



REVIEWED CONDENSED CONSOLIDATED RESULTS AND CASH DIVIDEND DECLARATION

for the year ended 30 June 2011

PREPARED UNDER THE SUPERVISION OF THE GROUP FINANCIAL DIRECTOR, RONEL VAN DIJK CA(SA)

Revenue

↑15.9%

Dividend per share

↑10.0%



2011

TRADING PERFORMANCE

Spur Corporation reported a stronger second half trading performance in an environment of improving consumer sentiment in South Africa and increased revenue by 15.9% to R403.4 million for the year.

The Spur Steak Ranches brand again showed its resilience and increased turnover by 9.9% as higher customer traffic saw the brand gain market share. Growth has been driven by value-added promotional campaigns and price-driven advertising focusing on contemporary and humorous elements of broader South African society.

Spur's very successful entry into the breakfast market through the Spur Unreal Breakfast promotion has created an additional revenue stream and captured market share from other national chains who have previously dominated this market.

Panarottis Pizza Pasta grew turnover by 4.5% as the repositioning of the brand is gaining traction with customers. John Dory's Fish & Grill responded well to the tough trading environment in the highly competitive fish market and increased revenue by 9.8%.

FINANCIAL PERFORMANCE

Franchise fee income in Spur increased by 10.1% to R137.0 million, Panarottis by 7.2% to R11.5 million and John Dory's by 10.6% to R9.8 million.

International revenue, comprising franchise fee income and restaurant turnover, grew by 25.8% to R116.3 million, lifted by the opening of two new outlets (including one group-owned outlet) and the consolidation of three additional outlets.

Retail trading conditions remain difficult in the foreign markets in which the group operates, particularly in the United Kingdom and Ireland. Owing to the uncertain economic environment the board has taken a prudent decision to impair the assets of the group-owned restaurants in Wandsworth and Gateshead, which was opened in August 2010, in England. The impact of the impairments on the group's profit is R18.5 million. These restaurants are currently trading in a cash-flow neutral position and management believes both outlets remain viable. Operational and marketing plans have been implemented to improve performance and turnover in both outlets has been encouraging for the past three months. The appointment of a full-time resource to head the group's operations in the UK is anticipated to assist in improving ongoing performance. The tough trading conditions have also resulted in the closure of the franchised restaurants in Newry and Limerick in Ireland during the period.

The Australian business has started to turn around following last year's consolidation and reported improved profitability for the period. The restaurants in Africa have generally traded well and growth prospects remain

positive, although the group continues to encounter challenges in specific markets and some planned restaurant openings were postponed owing to delays in the completion of retail developments.

Manufacturing and distribution revenue increased by 16.0% to R109.0 million. The group's manufacturing operations were consolidated into one facility in Cape Town during the first half of the year and the benefits of improved efficiencies are expected to be realised in the new financial year. The group continues to expand the basket of merchandise which is centrally procured to enhance quality standards and secure better pricing to benefit franchisee profitability. The building housing the Johannesburg manufacturing facility was sold for R16.8 million while a building for décor production and warehousing in Cape Town, was purchased for R10.0 million.

The group's profit before income tax declined by 5.0% to R116.8 million, reflecting the impact of the impairments of the two UK restaurants. Headline earnings increased by 0.8% to R85.8 million, with diluted headline earnings per share growing by 2.9% to 97.4 cents.

A final dividend of 33.0 cents per share has been declared, bringing the total dividend for the year to 66.0 cents per share, an increase of 10.0% on the previous year.

RESTAURANT EXPANSION

The South African restaurant base was expanded with the opening of 10 new Spur, seven Panarottis and three John Dory's outlets. A total of 25 restaurants were refurbished and nine were relocated to improved trading sites. Internationally, a new franchised Spur restaurant opened in Ezulwini (Swaziland) in the first half of the year.

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 and the group now has a majority interest in the outlet which is trading well.

A summary of the group's restaurant footprint at 30 June 2011 is as follows:

Franchise brand	South Africa	International	Total
Spur Steak Ranches	249	31	280
Panarottis Pizza Pasta	52	5	57
John Dory's Fish & Grill	27	-	27
Total	328	36	364

PROSPECTS

The group plans to increase its investment in value-added marketing campaigns with suppliers and build on the momentum created in the breakfast market. Brand loyalty will be entrenched through the aggressive marketing of the Spur Family Card.

