

20
08

NEW
CLICKS HOLDINGS
LIMITED



ANNUAL GROUP RESULTS FOR THE YEAR ENDED 31 AUGUST 2008

20
08

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HIGHLIGHTS

turnover –
continuing
operations up

12.2%

diluted headline
EPS up

28.1%

distribution
per share up

26.8%

return on equity
increases to

32.8%

FINANCIAL SUMMARY



| | | Year to 31 August 2008 | Year to 31 August 2007 | % change |
|--|-----------------|------------------------------|------------------------------|----------|
| Income statement | | | | |
| Turnover – continuing operations | R'000 | 11 281 156 | 10 051 373 | 12.2% |
| Turnover – total operations | R'000 | 11 331 296 | 11 204 880 | 1.1% |
| Gross profit – continuing operations | R'000 | 2 211 024 | 1 898 324 | 16.5% |
| Gross profit – total operations | R'000 | 2 224 781 | 2 222 958 | 0.1% |
| Total income – continuing operations | R'000 | 2 710 233 | 2 360 717 | 14.8% |
| Total income – total operations | R'000 | 2 725 895 | 2 724 099 | 0.1% |
| Headline earnings | R'000 | 400 861 | 356 922 | 12.3% |
| Net interest charge | R'000 | 51 184 | 38 827 | 31.8% |
| Balance sheet | | | | |
| Equity | R'000 | 1 144 479 | 1 296 188 | (11.7%) |
| Interest-bearing borrowings | R'000 | 115 640 | 281 131 | (58.9%) |
| Total assets | R'000 | 3 585 322 | 4 010 379 | (10.6%) |
| Cash flow | | | | |
| Net cash effects of operating activities | R'000 | 107 529 | 1 023 011 | (89.5%) |
| Capital expenditure | R'000 | 174 300 | 154 622 | 12.7% |
| Depreciation and amortisation | R'000 | 102 648 | 104 401 | (1.7%) |
| Performance | | | | |
| Turnover growth – continuing operations | % | 12.2 | 12.6 | |
| Comparable stores turnover growth – continuing operations | % | 9.2 | 13.7 | |
| Total income margin – continuing operations | % | 24.0 | 23.5 | |
| Gross profit growth – continuing operations | % | 16.5 | 14.6 | |
| Gross profit margin – continuing operations | % | 19.6 | 18.9 | |
| Operating margin – continuing operations | % | 5.2 | 4.9 | |
| Operating margin – total operations | % | 5.3 | 4.8 | |
| Inventory days – total operations | | 55 | 57 | |
| Current ratio | | 1.1 | 1.1 | |
| Return on total assets | % | 10.6 | 9.3 | |
| Return on shareholders' interest | % | 32.8 | 24.7 | |
| Interest-bearing debt to shareholders' interest at year-end | % | 10.1 | 21.7 | |
| Interest-bearing debt, including cash, to shareholders' interest at year-end | % | 1.3 | (10.2) | |
| Statistics | | | | |
| Number of permanent employees | | 7 122 | 9 076 | (21.5%) |
| Number of stores | | 519 | 665 | (22.0%) |
| | – company owned | 16 | 17 | |
| | – franchised | | | |
| Weighted retail trading area | m ² | 194 888 | 242 211 | (19.5%) |
| | – company owned | | | |
| Share statistics | | | | |
| Number of shares in issue (gross) | '000 | 324 139 | 335 957 | (3.5%) |
| Number of shares in issue (net of treasury shares) | '000 | 290 325 | 316 115 | (8.2%) |
| Weighted average number of shares in issue (net of treasury shares) | '000 | 298 166 | 336 266 | (11.3%) |
| Weighted average diluted number of shares in issue (net of treasury shares) | '000 | 303 847 | 346 372 | (12.3%) |
| Headline earnings per share | cents | 134.4 | 106.1 | 26.7% |
| | – diluted | 131.9 | 103.0 | 28.1% |
| Distribution per share | cents | 18.8 | 15.0 | 25.3% |
| | – interim | 42.3 | 33.2 | 27.4% |
| | – final | | | |
| Distribution cover | times | 2.2 | 2.2 | |
| Share price | cents | 1 550 | 1 525 | 1.6% |
| | – closing | 1 799 | 1 689 | |
| | – high | 1 185 | 984 | |
| | – low | | | |
| Net asset value per share | cents | 394 | 410 | (3.9%) |
| Net tangible asset value per share | cents | 261 | 260 | 0.4% |
| Market capitalisation (gross) | R'000 | 5 024 155 | 5 123 344 | (1.9%) |
| Market capitalisation (net of treasury shares) | R'000 | 4 500 038 | 4 820 754 | (6.7%) |
| Price earnings ratio (closing share price) | times | 11.8 | 14.8 | |
| Volume of shares traded | '000 | 300 300 | 316 074 | |
| Percentage of shares traded | % | 100.7 | 94.1 | |
| Free float | % | 89.4 | 96.7 | |
| Shareholders' return | cents | 86 | 538 | |
| Increase in share price | cents | 25 | 490 | |
| Distribution per share | cents | 61 | 48 | |
| Other information | | | | |
| Inflation rate (CPI) | % | 13.4 | 6.7 | |
| Interest rates | | | | |
| Prime overdraft rate | % | 15.5 | 13.5 | |
| | – closing | 14.7 | 12.5 | |
| R153 | % | 9.8 | 9.3 | |
| | – closing | 9.9 | 8.4 | |
| | – average | | | |
| FTSE/JSE Africa share indices | | | | |
| All Share Index | | 27 702 | 28 660 | (3.3%) |
| General Retailers Index | | 24 909 | 31 715 | (21.5%) |
| Exchange rate | | | | |
| Rand/US dollar | R/US\$ | 7.41 | 7.20 | |
| | – average | 7.75 | 7.16 | |
| | – closing | | | |



COMMENTARY

Overview

New Clicks posted strong real sales growth for the year, demonstrating the resilient nature of its business and product offering in a slowing consumer economy. The group's businesses all strengthened their market position and recorded market share gains in the period.

Return on shareholders' interest (ROE) increased from 24.7% to 32.8% as the group achieved all its medium-term financial targets. The group's ROE has more than doubled since 2005 while diluted headline earnings per share (HEPS) has shown a three-year compound growth rate of 32.0%.

Despite the challenging trading environment the group has continued to invest for longer-term growth.

Financial performance

Continuing operations

Turnover increased by 12.2% to R11.3 billion (2007: R10.1 billion), with selling price inflation of 3.9% for the year.

Turnover from the retail businesses of Clicks, Musica and The Body Shop rose by 11.6% and 9.2% on a comparable store basis, with price inflation of 3.8%. UPD, the group's pharmaceutical distributor and wholesaler, lifted turnover by 13.3% and reported price inflation of 3.9%.

Total income (gross profit plus other income) increased 15.0% to R2.7 billion.

The 13.5% growth in operating expenditure was contained below the growth in total income. Operating expenditure includes the costs relating to the hedge on the employee incentive schemes, with the value of the hedge moving in line with market movements. When the mark-to-market valuation of the hedge is excluded, growth in operating expenditure was held at 10.8%.

The retail operating margin improved from 5.4% to 6.1% while UPD's margin was maintained at 3.2%, resulting in an overall increase in the margin to 5.2% (2007: 4.9%). The improved margin and higher turnover growth translated into a 19.9% increase in operating profit to R592 million.

