



Unaudited interim condensed consolidated results
for the 26 week period ended 1 September 2013



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PICK N PAY STORES LIMITED GROUP

Registration number 1968/008034/06

JSE share code: PIK

ISIN: ZAE000005443

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PICK N PAY HOLDINGS LIMITED GROUP

Registration number 1981/009610/06

JSE share code: PWK

ISIN: ZAE000005724

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Review of operations

KEY INDICATORS

	2013	Normalised trading calendar pro-forma 2012	Comparable pro-forma change	As previously reported 2012	Change
Total till sales	R35.0 billion	R32.3 billion	8.1%	R32.7 billion	6.9%
Turnover	R30.1 billion	R28.0 billion	7.5%	R28.3 billion	6.2%
Gross margin	18.1%	17.7%		17.6%	
Trading profit	R317.5 million	R235.6 million	34.8%	R275.7 million	15.2%
Basic earnings per share	40.05 cents	31.88 cents	25.6%	37.73 cents	6.1%
Headline earnings per share	40.81 cents	30.06 cents	35.8%	35.91 cents	13.6%
EBITDA	R810.5 million	R697.3 million	16.2%	R737.4 million	9.9%
Dividend per share	14.80 cents			14.75 cents	0.3%

The Group implemented a 52-week financial reporting calendar in February 2013. The 2014 interim financial period consists of 26 weeks, which is two trading days fewer than the comparative period last year. Interim results in this commentary have been presented on a comparable pro-forma basis with adjusted prior period numbers, for meaningful comparison. This has not been reviewed or reported on by the external auditors and is prepared for illustrative purposes only and is the responsibility of the directors.

Improved performance

The Group has delivered an improved financial performance on the previous period, growing total Group till sales (for owned and franchise stores) by 8.1% in an exceedingly competitive market. We are encouraged by the like-for-like till sales growth of 4.0%, against 3.2% last year, which is a strong indication that we are stemming recent market share losses.

We are serving more customers than ever before, increasing our customer count by 3.3% during the period, while processing 380 million transactions through our tills.

The increase in turnover, supported by an improved gross margin and tighter fiscal control has delivered headline earnings per share which are up 35.8% on a comparable basis.

A stronger business

We believe that we have reached the point where the greater part of the structural change and its associated costs are behind us. We are now able to build on the capabilities that have been put in place and begin to realise the potential of our investments. Our energy and focus has substantively returned to the basics of good retailing. There is no area of the Group that has not been inspected in the past six months and we made improvements in all of them.

We were extremely proud to be voted the number 1 grocery store and overall favourite retail brand in South Africa in the Sunday Times Top Brands awards.

This is a strong endorsement by customers of our brand, our offering, the service we provide and the hard work we have put in over the last few years. Yet we remain far from satisfied with our performance and know that we can and will continue to make substantial improvements to the shopping trip.

We have made good progress across the supply chain, resulting in an enhanced product range, improved stock availability and better quality fresh produce. We continue to support our customers and have invested some of our margin improvements back into price through more targeted and relevant promotions, keeping our food selling price inflation at 4.2% for the six months (2012: 7.5%), well below food CPI of 6.4% for the period.

Review of operations continued

Although we are confident that our stores are starting to improve, reducing our operating costs remains a priority. We will take the action necessary to remain agile in this competitive market and deliver improved returns to shareholders.

Clearer way forward

We know there is significant potential in the business and we have a clear plan to realise it. More than ever, our aim is to meet the needs and aspirations of our customers, staff, communities and shareholders.

OPERATIONAL REVIEW

We have broad appeal across all income groups, from lower income communities to the most affluent households. The key to success in retail – and the heart of any good business – is to appeal broadly, to exclude nobody, and to move hand-in-hand with customers' needs and aspirations. With its rich history of inclusiveness and its deep well of customer loyalty, Pick n Pay is uniquely positioned to do this successfully. We opened 44 new stores across all formats during the period, and closed nine under-performing stores in order to maintain the quality of our offering.

The Group is managed through two divisions, the South Africa Division and the Africa Division. The South Africa Division operates in various formats under the Pick n Pay and Boxer brands. The Africa Division is responsible for the Group's expansion into the rest of Africa and operates in Namibia, Lesotho, Swaziland, Mozambique, Mauritius, Botswana, Zimbabwe and Zambia.

