empowerment subsidiary Buhle Betfu Holdings (Pty) Ltd has resulted in that subsidiary now being accounted for as an associate. The portion was sold to the Buhle Betfu Trust at a loss of R1.2 million.

The group has taken a decision to dispose of certain property within its current property portfolio and has accordingly disclosed this fact on the balance sheet. The agreement of sale is pending finalisation and shareholders have been advised to exercise caution when dealing in the company's securities.

Profit after tax has declined by 23.6% while headline earnings per share has increased by 10.6%.

Prospects The company is well placed to grow revenues through the continuing growth of the regional economy, coupled with the strategy of concentrating on the main growth sectors. Logistics contracts gained in the steel sector and the powders sector will enhance the results of the industrial segment. The better rains will improve the agricultural segment.

Interest rate increases will affect results but the associated risk is well controlled through the company's prudent gearing policy.

Dividend Declaration An interim dividend (no. 33) of 9.5 (2006: 9.5) cents per share has been declared to shareholders recorded in the books of the company at the close of business on Friday, 14 December 2007. The last date to trade cum dividend will be Friday, 7 December 2007 and the shares will trade ex dividend from the commencement of business on Monday, 10 December 2007. The dividend will be paid on Tuesday, 18 December 2007. Share certificates may not be dematerialised/rematerialised between Monday, 10 December 2007 and Friday, 14 December 2007, both days inclusive.

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Website www.cargocarriers.co.za

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

By order of the board MJ Bolton, Company Secretary, 26 October 2007

Directors S G Chilvers (Chairman), G D Bolton, M J Bolton, A E Franklin, B B Fraser, V Raseroka

Sponsor Arcay Moela Sponsors (Pty) Ltd

