2016

UNAUDITED CONDENSED CONSOLIDATED RESULTS AND CASH DIVIDEND DECLARATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Prepared under the supervision of the Chief Financial Officer, Ronel van Dijk CA(SA)

RESTAURANT SALES
▲ 12.6%

COMPARABLE HEADLINE EARNINGS PER SHARE
▲ 1.4%

COMPARABLE PROFIT BEFORE TAX
▲ 5.8%

INTERIM DIVIDEND PER SHARE
▲ 8.1%
to 67 cents

RESULTS COMMENTARY

TRADING PERFORMANCE

Spur Corporation delivered a resilient performance in the six months ended December 2015 as total restaurant sales increased by 12.6% to R3.5 billion. The strength of the group's brands and loyal customer base proved crucial as trading conditions became increasingly difficult in the latter stages of the 2015 calendar year.

Restaurant sales in South Africa grew by 13.2% with Panarottis Pizza Pasta producing another strong performance and growing sales by 21.6%. The Hussar Grill, which targets higher income customers, increased sales by 36.9%. John Dory's grew by 20.2% and Spur Steak Ranches by 6.8%. A smaller format Spur Grill & Go concept was launched and three outlets were opened in the past six months.

The RocoMamas chain has exceeded expectations since being acquired by the group in March 2015. The trendy brand image and quality product offering of hand-made "smash-style" burgers, ribs and wings have resonated with customers and franchisees alike. In the past six months, 23 restaurants have been opened, including a company-owned outlet in Cape Town and the first international outlet in Namibia, bringing the restaurant base to 32.

The Captain DoRegos business has stabilised following the post-acquisition consolidation of the brand, and sales growth of 0.6% reflects the tough trading conditions in the lower income market.

International restaurant sales increased by 8.3% in rand terms and by 3.9% calculated at a constant exchange rate. Six restaurants were opened across the Africa and Mauritius region, with additional franchised Spur Steak Ranches in Zambia and Kenya, a further Panarottis in Mauritius, the first Captain DoRegos in Botswana, the first international outlet for The Hussar Grill in Zambia and the first international outlet for RocoMamas in Namibia.

The group has continued to expand its presence across all brands despite the slowing economy in South Africa. The worldwide restaurant base was increased to 572 following the above international restaurant openings and the opening of 12 Spur, six Panarottis, three John Dory's, five Captain DoRegos, three The Hussar Grill and 22 RocoMamas outlets locally during the past six months.

Restaurant footprint at 31 December 2015

Franchise brand	South Africa	International	Total
Spur Steak Ranches	288	43	331
Panarottis Pizza Pasta	81	13	94
John Dory's Fish Grill Sushi	40	1	41
Captain DoRegos	59	3	62
The Hussar Grill	11	1	12
RocoMamas	31	1	32
Total	**510**	**62**	**572**

FINANCIAL PERFORMANCE

Revenue from the South African operations increased by 9.8% while international revenue declined by 38.6%. The decline in international revenue is mainly due to the closure of two retail (company-owned) restaurants in the United Kingdom ("UK") during the period and one during the previous financial year, as well as the disposal of the remaining three retail outlets in Australia in the previous financial year. Group revenue for the period was 5.4% lower at R386.6 million.

Franchise revenue in Spur increased by 6.0%, Panarottis 23.2%, John Dory's 14.8% and The Hussar Grill 33.8%. Captain DoRegos revenue declined by 17.3%. Revenue from RocoMamas for the six month period totalled R7.9 million.

Local retail revenue increased by 29.6%, benefitting from the opening of the company-owned The Hussar Grill in Morningside and the RocoMamas in Green Point during the period.

The manufacturing and distribution division grew revenue by 3.4%. Profit increased by 1.8%, impacted by the weakening exchange rate on US dollar-based imports used in the sauce manufacturing facility as well as higher transport costs. Management is committed to remaining price competitive in the current economic climate and the full extent of higher imported food prices is therefore not being passed on to franchisees.

The group continued to rationalise its operations in the UK, closing the company-owned restaurants in Lakeside and Aberdeen during the period, in addition to the closure of the Wandsworth restaurant in the second half of the 2015 financial year. The sale of leases from the two closures in the past six months resulted in a gain of R16.3 million for the period. Together with the associated asset write-offs and the realisation of previously unrealised foreign exchange differences relating to the two outlets, a net gain of R6.1 million was recognised for the period. Management continues to evaluate options to dispose of underperforming operations in the UK.

Trading in most African markets remained buoyant, although the group faces the perennial challenges of operating with a US dollar-denominated cost base (while revenue is generated in local currencies), as well as ongoing distribution and logistics hurdles.

The group's earnings have benefitted from the accounting in the prior period for the broad-based black economic empowerment equity transaction with Grand Parade Investments Ltd on 30 October 2014 ("the GPI transaction"). The transaction resulted in the issue of 10.848 million new ordinary shares and a share-based payment expense of R32.96 million for the period ended 31 December 2014.

Profit before tax increased by 45.4% to R134.0 million. This includes the impact of the GPI transaction, the impact of the two UK restaurant closures, a net charge of R15.9 million (2014: R11.8 million) related to the long-term share-linked employee retention scheme, foreign exchange gains and losses and other one-off and exceptional items in the current and previous comparable periods.

Comparable profit before income tax, excluding exceptional and one-off items (including those listed above) increased by 5.8%.

Headline earnings increased by 79.6% to R97.9 million with headline earnings per share (HEPS) 66.7% higher at 101.96 cents. This is in line with the group's trading statement released on SENS on 16 February 2016.

Comparable HEPS, excluding those items above, as well as the GPI transaction in its entirety, increased by 1.4%.

The interim dividend was increased by 8.1% to 67 cents per share.

PROSPECTS

Against the backdrop of slowing economic growth, negative consumer sentiment and socio-political instability, consumer spending will come under further pressure in the months ahead as South Africans face higher inflation and debt servicing costs.

In this environment, the group will remain competitive through aggressive, value-focused marketing campaigns to attract cash-strapped consumers.

The group plans to open 31 restaurants across its brands in South Africa in the remainder of the financial year ending June 2016, including 17 RocoMamas restaurants. Six new franchised outlets will be opened internationally including additional restaurants in Kenya, Nigeria, Zimbabwe and Australia, and a first outlet in Ethiopia.

CASH DIVIDEND

Shareholders are advised that the board of directors of the company has, on Wednesday, 24 February 2016, resolved to declare an interim gross cash dividend for the six month period ended 31 December 2015 of R72.682 million, which equates to 67 cents per share for each of the 108 480 926 shares in issue, subject to the applicable tax levied in terms of the Income Tax Act (Act No. 58 of 1962 amended) ("dividend withholding tax") of 15%.

