



Annual results 2005

September 2005



Presentation overview

- Highlights of the year
- Brand performance & operations
- Financial performance
- Outlook for 2006
- Questions

Brand performance & operations

Pierre van Tonder



Highlights of the year

- Buoyant trading conditions – increased consumer disposable income
- Acquisition of 60% of John Dory's Fish & Grill
- Opened 20 new outlets in South Africa
- International expansion continues
- Group stores now total 287
- Continually increasing brand awareness
- Sound financial performance



Spur Steak Ranches

- Capitalised on growing middle class to increase market share, particularly in Gauteng
- Turnover growth
 - 18% - all stores
 - 13% - same stores (increase in market share)
 - menu price increase of only 4.5%



Spur Steak Ranches *continued*

- Opened 13 new stores
 - 11 in SA & 2 International
- Relocated 4 stores
 - all showing turnover growth > 40%
- 19 stores revamped
 - 167 since revamp programme started in 1999
- Total stores now 224
 - 19 black franchisees



Spur Steak Ranches *continued*

- Retail sauce range in national supermarkets
- Heart Foundation endorsement
- Piloted Spur 'Kerbside Fone & Fetch'
- Spur customer care call centre launched
- Growth of 22% in Secret Tribe Kids Club
 - 51% new members under 6
- Edu-tainment facilities in stores



Spur Steak Ranches *continued*

- Expanding range of retail sauce & marinades
- At least 15 new stores planned for 2006
- Further 20 stores to be revamped
- 11 relocations planned for 2006



Panarottis Pizza Pasta

- Turnover growth
 - 16% - all stores
 - 15% - same stores
 - menu price increase of only 7%
- Menu improved – value offering remains strong
- Kids facilities enhanced to boost family offering



Panarottis Pizza Pasta *continued*

- Opened 10 new stores
 - 9 in SA & 1 International
- Relocated 2 stores
- Total stores now 56
 - 7 black franchisees
- New ad agency & marketing drive to strengthen brand positioning
 - new pay-off line “Big on Family, Big on Pizza”
- Expect to open 12 new stores in 2006



John Dory's Fish & Grill

- 60% stake acquired wef 1 November 2004
 - founders retained 40% interest
- Opened 2 new stores
- Total of 7 stores at June 2005
- Launched John Dory's range of sauces
- 10 new stores planned for 2006
 - opened first store in Western Cape on 20 July 2005

John Dory's Fish & Grill *continued*



- Sauces in central kitchens
- Effective marketing
- Incorporated into Spur Corporation franchise philosophy
 - Operations
 - Marketing
 - Development
 - Information technology
 - Human resources
 - Finance & administration



International

- Opened 2 new Spur stores
 - Wandsworth, United Kingdom (Mohawk Spur)
 - Maputo, Mozambique (Utah Spur)
- New Panarottis store
 - Parramatta, Australia
- Total stores now 32
 - 24 Spur (16 Africa (incl. Mauritius) & 8 International)
 - 8 Panarottis (5 Africa (incl. Mauritius) & 3 International)



International *continued*

- China – 3 Spur Steak Ranches scheduled
 - Shanghai – September 2005
 - Fuzhou – November 2005
 - Nanking – January 2006
 - appointed master franchisee – sub-franchise stores
- Australia – 3 stores scheduled
 - Spur Steak Ranch & Panarottis in Campbelltown
 - Panarottis in Blacktown
- Africa – 3 Spur Steak Ranches planned
 - Lusaka, Windhoek & Gaborone
 - consider Angola, Ghana & Lesotho in future
 - strategy to position new stores near hotels/entertainment centres
- Spur Steak Ranches also planned for UAE & Saudi Arabia



Operations

- Outsourcing of distribution of central kitchen products
- Gauteng kitchen/office facility opened
 - aiming for HACCP compliance at central kitchens
- Continued IT investment
 - roll-out of POS, Balanced Scorecard, call centre, server upgrade
- Investment in training & skills development
 - 1 627 people attended training courses