Total group

Headline earnings increased 12.3% from R357 million to R401 million.

Diluted HEPS per share increased 28.1% to 131.9 cents per share, continuing to benefit from the share buy-back programme. Diluted earnings per share were boosted by the disposal of businesses and sale of land during the year and rose 32.5% to 145.6 cents per share. This performance is in

line with the earnings forecast ranges provided with the interim results and the tighter ranges communicated in the trading statement published on 6 October 2008.

Cash generated from operations increased by 16.3% to R724 million. The free cash flow (cash inflow from operating activities before distributions) of R264 million is impacted by two factors: firstly, changes to working capital funding over the past two years and secondly, timing differences attributed to cash tax payments after utilising tax losses. Management believes a normalised level of free cash flow for the period would be R643 million.

Trading performance

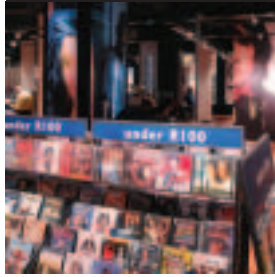
Clicks continued its strong performance and increased turnover by 12.1%, with real sales growth of 8.2%. Sales on a comparable store basis increased 10.2%. The key drivers of growth were the health and beauty merchandise categories which grew 19.5% and 13.0% respectively, confirming the defensive nature of the Clicks offering in a tough economic environment. Clicks extended its pharmacy network to 157 following the opening of 32 new pharmacies. Improved store processes and better buying lifted the operating margin from 5.3% to 6.0%, resulting in a 26.7% increase in operating profit.

UPD increased turnover by 13.3%, benefiting from the growth of the Link pharmacy buying group, a new distribution contract and sales to hospital groups. Overall market share increased from 25.6% to 26.4%. Despite pressure on transport costs, improved operating efficiencies resulted in a steady increase in operating profit in the second half, with growth of 11.0% for the financial year.

Musica increased turnover by 7.7% as trading slowed in the second half. DVD sales grew 19.7% and gaming 26.2%,

Musica
operating
profit up

16.7%



UPD
market share

26.4%



although CD sales declined 3.0%. Musica has made a successful transition from music to an entertainment business, with sales of non-music products increasing from 41% to 46% of total turnover for the year. Tight cost control and good merchandise buying contributed to a 16.7% increase in operating profit.

The 17.5% growth in turnover in The Body Shop was driven by new store openings and the Love Your Body loyalty programme. Operating profit increased by 13.0%.

Prospects

The group's strategic objectives remain unchanged and the medium-term ROE target has been revised upwards to 35 – 40% to reflect improved prospects.

The performance over the past year has shown that the group's businesses are robust and well positioned in the current trading environment. Capital expenditure of R250 million has been committed for the year ahead.

In the absence of any marked deterioration in trading conditions, shareholders can expect continued real earnings growth in the 2009 financial year.

Shareholder distribution

The board of directors has approved a distribution of 42.3 cents per share (2007: 33.2 cents per share) comprising a final cash dividend of 3.7 cents per share and a capital reduction distribution out of share premium of 38.6 cents per share in lieu of a dividend (collectively "the distribution").

Shareholders are advised of the following salient dates relating to the distribution:

Last day to trade "cum" the distribution Friday, 5 December 2008

Shares trade "ex" the distribution Monday, 8 December 2008

Record date Friday, 12 December 2008

Payment to shareholders Monday, 15 December 2008

Share certificates may not be dematerialised or rematerialised between Monday, 8 December 2008 and Friday, 12 December 2008, both days inclusive.

By order of the board
Allan Scott
Company Secretary

23 October 2008



Clicks operating
profit up

26.7%



R1bn
Clicks
pharmaceutical
sales



The Body Shop
turnover up

17.5%

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CONSOLIDATED BALANCE SHEET

as at 31 August

| | 2008 R'000 | 2007 R'000 |
|---|------------------|------------------|
| ASSETS | | |
| Non-current assets | 1 252 989 | 1 188 408 |
| Property, plant and equipment | 734 485 | 698 964 |
| Intangible assets | 302 141 | 291 339 |
| Goodwill | 85 811 | 83 950 |
| Deferred tax assets | 72 482 | 45 404 |
| Loans receivable | 58 070 | 68 751 |
| Current assets | 2 332 333 | 2 821 971 |
| Inventories | 1 370 889 | 1 191 847 |
| Trade and other receivables | 805 935 | 792 126 |
| Income tax receivable | 1 962 | 2 446 |
| Loans receivable | 8 064 | 4 616 |
| Cash and cash equivalents | 101 139 | 413 275 |
| Derivative financial assets | 44 344 | 59 391 |
| Assets held for sale | – | 358 270 |
| Total assets | 3 585 322 | 4 010 379 |
| EQUITY AND LIABILITIES | | |
| Equity | 1 144 479 | 1 296 188 |
| Share capital | 3 242 | 3 360 |
| Share premium | 121 461 | 435 991 |
| Treasury shares | (463 622) | (258 548) |
| Share option reserve | 23 832 | 23 786 |
| Foreign currency translation reserve | 39 | (11) |
| Distributable reserve | 1 459 381 | 1 091 610 |
| Equity attributable to equity holders of the parent | 1 144 333 | 1 296 188 |
| Minority interest | 146 | – |
| Non-current liabilities | 371 753 | 331 676 |
| Interest-bearing borrowings | 61 460 | 77 681 |
| Employee benefits | 130 866 | 64 943 |
| Deferred tax liabilities | 81 334 | 91 692 |
| Operating lease liability | 98 093 | 97 360 |
| Current liabilities | 2 069 090 | 2 382 515 |
| Trade and other payables | 1 780 089 | 1 902 313 |
| Employee benefits | 104 262 | 127 383 |
| Provisions | 51 546 | 47 610 |
| Interest-bearing borrowings | 54 180 | 203 450 |
| Income tax payable | 75 956 | 86 755 |
| Derivative financial liabilities | 3 057 | – |
| Liabilities held for sale | – | 15 004 |
| Total equity and liabilities | 3 585 322 | 4 010 379 |

