Shoprite Holdings Limited

Preliminary Results for the year ended June 2006

Registration No 1936/007721/06
ISIN: ZAE000012084
JSE share code: SHP
NSX share code: SRH
LuSE share code: SHOPRITE
("Shoprite Holdings" or "the Group")

When evaluating these results please note that this year-end report covers 52 weeks compared to 53 weeks in the corresponding reporting period ended June 2005. To make comparisons meaningful, percentages provided in the section "Key information" below are given for both a 53-week and a 52-week period ended June 2005.

Key information

- Trading profit was up 21,3% (52 weeks: 31,1%) to R1,253 billion.
- Turnover increased 12,8% (52 weeks: 15,1%) - from R29,704 billion to R33,511 billion.
- Non-RSA operations achieved 18,6% (52 weeks: 20,9%) sales growth.
- Gross profit percentage achieved: 20,3% (2005: 20,1%).
- Diluted headline earnings per share, adjusted for exchange differences, rose 10,4% to 145,0 cents (52 weeks: up 19,8%).
- Dividend per share proposed increased 46% to 73,0 cents.

Whitey Basson, chief executive, commented:

Financial year 2006 has been a most gratifying one for the Group. After several years of restructuring and consolidating all our activities into a coherent whole, the business, underpinned by astute management and some of the most advanced information systems available, is now well placed to reap the rewards. We were fortunate in being able to refine this process of consolidation during a time when strong economic growth and high consumer confidence boosted our efforts. The South African operation of our main supermarket brands fared exceptionally well in terms of both turnover and trading profit growth. Our non-RSA operation showed an 18,6% turnover growth while our financial services division, which has now also entered the field of basic banking services, is making an increasingly meaningful contribution to the bottom line. We are entering a new era of information-based management, which we believe will have a far-reaching effect on our business and that bodes well for the future.

22 August 2006

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Operating environment
Consumer confidence remained high throughout the reporting period and spending continued unabated. This was particularly noticeable in the durable and non-food sectors where spending was linked, inter alia, to the government's accelerated housing programme and continued support through social grants and tax concessions for lower-income earners. In the second half of the year the downward pressure on prices started to ease and food inflation began to rise, although the latter still averaged only 4,1% (source: Statistics South Africa) for the year. The dominant factor in the market remained the strong growth in the numbers and the disposable income of the emerging black middle class which is the main driver for retail growth in South Africa. This new middle class challenges retailers to meet aspirations with an improved product choice and an extended range of consumer services. With government's projected annual economic growth rate of 4,5% for the next three years, underpinned by its plans for massive investment in infrastructure, the numbers of this new middle class are expected to continue growing in the years to 2010. The Group's main brand is seen as better positioned than any of its competitors to benefit from this growth surge in its core target market.

Comments on the results

Income statement

Total turnover
Total turnover increased by 12,8% from R29,704 billion to R33,511 billion. If the extra week in the corresponding reporting period is disregarded, the growth in turnover was 15,1%.

Gross profit
Gross profit was 13,6% higher at R6,795 billion. The Group managed to maintain its price competitiveness in a market characterised by aggressive food discounting in a low-inflation environment. This it was able to do thanks to strong sales growth and measures to contain operating costs. The relatively strong rand continued to benefit the sale of imported higher-margin products while its potential negative effect on exports was mitigated by the strengthening of several key African currencies and the stability of others.

Expenses
Expenses were well managed over the period. Staff costs increased above inflation, but increased productivity compensated for the difference. Low interest rates enabled the Group to negotiate lower escalations in the case of new rental contracts while similar success is also being achieved with the renegotiation of existing ones. The increase of 15,8% in depreciation and amortisation costs reflects the aggressive store opening and refurbishment programmes of Shoprite and Checkers in particular, as well as the ongoing investment in improved technology.

Trading profit
The robust growth in trading profit was due primarily to an excellent performance by the Group's supermarkets in South Africa. With fixed cost increases restricted to inflation levels, the substantially higher turnover growth boosted trading profit to 21,3% (52 weeks: 31,1%).