The dividend has been declared from income reserves. The net dividend is 56.95 cents per share for shareholders liable to pay dividend withholding tax. The company's income tax reference number is 9695015033. The company has 108 480 926 shares in issue at the date of declaration.

In accordance with the provisions of Strate, the electronic settlement and custody system used by the JSE Ltd, the relevant dates for the dividend are as follows:

Event	**Date**
Last day to trade "cum dividend"	Wednesday, 23 March 2016
Shares commence trading "ex dividend"	Thursday, 24 March 2016
Record date	Friday, 1 April 2016
Payment date	Monday, 4 April 2016

Those shareholders of the company who are recorded in the company's register as at the record date will be entitled to the dividend.

Share certificates may not be dematerialised or rematerialised between Thursday, 24 March 2016, and Friday, 1 April 2016, both days inclusive.

For and on behalf of the board

A Ambor
Executive Chairman

P Van Tonder
Group Chief Executive Officer

25 February 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	**Unaudited six months ended 31 December 2015**	Unaudited six months ended 31 December 2014	% change	Audited year ended 30 June 2015
Revenue	**386 595**	408 681	(5.4)	760 059
Gross profit	**281 325**	291 987	(3.7)	549 591
Operating profit before finance income	**119 635**	84 081	42.3	182 438
Net finance income	**16 891**	8 412	100.8	24 616
Share of loss of equity-accounted investee (net of income tax) (refer note 15)	**(2 512)**	(354)		(1 633)
Profit before income tax	**134 014**	92 139	45.4	205 421
Income tax expense	**(42 261)**	(36 082)		(69 768)
Profit for the period	**91 753**	56 057	63.7	135 653
Other comprehensive income*:	**12 322**	(2 172)		(3 287)
Foreign currency translation differences for foreign operations	**19 260**	(1 411)		(11 756)
Reclassification of foreign currency (gain)/loss from other comprehensive income to profit on disposal/abandonment/deregistration of foreign operations	**(4 310)**	345		2 215
Foreign exchange (loss)/gain on net investments in foreign operations	**(3 504)**	(1 475)		8 338
Tax on foreign exchange loss/(gain) on net investments in foreign operations	**876**	369		(2 084)
Total comprehensive income for the period	**104 075**	53 885	93.1	132 366
Profit attributable to:				
Owners of the company	**89 920**	54 937	63.7	127 555
Non-controlling interest	**1 833**	1 120		8 098
Profit for the period	**91 753**	56 057	63.7	135 653
Total comprehensive income attributable to:				
Owners of the company	**102 329**	52 748	94.0	124 634
Non-controlling interest	**1 746**	1 137		7 732
Total comprehensive income for the period	**104 075**	53 885	93.1	132 366
Earnings per share (cents)				
Basic earnings	**93.61**	61.60	52.0	137.69
Diluted earnings	**93.61**	61.60	52.0	137.69

* *All items included in other comprehensive income are items that are, or may be, reclassified to profit or loss.*

RECONCILIATION OF HEADLINE EARNINGS

R'000	Unaudited six months ended 31 December 2015	Unaudited six months ended 31 December 2014	% change	Audited year ended 30 June 2015
Profit attributable to ordinary shareholders	**89 920**	54 937	63.7	127 555
Headline earnings adjustments:				
Disposal of goodwill (refer note 2)	**444**	–		–
Impairment of intangible assets (refer note 10)	**–**	–		11 309
Impairment of property, plant and equipment (refer note 11)	**–**	–		1 054
Loss/(profit) on disposal of property, plant and equipment (net of tax) (refer notes 2 and 3)	**11 885**	(32)		(47)
Loss on disposal of subsidiary (refer note 9)	**–**	–		4 545
Profit on disposal of subsidiaries (refer notes 7 and 8)	**–**	(372)		(5 120)
Reclassification of foreign currency loss/(gain) from other comprehensive income to profit or loss on abandonment/deregistration of foreign operations (refer notes 2, 3, 7, 8, 9, 12 and 13)	**(4 310)**	–		2 215
Headline earnings	**97 939**	54 533	79.6	141 511

None of the above items have any tax or non-controlling interest consequences with the exception of:

– Gross impairment of intangible assets for the year ended 30 June 2015 amounts to R13.905 million, with a deferred tax credit amount of R2.596 million.
– Loss/(profit) on disposal of property, plant and equipment for the period comprises a loss of R10.992 million, a tax charge (including an adjustment for a further reversal of deferred tax assets relating to unclaimed capital allowances on the assets) of R2.406 million, net of an allocation of R1.513 million to non-controlling interests. For the period ended 31 December 2014, it comprises a profit of R0.045 million adjusted for tax of R0.013 million; and for the year ended 30 June 2015, it includes a profit of R0.065 million adjusted for tax of R0.018 million.
– Profit on disposal of subsidiaries for the period ended 31 December 2014 comprises a profit of R1.506 million adjusted for tax of R1.134 million.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Unaudited at 31 December 2015	Unaudited at 31 December 2014	Audited at 30 June 2015
ASSETS			
Non-current assets	**643 035**	582 730	632 409
Property, plant and equipment	**97 272**	83 077	86 481
Intangible assets and goodwill	**384 165**	359 169	384 610
Loans receivable	**147 584**	130 689	142 996
Deferred tax	**2 963**	5 926	4 446
Leasing rights	**8 505**	3 149	2 855
Derivative financial asset	**2 546**	720	11 021
Current assets	**501 952**	462 208	473 875
Inventories	**13 927**	10 448	11 729
Tax receivable	**34 359**	11 314	17 164
Trade and other receivables	**131 676**	110 148	97 828
Loans receivable	**28 636**	7 808	25 143
Derivative financial asset	**–**	9 866	17 160
Cash and cash equivalents	**293 354**	312 624	304 851
TOTAL ASSETS	**1 144 987**	1 044 938	1 106 284
EQUITY			
Total equity	**887 521**	834 153	854 095
Ordinary share capital	**1**	1	1
Share premium	**294 663**	294 663	294 663
Shares repurchased by subsidiaries	**(96 900)**	(86 580)	(88 622)
Foreign currency translation reserve	**34 723**	23 046	22 314
Retained earnings	**641 208**	605 689	618 675
Total equity attributable to equity holders of the parent	**873 695**	836 819	847 031
Non-controlling interest	**13 826**	(2 666)	7 064
LIABILITIES			
Non-current liabilities	**102 567**	77 759	108 440
Contingent consideration liability	**34 339**	–	31 409
Employee benefits	**3 788**	2 598	8 826
Derivative financial liability	**–**	4 271	–
Operating lease liability	**1 126**	1 338	1 200
Deferred tax	**63 314**	69 552	67 005
Current liabilities	**154 899**	133 026	143 749
Bank overdrafts	**2 779**	2 833	3 557
Tax payable	**2 510**	2 766	1 893
Trade and other payables	**122 220**	116 315	102 053
Contingent consideration liability	**17 802**	–	15 974
Employee benefits	**5 861**	10 649	19 790
Derivative financial liability	**3 306**	–	–
Shareholders for dividend	**421**	463	482
TOTAL EQUITY AND LIABILITIES	**1 144 987**	1 044 938	1 106 284

