

Whether from a financial or supply chain point of view – to be a true supply chain partner, one must supply change solutions.

Consolidated income statement

	Unaudited 6 months ended 31/08/2008 R000	Unaudited 6 months ended 31/08/2007 R000	Audited year ended 29/02/2008 R000
Revenue	263,457	229,178	419,587
Other revenue	2,764	2,780	5,507
Interest income	3,296	3,634	4,366
Operating and administration costs	(231,577)	(196,149)	(373,353)
Depreciation	(12,719)	(14,189)	(23,628)
(Loss)/Profit on disposal of assets	(108)	(225)	380
Loss on disposal of investment in subsidiary	-	(1,282)	(1,282)
Adjustments to fair value of assets	-	-	38,953
Impairment of Zimbabwe operations	-	(4,624)	(6,364)
Income from associates and joint venture	1,575	754	1,558
Profit from operating activities	26,688	19,877	65,724
Finance costs	(12,095)	(7,843)	(15,413)
Profit before taxation	14,593	12,034	50,311
Taxation	(3,934)	(3,390)	(9,510)
Profit of the group for the year	10,659	8,644	40,801
Attributable to:			
Equity holders of the parent	10,659	7,659	40,032
Minority interests	-	985	769
Profit for the year	10,659	8,644	40,801

Consolidated cashflow statement

	Unaudited 6 months ended 31/08/2008 R000	Unaudited 6 months ended 31/08/2007 R000	Audited year ended 29/02/2008 R000
Operating profit after non-cash flow items	36,701	35,558	51,173
Increase in working capital	(21,878)	(40,904)	(26,654)
Cash generated/(utilised) by operations	14,823	(5,346)	24,519
Interest received	3,296	3,634	4,366
Finance costs paid	(12,095)	(7,843)	(15,413)
Dividends paid	(1,746)	(1,746)	(3,590)
Taxation paid	(1,401)	(7,785)	(9,607)
Cash inflow from operating activities	2,877	(19,086)	275
Net cash inflow from financing activities	43,344	10,245	19,650
Net cash flow from investing activities	(52,138)	(30,666)	(56,667)
- Disposal of investment in subsidiary	-	917	48
- Investment in associate	-	-	(1,560)
- Decrease/(Increase) in loan to joint venture and associates	2,038	(139)	(167)
- Replacement of tangible assets	(56,305)	(32,313)	(57,602)
- Proceeds on sale of tangible assets	2,129	869	2,614
Cash utilised during period	(5,917)	(39,507)	(36,742)
Net cash at beginning of period	14,949	51,691	51,691
Net cash at end of period	9,032	12,184	14,949

Consolidated balance sheet

	Unaudited 6 months ended 31/08/2008 R000	Unaudited 6 months ended 31/08/2007 R000	Audited year ended 29/02/2008 R000
Non-current assets			
Tangible assets	324,639	251,873	283,093
Deferred taxation	1,901	2,108	2,008
Investments in associates	6,823	7,027	7,736
Investment in joint venture	10,645	9,290	10,533
Current assets	248,842	114,331	100,349
Inventories	6,416	5,951	6,742
Trade and other receivables	132,103	91,665	70,888
Letting enterprise receivable	95,000	-	-
Taxation	6,291	4,531	7,770
Cash and cash equivalents	9,032	12,184	14,949
Asset held for sale	-	62,848	95,000
	592,850	447,477	498,719
Equity			
Ordinary shareholders' interest	293,095	241,842	283,919
Non-current liabilities			
Deferred taxation	54,862	40,980	54,008
Interest-bearing long-term loans	118,770	81,617	70,966
Current liabilities			
Trade and other payables	103,287	69,619	62,535
Taxation	-	-	-
Short-term portion of interest-bearing loans	22,836	13,419	27,291
	592,850	447,477	498,719

Movement in equity

	Unaudited 6 months ended 31/08/2008 R000	Unaudited 6 months ended 31/08/2007 R000	Audited year ended 29/02/2008 R000
Opening Equity	283,919	235,773	235,773
Revaluation of tangible assets	-	-	15,474
Transferred to deferred taxation	-	-	(4,487)
Foreign currency translation reserve	263	156	717
Net profit for the period	10,659	7,659	40,032
Dividends paid during the year	(1,746)	(1,746)	(3,590)
	293,095	241,842	283,919

