



REVIEWED CONDENSED CONSOLIDATED RESULTS AND CASH DIVIDEND DECLARATION for the year ended 30 June 2010

Operating profit **+21.4%**
Headline earnings **+14.2%**



FINANCIAL AND OPERATIONAL PERFORMANCE

Despite continued suppressed trading conditions in the retail market, Spur Corporation enjoyed a successful year and produced a positive set of trading results.

Restaurant turnover in our South African Spur Steak Ranch outlets increased by 9.5%, bringing total restaurant turnover to a new high of R2.5 billion. The Panarottis brand grew restaurant turnover by 7.8% and John Dory's delivered an excellent growth of 23.4% over the prior year.

These results were achieved because of the stringent monitoring of standards, innovative marketing and re-positioning of our menus to factor in an average menu increase of 7.0% across all local brands. This considered increase was based on sales mix calculations, food prices, an assessment of competition and market tolerance. Food prices remained relatively constant during the period, despite fears that the FIFA 2010 World Cup would prove to be an inflationary force. Increases in electricity tariffs, rentals and rates remain areas of operational focus.

Revenue grew by 6.5% from R326.8 million to R348.0 million. Franchise income in Spur grew by 9.9% to R124.4 million; Panarottis by 6.1% to R10.8 million and John Dory's by 30.3% to R8.8 million. International revenue (franchise fee income and restaurant turnover) declined by 4.4% to R92.5 million, impacted by a tough international retail market and a strong rand.

Profit before tax increased by 20.0% to R122.9 million. The continuing recessionary trading environment in the United Kingdom necessitated an impairment of the assets of Yellowstone Spur in Dorby in the East Midlands of the United Kingdom, a region that was particularly hard hit. The impact of this impairment on profit is R8.0 million. Excluding one-off or abnormal items such as foreign exchange fluctuations, foreign restaurant impairments and the share-based payment expense (relating to the group's management incentive scheme) in the current and prior years, comparable operating profit before finance income grew by 15.5%.

Headline earnings increased by 14.2% to R85.1 million (2009: R74.5 million), with diluted headline earnings per share up 13.8% to 94.6 cents (2009: 83.1 cents). A final dividend of 28.0 cents per share has been declared bringing the total dividend for the year to 60.0 cents per share, an increase of 9.1% on the previous year.

RESTAURANT EXPANSION

A highlight of the year was the launch of a smaller-format Spur model for rural areas. A smaller retail area and a simplified menu allows for a substantial reduction in set-up costs compared to the standard format Spur outlet. The initial two outlets have delivered rewarding turnovers and profits. The group intends to roll out this format in the new year.

Locally, the group opened nine new Spurs, three Panarottis and five John Dory's. 18 Spurs, seven Panarottis and two John Dory's were refurbished and six Spur outlets and one John Dory's relocated to better trading locations.

Internationally, new Spur restaurants were opened in Aberdeen (United Kingdom), Maseru (Lesotho), Mandurah (Western Australia) and in Dubai (United Arab Emirates). The first Spur Express outlet was opened in Gaborone (Botswana) and turnovers are encouraging.

The group's current restaurant profile consists of:

Franchise brand	South Africa	International	Total
Spur Steak Ranches	245	32	277
Panarottis Pizza Pasta	50	6	56
John Dory's Fish & Grill	26	-	26
Total	321	38	359

PROSPECTS

Although the economic environment is expected to continue to recover at a slow pace, management does not anticipate a significant improvement in consumer spending in the year ahead. We will ensure that our brands continue to offer an attractive and affordable proposition to our customers, and that franchisee profitability is managed carefully. We are confident that we will remain competitive through tailoring our menus, to keep them topical and competitive. We will strive to maintain our marketing advantage through our creative and focused regional initiatives and we will continue to reinforce our high standards through constant training and our experienced operational teams.

We expect to open 14 new Spur Steak Ranches, four Panarottis and three John Dory's restaurants in the new financial year. Internationally restaurants are scheduled to open in Gateshead (United Kingdom), Lusaka (Zambia) and Lilongwe (Malawi).

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 R27.3 million, which equates to 28.0 cents per share.

