

Trading profit was up 43,7% to R2,297 billion.

Total turnover increased 22,3% from R38,950 billion to R47,652 billion.

Non-RSA supermarkets achieved 38,1% sales growth.

Diluted headline earnings per share rose 54,1% to 298,6 cents.

Final dividend per share declared increased 60,6% to 106,0 cents.

Reviewed results | for the year ended 30 June 2008

CONDENSED GROUP INCOME STATEMENT

R'000	% change	Reviewed year ended June 08	Audited year ended June 07
Sale of merchandise	22.3%	47 651 548	38 949 845
Cost of sales	23.3%	(38 161 987)	(30 952 417)
Gross profit	18.7%	9 489 561	7 997 428
Other operating income	23.1%	982 770	798 454
Depreciation and amortisation	15.4%	(596 841)	(517 397)
Operating leases	12.5%	(1 122 522)	(997 735)
Employee benefits	17.9%	(3 655 978)	(3 100 627)
Other expenses	8.4%	(2 800 440)	(2 582 431)
Trading profit	43.7%	2 296 550	1 597 692
Exchange rate gains	39.9%	33 187	23 725
Income of a capital nature	(88.9%)	6 756	60 935
Operating profit	38.9%	2 336 493	1 682 352
Interest received	68.2%	183 915	109 332
Finance costs	(29.2%)	(59 149)	(83 570)
Profit before tax	44.1%	2 461 259	1 708 114
Tax	40.6%	(875 570)	(622 586)
Profit for the year	46.1%	1 585 689	1 085 528
ATTRIBUTABLE TO:			
Equity holders of the Company	45.9%	1 570 252	1 076 071
Minority interest	63.2%	15 437	9 457
		1 585 689	1 085 528
Earnings per share (cents)	45.9%	309.5	212.1
Diluted earnings per share (cents)	46.3%	298.3	203.9
Ordinary dividend per share paid (cents)			
Interim dividend paid	40.0%	49.0	35.0
Final dividend declared	60.6%	106.0	66.0
Total	53.5%	155.0	101.0
Number of ordinary shares ('000) used for calculation of:			
earnings per share (weighted average)		507 320	507 320
diluted earnings per share (weighted average)		526 455	527 709

CONDENSED GROUP BALANCE SHEET

R'000	Reviewed June 08	Audited June 07
ASSETS		
Non-current assets	5 120 964	4 403 668
Property, plant and equipment	4 502 928	3 804 159
Available-for-sale investments	37 548	23 738
Loans and receivables	4 056	43 990
Deferred tax assets	248 614	252 749
Intangible assets	319 825	277 901
Fixed escalation operating lease accrual	7 993	1 131
Current assets	9 733 319	7 476 005
Inventories	4 707 394	3 699 199
Other current assets	1 718 427	1 538 016
Assets held for sale	107 389	220 139
Loans and receivables	43 468	6 425
Cash and cash equivalents	3 156 641	2 012 226
Total assets	14 854 283	11 879 673
EQUITY AND LIABILITIES		
Total equity	4 818 838	3 688 771
Capital and reserves attributable to equity holders	4 758 656	3 639 181
Minority interest	60 182	49 590
Non-current liabilities	841 031	724 188
Borrowings	12 762	2 498
Deferred tax liabilities	16 241	8 803
Provisions	316 600	264 185
Fixed escalation operating lease accrual	439 762	448 702
Other non-current liabilities	55 666	—
Current liabilities	9 194 414	7 466 714
Other current liabilities	9 060 941	7 371 458
Provisions	112 682	70 732
Bank overdraft	20 791	24 524
Total liabilities	10 035 445	8 190 902
Total equity and liabilities	14 854 283	11 879 673

RECONCILIATION OF HEADLINE EARNINGS

R'000	% change	Reviewed year ended June 08	Audited year ended June 07
Net profit attributable to shareholders		1 570 252	1 076 071
Income of a capital nature		(6 756)	(63 561)
Profit on disposal of property		(2 234)	(23 876)
Loss on disposal and scrapping of plant, equipment and intangible assets		9 250	6 259
(Profit)/loss on other investing activities		(510)	848
Profit on disposal of listed investment		—	(33 459)
Insurance claims received		(21 689)	(14 053)
Impairment of goodwill		2 336	—
Impairment of property, plant and equipment and assets held for sale		6 091	720
Tax effect on items of a capital nature		8 735	10 429
Headline earnings		1 572 231	1 022 939
Earnings per share (cents)	45.9%	309.5	212.1
Diluted earnings per share (cents)	46.3%	298.3	203.9
Headline earnings per share (cents)	53.7%	309.9	201.6
Diluted headline earnings per share (cents)	54.1%	298.6	193.8
Ordinary dividend per share (cents)			
Interim dividend paid	40.0%	49.0	35.0
Final dividend declared	60.6%	106.0	66.0
Total	53.5%	155.0	101.0

