



UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS AND CASH DIVIDEND DECLARATION

for the six months ended 31 December 2010

Revenue **+13.3%**
Diluted headline earnings per share **+ 9.5%**



FINANCIAL AND OPERATIONAL PERFORMANCE

Spur Corporation showed strong revenue growth of 13.3% to R203.3 million, benefiting from new restaurant openings, the launch of the Spur Family Card loyalty programme, increase in frequency of customer visits and value-based promotional campaigns across all brands.

Spur Steak Ranches increased restaurant turnover by 11.1%, Panarottis Pizza Pasta by 5.3% and John Dory's Fish & Grill by 11.3%. Franchise fee income in Spur increased by 11.3% to R70.2 million, Panarottis by 6.8% to R6.0 million and John Dory's by 10.8% to R5.0 million.

Food prices were relatively stable for most of the period and there were no menu price increases during the past six months in South Africa.

Trading conditions in the international markets were more challenging than the local environment, compounded by the extreme weather conditions in the United Kingdom in December, which impacted trading in several locations. International revenue, comprising franchise fee income and restaurant turnover, grew by 16.3% to R57.5 million, boosted by the opening of two new outlets (including one group-owned outlet) and the consolidation of three additional existing outlets.

Manufacturing and distribution revenue was 14.4% higher at R54.9 million. The group's manufacturing operations were consolidated into one facility in Cape Town, with the Johannesburg building being sold for R16.75 million subsequent to the reporting date. A building to house the group's décor production in Cape Town was purchased subsequent to the reporting date at a cost of R10.0 million.

Profit before income tax increased by 6.5% to R72.9 million. Comparable operating profit before finance income, excluding exceptional one-off items, grew by 11.5%. These one-off items relate mainly to the start-up costs in new international company-owned restaurants of R3.5 million and costs associated with the centralisation of the manufacturing facilities of R1.1 million.

Headline earnings for the period increased by 7.4% to R48.7 million, with diluted headline earnings per share growing by 9.5% to 55.28 cents. The directors have declared an interim dividend of 33.0 cents per share.

RESTAURANT EXPANSION

The group increased its restaurant base to 367 outlets. The expansion of the Spur chain locally included the opening of the smaller format restaurants in Wellington, Meyerton and Bredasdorp.

Internationally a new group-owned Spur restaurant was opened in Gateshead (England) and a new franchised Spur restaurant in Ezulwini (Swaziland). The Spur in Belfast (Northern Ireland) was converted from a franchised to a group-owned outlet and the group also purchased the remaining 50% shareholding of the Spur in Penrith (Australia). The Panarottis outlet in Mingara (Australia), in which the group had a minority interest, was relocated to a better trading site in Tuggerah, which has positively impacted turnover, and the group now has a majority interest in the outlet.

A summary of the group's restaurant profile at 31 December 2010 is as follows:

Franchise brand	South Africa	International	Total
Spur Steak Ranches	250	33	283
Panarottis Pizza Pasta	50	6	56
John Dory's Fish & Grill	28	-	28
Total	328	39	367

PROSPECTS

Although consumer optimism has improved as a result of the low interest rate environment and historically lower levels of inflation, heavy debt burdens, increasing fuel, utility and food prices and anticipated higher inflation remain a challenge. In this environment, sales growth will be driven by continued value-added and innovative promotions. These include a breakfast offering in Spur, week-day value specials in Panarottis and family weekend specials in John Dory's.

A Spur restaurant will be opened in Lilongwe (Malawi) and other African sites are being evaluated. No new restaurants are planned for the United Kingdom or Australia in the remainder of the financial year. Locally, the group will continue its restaurant expansion and refurbishment programme.

INTERIM CASH DIVIDEND FOR THE SIX MONTHS TO 31 DECEMBER 2010

In accordance with a general authority given to the directors at the annual general meeting held on 10 December 2010, shareholders are advised that the board of directors of the company has approved a cash dividend of R32.2 million, which equates to 33.0 cents per share.

The cash dividend will be paid on Monday, 28 March 2011, to those shareholders of the company who are recorded in the company's register on Friday, 25 March 2011 ("the record date").

The last day to trade (cum dividend) in the company's shares for purposes of entitlement to the dividend will be Thursday, 17 March 2011. The shares will commence trading ex dividend on Friday, 18 March 2011.

Share certificates may not be dematerialised or rematerialised between Friday, 18 March 2011 and Friday, 25 March 2011, both days inclusive.