Financial information

	Unaudited 6 months ended 31/08/2008 R000	Unaudited 6 months ended 31/08/2007 R000	Audited year ended 29/02/2008 R000
Dividend per share (cents)			
- paid during the period	9.0	9.0	9.5
- declared after period end	9.5	9.5	9.0
Total dividends	18.5	18.5	18.5
Earnings per share (cents)	54.9	39.5	206.3
Adjustments:			
- Loss/(Profit) on sale of tangible assets	0.4	0.8	(1.4)
- Loss on disposal of investment in subsidiary	0.0	4.7	4.7
- Impairment of Zimbabwe operations	0.0	18.5	32.8
- Write up of investment property to fair value	0.0	0.0	(172.7)
Headline earnings per share (cents)	55.3	63.5	69.7
Borrowings			
Capacity utilised (%)	90.5%	68.5%	58.7%
Total net borrowing capacity (R000)	146,547	120,921	141,959
Capital commitments (R000)	21,945	9,080	12,221
Net asset value per share (cents)	1510	1246	1463
Ordinary shares in issue (closing and weighted average) (000)	19,406	19,406	19,406

Segmental analysis

	Unaudited 6 months ended 31/08/2008 R000	Unaudited 6 months ended 31/08/2007 R000	Audited year ended 29/02/2008 R000
Turnover			
Industrial	164,939	133,760	261,062
Agricultural	74,583	77,663	124,994
Consumer	4,775	10,535	9,481
Aviation	5,613	1,425	2,988
Supply chain services	14,270	6,475	22,453
Property	2,041	2,100	4,116
	266,221	231,958	425,094
Profit from operating activities			
Industrial	22,164	16,963	39,086
Agricultural	3,430	4,684	(7,855)
Consumer	409	348	(217)
Aviation	2,456	(164)	75
Supply chain services	(2,266)	(2,385)	(4,318)
Property	495	431	38,953
	26,688	19,877	65,724

Accounting Policies: The financial results for the half-year ended 31 August 2008 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. These results have not been audited nor have they been reviewed by the group's auditors, Ernst & Young Inc.

Dividend Declaration: An interim dividend (no. 35) of 9.5 (2007:9.5) cents per share has been declared to shareholders recorded in the books of the company at the close of business on Friday, 12 December 2008. The last date to trade cum dividend will be Friday, 5 December 2008 and the shares will trade ex dividend from the commencement of business on Monday, 8 December 2008. The dividend will be paid on Monday, 15 December 2008. Share certificates may not be dematerialised / rematerialised between Monday, 8 December 2008 and Friday, 12 December 2008, both days inclusive.

Events after the balance sheet date: On 12 September 2008, the letting enterprise receivable of R95 million was received in cash. This receipt will be used to reduce borrowings, for new capital acquisitions and as approved by the board of directors.

Review: Revenue for the period has increased by 15.0% and profit from operating activities has increased by 34.3%. Finance costs have increased substantially in line with capital expenditure and interest rate increases within the reporting period. Depreciation has, however, decreased in comparison to the reporting period last year as a result of an associate being partially consolidated in the prior year.

Consistent with our assessment at year end 29 February 2008, the Zimbabwean operations have not been consolidated into these results, due to their immateriality in relation to the group. No further asset impairments have materialised during this interim period and the group's investment in Zimbabwe has been fully written off.

Earnings per share have increased by 39%, however, headline earnings per share have decreased by 12.9% in comparison to the prior year. The primary contributors to the decrease in headline earnings is the increased finance and fuel costs incurred during the current reporting period as well as the partial inclusion of the Zimbabwean operations operating profit, after impairment of its assets, in the prior year.

Prospects: The growth in volumes in the industrial segment has slowed as a result of the large increase in input costs, but continuing infrastructure expenditure will result in stable results. The company's operations in the agricultural segment has been negatively affected by industrial action, plant unreliability and unfavorable weather patterns. There is an intense focus on resolving these factors, where possible, but an improvement in the results of this segment is not anticipated.

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

Registered Office: 140 North Reef Road, Elandsfontein, 1406

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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: ZAE00001764

By order of the board MJ Bolton, Company Secretary
30 October 2008

Directors SG Chilvers* (Chairman), GD Bolton, MJ Bolton, AE Franklin*, BB Fraser*, SP Mzimela*, V Raseroka*, MJ Vuso* (*non-executive)