Trading margin
The trading margin of 3,7%, up from 3,5% (52 weeks: 3,3%), is the highest ever achieved by the Group. It is the result of a continuous upgrade of replenishment programmes, improved efficiencies in supply chain management, including the distribution centres, and rigorous control of shrinkage at both pay points and receiving bays.

Interest received and finance costs
Low interest rates as well as the capital expenditure required for new and refurbished stores continue to put pressure on net interest income.

Tax
In addition to secondary tax on companies of R35m the tax charge includes an amount of R27m for capital gains tax that relates to the properties sold. During the latter part of the year the Group also reached a settlement with SARS regarding the tax residency of the Group's offshore structure. The related payment of R33m is reflected as arrears taxes paid.

Income of a capital nature
The income of a capital nature (in previous years referred to as exceptional items) in the income statement of R166,9 million relates mainly to profit achieved on the sale of 16 properties in transactions finalised in the second half of the financial year.

Loss from discontinued operation
During the year the Group divested from Egypt due to ongoing restrictions on retailing. Its seven stores were closed, resulting in a loss of R19,9 million. The buying department and distribution centre is being retained to serve countries that benefit from a preferred duty structure on goods imported from Egypt.

Dividend proposed
The Board proposed a final dividend of 46,0 cents per ordinary share (2005: 28,0 cents). This brings the total dividend for the year to 73,0 cents per ordinary share, an increase of 46,0%, which represents a two time cover, a decision taken by the board during the previous year.

Balance Sheet

Intangible assets
The increase in intangible assets from R40,8 million to R235,9 million was due mainly to the acquisition of Foodworld Stores and Computicket, transactions which were finalised during the first half of the review period, as well as the replacement of the branch back-office system with a vastly more sophisticated system known as Operation Better Store.

Inventories

The increase of 20,6% in inventory to R3,270 billion was mainly the result of provisioning a net of 45 new supermarkets opened during the year and substantial forward buying of non-foods for the 2006 Christmas season to relieve the pressure on the distribution centre as well as improving service levels from our suppliers. Stock turn remained at 8,9 times.

Operational review

The Group as a whole fared exceptionally well during the period under review with total sales growing 12,8% to R33,511 billion and trading profit up 21,3% to R1,253 billion compared to 53 weeks in 2005. These percentages increase to 15,1% and 31,1% respectively when compared to a 52-week period in 2005 and were achieved with food inflation at 4,1% for the period. The Group's core target market was not meaningfully affected by the rise in interest rates announced towards the end of the review period. However, cost inflation is expected to escalate in the new financial year given the record fuel prices.

Number of outlets

	JUN 2005	Open	Closed	JUN 2006	Confirmed new stores JUN 2007
SUPERMARKETS	**529**	**77**	**32**	**574**	**41**
- SHOPRITE	325	39	16	348	24
- CHECKERS	97	14	1	110	9
- CH HYPER	23	1		24	0
- USAVE	84	23	15	92	8
HUNGRY LION	**57**	**18**	**1**	**74**	**17**
FURNITURE	**177**	**21**	**0**	**198**	**15**
- OK FURNITURE	154	17		171	11
- HOUSE & HOME	23	4		27	4
TOTAL OWN STORES	**763**	**116**	**33**	**846**	**73**
- OK FRANCHISE	248	40	35	253	18
- H/LION FRANCHISE	3	1	2	2	0
TOTAL FRANCHISE	**251**	**41**	**37**	**255**	**18**
TOTAL STORES	**1014**	**157**	**70**	**1101**	**91**
COUNTRIES OUTSIDE RSA	**16**	**1**	**1**	**16**	
		Nigeria	Egypt		

Supermarkets
The Group's supermarket operation in South Africa, centred in the three chains Shoprite, Checkers and Usave and representing 80,8% of total turnover, fared particularly well, boosting turnover by 12,6% (52 weeks: 14,9%) and trading profit by 22,3% (52 weeks: 32,2%). In doing so it also increased market share by 0,13%. The strong turnover growth was buoyed by a 10,1% increase in the number of customer transactions while the value per transaction was on average 4,1% higher. Increased sales of higher-margin non-food products such as smaller electric appliances sought after by first-time home-owners, also added substantially to the bottom line. Money Market kiosks with their expanded range of financial services are playing a bigger role in bringing consumers into the Group's supermarkets, with 50% of customers making use of their services.