We opened 38 stores in South Africa during the period. There is ample opportunity to expand our footprint in South Africa, particularly into areas where we have not yet traded. We were delighted to open stores in Chatsworth, KwaMashu, Hammarsdale, Burgersfort, Pongola, and Elim during the period, all areas in which Pick n Pay has never operated before.

The Africa Division continues to grow steadily with six store openings across Zambia, Mozambique, Namibia and Zimbabwe during the period.

We now have more than 1 000 stores, consisting of 594 owned and 433 franchise stores, across multiple formats and in eight countries. In addition, 51 stores are operated in Zimbabwe, by our associate TM Supermarkets, two of which trade successfully under the Pick n Pay banner.

While the Group remains focused on our core South African business, we continue to look for profitable and sustainable growth opportunities in the rest of Africa.

We are encouraged by the progress we have made during the period under review:

- We have improved efficiencies and reduced costs at our distribution centres. Grocery volume through our central distribution channel is up 16.4%, with an overall reduction in cost per case of 2.4% at Longmeadow. We have improved the stock availability of our top 1 000 product lines by 3.3%, growing the sales of these lines by 9.2%;
- Working closely with suppliers we are improving product ranges, reducing prices and providing more targeted promotions;
- We have refreshed our smart shopper loyalty programme, making it simpler for customers to use, with instant rewards and more benefits, and have reduced the operating costs of the programme by 20%;

Pick n Pay Group

- We have grown Pick n Pay Online into one of South Africa's top online businesses, with turnover growth of 24.0% on last year and an increase in online shoppers of 15.8%. We are the first retailer in South Africa to offer 1 hour delivery time slots for groceries;
- Our investment in information systems has resulted in fundamental improvements in our forecast and replenishment capabilities, an enhanced financial reporting platform and the roll-out of a world class point of sale system;
- We have made good progress with the centralisation of our finance and administration functions. This will reduce cost and increase efficiency by eliminating the duplication of processes around the country; and
- We have reviewed and restructured our support office function to create a more effective and efficient organisation.

FINANCIAL REVIEW

The Group implemented a 52-week financial reporting calendar in February 2013. The 2014 interim financial period consists of 26 weeks, beginning 3 March 2013 and ending on 1 September 2013, which is two trading days fewer than the comparative period. In order to ensure accurate comparability we have presented the prior period numbers to accord with the new financial calendar in this commentary. A comparison on this basis gives a more accurate and relevant assessment of our performance. Please refer to the table presented at the beginning of this announcement for published prior period numbers.

Turnover

Group turnover increased by 7.5% to R30.1 billion (2012: R28.0 billion). Like-for-like turnover growth was 3.1% and new stores contributed 1.7% to our trading space and 4.4% to sales.

Point of sale turnover growth is more in line with the retail market, with total till sales from both owned and franchise stores growing by 8.1% on last year (like-for-like growth of 4.0%).

Pick n Pay internal food price inflation for the period was 4.2% (2012: 7.5%), against CPI food inflation of 6.4%.

While turnover growth remains under pressure, it is against a backdrop of a depressed economic environment in which our consumers struggle under increasing costs of basic services, high levels of unemployment and rising household debt. At the same time, competition within the retail industry remains fierce. We believe that our relentless focus on value, quality and service is winning customers back to Pick n Pay, and we are once again growing in line with the market.

Gross profit

Gross profit at R5 457 million showed a 0.4 percentage point improvement in margin at 18.1% of turnover. We are encouraged by the margin enhancement, which is due in part from cost savings and efficiencies achieved in our supply chain.

We are pleased with the improvements we are seeing at our Longmeadow Distribution Centre in Johannesburg which, having provided significant challenges in the past, has reduced operating costs and is producing significantly improved service to stores. While there is still much work to do to harness the full potential of the facility, we are pleased with the progress made since bringing the management of the facility in-house. Our Philippi Distribution Centre in the Western Cape continues to perform well, providing us with a sound benchmark of how central distribution can work to the full advantage of the Group. We will be rolling out some of Philippi's world-class functionality to our other distribution centres around the country.

