

# REVIEWED CONDENSED CONSOLIDATED RESULTS AND CASH DIVIDEND DECLARATION

for the year ended 30 June 2009



Operating profit +14.2%  
Headline earnings +10.5%

## CONDENSED INCOME STATEMENT

R'000	Reviewed year ended 30/06/09	% Change	Audited year ended 30/06/08
<b>Revenue</b>	<b>326 774</b>	10.5	295 838
<b>Operating profit</b>	<b>97 661</b>	14.2	85 534
Net interest received	6 219		4 852
Share of loss of associate companies	(1 465)		(292)
Profit before tax	102 415	13.7	90 094
Total income tax expense	(38 574)		(30 492)
<b>Profit for the year</b>	<b>63 841</b>	7.1	59 602
Attributable to:			
Equity holders of parent	63 264	6.7	59 266
Minority interests	577		336
Basic earnings per share (cents)	71.94	7.0	67.23
Diluted earnings per share (cents)	70.61	8.5	65.07
Distribution per share (cents)	55.00	-	55.00

## RECONCILIATION OF HEADLINE EARNINGS

R'000	Reviewed year ended 30/06/09	% Change	Audited year ended 30/06/08
Earnings attributable to ordinary shareholders	63 264	6.7	59 266
Headline earnings adjustments:			
Impairment of goodwill	1 583		-
Impairment of property, plant and equipment	8 461		8 174
Loss on disposal of property, plant and equipment (Note 1)	1 168		1
Profit on disposal of minority share in subsidiary company	-		(46)
<b>Headline earnings</b>	<b>74 476</b>	<b>10.5</b>	<b>67 395</b>

## CONDENSED BALANCE SHEET

R'000	Reviewed at 30/06/09	Audited at 30/06/08
<b>ASSETS</b>		
NON-CURRENT ASSETS	398 399	427 940
Property, plant and equipment	84 429	98 890
Intangible assets and goodwill	279 970	281 867
Investments and loans	14 651	24 520
Deferred tax	16 618	18 966
Other non-current asset	2 731	3 697
CURRENT ASSETS	147 840	129 194
Inventory	6 066	6 624
Trade and other receivables	54 320	52 381
Tax receivable	3 567	3 324
Cash and cash equivalents	83 887	66 865
<b>TOTAL ASSETS</b>	<b>546 239</b>	<b>557 134</b>
<b>EQUITY AND LIABILITIES</b>		
CAPITAL AND RESERVES	434 320	437 102
Ordinary share capital	1	1
Share premium (net of treasury shares)	(25 343)	(12 970)
Foreign currency translation reserve	8 888	26 778
Share-based payments reserve	20 554	19 030
Retained earnings	425 919	399 948
Total equity attributable to equity holders of the parent	430 019	432 787
Minority shareholders' interest	4 301	4 315
NON-CURRENT LIABILITIES	60 237	57 636
Long-term loans payable	11 413	15 579
Operating lease liability	1 352	1 321
Deferred tax	47 472	40 736
CURRENT LIABILITIES	51 682	62 396
Trade and other payables	42 080	51 053
Shareholders for distribution	398	352
Tax payable	6 351	8 729
Bank overdraft	2 853	2 262
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>546 239</b>	<b>557 134</b>

## BASIS OF ACCOUNTING

KPMG Inc., the group's independent auditor has reviewed the provisional financial statements contained in this provisional report, and has expressed an unmodified conclusion on the provisional financial statements. The review report is available for inspection at the company's registered office. These provisional financial statements for the year ended 30 June 2009 have been prepared in accordance with accounting policies that comply with International Financial Reporting Standards ("IFRS") and IAS 34 - Interim Financial Reporting, and have been consistently applied with those adopted for the year ended 30 June 2008, excluding items mentioned in note 2.

## FINANCIAL AND OPERATIONAL PERFORMANCE

Spur Corporation has again demonstrated the strength of its brands as the group posted a 10.5% growth in revenue to R326.8 million (2008: R295.8 million) in the most difficult trading conditions experienced in many years.

The restaurant industry continued to face pressure from reduced consumer spending and high food price inflation. While lower disposable income levels resulted in reduced frequency of visits to restaurants, the brands' value-for-money offering sustained customer loyalty and ensured continuous revenue growth during the year under review. This is reflected in the 8.6% growth in restaurant turnover in the Spur Steak Ranches brand. Panarottis Pizza Pasta turnover grew by 4.4% and John Dory's Fish & Grill by 18.2%. International restaurant turnover for existing business increased by 3.1%, with company-owned restaurants (retail outlets) increasing turnover by 11.5%.