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	**Unaudited six months ended 31 December 2015**	Unaudited six months ended 31 December 2014	Audited year ended 30 June 2015
Cash flow from operating activities			
Operating profit before working capital changes (refer note a)	**139 157**	109 407	222 786
Working capital changes	**(15 183)**	(15 448)	(12 883)
Cash generated from operations	**123 974**	93 959	209 903
Interest income received	**11 588**	5 608	16 890
Interest expense paid	**(30)**	(19)	(65)
Tax paid	**(57 289)**	(38 635)	(83 666)
Dividends paid	**(67 933)**	(54 732)	(114 345)
Net cash flow from operating activities	**10 310**	6 181	28 717
Net cash flow from investing activities (refer note b)	**(12 662)**	(70 286)	(97 342)
Net cash flow from financing activities (refer note c)	**(8 278)**	282 277	278 051
Net movement in cash and cash equivalents	**(10 630)**	218 172	209 426
Effect of foreign exchange fluctuations	**(89)**	192	441
Net cash and cash equivalents at beginning of year	**301 294**	91 427	91 427
Net cash and cash equivalents at end of period	**290 575**	309 791	301 294

Notes

a) **Operating profit before working capital changes** – Includes a gross cash outflow of R18.445 million (six months ended 31 December 2014 and year ended 30 June 2015: R24.045 million) in respect of the settlement of the share appreciation rights granted in terms of the group's long-term share-linked employee retention scheme (also refer note 14). Also includes a gross cash inflow of R16.291 million relating to the disposal of the Silver Lake Spur and the Apache Spur leases in the UK (also refer notes 2 and 3 respectively).

b) **Cash flow from investing activities** – Includes a gross cash inflow of R12.563 million (2014: R20.565 million; year ended 30 June 2015: R20.961 million) arising from the economic hedging instrument utilised by the group for its long-term share-linked employee retention scheme (also refer note 14). Additions to property, plant and equipment amount to R23.346 million (2014: R15.356 million; year ended 30 June 2015: R30.785 million) – the increase relative to the comparative period relates primarily to the fit-out of the company-owned The Hussar Grills in Morningside and Mouille Point and the RocoMamas in Green Point (also refer note 4). The prior periods ended 31 December 2014 and 30 June 2015 include a gross outflow of R72.613 million relating to the subscription of preference shares (including directly attributable costs) in an unconsolidated structured entity to finance the broad-based black economic empowerment ("B-BBEE") equity transaction as more fully described in note 5 and an outflow of R1.992 million for the acquisition of the further 50% interest in Panpen Pty Ltd as detailed in note 7. The prior year ended 30 June 2015 also includes gross outflows of R1.382 million for the acquisition of RocoMamas Franchise Co (Pty) Ltd as detailed in note 6, and R0.653 million in aggregate relating to the disposals of Panpen Pty Ltd, Panawest Pty Ltd and Silver Spur detailed in notes 7, 8, and 9 respectively.

c) **Cash flow from financing activities** – Includes an outflow of R8.278 million (2014: R9.345 million; year ended 30 June 2015: R11.387 million) for the purchase of treasury shares. The prior periods ended 31 December 2014 and 30 June 2015 include a net inflow of R293.666 million relating to the issue of shares (net of directly attributable transaction costs) pursuant to the B-BBEE transaction as detailed in note 5.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Ordinary share capital and share premium (net of treasury shares)	Retained earnings and other reserves	Non-controlling interest	Total
Balance at 1 July 2014	**(77 228)**	**600 905**	**(4 057)**	**519 620**
Total comprehensive income for the year	**–**	**124 634**	**7 732**	**132 366**
Profit for the year	–	127 555	8 098	135 653
Other comprehensive income	–	(2 921)	(366)	(3 287)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners	**283 270**	**(82 450)**	**–**	**200 820**
Issue of ordinary shares (refer note 5)	294 657	(991)	–	293 666
Equity-settled share-based payment (refer note 5)	–	32 957	–	32 957
Own shares acquired	(11 387)	–	–	(11 387)
Distributions to equity holders	–	(114 416)	–	(114 416)
Changes in ownership interests in subsidiaries	**–**	**(2 100)**	**3 389**	**1 289**
Acquisition of subsidiary with non-controlling interests (refer note 6)	–	–	3 135	3 135
Acquisition of non-controlling interest in subsidiary without a change in control (refer note 7)	–	(2 100)	108	(1 992)
Derecognition of non-controlling interest in subsidiary resulting in loss of control (refer note 8)	–	–	146	146
Total transactions with owners	**283 270**	**(84 550)**	**3 389**	**202 109**
Balance at 30 June 2015	**206 042**	**640 989**	**7 064**	**854 095**
Total comprehensive income for the period	**–**	**102 329**	**1 746**	**104 075**
Profit for the period	–	89 920	1 833	91 753
Other comprehensive income	–	12 409	(87)	12 322
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners	**(8 278)**	**(67 284)**	**(588)**	**(76 150)**
Own shares acquired	(8 278)	–	–	(8 278)
Distributions to equity holders	–	(67 284)	(588)	(67 872)
Changes in ownership interests in subsidiaries	**–**	**(103)**	**5 604**	**5 501**
Disposal of non-controlling interest in subsidiary without a change in control (refer note 4)	–	(103)	5 604	5 501
Total transactions with owners	**(8 278)**	**(67 387)**	**5 016**	**(70 649)**
Balance at 31 December 2015	**197 764**	**675 931**	**13 826**	**887 521**