One of the most encouraging developments of the past year has been the increasing and more clearly differentiated loyalty of customers to the Shoprite and Checkers brands. This has markedly reduced the level of cannibalisation between the two brands previously noticeable, especially during national promotions.

Shoprite
Shoprite operates 348 of the Group's 574 corporate stores in 17 countries in total, of which the 286 supermarkets in South Africa generate about 47% of the Group's total turnover. The Shoprite brand is the spearhead of its operations in South Africa and beyond its borders. In South Africa it increased turnover by 12,4% (52 weeks: 14,8%) and its number of customer transactions by 10,6%. Basket growth was negatively affected by deflation and low inflation in bulk categories and grew by 3.5%. During the year the impact of the spending power of the new emerging middle class became more marked, and mainly to accommodate the aspirations of these shoppers the chain started an extensive upgrade programme of its stores, not only improving the shopping environment, but also extending the range with more aspirational products, especially in the area of convenience foods.

Checkers
In South Africa the chain achieved total turnover growth of 12,1% (52 weeks: 14,4%) while growing the number of customer transactions 7,7% and basket size by 6%. During the year Checkers stabilised in its more up-market positioning with a customer base clearly differentiated from that of Shoprite and grew its store base to 130 outlets. A successful campaign was launched to promote this new positioning with a strong accent on lifestyle and by focusing in newspaper advertising on the innovative product offering of its specialist departments. Much attention was also paid to improving customer relations and service delivery.

Usave
This new and highly versatile brand continued its growth. With its "everyday low price" positioning and ability to operate successfully in virtually every environment, it continued to gain market share from wholesalers as well as retailers in the rural areas. Usave raised turnover by 29,3% (52 weeks: 32,0%) albeit off a relatively low base while increasing the number of transactions by 19,6% and basket size by 8,5%. The opportunities for expansion of the Usave format in South Africa are vast now that the Group trades in three distinctly separate markets with its supermarket brands. Outside South Africa Usave complements the larger Shoprite supermarkets as satellite stores assisting in achieving critical supply mass earlier.

Operations outside South Africa
Group results were well supported by the satisfactory growth in the performance of the 109 non-RSA stores, which recorded turnover growth in rand terms of 20,4% (52 weeks: 23,0%) to R2,925 billion. Trading profit also exceeded last year's contribution by a substantial margin. The Group benefited from the greater economic stability on the continent. With a few exceptions, currencies either strengthened against the rand or stayed on a par compared to a year ago. The Group has started to broaden its focus to include the oil-rich West African countries being well placed to benefit from consumers' higher disposable income. It opened its first supermarket in Nigeria in December 2005.

OK Franchise
The division has launched an intensive campaign to rebuild its membership base after a period during which it closed a number of unprofitable accounts. During the year it signed up 40 new members and closed a further 35 non-viable accounts. Although it increased turnover by only 1,82%, it grew profitability by close on 20%. The 253 members remaining all operate successful businesses and provide an excellent base for future growth in a highly contested sector of the food retail market. The new recruitment drive is aimed primarily at potential urban members to balance the division's strong rural base.

Furniture
The Furniture division increased turnover by 11,2% (52 weeks: 13,7%) to R1,875 billion in a highly competitive market which resulted in immense pressure on margins, especially in the second half of the year, with trading profit growing 4,3% to R200,5 million and when compared to 52 weeks, this growth was 9,0%. These results must be seen against this division's strong performance during the last few years when international sourcing was greatly improved, a keen pricing policy introduced, strong disciplines were embedded and a market-orientated culture entrenched. Although it is, with 198 stores, still a relatively small player in its sector, the potential exists to add a number of new stores without materially increasing the division's present fixed-cost structure.

