



UNAUDITED CONDENSED CONSOLIDATED RESULTS AND CASH DIVIDEND DECLARATION

for the six months ended 31 December 2011

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

Revenue **↑ 16.2%**
 Headline earnings **↑ 19.4%**
 Dividend per share **↑ 21.2%**



2012

TRADING PERFORMANCE

Spur Corporation increased revenue by 16.2% to R236.2 million in the six month period, driven mainly by strong Christmas trading, enhanced customer loyalty and value-added promotional campaigns across its three franchised brands.

Spur Steak Ranches increased restaurant turnover by 13.3%. Factors contributing to the performance include the Spur Family Card loyalty programme which has seen membership more than double in the past six months to 720 000 card holders. In addition, the brand continues to gain share of the highly competitive breakfast market with the Spur Unreal Breakfast campaign. Launched less than a year ago, the campaign has bolstered breakfast trade to 8% of total sales in Spur.

Strategically, Spur has reinforced its presence in the teenage and young adult market through the sponsorship of the Varsity Cup rugby competition, the two-for-one Monday night burger promotion and usage of contemporary social media such as Facebook and Twitter.

Panarottis Pizza Pasta lifted restaurant turnover by 13.2% benefitting from an increased focus on the brand's family offering and weekday value propositions. John Dory's Fish & Grill increased restaurant turnover by 15.1% which is attributed to improved operational standards, a more appealing sushi offering and customer-focused promotions.

Inflationary pressures such as rising food prices and increased electricity and water costs are realities facing both the consumer and the restaurant industry. Through a combination of strategic food promotions and prudent menu increases, management has been able to increase both spend per head and foot count.

The group expanded its restaurant base to 371. In South Africa the group opened eight new Spur outlets, one new Panarottis and one John Dory's outlet. A further 18 outlets were refurbished and three relocated to better quality trading sites.

While trading conditions have remained challenging in the international markets in which the group operates, turnover growth has shown an encouraging improvement. Internationally two Spur and two Panarottis restaurants were opened in Mauritius, bringing the group's presence on the island to six outlets. A new Spur restaurant was opened in Lilongwe, Malawi. All these restaurants are franchised.

The restaurant footprint at 31 December 2011 is as follows:

Franchise brand	South Africa	International	Total
Spur Steak Ranches	252	33	285
Panarottis Pizza Pasta	52	7	59
John Dory's Fish & Grill	27	-	27
Total	331	40	371

FINANCIAL PERFORMANCE

Franchise revenue in Spur increased by 12.4% to R78.9 million, Panarottis by 6.9% to R6.4 million and John Dory's by 10.2% to R5.5 million. Corporate services and other income grew by 29.8% to R12.6 million.

International revenue, comprising franchise revenue and restaurant turnover, increased by 25.1% to R71.9 million, benefitting from the opening of five new restaurants during the period.

Manufacturing and distribution revenue rose by 10.9% to R60.9 million. The group continues to focus on creating efficiencies following the consolidation of the manufacturing operations into one facility in Cape Town last year.

Profit before income tax for the six months increased by 21.3% to R88.4 million. The international segment has contributed positively to operating profit.

The group increased headline earnings by 19.4% to R58.2 million, with diluted headline earnings per share growing by 20.2% to 66.5 cents per share. This performance is in line with the earnings guidance provided in the group's trading statement issued on SENS on 15 February 2012.

An interim cash dividend of 40.0 cents per share has been declared, 21.2% higher than the previous year.

PROSPECTS

Shortly before the end of the reporting period the group announced the acquisition of the DoRego's fast food restaurant franchise and distribution centre, with effect from 1 March 2012. DoRego's is a value take-away chain offering chicken, seafood and burgers through 75 franchised outlets. DoRego's will give the group exposure to the fast growing lower to middle income segment of the quick service restaurant market. Management expects a seamless integration of DoRego's and plans to capitalise on the regional brand awareness to expand the current footprint nationally.

Following the acquisition of the remaining 35% shareholding in John Dory's in January 2012, the brand is now wholly-owned and well poised for growth under the new management team.

Six Spur, three Panarottis and five John Dory's restaurants are planned to be opened during the second half, with 38 restaurants due to be refurbished across the three brands.

International expansion will focus on Africa, with franchised Spur restaurants planned for Nigeria (Lagos), Zambia (Lusaka), Kenya (Nairobi) and Botswana (Gaborone), while the first franchised Panarottis outlet will be opened in Gaborone.

CASH DIVIDEND

In accordance with a general authority given to the directors at the annual general meeting held on 2 December 2011, shareholders are advised that the board of directors of the company has declared an interim cash dividend for the six month period to 31 December 2011 of R39.1 million, which equates to 40.0 cents per share.