CONDENSED CONSOLIDATED OPERATING SEGMENT REPORT

R'000	Unaudited six months ended 31 December 2015	Unaudited six months ended 31 December 2014	% change	Audited year ended 30 June 2015
External revenue				
Manufacturing and distribution	**96 186**	93 035	3.4	173 924
Franchise – Spur	**119 438**	112 668	6.0	217 276
Franchise – Panarottis	**16 608**	13 476	23.2	27 575
Franchise – John Dory's	**9 331**	8 126	14.8	16 220
Franchise – Captain DoRegos	**2 698**	3 262	(17.3)	6 077
Franchise – The Hussar Grill	**1 641**	1 226	33.8	2 417
Franchise – RocoMamas (refer note b)	**7 916**	–		2 175
Retail (refer note c)	**18 890**	14 579	29.6	30 760
Other South Africa (refer note d)	**34 739**	33 461	3.8	58 861
Total South African segments	**307 447**	279 833	9.9	535 285
Unallocated – South Africa	**596**	835	(28.6)	1 720
Total South Africa	**308 043**	280 668	9.8	537 005
UK (refer note f)	**63 972**	80 107	(20.1)	147 657
Australia (refer note g)	**4 710**	37 932	(87.6)	55 729
Other International (refer note h)	**9 870**	9 974	(1.0)	19 668
Total International	**78 552**	128 013	(38.6)	223 054
TOTAL EXTERNAL REVENUE	**386 595**	408 681	(5.4)	760 059
Profit/(loss) before income tax				
Manufacturing and distribution	**37 060**	36 391	1.8	67 083
Franchise – Spur	**107 411**	100 856	6.5	194 037
Franchise – Panarottis	**11 904**	9 144	30.2	18 904
Franchise – John Dory's	**5 024**	4 672	7.5	9 119
Franchise – Captain DoRegos (refer note a)	**1 148**	973	18.0	(11 821)
Franchise – The Hussar Grill	**848**	759	11.7	1 298
Franchise – RocoMamas (refer note b)	**5 069**	–		1 386
Retail (refer note c)	**67**	1 985	(96.6)	4 645
Other South Africa (refer note d)	**1 681**	400	320.3	327
Total South African segments	**170 212**	155 180	9.7	284 978
Unallocated – South Africa (refer note e)	**(36 627)**	(68 311)	46.4	(81 818)
Total South Africa	**133 585**	86 869	53.8	203 160
UK (refer note f)	**1 144**	(2 418)	147.3	(4 714)
Australia (refer note g)	**1 269**	4 252	(70.2)	4 488
Other International (refer note h)	**4 723**	5 966	(20.8)	10 616
Total International segments	**7 136**	7 800	(8.5)	10 390
Unallocated – International (refer note i)	**(4 195)**	(2 176)	(92.8)	(6 496)
Total International	**2 941**	5 624	(47.7)	3 894
PROFIT BEFORE INCOME TAX AND SHARE OF LOSS OF EQUITY-ACCOUNTED INVESTEE	**136 526**	92 493	47.6	207 054
Share of loss of equity-accounted investee (net of income tax)	**(2 512)**	(354)	(609.6)	(1 633)
PROFIT BEFORE INCOME TAX	**134 014**	92 139	45.4	205 421

Notes

a) **Captain DoRegos** – The prior year ended 30 June 2015 includes an impairment loss of R13.905 million relating to intangible assets (also refer note 10).

b) **RocoMamas** – The RocoMamas franchise division was acquired with effect from 1 March 2015. Also refer note 6 for more details.

c) **Retail** – This segment comprises the group's interests in local restaurants which, at 31 December 2015, comprised four The Hussar Grill restaurants and one RocoMamas outlet. As at 31 December 2014 and 30 June 2015, the group had an interest in three The Hussar Grill restaurants. The Hussar Grill in Morningside (Gauteng) commenced trading in September 2015 and the RocoMamas in Green Point (Western Cape) commenced trading in December 2015. The Hussar Grill in Green Point was relocated to Mouille Point during the period and did not trade for the month of November 2015. The profit for the period includes R2.070 million of costs and losses relating to the initial set-up of The Hussar Grill in Morningside and the RocoMamas in Green Point, as well as the relocation of The Hussar Grill in Green Point. Also refer note 4 for more details.

d) **Other South Africa** – Other local segments include the group's training division, export business, décor manufacturing business, call centre and radio station which are each individually not material.

e) **Unallocated – South Africa** – Includes net finance income of R16.581 million (2014: R8.362 million; year ended 30 June 2015: R24.352 million), which includes interest and preference dividends relating to the GPI equity transaction (also refer note 5). Includes a credit in respect of cash-settled share-based payment of R0.521 million (2014: charge of R4.366 million; year ended 30 June 2015: charge of R19.735 million) and a fair value loss in respect of a related economic hedge of R16.378 million (2014: R7.469 million; year ended 30 June 2015: R14.794 million gain) (also refer note 14). Includes a fair value loss relating to the RocoMamas contingent consideration liability of R4.758 million (2014: Rnil; year ended 30 June 2015: R3.681 million) (also refer note 6). Includes a profit of R0.458 million (2014: R0.518 million; year ended 30 June 2015: R1.761 million) arising from The Spur Foundation Trust, a consolidated structured entity, all of which is attributable to non-controlling interests. The prior periods ended 31 December 2014 and 30 June 2015 include a share-based payment charge of R32.957 million relating to the GPI equity transaction (also refer note 5), as well as related professional and advisory costs of R0.301 million. The prior periods ended 31 December 2014 and 30 June 2015 include professional advisory costs of R0.337 million and R0.481 million respectively relating to defending the tax queries detailed in note 16.

f) **UK** – The group ceased trading the Silver Lake Spur in Lakeside (England) (also refer note 2) and the Apache Spur in Aberdeen (England) (also refer note 3) on 15 July 2015 and 22 September 2015 respectively. The Mohawk Spur in Wandsworth (England) ceased trading on 28 February 2015 (also refer note 12). The Silver Lake Spur lease was sold and the Apache Spur lease renounced, resulting in an aggregate R16.291 million gain included in the segment's profit. In terms of the agreements, ownership of the property, plant and equipment at the respective sites was relinquished to the lease transferee, resulting in an aggregate R10.927 million loss on disposal of property, plant and equipment. In addition, a loss of R0.444 million was recognised on the disposal of goodwill and foreign exchange gains of R4.310 million relating to foreign currency translation differences previously recognised in other comprehensive income (foreign currency translation reserve ("FCTR")) were reclassified to profit before income tax on abandonment of the foreign operations in question. The net impact of the above is a gain of R9.230 million for the period. The prior year ended 30 June 2015 includes a gain on the release of the non-controlling shareholder's loan in Larkspur Five Ltd of R5.173 million on the dissolution of that entity (also refer note 13) and an impairment loss of R1.054 million relating to property, plant and equipment of the Cheyenne Spur in the O_2 Dome in London (England) (also refer note 11).

g) **Australia** – The Panarottis outlet in Blacktown was disposed of in November 2014 and the Silver Spur and Panarottis in Penrith were disposed of in March 2015, resulting in the group no longer having any interests in company-owned outlets in Australia. The prior periods ended 31 December 2014 and 30 June 2015 include a profit of R1.506 million on the disposal of the Panarottis outlet in Blacktown (also refer note 8). The prior year ended 30 June 2015 also includes a profit of R3.448 million on the disposal of the Panarottis outlet in Penrith (also refer note 7) and a loss of R4.674 million on the disposal of the Silver Spur in Penrith (also refer note 9).

h) **Other International** – Other international segments comprise the group's franchise operations in Africa (outside of South Africa) and Mauritius.

i) **Unallocated – International** – Includes a foreign exchange loss of R0.958 million (2014: gain of R0.485 million; year ended 30 June 2015: gain of R2.088 million). The prior year ended 30 June 2015 includes a loss of R1.920 million relating to the reclassification of foreign exchange differences arising on the translation of foreign operations previously recognised in other comprehensive income (FCTR), from other comprehensive income to profit, on abandonment/deregistration of foreign operations (also refer notes 12 and 13). The prior year ended 30 June 2015 also includes professional advisory costs of R0.829 million relating to the group's international tax structure.

