



UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS AND CASH DIVIDEND DECLARATION for the six months ended 31 December 2009

Operating profit **+19.4%**
 Headline earnings **+16.0%**
 Dividend per share **+18.5%**



FINANCIAL AND OPERATIONAL PERFORMANCE

Spur Corporation has delivered a solid performance in the current economic environment. The group posted a 6.0% growth in revenue to R179.5 million (2008: R169.4 million), sustained by support from its growing loyal customer base.

Recessionary pressures continued to impact the restaurant industry locally and internationally as lower discretionary spending has reduced the frequency of visits to restaurants. Food inflation again necessitated a menu price increase but this was limited to 4% during the period.

Spur Steak Ranches increased restaurant turnover by 7.3%, Panarottis Pizza Pasta turnover grew by 5.3% and John Dory's Fish & Grill was up by 17.4%.

Franchise fee income in Spur increased by 8.8% to R65.5 million, Panarottis by 7.7% to R5.6 million and John Dory's by 29.5% to R4.5 million. International franchise fee income declined by 8.7% to R5.8 million, impacted by the strengthening of the Rand against the other currencies in which Spur trades.

Profit before tax increased 17.4% to R68.5 million. Excluding one-off items such as foreign exchange losses and start-up costs on international restaurants in the current and prior periods, comparable profit before tax would have increased by 13.0%.

Headline earnings increased 16.0% to R45.4 million (2008: R39.1 million), with diluted headline earnings per share growing 14.0% to 50.46 cents (2008: 44.25 cents).

An interim cash dividend of 32.0 cents per share has been declared, an increase of 18.5% over the previous year.

RESTAURANT EXPANSION

Six new Spur, three Panarottis and four John Dory's restaurants were opened in South Africa during the reporting period. Internationally, a new Spur franchised restaurant was opened in Mandurah (Western Australia), a company-controlled outlet was opened in Aberdeen (Scotland), and a new franchised restaurant in Maseru (Lesotho) brought the total number of restaurants in the African (outside of South Africa) region to 17.

A summary of the group's restaurant profile at 31 December 2009 is as follows:

Franchise brand	South Africa	International	Total
Spur Steak Ranches	244	31	275
Panarottis Pizza Pasta	53	6	59
John Dory's Fish & Grill	25	-	25
Total	322	37	359

PROSPECTS

The past few months have seen improving consumer sentiment owing to lower interest rates, stabilising inflation and higher real wage increases. Many economists do not expect a meaningful upturn in consumer spending for the balance of the year in anticipation of consumers exercising prudence due to economic pressures, such as rising energy costs.

In this environment, value and affordability remain our primary focus. We are determined to remain competitive through adhering to brand fundamentals and our strategic focus of delivering great food, service and a fun environment.

Management is committed to working with franchisees to enhance operational, procurement and distribution efficiencies to mitigate cost pressures and sustain profitability.

The FIFA 2010 World Cup heralds an exciting time for the country and support from our loyal customers, combined with the extended mid-year school holiday, should impact favourably on trading during this period.

Spur Corporation will continue to pursue its strategy of restaurant expansion locally and abroad, and plans to open several restaurants in South Africa in the remainder of the financial year. The group opened its first franchised Spur Steak Ranch in Dubai in January 2010. Further opportunities are being investigated in the international territories in which we trade.

INTERIM CASH DIVIDEND

In accordance with a general authority given to the directors at the annual general meeting held on 11 December 2009, shareholders are advised that the board of directors of the company has approved a cash dividend of R31.2 million, which equates to 32.0 cents per share.

The cash dividend will be paid on Tuesday, 23 March 2010, to those shareholders of the company who are recorded in the company's register on Friday, 19 March 2010 ("the record date").

The last day to trade (cum dividend) in the company's shares for purposes of entitlement to the dividend will be Friday, 12 March 2010. The shares will commence trading ex dividend on Monday, 15 March 2010.

Share certificates may not be dematerialised or rematerialised between Monday, 15 March 2010 and Friday, 19 March 2010, both days inclusive.

For and on behalf of the Board

A Ambor (Executive Chairman)

P van Tonder (Managing Director)

Cape Town
23 February 2010

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Unaudited six months ended 31/12/09	Unaudited six months ended 31/12/08	% change	Audited year ended 30/06/09
Revenue	179 450	169 371	6.0	326 774
Operating profit before finance income	65 854	55 135	19.4	97 661
Net finance income	2 658	3 411		6 219
Share of loss of equity accounted investees (net of income tax)	-	(178)		(1 465)
Profit before tax	68 512	58 368	17.4	102 415
Total income tax expense	(22 693)	(18 971)		(38 574)
Profit for the period	45 819	39 397	16.3	63 841
Other comprehensive income/(losses):	(6 130)	(5 168)		(18 033)
Exchange differences on translating foreign operations	(5 923)	(8 831)		(19 129)
Income tax relating to components of other comprehensive income	(207)	3 663		1 096
Total comprehensive income for the period	39 689	34 229		45 808
Profit attributable to:				
Owners of the company	45 381	39 125		63 264
Non-controlling interest	438	272		577
Profit for the period	45 819	39 397		63 841
Total comprehensive income attributable to:				
Owners of the company	39 344	34 069		45 374
Non-controlling interest	345	160		434
Total comprehensive income for the period	39 689	34 229		45 808
Per share (cents)				
Basic earnings	51.65	44.49	16.1	71.94
Diluted earnings	50.46	44.25	14.0	70.61
Distribution	32.00	27.00	18.5	55.00

