

Shoprite Holdings Limited

(Registration No 1936/007721/06)

Interim profit announcement for the 6 months ended 31 December 2000

Operating profit growth 21.2% . Number of outlets : 572

CONSOLIDATED INCOME STATEMENT

R'000	Unaudited 6 months to 31/12/00	% change	Unaudited 6 months to 31/12/99	Audit 12 months 30/06/
Revenue	9,985,001	6.2	9,403,154	18,430,5
Operating profit before exceptional items	186,670	21.2	154,056	325,8
Exceptional items	31,296		26,513	33,5
Operating profit after exceptional items	217,966	20.7	180,569	359,3
Investment income	15,716		42,682	84,8
Finance charges	9,145		34,169	65,1
Profit before taxation	224,537	18.8	189,082	379,0
Taxation	46,161	25.4	36,797	77,7
Profit after taxation	178,376	17.1	152,285	301,2
Outside shareholders' interest	5,476		3,692	7,3
Net profit	172,900	16.4	148,593	293,9
Headline earnings per share (cents)	26.1	16.0	22.5	4.
Earnings per share (cents) after exceptional items	31.8	16.5	27.3	5.
Distribution to shareholders (cents per share)	9.5	11.8	8.5	11.
Dividend cover (times)	2.7		2.6	;
Number of ordinary shares ('000) used for calculation of earnings per share	543,479		543,479	543,4

CONSOLIDATED BALANCE SHEET

R'000	Unaudited 31/12/00	Unaudited 31/12/99	Audit 30/06/
Non-current assets	1,480,514	1,401,548	1,377,5
Fixed assets	1,397,925	1,267,852	1,294,3
Investments	82,210	133,696	82,8
Deferred taxation	228,709	284,625	258,6
Intangible assets	-228,330	-284,625	-258,2
Current assets	4,572,383	4,433,376	3,766,0
Inventories	2,377,754	2,280,040	2,108,8
Accounts receivable	1,424,102	1,261,513	1,120,2
Cash and cash equivalents	770,527	891,823	536,8
Total assets	6,052,897	5,834,924	5,143,6

Ordinary shareholders' funds	1,424,685	1,200,193	1,293,0
Outside shareholders' interest	41,404	28,740	31,7
Non-current liabilities	349,059	467,740	333,3
Interest-bearing debt	21,924	71,349	18,8
Other non-current liabilities	323,198	393,626	310,5
Deferred taxation	3,937	2,765	3,9
Current liabilities	4,237,749	4,138,251	3,485,4
Interest-bearing debt	14,304	27,312	47,6
Other current liabilities	4,223,445	4,110,939	3,437,7
Total equity and liabilities	6,052,897	5,834,924	5,143,6

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CONSOLIDATED CASH FLOW STATEMENT

R'000	Unaudited 6 months to 31/12/00	Unaudited 6 months to 31/12/99	Audit 12 months 30/06/
Cash generated by operations	536,245	866,487	689,4
Net investment income	6,571	5,975	15,9
Dividends received	0	2,538	3,7
Dividends paid	-51,896	-36,440	-83,0
Cash flow from operations	490,920	838,560	626,0
Investment activities	-225,051	-226,560	-562,8
Acquisition of fixed assets	-225,514	-234,530	-402,5
Acquisition of subsidiary	-9,837	0	
Other investment activities	10,300	7,970	-160,3
Net cash flow	265,869	612,000	63,2
Financing activities	-32,236	-250,941	-57,0
Net movement in debt	-32,236	-250,941	-57,0
Movement in bank balances and cash	233,633	361,059	6,1
Net movement in cash and cash equivalents	233,633	361,059	6,1

SEGMENT INFORMATION

R'000	Unaudited 6 months to 31/12/00	Unaudited 6 months to 31/12/99	Audit 12 months 30/06/
REVENUE - by business segment			
- Supermarkets	9,634,627	9,082,927	17,854,7
- Furniture	350,374	320,227	575,8
Total revenue	9,985,001	9,403,154	18,430,5
OPERATING PROFIT - by business segment			
- Supermarkets	255,647	224,236	482,4
- Furniture	29,921	19,082	37,4
- Unallocated costs	-98,898	-89,262	-194,0
Total operation profit	186,670	154,056	325,8

SUPPLEMENTARY INFORMATION	Unaudited	Unaudited	Audit
	6 months to	6 months to	12 months
R'000	31/12/00	31/12/99	30/06/
1. Depreciation for the period	125,910	104,599	229,6
2. Dividends received (included in investment income)		2,538	3,7
3. Capital expenditure for the period	225,514	234,530	402,5
	31/12/00	31/12/99	30/06/
4. Capital commitments	74,134	73,847	109,2
5. Investments:			
unlisted - at cost and directors' valuation	82,210	130,425	79,5
listed - at cost	0	3,271	3,2
- at market value	0	6,284	6,9
6. Contingent liabilities	514,313	452,279	502,6
7. Net asset value per share (cents)	262	221	2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Unaudited	Unaudited	Audit
	6 months to	6 months to	12 months
R'000	31/12/00	31/12/99	30/06/
Balance at 1 July	1,293,015	1,092,100	1,092,1
Movement in foreign currency translation reserve	10,401	5,696	4,8
Net profit for the period	172,900	148,593	293,9
Dividends provided / paid	-51,631	-46,196	-97,8
Balance at 31 December / 30 June	1,424,685	1,200,193	1,293,0

SHOPRITE INTERIM PROFIT ANNOUNCEMENT: COMMENTARY

ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2000, except as indicated below, and conform with Statements of Generally Accepted Accounting Practice in South Africa.

Against the background of a new Statement of Generally Accepted Accounting Practice AC 131 relating to the treatment of goodwill on business acquisitions, the group's new accounting policy is to recognise negative goodwill.

In compliance with the transitional provisions of AC 131 the carrying values of the deferred tax asset and negative goodwill following the acquisition of OK Bazaars during the 1998 financial year, have been restated. Negative goodwill is amortised over the useful lives of the related assets. This change has no effect on profit attributable to ordinary shareholders for the current or prior years, only on the calculation of headline earnings.

COMMENTS ON THE RESULTS

1. All the divisions in the group produced satisfactory results during the period under review. These results were achieved despite the restraining effect higher fuel prices and lottery ticket sales had on retail spending.

2. As foreseen, the group managed to increase its retail profit margin from 1,65% to 1,88% as the rationalisation process is now fully in operation. Stock shrinkage throughout the group is still firmly under control.

3. Exceptional items refer mainly to the amortisation of negative goodwill in terms of the accounting policy set out above. This amortisation is being implemented on the lines referred to above.
4. The Share Incentive Trust was financed throughout by outside institutions, thus changing the composition of the net financing income compared to previous reporting periods.
5. Included in taxation is an amount of R29,9 million (1999 - R 26,3 million) representing the utilisation of the deferred tax asset. The taxation that is payable is mainly secondary tax on companies (STC) and tax owing by partnership ventures in the group.
6. The dispute between the group and SAB over the price at which OK Bazaars was acquired, has not yet been finally resolved. Consequently the total amount payable to Shoprite by SAB has not yet been finalised.

PROSPECTS

The Board does not foresee an improvement in consumer spending in the second half of the year, but is nevertheless of the opinion that the group will perform satisfactorily.

DIVIDEND

It is anticipated that an interim dividend of 9,5 cents (1999 - 8,5 cents) per share will be declared at the end of March 2001.

By order of the Board

C H Wiese
Chairman

J W Basson
Managing director

19-Feb-2001

c/o William Dabs & Old Paarl
Roads
BRACKENFELL