Notes on the Financial Statements

The group has concluded the sale of its Montague Gardens, Cape Town distribution centre effective 2 October 2007 and the group’s reported financial position at this date. The group has considered these distribution centres as a single reportable segment as well as providing for dividends and share buybacks. Net capital expenditure for 2008 (after receipt of the proceeds of disposal of the Montague Gardens, Cape Town distribution centre) will result in an increased level of expenditure on 2006. Headline earnings per share of 312.3 cents, increased 30.1%. Cash generation remained strong, net debt of R315.0 million at 30 September 2007, down 11.7% from R353.7 million at 30 September 2006. The group’s investment in warehouse technologies and the installation of a virtual private network and new retail back office software.

The effective rate of taxation, inclusive of Secondary Tax on Companies, at 34.2% remained unchanged from that of 35.0% in 2006. Depreciation at R53.4 million increased from R39.7 million in 2006. Investment in warehouse technologies, the installation of a virtual private network and new retail back office software. Marketing costs increased 24.1% driven by increased television and radio advertising, additional promotional and product development and research costs and the recently acquired ownership of Theadora football.

NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 41.5 0.2

Net movement on loans and investments (97.2) (50.1)
Proceeds on disposal of property, plant and equipment 18.0 2.4
Investment to maintain operations (20.7) (37.3)
Dividends paid (246.3) (190.7)
Taxation paid (237.9) (186.4)
Cash generated from operations 1 387.2 730.8
Rmillion 2007 2006

SALIENT STATISTICS

Turnover 27.6 21 704.0 17 009.6
Gross profit 1 777.1 1 428.3
Profit before taxation 28.4 794.7 618.7
Net profit attributable to ordinary shareholders 28.3 523.0 407.6
Profit on sale of property, plant and equipment (2.1) (1.2)
The group’s Western Cape operation to its new distribution centre will result in an increased level of expenditure on 2006. Headline earnings per share of 312.3 cents, increased 30.1%. Cash generation remained strong, net debt of R315.0 million at 30 September 2007, down 11.7% from R353.7 million at 30 September 2006. The group’s investment in warehouse technologies and the installation of a virtual private network and new retail back office software.

Operating results on a like-for-like basis, excluding non-recurring gains and the associated income tax, for the group’s retail operations, increased by 27.6% to R27.6 billion (2006: R21.7 billion). The group’s liquor and Build it sales performances were particularly pleasing, showing growth of 27.3% and 27.6%, respectively. Retail trading space increased 12.1% during the year under review. The group’s liquor and Build it sales performances were particularly pleasing, showing growth of 27.3% and 27.6%, respectively. Retail trading space increased 12.1% during the year under review. The group’s liquor and Build it sales performances were particularly pleasing, showing growth of 27.3% and 27.6%, respectively. Retail trading space increased 12.1% during the year under review.

The ongoing programme of upgrading stores resulted in 129 stores undertaking major revamps. Retail trading space increased 12.1% during the year under review. The group’s liquor and Build it sales performances were particularly pleasing, showing growth of 27.3% and 27.6%, respectively. Retail trading space increased 12.1% during the year under review. The group’s liquor and Build it sales performances were particularly pleasing, showing growth of 27.3% and 27.6%, respectively. Retail trading space increased 12.1% during the year under review. The group’s liquor and Build it sales performances were particularly pleasing, showing growth of 27.3% and 27.6%, respectively. Retail trading space increased 12.1% during the year under review. The group’s liquor and Build it sales performances were particularly pleasing, showing growth of 27.3% and 27.6%, respectively. Retail trading space increased 12.1% during the year under review.

The group’s shares traded at 400.0c and 389.0c at the end of 2007 and the start of 2008, respectively.

Turnover up 27.6% reflected the group’s effort to drive growth and the strong trading environment which existed 2006. Headline earnings per share of 312.3 cents, increased 30.1%. Cash generation remained strong, net debt of R315.0 million at 30 September 2007, down 11.7% from R353.7 million at 30 September 2006. The group’s investment in warehouse technologies and the installation of a virtual private network and new retail back office software.

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