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Unaudited at 31/12/09	Unaudited at 31/12/08	Audited at 30/06/09
ASSETS			
Non-current assets	402 119	413 406	398 399
Property, plant and equipment	87 689	88 370	84 429
Intangible assets and goodwill	279 714	281 419	279 970
Investments and loans	15 075	16 941	14 651
Deferred tax	17 299	23 959	16 618
Other non-current asset	2 342	2 717	2 731
Current assets	150 943	151 408	147 840
Inventory	5 262	7 225	6 066
Trade and other receivables	65 577	64 734	54 320
Current tax asset	4 120	3 831	3 567
Cash and cash equivalents	75 984	75 618	83 887
TOTAL ASSETS	553 062	564 814	546 239
EQUITY			
Total equity	407 177	445 898	434 320
Ordinary share capital	1	1	1
Share premium	6	7	6
Shares repurchased by subsidiaries	(29 910)	(25 349)	(25 349)
Foreign currency translation reserve	2 851	21 722	8 888
Share-based payments reserve	-	19 792	20 554
Retained earnings	429 956	425 504	425 919
Total equity attributable to equity holders of the company	402 904	441 677	430 019
Non-controlling interest	4 273	4 221	4 301
LIABILITIES			
Non-current liabilities	63 583	58 810	60 237
Long-term loans payable	9 289	13 741	11 413
Operating lease liability	3 271	996	1 352
Deferred tax	51 023	44 073	47 472
CURRENT LIABILITIES	82 302	60 106	51 682
Trade and other payables	55 302	48 436	42 080
Shareholders for distribution	1 748	463	398
Tax payable	20 185	7 892	6 351
Bank overdraft	5 067	3 315	2 853
TOTAL EQUITY AND LIABILITIES	553 062	564 814	546 239

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Unaudited six months ended 31/12/09	Unaudited six months ended 31/12/08	Audited year ended 30/06/09
Operating profit before working capital changes	71 780	64 475	118 205
Working capital changes	(2 229)	(15 548)	(6 321)
Cash generated from operations	69 551	48 927	111 884
Net interest received	2 658	3 411	5 803
Tax paid	(18 094)	(17 166)	(34 292)
Distributions paid	(47 970)	(23 932)	(47 722)
Net cash flow from operating activities	6 145	11 240	35 673
Cash flow from investing activities	(16 193)	1 817	(15 546)
Cash flow from financing activities	(60)	(3 824)	(3 550)
Net movement in cash and cash equivalents	(10 108)	9 233	16 577
Effect of foreign exchange fluctuations	(9)	(1 533)	(146)
Net cash and cash equivalents at beginning of period	81 034	64 603	64 603
Net cash and cash equivalents at end of period	70 917	72 303	81 034

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Ordinary share capital & share premium (net of treasury shares)	Other reserves	Retained earnings and non-controlling interest/(deficit)	Total
Balance at 1 July 2008	(12 969)	45 808	404 263	437 102
Total comprehensive income for the year	-	(17 890)	63 698	45 808
Profit for the year	-	-	63 841	63 841
Other comprehensive income	-	(17 890)	(143)	(18 033)
Transactions with owners, recorded directly in equity	(12 373)	1 524	(37 547)	(48 396)
Contributions by and distributions to owners	(12 373)	1 524	(37 547)	(48 396)
Own shares acquired	(2 013)	-	-	(2 013)
Distributions to equity holders (net of taxes)	(10 360)	-	(37 547)	(47 907)
Share-based payments transactions (net of tax)	-	1 524	-	1 524
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	(194)	(194)
Acquisition of minority interest in subsidiary	-	-	(194)	(194)
Total transactions with owners, recorded directly in equity	(12 373)	1 524	(37 741)	(48 590)
Balance at 30 June 2009	(25 342)	29 442	430 220	434 320
Total comprehensive income for the period	-	(6 037)	45 726	39 689
Profit for the period	-	-	45 819	45 819
Other comprehensive income	-	(6 037)	(93)	(6 130)
Transactions with owners, recorded directly in equity	(4 561)	(20 554)	(41 717)	(66 832)
Contributions by and distributions to owners	(4 561)	(20 554)	(41 717)	(66 832)
Distributions to equity holders	-	-	(24 975)	(24 975)
Impact of incentive scheme (including tax) (note 2)	(4 561)	-	(38 507)	(43 068)
Share-based payments transactions (net of tax)	-	1 211	-	1 211
Transfer of share-based payment reserve to retained earnings	-	(21 765)	21 765	-
Balance at 31 December 2009	(29 903)	2 851	434 229	407 177