Consumers are under renewed pressure owing to rising electricity, fuel and food costs. Franchisees face inflationary pressures from higher wages, property rates and utility costs and management will focus on stringent compliance with operating standards and continuous repositioning of the menu to manage the profitability of franchisees.

Addressing the performance of the group-owned restaurants in the UK is a priority for management.

In the year ahead 11 Spur, two Panarottis and two John Dory's restaurants are planned for South Africa, while the ongoing refurbishment and relocation programme should also generate increased revenue. International expansion will be focused primarily on Africa where new restaurants are expected to be opened in Malawi, Tanzania, Namibia, Nigeria and Mauritius.

The group will not be investing in further company-owned restaurants in the year ahead.

CASH DIVIDEND

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 and declared a final cash dividend of R32.2 million for the year ended 30 June 2011, which equates to 33.0 cents per share.

The cash dividend will be paid on Monday, 10 October 2011, to those shareholders of the company who are recorded in the company's register on Friday, 7 October 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 Friday, 30 September 2011. The shares will commence trading ex dividend on Monday, 3 October 2011.

Share certificates may not be dematerialised or rematerialised between Monday, 3 October 2011 and Friday, 7 October 2011, both days inclusive.

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

Cape Town
7 September 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Reviewed year ended 30/06/11	Audited year ended 30/06/10	% Change
Revenue	403 396	348 024	15.9
Operating profit before finance income	111 969	118 549	(5.6)
Net finance income	4 861	4 380	
Profit before income tax	116 830	122 929	(5.0)
Income tax expense	(48 742)	(44 562)	
Profit for the year	68 088	78 367	(13.1)
Other comprehensive income/(losses):	860	(14 093)	
Foreign currency translation differences for foreign operations	2 406	(21 719)	
Foreign exchange (loss)/gain on net investments in foreign operations	(2 075)	10 236	
Tax on foreign exchange gain/(loss) on net investments in foreign operations	529	(2 610)	
Total comprehensive income for the year	68 948	64 274	
Profit attributable to:			
Owners of the company	70 789	77 557	(8.7)
Non-controlling interest	(2 701)	810	
Profit for the year	68 088	78 367	(13.1)
Total comprehensive income attributable to:			
Owners of the company	71 648	63 540	
Non-controlling interest	(2 700)	734	
Total comprehensive income for the year	68 948	64 274	
Per share (cents)			
Basic earnings	80.65	88.27	(8.6)
Diluted earnings	80.37	86.25	(6.8)

RECONCILIATION OF HEADLINE EARNINGS

Profit attributable to ordinary shareholders	70 789	77 557	(8.7)
Headline earnings adjustments:			
Impairment of property, plant and equipment	11 169	7 994	
Impairment of goodwill	4 948	-	
Profit on disposal of property, plant and equipment (net of tax)	(1 147)	(484)	
Headline earnings	85 759	85 067	0.8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Reviewed at 30/06/11	Audited at 30/06/10
ASSETS		
Non-current assets	371 486	382 609
Property, plant and equipment	70 387	75 184
Intangible assets and goodwill	281 477	279 609
Investments and loans	5 857	14 533
Deferred tax	11 967	11 128
Leasing rights	1 798	2 155
Current assets	184 477	148 116
Inventories	5 621	6 389
Tax receivable	4 410	3 600
Trade and other receivables	58 480	53 499
Cash and cash equivalents	115 966	84 628
TOTAL ASSETS	555 963	530 725
EQUITY		
Total equity	408 236	403 295
Ordinary share capital	1	1
Share premium	6	6
Shares repurchased by subsidiaries	(38 941)	(29 910)
Foreign currency translation reserve	(4 270)	(5 129)
Retained earnings	450 507	434 015
Total equity attributable to equity holders of the parent	407 303	398 983
Non-controlling interest	933	4 312
LIABILITIES		
Non-current liabilities	73 090	64 569
Long-term loans payable	2 923	7 181
Employee benefits	555	-
Other financial liability	2 627	-
Operating lease liability	6 531	3 328
Deferred tax	60 454	54 060
Current liabilities	74 637	62 861
Bank overdrafts	2 256	3 596
Tax payable	6 622	4 832
Trade and other payables	65 147	53 969
Shareholders for dividend	612	464
TOTAL EQUITY AND LIABILITIES	555 963	530 725

