

# UNAUDITED INTERIM RESULTS

INTERTRADING LIMITED  
Registration number 1987/004777/06  
("Intertrading" or "the company")  
Share code: ITR ISIN code: ZAE000015566



for the six months ended 31 August 2007

## CONSOLIDATED BALANCE SHEET

	Unaudited six months ended 31 August 2007 R'000	Unaudited six months ended 31 August 2006 R'000	Audited year ended 28 February 2007 R'000
<b>ASSETS</b>			
Non-current assets			
– Property, plant and equipment	3 576	15 097	12 755
– Intangible assets	4 897	31 597	6 442
– Deferred taxation	426	3 478	770
– Investments	10	66	10
– Loan to related party	—	2 681	2 505
Current assets	46 606	67 319	55 668
	55 515	120 238	78 150
<b>EQUITY AND LIABILITIES</b>			
Share capital and premium	47 452	47 452	47 452
Non-distributable reserves	—	9	503
Distributable reserves	(20 801)	14 818	(21 347)
Shareholders' interest	26 651	62 279	26 608
Long-term liabilities	121	2 036	1 881
Deferred taxation	22	760	1 124
Current liabilities	28 721	55 163	48 537
	55 515	120 238	78 150

## STATEMENT OF CHANGES IN EQUITY

Equity at beginning of period	26 608	64 132	64 132
Net (loss) for the period	43	(1 853)	(37 524)
Equity at end of period	26 651	62 279	26 608

## CASH FLOW STATEMENT

Cash receipts from customers	78 048	122 859	295 972
Cash paid to suppliers and employees	(85 557)	(130 835)	(285 302)
Cash generated/(utilised) by operations	(7 509)	(7 976)	10 670
Interest received	755	274	5 118
Interest paid	(1 244)	(1 169)	(7 670)
Taxation paid	791	(1 307)	819
Dividend paid	—	—	—
Cash generated/(utilised) by operating activities	(7 207)	(10 178)	8 937
Net cash inflow arising from disposal of JV and subsidiary	20 638	—	—
Net cash flow from other investing activities	(121)	(2 120)	(3 002)
Net cash outflow from financing activities	745	557	1 070
Net movement in cash	14 055	(11 741)	7 005
Net cash resources at beginning of the year	(1 335)	(8 340)	(8 340)
Net cash resources at end of the period	12 720	(20 081)	(1 335)

## CONSOLIDATED INCOME STATEMENT

	Unaudited six months ended 31 August 2007 R'000	Unaudited six months ended 31 August 2006 R'000	Audited year ended 28 February 2007 R'000
Revenue	64 824	137 503	293 478
Cost of sales	(57 414)	(122 505)	(250 637)
Gross profit	7 410	14 998	42 841
Operating costs	(11 028)	(16 583)	(42 414)
Operating (loss)/profit before exceptional items	(3 618)	(1 585)	427
Exceptional Items			
Profit on disposal joint venture	697	—	—
Profit on disposal subsidiary	1 677	—	—
Retrenchment costs	—	—	(518)
Bad debt provision	1 310	—	(3 798)
Software write off	—	—	(1 365)
Impairment of goodwill	—	—	(26 299)
Operating (loss) before interest	66	(1 585)	(31 553)
Interest received	755	274	4 410
Interest paid	(1 244)	(1 169)	(6 962)
Net (loss) before taxation	(423)	(2 480)	(34 105)
Taxation	466	627	(3 419)
Net income after taxation	43	(1 853)	(37 524)
Net (loss)/income attributable to shareholders	43	(1 853)	(37 524)

## SUPPLEMENTARY INFORMATION

Number of ordinary shares ('000)	50 000	50 000	50 000
Weighted average number of shares in issue ('000)	50 000	50 000	50 000
Reconciliation of headline loss per share			
Headline loss per share (cents)	(4,7)	(3,7)	(22,5)
Add: Impairment of goodwill	—	—	(52,5)
Add: Profit on sale of JV and subsidiary	4,8	—	—
Profit/(Loss) per share (cents)	0,1	(3,7)	(75,0)
Net asset value per share – excluding intangible assets (cents)	43,5	61,4	40,3
Net asset value per share – including intangible assets	53,3	124,6	53,2