ABRIDGED CONSOLIDATED OPERATING SEGMENT REPORT

R'000	Unaudited six months ended 31/12/09	Unaudited six months ended 31/12/08	Unaudited year ended 30/06/09
External revenues			
Manufacturing	46 126	41 988	79 490
Franchise - South Africa	75 042	68 383	132 761
Other South Africa	8 806	8 601	17 793
Total South Africa segments	129 974	118 972	230 044
United Kingdom	30 086	28 702	55 840
Australia	16 291	18 175	34 048
Other International	3 099	3 522	6 842
Total International segments	49 476	50 399	96 730
TOTAL EXTERNAL REVENUES	179 450	169 371	326 774
Profit/(loss) before tax			
Manufacturing	20 351	17 459	33 534
Franchise - South Africa	59 760	55 235	105 922
Other South Africa	(77)	(715)	(1 531)
Total South Africa segments	80 034	71 979	137 925
Unallocated - South Africa	(12 466)	(10 861)	(21 978)
Total South Africa	67 568	61 118	115 947
United Kingdom	(257)	245	(1 540)
Australia	522	(1 674)	(11 824)
Other International	2 653	3 152	5 966
Total International segments	2 918	1 723	(7 398)
Unallocated - International	(1 974)	(4 473)	(6 134)
Total International	944	(2 750)	(13 532)
TOTAL PROFIT/(LOSS) BEFORE TAX	68 512	58 368	102 415

The basis for reporting segmental financial information has been changed to accord with IFRS 8: Operating Segments. Previously, segmental information was provided by organising the group into three major operating divisions. With the implementation of IFRS 8, operating segments were identified based on financial information regularly reviewed by the Spur Corporation Limited Board (identified as the Chief Operating Decision Maker ("CODM") of the Group for IFRS 8 reporting purposes) for performance assessments and resource allocations. The Group early adopted the amendment to IFRS 8, which becomes effective for annual periods beginning on or after 1 January 2010, which does not require segment assets to be disclosed if such information is not regularly provided to the CODM. Accordingly, segment assets have not been disclosed.

RECONCILIATION OF HEADLINE EARNINGS

R'000	Unaudited six months ended 31/12/09	Unaudited six months ended 31/12/08	% change	Audited year ended 30/06/09
Profit attributable to ordinary shareholders	45 381	39 125	16.0	63 264
Headline earnings adjustments:				
Impairment of goodwill	-	-	-	1 583
Impairment of property, plant and equipment	-	-	-	8 461
(Profit)/loss on disposal of property, plant and equipment	(12)	-	-	1 168
Headline earnings	45 369	39 125	16.0	74 476

SUPPLEMENTARY INFORMATION

	Unaudited six months ended 31/12/09	Unaudited six months ended 31/12/08	% Change	Audited year ended 30/06/09
Shares in issue (000's) (note 3)	87 865	87 865		87 865
Weighted average number of shares in issue (000's)	87 865	87 942		87 942
Headline earnings per share (cents)	51.65	44.49	16.1	84.69
Diluted headline earnings per share (cents)	50.46	44.25	14.0	83.12
Net asset value per share (cents)	463.41	507.48	(8.7)	494.30

NOTES

- The Group's interim condensed consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting. The accounting policies and methods of computation applied in the preparation of these financial statements are in accordance with IFRS and, except as presented below, are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 30 June 2009. The Group adopted the revised IAS 1, IFRS 8 and Circular 3/2009 (the revised Headline Earnings per Share circular) during the period under review. The presentation of the financial statements (IAS 1) and operating segment disclosures (IFRS 8) have been changed accordingly, with no adjustment necessary on the adoption of Circular 3/2009.
- The first tranche of options/shares granted in terms of the Spur Management Incentive Scheme ("the Scheme") approved by shareholders in General Meeting on 15 December 2004 (as more fully described in note 19 on page 72 of the Annual Report for the year ended 30 June 2009) vested with directors and employees on 18 December 2009. The directors, in accordance with the rules of the Scheme, anticipated the vesting date of the second tranche of options originally intended to vest in December 2010, to 18 December 2009 and furthermore elected to settle all the options/shares in cash. Consequently, no shares were issued external to the group. The price at which all transactions were concluded was the ten-day volume-weighted average price of the company's share from 3 December 2009 to 17 December 2009 (both dates inclusive). Details of directors' dealings were published on SENS on 21 December 2009.
- Shares in issue less shares repurchased by a wholly owned subsidiary company and share incentive special purpose entity.

Directors: A Ambor (Executive Chairman), P van Tonder (Managing Director), M Farrelly, K Getz*, D Hyde*, P Joffe, M Kuzwayo*, K Madders MBE* (British), K Robertson, R van Dijk. Company secretary: R van Dijk [* non-executive]

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

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