SUPPLEMENTARY INFORMATION

	Unaudited six months ended 31 December 2015	Unaudited six months ended 31 December 2014	% change	Audited year ended 30 June 2015
Total shares in issue (000's)	**108 481**	108 481	–	108 481
Net shares in issue (000's)*	**95 871**	96 181	(0.3)	96 120
Weighted average number of shares in issue (000's)	**96 061**	89 178	7.7	92 636
Diluted weighted average number of shares in issue (000's)	**96 061**	89 178	7.7	92 636
Headline earnings per share (cents)	**101.96**	61.15	66.7	152.76
Diluted headline earnings per share (cents)	**101.96**	61.15	66.7	152.76
Net asset value per share (cents)	**925.75**	867.27	6.7	888.57
Dividend per share (cents)	**67.00**	62.00	8.1	132.00
Reconciliation of weighted average number of shares in issue ('000)				
Gross shares in issue at the beginning of the year	**108 481**	97 633		97 633
Shares repurchased at the beginning of the year	**(12 361)**	(12 000)		(12 000)
Shares repurchased during the period weighted for period not held by the group	**(59)**	(110)		(219)
Shares issued during the period weighted for period in issue (refer note 5)	**–**	3 655		7 222
	96 061	89 178		92 636

* *108 480 926 (as at 31 December 2014 and 30 June 2015: 108 480 926) total shares in issue less 5 720 901 (as at 31 December 2014: 5 511 401; and 30 June 2015: 5 572 401) shares repurchased by a wholly-owned subsidiary company, 6 688 698 (as at 31 December 2014 and 30 June 2015: 6 688 698) shares held by The Spur Management Share Trust (consolidated structured entity) and 200 000 (as at 31 December 2014 and 30 June 2015: 100 000) shares held by The Spur Foundation Trust (consolidated structured entity).*

NOTES

1. **Basis of preparation** – The unaudited interim condensed consolidated financial statements for the six months ended 31 December 2015 have been prepared in accordance with the JSE Ltd Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa (No. 71 of 2008). The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by *IAS 34 – Interim Financial Reporting*. The accounting policies and methods of computation applied in the preparation of these results 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 2015.

2. **Closure of the Silver Lake Spur (England)** – On 15 July 2015, the group sold the lease of Larkspur Two Ltd, a wholly-owned UK subsidiary operating the Silver Lake Spur in Lakeside, for £412 500 (the equivalent of R7.900 million at the transaction date) in cash. As part of the agreement, the group relinquished ownership of the property, plant and equipment at the site which amounted to R4.425 million at the transaction date. A deferred tax asset previously recognised in respect of unclaimed capital allowances on the assets disposed of, amounting to R1.512 million, was charged to income tax expense. Goodwill amounting to R0.444 million was written off. In addition, foreign currency translation gains of R1.912 million previously recognised in other comprehensive income (FCTR) were reclassified to profit before income tax on abandonment of the entity. The aggregate impact of the above is a net gain included in profit before income tax of R4.943 million, and a net gain included in net profit of R3.431 million.

   For the period, the outlet contributed revenue of R0.746 million (2014: R11.964 million; year ended 30 June 2015: R21.893 million) and a loss before income tax (before the above items) of R0.858 million (2014: R0.785 million; year ended 30 June 2015: R1.910 million).

3. **Closure of the Apache Spur (England)** – On 22 September 2015, the group renounced the lease of Larkspur Three Ltd, an 80% held UK subsidiary operating the Apache Spur in Aberdeen, in favour of the landlord for £423 600 (the equivalent of R8.391 million at the transaction date) in cash. As part of the agreement, the group relinquished ownership of the property, plant and equipment at the site which amounted to R6.502 million at the transaction date. A deferred tax asset previously recognised in respect of unclaimed capital allowances on the assets disposed of, amounting to R0.880 million, was charged to income tax expense. Foreign currency translation gains of R2.398 million previously recognised in other comprehensive income (FCTR) were reclassified to profit before income tax on abandonment of the entity. The aggregate impact of the above is a net gain included in profit before income tax of R4.287 million, a net gain included in net profit of R3.407 million and a net gain attributable to ordinary shareholders of R3.205 million.

   For the period, the outlet contributed revenue of R3.665 million (2014: R10.931 million; year ended 30 June 2015: R19.739 million) and a loss before income tax (before the above items) of R2.317 million (2014: R0.107 million; year ended 30 June 2015: R1.536 million).

4. **Changes in local retail operations** – In September 2015, the group commenced trading a newly established The Hussar Grill in Morningside (Gauteng). Initial trading and startup losses for the period amount to R0.823 million, and capital expenditure amounted to R2.767 million.

   With effect from 15 November 2015, Opilor (Pty) Ltd ("Opilor"), a subsidiary of the group (previously wholly-owned), acquired the lease and assets of an existing restaurant site in Mouille Point Cape Town for R5.400 million and R0.101 million respectively. The subsidiary in question issued shares in that entity of the equivalent value to the seller in settlement of the purchase price of the transaction, such that the group's ownership interest in the entity reduced from 100% to 68%. The difference in the value of net assets attributed to non-controlling interest and the value of the shares issued to the non-controlling interest amounted to R0.103 million which was charged directly to equity (retained earnings). The carrying value of the lease acquired is being amortised on a straight-line basis over the remaining lease term (of 118 months as at the transaction date).

Prior to the transaction above, Opilor owned The Hussar Grill in Green Point Cape Town. Following the transaction, The Hussar Grill in Green Point was relocated to the newly acquired site in Mouille Point and consequently did not trade for the month of November 2015. In addition to the lost profit for this period, the company also incurred costs and losses of R0.411 million relating to the relocation, and capital expenditure of R2.298 million. The entity in question then established a new RocoMamas outlet at the Green Point site which commenced trading in December 2015. Initial trading and startup losses for the period amounted to R0.819 million, and capital expenditure amounted to R3.346 million.

