

2007

UNAUDITED INTERIM RESULTS

For the six months ended
31 December 2006



Key PERFORMANCE Indicators

Operating profit +22.5%
Distribution per share +18.2%

ABRIDGED INCOME STATEMENT

R'000	Unaudited six months ended 31/12/06	Unaudited restated six months ended 31/12/05	% Change	Audited year ended 30/06/06
Revenue	110 125	96 912	13.6	182 692
Operating Profit	46 381	37 850	22.5	77 441
Net interest received	2 188	2 887		4 007
Income/(loss) from associate companies	297	197		(253)
Profit before taxation	48 866	40 934	19.4	81 195
Taxation	(14 658)	(11 764)		(23 528)
Profit for the period	34 208	29 170	17.3	57 667
Attributable to:				
Equity holders of parent	34 206	29 381	16.4	57 989
Minority interests	2	(211)		(322)
Earnings per share (cents)	38.80	33.33	16.4	65.78
Diluted earnings per share (cents)	38.17	32.79	16.4	65.12
Distribution per share (cents)	26.00	22.00	18.2	47.00

RECONCILIATION OF HEADLINE EARNINGS

R'000	Unaudited six months ended 31/12/06	Unaudited restated six months ended 31/12/05	% Change	Audited year ended 30/06/06
Earnings attributable to ordinary shareholders	34 206	29 381		57 989
Headline earnings adjustments:				
Loss/(profit) on sale of property, plant and equipment	132	-		(18)
Loss on sale of associate company	104	-		-
Headline earnings	34 442	29 381	17.2	57 971

ABRIDGED BALANCE SHEET

R'000	Unaudited at 31/12/06	Unaudited restated at 31/12/05	Audited at 30/06/06
ASSETS			
NON-CURRENT ASSETS	358 601	334 186	346 849
- Property, plant and equipment	53 576	31 502	37 612
- Intangibles	272 043	271 865	271 865
- Investments and loans	22 677	18 770	26 049
- Deferred taxation	10 305	12 049	11 323
CURRENT ASSETS	102 239	84 414	89 863
- Inventory	2 515	1 573	2 232
- Trade and other receivables	58 673	44 430	41 942
- Cash and cash equivalents	41 051	38 411	45 689
TOTAL ASSETS	460 840	418 600	436 712
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES	376 281	347 181	362 640
- Ordinary share capital	1	1	1
- Share premium (net of treasury shares)	60 200	101 634	82 239
- Accumulated profit	293 081	230 268	258 875
- Share-based payment reserve	17 065	15 561	16 313
- Minority shareholder interests	(20)	(127)	(238)
- Foreign currency translation reserve	5 954	(156)	5 450
NON-CURRENT LIABILITY			
- Deferred taxation	40 679	35 173	37 939
CURRENT LIABILITIES	43 880	36 246	36 133
- Trade and other payables	35 746	27 119	27 243
- Shareholders for distribution	405	333	372
- Bank overdraft	1 365	2 426	4 801
- Taxation	6 364	6 368	3 717
TOTAL EQUITY AND LIABILITIES	460 840	418 600	436 712

BASIS OF ACCOUNTING

These unaudited financial results for the six months ended 31 December 2006 have been prepared in accordance with accounting policies that comply with International Financial Reporting Standards ("IFRS"), and have been consistently applied with those adopted for the year ended 30 June 2006.

FINANCIAL AND OPERATIONAL REVIEW

Spur Corporation has produced a strong financial performance for the first half of the year, with revenue growth being boosted by buoyant trading over the Christmas period.

Revenue turnover, which reflects in the royalty income received by the group from franchisees, increased by 21.7%. The turnover of existing restaurants, which excludes new outlets opened during the reporting period, grew by 17.1%. This indicates that the group has continued to grow its share of the increasingly competitive family sit-down restaurant market during this period.

Group revenue increased by 13.6% to R10.1 million (2005: R9.6 million).

The group lifted operating profit by 22.5% to R46.4 million (2005: R37.9 million) on the back of strong restaurant revenue growth and disciplined management of expenses.

The outsourcing of the national distribution of restaurant supplies from the group's central kitchens has impacted positively on operating margins. This outsourcing process is aimed at ensuring the consistency of all products in restaurants and the maintenance of the 'cold chain' from manufacturer to delivery at the franchise outlet.

Headline earnings increased by 17.2% to R34.4 million (2005: R29.4 million) with diluted headline earnings per share up 17.2% to 38.44 cents per share (2005: 32.79 cents per share).

Spur Corporation has grown its restaurant base to 334 across the three brands locally and internationally following the opening of a net 13 outlets during the first six months of the financial year.

Internationally new Spur restaurants were opened in Gaborone, Windhoek and Swakopmund and a further Panarottis outlet opened in Blacktown, Australia.

A further 16 restaurants were refurbished as part of the group's ongoing upgrading programme and five outlets were relocated to improved trading environments to increase customer volumes.

A summary of the restaurant base at 31 December 2006 is as follows:

Franchise brand	South Africa	International	Total
Spur Steak Ranches	224	26	250
Panarottis Pizza Pasta	55	9	64
John Dory's Fish & Grill	20	-	20
Total	299	35	334

PROSPECTS

The group is planning to open six restaurants in South Africa in the remainder of the financial year. Internationally the group continues to focus on measured expansion in Africa, Australia and the United Kingdom and is negotiating with strategic alliance partners to capitalise on new opportunities in these markets. Two new Spur restaurants will be opened in London, with new outlets also planned for Kampala (Uganda) and Erina Fair (Australia). Panarottis opened a new restaurant in Harare in February.

Spur Corporation is committed to a black economic empowerment strategy that encompasses all elements of transformation. The recent finalisation of the Codes of Good Practice on Black Economic Empowerment has provided the clarity required for the group to continue with its development of a coherent empowerment strategy. As previously advised, a R30 million funding facility has been secured from the Industrial Development Corporation to finance black franchisees and the group is actively seeking applications for funding from potential black franchisees.

The trading momentum in the first half of the financial year has continued into the first two months of 2007. Management does not expect that the 200 basis points increase in interest rates in 2006 will have a major impact on the group's revenue owing to the high levels of customer loyalty across the group's three restaurant brands. Spur's positioning as a family restaurant for the growing middle market should result in a continued growth in market share as consumers become more value-for-money conscious.

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 R22.9 million payable to the company's shareholders, in lieu of dividends, to be written off against the share premium account, which amount equates to 26 cents per ordinary share ("the distribution").

The distribution will be paid on Monday, 26 March 2007, to those shareholders of the company who are recorded in the company's register on Friday, 23 March 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 Thursday, 15 March 2007. The shares will commence trading ex the distribution on Friday, 16 March 2007.

Share certificates may not be dematerialised or rematerialised between Friday, 16 March 2007 and Friday, 23 March 2007 both days inclusive.

For and on behalf of the Board

A Ambor (Executive Chairman)

P van Tonder (Managing Director)

Cape Town
1 March 2007

Directors: A Ambor (Executive Chairman), P van Tonder (Managing Director), M Farrelly, K Getz*, D Hyde*, P Joffe, K Madders* (British), J Rabb*, 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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