Review of operations continued

Trading profit

The trading margin, at 1.1% of turnover, shows a 0.2 percentage point improvement on last year. Total expenses have increased by 9.4%. Like-for-like expense growth is 6.2%, with 3.2% of total expense growth being attributable to new stores opened in the past year.

The following have contributed to the increase in operating expenses:

- We continue to see our customers switching their form of tender from cash and debit cards to credit cards, which comes at a significantly increased cost for the Group. We will work closely with South African banks to make sure that credit card charges are more reflective of their underlying cost;
- Occupancy costs increased in line with the increase in new stores; and
- We have reached a new three-year wage agreement with our labour unions. We will work together with our unions to further improve our productivity, in order to manage labour costs, which are a major portion of our trading expenses.

We have maintained strong fiscal control of the business and have taken action to further reduce our costs, particularly in respect of support office overheads, the consequences of which will be evident in the next financial year.

Interest

The net interest expense of R54.9 million is up R16.4 million on last year (2012: R38.5 million) due to increased short-term borrowings over the period, necessitated by our investment in new stores and the increased inventory required.

Earnings per share

Headline earnings per share (HEPS) increased 13.6%, from 35.91 to 40.81 cents per share. The new 52-week financial reporting calendar reduced the current reporting period by two trading days, which impacted HEPS by 5.85 cents per share. If the impact of the new calendar is excluded, the increase on the prior period is 35.8%.

Basic earnings per share (EPS) increased 6.1%, from 37.73 to 40.05 cents per share. The new 52-week financial reporting calendar reduced the current reporting period by two trading days, which impacted EPS by 5.85 cents per share. If the impact of the new calendar is excluded, the increase on the prior period is 25.6%.

Financial position

	1 September 2013 Sunday Rm	31 August 2012 Friday Rm
Inventory	3 950.7	3 981.1
Trade and other receivables	2 389.9	2 163.6
Cash and cash equivalents	1 340.3	1 044.8
Current liabilities	(9 157.2)	(8 672.7)
Net working capital	(1 476.3)	(1 483.2)

Our level of net working capital is in line with last year. Although the value of inventory appears only marginally down on last year, once the impact of provisioning new stores is taken into account, inventory in like-for-like stores has reduced by R190 million or 4.8%. The increase in trade and other receivables is due to new franchise stores. The Group used short-term borrowings under its DMTN programme effectively during the period, receiving competitive interest rates in the capital markets.

Shareholder dividends

In line with our review of all aspects of the business, the Board has moderated its annual dividend cover to 1.5 times headline earnings per share. This has resulted in an interim dividend of 14.80 cents which is up 0.3% on the previous year.

Pick n Pay Group

PROSPECTS

Over the course of the last six months we have delivered an improved performance, built a stronger business and agreed on a clearer plan for the future. We are determined that Pick n Pay customers will benefit from our investment in infrastructure through improved availability, choice, quality and price. Our management team is resolute in improving our customer offering, to ensure we stay the customers' favourite grocery store.



Gareth Ackerman
Chairman

21 October 2013

DIVIDEND DECLARATIONS

In line with our review of all aspects of the business, the Board has moderated its annual dividend cover to 1.5 times headline earnings per share.

Pick n Pay Stores Limited – Tax reference number: 9275/141/71/2

Number of shares in issue: 480 397 321

Notice is hereby given that the directors have declared a final gross dividend (number 91) of 14.80 cents per share out of income reserves.

The dividend declared is subject to dividend withholding tax at 15%.

There is no secondary tax on companies to be taken into account when determining the dividend tax to withhold.

The tax payable is 2.22 cents per share, leaving shareholders who are not exempt from dividends tax with a net dividend of 12.58 cents per share.

Pick n Pay Holdings Limited – Tax reference number: 9050/141/71/3

Number of shares in issue: 527 249 082

Notice is hereby given that the directors have declared a final gross dividend (number 64) of 7.20 cents per share out of income reserves.

The dividend declared is subject to dividend withholding tax at 15%.

There is no secondary tax on companies to be taken into account when determining the dividend tax to withhold.

