

REVIEWED CONDENSED CONSOLIDATED RESULTS for the year ended 30 June 2007



Key PERFORMANCE Indicators

Revenue +17.9% Distribution per share +17.0%

CONDENSED INCOME STATEMENT

R'000	Reviewed year ended 30/06/07	Audited year ended 30/06/06	% Change
Revenue	215 411	182 692	17.9
Operating profit	89 585	77 441	15.7
Net interest received	3 754	4 007	
Share of loss from associate companies	(344)	(253)	
Profit before taxation	92 995	81 195	14.5
Taxation	(27 797)	(23 528)	
Recognition of taxes relating to foreign subsidiaries (Note 1)	16 554	-	
Profit for the year	81 752	57 667	41.8
Attributable to:			
Equity holders of parent	81 807	57 989	41.1
Minority interests	(55)	(322)	
Earnings per share (cents)	92.80	65.78	41.1
Diluted earnings per share (cents)	89.39	65.12	37.3
Distribution per share (cents)	55.00	47.00	17.0

RECONCILIATION OF HEADLINE EARNINGS

R'000	Reviewed year ended 30/06/07	Audited year ended 30/06/06	% Change
Earnings attributable to ordinary shareholders	81 807	57 989	41.1
Headline earnings adjustments:			
Profit on sale of intangible asset	(1 397)	-	
Loss/(profit) on sale of property, plant and equipment	171	(18)	
Loss on sale of associate company	104	-	
Headline earnings	80 685	57 971	39.2

CONDENSED BALANCE SHEET

R'000	Reviewed at 30/06/07	Audited at 30/06/06
ASSETS		
NON-CURRENT ASSETS	405 298	346 849
Property, plant and equipment	82 982	37 612
Intangible assets	272 596	271 865
Investments and loans	25 072	26 049
Deferred taxation	24 648	11 323
CURRENT ASSETS	99 462	92 707
Inventory	4 943	2 232
Trade and other receivables	47 100	41 942
Taxation	2 285	2 844
Cash and cash equivalents	45 134	45 689
TOTAL ASSETS	504 760	439 556
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES	403 636	362 640
Ordinary share capital	1	1
Share premium (net of treasury shares)	37 279	82 239
Foreign currency translation resererve	7 128	5 450
Share-based payments reserve	17 817	16 313
Accumulated profit	340 682	258 875
Total equity attributable to equity holders of the parent	402 907	362 878
Minority shareholder interest/(deficit)	729	(238)
NON-CURRENT LIABILITY		
Deferred taxation	43 288	37 939
CURRENT LIABILITIES	57 836	38 977
Trade and other payables	46 691	27 243
Shareholders for distribution	302	372
Taxation	9 927	6 561
Bank overdraft	916	4 801
TOTAL EQUITY AND LIABILITIES	504 760	439 556

CONDENSED CASH FLOW STATEMENT

R'000	Reviewed year ended 30/06/07	Audited year ended 30/06/06
Cash generated from operations	96 924	82 175
Net interest received	3 754	4 007
Taxation paid	(15 812)	(22 794)
Distributions paid	(45 030)	(36 867)
Working capital changes	10 003	(8 486)
Cash flow from operating activities	49 839	18 035
Cash flow from investing activities	(47 254)	(16 666)
Net movement in cash and cash equivalents	2 585	1 369
Adjustment for foreign exchange fluctuations	745	(184)
Net cash and cash equivalents at beginning of year	40 888	39 703
Net cash and cash equivalents at end of year	44 218	40 888

CONDENSED STATEMENT OF CHANGES IN EQUITY

R'000	Ordinary share capital & premium (net of treasury shares)	Accumulated profit & minority shareholder interests	Other reserves	Total
Balance at 1 July 2005	119 266	200 970	16 355	336 591
Profit for the year		57 989		57 989
Distributions	(37 026)			(37 026)
Share-based payments reserve			1 504	1 504
Foreign currency translation reserve			3 904	3 904
Minority interests' share of losses		(322)		(322)
Balance at 1 July 2006	82 240	258 637	21 763	362 640
Profit for the year		81 807		81 807
Distributions	(44 960)			(44 960)
Share-based payments reserve			1 504	1 504
Foreign currency translation reserve			1 678	1 678
Minority interests' share of losses		(55)		(55)
Acquisition of minority interests in subsidiary		43		43
Issue of shares in subsidiaries to minorities		979		979
Balance at 30 June 2007	37 280	341 411	24 945	403 636

CONDENSED SEGMENT REPORT

R'000	Reviewed year ended 30/06/07	Audited year ended 30/06/06
REVENUE		
Wholesale and distribution	76 192	73 852
Franchise - Spur (SA only)	99 911	86 548
Franchise - Other	23 773	19 435
Retail outlets	13 846	-
Corporate services	1 689	2 857
Group revenue	215 411	182 692
OPERATING PROFIT		
Wholesale and distribution	30 987	26 303
Franchise - Spur (SA only)	84 295	72 326
Franchise - Other	14 264	8 879
Retail outlets	(3 285)	-
Corporate services	(36 676)	(30 067)
Group operating profit	89 585	77 441

SUPPLEMENTARY INFORMATION

	Reviewed year ended 30/06/07	% Change	Audited year ended 30/06/06
Shares in issue (000's) (Note 2)	88 156		88 156
Weighted average number of shares in issue (000's)	88 156		88 156
Headline earnings per share (cents)	91.53	39.2	65.76
Diluted headline earnings per share (cents)	88.17	35.4	65.10
Net asset value per share (cents)	457.87	11.3	411.36

NOTES

- The recognition of taxes relating to foreign subsidiaries of R16,6 million results from the recognition of a deferred tax asset in respect of cumulative tax losses up to 30 June 2006 and future tax deductions in respect of intangible assets in the company's international operations. Agreement was reached with the relevant tax authorities during the current year which has provided the necessary certainty required to recognise this deferred tax asset.
- Shares in issue less shares repurchased by a wholly owned subsidiary company and share incentive trust.