CONSOLIDATED INCOME STATEMENT

for the year to 31 August



| | 2008 R'000 | 2007 R'000 | % change |
|--|----------------|---------------|----------|
| Continuing operations | | | |
| Revenue | 11 799 096 | 10 529 632 | |
| Turnover | 11 281 156 | 10 051 373 | 12.2% |
| Cost of merchandise sold | (9 070 132) | (8 153 049) | 11.2% |
| Gross profit | 2 211 024 | 1 898 324 | 16.5% |
| Other income | 499 209 | 462 393 | 8.0% |
| Expenses | (2 118 071) | (1 866 889) | 13.5% |
| Depreciation and amortisation | (95 378) | (81 587) | 16.9% |
| Occupancy costs | (306 488) | (284 605) | 7.7% |
| Employment costs | (986 128) | (891 262) | 10.6% |
| Other costs | (730 077) | (609 435) | 19.8% |
| Operating profit | 592 162 | 493 828 | 19.9% |
| Profit on disposal of property, plant and equipment | 13 925 | 29 402 | |
| Profit on disposal of business | 1 244 | – | |
| Goodwill impairment | – | (250) | |
| Profit before financing costs | 607 331 | 522 980 | 16.1% |
| Net financing costs | (51 184) | (38 827) | 31.8% |
| Financial income | 18 731 | 15 866 | 18.1% |
| Financial expense | (69 915) | (54 693) | 27.8% |
| Profit before taxation | 556 147 | 484 153 | 14.9% |
| Income tax expense | (147 377) | (129 965) | 13.4% |
| Profit for the year from continuing operations | 408 770 | 354 188 | 15.4% |
| Discontinued operations | | | |
| Profit for the year from discontinued operations | 33 538 | 26 320 | 27.4% |
| Total profit for the year | 442 308 | 380 508 | 16.2% |
| Attributable to: | | | |
| Equity holders of the parent | 442 435 | 380 508 | 16.3% |
| Minority interest | (127) | – | |
| | 442 308 | 380 508 | 16.2% |
| Total profit for the year attributable to equity holders of the parent | 442 435 | 380 508 | |
| Adjustment for: | | | |
| Profit on disposal of property, plant and equipment | (12 412) | (23 836) | |
| Profit on disposal of businesses | (29 162) | – | |
| Goodwill impairment | – | 250 | |
| Headline earnings | 400 861 | 356 922 | 12.3% |
| Headline earnings per share (cents) | | | |
| – undiluted | 134.4 | 106.1 | 26.7% |
| – diluted | 131.9 | 103.0 | 28.1% |
| Earnings per share (cents) | | | |
| – undiluted | 148.4 | 113.2 | 31.1% |
| – diluted | 145.6 | 109.9 | 32.5% |
| Weighted average number of shares in issue (net of treasury shares) | ('000) 298 166 | 336 266 | (11.3%) |
| Weighted average diluted number of shares in issue (net of treasury shares) | ('000) 303 847 | 346 372 | (12.3%) |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| R'000 | Number of shares ('000) | Share capital | Share premium | Share option reserve |
|---|----------------------------|------------------|------------------|-------------------------|
| Balance at 1 September 2006 | 347 613 | 3 555 | 815 791 | 20 037 |
| Shares issued in respect of options | 469 | 5 | 3 123 | – |
| Share issue expenses written off | – | – | (726) | – |
| Treasury shares cancelled | – | (200) | (286 800) | – |
| Net cost of own shares purchased | (31 967) | – | – | – |
| Treasury shares purchased | (49 948) | – | – | – |
| Disposal of treasury shares | 17 981 | – | – | – |
| Total recognised income and expenses for the year | – | – | – | 3 749 |
| Foreign currency translation reserve | – | – | – | – |
| Share option reserve | – | – | – | 3 749 |
| Profit for the year | – | – | – | – |
| Distributions to shareholders | – | – | (95 397) | – |
| Balance at 31 August 2007 | 316 115 | 3 360 | 435 991 | 23 786 |
| Acquisition of subsidiary | – | – | – | – |
| Treasury shares cancelled | – | (118) | (165 484) | – |
| Share cancellation expenses written off | – | – | (383) | – |
| Net cost of own shares purchased | (25 790) | – | – | – |
| Treasury shares purchased | (32 086) | – | – | – |
| Disposal of treasury shares | 6 296 | – | – | – |
| Total recognised income and expenses for the year | – | – | – | 46 |
| Foreign currency translation reserve | – | – | – | – |
| Share option reserve | – | – | – | 46 |
| Profit for the year | – | – | – | – |
| Distributions to shareholders | – | – | (148 663) | – |
| Balance at 31 August 2008 | 290 325 | 3 242 | 121 461 | 23 832 |



| Treasury shares | Foreign currency translation reserve | Distributable reserve | Equity attributable to equity holders of the parent | Minority interest | Total |
|------------------|--------------------------------------|-----------------------|---|-------------------|------------------|
| (69 624) | 618 | 823 572 | 1 593 949 | – | 1 593 949 |
| – | – | – | 3 128 | – | 3 128 |
| – | – | – | (726) | – | (726) |
| 287 000 | – | – | – | – | – |
| (475 924) | – | (86 581) | (562 505) | – | (562 505) |
| (683 435) | – | – | (683 435) | – | (683 435) |
| 207 511 | – | (86 581) | 120 930 | – | 120 930 |
| – | (629) | 380 508 | 383 628 | – | 383 628 |
| – | (629) | – | (629) | – | (629) |
| – | – | – | 3 749 | – | 3 749 |
| – | – | 380 508 | 380 508 | – | 380 508 |
| – | – | (25 889) | (121 286) | – | (121 286) |
| (258 548) | (11) | 1 091 610 | 1 296 188 | – | 1 296 188 |
| – | – | – | – | 273 | 273 |
| 165 602 | – | – | – | – | – |
| – | – | – | (383) | – | (383) |
| (389 816) | – | (47 394) | (437 210) | – | (437 210) |
| (481 182) | – | – | (481 182) | – | (481 182) |
| 91 366 | – | (47 394) | 43 972 | – | 43 972 |
| – | 50 | 442 435 | 442 531 | (127) | 442 404 |
| – | 50 | – | 50 | – | 50 |
| – | – | – | 46 | – | 46 |
| – | – | 442 435 | 442 435 | (127) | 442 308 |
| 19 140 | – | (27 270) | (156 793) | – | (156 793) |
| (463 622) | 39 | 1 459 381 | 1 144 333 | 146 | 1 144 479 |

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CONSOLIDATED STATEMENT OF CASH FLOWS

| | Year to 31 August 2008 R'000 | Year to 31 August 2007 R'000 |
|---|---------------------------------------|---------------------------------------|
| Cash effects of operating activities | | |
| Operating profit before working capital changes (refer note 1) | 723 773 | 622 366 |
| Working capital changes (refer note 2) | (224 230) | 520 810 |
| Cash generated by operations | 499 543 | 1 143 176 |
| Interest received | 18 773 | 15 187 |
| Interest paid | (61 385) | (51 570) |
| Taxation (paid)/received | (192 609) | 37 504 |
| Cash inflow from operating activities before distributions | 264 322 | 1 144 297 |
| Distributions paid to shareholders | (156 793) | (121 286) |
| Net cash effects of operating activities | 107 529 | 1 023 011 |
| Cash effects of investing activities | | |
| Investment in property, plant and equipment to maintain and expand operations | (156 757) | (154 622) |
| Investment in intangible assets | (17 543) | - |
| Acquisition of additional goodwill | - | (250) |
| Proceeds from disposal of business | 316 356 | - |
| Acquisition of business | (1 725) | - |
| Proceeds from disposal of property, plant and equipment | 35 286 | 47 453 |
| Decrease in loan receivables | 7 522 | 3 437 |
| Net cash effects of investing activities | 183 139 | (103 982) |
| Cash effects of financing activities | | |
| Proceeds from the issue of share capital | - | 2 402 |
| Share cancellation expenses | (383) | - |
| Purchase of treasury shares | (607 041) | (557 576) |
| Proceeds from disposal of treasury shares | 43 972 | 120 930 |
| Interest-bearing borrowings repaid | (39 352) | (64 621) |
| Net cash effects of financing activities | (602 804) | (498 865) |
| Net (decrease)/increase in cash and cash equivalents | (312 136) | 420 164 |
| Cash and cash equivalents at the beginning of the year | 413 275 | (6 889) |
| Cash and cash equivalents at the end of the year | 101 139 | 413 275 |