Group prospects and outlook
We foresee acceptable growth for the Group in the 2007 reporting period. The economic growth that will flow from the government's vast investment in infrastructure and mass housing over the next few years will, in the Group's main target markets, outweigh the braking impact of higher interest rates on consumer spending. A rand at R7 to the US dollar also works to the benefit of the Group as a weaker currency makes South African exports more competitive and thus stimulates local job creation. We believe the Group's major brands are particularly well positioned to benefit from forces currently at work in the economy while its new areas of business will become increasingly important contributors to group income.

Corporate Governance
Shoprite 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 115
The Board has declared a final dividend of 46,0 cents (2005: 28,0 cents) per share, payable to shareholders on Monday, 18 September 2006. This brings the total dividend for the year to 73,0 cents per ordinary share (2005: 50,0 cents). The last day to trade cum dividend will be Friday, 8 September 2006. As from Monday, 11 September 2006 all trading of Shoprite Holdings Ltd shares will take place ex dividend. The record date is Friday, 15 September 2006.
Share certificates may not be dematerialised or re-materialised between Monday, 11 September 2006, and Friday, 15 September 2006, both days inclusive.

Auditors' review opinion

The condensed consolidated preliminary results for the 52 weeks ended June 2006 have been reviewed by PricewaterhouseCoopers Inc. The auditors' unqualified review opinion is available for inspection at the Company's registered office.

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 Group has reported under IFRS for the first time and applied IFRS 1: First-time Adoption of International Financial Reporting Standards, to these financial statements. All relevant comparative information has been adjusted in accordance with IFRS 1.

The accounting policies that have been adopted in order to comply with IFRS, and their effect on the Group's results, are listed below.

Reconciliation of equity

		Notes	June 05 R'000
Balance at beginning of July			
As previously stated (SA GAAP)			1 752 635
Reclassification of minority interest to statement of changes in equity			38 007
Effect of IFRS:	Property, plant and equipment	1	180 413
	Translation of foreign operations	2	(166 454)
	Intangible assets	3	1 875
	Share-based payments	4	(4 023)
As restated			1 802 453
Net movement in treasury shares			(265)
Net fair value profits on available-for-sale investments, net of tax			2 997
Net profit for the year			637 004
As previously stated (SA GAAP)			567 855
Reclassification of minority interest to statement of changes in equity			7 109
Effect of IFRS:	Property, plant and equipment	1	35 121
	Translation of foreign operations	2	25 135
	Intangible assets	3	(1 250)
	Share-based payments	4	3 034
Foreign currency translation differences		2	33 260
Transfer to share-based payment reserve		4	5 265
Dividends distributed to shareholders			(214 837)
Balance at end of June			2 265 877

1. Property, plant and equipment
As per the requirements of IAS 16: Property, Plant and Equipment the Group now reviews the estimated useful life and residual value of all property, plant and equipment annually and accounts for any resulting changes as a change in accounting estimate in accordance with IAS 8: Accounting

Policies, Changes in Accounting Estimates and Errors. As these estimates were not reviewed after initial recognition in the past, the accumulated depreciation was recalculated in line with the policy of annual review as stated above.

	June 2005 R'000
Depreciation and amortisation	50 022
Trading profit	50 022
Expenditure of a capital nature	(1 780)
Profit before tax	48 242
Tax (including tax rate adjustment)	13 121
Profit for the year	35 121
ATTRIBUTABLE TO:	
Equity holders of the Company	34 839
Minority interest	282
Increase in property, plant and equipment	302 263
Decrease in intangible assets	84
Decrease in deferred tax assets	80 703
Increase in deferred tax liabilities	5 942
Increase in minority interest	918

2. Translating foreign operations

As per the requirements of IAS 21: The Effects of Changes in Foreign Exchange Rates, the Group now translates the results and financial positions of its foreign operations, with a functional currency other than rand, to rand using the following procedures:

- Assets and liabilities are translated at closing rate
- Income and expenses are translated at transaction date
- Resulting exchange rate differences are recognised in equity.

As the functional currency of the Group's foreign operations were considered to be rand in the past the inventories, property, plant and equipment and the related depreciation were accounted for at historical rates and all translation differences were accounted for in the income statement. The translation of all foreign operations was recalculated and the necessary adjustments were made retrospectively.