5. **B-BBEE deal with GPI (prior year)** – As detailed in the circular to shareholders of 4 September 2014, and approved by shareholders at a general meeting on 3 October 2014, during the prior year, the company concluded various agreements to issue 10 848 093 new ordinary shares indirectly to Grand Parade Investments Ltd (“GPI”), a strategic black empowerment partner, and separately donate 500 000 of the company’s shares (100 000 shares per annum over five years), held as treasury shares, to the Spur Foundation, a benevolent foundation that is a consolidated structured entity. Both transactions were executed on 30 October 2014. In terms of the agreements, GPI is restricted from trading the shares in question without the express permission of the company for a period of five years from the effective date of the transaction and is furthermore required to maintain its B-BBEE credentials for the same period.

   The shares were issued at a price of R27.16 per share, resulting in the aggregate proceeds from the issue of shares amounting to R294.657 million. This equated to an effective discount of R32.957 million which was recognised, in the prior year, as a share-based payment expense in accordance with *IFRS 2 – Share-based Payment* and included in profit before income tax for that period, with a corresponding credit to equity (retained earnings).

   The group partially funded GPI’s share acquisition through a subscription of cumulative compulsorily redeemable five-year preference shares in an unconsolidated structured entity with a combined subscription value of R72.328 million (representing 24.5% of the total funding requirement for the transaction). The preference shares accrue dividends at a rate of 90% of the prevailing prime overdraft rate of interest and are subordinated in favour of the external funding provider.

   The transaction resulted in a net cash inflow of R222.328 million for the group during the prior year. Of the total transaction costs of R1.577 million: R0.285 million related directly to the subscription of the preference shares referred to above and are included in the carrying value of the preference shares; R0.991 million related directly to the issue of the company’s ordinary shares and was charged directly against equity (retained earnings); and the balance of R0.301 million was included in profit before income tax for the prior year.

6. **Prior year acquisition of RocoMamas** – During the prior year, and with effect from 1 March 2015, the group acquired a 51% interest in RocoMamas Franchise Co (Pty) Ltd (“RocoMamas”), an entity owning the trademarks and related intellectual property of the RocoMamas brand. RocoMamas offers affordable, gourmet, hand-made “smash-style” burgers, ribs and wings in the casual dining market within a nostalgic American rock ambience, giving the group exposure to a market that its existing brands did not cater for directly. The company had five franchised outlets based in Gauteng at the date of acquisition.

   The fair value of the net assets acquired amounted to R6.398 million as at the effective date, of which R3.135 million was attributable to non-controlling interest.

   The purchase consideration is determined as five times RocoMamas’ profit before income tax of the third year following the date of acquisition. Following an initial payment of R2.0 million on the effective date, annual payments (or refunds as the case may be) are due on the first, second and third anniversaries of the acquisition date, calculated as five times the profit before income tax of the year immediately preceding the anniversary date, less any aggregate payments already made. The total purchase consideration over the three-year period is estimated at R70.764 million, the present value of which at the acquisition date amounted to R45.702 million, resulting in goodwill of R42.439 million.

   The net cash outflow arising from the acquisition amounted to R1.382 million in the prior year ended 30 June 2015.

   A financial liability measured at fair value at the reporting date of R52.141 million (2014: Rnil; 30 June 2015: R47.383 million) has been recognised in respect of the gross contingent consideration of R68.764 million. The change in fair value of the contingent consideration liability of R4.758 million (2014: Rnil; year ended 30 June 2015: R3.681 million) has been charged to profit before income tax.

7. **Prior year acquisition of non-controlling interest in Panarottis Penrith (Australia) and subsequent disposal** – During the prior year, and with effect from 1 August 2014, the group acquired the remaining 50% interest in subsidiary Panpen Pty Ltd (“Panpen”), an Australian company in which the group had an existing 50% interest and which operates the Panarottis outlet in Penrith (Australia). The purchase consideration of AU$200 000 (the equivalent of R1.992 million as at the effective date) was settled in cash on the effective date in the prior year. As part of the transaction, Panpen was required to settle the outstanding shareholder’s loan with the non-controlling shareholder in the amount of AU$158 342 (the equivalent of R1.576 million as at the effective date) which amount was settled in cash on the effective date. The net liabilities of Panpen at 1 August 2014 included in the consolidated financial statements of the group amount to R0.217 million, of which R0.108 million was attributable to non-controlling interests. The purchase consideration was debited directly to retained earnings and the non-controlling interest’s share in the net liabilities of the subsidiary was similarly reallocated within equity to retained earnings.

   During the prior year, and with effect from 31 March 2015, the group disposed of its 100% interest in Panpen for AU$880 000, the equivalent of R8.188 million at the date of disposal, on loan account. The carrying value of the net assets disposed of amounted to R4.919 million. The group consequently recognised a profit on the disposal of R3.269 million during the prior year ended 30 June 2015. In addition, foreign exchange gains of R0.179 million arising on the translation of the foreign operation previously recognised in other comprehensive income (FCTR), were reclassified to profit before income tax, resulting in a net profit before income tax on disposal of R3.448 million in the prior year ended 30 June 2015. The group recognised a net cash outflow on the disposal of R0.155 million in the prior year ended 30 June 2015.

   The sale consideration is being settled in 60 equal monthly instalments, which commenced on 1 October 2015, with the receivable being subject to interest at the Reserve Bank of Australia’s cash rate plus 1.5%, which is considered by the board to be terms commensurate with similar transactions of this nature.

   Revenue for the period ended 31 December 2014 and year ended 30 June 2015 amounted to R12.284 million and R17.875 million respectively and profit before and after income tax amounted to R0.863 million and R1.052 million (excluding the profit on disposal) respectively, of which R0.095 million is attributable to non-controlling interests for both periods in question.

8. **Prior year disposal of the Panarottis in Blacktown (Australia)** – During the prior year, and with effect from 15 November 2014, the group disposed of its 92.67% interest in Panawest Pty Ltd, the Australian subsidiary operating the Panarottis outlet in Blacktown, for AU$1. The carrying value of the net liabilities disposed of amounted to R1.997 million at the disposal date, of which R0.146 million was attributable to non-controlling interest. The disposal thus realised a profit before income tax of R1.851 million in the prior period ended 31 December 2014 and year ended 30 June 2015. In addition, foreign exchange losses of R0.345 million arising on the translation of the foreign operation previously recognised in other comprehensive income (FCTR), were reclassified to profit before income tax, resulting in a net profit before income tax on disposal of R1.506 million for the period ended 31 December 2014 and year ended 30 June 2015. The group recognised a net cash outflow on the disposal of R0.206 million in the prior period ended 31 December 2014 and year ended 30 June 2015.

   As part of the transaction, the former subsidiary is continuing to repay the previous shareholder’s loan with the group of AU$400,000 (the equivalent of R3.911 million on the date of the transaction), in equal instalments over 35 months to October 2017.

