

Financial Overview

R million

	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Turnover	21 704	17 009	27.6
Operating profit	775	603	28.5
PAT	523	408	28.3
HEPS (cents)	312.3	240.0	30.1
Return on equity	52.3	49.6	
Dividend (cents)	185.0	123.0	50.4



Financial Overview

Turnover (Rm)

	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Spar	19 789	15 615	26.7
Build it	1 915	1 394	37.3
Ratio	8.8%	8.2%	
TOTAL	<u>21 704</u>	<u>17 009</u>	<u>27.6</u>
Liquor sales (TOPS & SPAR)	919	620	48.2
Ratio	4.2%	3.6%	



Financial Overview

Margins (as % turnover)

	<u>2007</u>	<u>2006</u>
Gross margin	8.2	8.4
Other income	0.9	0.9
Expenses	<u>(5.5)</u>	<u>(5.8)</u>
Net margin	<u>3.6</u>	<u>3.5</u>



Financial Overview

Turnover growth reconciliation

	<u>%</u>
Spar retail growth	
- organic	15.2
new stores	<u>5.3</u>
	20.5
TOPS / Build it “excess” growth	2.6
Improved loyalty / new suppliers	<u>4.5</u>
	<u><u>27.6</u></u>



Financial Overview

Cash flow (Rm)

	<u>%</u>
Cash flow from operations	1 387
Capex facilities	(155)
vehicles	(129)
IT	(30)
Loans/investments	(97)
Share purchases (net)	(81)
Tax	(238)
Dividends	(246)
Other	3
Net cash inflow	<u>413</u>