The cash dividend will be paid on Monday, 26 March 2012, to those shareholders of the company who are recorded in the company's register on Friday, 23 March 2012 ("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, 15 March 2012. The shares will commence trading ex dividend on Friday, 16 March 2012. Share certificates may not be dematerialised or rematerialised between Friday, 16 March 2012 and Friday, 23 March 2012, both days inclusive.

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

Cape Town
 29 February 2012

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Unaudited six months ended 31/12/11	Unaudited six months ended 31/12/10	% change	Audited year ended 30/06/11
Revenue	236 206	203 302	16.2	403 396
Operating profit before finance income	85 130	70 654	20.5	111 969
Net finance income	3 319	2 287		4 861
Profit before income tax	88 449	72 941	21.3	116 830
Income tax expense	(29 846)	(24 473)		(48 742)
Profit for the period	58 603	48 468	20.9	68 088
Other comprehensive income/(losses):	4 355	(6 226)		860
Foreign currency translation differences for foreign operations	(467)	(7 472)		2 406
Foreign exchange gain/(loss) on net investments in foreign operations	6 472	1 672		(2 075)
Tax on foreign exchange (gain)/loss on net investments in foreign operations	(1 650)	(426)		529
Total comprehensive income for the period	62 958	42 242		68 948
Profit/(losses) attributable to:				
Owners of the company	58 199	48 748	19.4	70 789
Non-controlling interest	404	(280)		(2 701)
Profit for the period	58 603	48 468	20.9	68 088
Total comprehensive income/(losses) attributable to:				
Owners of the company	63 077	42 501		71 648
Non-controlling interest	(119)	(259)		(2 700)
Total comprehensive income for the period	62 958	42 242		68 948
Earnings per share (cents)				
Basic earnings	66.73	55.48	20.3	80.65
Diluted earnings	66.49	55.29	20.3	80.37

RECONCILIATION OF HEADLINE EARNINGS

R'000	Unaudited six months ended 31/12/11	Unaudited six months ended 31/12/10	% change	Audited year ended 30/06/11
Profit attributable to ordinary shareholders	58 199	48 748	19.4	70 789
Headline earnings adjustments:				
Impairment of property, plant and equipment	-	-		11 169
Impairment of goodwill	-	-		4 948
Profit on disposal of property, plant and equipment (net of tax)	(21)	(9)		(1 147)
Headline earnings	58 178	48 739	19.4	85 759

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Unaudited at 31/12/11	Unaudited at 31/12/10	Audited at 30/06/11
ASSETS			
Non-current assets	373 187	378 118	371 486
Property, plant and equipment	72 286	73 559	70 387
Intangible assets and goodwill	282 765	285 769	281 477
Investments and loans	5 881	6 238	5 857
Deferred tax	10 336	10 586	11 967
Leasing rights	1 919	1 804	1 798
Other financial asset	-	162	-
Current assets	226 997	181 873	184 477
Inventories	9 933	4 915	5 621
Tax receivable	5 201	3 640	4 410
Trade and other receivables	79 742	68 273	58 480
Assets classified as held for sale	-	15 012	-
Cash and cash equivalents	132 121	90 033	115 966
TOTAL ASSETS	600 184	559 991	555 963
EQUITY			
Total equity	442 414	420 606	408 236
Ordinary share capital	1	1	1
Share premium	6	6	6
Shares repurchased by subsidiaries	(38 941)	(29 910)	(38 941)
Foreign currency translation reserve	608	(11 376)	(4 270)
Retained earnings	479 926	458 161	450 507
Total equity attributable to equity holders of the parent	441 600	416 852	407 303
Non-controlling interest	814	3 724	933
LIABILITIES			
Non-current liabilities	71 991	67 541	73 090
Long-term loans payable	503	4 754	2 923
Employee benefits	1 766	91	555
Other financial liability	350	-	2 627
Operating lease liability	7 699	5 077	6 531
Deferred tax	61 673	57 619	60 454
Current liabilities	85 779	71 844	74 637
Bank overdrafts	7 093	3 997	2 256
Tax payable	7 143	7 291	6 622
Trade and other payables	46 683	42 106	46 874
Loans payable	24 108	17 969	18 273
Shareholders for dividend	752	481	612
TOTAL EQUITY AND LIABILITIES	600 184	559 991	555 963