	June 2005 R'000
Depreciation and amortisation	27 310
Trading profit	27 310
Exchange rate gains	(3 830)
Expenditure of a capital nature	1 655
Profit before tax	25 135
Increase in foreign currency translation reserve	26 802
Decrease in property, plant and equipment	123 319
Increase in deferred tax assets	458
Decrease in intangible assets	172
Increase in inventories	14 974

3. Intangible assets

As per the requirements of IAS 38: Intangible Assets, the Group now reviews the estimated useful life and residual value of all intangible assets annually and accounts for any resulting changes as a change in accounting estimate in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. As these estimates were not reviewed after initial recognition in the past the accumulated amortisation were recalculated in line with the policy of annual review as stated above.

	June 2005 R'000
Depreciation and amortisation	(1 250)
Profit for the year	(1 250)
Increase in intangible assets	625

4. Share-based payments
In terms of IFRS 2: Share-Based Payment, the Group shall, for all future share-based payment transactions, expense the related services received over the vesting period with a corresponding increase in equity or creditors.

For all equity-settled share-based payment transactions granted after 7 November 2002 that have not yet vested by 1 January 2005 and all cash-settled share-based payment transactions the relevant comparative information has been restated. The effect of the restatement is reflected below and in the statement of changes in equity.

	June 2005 R'000
Employee benefits	6 590
Profit before tax	6 590
Tax	(3 556)
Profit for the year	3 034
Decrease in deferred tax asset	1 832
Decrease in cash settled share-based payment accrual	6 108
Increase in share-based payment reserve	13 589

5. Reclassification of income statement and balance sheet classifications
Various classifications of income statement and balance sheet items were changed to ensure a more relevant presentation of financial results as per the requirements of IFRS. The main items adjusted are listed below:

1. Investment income and commissions received are now disclosed as other operating income.
2. All outstanding deposits and outstanding cheques are now disclosed as part of cash and cash equivalents.
3. All income/(expense) items of a capital nature, as used in the calculation of headline earnings per share, are grouped together.
4. Unearned insurance premiums are reclassified from trade and other payables as instalment sales under trade and other receivables, and warranties from provisions to unearned premiums.
5. Accretion of discount on provision for onerous lease contracts is reclassified from other expenses to finance costs.
6. Claims incurred but not reported are reclassified from trade and other payables to provisions.
7. Certain obligations for post-employment benefits previously included under other payables are now reclassified to provisions.

CONDENSED GROUP INCOME STATEMENT

R'000	Reviewed 52 weeks ended June 06	% change	Reviewed 53 weeks ended June 05
Sale of merchandise	**33 511 287**	12.8%	29 704 233
Cost of sales	**(26 715 806)**	12.6%	(23 724 000)
Gross profit	**6 795 481**	13.6%	5 980 233
Other operating income	**765 180**	11.2%	688 325
Depreciation and amortisation	**(434 866)**	15.8%	(375 622)
Operating leases	**(841 446)**	2.9%	(817 809)
Employee benefits	**(2 815 830)**	15.1%	(2 446 849)
Other expenses	**(2 215 944)**	11.0%	(1 995 662)
Trading profit	**1 252 575**	21.3%	1 032 616
Exchange rate gains	**8 445**		1 921
Income/(expenditure) of a capital nature	**166 906**		(35 392)
Operating profit	**1 427 926**	42.9%	999 145
Interest received	**96 385**	71.1%	56 329
Finance costs	**(89 736)**	70.8%	(52 543)
Profit before tax	**1 434 575**	43.0%	1 002 931
Tax	**(518 240)**		(339 949)
Profit after tax	**916 335**	38.2%	662 982
Loss for the year from discontinued operation	**(19 853)**		(25 978)
Profit for the year	**896 482**	40.7%	637 004
ATTRIBUTABLE TO:			
Equity holders of the Company	**890 132**		629 613
Minority interest	**6 350**		7 391
	896 482		637 004
Earnings per share from continued operations (cents)	**179.4**	38.9%	129.2
Earnings per share (cents)	**175.4**	41.3%	124.1
Diluted earnings per share from continued operations (cents)	**172.7**	37.4%	125.7
Diluted earnings per share (cents)	**168.9**	39.9%	120.7
Ordinary dividend per share paid (cents)	**55.0**	32.5%	41.5
Ordinary dividend per share declared (cents)	**73.0**	46.0%	50.0
Number of ordinary shares ('000) used for			
calculation of : earnings per share	**507 346** *		507 373
: diluted earnings per share	**526 998** *		521 644
(* weighted average)			