The tax payable is 1.08 cents per share, leaving shareholders who are not exempt from dividends tax with a net dividend of 6.12 cents per share.

Dividend dates

The last day of trade in order to participate in the dividend (CUM dividend) will be Friday, 6 December 2013.

The shares will trade EX dividend from the commencement of business on Monday, 9 December 2013 and the record date will be Friday, 13 December 2013. The dividends will be paid on Tuesday, 17 December 2013.

Share certificates may not be dematerialised or rematerialised between Monday, 9 December 2013 and Friday, 13 December 2013, both dates inclusive.

On behalf of the boards of directors



Debra Muller
Company Secretary

21 October 2013

Consolidated statement of comprehensive income

	Unaudited		Audited	
	Period to 1 September 2013 Rm 182 days	Change %	Period to 31 August 2012 Rm 184 days	
			Period to 3 March 2013 Rm 368 days	
Revenue	30 278.0	6.3	28 487.7	59 658.5
Turnover	30 067.6	6.2	28 306.0	59 271.3
Cost of merchandise sold	(24 611.1)	5.6	(23 310.8)	(48 761.4)
Gross profit	5 456.5	9.2	4 995.2	10 509.9
Other trading income	191.2	23.7	154.6	344.4
Trading expenses	(5 330.2)	9.4	(4 874.1)	(10 001.9)
Employee costs	(2 677.9)	11.0	(2 413.0)	(4 952.0)
Occupancy	(869.6)	19.0	(731.0)	(1 500.5)
Operations	(1 173.1)	(1.7)	(1 193.0)	(2 363.9)
Merchandising and administration	(609.6)	13.5	(537.1)	(1 185.5)
Trading profit	317.5	15.2	275.7	852.4
(Loss)/profit on sale of property, equipment and vehicles and intangible assets	(5.2)	(142.3)	12.3	21.6
Interest received	19.2	(29.2)	27.1	42.8
Interest paid	(74.1)	13.0	(65.6)	(131.3)
Share of associate's income	14.4	48.5	9.7	23.4
Profit before tax	271.8	4.9	259.2	808.9
Tax	(80.2)	1.8	(78.8)	(258.3)
Profit for the period	191.6	6.2	180.4	550.6
Other comprehensive income, net of tax	1.0		1.6	6.5
Exchange rate differences on translating foreign operations	(3.7)		5.1	5.1
Remeasurement in other comprehensive income	4.7		(3.5)	1.4
Total comprehensive income for the period	192.6	5.8	182.0	557.1
EBITDA	810.5	9.9	737.4	1 793.1
Earnings per share – cents				
Basic	40.05	6.1	37.73	115.14
Diluted basic	39.69	6.9	37.13	113.39
Headline earnings per share – cents	40.81	13.6	35.91	111.30
Diluted headline earnings per share – cents	40.45	14.5	35.34	109.61

Consolidated statement of financial position

	Unaudited		Audited
	As at 1 September 2013 Rm	As at 31 August 2012 Rm	As at 3 March 2013 Rm
ASSETS			
Non-current assets			
Intangible assets	959.5	907.0	947.9
Property, equipment and vehicles	3 980.7	3 817.5	3 917.7
Operating lease asset	116.3	95.5	105.5
Participation in export partnerships	25.4	38.0	28.1
Deferred tax assets	205.4	171.1	174.4
Investment in associate	148.3	120.2	133.9
Loans	95.1	85.1	98.5
Available-for-sale investment	0.2	0.2	0.2
Retirement scheme assets	12.0	–	1.8
	5 542.9	5 234.6	5 408.0
Current assets			
Inventory	3 950.7	3 981.1	3 996.5
Trade and other receivables	2 389.9	2 163.6	2 360.9
Cash and cash equivalents	1 340.3	1 044.8	1 255.7
	7 680.9	7 189.5	7 613.1
Total assets	13 223.8	12 424.1	13 021.1
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	6.0	6.0	6.0
Treasury shares	(140.1)	(135.1)	(139.4)
Retained earnings	2 458.6	2 240.3	2 562.6
Foreign currency translation deficit	(16.9)	(13.2)	(13.2)
Total shareholders' interest	2 307.6	2 098.0	2 416.0
Non-current liabilities			
Borrowings	772.3	772.7	772.5
Retirement scheme obligations	–	1.3	–
Operating lease liability	986.7	879.4	924.6
	1 759.0	1 653.4	1 697.1
Current liabilities			
Bank overdraft and overnight borrowings	–	–	1 525.6
Borrowings	829.6	686.6	431.5
Tax	80.2	136.8	82.8
Trade and other payables	8 240.7	7 847.3	6 865.0
Derivative financial instruments	6.7	2.0	3.1
	9 157.2	8 672.7	8 908.0
Total equity and liabilities	13 223.8	12 424.1	13 021.1
Number of shares in issue – millions	480.4	480.4	480.4
Weighted average number of shares in issue – millions	478.4	478.1	478.1
Net asset value – cents per share (property value based on directors' valuation)	543.1	514.2	586.0