The cash dividend will be paid on Monday, 11 October 2010, to those shareholders of the company who are recorded in the company's register on Friday, 8 October 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, 1 October 2010. The shares will commence trading ex dividend on Monday, 4 October 2010.

Share certificates may not be dematerialised or rematerialised between Monday, 4 October 2010 and Friday, 8 October 2010, both days inclusive.

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

Cape Town
15 September 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Reviewed year ended 30/06/10	Audited year ended 30/06/09	% change
Revenue	348 024	326 744	6.5
Operating profit before finance income	118 549	97 661	21.4
Net finance income	4 380	6 219	
Share of loss of equity accounted investees (net of income tax)	-	(1 465)	
Profit before income tax	122 929	102 415	20.0
Income tax expense	(44 562)	(38 574)	
Profit for the year	78 367	63 841	22.8
Other comprehensive losses:	(14 093)	(18 033)	
Exchange differences on translating foreign operations	(11 483)	(19 129)	
Income tax relating to components of other comprehensive losses	(2 610)	1 096	
Total comprehensive income for the year	64 274	45 808	
Profit attributable to:			
Owners of the company	77 557	63 264	
Non-controlling interest	810	577	
Profit for the year	78 367	63 841	
Total comprehensive income attributable to:			
Owners of the company	63 540	45 374	
Non-controlling interest	734	434	
Total comprehensive income for the year	64 274	45 808	
Per share (cents)			
Basic earnings	88.27	71.94	22.7
Diluted earnings	86.25	70.61	22.2
Dividends	60.00	55.00	9.1

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Reviewed at 30/06/10	Audited at 30/06/09
ASSETS		
Non-current assets	382 609	398 399
Property, plant and equipment	75 184	84 429
Intangible assets and goodwill	279 609	279 970
Investments and loans	14 533	14 651
Deferred tax	11 128	16 618
Leasing rights	2 155	2 731
Current assets	148 116	147 840
Inventories	6 389	6 066
Tax receivable	3 600	3 567
Trade and other receivables	53 499	54 320
Cash and cash equivalents	84 628	83 887
TOTAL ASSETS	530 725	546 239
EQUITY		
Total equity	403 295	434 320
Ordinary share capital	1	1
Share premium	6	6
Shares repurchased by subsidiaries	(29 910)	(25 349)
Foreign currency translation reserve	(5 129)	8 888
Share-based payments reserve	-	20 554
Retained earnings	434 015	425 919
Total equity attributable to equity holders of the company	398 983	430 019
Non-controlling interest	4 312	4 301
LIABILITIES		
Non-current liabilities	64 569	60 237
Loans payable	7 181	11 413
Operating lease liability	3 328	1 352
Deferred tax	54 060	47 472
CURRENT LIABILITIES	62 861	51 682
Bank overdrafts	3 596	2 853
Tax payable	4 832	6 351
Trade and other payables	53 969	42 080
Shareholders for dividend	464	398
TOTAL EQUITY AND LIABILITIES	530 725	546 239

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Reviewed year ended 30/06/10	Audited year ended 30/06/09
Operating profit before working capital changes	134 474	118 205
Working capital changes	3 394	(6 321)
Cash generated from operations	137 868	111 884
Net interest received	4 948	5 803
Tax paid	(49 528)	(34 292)
Distributions paid (including management incentive scheme - refer note 2)	(80 708)	(47 722)
Net cash flow from operating activities	12 580	35 673
Cash flow from investing activities	(13 574)	(15 546)
Cash flow from financing activities	771	(3 550)
Net movement in cash and cash equivalents	(223)	16 577
Effect of foreign exchange fluctuations	221	(146)
Net cash and cash equivalents at beginning of year	81 034	64 603
Net cash and cash equivalents at end of year	81 032	81 034

NOTES

1. KPMG Inc., the group's independent auditor has reviewed the provisional financial statements contained in this provisional report, and has expressed an unmodified conclusion on the provisional financial statements. The review report is available for inspection at the company's registered office. These financial statements for the year ended 30 June 2010 have been prepared in accordance with, and containing the information required by, IFRS (including IAS 34: Interim Financial Reporting) and the AC 500 Standards as issued by the Accounting Practices Board or its successor and the requirements of the South African Companies Act of 1973 and the JSE Limited Listings Requirements. 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, Circular 3/2009 (the revised Headline Earnings per Share circular) and revised IAS 27: Consolidated and Separate Financial Statements. 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. IAS 27 requires that losses from subsidiary companies be allocated to non-controlling interest, even if doing so causes the non-controlling interest to be in a deficit position. IAS 27 was applied prospectively from 1 July 2009 and resulted in R0.137 million losses being allocated to non-controlling interest in the current year that would not have been allocated to non-controlling interest prior to amendment.