Revenue for both the period ended 31 December 2014 and year ended 30 June 2015 amounted to R5.493 million, and loss before and after income tax amounted to R0.067 million (excluding the profit on disposal), of which, profit of R0.263 million is attributable to non-controlling interests.

9. **Prior year disposal of the Silver Spur in Penrith (Australia)** – During the prior year, and with effect from 31 March 2015, the group disposed of the business of the Silver Spur in Penrith as a going concern for AU$320 000, the equivalent of R2.977 million at the date of disposal, on loan account. The carrying value of the net assets disposed of amounted to R7.522 million at the transaction date. A loss of R4.545 million was consequently realised on the disposal in the year ended 30 June 2015. In addition, foreign exchange losses of R0.129 million arising on the translation of the foreign operation previously recognised in other comprehensive income (FCTR), were reclassified to profit before income tax, resulting in a net loss before income tax on disposal of R4.674 million. The disposal resulted in a net cash outflow of R0.292 million in the year ended 30 June 2015.

   The sale consideration is being settled in 60 equal monthly instalments, which commenced on 1 October 2015, with the receivable being subject to interest at the Reserve Bank of Australia's cash rate plus 1.5%, which is considered by the board to be terms commensurate with similar transactions of this nature.

   Revenue for the period ended 31 December 2014 and year ended 30 June 2015 amounted to R17.443 million and R25.951 million respectively and profit before and after income tax amounted to R1.166 million and R0.894 million (excluding the profit on disposal) respectively.

10. **Prior year impairment of Captain DoRegos intangible asset** – The Captain DoRegos brand is a value oriented takeaway chain offering a combination of chicken, seafood and burgers to consumers operating through 59 franchised outlets locally and three internationally. The cash-generating unit has experienced a sustained period of profits being below expectations, due to the slowdown in the South African economy in recent years and its impact on the brand's target market. In addition, as the trademark and related intellectual property assets are indefinite useful life assets, a mandatory impairment test is conducted annually at 30 June each year.

    In performing the impairment test at the prior year reporting date of 30 June 2015, the board determined that the recoverable amount of the Captain DoRegos trademarks and other intangible assets amounted to R25.747 million based on their values-in-use. Consequently, an impairment loss of R13.905 million was included in profit before income tax for the year ended 30 June 2015. A corresponding deferred tax credit of R2.596 million was recognised in profit for the same period, resulting in a net loss included in profit attributable to ordinary shareholders for the year ended 30 June 2015 of R11.309 million.

    Management has implemented the necessary cost control measures to maintain and improve the division's operating margin. In addition, management is confident that its marketing strategy and focus on operating standards should result in its projections being achieved.

11. **Prior year impairment of the Cheyenne Spur in the O_2 Dome, London (England)** – The Cheyenne Spur in the O_2 Dome in London commenced trading in 2007. During the prior year, the increased costs of occupancy, labour and raw material inputs impacted negatively on the profitability of the outlet. Increased competition also kept revenue growth contained. As a consequence, the outlet incurred a cash flow loss in the prior year, indicating a possible impairment at the prior year reporting date of 30 June 2015. In performing the impairment test at that date, the board determined that the recoverable amount of the cash-generating unit was lower than its carrying value, based on its value-in-use. Consequently, the carrying value of property, plant and equipment was partially impaired by R1.054 million as at 30 June 2015.

    The entity continues to incur cash flow losses and management continues to monitor the performance of the outlet closely in an effort to contain the losses. While the board considers no further impairment necessary at this time, the need for further impairments will be reassessed in due course.

12. **Prior year closure of the Mohawk Spur in Wandsworth (England)** – As a consequence of sustained trading losses incurred by the Mohawk Spur in Wandsworth (England), during the prior year, the group closed the outlet on 28 February 2015. The outlet contributed revenue of R6.481 million and R8.544 million for the period ended 31 December 2014 and the year ended 30 June 2015 respectively, and incurred a loss before income tax of R0.714 million and R0.925 million in the respective periods. As a consequence of ceasing to trade the outlet, R1.317 million of foreign exchange losses arising on the translation of the foreign operation previously recognised in other comprehensive income (FCTR) were reclassified to profit before income tax during the prior year ended 30 June 2015.

13. **Prior year dissolution of Larkspur Five Ltd** – Larkspur Five Ltd was a subsidiary in which the group owned a 70.6% equity interest and which previously operated the Golden Gate Spur in Gateshead (England). The restaurant in question ceased trading in October 2013. On 16 June 2015, the company was dissolved. The group had previously recognised a liability in respect of a shareholder's loan to the non-controlling shareholder. On dissolution of the company, the liability, amounting to R5.173 million at 15 June 2015, was released to profit before income tax in the prior year ended 30 June 2015. In addition, foreign exchange losses amounting to R0.603 million arising from the translation of the foreign operation previously recognised in other comprehensive income (FCTR) were reclassified to profit before income tax during the prior year. The winding up of the company resulted in a net profit attributable to non-controlling interests of R5.599 million during the prior year ended 30 June 2015.

14. **Long-term share-linked employee retention scheme** – In December 2015, the third tranche (December 2014: second tranche) of share appreciation rights granted in terms of the group's long-term share-linked employee retention scheme was settled in cash. This resulted in a gross cash outflow of R18.445 million (2014 and year ended 30 June 2015: R24.045 million) to the scheme participants. Simultaneously, the economic hedging instrument utilised by the group matured which resulted in a gross cash inflow of R11.858 million (2014 and year ended 30 June 2015: R19.725 million). During the period, the share-based payment expense in respect of the scheme included in profit before income tax amounted to a credit of R0.521 million (2014: R4.366 million charge; year ended 30 June 2015: R19.735 million charge), while a loss of R16.378 million (2014: R7.469 million loss; year ended 30 June 2015: R14.794 million gain) on the related economic hedging instrument was recognised in profit before income tax. Further details of the share appreciation rights and related hedges are detailed in notes 23 and 17 respectively on pages 123 and 117 respectively of the annual integrated report for the year ended 30 June 2015. Also refer note 17.

15. **Braviz Fine Foods** – In March 2014, the group acquired a 30% interest in Braviz Fine Foods (Pty) Ltd, a startup operation which established a rib processing plant in Johannesburg. Formal production commenced in January 2015. As the group is able to exercise significant influence over the entity, but not control, it equity accounts the investment. The initial purchase consideration amounted to R0.4 million (comprising ordinary shares of R300 and initial transaction costs of R0.4 million). The group simultaneously advanced a loan in the amount of R36.250 million to the entity. The loan bears interest at the prevailing prime overdraft rate of interest and has no formal repayment terms (although any repayment of shareholder loans is to be made on a *pro rata* basis between the respective shareholders) and is consequently considered part of the net investment in the equity-accounted investee.

