



Un-audited results for the six months ended 31 August 2011 and Dividend Announcement

Consolidated Statement of Comprehensive Income

	Half-year ended 31/08/2011 R'000	Half-year ended 31/08/2010 R'000	Audited year ended 28/02/2011 R'000
Revenue	291,062	279,732	538,298
Other income	3,348	2,472	5,370
Operating and administration costs	(173,460)	(169,799)	(326,458)
Employment costs	(84,374)	(75,205)	(156,938)
Depreciation	(16,817)	(15,273)	(32,135)
Profit from operating activities	19,759	21,927	28,137
Profit on disposal of tangible assets	422	575	2,467
Fair value adjustment to investment properties	-	-	542
Reversal of impairment/(impairment) of assets	-	(2,622)	3,262
Fair value adjustment to investment in joint venture	-	1,782	-
Share of profits from associates and joint venture	1,806	1,839	3,814
Profit before finance income and finance cost	21,987	23,501	38,222
Finance income	2,406	2,864	6,555
Finance costs	(9,604)	(7,798)	(17,972)
Profit before taxation	14,789	18,567	26,805
Taxation	(4,213)	(4,488)	(9,872)
Profit for the period from continuing operations	10,576	14,079	16,933
Profit for the half year attributable to:			
Equity holders of the company	10,464	14,079	16,713
Non-controlling interest	112	-	220
	10,576	14,079	16,933
Other comprehensive income:			
Capital portion of revaluation	-	-	(3,045)
Income tax effect of revaluation	-	-	853
Exchange loss on translation of foreign operations	(130)	(850)	(1,771)
Other comprehensive loss for the half year	(130)	(850)	(3,963)
Total comprehensive income for the half year	10,446	13,229	12,970
Total comprehensive income for the half year attributable to:			
Equity holders of the parent	10,334	13,229	12,750
Non-controlling interest	112	-	220
Total comprehensive income for the half year	10,446	13,229	12,970

Financial Information

	Half-year ended 31/08/2011 R'000	Half-year ended 31/08/2010 R'000	Audited year ended 28/02/2011 R'000
Dividend per share (cents)			
- paid during the period	5.0	20.0	12.0
- declared after the period end	9.0	12.0	5.0
Total dividends	14.0	32.0	17.0
Basic/diluted earnings per share (cents)	53.9	72.5	86.1
Adjustments to earnings per share:			
Profit on sale of tangible assets	(1.6)	(2.1)	(9.2)
Impairment of assets held for sale	-	13.5	(16.8)
Revaluation of investment property to fair value	-	-	(2.4)
Fair value adjustment to carrying value of investment in subsidiary	-	(9.2)	(9.2)
Basic/diluted headline earnings per share (cents)	52.3	74.7	48.5
Borrowings			
Net borrowing capacity (R'000)	170,898	167,686	166,160
Net borrowing capacity utilised (R'000)	129,046	130,846	113,830
Net borrowing capacity utilised (%)	75.5%	78.0%	68.5%
Capital commitments (R'000)	14,201	3,609	3,763
Net asset value per share (cents)	1753	1728	1706
Ordinary shares in issue (closing and weighted average) ('000)	19,406	19,406	19,406

Segmental Analysis

	Half-year ended 31/08/2011 R'000	Half-year ended 31/08/2010 R'000	Audited year ended 28/02/2011 R'000
Revenue	211,367	178,838	363,966
Industrial	59,928	74,317	118,560
Agricultural	1,603	3,597	7,440
Consumer	4,935	6,390	10,908
Aviation	13,888	17,708	40,218
Supply chain services	2,689	1,354	2,576
Property	294,410	282,204	543,668
Profit before finance income and finance cost	22,232	20,603	45,116
Industrial	1,923	(136)	(11,490)
Agricultural	(733)	(43)	(307)
Consumer	1,403	3,734	3,473
Aviation	(4,859)	(1,681)	(2,201)
Supply chain services	2,021	1,024	3,631
Property	21,987	23,501	38,222

Consolidated Statement of Financial Position

	Half-year ended 31/08/2011 R'000	Half-year ended 31/08/2010 R'000	Audited year ended 28/02/2011 R'000
Assets			
Non-current assets			
Tangible assets	442,315	436,363	431,020
Deferred taxation	11,335	10,871	11,128
Goodwill	2,685	2,685	2,685
Investments in associates	16,434	15,439	15,208
Investment in joint venture	2,025	-	1,319
	474,794	465,358	461,360
Current assets			
Trade and other receivables	127,249	129,771	84,995
Inventories	8,183	7,583	6,137
Taxation	-	-	3,265
Cash and cash equivalents	54,528	82,663	65,870
	189,960	220,017	160,267
Assets held for sale	1,417	4,384	3,112
Total Assets	666,171	689,759	624,739
Equity and Liabilities			
Equity attributable to owners of the parent			
Share capital	194	194	194
Distributable reserves	294,008	286,346	284,514
Non-distributable reserves	46,054	48,831	46,184
	340,256	335,371	330,892
Non-controlling interest	1,539	-	1,427
Total Equity	341,795	335,371	332,319
Non-current liabilities			
Deferred taxation	53,351	46,834	51,487
Interest-bearing long-term loans	125,950	148,669	130,188
	179,301	195,503	181,675
Current liabilities			
Trade and other payables	86,759	91,037	61,233
Short term portion of interest-bearing loans	57,624	64,840	49,512
Taxation	692	3,008	-
	145,075	158,885	110,745
Total Equity and Liabilities	666,171	689,759	624,739