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Reviewed year ended 30/06/11	Audited year ended 30/06/10
Operating profit before working capital changes	144 655	134 474
Working capital changes	2 631	3 394
Cash generated from operations	147 286	137 868
Net interest received	4 861	4 948
Tax paid	(41 149)	(49 528)
Distributions paid	(54 785)	(80 708)
Net cash flow from operating activities	56 213	12 580
Cash flow from investing activities	(23 567)	(13 574)
Cash flow from financing activities	48	771
Net movement in cash and cash equivalents	32 694	(223)
Effect of foreign exchange fluctuations	(16)	221
Net cash and cash equivalents at beginning of year	81 032	81 034
Net cash and cash equivalents at end of year	113 710	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 income for the year	-	859	68 089	68 948
Profit for the year	-	-	68 088	68 088
Other comprehensive income	-	859	1	860
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners	(9 031)	-	(54 997)	(64 028)
Distributions to equity holders	-	-	(54 298)	(54 298)
Impact of incentive scheme (including tax)	-	-	(699)	(699)
Purchase of own shares	(9 031)	-	-	(9 031)
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	(9 031)	-	(54 976)	(64 007)
Balance at 30 June 2011	(38 934)	(4 270)	451 440	408 236

CONDENSED CONSOLIDATED OPERATING SEGMENT REPORT

R'000	Reviewed year ended 30/06/11	Audited year ended 30/06/10
External revenues		
Manufacturing and distribution	109 043	94 008
Franchise - Spur	137 004	124 411
Franchise - Panarottis	11 526	10 751
Franchise - John Dory's	9 782	8 847
Other South Africa	19 710	17 554
Total South Africa segments	287 065	255 571
Unallocated - South Africa	39	-
Total South Africa	287 104	255 571
United Kingdom	65 936	56 080
Australia	43 464	30 013
Other International	6 892	6 360
Total International segments	116 292	92 453
TOTAL EXTERNAL REVENUES	403 396	348 024
Profit/(loss) before income tax		
Manufacturing and distribution	49 633	44 714
Franchise - Spur	118 712	107 339
Franchise - Panarottis	6 837	6 560
Franchise - John Dory's	4 543	4 567
Other South Africa	(896)	(691)
Total South Africa segments	178 829	162 489
Unallocated - South Africa	(34 022)	(28 220)
Total South Africa	144 807	134 269
United Kingdom*	(27 688)	(12 396)
Australia	(1 279)	(1 807)
Other International	5 226	5 287
Total International segments	(23 741)	(8 916)
Unallocated - International	(4 236)	(2 424)
Total International	(27 977)	(11 340)
TOTAL PROFIT BEFORE INCOME TAX	116 830	122 929

* Includes impairment of property, plant and equipment of R13,534 million (2010: R7,994 million) and impairment of goodwill of R4,948 million (2010: Rnil).

SUPPLEMENTARY INFORMATION

	Reviewed year ended 30/06/11	Audited year ended 30/06/10	% Change
Shares in issue (000's) (note 2)	87 214	87 865	
Weighted average number of shares in issue (000's)	87 777	87 865	
Diluted weighted average number of shares in issue (000's)	88 064	89 929	
Headline earnings per share (cents)	97.70	96.82	0.9
Diluted headline earnings per share (cents)	97.36	94.60	2.9
Net asset value per share (cents)	468.09	458.99	2.0
Dividend per share (cents)	66.00	60.00	10.0

NOTES

1. Review report

The consolidated statement of financial position at 30 June 2011 and the consolidated statement of comprehensive income, statement of changes in equity, segmental analysis and statement of cash flows for the year then ended, have been reviewed by KPMG Inc. Their unmodified report is available for inspection at the company's registered office.

2. Basis of Preparation

The financial statements for the year ended 30 June 2011 have been prepared in accordance with the recognition and measurement principles of IFRS, the presentation and disclosure requirements of IAS 34 Interim Financial Reporting, the AC 500 Standards as issued by the Accounting Practices Board, the requirements of the South African Companies Act of 2008 and the JSE Listing Requirements. 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

Executive Chairman: A Ambor
Managing Director: P van Tonder
Executive: M Farrelly, P Joffe, K Robertson, R van Dijk
Non-executive: K Getz, D Hyde, M Kuzwayo,
K Madders MBE (British), M Morojele
Company secretary: R van Dijk



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

Share code: SUR
ISIN: ZAE000022653

Registered Office: 1 Waterford News, Century Blvd, Century City, 7441
Transfer Secretaries: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001
Sponsor: Sasfin Capital (A division of Sasfin Bank Ltd)



Our Brand Family

www.spurcorporation.co.za