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

Cape Town
1 March 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Unaudited six months ended 31/12/10	Unaudited six months ended 31/12/09	% change	Audited year ended 30/06/10
Revenue	203 302	179 450	13.3	348 024
Operating profit before finance income	70 654	65 854	7.3	118 549
Net finance income	2 287	2 658		4 380
Profit before income tax	72 941	68 512	6.5	122 929
Income tax expense	(24 473)	(22 693)		(44 562)
Profit for the period	48 468	45 819	5.8	78 367
Other comprehensive losses:	(6 226)	(6 130)		(14 093)
Foreign currency translation differences for foreign operations	(7 472)	(6 737)		(21 719)
Foreign exchange gain on net investments in foreign subsidiaries	1 672	814		10 236
Tax on foreign exchange gain on net investments in foreign subsidiaries	(426)	(207)		(2 610)
Total comprehensive income for the period	42 242	39 689		64 274
Profit/(losses) attributable to:				
Owners of the company	48 748	45 381		77 557
Non-controlling interest	(280)	438		810
Profit for the period	48 468	45 819		78 367
Total comprehensive income/(losses) attributable to:				
Owners of the company	42 501	39 344		63 540
Non-controlling interest	(259)	345		734
Total comprehensive income for the period	42 242	39 689		64 274
Per share (cents)				
Basic earnings	55.48	51.65	7.4	88.27
Diluted earnings	55.29	50.46	9.6	86.25
Dividends	33.00	32.00	3.1	60.00

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Unaudited at 31/12/10	Unaudited at 31/12/09	Audited at 30/06/10
ASSETS			
Non-current assets	378 118	402 119	382 609
Property, plant and equipment	73 559	87 689	75 184
Intangible assets and goodwill	285 769	279 714	279 609
Investments and loans	6 238	15 075	14 533
Deferred tax	10 586	17 299	11 128
Leasing rights	1 804	2 342	2 155
Other financial asset	162	-	-
Current assets	181 873	150 943	148 116
Inventories	4 915	5 262	6 389
Tax receivable	3 640	4 120	3 600
Trade and other receivables	68 273	65 577	53 499
Asset classified as held for sale	15 012	-	-
Cash and cash equivalents	90 033	75 984	84 628
TOTAL ASSETS	559 991	553 062	530 725
EQUITY			
Total equity	420 606	407 177	403 295
Ordinary share capital	1	1	1
Share premium	6	6	6
Shares repurchased by subsidiaries	(29 910)	(29 910)	(29 910)
Foreign currency translation reserve	(11 376)	2 851	(5 129)
Retained earnings	458 161	429 956	434 015
Total equity attributable to equity holders of the parent	416 882	402 904	398 983
Non-controlling interest	3 724	4 273	4 312
LIABILITIES			
Non-current liabilities	67 541	63 583	64 569
Long-term loans payable	4 754	9 289	7 181
Employee benefits	91	-	-
Operating lease liability	5 077	3 271	3 328
Deferred tax	57 619	51 023	54 060
CURRENT LIABILITIES	71 844	82 302	62 861
Bank overdraft	3 997	5 067	3 596
Tax payable	7 291	20 185	4 832
Trade and other payables	60 075	55 302	53 969
Shareholders for dividend	481	1 748	464
TOTAL EQUITY AND LIABILITIES	559 991	553 062	530 725

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Unaudited six months ended 31/12/10	Unaudited six months ended 31/12/09	Audited year ended 30/06/10
Operating profit before working capital changes	74 416	71 780	134 474
Working capital changes	(11 606)	(2 229)	3 394
Cash generated from operations	62 810	69 551	137 868
Net interest received	2 287	2 658	4 948
Tax paid	(19 292)	(18 094)	(49 528)
Distributions paid	(24 935)	(47 970)	(80 708)
Net cash flow from operating activities	20 870	6 145	12 580
Cash flow from investing activities	(17 939)	(16 193)	(13 574)
Cash flow from financing activities	2 010	(60)	771
Net movement in cash and cash equivalents	4 941	(10 108)	(223)
Effect of foreign exchange fluctuations	63	(9)	221
Net cash and cash equivalents at beginning of period	81 032	81 034	81 034
Net cash and cash equivalents at end of period	86 036	70 917	81 032