Consolidated Statement of Changes in Equity

	Share Capital	Asset revaluation reserve	Distributable reserves	Foreign Currency Translation Reserve	Non-Controlling interest	Other reserves	Total
Balance at 31 August 2010	194	49,913	286,346	(1,132)	-	50	335,371
Total comprehensive income	-	(2,192)	6,515	(921)	220	-	3,622
- Profit for the period	-	-	6,515	-	220	-	6,735
- Other comprehensive loss	-	(2,192)	-	(921)	-	-	(3,113)
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)
Balance at 1 March 2011	194	48,187	284,514	(2,053)	1,427	50	332,319
Total comprehensive income	-	-	10,464	(130)	112	-	10,446
- Profit for the period	-	-	10,464	-	112	-	10,576
- Other comprehensive loss	-	-	-	(130)	-	-	(130)
Dividends paid	-	-	(970)	-	-	-	(970)
Balance at 31 August 2011	194	48,187	294,008	(2,183)	1,539	50	341,795

Consolidated Statement of Cash Flows

	Half-year ended 31/08/2011 R'000	Half-year ended 31/08/2010 R'000	Audited year ended 28/02/2011 R'000
Cash receipts from customers	255,077	230,702	524,889
Cash paid to suppliers and employees	(237,692)	(214,303)	(475,837)
Cash generated by operations	17,385	16,399	49,052
Finance income	2,406	2,864	6,555
Finance costs	(9,604)	(7,798)	(17,972)
Dividends paid	(970)	(3,881)	(6,210)
Taxation received/(paid)	2,021	(4,820)	(9,492)
Cash inflow from operating activities	11,238	2,764	21,933
Cash inflow from financing activities	3,874	100,966	66,458
Cash outflow from investing activities	(25,776)	(108,883)	(110,948)
Decrease in loan to joint venture and associates	177	997	2,186
Acquisition of subsidiary	-	(1,000)	580
Replacement of tangible assets	(29,438)	(112,492)	(123,373)
Proceeds on sale of tangible assets	3,485	3,612	9,659
Decrease in cash during the period	(10,664)	(5,153)	(22,557)
Cash at the beginning of the year	65,870	88,506	88,506
Foreign exchange movement during the period	(678)	(690)	(79)
Cash at the end of the period	54,528	82,663	65,870

Review

Revenue has increased by 4.1% despite the negative effects of strike action in industries that are served and the discontinuation of certain work that was not yielding the required returns. The revenue increase in the industrial segment is a pleasing 18.2%. Employment costs reflect the increased number of people employed and the increase in cost of employment. Other costs have been well controlled but have been increased by a R3 million write down of the amount owing by a debtor.

Finance costs have increased by 23.2% primarily due to the significant investment in tangible assets which have been financed. Finance income declined by 16.0% and is attributable to the reduction in interest rates over the period coupled with an increase in working capital requirements.

Earnings per share and headline earnings per share have been impacted by the strike action, discontinuation costs, and the bad debt provision previously mentioned. This has resulted in a decrease of 25.7% in earnings per share and 30.0% in headline earnings per share when compared to the prior period.

Prospects

The Group's low gearing and current cash position still augers well for growth and the raising of debt finance. Strategic acquisitions and organic growth remain a core focus area for the Group. The industrial segment is benefitting from new contracts and continues to drive its growth initiatives. The agricultural segment has undergone transformation within its business units and has thus far managed to streamline a lot of its processes and retain profitable contracts. The Group remains committed and focused on growing the business profitably.

Accounting Policies

The financial statements for the half-year ended 31 August 2011 have been prepared in accordance with IAS 34: Interim Financial Reporting, International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act, No. 71 of 2008, and the Listing Requirements of the JSE Limited. The accounting policies are consistent with those applied in the prior year financial statements. 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. 41) of 9.0 (2010: 12.0) cents per share for the six month period ended 31 August 2011 has been declared to shareholders recorded in the books of the company at the close of business on Thursday, 15 December 2011. The last date to trade cum dividend will be Thursday, 8 December 2011 and the shares will trade ex-dividend from the commencement of business on Friday, 9 December 2011. The dividend will be paid on Monday, 19 December 2011. Share certificates may not be dematerialised/rematerialised between Friday, 9 December 2011 and Thursday, 15 December 2011, both days inclusive.

Reclassification of prior year figures

Certain comparative figures in the segmental analysis have been reclassified between the industrial, agricultural, consumer and supply chain services segments to achieve fairer presentation.

Changes to the Board of Directors

During the period under review, Mr Vincent Raseroka resigned as an independent non-executive director of the Company as a result of a potential conflict of interest arising out of his other business commitments.

Registered Office

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Transfer Secretaries

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Website

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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
21 November 2011

Directors

S G Chilvers# (Chairman), G D Bolton (Joint CEO),
M J Bolton (Joint CEO), A E Franklin*, B B Fraser#
S Maharaj (Financial Director), S P Mzimela*, M J Vuso*
non-executive director
* independent non-executive director

Sponsor

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