Consolidated statement of changes in equity

for the period ended 1 September 2013

Unaudited	Share capital Rm	Treasury shares Rm	Retained earnings Rm	Foreign currency translation deficit Rm	Total Rm
At 1 March 2012	6.0	(142.8)	2 559.2	(18.3)	2 404.1
Total comprehensive income for the period	–	–	176.9	5.1	182.0
Profit for the period			180.4		180.4
Exchange rate differences on translating foreign operations				5.1	5.1
Remeasurement in other comprehensive income			(3.5)		(3.5)
Transactions with owners	–	7.7	(495.8)	–	(488.1)
Dividends paid			(513.4)		(513.4)
Share repurchases		(30.5)			(30.5)
Net effect of settlement of employee share options		38.2	(26.3)		11.9
Share options expense			43.9		43.9
At 31 August 2012	6.0	(135.1)	2 240.3	(13.2)	2 098.0
Total comprehensive income for the period	–	–	375.1	–	375.1
Profit for the period			370.2		370.2
Remeasurement in other comprehensive income			4.9		4.9
Transactions with owners	–	(4.3)	(52.8)	–	(57.1)
Dividends paid			(70.1)		(70.1)
Share repurchases		(47.4)			(47.4)
Net effect of settlement of employee share options		43.1	(30.1)		13.0
Share options expense			47.4		47.4
At 3 March 2013	6.0	(139.4)	2 562.6	(13.2)	2 416.0
Total comprehensive income for the period	–	–	196.3	(3.7)	192.6
Profit for the period			191.6		191.6
Exchange rate differences on translating foreign operations				(3.7)	(3.7)
Remeasurement in other comprehensive income			4.7		4.7
Transactions with owners	–	(0.7)	(300.3)	–	(301.0)
Dividends paid			(328.2)		(328.2)
Share repurchases		(10.6)			(10.6)
Net effect of settlement of employee share options		9.9	(6.8)		3.1
Share options expense			34.7		34.7
At 1 September 2013	6.0	(140.1)	2 458.6	(16.9)	2 307.6

