

**SHOPRITE - INTERIM RESULTS**

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Shoprite Holdings Limited

ISIN Code: zae000012084 Share Code: SHP

Interim results for the 6 months ended 31 December 2001

Headline earnings growth: 28,1%

Number of outlets: 594

Group Balance Sheet

R'000	Unaudited 31/12/01	Unaudited 31/12/00	Audited 30/06/01
<b>ASSETS</b>			
Non-current assets	1 614 665	1 429 250	1 489 332
Property, plant and equipment	1 520 795	1 346 661	1 392 196
Investments	88 278	82 210	88 174
Deferred tax assets	335 187	228 709	381 319
Intangible assets	(329 595)	(228 330)	(372 357)
Current assets	4 981 071	4 572 383	4 535 797
Inventories	2 466 856	2 377 754	2 160 958
Trade and other receivables	1 608 205	1 424 102	1 413 019
Cash and cash equivalents	906 010	770 527	961 820
Total assets	6 595 736	6 001 633	6 025 129
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves	1 322 551	1 431 506	1 444 966
Minority interest	47 943	41 404	41 630
Non-current liabilities	316 736	349 059	320 298
Interest bearing borrowings	2 450	21 924	2 450
Deferred tax liabilities	2 918	3 937	4 483
Provisions	311 368	323 198	313 365
Current liabilities	4 908 506	4 179 664	4 218 235
Current portion of borrowings	-	14 304	17 374
Other current liabilities	4 908 506	4 165 360	4 200 861
Total equity and liabilities	6 595 736	6 001 633	6 025 129

Group Income Statement

R'000	Unaudited 6 months to 31/12/01	% Change	Unaudited 6 months to 31/12/00	Audited 12 months to 30/06/01
Revenue	10 981 520	10,0	9 985 001	19 596 729
Operating profit before exceptional items	250 335	37,1	182 639	406 738
Exceptional items	41 602		31 296	(74658)
Operating profit after exceptional items	291 937	36,5	213 935	332 080
Investment income	13 952		15 716	29 537
Finance costs	16 455		9 145	25 003
Profit before tax	289 434	31,3	220 506	336 614
Tax	70 988	53,8	46 161	99 735
Profit after tax	218 446	25,3	174 345	236 879
Minority interest	6 313		5 476	3 196
Net profit	212 133	25,6	168 869	233 683
Headline earnings per share (cents)	32,4	28,1	25,3	56,7
Earnings per share (cents) after exceptional items	40,4	29,9	31,1	43,0
Proposed distribution				

to shareholders				
(cents per share)	11,0	15,8	9,5	20,5
Dividend cover (times)	2,9		2,7	2,8
Number of ordinary shares ('000)				
used for calculation of earnings				
per share (*weighted average)				
	525 620*		543 479	543 479

#### Group Cash Flow Statement

	Unaudited 6 months to	Unaudited 6 months to	Audited 12 months to
R'000	31/12/01	31/12/00	30/06/01
Cash generated by operations	760 476	535 980	1 017 959
Net (finance costs) / investment income	(2 503)	6 571	4 319
Dividends received		-	-
215			
Dividends paid	(59 783)	(51 631)	(103262)
Cash flows from operating activities	698 190	490 920	919 231
Cash flows from investing activities	(283 253)	(225 051)	(461 484)
Purchase of property, plant and equipment	(283 149)	(225 514)	(475 192)
Acquisition of further interest in Subsidiaries	-	(9 837)	(19 994)
Other investment activities	(104)	10 300	33 702
Net cash flow	414 937	265 869	457 747
Cash flows from financing activities	(470 747)	(32 236)	(46 521)
Proceeds on shares issued by the Company	-	-	277
Acquisition of treasury shares	(453 373)	-	-
Interest bearing borrowings repaid	(17 374)	(32 236)	(46 798)
Movement in cash and cash equivalents	(55 810)	233 633	411 226
Acquired through acquisition of subsidiary	-	-	13 700
Net movement in cash and cash equivalents	(55 810)	233 633	424 926

	Unaudited 6 months to	Unaudited 6 months to	Audited 12 months to
R'000	31/12/01	31/12/00	30/06/01
REVENUE - by business segment			
- Supermarkets	10 612 062	9 634 627	19 000 529
- Furniture	369 458	350 374	596 200
Total revenue	10 981 520	9 985 001	19 596 729
OPERATING PROFIT - by business segment			
- Supermarkets	214 315	152 718	361 218
- Furniture	36 020	29 921	45 520
Total operating profit	250 335	182 639	406 738

#### Statement of Changes in Equity

	Unaudited 6 months to	Unaudited 6 months to	Audited 12 months to
R'000	31/12/01	31/12/00	30/06/01
Balance at 1 July			

As previously reported	1 422 650	1 293 016	1 293 016
Effect of AC 135	(44 941)	(36 833)	(36 833)
Effect of adopting revised AC 107	67 257	58 085	58 085
As restated	1 444 966	1 314 268	1 314 268
Issue of shares by the Company	-	-	277
Acquisition of treasury shares	(274 765)	-	-
Net profit for the period	212 133	168 869	233 683
Dividends distributed to shareholders	(59 783)	51 631)	(103 262)
Balance at 31 December / 30 June	1 322 551	1 431 506	1 444 966