Franchise fee income in Spur increased by 8.7% to R112.1 million, Panarottis by 3.8% to R9.9 million and John Dory's by 18.1% to R6.6 million. International franchise fee income increased by 2.4% to R13.4 million.

Operating profit for the period increased by 14.2% to R97.7 million (2008: R85.5 million). Worldwide recessionary trading conditions led to the group impairing the assets and goodwill of two of its retail outlets in Australia, where the impact of the recession in our industry has been more pronounced. The impact on operating profit is R10.0 million. Headline earnings increased 10.5% to R74.5 million (2008: R67.4 million), with diluted headline earnings per share growing 12.3% to 83.12 cents (2008: 73.99 cents).

## RESTAURANT EXPANSION

Ten new Spurs and one John Dory's restaurant were opened in South Africa during the year, while 16 Spur, nine Panarottis and three John Dory's restaurants were refurbished or relocated to improved trading locations. Internationally, new Spur restaurants were opened in Derby in the United Kingdom and Nairobi, Kenya. At year end the group had 347 restaurants across its three brands.

Spur has developed a signature store concept for high profile locations, with the first outlets in this format being the revamped restaurant in the V&A Waterfront in Cape Town, and new outlets in Bryanston and the Bloemfontein Waterfront. A further signature store will be opened at the Cape Town International Airport in late 2009. Further enhancements to the Panarottis' décor and design are being added, while the roll-out of sushi belts and décor upgrades in John Dory's is proving successful.

A summary of the group's restaurant base at 30 June 2009 is as follows:

Franchise brand	South Africa	International	Total
Spur Steak Ranches	240	29	269
Panarottis Pizza Pasta	50	6	56
John Dory's Fish & Grill	22	-	22
<b>Total</b>	<b>312</b>	<b>35</b>	<b>347</b>

## CONDENSED CASH FLOW STATEMENT

R'000	Reviewed year ended 30/06/09	Audited year ended 30/06/08
Operating profit before working capital changes	118 205	112 927 *
Working capital changes	(6 321)	(8 474)*
Cash generated from operations	111 884	104 453
Net interest received	5 803	4 852
Taxation paid	(34 292)	(24 763)
Distributions paid	(47 722)	(50 199)
Cash flow from operating activities	35 673	34 343
Cash flow from investing activities	(15 546)	(32 414)
Cash flow from financing activities	(3 550)	18 656
Net movement in cash and cash equivalents	16 577	20 585
Adjustment for foreign exchange fluctuations on cash held	(146)	(200)*
Net cash and cash equivalents at beginning of year	64 603	44 218
Net cash and cash equivalents at end of year	81 034	64 603

\* Restated - refer note 2.

## CONDENSED STATEMENT OF CHANGES IN EQUITY

R'000	Ordinary share capital & premium (net of treasury shares)	Retained earnings & minority shareholders' interest	Other reserves	Total
<b>Balance at 1 July 2007</b>	37 280	341 411	24 945	403 636
Profit for the year		59 266		59 266
Distributions	(50 249)			(50 249)
Share-based payments (net of taxes)			1 524	1 524
Effect of change in tax rate			(311)	(311)
Foreign currency translation			23 260	23 260
Foreign exchange loss on net investment in foreign subsidiaries (net of taxes)			(3 515)	(3 515)
Minority interests' share of profit		336		336
Foreign exchange effect on minorities		95	(95)	-
Issue of shares in subsidiary to minority shareholder		3 155		3 155
<b>Balance at 1 July 2008</b>	<b>(12 969)</b>	<b>404 263</b>	<b>45 808</b>	<b>437 102</b>
Profit for the year		63 264		63 264
Distributions (net of taxes)	(10 360)	(37 547)		(47 907)
Share-based payments (net of taxes)			1 524	1 524
Foreign currency translation			(14 831)	(14 831)
Foreign exchange loss on net investment in foreign subsidiaries (net of taxes)			(3 202)	(3 202)
Minority interests' share of profit		577		577
Foreign exchange effect on minorities		(143)	143	-
Acquisition of minority interest in subsidiary		(194)		(194)
Shares repurchased by subsidiary	(2 013)			(2 013)
<b>Balance at 30 June 2009</b>	<b>(25 342)</b>	<b>430 220</b>	<b>29 442</b>	<b>434 320</b>