Consolidated statement of cash flows

	Unaudited	Audited	
	Period to 1 September 2013 Rm 182 days	Period to 31 August 2012 Rm 184 days	Period to 3 March 2013 Rm 368 days
Cash flows from operating activities			
Trading profit	317.5	275.7	852.4
Depreciation and amortisation	478.8	439.7	895.5
Share options expense	34.7	43.9	91.3
Net operating lease liability	51.4	39.6	74.8
Cash generated before movements in working capital	882.4	798.9	1 914.0
Movements in working capital	1 395.0	138.6	(1 012.1)
Increase/(decrease) in trade and other payables	1 375.4	824.7	(152.4)
Decrease/(increase) in inventory	45.8	(639.9)	(626.0)
Increase in trade and other receivables	(26.2)	(46.2)	(233.7)
Cash generated by trading activities	2 277.4	937.5	901.9
Interest received	19.2	27.1	42.8
Interest paid	(74.1)	(65.6)	(131.3)
Cash generated by operations	2 222.5	899.0	813.4
Dividends paid	(328.2)	(513.4)	(583.5)
Tax paid	(113.1)	(84.8)	(311.6)
Cash generated by/(utilised in) operating activities	1 781.2	300.8	(81.7)
Cash flows from investing activities			
Investment in intangible assets, property, equipment and vehicles	(557.7)	(579.0)	(1 212.5)
Intangible asset additions	(103.8)	(123.0)	(242.4)
Property additions	(30.3)	(80.0)	(166.5)
Equipment and vehicle additions and leasehold improvements	(423.6)	(376.0)	(803.6)
Purchase of operations	-	(94.4)	(118.3)
Proceeds on disposal of intangible assets, property, equipment and vehicles	15.2	192.2	231.5
Loans repaid/(advanced)	3.5	(4.3)	(17.7)
Cash utilised in investing activities	(539.0)	(485.5)	(1 117.0)
Cash flows from financing activities			
Borrowings raised/(repaid)	397.9	(5.3)	(260.5)
Share repurchases	(10.6)	(30.5)	(77.9)
Proceeds from employees on settlement of share options	0.6	1.7	2.9
Cash generated by/(utilised in) financing activities	387.9	(34.1)	(335.5)
Net increase/(decrease) in cash and cash equivalents	1 630.1	(218.8)	(1 534.2)
Cash and cash equivalents at beginning of period	(269.9)	1 271.7	1 271.7
Effect of exchange rate fluctuations on cash and cash equivalents	(19.9)	(8.1)	(7.4)
Net cash and cash equivalents at end of period	1 340.3	1 044.8	(269.9)
Consisting of:			
Cash and cash equivalents	1 340.3	1 044.8	1 255.7
Bank overdraft and overnight borrowings	-	-	(1 525.6)

Notes to the financial information

for the period ended 1 September 2013

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim condensed consolidated financial statements for the period ended 1 September 2013 have been prepared in accordance with IAS 34 and International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act No 71 of 2008, as amended, and in compliance with the Listings Requirements of the JSE Limited. The accounting policies and methods of computation applied are consistent with those applied in preparation of the annual financial statements for the period ended 3 March 2013. The interim condensed consolidated financial statements have been prepared by the Pick n Pay Finance Division under the supervision of the Chief Finance Officer, Mr Aboubakar (Bakar) Jakoet CA(SA). The information contained in the interim report has neither been audited nor reviewed by the Group's external auditors.

2. CHANGE IN FINANCIAL PERIOD CUT-OFF DATE

During the financial period ended 3 March 2013 the Group adopted a 52-week financial reporting calendar for all future financial periods. This change aligned financial reporting with Group operational structures and will improve comparative reporting to both internal and external stakeholders.

As a result, the 2014 interim financial period ended on 1 September 2013 consisted of 182 trading days compared to the comparative period ended 31 August 2012 of 184 trading days. The additional trading days included in the prior period result had the following estimated impact on the consolidated financial statements. There was no impact on working capital.

	Unaudited
	Rm
Statement of comprehensive income	
Turnover	333.8
Net profit after tax	28.0

3. RELATED PARTIES

During the period, certain companies within the Group entered into transactions with each other. These intra-group transactions are eliminated on consolidation. Related parties are unchanged from those reported at 3 March 2013. For further information please refer to note 27 of the 2013 Group annual financial statements and note 9 of the 2013 Company annual financial statements.

4. SHARE CAPITAL

	Unaudited	Audited	
	1 September 2013 Rm	31 August 2012 Rm	3 March 2013 Rm
Authorised			
800 000 000 ordinary shares of 1.25 cents each	10.0	10.0	10.0
Issued			
480 397 321 ordinary shares of 1.25 cents each	6.0	6.0	6.0
	000's	000's	000's
The number of shares in issue at end of period is made up as follows:			
Treasury shares held in the share trust	2 020.0	2 121.6	2 046.6
Shares held outside the Group	478 377.3	478 275.7	478 350.7
Total shares in issue at end of period	480 397.3	480 397.3	480 397.3

Under a general authority, 24 million of the unissued shares remain under the control of the directors until the next annual general meeting (5% of the issued share capital of the Company).