    The group's share of equity-accounted losses after income tax for the period amounts to R2.512 million (2014: R0.354 million; year ended 30 June 2015: R1.633 million), arising primarily from finance costs incurred by the entity on shareholder and other funding for the respective periods. As the cumulative losses from the investee exceeded the carrying value of the equity investment in the investee during the prior year, the equity-accounted losses are being adjusted to reduce the carrying value of the loan receivable from the investee referred to above.

16. Contingent liabilities:

- **International tax** – As reported in note 45.1 on page 162 of the annual integrated report for the year ended 30 June 2015, the South African Revenue Services ("SARS") had previously issued assessments to wholly-owned subsidiary, Spur Group (Pty) Ltd ("Spur Group"), for additional income from controlled foreign companies of the group for the 2009, 2010 and 2011 years of assessment. Following the objection process during the 2014 financial year, reduced assessments were issued amounting in aggregate to R1.993 million (comprising R1.561 million in tax and R0.432 million in interest) which were settled in cash in that year. The board of the company in question appealed SARS' decision to partially disallow the objection and alternate dispute resolution ("ADR") proceedings were initiated in November 2014 with SARS. On 8 October 2015, SARS informed the company that it concurred that the 2009 assessment had prescribed, but that the ADR had been unsuccessful for the 2010 and 2011 years of assessment. A reduced assessment and refund for the 2009 year of assessment of R1.349 million was received on 16 January 2016. The board has forwarded a settlement offer to SARS in respect of the remaining years of assessment and awaits a response. The board continues to be of the view that it is able to defend its position. Consequently, a liability has not been raised in respect of the assessments issued.

- **Tax on 2004 share incentive scheme** – As reported in note 45.2 on page 162 of the annual integrated report for the year ended 30 June 2015, SARS had issued additional assessments to wholly-owned subsidiary, Spur Group, in respect of the 2010, 2011 and 2012 years of assessment totalling R6.589 million (comprising R5.098 million in tax and R1.491 million in interest). The additional assessments were issued following the disallowance of a deduction claimed in respect of the 2004 share incentive scheme. The assessments were settled in cash on 30 January 2015. The board of the company in question objected to the additional assessments on 19 March 2015 but the objections were disallowed by SARS on 11 June 2015. The board appealed the disallowance of the objections on 14 July 2015, requesting that the matter be referred to ADR proceedings. On 28 July 2015, SARS issued additional assessments regarding the same matter for the 2005 to 2009 years of assessment amounting to R15.445 million comprising R8.898 million in additional income tax and R6.547 million in interest. The board objected to these assessments on 13 August 2015. On 8 October 2015, SARS advised that it disallowed the objections and the board subsequently appealed the disallowance of the objections on 13 October 2015, requesting that the matter be referred to ADR. SARS agreed to refer the matter to ADR on 20 November 2015. The date for the ADR is set for 17 March 2016. The board, in consultation with its tax advisors, remains confident that it will be able to prove that SARS has erred in disallowing the deduction and consequently, no liability has been raised in respect of the assessments issued to date.

- There have been no further changes to the status of other contingent liabilities referred to in note 45 on page 162 of the annual integrated report for the year ended 30 June 2015.

17. Fair value of financial instruments:

- The hedge forward purchase derivative financial assets/(liabilities) (disclosed as derivative financial assets/liabilities on the face of the statement of financial position) utilised by the group to economically hedge the impact of the share appreciation rights granted in terms of its long-term share-linked employee retention scheme are measured at fair value at each reporting date (refer note 14). The fair values of the contracts are determined by an independent external professional financial instruments specialist using a Black-Scholes (risk neutral pricing) option pricing model in a manner that is consistent with prior reporting periods. The financial instruments in question are designated as level 2 financial instruments in terms of the fair value hierarchy specified in *IFRS 13 – Fair Value Measurement*, as the inputs into the valuation model are derived from observable inputs for the assets/liabilities in question, but are not quoted prices in active markets for identical assets/liabilities.

- The liability for the contingent consideration referred to in note 6 (as disclosed on the face of the statement of financial position) was initially recognised at fair value and is subsequently recognised at fair value at each reporting date. The liability is designated as a level 3 financial instrument in terms of the fair value hierarchy as inputs into the valuation model are not based on observable market data. The fair value is determined based on the expected aggregate purchase consideration payments, discounted to present value using a risk-adjusted discount rate of 27.0% (30 June 2015: 25.27%), being the weighted average cost of capital. The expected purchase consideration payments were determined by considering various possible scenarios, and the probability of each scenario. The significant unobservable inputs are the forecast profit before income tax and the risk-adjusted discount rate. The fair value adjustment included in profit before income tax for the period is a charge of R4.758 million (year ended 30 June 2015: R3.681 million), and relates largely to the adjustment for the time value of money from the initial acquisition date to the reporting date, as well as the increase in the discount rate applied as the risk-free rate of interest has increased during the period. The estimated fair value of the contingent consideration liability at the reporting date, would change if the forecast profit before income tax or the risk-adjusted discount rate were to change as follows:
  - if the projected profit before income tax increased by 5% or decreased by 5%, the fair value of the liability at the reporting date, as well as the charge to profit before income tax, would increase by R3.247 million or decrease by R2.214 million respectively; and
  - if the discount rate increased by 2% or decreased by 2%, the fair value of the liability at the reporting date, as well as the charge to profit before income tax, would decrease by R0.283 million or increase by R1.355 million respectively.

18. Related parties – There have been no material changes in the nature or value of the related party transactions reported in note 43 on page 155 of the annual integrated report for the year ended 30 June 2015.

DIRECTORS

Executive Chairman: Allen Ambor

Chief Executive Officer: Pierre van Tonder

Chief Operating Officer: Mark Farrelly

Chief Financial Officer: Ronel van Dijk

Non-executive Directors: Keith Getz; Keith Madders; Alan Keet

Independent Non-executive Directors: Dean Hyde; Muzi Kuzwayo; Dineo Molefe; Mntungwa Morojele

COMPANY INFORMATION

Spur Corporation Ltd (registration number 1998/000828/06)

Share code: SUR

ISIN: ZAE000022653

Registered Office: 14 Edison Way, Century Gate Business Park, Century City, 7441

Transfer Secretaries: Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001

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

Website: www.spurcorporation.com

OUR BRAND FAMILY

Spur Steak Ranches — A taste for life

Panarottis Pizza Pasta — Big on Family. Big on Pizza.

John Dory's — FISH • GRILL • SUSHI

Captain DoRegos — Chicken • Fish • Burgers — it's all good

The Hussar Grill — EST 1964

RocoMamas — WE'RE NOT NORMAL

Spur Grill & Go — Taste 4 Life — EST 1967

www.spurcorporation.com