NOTES TO THE STATEMENT OF CASH FLOWS



| | Year to 31 August 2008 R'000 | Year to 31 August 2007 R'000 |
|--|---------------------------------------|---------------------------------------|
| 1 Profit before working capital changes | | |
| Profit before financing costs | 638 253 | 560 051 |
| Adjustment for: | | |
| Depreciation and amortisation | 102 648 | 104 401 |
| Reversal of previous unrealised foreign exchange differences | 1 349 | 6 080 |
| Unrealised foreign exchange loss/(gain) | 3 057 | (1 349) |
| Goodwill impairment | – | 250 |
| Operating lease accrual | (5 574) | 2 522 |
| Profit on disposal of property, plant and equipment | (13 921) | (26 512) |
| Profit on disposal of businesses | (24 893) | – |
| Fair value adjustment - derivatives | 22 808 | (26 826) |
| Equity-settled share option costs | 46 | 3 749 |
| | 723 773 | 622 366 |
| 2 Working capital changes | | |
| (Increase)/decrease in inventories | (116 656) | 40 047 |
| Increase in trade and other receivables | (3 434) | (272) |
| Acquisition of derivative financial instruments | (26 327) | – |
| Disposal of derivative financial instruments | 16 830 | – |
| (Decrease)/increase in trade and other payables | (130 418) | 411 613 |
| Increase in employee benefits | 31 839 | 63 228 |
| Increase in provisions | 3 936 | 6 194 |
| | (224 230) | 520 810 |

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OPERATIONAL SEGMENTAL BALANCE SHEET

| | Retail | | Distribution | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | As at 31 August 2008 R'000 | As at 31 August 2007 R'000 | As at 31 August 2008 R'000 | As at 31 August 2007 R'000 |
| SEGMENT ASSETS | | | | |
| Segment non-current assets | 1 216 754 | 1 056 915 | 209 344 | 208 081 |
| Property, plant and equipment | 613 254 | 577 848 | 121 231 | 121 116 |
| Intangible assets | 300 811 | 289 359 | 1 330 | 1 980 |
| Goodwill | – | – | 85 811 | 83 950 |
| Deferred tax assets | 71 510 | 44 369 | 972 | 1 035 |
| Intragroup loans | 173 109 | 76 588 | – | – |
| Loans receivable | 58 070 | 68 751 | – | – |
| Segment current assets | 1 334 722 | 1 903 718 | 1 106 015 | 1 006 335 |
| Inventories | 1 017 984 | 939 108 | 358 506 | 254 596 |
| Trade and other receivables | 161 848 | 153 226 | 746 890 | 725 125 |
| Income tax receivable | 1 962 | 2 446 | – | – |
| Loans receivable | 8 064 | 4 616 | – | – |
| Cash and cash equivalents | 100 520 | 386 661 | 619 | 26 614 |
| Derivative financial assets | 44 344 | 59 391 | – | – |
| Assets held for sale | – | 358 270 | – | – |
| Total segment assets | 2 551 476 | 2 960 633 | 1 315 359 | 1 214 416 |
| SEGMENT EQUITY AND LIABILITIES | | | | |
| Segment equity | 863 835 | 1 137 040 | 286 245 | 161 005 |
| Share capital | 3 242 | 3 360 | – | – |
| Share premium | 121 461 | 435 991 | – | – |
| Treasury shares | (463 622) | (258 548) | – | – |
| Share option reserve | 23 832 | 23 786 | – | – |
| Foreign currency translation reserve | 39 | (11) | – | – |
| Distributable reserve | 1 178 883 | 932 462 | 286 099 | 161 005 |
| Equity attributable to equity holders of the parent | 863 835 | 1 137 040 | 286 099 | 161 005 |
| Minority interest | – | – | 146 | – |
| Segment non-current liabilities | 353 562 | 323 416 | 191 300 | 84 848 |
| Interest-bearing borrowings | 59 609 | 76 635 | 1 851 | 1 046 |
| Intragroup loans | – | – | 173 109 | 76 588 |
| Employee benefits | 117 724 | 61 105 | 13 142 | 3 838 |
| Deferred tax liabilities | 78 136 | 88 316 | 3 198 | 3 376 |
| Operating lease liability | 98 093 | 97 360 | – | – |
| Segment current liabilities | 1 334 079 | 1 500 177 | 837 814 | 968 563 |
| Trade and other payables | 1 064 269 | 1 050 234 | 818 623 | 938 304 |
| Employee benefits | 96 273 | 116 764 | 7 989 | 10 619 |
| Provisions | 51 546 | 47 610 | – | – |
| Interest-bearing borrowings | 51 276 | 201 895 | 2 904 | 1 555 |
| Income tax payable | 67 658 | 68 670 | 8 298 | 18 085 |
| Derivative financial liabilities | 3 057 | – | – | – |
| Liabilities held for sale | – | 15 004 | – | – |
| Total segment equity and liabilities | 2 551 476 | 2 960 633 | 1 315 359 | 1 214 416 |



| Intragroup elimination | | Group | |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| As at 31 August 2008 R'000 | As at 31 August 2007 R'000 | As at 31 August 2008 R'000 | As at 31 August 2007 R'000 |
| (173 109) | (76 588) | 1 252 989 | 1 188 408 |
| - | - | 734 485 | 698 964 |
| - | - | 302 141 | 291 339 |
| - | - | 85 811 | 83 950 |
| - | - | 72 482 | 45 404 |
| (173 109) | (76 588) | - | - |
| - | - | 58 070 | 68 751 |
| (108 404) | (88 082) | 2 332 333 | 2 821 971 |
| (5 601) | (1 857) | 1 370 889 | 1 191 847 |
| (102 803) | (86 225) | 805 935 | 792 126 |
| - | - | 1 962 | 2 446 |
| - | - | 8 064 | 4 616 |
| - | - | 101 139 | 413 275 |
| - | - | 44 344 | 59 391 |
| - | - | - | 358 270 |
| (281 513) | (164 670) | 3 585 322 | 4 010 379 |
| (5 601) | (1 857) | 1 144 479 | 1 296 188 |
| - | - | 3 242 | 3 360 |
| - | - | 121 461 | 435 991 |
| - | - | (463 622) | (258 548) |
| - | - | 23 832 | 23 786 |
| - | - | 39 | (11) |
| (5 601) | (1 857) | 1 459 381 | 1 091 610 |
| (5 601) | (1 857) | 1 144 333 | 1 296 188 |
| - | - | 146 | - |
| (173 109) | (76 588) | 371 753 | 331 676 |
| - | - | 61 460 | 77 681 |
| (173 109) | (76 588) | - | - |
| - | - | 130 866 | 64 943 |
| - | - | 81 334 | 91 692 |
| - | - | 98 093 | 97 360 |
| (102 803) | (86 225) | 2 069 090 | 2 382 515 |
| (102 803) | (86 225) | 1 780 089 | 1 902 313 |
| - | - | 104 262 | 127 383 |
| - | - | 51 546 | 47 610 |
| - | - | 54 180 | 203 450 |
| - | - | 75 956 | 86 755 |
| - | - | 3 057 | - |
| - | - | - | 15 004 |
| (281 513) | (164 670) | 3 585 322 | 4 010 379 |