CONDENSED GROUP CASH FLOW STATEMENT

R'000	Notes	Reviewed year ended June 08	Audited year ended June 07
Cash generated by operations		3 286 747	3 465 407
Operating profit		2 336 493	1 682 352
Less: investment income		(27 760)	(7 712)
Non-cash items	1	709 744	548 150
Cash settled share options		(128 615)	(62 021)
Changes in working capital	2	396 885	1 304 638
Net interest received		146 182	29 652
Dividends received		6 344	3 822
Dividends paid		(587 789)	(417 461)
Tax paid		(616 141)	(524 352)
Cash flows from operating activities		2 235 343	2 557 068
Cash flows utilised by investing activities		(1 167 589)	(1 109 298)
Purchase of property, plant and equipment and intangible assets		(1 436 195)	(1 258 609)
Proceeds on disposal of property, plant and equipment and intangible assets		68 021	38 270
Proceeds on disposal of assets held for sale		194 544	67 791
Proceeds on disposal of listed investments		—	54 528
Acquisition of operations		(5 909)	(14 192)
Other investment activities		11 950	2 914
Cash flows from financing activities		20 497	99
Acquisition of treasury shares		—	(220)
Increase in borrowings		20 274	—
Net proceeds on issue of preference shares to joint venture		223	319
Movement in cash and cash equivalents		1 088 251	1 447 869
Effect of exchange rate movements on cash and cash equivalents		59 897	3 129
Net movement in cash and cash equivalents		1 148 148	1 450 998

CASH FLOW INFORMATION

1. Non-cash items			
Depreciation on property, plant and equipment	597 786	527 674	
Amortisation of intangible assets	29 002	15 493	
Net fair value (gains)/losses on financial instruments	(5 612)	20 620	
Exchange rate gains	(33 187)	(23 725)	
Profit on disposal of property	(200)	—	
Profit on disposal of assets held for sale	(2 034)	(23 876)	
Loss on disposal and scrapping of plant and equipment and intangible assets	9 250	6 259	
Realisation of profits in fair value reserve on disposal of listed investment	—	(33 459)	
Loss on other investing activities	—	848	
Impairment of property, plant and equipment and intangible assets	6 091	720	
Impairment of goodwill	2 336	—	
Movement in provisions	86 030	32 334	
Movement in cash-settled share-based payment accrual	59 835	17 892	
Insurance claims received	(21 689)	—	
Movement in fixed escalation operating lease accrual	(17 864)	7 370	
	709 744	548 150	
2. Changes in working capital			
Inventories	(913 824)	(419 734)	
Trade and other receivables	(133 276)	(76 463)	
Trade and other payables	1 443 985	1 800 835	
	396 885	1 304 638	

CONDENSED SEGMENT INFORMATION

R'000	% change	Reviewed year ended June 08	Audited year ended June 07
SEGMENT REVENUE – by business segment			
– Supermarkets	23.3%	45 393 380	36 810 824
– Furniture	5.6%	2 258 168	2 139 021
Total segment revenue	22.3%	47 651 548	38 949 845
SEGMENT RESULT* – by business segment			
– Supermarkets (including unallocated)	52.6%	2 150 178	1 408 866
– Furniture	(25.9%)	151 799	204 839
Total segment result	42.7%	2 301 977	1 613 705

*Segment result comprises trading profit plus exchange rate losses/gains less investment income.

SUPPLEMENTARY INFORMATION

R'000	Reviewed June 08	Audited June 07
1. Capital commitments	327 425	311 180
2. Contingent liabilities	34 406	57 593
3. Net asset value per share (cents)	938	717
4. Total number of shares in issue (adjusted for treasury shares)	507 320	507 320

CONDENSED STATEMENT OF CHANGES IN EQUITY

R'000	Reviewed year ended June 08	Audited year ended June 07
Balance at beginning of July	3 688 771	3 082 868
Net movement in treasury shares	—	(220)
Net fair value profits on available-for-sale investments, net of tax	11 995	31 210
Profit for the year	1 585 689	1 085 528
Realisation of profits on disposal of listed investment	—	(33 459)
Cash settlement of share options	(62 341)	(79 927)
Foreign currency translation differences	182 987	20 566
Dividends distributed to shareholders	(588 263)	(417 795)
Balance at end of June	4 818 838	3 688 771

COMMENTARY

THE GROUP

Despite difficult trading conditions, affected by inflationary pressures at home and food shortages in global markets, the Group increased sales and profit more than satisfactorily.