## CONDENSED SEGMENT REPORT

R'000	Reviewed year ended 30/06/09	Audited year ended 30/06/08
<b>REVENUE</b>		
Wholesale and distribution	91 578	80 603
Franchise - Spur (SA only)	115 836	107 982
Franchise - Other	29 808	28 165
Retail outlets	83 846	75 197
Corporate services	5 706	3 891
<b>Group revenue</b>	<b>326 774</b>	<b>295 838</b>
<b>OPERATING PROFIT/(LOSS)</b>		
Wholesale and distribution	33 962	26 349
Franchise - Spur (SA only)	97 525	91 539
Franchise - Other	14 198	12 705
Retail outlets	(14 536)	(11 101)
Corporate services	(33 488)	(33 958)
<b>Group operating profit</b>	<b>97 661</b>	<b>85 534</b>

## SUPPLEMENTARY INFORMATION

Statistics	Reviewed year ended 30/06/09	% Change	Audited year ended 30/06/08
Shares in issue (000's) (Note 3)	87 865		88 156
Weighted average number of shares in issue (000's)	87 942		88 156
Headline earnings per share (cents)	84.69	10.8	76.45
Diluted headline earnings per share (cents)	83.12	12.3	73.99
Net asset value per share (cents)	494.30	-0.3	495.83

## NOTES

- The loss on disposal of property, plant and equipment relates to the assets of an associate company that were scrapped as part of the relocation of an outlet owned by the associate to new trading premises.
- Foreign exchange differences arising on the translation of foreign entities from their functional currencies to the group's reporting currency were reallocated in the condensed cash flow statement for the year ended 30 June 2008 to accord with the allocation basis applied to such foreign exchange differences in the current year. The directors have determined that this allocation basis results in a more accurate reflection of true cash flow movements.
- Shares in issue less shares repurchased by a wholly owned subsidiary company and the share incentive special purpose entity.

## PROSPECTS

The group plans to open at least 18 new restaurants in the year ahead. This includes 15 franchised restaurants in South Africa, a new Spur retail outlet in Aberdeen (Scotland), and two franchised outlets in Perth (Australia) and Dubai (United Arab Emirates). Opportunities for new restaurants are being evaluated in several locations in Africa and the United Kingdom to further expand the group's footprint.

Substantial increases in electricity costs and higher wage demands will place pressure on franchisee profitability. Strategies aimed at enhancing franchisee success and entrenching our brands' positions in the market include the ongoing improvement in procurement and distribution efficiencies, customer focused menu engineering, enhancing operational standards and training, and persuasive marketing communication.

The recessionary trading conditions are expected to remain a challenge in the year ahead. However, management believes the group is well placed to continue to withstand the impact of the current economic climate.

## CASH DIVIDEND

In accordance with a general authority given to the directors at the annual general meeting held on 5 December 2008, shareholders are advised that the board of directors of the company has approved a cash dividend of R27.3 million, which equates to 28.0 cents per share.

The cash dividend will be paid on Monday, 5 October 2009, to those shareholders of the company who are recorded in the company's register on Friday, 2 October 2009 ("the record date").

The last day to trade (cum dividend) in the company's shares for purposes of entitlement to the distribution will be Friday, 25 September 2009. The shares will commence trading ex dividend on Monday, 28 September 2009. Share certificates may not be dematerialised or rematerialised between Monday, 28 September 2009 and Friday, 2 October 2009, both days inclusive.

For and on behalf of the Board  
A Ambor (Executive Chairman)  
P van Tonder (Managing Director)

Cape Town  
8 September 2009

Directors: A Ambor (Executive Chairman), P van Tonder (Managing Director), M Farrelly, K Getz\*, D Hyde\*, P Joffe, M Kuzwayo\*, K Madders MBE\* (British), K Robertson, R van Dijk. Company secretary: R van Dijk [\* non-executive]

Spur Corporation Limited (Registration number 1998/000828/06)

Share code: SUR

ISIN: ZAE000022653

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Transfer Secretaries

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Sponsor: Sasfin Capital (A division of Sasfin Bank Ltd)

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