CONDENSED 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 or loss	-	-	63 841	63 841
Other comprehensive losses	-	(17 890)	(143)	(18 033)
Transactions with owners, recorded directly in equity				
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 tax)	(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 non-controlling 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 year	-	(14 017)	78 291	64 274
Profit or loss	-	-	78 367	78 367
Other comprehensive losses	-	(14 017)	(76)	(14 093)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners	(4 561)	(20 554)	(70 184)	(95 299)
Distributions to equity holders	-	-	(53 442)	(53 442)
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 30 June 2010	(29 903)	(5 129)	438 327	403 295

CONDENSED CONSOLIDATED OPERATING SEGMENT REPORT

R'000	Reviewed year ended 30/06/10	Audited year ended 30/06/09
External revenues		
Manufacturing and Distribution	94 008	82 097
Franchise - Spur	124 411	113 229
Franchise - Panarottis	10 751	10 137
Franchise - John Dory's	8 847	6 788
Other South Africa	17 554	17 793
Total South Africa segments	255 571	230 044
United Kingdom	56 080	55 840
Australia	30 013	34 048
Other International	6 360	6 842
Total International segments	92 453	96 730
TOTAL EXTERNAL REVENUES	348 024	326 774
Profit/(loss) before income tax		
Manufacturing and Distribution	44 714	36 141
Franchise - Spur	107 339	97 525
Franchise - Panarottis	6 560	6 592
Franchise - John Dory's	4 567	3 058
Other South Africa	(691)	(1 530)
Total South Africa segments	162 489	141 786
Unallocated - South Africa	(28 220)	(25 838)
Total South Africa	134 269	115 948
United Kingdom *	(12 396)	(1 540)
Australia **	(1 807)	(13 587)
Other International	5 287	5 966
Total International segments	(8 916)	(9 161)
Unallocated - International ***	(2 424)	(4 372)
Total International	(11 340)	(13 533)
TOTAL PROFIT BEFORE TAX	122 929	102 415

* Includes impairment losses of R9,069 million (2009: Rnil) and foreign exchange losses of R0.230 million (2009: R0.142 million).
** Includes impairment losses of Rnil (2009: R10,044 million) and profit on disposal of property, plant and equipment of R0.475 million (2009: loss of R1.180 million).
*** Includes foreign exchange gain of R1.793 million (2009: loss of R1.129 million).

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	Reviewed year ended 30/06/10	Audited year ended 30/06/09	% change
Profit attributable to ordinary shareholders	77 557	63 264	22.6
Headline earnings adjustments:			
Impairment of goodwill	-	1 583	
Impairment of property, plant and equipment	7 994	8 461	
(Profit)/loss on disposal of property, plant and equipment (net of tax)	(484)	1 168	
Headline earnings	85 067	74 476	14.2

SUPPLEMENTARY INFORMATION

	Reviewed year ended 30/06/10	Audited year ended 30/06/09	% Change
Shares in issue (000's) (note 3)	87 865	87 865	
Weighted average number of shares in issue (000's)	87 865	87 942	
Diluted weighted average number of shares in issue (000's)	89 929	89 601	
Headline earnings per share (cents)	96.82	84.69	14.3
Diluted headline earnings per share (cents)	94.60	83.12	13.8
Net asset value per share (cents)	458.99	494.30	(7.1)

- 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 outside of 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. A total of R27.3 million was paid to participants and is included in distributions paid in the condensed consolidated statement of cash flows.
- 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), M Morojole*, K Robertson, R van Dijk. Company secretary: R van Dijk [* non-executive]

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

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