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Ordinary share capital & share premium (net of treasury shares)	Other reserves	Retained earnings and non-controlling interest	Total
Balance at 1 July 2009	(25 342)	29 442	430 220	434 320
Total comprehensive (losses)/income for the year	-	(14 017)	78 291	64 274
Profit for the year	-	-	78 367	78 367
Other comprehensive losses	-	(14 017)	(76)	(14 093)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners	(4 561)	(20 554)	(70 184)	(95 299)
Distributions to equity holders	-	-	(53 442)	(53 442)
Impact of incentive scheme (including tax)	(4 561)	-	(38 507)	(43 068)
Share-based payments transactions net of tax	-	1 211	-	1 211
Transfer of share-based payment reserve to retained earnings	-	(21 765)	21 765	-
Balance at 30 June 2010	(29 903)	(5 129)	438 327	403 295
Total comprehensive (losses)/income for the period	-	(6 247)	48 489	42 242
Profit for the period	-	-	48 468	48 468
Other comprehensive (losses)/income	-	(6 247)	21	(6 226)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners	-	-	(24 952)	(24 952)
Distributions to equity holders	-	-	(24 952)	(24 952)
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	21	21
Acquisition of minority interest in subsidiary	-	-	21	21
Total transactions with owners	-	-	(24 931)	(24 931)
Balance at 31 December 2010	(29 903)	(11 376)	461 885	420 606

CONDENSED CONSOLIDATED OPERATING SEGMENT REPORT

R'000	Unaudited six months ended 31/12/10	Unaudited six months ended 31/12/09	Audited year ended 30/06/10
Revenue			
Manufacturing and Distribution	54 889	47 999	94 008
Franchise - Spur	70 239	63 094	124 411
Franchise - Panarottis	5 959	5 578	10 751
Franchise - John Dory's	4 984	4 497	8 847
Other South Africa	9 709	8 806	17 554
Total South African segments	145 780	129 974	255 571
United Kingdom	33 510	30 086	56 080
Australia	20 234	16 291	30 013
Other International	3 778	3 099	6 360
Total International segments	57 522	49 476	92 453
TOTAL REVENUE	203 302	179 450	348 024
Profit/(loss) before income tax			
Manufacturing and Distribution	24 018	22 225	44 714
Franchise - Spur	60 941	54 786	107 339
Franchise - Panarottis	3 728	3 507	6 560
Franchise - John Dory's	2 309	2 277	4 567
Other South Africa	168	(77)	(691)
Total South African segments	91 164	82 718	162 489
Unallocated - South Africa	(15 456)	(15 150)	(28 220)
Total South Africa	75 708	67 568	134 269
United Kingdom	(4 066)	(257)	(12 396)
Australia	(600)	522	(1 807)
Other International	3 120	2 653	5 287
Total International segments	(1 546)	2 918	(8 916)
Unallocated - International	(1 221)	(1 974)	(2 424)
Total International	(2 767)	944	(11 340)
TOTAL PROFIT BEFORE INCOME TAX	72 941	68 512	122 929

Segmental information for the period to 31 December 2009 has been restated to accord with the segment classifications presented for the year to 30 June 2010 as per the annual report for that period.

RECONCILIATION OF HEADLINE EARNINGS

R'000	Unaudited six months ended 31/12/10	Unaudited six months ended 31/12/09	% change	Audited year ended 30/06/10
Profit attributable to owners of the company	48 748	45 381	7.4	77 557
Headline earnings adjustments:				
Impairment of property, plant and equipment	-	-		7 994
Profit on disposal of property, plant and equipment	(9)	(12)		(484)
Headline earnings	48 739	45 369	7.4	85 067

SUPPLEMENTARY INFORMATION

	Unaudited six months ended 31/12/10	Unaudited six months ended 31/12/09	% change	Audited year ended 30/06/10
Shares in issue (000's) (note 2)	87 865	87 865		87 865
Weighted average number of shares in issue (000's)	87 865	87 865		87 865
Diluted weighted average number of shares in issue (000's)	88 166	89 929		89 929
Headline earnings per share (cents)	55.47	51.65	7.4	96.82
Diluted headline earnings per share (cents)	55.28	50.46	9.5	94.60
Net asset value per share (cents)	478.70	463.41	3.3	458.99

NOTES

1. The group's condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting. The accounting policies and methods of computation applied in the preparation of these financial statements are in accordance with IFRS and are consistent with those applied in the preparation of the group's annual financial statements for the year ended 30 June 2010.

2. Shares in issue less shares repurchased by a wholly owned subsidiary company and share incentive special purpose entity.

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

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

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