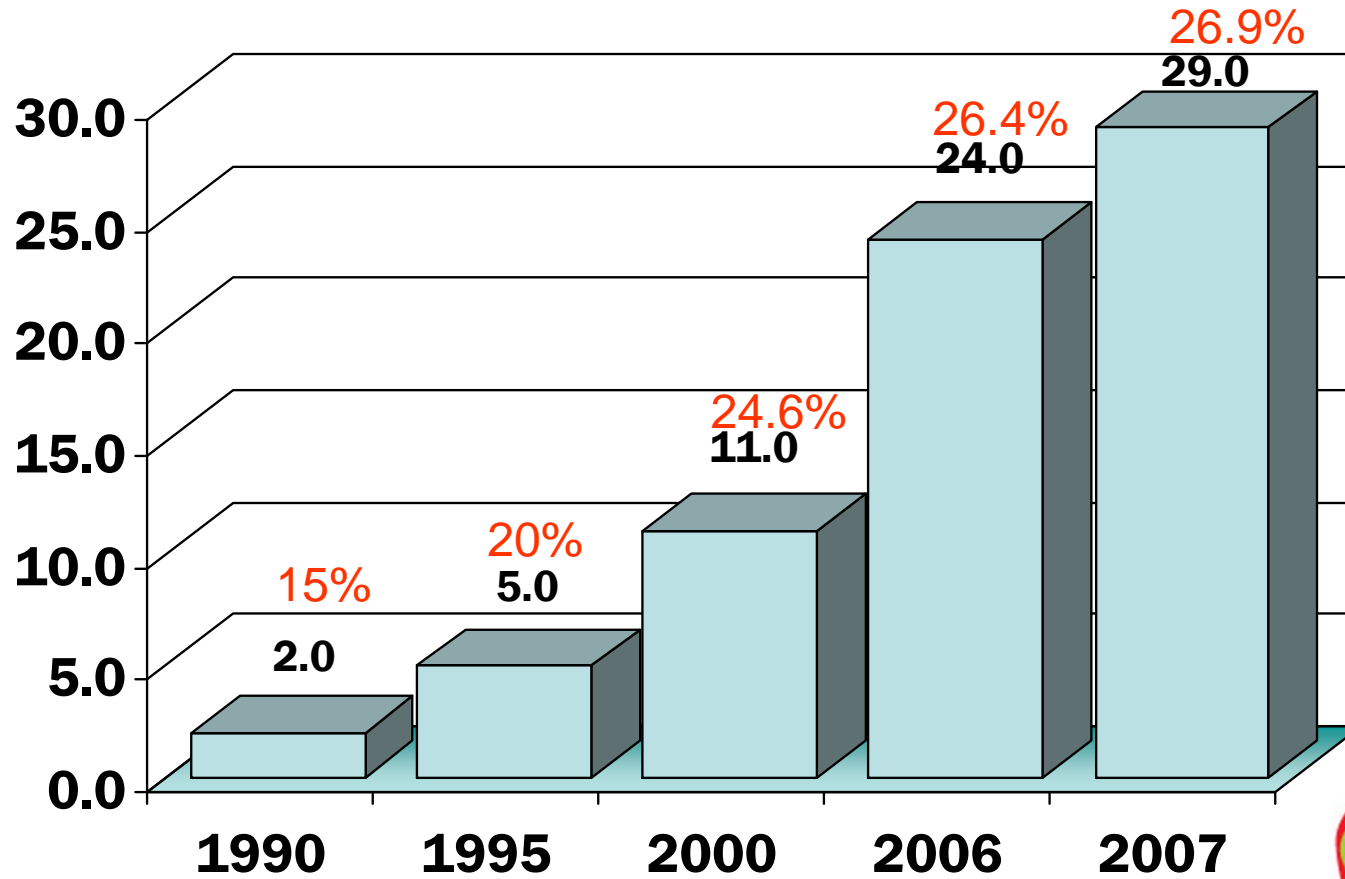
Retail Performance

Retail Stores

	<u>2006</u>	<u>2007</u>	<u>Change</u>
Superspar	145	172	+27
Spar	478	477	1
Kwikspar	<u>176</u>	<u>161</u>	<u>15</u>
	<u>799</u>	<u>810</u>	<u>+11</u>
Sq meters 000's	728	780	+7,2%
Remodels	122	129	
Tops	216	287	+71
Build it	221	243	+22



SPAR Sales (Rbn) & Market Share (%)



Distribution Update

South Rand

32000 m²
229 SPAR
68 TOPS
49 Build it



Distribution Update



North Rand

35000 m²

180 SPAR

61 TOPS

41 Build it



Distribution Update



Western Cape

21000 m²
125 SPAR
48 TOPS
31 Build it



Distribution Update

Kwazulu Natal

39000 m²

152 SPAR

66 TOPS

64 Build it



Distribution Update



Eastern Cape

24000 m²

89 SPAR

33 TOPS

34 Build it

Lowveld

14000

35
m²

11
SPAR

24 Build
TOPS

it →



Distribution Centres

	<u>2006</u>	<u>2007</u>
Trucks	207	245
Trailers	216	250
Cases despatched	+13%	+14%



Looking forward ...

- Trading environment
- Key focus areas



Trading Environment

- Business confidence
- Economic fundamentals

BOP remains a concern

interest rates

upward pressure on inflation

- LSM shift

... outlook good for cash retail



Key Focus Areas

Retail

- Growth

new stores

- * SPAR

- * TOPS / BUILD IT



Key Focus Areas...

Retail Stores

	<u>2007</u>	<u>Change in 2008</u>
Superspar	172	+25
Spar	477	+5
Kwikspar	<u>161</u>	<u>5</u>
	<u>810</u>	<u>+25</u>
Sq metres 000's	780	+5%
Remodels	129	+135
Tops	287	+40
Build it	243	+30



Key Focus Areas

Retail

- Growth
 - new stores
 - * SPAR
 - * TOPS / BUILD IT
 - existing stores
 - * revamps
 - * hot spots in store
- Good to great in fresh
- Marketing
- Technology
- Transformation



Distribution

- Executive management changes
- Warehouse facilities
- Supply chain efficiency

