

SHOPRITE HOLDINGS LIMITED - PROFIT ANNOUNCEMENT FOR THE 12 MONTHS ENDED 30

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JUNE 2001
 Shoprite Holdings Limited
 Registration Number 1936/007721/06
 (SHP) (ISIN: ZAE000012084)
 Profit Announcement for the 12 months ended 30 June 2001
 Headline earnings growth: 27,5%
 Number of outlets: 573
 Consolidated Income Statement

	Audited 12 months to	% Change	Audited 12 months to
RO000	30/06/01		30/06/00
Revenue	19 596 729	6,3	18 430 568
Operating profit before exceptional items	414 846	27,3	325 801
Exceptional items	(74 658)		46 412
Operating profit after exceptional items	340 188	(8,6)	372 213
Investment income	29 537		84 891
Finance charges	25 003		65 192
Profit before taxation	344 722	(12,0)	391 912
Taxation	100 754	11,2	90 616
Profit after taxation	243 968	(19,0)	301 296
Outside shareholders' interest	3 196		7 370
Net profit	240 772	(18,1)	293 926
Headline earnings per share (cents)	58,0	27,5	45,5
Earnings per share (cents) after exceptional items	44,3	(18,1)	54,1
Distribution to shareholders (cents per share)	20,5	13,9	18,0
Dividend cover (times)	2,8		2,5
Number of ordinary shares (`000) used for calculation of earnings per share	543 479		543 479

Consolidated Balance Sheet

	Audited 30/06/01	Audited 30/06/00
RO000		
Non-current assets	1 534 273	1 377 347
Property, plant and equipment	1 437 137	1 294 358
Investments	88 174	82 841
Deferred tax assets	381 319	437 819
Intangible assets	(372 357)	(437 671)
Current assets	4 535 798	3 766 049
Inventories	2 160 958	2 108 873
Trade and other receivables	1 413 020	1 120 282
Cash and cash equivalents	961 820	536 894
Total assets	6 070 071	5 143 396
Ordinary shareholders' funds	1 422 650	1 293 015

Outside shareholders' interest	41 630	31 777
Non-current liabilities	320 297	387 512
Interest-bearing borrowings	2 450	18 858
Provisions	313 365	364 947
Deferred tax liabilities	4 482	3 707
Current liabilities	4 285 494	3 431 092
Current portion of borrowings	17 374	47 651
Other current liabilities	4 268 120	3 383 441
Total equity and liabilities	6 070 071	5 143 396

Consolidated Cash Flow Statement

	Audited 12 months to 30/06/01	Audited 12 months to 30/06/00
RO000		
Cash generated by operations	1 016 767	689 402
Net investment income	4 319	15 904
Dividends received	215	3 795
Dividends paid	(102 071)	(83 012)
Cash flow from operating activities	919 230	626 089
Cash flows from investing activities	(461 483)	(562 867)
Purchase of property, plant and equipment	(475 192)	(402 546)
Acquisition of subsidiary EDEnet of EEcash acquired	(19 994)	-
Other investment activities	33 703	(160 321)
Net cash flow	457 747	63 222
Cash flows from financing activities	(46 522)	(57 092)
Proceeds on share issue	277	-
Payment of capital element of EElong-term borrowings	(46 799)	(57 092)
Movement in cash and cash equivalents	411 225	6 130
Acquired through acquisition of subsidiary	13 701	-
Net movement in cash and cash equivalents	424 926	6 130

Segment Information

	Audited 12 months to 30/06/01	Audited 12 months to 30/06/00
RO000		
REVENUE EDE by business segment		
-ESupermarkets	19 000 529	17 976 750
-EFurniture	596 200	453 818
Total revenue	19 596 729	18 430 568
OPERATING PROFIT EDE by business segment		
-ESupermarkets	369 326	288 318
-EFurniture	45 520	37 483
Total operating profit	414 846	325 801

Consolidated Statement of Changes in Equity

	Audited 12 months to 30/06/01	Audited 12 months to 30/06/00
RO000		
Balance at 1 July	1 293 015	1 092 100
Issue of shares by the company	277	-
Movement in foreign currency Eetranslation reserve	-	4 815
Net profit for the year	240 772	293 926
Dividends distributed to shareholders	(111 414)	(97 826)

Balance at 30 June	1 422 650	1 293 015
Supplementary Information		
	Audited	Audited
	12 months to	12 months to
RO000	30/06/01	30/06/00
1. Depreciation for the year	278 197	229 691
2. Dividends received (included in EEinvestment income)	215	3 795
3. Capital expenditure for the year	475 192	402 546
	30/06/01	30/06/00
4. Capital commitments	126 446	109 219
5. Investments:		
unlisted DEat carrying value and directorsO valuation	88 174	79 570
listed DEat cost	-	3 271
DEat market value	-	6 998
6. Contingent liabilities	520 859	502 645
7. Net asset value per share (cents)	262	238

Comments on the Results

1. In the year under review Shoprite increased revenue by 6.3% to R19,597 billion despite the fact that expenditure by consumers in the lower income groups decreased. Under-performing stores were scaled down or closed in our endeavour to achieve acceptable returns.

2. Operating profit of R414,8 million was achieved, representing an increase of 27.3% as compared with the previous year. This increase was due to better utilisation of available space, efficient cost control, and a further reduction in stock shrinkage.

3. Exceptional items comprise mainly the following:

* The amortisation of negative goodwill in terms of the groupO's new accounting policy (see below), as already announced in the December 2000 results, which amounted to R65,3 million for the period under review; and

* A provision of R127,4 million for the possible irrecoverability of participation loans in the groupO's Share Incentive Scheme. In view of the current volatility of share prices and the poor rating of retail shares in particular, the suitability of this scheme as an incentive mechanism for staff is being reconsidered.

4. As from the end of the 2000 financial year the Share Incentive Scheme has been financed by outside institutions. Consequently the composition of the net financing income as compared with the previous year has changed.

5. Taxation includes an amount of R57,2 million (2000: R66,4 million), mainly representing the amortisation of the deferred tax asset. The tax actually payable is mainly secondary tax on companies (STC) and tax payable by partnership ventures in the group.

6. The dispute between the group and SAB regarding the purchase of OK Bazaars has not yet been settled.

Prospects

As a result of the composition of ShopriteO's client base the group is well positioned to benefit from an improvement in the economic climate.

Dividend

The Board has declared a final dividend of 11 cents, bringing the total distribution for the year to 20,5 cents per share (2000: 18 cents). The final dividend will be payable on 21 September 2001 to shareholders registered in the companyO's register of share-holders at the close of business on 7 September 2001.

Accountability

The accounting policies used in preparing the annual financial statements is in accordance with that for the year ended 30 June 2000, except in the case

of the undermentioned, and conform with the Statements of Generally Accepted Accounting Practice in South Africa.

The group has changed its accounting policy and now brings to account negative goodwill and deferred tax assets. The comparative figures have been restated to reflect the effect of the change. This change has no effect on the net profit attributable to ordinary shareholders, but only on the calculation of head-line earnings.

By order of the Board

C H Wiese

Chairman

J W Basson

Managing director

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