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. Their review report is available for inspection at the company's registered office. These provisional financial statements for the year ended 30 June 2007 have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards ("IFRS"), and the disclosure requirements of IAS 34, and have been consistently applied with those adopted for the year ended 30 June 2006.

FINANCIAL AND OPERATIONAL REVIEW

Spur Corporation has continued its strong growth trend of recent years to entrench its position in the competitive family sit-down restaurant market, with restaurant turnover for the financial year increasing by 19.6%. Turnover of existing restaurants, which excludes new outlets opened during the reporting period, grew by 13.5%.

Group revenue increased by 17.9% to R215.4 million. Franchise fee income in Spur Steak Ranches (local and international) rose by 17.9% to R101.1 million, Panarottis Pizza Pasta by 19.9% to R11.3 million and John Dory's Fish & Grill by 32.2% to R4.1 million. The group's international operations contributed 10.8% of revenue (2006: 3.7%).

The higher interest rate environment impacted on disposable income levels in the group's target market in the second half of the financial year. Despite high food price inflation, prudent menu engineering and aggressive promotions ensured that the price impact on customers was minimised.

The strategic decision taken two years ago to outsource the national distribution of restaurant supplies from the group's manufacturing facilities has further enhanced franchisee operating standards and improved efficiencies for both franchisee and franchisor.

The strong growth in restaurant revenue contributed to a 15.7% increase in operating profit to R89.6 million (2006: R77.4 million).

As detailed in the group's trading statement on 17 August 2007, income for the year benefited from a tax credit of R16.6 million. The tax credit resulted from the recognition of a deferred tax asset relating to cumulative tax losses and future tax deductions in respect of intangible assets in the company's international operations.

This tax credit boosted headline earnings, which increased by 39.2% to R80.7 million (2006: R58.0 million). Diluted headline earnings per share rose 35.4% to 88.17 cents (2006: 65.10 cents).

Following the finalisation of the Codes of Good Practice on Black Economic Empowerment, the group commissioned an independent consultant to review the operations in relation to the Codes and develop a holistic empowerment strategy. The recent presentation of the findings highlighted various areas of the business where progress can be made in a relatively short period of time. This may not necessarily involve an equity transaction at this time. The board will now consider the recommendations, after which the strategy will be refined and implemented.

A number of new restaurants have been earmarked for funding from the facility secured from the Industrial Development Corporation. These are John Dory's and Panarottis, Parow; Spur, Maponya Mall, Soweto; and Spur, Hout Bay.

RESTAURANT EXPANSION

Following the opening of 30 new outlets during the year, Spur Corporation increased its restaurant base to 333 across its three franchise brands locally and internationally. These openings comprised 22 Spur Steak Ranches, four Panarottis and four John Dory's outlets.

Spur continues to broaden its base in the growing South African economy and has identified new opportunities in Maponya Mall, Soweto, and recently began trading successfully in Jabulani Mall, Soweto; Carlton Centre, Johannesburg; and The Trade Route Mall, Lenasia. Spur is committed to further expanding its base as opportunities arise.

Internationally the group has continued its measured expansion in Africa, Australia and the United Kingdom. New Spur restaurants were opened in Gaborone, Windhoek and Swakopmund, further enhancing the African footprint. In Australia, Spur opened a restaurant in Erina Fair on the central coast of New South Wales. Two further company-owned restaurants were opened in London (The O2 Dome, Greenwich and Lakeside Shopping Centre in West Thurrock) shortly before year end, which have further augmented growth opportunities in the United Kingdom. Subsequent to year end, the Arizona Spur was opened in Newry, Northern Ireland. Panarottis opened new outlets in Blacktown, Australia; and Harare, Zimbabwe.

A further 21 Spur, 13 Panarottis and one John Dory's restaurant were upgraded and seven outlets relocated to improved trading areas, which has benefited revenue growth.

A summary of the group's restaurant base at 30 June 2007 is as follows:

Franchise brand	South Africa	International	Total
Spur Steak Ranches	226	27	253
Panarottis Pizza Pasta	53	7	60
John Dory's Fish & Grill	20	-	20
Total	299	34	333

PROSPECTS

Slower consumer spending and rising food prices will be a challenge in the year ahead. Strategies have been developed to enhance customer loyalty, drive foot traffic and increase customer spend, while the group will source products locally and internationally in an attempt to limit the impact of food inflation. The directors and management are confident that the group will continue to deliver increased revenue and profitability in the year ahead.

CAPITAL DISTRIBUTION

In accordance with a general authority given to the directors at the annual general meeting held on 8 December 2006, shareholders are advised that the board of directors of the company has approved a capital distribution of R25.6 million payable to the company's shareholders, in lieu of dividends, to be written off against the share premium account, which amount equates to 29 cents per ordinary share ("the distribution").

The distribution will be paid on Monday, 8 October 2007, to those shareholders of the company who are recorded in the company's register on Friday, 5 October 2007 ("the record date").

The last day to trade (cum the distribution) in the company's shares for purposes of entitlement to the distribution will be Friday, 28 September 2007. The shares will commence trading ex the distribution on Monday, 1 October 2007.

Share certificates may not be dematerialised or rematerialised between Monday, 1 October 2007 and Friday, 5 October 2007 both days inclusive.

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

Cape Town
4 September 2007

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

Share code: SUR
ISIN: ZAE000022653

Registered Office: 1 Waterford Mews, Century Blvd, Century City, 7441
Transfer Secretaries: Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

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

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