In addition to the general authority above, 63.9 million unissued shares (13.3% of issued shares) remain under the control of the directors to implement the terms and provisions of the Pick n Pay 1997 Share Option Scheme.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

Notes to the financial information continued

for the period ended 1 September 2013

5. OPERATING SEGMENTS

Unaudited	South Africa Rm	Africa Rm	Total operations Rm
2013			
Total revenue	29 046.9	1 596.2	30 643.1
External revenue	29 046.9	1 231.1	30 278.0
Direct deliveries*	–	275.0	275.0
Inter-segment revenue	–	90.1	90.1
External turnover	28 561.5	1 506.1	30 067.6
Profit before tax	206.7	65.1	271.8
Other information			
Statement of comprehensive income			
Interest received	19.1	0.1	19.2
Interest paid	73.8	0.3	74.1
Depreciation and amortisation	469.2	9.6	478.8
Share of associate's income	–	14.4	14.4
Statement of financial position			
Total assets	12 447.6	776.2	13 223.8
Total liabilities	10 382.8	533.4	10 916.2
2012			
Total revenue	27 643.4	1 219.6	28 863.0
External revenue	27 643.4	844.3	28 487.7
Direct deliveries*	–	329.4	329.4
Inter-segment revenue	–	45.9	45.9
External turnover	27 132.3	1 173.7	28 306.0
Profit/(loss) before tax	212.1	47.1	259.2
Other information			
Statement of comprehensive income			
Interest received	27.0	–	27.1
Interest paid	63.9	–	65.6
Depreciation and amortisation	433.3	6.4	439.7
Share of associate's income	–	9.7	9.7
Statement of financial position			
Total assets	11 932.7	491.4	12 424.1
Total liabilities	9 942.1	384.0	10 326.1

* Direct deliveries are issues to franchisees directly by Group suppliers facilitated through the Group's supply chain

6. HEADLINE EARNINGS RECONCILIATION

	Unaudited		Audited
	1 September 2013 Rm 182 days	31 August 2012 Rm 184 days	3 March 2013 Rm 368 days
Basic earnings (profit for the period)	191.6	180.4	550.6
Adjustments:	3.6	(8.7)	(18.4)
Loss/(profit) on sale of property, equipment and vehicles and intangible assets	5.2	(12.3)	(21.6)
Tax effect of (loss)/profit on sale of property, equipment and vehicles and intangible assets	(1.6)	3.6	3.2
Headline earnings	195.2	171.7	532.2

Pick n Pay Holdings Limited (“Pikwik”)

Registration number 1981/009610/06

JSE share code: PWK

ISIN: ZAE000005724

Pikwik’s only asset is its 53.80% (2012: 53.81%) effective holding in Pick n Pay Stores Limited (excluding treasury shares). The Pikwik Group earnings are directly related to those of this investment.

Basic earnings for the period amount to R102.5 million (2012: R96.5 million).

Basic earnings per share is 19.86 cents (2012: 18.68 cents).

Diluted basic earnings per share is 19.50 cents (2012: 18.19 cents).

Headline earnings for the period amount to R104.5 million (2012: R91.8 million).

Headline earnings per share is 20.24 cents (2012: 17.78 cents).

Diluted headline earnings per share is 19.88 cents (2012: 17.31 cents).

The total number of shares in issue is 527.2 million (2012: 527.2 million) and the weighted average number of shares in issue during the period is 516.3 million (2012: 516.4 million).

Pikwik’s interim dividend per share is 7.20 cents (2012: 7.17 cents per share), an increase of 0.4%.

Corporate information

PICK N PAY STORES LIMITED

BOARD OF DIRECTORS

Executive

RWP Brasher (CEO) (British)
RSJ van Rensburg (deputy CEO)
A Jakoet (CFO)
JG Ackerman
SD Ackerman-Berman

Non-executive

GM Ackerman (Chairman)
D Robins (German)

Independent non-executive

HS Herman
L Phalatse
BJ van der Ross
J van Rooyen

PICK N PAY HOLDINGS LIMITED

BOARD OF DIRECTORS

Non-executive

RD Ackerman (Chairman)
GM Ackerman
W Ackerman

Independent non-executive

RP de Wet
HS Herman
J van Rooyen

Alternate

JG Ackerman
SD Ackerman-Berman
D Robins (German)

REGISTERED OFFICE

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Investor relations: www.picknpayinvestor.co.za

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Sandton 2196

COMPANY SECRETARY

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Pick n **P**ay