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08

OPERATIONAL SEGMENTAL INCOME STATEMENT

| R'000 | Retail* | | | Distribution | | |
|---|------------------------------|------------------------------|-------------|------------------------------|------------------------------|-------------|
| | Year to 31 August 2008 | Year to 31 August 2007 | % change | Year to 31 August 2008 | Year to 31 August 2007 | % change |
| Segment revenue | 7 510 603 | 6 747 274 | | 5 137 493 | 4 546 164 | |
| Turnover | 7 272 820 | 6 526 896 | 11.4% | 4 864 586 | 4 295 013 | 13.3% |
| Cost of merchandise sold | (5 207 036) | (4 753 053) | 9.6% | (4 727 082) | (4 181 162) | 13.1% |
| Gross profit | 2 065 784 | 1 773 843 | 16.5% | 137 504 | 113 851 | 20.8% |
| Other income | 237 783 | 220 378 | 7.9% | 272 907 | 251 151 | 8.7% |
| Segment expenses | (1 861 955) | (1 640 855) | 13.5% | (256 116) | (226 034) | 13.3% |
| Depreciation and amortisation | (84 797) | (75 113) | 12.9% | (10 581) | (6 474) | 63.4% |
| Occupancy costs | (289 079) | (271 706) | 6.4% | (17 409) | (12 899) | 35.0% |
| Employment costs | (864 659) | (776 796) | 11.3% | (121 469) | (114 466) | 6.1% |
| Other costs | (623 420) | (517 240) | 20.5% | (106 657) | (92 195) | 15.7% |
| Operating profit | 441 612 | 353 366 | 25.0% | 154 295 | 138 968 | 11.0% |
| Profit/(loss) on disposal of property, plant and equipment | 13 948 | 29 402 | | (23) | – | |
| Profit on disposal of business | 1 244 | – | | – | – | |
| Goodwill impairment | – | (250) | | – | – | |
| Segment result | 456 804 | 382 518 | 19.4% | 154 272 | 138 968 | 11.0% |

* Excluding the results of the Discom business unit



| Intragroup elimination | | Total | | | |
|------------------------------|------------------------------|------------------------------|------------------------------|-------------|-------|
| Year to 31 August 2008 | Year to 31 August 2007 | Year to 31 August 2008 | Year to 31 August 2007 | % change | |
| (867 731) | (779 672) | 11 780 365 | 10 513 766 | | |
| (856 250) | (770 536) | 11 281 156 | 10 051 373 | | 12.2% |
| 863 986 | 781 166 | (9 070 132) | (8 153 049) | | 11.2% |
| 7 736 | 10 630 | 2 211 024 | 1 898 324 | | 16.5% |
| (11 481) | (9 136) | 499 209 | 462 393 | | 8.0% |
| – | – | (2 118 071) | (1 866 889) | | 13.5% |
| – | – | (95 378) | (81 587) | | 16.9% |
| – | – | (306 488) | (284 605) | | 7.7% |
| – | – | (986 128) | (891 262) | | 10.6% |
| – | – | (730 077) | (609 435) | | 19.8% |
| (3 745) | 1 494 | 592 162 | 493 828 | | 19.9% |
| – | – | 13 925 | 29 402 | | |
| – | – | 1 244 | – | | |
| – | – | – | (250) | | |
| (3 745) | 1 494 | 607 331 | 522 980 | | 16.1% |

BUSINESS UNIT SEGMENTAL ANALYSIS

| For the year ended 31 August 2008 R'000 | | Group | | Clicks | | UPD | | Musica | |
|--|----------------|-------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|
| | | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Balance sheet | | | | | | | | | |
| Property, plant and equipment | | 734 485 | 745 214 | 327 820 | 253 764 | 121 231 | 121 116 | 55 871 | 37 473 |
| Intangible assets | | 387 952 | 475 289 | 272 000 | 272 000 | 87 141 | 85 930 | – | – |
| Inventories | | 1 370 889 | 1 403 114 | 868 334 | 801 710 | 358 506 | 254 596 | 140 358 | 127 963 |
| Other assets | | 1 091 996 | 1 386 762 | 23 824 | 26 472 | 748 481 | 752 774 | – | – |
| Total assets | | 3 585 322 | 4 010 379 | 1 491 978 | 1 353 946 | 1 315 359 | 1 214 416 | 196 229 | 165 436 |
| Income statement | | | | | | | | | |
| Turnover | | 11 331 296 | 11 204 880 | 6 235 213 | 5 562 340 | 4 864 586 | 4 295 013 | 940 650 | 873 411 |
| Total income | | 2 725 895 | 2 724 099 | 1 935 059 | 1 654 722 | 410 411 | 365 002 | 311 913 | 286 536 |
| Operating expenses | | (2 126 456) | (2 190 310) | (1 559 759) | (1 358 518) | (256 116) | (226 034) | (261 735) | (243 535) |
| Operating profit | | 599 439 | 533 789 | 375 300 | 296 204 | 154 295 | 138 968 | 50 178 | 43 001 |
| Ratios | | | | | | | | | |
| Increase in turnover | % | 1.1 | 12.0 | 12.1 | 14.3 | 13.3 | 11.2 | 7.7 | 12.1 |
| Selling price inflation | % | 3.9 | 2.3 | 3.9 | 2.8 | 3.9 | 2.0 | 3.4 | (1.3) |
| Comparable stores turnover growth | % | 9.2 | 13.2 | 10.2 | 14.3 | – | – | 2.9 | 10.0 |
| Total income margin | % | 24.1 | 24.3 | 31.0 | 29.7 | 8.4 | 8.5 | 33.2 | 32.8 |
| Increase in operating profit | % | 12.3 | 35.8 | 26.7 | 43.2 | 11.0 | 21.0 | 16.7 | 67.7 |
| Operating profit margin | % | 5.3 | 4.8 | 6.0 | 5.3 | 3.2 | 3.2 | 5.3 | 4.9 |
| Inventory days | | 55 | 57 | 70 | 71 | 28 | 22 | 79 | 77 |
| Number of stores | | | | | | | | | |
| – company owned | | 519 | 665 | 326 | 320 | – | – | 158 | 147 |
| as at 31 August 2007/2006 | | 665 | 659 | 320 | 303 | – | – | 147 | 145 |
| opened | | 32 | 40 | 15 | 21 | – | – | 15 | 7 |
| closed | | (13) | (34) | (9) | (4) | – | – | (4) | (5) |
| sale of businesses | | (165) | – | – | – | – | – | – | – |
| – franchised | | 16 | 17 | 16 | 16 | – | – | – | – |
| Total leased area | m ² | 259 884 | 320 477 | 228 127 | 223 505 | – | – | 29 277 | 26 051 |
| Weighted retail trading area | m ² | 194 888 | 242 211 | 168 285 | 165 662 | – | – | 24 764 | 21 700 |
| Weighted annual sales per m ² | R | 37 318 | 31 710 | 37 052 | 33 576 | – | – | 37 985 | 40 249 |
| Number of permanent employees | | 7 122 | 9 076 | 5 422 | 5 435 | 453 | 494 | 825 | 755 |