SUPERMARKETS IN SOUTH AFRICA

This division grew total sales by 21,8% against a background of food inflation that averaged 13,8% for the year (internal food inflation escalated to 10,6% from 6,0% in 2007). The number of customer transactions increased by 10,3%. During the year, the number of supermarkets increased by 27, mainly in new growth points, to bring the total to 536.

Shoprite, the Group's flagship brand, whose 302 stores contributed 60% to the sales generated by its supermarket operations in South Africa, increased turnover by 25,0%. These results are still somewhat distorted by the industrial action in the first half of the 2007 financial year that severely disrupted trading in some stores. The number of customer transactions increased by 11,2%.

Checkers grew turnover by 15,6% in its 143 stores – 119 supermarkets and 24 Hyfers. The lower turnover growth than in Shoprite reflected the effect of higher bond and interest rates on the credit-leveraged sector of the community.

Like the other supermarket brands of the Group, Usave also had a successful year. Turnover grew 30,5% on a like for like basis while the number of customer transactions increased by 21,9%. A net total of 17 outlets were opened to bring its number of stores to 91.

SUPERMARKETS OUTSIDE SOUTH AFRICA

The 100 supermarkets contributed 12,1% to the total turnover generated by the Group's supermarket division. Management is confident that the present strong rate of turnover growth – 38,1% in the reporting period – can be maintained.

OK FRANCHISE

The Group's franchise operation increased turnover by 17,7% having added 29 members during the reporting period. Both operating costs and the debtors' book were well controlled resulting in a healthy growth in trading profit. At the end of the reporting period OK Franchise had 252 members spread throughout South Africa, Namibia, Botswana, Swaziland and Lesotho.

FURNITURE

For the furniture division the reporting period was a challenging one. In contrast to the food divisions, the furniture division continued to operate in a near deflationary environment. The division nevertheless increased turnover by 5,6%, but despite this, trading profit was down 24,2% on 2007.

CORPORATE GOVERNANCE

The Group is committed to the principles embodied in the Code of Corporate Practice and Conduct in the King Report 2002 ("the Code"). The Group complies with the significant requirements incorporated in the Code and in the Listings Requirements of the JSE Ltd.

DIVIDEND NO. 119

The Board has declared a final dividend of 106,0 cents (2007: 66,0 cents) per share, payable to shareholders on Monday, 29 September 2008. This brings the total dividend for the year to 155,0 cents per ordinary share (2007: 101,0 cents). The last day to trade cum dividend will be Thursday, 18 September 2008. As from Friday, 19 September 2008 all trading of Shoprite Holdings Ltd shares will take place ex dividend. The record date is Friday, 26 September 2008. Share certificates may not be dematerialised or rematerialised between Friday, 19 September 2008, and Friday, 26 September 2008, both days inclusive.

ACCOUNTABILITY

These condensed consolidated preliminary results have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Schedule 4 of the South African Companies Act (Act no 61 of 1973), as amended. The accounting policies are consistent with those used in the annual financial statements for the financial period ended June 2007 with the following exceptions:

- With the introduction of new accounting statement IFRS 7: Financial Instruments: Disclosures and the amendment to IAS 1: Presentation of Financial Statements: Capital Disclosures, all related items in the Group are now presented in accordance with these statements. These statements require retrospective application and had no significant effect on the Group's results.
- The calculation for headline earnings were adjusted retrospectively in terms of SAICA Circular 8/2007: Headline Earnings. This recalculation had the following effect on the comparative information previously presented:

	Audited year ended Jun 07
Decrease in headline earnings per share	0,6 cent
Decrease in diluted headline earnings per share	0,5 cent

AUDITORS' REVIEW OPINION

The condensed consolidated preliminary results for the year ended June 2008 have been reviewed by PricewaterhouseCoopers Inc. The auditors' unqualified review opinion is available for inspection at the Company's registered office.

GROUP PROSPECTS AND OUTLOOK

Trading conditions are not expected to change materially in the first half of the new financial year. Food inflation is expected to reach its peak towards the end of the year, although global food shortages are expected to continue. The expected higher operating costs will impact on profitability while turnover growth is projected to slow in anticipation of intensified competition. The Group is nevertheless expected to continue performing well in the new financial year albeit not at the same level.

By order of the Board

CH Wiese
Chairman

JW Basson
Chief Executive

1 September 2008

DIRECTORATE AND ADMINISTRATION

Executive directors: JW Basson (chief executive), CG Goosen (deputy managing director), B Hairsunker, AE Karp, EL Nel, AN van Zyl, BR Weyers

Non-executive directors: CH Wiese (chairman), JJ Fouché, TRP Hlongwane, JA Louw, JF Malherbe, JG Rademeyer

Alternate directors: JAL Basson, M Bosman, PC Engelbrecht, JD Wiese

Company secretary: AN van Zyl

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