

**SHOPRITE HOLDINGS - PROFIT ANNOUNCEMENT FOR 6 MONTHS ENDED 31/12/2000**

JSE Code: SHP  
 Date: 2001/02/20  
 Time: 17:30:39

Shoprite Holdings Limited  
 (Registration No 05/07721/06)  
 Profit announcement for the 6 months ended 31 December 2000  
 Growth in operating profit 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	Audited 12 months to 30/06/00
Revenue	9 985 001	6.2	9 403 154	18 430 568
Operating profit before exceptional items	186 670	21.2	154 056	325 801
Exceptional items	31 296		26 513	33 564
Operating profit after exceptional items	217 966	20.7	180 569	359 365
Investment income	15 716		42 682	84 891
Finance charges	9 145		34 169	65 192
Profit before taxation	224 537	18.8	189 082	379 064
Taxation	46 161	25.4	36 797	77 768
Profit after taxation	178 376	17.1	152 285	301 296
Outside shareholders' interest	5 476		3 692	7 370
Net profit	172 900	16.4	148 593	293 926
Headline earnings per share (cents)	26.1	16.0	22.5	47.9
Earnings per share (cents) after exceptional items	31.8	16.5	27.3	54.1
Distribution to shareholders (cents per share)	9.5	11.8	8.5	18.0
Dividend cover (times)	2.7		2.6	2.7
Number of ordinary shares ( '000) used for calculation of earnings per share	543 479		543 479	543 479

**CONSOLIDATED BALANCE SHEET**

(R'000)	Unaudited 31/12/00	Unaudited 31/12/99	Audited 30/06/00
Non-current assets	1 480 514	1 401 548	1 377 578
Fixed assets	1 397 925	1 267 852	1 294 358
Investments	82 210	133 696	82 841
Deferred taxation	228 709	284 625	258 629
Intangible assets	(228 330)	(284 625)	(258 250)
Current assets	4 572 383	4 433 376	3 766 049
Inventories	2 377 754	2 280 040	2 108 873
Accounts receivable	1 424 102	1 261 513	1 120 282
Cash and cash equivalents	770 527	891 823	536 894
Total assets	6 052 897	5 834 924	5 143 627
Ordinary shareholders' funds	1 424 685	1 200 193	1 293 015
Outside shareholders' interest	41 404	28 740	31 777
Non-current liabilities	349 059	467 740	333 392
Interest-bearing debt	21 924	71 349	18 858
Other non-current liabilities	323 198	393 626	310 596
Deferred taxation	3 937	2 765	3 938
Current liabilities	4 237 749	4 138 251	3 485 443
Interest-bearing debt	14 304	27 312	47 651

Other current liabilities	4 223 445	4 110 939	3 437 792
Total equity and liabilities	6 052 897	5 834 924	5 143 627

#### CONSOLIDATED CASH FLOW STATEMENT

(R'000)	Unaudited 6 months to 31/12/00	Unaudited 6 months to 31/12/99	Audited 12 months to 30/06/00
Cash generated by operations	536 245	866 487	689 402
Net investment income	6 571	5 975	15 904
Dividends received	-	2 538	3 795
Dividends paid	(51 896)	(36 440)	(83 012)
Cash flow from operations	490 920	838 560	626 089
Investment activities	(225 051)	(226 560)	(562 867)
Acquisition of fixed assets	(225 514)	(234 530)	(402 546)
Acquisition of subsidiary	(9 837)	-	-
Other investment activities	10 300	7 970	(160 321)
Net cash flow	265 869	612 000	63 222
Financing activities	(32 236)	(250 941)	(57 092)
Net movement in debt	(32 236)	(250 941)	(57 092)
Net movement in cash and cash equivalents	233 633	361 059	6 130

#### SEGMENT INFORMATION

(R'000)	Unaudited 6 months to 31/12/00	Unaudited 6 months to 31/12/99	Audited 12 months to 30/06/00
REVENUE - by business segment			
- Supermarkets	9 634 627	9 082 927	17 854 702
- Furniture	350 374	320 227	575 866
Total revenue	9 985 001	9 403 154	18 430 568
OPERATING PROFIT - by business segment			
- Supermarkets	255 647	224 236	482 416
- Furniture	29 921	19 082	37 483
- Unallocated costs	(98 898)	(89 262)	(194 098)
Total operating profit	186 670	154 056	325 801

#### SUPPLEMENTARY INFORMATION

(R'000)	Unaudited 6 months to 31/12/00	Unaudited 6 months to 31/12/99	Audited 12 months to 30/06/00
1. Depreciation for the period	125 910	104 599	229 691
2. Dividends received (included in investment income)	-	2 538	3 795
3. Capital expenditure for the period	225 514	234 530	402 546
4. Capital commitments	74 134	73 847	109 219
5. Investments:			
unlisted - at cost and directors' valuation	82 210	130 425	79 570
listed - at cost	-	3 271	3 271
- at market value	-	6 284	6 998
6. Contingent liabilities	514 313	452 279	502 645
7. Net asset value per share (cents)	262	221	238

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(R'000)	Unaudited 6 months to 31/12/00	Unaudited 6 months to 31/12/99	Audited 12 months to 30/06/00
Balance at 1 July	1 293 015	1 092 100	1 092 100

Movement in foreign currency translation reserve	10 401	5 696	4 815
Net profit for the period	172 900	148 593	293 926
Dividends provided/paid	(51 631)	(46 196)	(97 826)
Balance at 31 December/ 30 June	1 424 685	1 200 193	1 293 015

#### 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	J.W.Basson
Chairman	Managing director

19 February 2001

c/o William Dabs & Old Paarl Roads

#### BRACKENFELL

This information is also available on the Internet at:

<http://www.shoprite.co.za>

PRODUCED BY: MALANGO KAUNDA 20-02-2001 17:29 SENS