* Disclosed as discontinued operations in the consolidated income statement

** Business was disposed with effect from 3 September 2007



| The Body Shop | | Discom* | | Style Studio** | | Group Services | | Intragroup elimination | |
|---------------|----------|---------|-----------|----------------|---------|----------------|-----------|------------------------|-----------|
| 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| 11 998 | 12 316 | - | 46 250 | - | 963 | 217 565 | 273 332 | - | - |
| - | - | - | 100 000 | - | - | 28 811 | 17 359 | - | - |
| 9 292 | 8 193 | - | 211 267 | - | 1 242 | - | - | (5 601) | (1 857) |
| - | - | - | 753 | - | - | 595 603 | 769 576 | (275 912) | (162 813) |
| 21 290 | 20 509 | - | 358 270 | - | 2 205 | 841 979 | 1 060 267 | (281 513) | (164 670) |
| 96 957 | 82 513 | 50 140 | 1 153 507 | - | 8 632 | - | - | (856 250) | (770 536) |
| 56 200 | 48 994 | 15 662 | 363 382 | 395 | 3 969 | - | - | (3 745) | 1 494 |
| (40 598) | (35 191) | (8 385) | (323 421) | 137 | (3 611) | - | - | - | - |
| 15 602 | 13 803 | 7 277 | 39 961 | 532 | 358 | - | - | (3 745) | 1 494 |
| 17.5 | 26.3 | (95.7) | 7.0 | - | 21.2 | - | - | 11.1 | 17.4 |
| 4.2 | 5.3 | - | 4.1 | - | - | - | - | - | - |
| 6.8 | 19.3 | - | 10.1 | - | - | - | - | - | - |
| 58.0 | 59.4 | 31.2 | 31.5 | - | 46.0 | - | - | - | - |
| 13.0 | 24.7 | (81.8) | 17.9 | 48.6 | (66.7) | - | - | - | - |
| 16.1 | 16.7 | 14.5 | 3.5 | - | 4.1 | - | - | - | - |
| 82 | 88 | - | 93 | - | 97 | - | - | - | - |
| 35 | 33 | - | 162 | - | 3 | - | - | - | - |
| 33 | 29 | 162 | 179 | 3 | 3 | - | - | - | - |
| 2 | 4 | - | 8 | - | - | - | - | - | - |
| - | - | - | (25) | - | - | - | - | - | - |
| - | - | (162) | - | (3) | - | - | - | - | - |
| - | - | - | 1 | - | - | - | - | - | - |
| 2 480 | 2 381 | - | 68 238 | - | 302 | - | - | - | - |
| 1 839 | 1 604 | - | 52 980 | - | 265 | - | - | - | - |
| 52 723 | 51 442 | - | 21 772 | - | 32 574 | - | - | - | - |
| 104 | 98 | - | 1 629 | - | 7 | 318 | 658 | - | - |

DEFINITIONS

Comparable stores turnover growth – Sales growth expressed as a percentage of growth for stores that have been operating for the full period during the current and previous financial years.

Continuing operations – The operations of the group excluding the discontinued operations.

Diluted headline earnings per share – Headline earnings divided by the weighted average diluted number of shares in issue for the year.

Discontinued operations – A component of the group that either has been disposed of or is classified as held for sale and represents a separate major line of business. In the current and prior years, this comprises the Discom business unit, which was disposed of during the 2008 financial year.

Distribution cover – Undiluted headline earnings per share for the year divided by the distribution per share for the year.

Distribution per share – Distribution per share is the actual interim cash dividend and capital distribution paid and the final cash dividend and capital distribution declared, expressed as cents per share.

Free float – The number of shares that are freely tradable on the JSE Limited, excluding treasury shares and shares held by directors and employee share schemes.

Gross profit margin – Gross profit expressed as a percentage of turnover.

Headline earnings – Profit for the year adjusted for the after tax effect of goodwill impairment and certain other capital items.

Headline earnings per share – Headline earnings divided by the weighted average number of shares in issue for the year.

Interest-bearing debt, including cash, to shareholders' interest at year-end – Interest-bearing debt (including bank overdraft), net of cash balances, at the end of the year divided by ordinary shareholders' interest at the end of the year.

Inventory days – Closing inventory at year-end divided by the cost of merchandise sold during the year, multiplied by 366/365 days.

Market capitalisation – The market price per share at year-end multiplied by the number of shares in issue at year-end.

Net asset value per share – Net assets at year-end divided by the number of shares in issue at year-end (net of treasury shares).

Net tangible asset value per share – Net assets at year-end, less intangible assets such as goodwill and trademarks, divided by the number of shares in issue at year-end (net of treasury shares).

Operating profit – Operating profit before financing costs, as reported in the consolidated income statement, adjusted to exclude goodwill impairment, impairment of property, plant and equipment, profit on disposal of businesses and profit/loss on disposal of property, plant and equipment.

Operating profit margin – Operating profit expressed as a percentage of turnover.

Ordinary shareholders' interest – Ordinary share capital and share premium (reduced by the cost of treasury shares), and other reserves comprising equity.

Price earnings ratio – The market price per share at year-end divided by diluted headline earnings per share for the year.

Return on shareholders' interest (ROE) – Headline earnings expressed as a percentage of the average ordinary shareholders' interest for the year.

Return on total assets (ROA) – Headline earnings expressed as a percentage of the average total assets for the year.

Selling price inflation – The change in the weighted average selling price of a sample of products for the year relative to the previous year expressed as a percentage of the weighted average selling price of the same sample of products for the previous year. Only products sold in both the current and previous years are included in the sample.

Total income – Gross profit plus other income.

Total income margin – Total income expressed as a percentage of turnover.

Treasury shares – Ordinary shares in New Clicks Holdings Limited held by a group company in terms of an approved share repurchase programme or by the New Clicks Holdings Share Trust.

Weighted average number of shares – The number of shares in issue, increased by shares issued during the year and reduced by treasury shares purchased or shares cancelled during the year, weighted on a time basis for the period during which they have participated in the income of the group.

Weighted average diluted number of shares – The weighted average number of shares adjusted for the effects of all dilutive potential ordinary shares.



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PRESENTATION OUTLINE

- § Review of the year David Kneale
- § Financial results Keith Warburton
- § Trading performance Michael Harvey & David Kneale
- § Outlook David Kneale
- § Questions

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PRESENTATION

REVIEW OF THE YEAR



David Kneale

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New Clicks Holdings 2008 annual results

REVIEW OF THE YEAR

- § Resilient trading in tough environment
- § Market position strengthened
- § Investing for the future
 - § Customers
 - § Infrastructure
 - § People

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New Clicks Holdings 2008 annual results



REVIEW OF THE YEAR continued

- § Turnover up **12.3%***, with inflation of 3.9%
- § Operating margin **5.2%***
 - § Retail margin up from 5.4% to **6.1%***
 - § Distribution margin maintained at **3.2%**
- § Diluted headline EPS up **28.1%** to **131.9** cps
- § Total distribution of **61.1** cps, up **26.8%**
- § ROE increases from 24.7% to **32.8%**

* Continuing operations

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New Clicks Holdings 2008 annual results ■ ■ ■