CONDENSED GROUP BALANCE SHEET

R'000	**Reviewed as at June 06**	Reviewed as at June 05
ASSETS		
Non-current assets	**3 759 229**	2 872 400
Property, plant and equipment	**3 248 283**	2 490 585
Available-for-sale investments	**13 846**	33 100
Loans and receivables	**38 817**	61 530
Deferred tax assets	**219 626**	242 193
Intangible assets	**235 866**	40 779
Fixed escalation operating lease accrual	**2 791**	4 213
Current assets	**6 183 163**	5 497 446
Inventories	**3 269 500**	2 711 532
Other current assets	**1 492 466**	1 522 087
Assets classified as held for sale	**163 876**	183 025
Available-for-sale investments	**33 592**	-
Loans and receivables	**15 758**	3 993
Cash and cash equivalents	**1 207 971**	1 076 809
Total assets	**9 942 392**	8 369 846
EQUITY AND LIABILITIES		
Total equity	**3 082 868**	2 265 877
Capital and reserves attributable to equity holders	**3 035 863**	2 224 118
Minority interest	**47 005**	41 759
Non-current liabilities	**731 860**	748 773
Borrowings	**2 464**	2 450
Deferred tax liabilities	**7 400**	10 073
Provisions	**269 264**	221 421
Fixed escalation operating lease accrual	**452 732**	514 829
Current liabilities	**6 127 664**	5 355 196
Other current liabilities	**5 422 096**	4 521 856
Provisions	**34 301**	48 952
Bank overdraft	**671 267**	784 388
Total equity and liabilities	**9 942 392**	8 369 846

CONDENSED GROUP CASH FLOW STATEMENT

R'000	Notes	Reviewed 52 weeks ended June 06	Reviewed 53 weeks ended June 05
Cash generated by continued operations		**2 065 366**	783 285
Operating profit		**1 427 926**	999 145
Less: investment income		**(11 086)**	(13 056)
Non-cash items	1	**281 090**	453 106
Changes in working capital	2	**367 436**	(655 910)
Net interest received		**12 656**	10 162
Dividends received		**5 079**	6 680
Dividends paid		**(282 473)**	(213 336)
Tax paid		**(438 890)**	(509 097)
Cash utilised by discontinued operation	3	**(23 050)**	(5 415)
Cash flows from operating activities		**1 338 688**	72 279
Cash flows from investing activities		**(1 097 877)**	(810 961)
Purchase of property, plant and equipment and software		**(1 318 364)**	(922 535)
Proceeds on disposal of property, plant and equipment and software		**343 601**	57 451
Proceeds on disposal of investments		**-**	71 069
Acquisition of subsidiaries / operations		**(136 565)**	(17 127)
Proceeds on disposal of operations		**2 632**	-
Acquisition of listed investment		**-**	(21 069)
Other investment activities		**10 819**	21 250
Cash flows from financing activities		**406**	428
Acquisition of treasury shares		**(99)**	(265)
Proceeds on issue of preference shares to joint venture		**505**	693
Movement in cash and cash equivalents		**241 217**	(738 254)
Effect of exchange rate movements on cash and cash equivalents		**3 066**	10 988
Net movement in cash and cash equivalents		**244 283**	(727 266)

CONDENSED GROUP CASH FLOW STATEMENT (continued)