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Unaudited six months ended 31/12/11	Unaudited six months ended 31/12/10	Audited year ended 30/06/11
Operating profit before working capital changes	89 363	74 416	144 655
Working capital changes	(20 192)	(11 606)	2 631
Cash generated from operations	69 171	62 810	147 286
Net interest received	3 319	2 287	4 861
Tax paid	(28 172)	(19 292)	(41 149)
Distributions paid	(28 640)	(24 935)	(54 785)
Net cash flow from operating activities	15 678	20 870	56 213
Cash flow from investing activities	(1 738)	(17 939)	(23 567)
Cash flow from financing activities	(2 709)	2 010	48
Net movement in cash and cash equivalents	11 231	4 941	32 694
Effect of foreign exchange fluctuations	87	63	(16)
Net cash and cash equivalents at beginning of period	113 710	81 032	81 032
Net cash and cash equivalents at end of period	125 028	86 036	113 710

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Ordinary share capital & premium (net of treasury shares)	Other reserves	Retained earnings and non-controlling interest	Total
Balance at 1 July 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				
Acquisition of minority interests 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
Total comprehensive income for the period	-	4 878	58 080	62 958
Profit for the period	-	-	58 603	58 603
Other comprehensive income	-	4 878	(523)	4 355
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners	-	-	(28 780)	(28 780)
Distributions to equity holders	-	-	(28 780)	(28 780)
Balance at 31 December 2011	(38 934)	608	480 740	442 414

ABRIDGED CONSOLIDATED OPERATING SEGMENT REPORT

R'000	Unaudited six months ended 31/12/11	Unaudited six months ended 31/12/10	Audited year ended 30/06/11
External Revenues			
Manufacturing and distribution	60 886	54 889	109 043
Franchise - Spur	78 916	70 239	137 004
Franchise - Panarottis	6 370	5 959	11 526
Franchise - John Dory's	5 490	4 984	9 782
Other South Africa	12 538	9 709	19 710
Total South African segments	164 200	145 780	287 065
Unallocated - South Africa	60	-	39
Total South Africa	164 260	145 780	287 104
United Kingdom	40 608	33 510	65 936
Australia	27 057	20 234	43 464
Other International	4 281	3 778	6 892
Total International segments	71 946	57 522	116 292
TOTAL EXTERNAL REVENUES	236 206	203 302	403 396
Profit/(loss) before income tax			
Manufacturing and distribution	28 419	24 018	49 633
Franchise - Spur	69 927	60 941	118 712
Franchise - Panarottis	3 778	3 728	6 837
Franchise - John Dory's	2 832	2 309	4 543
Other South Africa	401	168	(896)
Total South African segments	105 357	91 164	178 829
Unallocated - South Africa	(20 607)	(15 456)	(34 022)
Total South Africa	84 750	75 708	144 807
United Kingdom	43	(4 066)	(27 688)
Australia	1 060	(600)	(1 279)
Other International	3 036	3 120	5 226
Total International segments	4 139	(1 546)	(23 741)
Unallocated - International	(440)	(1 221)	(4 236)
Total International	3 699	(2 767)	(27 977)
TOTAL PROFIT BEFORE INCOME TAX	88 449	72 941	116 830

SUPPLEMENTARY INFORMATION

R'000	Unaudited six months ended 31/12/11	Unaudited six months ended 31/12/10	% change	Audited year ended 30/06/11
Shares in issue (000's) (note 2)	87 214	87 865		87 214
Weighted average number of shares in issue (000's)	87 214	87 865		87 777
Diluted weighted average number of shares in issue (000's)	87 529	88 166		88 084
Headline earnings per share (cents)	66.71	55.47	20.3	97.70
Diluted headline earnings per share (cents)	66.47	55.28	20.2	97.36
Net asset value per share (cents)	507.27	478.70	6.0	468.09
Dividend per share (cents)	40.0	33.0	21.2	66.0

NOTES

- The unaudited interim condensed consolidated results for the six months ended 31 December 2011 have been prepared in accordance with the presentation and disclosure requirements of the South African Companies Act (No. 71 of 2008, as amended), and IAS 34 Interim Financial Reporting, using the group's accounting policies, that are in line with the measurement and recognition principles of International Financial Reporting Standards (IFRS) and the AC 500 Standards as issued by the Accounting Practices Board or its successor and have been consistently applied to prior periods.
 - Shares in issue less shares repurchased by a wholly owned subsidiary company and share incentive special purpose entity.
 - Subsequent to the reporting date and with effect from 1 March 2012, the group purchased the DoRego's fast food restaurant franchise business and distribution centre as a going concern. The purchase consideration comprises a cash payment of R25 million on the effective date, a further amount of up to R5 million on 1 March 2013 depending on agreed financial performance measures and the value of distribution centre inventory determined at the effective date, payable on 31 March 2012.
- Subsequent to the reporting date and with effect from 25 January 2012, the group purchased the 35% shareholding in John Dory's Franchise (Pty) Ltd held by a minority shareholder (as at the reporting date) for R12.25 million cash.



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



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

Share code: SUR
 ISIN: ZAE000226553

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



Our Brand Family

www.spurcorporation.co.za