Supplementary Information	Unaudited	Unaudited	Audited
	6 months to	6 months to	12 months to
R'000	31/12/01	31/12/00	30/06/01
1. Depreciation for the period	154 550	129 941	286 305
2. Dividends received (included in investment income)	-	-	215
3. Capital expenditure for the period	283 149	225 514	475 192
	31/12/01	31/12/00	30/06/01
4. Capital commitments	148 139	74 134	126 446
5. Operating lease commitments	4 296 367		4 649 260
6. Investments:			
unlisted - at carrying value and directors' valuation	67 878	82 210	88 174
listed - at cost	20 400	-	-
- at market value	20 800	-	-
7. Contingent liabilities	160 859	514 313	520 859
8. Net asset value per share (cents)	260	263	266
9. Total number of shares in issue	507 761	543 479	543 379

#### Comments on the Results

- During the period under review Shoprite's turnover increased by 10% to R10,982 billion despite the fact that economic conditions in the country had not improved appreciably. This growth, however, must also be viewed in the light of the fact that the group is continuing to close or scale down under performing stores in order to achieve acceptable returns.
- Shoprite's further expansion outside South Africa was intensified and continues to produce satisfactory results. The turnover of stores in these countries increased, and now constitutes more than 8% of group turnover as compared with 6% in the corresponding period in the 2001 financial year.
- The operating profit of R250,3 million represents an increase of 37% as compared with the corresponding period. Should the effect of mainly foreign exchange surpluses, arising from the consolidation of foreign subsidiaries be excluded, the increase in operating profit would be a very favourable 15%. This was due, inter alia, to the better utilisation of available space, effective cost management at all levels and reduced stock shrinkage.
- Net finance costs are attributable to the improvement in retail sales during November and December 2001 and the increase in the stock of imported non-food items (as a counter to the depreciation in the value of the Rand), which slowed down the stock reduction programme. The repurchase of shares from the Share Incentive Trust, as set out in paragraph 5, contributed to this.
- As detailed in the circular to shareholders dated 4 October 2001, certain

transactions with the participants in the Share Incentive Trust were cancelled. Shoprite Checkers (Pty) Ltd purchased the 35 718 559 shares from the Shoprite Holdings Ltd Share Incentive Trust and now holds these as treasury shares. Shoprite's contingent liabilities decreased as a result of a partial repayment by the Share Incentive Trust of its externally financed debt.

In order to incentivise employees suitably the Board decided, after considering various alternatives, to offer these participants share options under the existing Share Incentive Trust.

6. Tax includes an amount of R46 million representing the utilisation of the deferred tax asset. Actual tax payable comprises mainly secondary tax on companies and tax payable by partnership concerns in the group.

7. Other current liabilities increased as a result of a favourable month-end. This benefit is also reflected in the increase in cash and cash equivalents.

#### Prospects

Food inflation is expected to increase, and the momentum in consumer spending that began to build up during the period under review will possibly level off in the next six months. It is expected, though, that the group will maintain its good results in the rest of Africa. An improvement in the value of the Rand as against other currencies may, however, result in exchange surpluses with the consolidation of foreign subsidiaries decreasing.

#### Dividend

The board has proposed an interim dividend of 11 cents (2000 - 9,5 cents) per share, payable to shareholders on 18 March 2002.

In terms of STRATE regulations 8 March 2002 is the last day on which shares will trade cum dividend. As from 11 March 2002 all trading of Shoprite Holdings Ltd shares will be ex dividend. The record date is 15 March 2002.

The last date of registration (LDR) for certified shareholders is 15 March 2002. Certified shareholders may not dematerialise or rematerialise their shares from 1 March 2002 to 15 March 2002.

#### Accountability

The principal accounting policies adopted in preparing the interim consolidated financial statements comply with the South African Statements of Generally Accepted Accounting Practice and are consistent with those applied for the year ended 30 June 2001, with the exception of the following:

With the introduction of a new accounting statement (AC 135) buildings are now depreciated in terms of General Accepted Accounting Practice. As this constitutes a change in accounting policy as per AC 103, the carrying values of buildings and the related depreciation costs have been restated. The effect on the group results is set out below.

	Unaudited 6 months to 31/12/01	Unaudited 6 months to 31/12/00	Audited 12 months to 30/06/01
Profit before tax	4,935	4,031	8,108
Tax	-	-	-
Net profit	4,935	4,031	8,108

In accordance with the revised accounting statement (AC 107), which relates to events after the balance sheet date, the group's dividends and related secondary tax on companies (STC) are now recognised on the declaration date. The comparative figures in the interim consolidated financial statements have been restated to reflect this change in accounting policy. This change has no effect on the interim results, as the dividend paid was the same in both periods.

By order of the Board

C H Wiese J W Basson

Chairman Chief Executive Officer

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