## SEGMENTAL ANALYSIS

<b>Segmental revenue</b>			
Seafreight	3 089	84 488	143 018
Airfreight	71 129	62 299	183 758
Other	—	3 666	6 245
Less internal revenue	(9 393)	(12 950)	(39 543)
	64 824	137 503	293 478
<b>Segmental results</b>			
Seafreight	35	(3 173)	(8 141)
Airfreight	(1 494)	(2 940)	(700)
Other*	1 604	4 528	(22 613)
Discontinued operations	(79)	—	(99)
Operating loss before interest	66	(1 585)	(31 553)

\*Mainly profit on sale of subsidiary.

## PROFILE

Intertrading specialises in the procurement and marketing of fresh produce to global markets. Allied to this Intertrading also provides services to the agricultural sector including technical advice, freight forwarding and logistical services.

## OPERATIONAL REVIEW

As reported in the review of the results for the year ended February 2007 the group has divested of its macadamia nuts interests and has ceased to trade in the citrus and deciduous fruit businesses.

As a consequence the activities of the group at present comprise the marketing of fresh produce mainly by airfreight and the freight forwarding operations.

As in the past the peak season for the airfreight operations occurs in the summer period November through February and as a result losses are generally incurred in the first half of the year and are recouped in the second six months.

Agrilink was affected in the period under review by the loss of crop volumes, caused by the abnormally cold weather and black frost in mid winter. In addition avocado volumes have also been disappointing. Despite the reduction in volumes over last year the first half loss is in line with that of last year.

Sky Services has seen a 30% increase in turnover compared to last year which is mainly attributable to increased business in Johannesburg generated by senior level recruitments. Revenue in the Cape Town branch is up on last year despite disappointing volumes of fish exports. It is pleasing to report that the loss reported in the period is well below that of the prior year.

## DIRECTORATE

As announced on 28 June 2007 Frik van Rooyen stood down as Managing Director with effect from 30 September but will remain on the board as a non-executive director. Frik has made a significant contribution to the group over many years but his skills will not be lost, as he has been appointed a consultant with particular emphasis on new business for Agrilink. With effect from 1 October Bernd Jülicher was appointed Managing Director of Agrilink and remains Managing Director of Sky Services.

Jacques Azoulay withdrew as a director in May 2007 and was immediately appointed as alternate to Mr GG Burelli.

## SHAREHOLDING

The control of Katope International, the largest single shareholder in Intertrading, has changed in the period with that group being acquired by Univeg Group; a Belgium-based company. Univeg is one of the largest fresh produce distributors in the world. The takeover is subject to regulatory approval in the European Union and if applicable the Securities Regulation Panel (SRP) in South Africa.

## PROSPECTS

All indications are that Agrilink and Sky will experience a good summer season over the next three months. Accordingly in the absence of exceptional agricultural events or a marked strengthening of the rand or further increases in fuel levies the group should report an operating profit for the year.

Your directors are conscious that the scale of the current businesses following the restructuring does not justify a listing on the JSE. As such your directors are actively seeking to increase critical mass through mergers and or acquisitions.

## BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the six months ended 31 August 2007 and the comparative information have been prepared in terms of International Financial Reporting Standards (IFRS). The results also comply with IAS (International Accounting Standards) and the relevant sections of the South African Company's Act 1973, as amended. The accounting policies applied in the preparation of the results for the six months ended 31 August 2007 are consistent with those adopted in the financial statements for the year ended 28 February 2007.

By order of the board

C Jousse

*Acting Chairman*

Woodmead

B Jülicher

23 November 2007

## Registered office

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Western Service Road, Woodmead, 2148  
(PO Box 100, Woodlands, 2080)

## Transfer secretaries

Computershare Investor Services 2004 (Pty) Limited  
70 Marshall Street, Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

**Directors:** Non-executive: C Jousse (Acting Chairman), GG Burelli, J Azoulay (Alternate to GG Burelli), GFM van Rooyen  
Executive: B Jülicher, CJ Hull (Group Financial Director)