CASH FLOW INFORMATION

R'000	Reviewed 52 weeks ended June 06	Reviewed 53 weeks ended June 05
1. Non-cash items		
Depreciation on property, plant and equipment	**447 808**	385 098
Amortisation of intangible assets	**14 380**	14 742
Net fair value gains on financial instruments	**(20 091)**	(3 629)
Exchange rate gains	**(8 445)**	(1 921)
Share options granted	**764**	5 265
Profit on disposal of property	**(171 651)**	(7 329)
Loss on disposal and scrapping of plant and equipment and software	**9 257**	4 980
Profit on disposal of unlisted investment	**-**	(18 000)
Profit on disposal of listed investment	**-**	(669)
(Reversal of impairment)/impairment of property, plant and equipment	**(1 559)**	40 177
Profit on disposal of operation	**(728)**	-
Impairment of goodwill	**1 286**	26 151
Movement in provisions	**28 204**	15 580
Movement in fixed escalation operating lease accrual	**(18 135)**	(7 339)
	281 090	453 106
2. Changes in working capital		
Inventories	**(500 151)**	(80 237)
Trade and other receivables	**23 580**	18 079
Trade and other payables	**844 007**	(593 752)
	367 436	(655 910)
3. Cash utilised by discontinued operation		
Loss for the year from discontinued operation per income statement	**(19 853)**	(25 978)
Depreciation on property, plant and equipment	**2 368**	3 592
Amortisation of intangible assets	**8**	-
Exchange rate losses/(gains)	**6 350**	(352)
Loss on disposal and scrapping of property, plant and equipment and software	**5 577**	-
Proceeds on disposal and scrapping of property, plant and equipment and software	**9 091**	-
(Reversal of impairment)/impairment of property, plant and equipment	**(9 787)**	9 787
Changes in working capital	**(16 804)**	7 536
	(23 050)	(5 415)

CONDENSED SEGMENT INFORMATION

R'000	Reviewed 52 weeks ended June 06	% change	Reviewed 53 weeks ended June 05
SEGMENT REVENUE - by business segment			
- Supermarkets	**31 635 822**	12.9%	28 017 664
- Furniture	**1 875 465**	11.2%	1 686 569
Total segment revenue	**33 511 287**	12.8%	29 704 233
SEGMENT RESULT - by business segment			
- Supermarkets	**1 051 301**	26.6%	830 084
- Furniture	**198 633**	3.8%	191 397
Total segment result	**1 249 934**	22.4%	1 021 481

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

SUPPLEMENTARY INFORMATION

R'000	Reviewed as at June 06	Reviewed as at June 05
1. Capital commitments	**388 775**	344 438
2. Contingent liabilities	**88 362**	53 190

There was an increase in the contingent liabilities arising in the ordinary course of business relating to property and other transactions from which it is anticipated that no material liabilities will arise.

3. Net asset value per share (cents)	**598**	438
4. Total number of shares in issue (adjusted for treasury shares)	**507 345**	507 355

CONDENSED STATEMENT OF CHANGES IN EQUITY

R'000	Reviewed 52 weeks endedJune 06	Reviewed 53 weeks ended June 05
Balance at beginning of July	**2 265 877**	1 802 453
Net movement in treasury shares	**(99)**	(265)
Net fair value profits on available-for-sale investments, net of tax	**12 452**	2 997
Net profit for the year	**896 482**	637 004
Transfer to share-based payment reserve	**764**	5 265
Foreign currency translation differences	**187 545**	33 260
Dividends distributed to shareholders	**(280 153)**	(214 837)
Balance at end of June	**3 082 868**	2 265 877

Acknowledgment

The innovation and daring that have been our guiding principles over the past three decades and that will continue to inform our endeavours in the years ahead are an expression of the culture that has been nurtured in our business by top management with full backing of the Board. The results of that daring and dedication are clearly reflected in our financial performance for the year, and we want to express our deepest gratitude to every member of staff for his or her contribution, to our fellow directors for their unstinting support and to all our suppliers for helping us achieve our goals.

By order of the Board

C H Wiese
Chairman

J W Basson
Chief executive

22 August 2006

Directorate and administration

Executive directors: JW Basson (chief executive), CG Goosen (deputy managing director), B Harisunker, 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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