FINANCIAL RESULTS



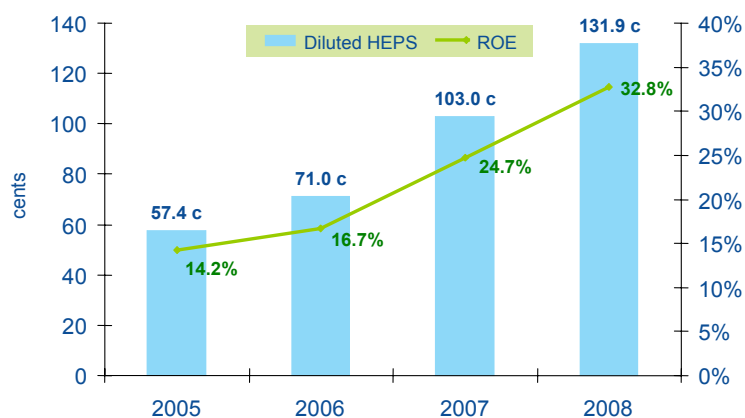
Keith Warburton

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New Clicks Holdings 2008 annual results ■ ■ ■

PRESENTATION

3-YEAR GROWTH



§ 3-year compound growth in diluted HEPS of 32.0%

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New Clicks Holdings 2008 annual results

TURNOVER

| R'm | 2008 | 2007 | % change | % same store growth | % inflation |
|------------------------------|---------------|---------------|-------------|---------------------|-------------|
| Clicks | 6 235 | 5 562 | 12.1 | 10.2 | 3.9 |
| Musica | 941 | 873 | 7.7 | 2.9 | 3.4 |
| The Body Shop | 97 | 83 | 17.5 | 6.8 | 4.2 |
| Continuing retail ops | 7 273 | 6 518 | 11.6 | 9.2 | 3.8 |
| UPD | 4 864 | 4 295 | 13.3 | | 3.9 |
| Intragroup turnover | (856) | (770) | 11.1 | | |
| Total continuing ops | 11 281 | 10 043 | 12.3 | | 3.9 |
| Discom & Style Studio | 50 | 1 162 | | | |
| Total group | 11 331 | 11 205 | 1.1 | | |

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New Clicks Holdings 2008 annual results



TOTAL INCOME

| | 2008 R'm | 2007 R'm | % change | 2008 % margin | 2007 % margin |
|------------------------------|--------------|--------------|-------------|------------------|------------------|
| Clicks | 1 935 | 1 654 | 16.9 | 31.0 | 29.7 |
| Musica | 312 | 287 | 8.9 | 33.2 | 32.8 |
| The Body Shop | 56 | 49 | 14.7 | 58.0 | 59.4 |
| Continuing retail ops | 2 303 | 1 990 | 15.7 | 31.7 | 30.5 |
| UPD | 410 | 365 | 12.4 | 8.4 | 8.5 |
| Intragroup | (4) | 2 | | | |
| Total continuing ops | 2 709 | 2 357 | 15.0 | 24.0 | 23.5 |
| Discom & Style Studio | 16 | 367 | | 32.0 | 31.6 |
| Total group | 2 725 | 2 724 | 0.1 | 24.1 | 24.3 |

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New Clicks Holdings 2008 annual results ■ ■ ■

OPERATING EXPENDITURE

| R'm | 2008 | 2007 | % change |
|-----------------------------|--------------|--------------|--------------|
| Clicks | 1 560 | 1 358 | 14.8 |
| Musica | 262 | 244 | 7.5 |
| The Body Shop | 40 | 35 | 15.4 |
| UPD | 256 | 226 | 13.3 |
| Total continuing ops | 2 118 | 1 863 | 13.7 |
| Discom & Style Studio | 8 | 327 | |
| Total group | 2 126 | 2 190 | (2.9) |

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New Clicks Holdings 2008 annual results ■ ■ ■

PRESENTATION

OPERATING EXPENDITURE continued

| R'm | 2008 | 2007 | % change |
|-----------------------------------|--------------|--------------|-------------|
| Depreciation & amortisation | 95 | 81 | 17.2 |
| Occupancy costs | 307 | 284 | 8.2 |
| Employment costs | 986 | 890 | 10.8 |
| Other operating costs* | 707 | 635 | 11.3 |
| | 2 095 | 1 890 | 10.9 |
| Hedge mark-to-market* | 23 | (27) | |
| Total continuing ops costs | 2 118 | 1 863 | 13.7 |

* Together comprise "other costs" as disclosed in the financial results

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New Clicks Holdings 2008 annual results

OPERATING PROFIT

| | 2008 R'm | 2007 R'm | % change | 2008 % margin | 2007 % margin |
|------------------------------|-------------|-------------|-------------|------------------|------------------|
| Clicks | 375 | 296 | 26.7 | 6.0 | 5.3 |
| Musica | 50 | 43 | 16.7 | 5.3 | 4.9 |
| The Body Shop | 16 | 14 | 13.0 | 16.1 | 16.7 |
| Continuing retail ops | 441 | 353 | 24.9 | 6.1 | 5.4 |
| UPD | 154 | 139 | 11.0 | 3.2 | 3.2 |
| Intragroup | (4) | 2 | | | |
| Total continuing ops | 591 | 494 | 19.9 | 5.2 | 4.9 |
| Discom & Style Studio | 8 | 40 | | | 3.5 |
| Total group | 599 | 534 | 12.3 | 5.3 | 4.8 |

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New Clicks Holdings 2008 annual results



INVENTORY

| | <u>Days in stock*</u> | | <u>Inventory (R'm)</u> | | |
|-----------------------------|-----------------------|-----------|------------------------|--------------|--------------|
| | 2008 | 2007 | 2008 | 2007 | % change |
| Clicks | 70 | 71 | 868 | 802 | 8.3 |
| Musica | 79 | 77 | 141 | 128 | 9.7 |
| The Body Shop | 82 | 88 | 9 | 8 | 13.4 |
| Total retail | 71 | 72 | 1 018 | 938 | 8.5 |
| UPD | 28 | 22 | 359 | 255 | 40.8 |
| Intragroup inventory | | | (6) | (2) | |
| Total continuing ops | 55 | 53 | 1 371 | 1 191 | 15.1 |
| Discom & Style Studio | | 93 | - | 212 | |
| Total group | 55 | 57 | 1 371 | 1 403 | (2.3) |

* At cost price

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New Clicks Holdings 2008 annual results ■ ■ ■

CASH GENERATION & UTILISATION

| R'm | 2008 actual | 2007 actual |
|--------------------------------------|----------------|----------------|
| Cash generated by operations | 724 | 622 |
| Working capital changes | (224) | 521 |
| Net interest paid | (43) | (36) |
| Tax paid | (193) | 37 |
| Free cash flow | 264 | 1 144 |
| Capital expenditure | (174) | (155) |
| Distributions paid | (157) | (121) |
| Share buybacks | (607) | (558) |
| Proceeds on disposal of Discom | 316 | - |
| Other investing/financing activities | 46 | 110 |
| Net cash (utilised)/generated | (312) | 420 |

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New Clicks Holdings 2008 annual results ■ ■ ■

PRESENTATION

NORMALISED CASH FLOW

| R'm | 2008 normalised | 2007 normalised |
|--|--------------------|--------------------|
| Cash generated by operations | 724 | 622 |
| Working capital changes | (224) | 521 |
| 2006 impact of systems conversion | | (215) |
| UPD creditors (2007: stock) | 251 | (61) |
| Discom creditors | 100 | |
| Net interest paid | (43) | (36) |
| Tax paid | (193) | 37 |
| Utilisation of tax losses & refund of over payments | 28 | (166) |
| Normalised free cash flow | 643 | 702 |

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New Clicks Holdings 2008 annual results

