

INCOME STATEMENT

R'000	Note	Unaudited 6 months ended 31/12/03	% change	Unaudited 6 months ended 31/12/02	Audited 12 months ended 30/6/03
Turnover		89 213	7	83 244	156 139
Profit from operations		28 290	13	25 097	45 826
Net interest received		2 696	49	1 813	4 688
Profit before exceptional items		30 986	15	26 910	50 514
Exceptional items	1	(1 187)		(3 614)	(9 371)
Profit before taxation		29 799	28	23 296	41 143
Taxation		(8 747)		(6 975)	(13 482)
Earnings attributable to ordinary shareholders		21 052	29	16 321	27 661
RECONCILIATION OF HEADLINE EARNINGS					
Earnings attributable to ordinary shareholders		21 052		16 321	27 661
Headline earnings adjustment: - Profit on sale of company stores		(439)		(883)	(261)
Headline earnings		20 613	34	15 438	27 400
Foreign exchange loss		1 626		4 497	7 562
Core earnings		22 239	12	19 935	34 962
Statistics					
Shares in issue (000's)	2	93 688		94 616	93 929
Weighted average number of shares in issue (000's)		93 823		94 836	94 643
Earnings per share (cents)		22.44	30	17.21	29.23
Headline earnings per share (cents)		21.97	35	16.28	28.95
Core earnings per share (cents)		23.70	13	21.02	36.94
Distribution per share (cents)		14.00	27	11.00	23.50

NOTES					
Note 1					
Exceptional items comprise:					
Foreign exchange loss		(1 626)		(4 497)	(7 562)
Loans written off		-		-	(2 070)
Profit on sale of company stores		439		883	261
		<u>(1 187)</u>		<u>(3 614)</u>	<u>(9 371)</u>
Note 2					
Shares in issue less shares repurchased by a wholly-owned subsidiary company.					

STATEMENT OF CHANGES IN EQUITY

R'000	Share capital	Share premium	Shares repurchased by subsidiary	Accumulated deficit	Total
Balance at July 1, 2003	1	218 802	(8 753)	(81 866)	128 184
Profit for the period				21 052	21 052
Distributions		(12 204)			(12 204)
Shares repurchased			(366)		(366)
Balance at December 31, 2003	1	206 598	(9 119)	(60 814)	136 666

BASIS OF ACCOUNTING

These unaudited financial results have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the accounting policies used in the preparation of these results are consistent with the year ended 30 June 2003.

FINANCIAL AND OPERATING REVIEW

The period under review has been characterised by extremely low inflation and interest rates. Despite the fact that we have not increased the Spur menu prices since November 2002, the stringent controls and disciplines in place in all areas of our business have enabled us to deliver satisfactory profitability.

Turnover advanced by 7% whilst operating profit was 13% ahead of last year. Although interest rates declined during the reporting period, net interest income of R2.7 million (2002: R1.8 million) was 49% higher, due to the Group's growing cash reserves, which now stand at R58 million (2002: R33 million).

The strengthening of the Rand resulted in the Group incurring substantially lower foreign exchange losses than in the comparable period last year, which had the effect of boosting headline earnings by 34%. The distribution to shareholders has been increased by 27% to 14 cents per share.

During the past six months we opened seven new Spur outlets, completed a further 15 revamps and re-located two stores to free-standing sites. In addition, our Panarottis brand opened four new stores.

On the international front our United Kingdom and Australian operations are trading well and we look forward to further growth in these markets. In Africa our recently opened outlet in Dar-es-Salaam, Tanzania, is trading strongly and we are on track to open in Maputo, Mozambique, before the end of the financial year.

Share code: SUR
ISIN: ZAE000022653
Sponsor: Barnard Jacobs Mellet Corporate Finance (Pty) Ltd

BALANCE SHEET

R'000	Unaudited 31/12/03	Unaudited 31/12/02	Audited 30/6/03
NON-CURRENT ASSETS	71 106	80 047	76 025
- Tangible assets	6 521	7 113	6 769
- Investments and loans	21 901	24 592	23 988
- Deferred tax	42 684	48 342	45 268
CURRENT ASSETS	92 790	77 965	75 157
- Inventory	5 833	6 788	4 020
- Trade and other receivables	25 637	31 944	17 720
- Cash resources	61 320	39 233	53 417
TOTAL ASSETS	163 896	158 012	151 182
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES	136 666	129 381	128 184
- Ordinary share capital	1	1	1
- Share premium	197 479	222 586	210 049
- Accumulated deficit	(60 814)	(93 206)	(81 866)
CURRENT LIABILITIES	27 230	28 631	22 998
- Trade and other payables	18 098	18 583	12 622
- Bank overdraft	3 271	6 046	3 073
- Taxation	5 586	3 745	7 111
- Shareholders for distribution	275	257	192
TOTAL EQUITY AND LIABILITIES	163 896	158 012	151 182

CASH FLOW STATEMENT

R'000	Unaudited 6 months ended 31/12/03	Unaudited 6 months ended 31/12/02	Audited 12 months ended 30/6/03
Cash generated from operations	29 560	26 895	47 623
Net interest received	2 696	1 813	4 688
Taxation paid	(7 688)	(1 869)	(4 006)
Distributions paid	(12 121)	(10 495)	(21 300)
Working capital changes	(4 666)	(11 092)	2 020
Cash flow from operating activities	7 781	5 252	29 025
Cash flow from investing activities	506	5 013	2 197
Cash flow from financing activities	-	-	(2 353)
Net movement in cash and cash equivalents	8 287	10 265	28 869
Adjustment for foreign exchange fluctuations	(582)	(1 610)	(3 057)
Net cash and cash equivalents at beginning of period	50 344	24 532	24 532
Net cash and cash equivalents at end of period	58 049	33 187	50 344

PROSPECTS

We believe that, with the benefits of a low interest rate environment, aggressive group marketing campaigns and planned store openings, we are in a position to deliver solid results for the second half of the financial year.

CAPITAL DISTRIBUTION

In accordance with a general authority given to the directors at the annual general meeting held on 26 November 2003, shareholders are advised that the board of directors of the company has proposed a capital distribution of R13.1million payable to the company's shareholders in lieu of dividends to be written off against the share premium account, which amount equates to 14 cents per ordinary share ("the distribution").

The distribution will be paid on Monday, 5 April 2004 to those shareholders of the company who are recorded in the company's register on Friday, 2 April 2004 ("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, 26 March 2004. The shares will commence trading ex the distribution on Monday, 29 March 2004.

Share certificates may not be dematerialised or rematerialised between Monday, 29 March 2004 and Friday, 2 April 2004, both days inclusive.

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

Cape Town
4 March 2004

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