Financial performance

Ronel van Dijk



Key financial indicators

	<u>2005</u>	<u>2004</u>	<u>% change</u>
Headline earnings (R'000)	51 084	37 233	37
Headline EPS (cents)	56.27	39.72	42
Diluted headline EPS (cents)	56.12	39.72	41
Distribution per share (cents)	40	30	33
Distribution cover (times)	1.4	1.3	



Turnover

<u>R'000</u>	<u>2005</u>	<u>2004</u>	<u>% change</u>
Wholesale & distribution*	107 449	101 354	6
Franchise – Spur	83 501	72 705	15
Franchise – Panarottis	8 054	6 985	15
Franchise – John Dory's**	1 628	-	
Total	200 632	181 044	11

* Comparable turnover impacted by outsourcing of distribution

** 60% interest acquired wef 1 November 2004



Turnover – geographic split

<u>R'000</u>	<u>2005</u>	<u>2004</u>	<u>% change</u>
South Africa	195 306	173 352	13
Africa & Mauritius	2 550	3 124	(18)
UK & Australia	2 776	4 568	(39)
Total	200 632	181 044	11

Operating profit – operating income



<u>R'000</u>	<u>% of total</u>	<u>2005</u>	<u>2004</u>	<u>% change</u>
Wholesale & distribution	30%	19 698	18 136	9
Franchise – Spur	63%	42 262	35 256	20
Franchise – Panarottis	7%	4 375	3 897	12
Franchise – John Dory's*	-	296	-	-
Operating margin		33.2%	31.6%	

* 60% interest acquired wef 1 November 2004

Balance sheet – assets



<u>R'000</u>	<u>2005</u>	<u>2004</u>	<u>% change</u>
Property, plant & equipment	26 231	9 086	189
Intangibles	8 465	-	
Investments & loans	18 569	16 050	16
Deferred tax	33 115	39 683	(17)
Inventory	5 024	4 213	19
Trade & other receivables	28 084	23 220	21
Cash	41 637	76 672	(46)
Taxation	2 587	1 979	31
Total assets	163 712	170 903	(4)

Balance sheet – equity & liabilities



<u>R'000</u>	<u>2005</u>	<u>2004</u>	<u>% change</u>
Capital & reserves	124 825	138 607	(10)
Minority shareholders' interest	4 124	-	
Trade & other payables	20 561	20 545	-
Taxation	12 055	8 885	36
Bank overdraft	1 934	2 622	(26)
Shareholders for distribution	213	244	(13)
Total equity & liabilities	163 712	170 903	(4)

Cash utilisation



	<u>R'000</u>
Cash from operations	67 461
Interest received	4 823
	<hr/> 72 284
Share buy-back programme	(28 881)
Distributions paid	(35 179)
Taxation paid & working capital changes	(16 643)
Investment in Gauteng building	(14 027)
Investment in John Dory's	(4 500)
Information technology	(2 412)
Central kitchens asset purchases	(5 365)
Net decrease in cash during the year	<hr/> (34 723) <hr/>



Capital management

- Investment in buildings
- Share buy-back programme
- Distribution policy
 - based on headline earnings divided by total number of shares in issue

Share buy-back programme



	<u>Number of shares ('000)</u>	<u>Cost (R'000)</u>	<u>Average price (R)</u>
Balance at June 2004	4 167	11 705	2.81
Bought back on open market	120	679	5.66
Bought from related party	4 850	28 646	5.91
Balance at December 2004	9 137	41 030	4.49
Bought back on open market	340	2 051	6.03
Balance at June 2005	9 477	43 081	4.55

Outlook for 2006

Pierre van Tonder



Outlook for 2006

- Continued aggressive store growth in SA
- Sustained international expansion
 - entering new, uncharted markets
- Black empowerment strategy a priority
 - franchisee level
 - corporate level
- Increased focus on cash management
- Favourable trading environment likely to continue
- Expect continued solid growth

Questions?

Thank you