INTEREST

Booklet-only slide

| R'm | 2008 | 2007 | % change |
|--------------------------------|-------------|-------------|-------------|
| Interest received | 19 | 16 | 18.7 |
| Interest paid | (70) | (55) | 27.8 |
| - Non-cash interest | (8) | (4) | 108.6 |
| - Structured loans | (18) | (24) | (27.5) |
| - Overnight borrowings & other | (44) | (27) | 67.5 |
| Net interest paid | (51) | (39) | 31.6 |

§ Benefit of proceeds on sale of Discom in 2008

§ Impact of interest rate increases

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New Clicks Holdings 2008 annual results



MEDIUM-TERM FINANCIAL TARGETS

| | Achieved in 2008 | 2009-2011 target |
|---------------------------------------|------------------|------------------|
| ROE | 32.8% | 35 - 40% |
| Shareholders' funding to total assets | 31.9% | 30 - 35% |
| ROA | 10.6% | 10 - 13% |
| Inventory days | 55 days | 55 - 60 days |
| Operating margin | 5.3% | 5 - 6% |

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New Clicks Holdings 2008 annual results

OUTLOOK

- § Capex of R250m planned
 - š Normal capex R200m
 - š Additional capex R50m
- § Distribution cover to be reduced to 2.0 times

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New Clicks Holdings 2008 annual results

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PRESENTATION

TRADING PERFORMANCE



Michael Harvey
& David Kneale

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New Clicks Holdings 2008 annual results



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New Clicks Holdings 2008 annual results



OVERVIEW



- § Strong volume growth
- § Improved operating efficiencies
- § A year of milestones
 - § 40th birthday
 - § 150th pharmacy
 - § R1 billion pharmaceuticals turnover
 - § R1 billion private label & exclusive brands sales

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New Clicks Holdings 2008 annual results

CATEGORY PERFORMANCE



| R'm | 2008 | 2007 | % change |
|-----------------------|--------------|--------------|-------------|
| Health | 2 303 | 1 927 | 19.5 |
| Beauty | 2 242 | 1 984 | 13.0 |
| General merchandise | 1 690 | 1 651 | 2.3 |
| Total turnover | 6 235 | 5 562 | 12.1 |

- § H2 turnover +13.1%
- § Health & Beauty now **72.9%** (2007: 70.3%) of the business

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New Clicks Holdings 2008 annual results

PRESENTATION

HEALTH



- § 157 dispensaries at year end
 - § 32 opened this year
 - § Driving store volumes
- § Sub-categories:
 - § Prescription +22.5%
 - § OTC +19.1%
 - § Baby +33.0%
 - § Front shop health +10.7%



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New Clicks Holdings 2008 annual results

HEALTH continued



- § Retail pharmacy market share up to 10.7%*
- § Front shop health market share maintained at 37%**
- § Establishing private label
 - now 3.4% of sales
- § 835 000 patient records on centralised patient database



* Size of retail pharmaceutical market supplied by IMS

** Per AC Nielsen

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New Clicks Holdings 2008 annual results



BEAUTY



- § Skin & bath +14.7%
- § Cosmetics +10.4%
- § Ethnic hair +58.5%
- § Fragrance +10.6%
- § Private label & exclusive brands now 18.4% of sales
- § Market share maintained at 25%*



* Per AC Nielsen

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New Clicks Holdings 2008 annual results

GENERAL MERCHANDISE



- § Confectionery +13.0%
- § Homeware +3.6%
- § Electrical +0.8%
 - § 22% market share in small household appliances*
- § Private label & exclusive brands now 31.1% of sales



* Per GfK

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New Clicks Holdings 2008 annual results

PRESENTATION

STORE PERFORMANCE



- § 15 new stores opened (incl 6 relocations)
- § 79 stores in Blueprint Look & Feel
- § 103 stores with Blueprint Retail
- § Front shop availability up from 92% to 93%
 - § Target 95%
- § 2.5m active ClubCard customers
 - § Over 300 000 new ClubCard holders – 159 000 from emerging market



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New Clicks Holdings 2008 annual results

MEDIUM-TERM TARGETS



- § Convenience model enabled by pharmacy
 - § 20 - 30 new stores planned per year
 - § Goal of 400 stores
- § Vision of a pharmacy in every store
 - § 40 - 50 new pharmacies per year
- § 20% private label & exclusive brands
- § Operating margin 6 – 7%

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New Clicks Holdings 2008 annual results



OUTLOOK



§ Presence

- § 20 - 25 new stores & 40 - 50 new pharmacies
- § Direct Medicines acquisition creates national footprint

§ Differentiation

- § Private label & exclusive brands from 16.3% to 17.5%
- § Customer service improvement

§ Continuous improvement

- § Blueprint process extended into DCs
- § Best practice in pharmacy
- § People – continued performance focus

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New Clicks Holdings 2008 annual results



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New Clicks Holdings 2008 annual results



PRESENTATION

TURNOVER



| | % change | % contribution |
|----------------------|-------------|----------------|
| Hospitals | 14.2 | 26.4 |
| Clicks | 7.8 | 17.0 |
| Link pharmacy | 36.1 | 17.1 |
| Independent pharmacy | - | 28.6 |
| Distribution | 50.9 | 4.9 |
| Doctors | 6.4 | 4.3 |
| Other | 78.7 | 1.7 |
| Total | 13.3 | 100.0 |

§ Market share up from 25.6% to **26.4%** (per IMS)

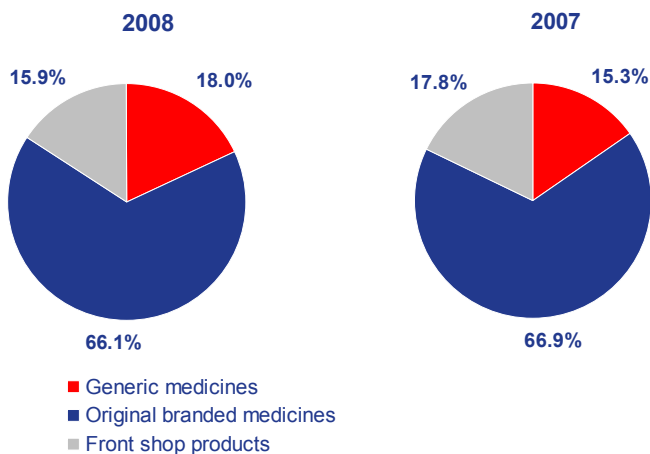
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TURNOVER continued



Breakdown of turnover (excluding distribution)



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PERFORMANCE



- § Focus on loyal customers
- § Driving efficiencies
 - § Introduction of minimum order value
 - § Route optimisation
 - § Lea Glen automation
- § Development of Link buying group
 - § 309 pharmacies; 49% loyalty
- § More diversified revenue base
 - § Growth in distribution
 - § Purchase of Botswana wholesaler
 - § Acquisition of Direct Medicines

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OUTLOOK & TARGETS




- § Continue to drive efficiency
 - § Rationalise front shop products
 - § Hold expenses to 5% of sales
 - § Improve supplier infills
- § Enhance loyalty of Link pharmacies
 - § Target 60% loyalty
 - § Relaunch & extend Link branded products
- § Upgrading distribution space
 - § Lea Glen 6 000 m2 & Cape Town 2 500 m2
- § Operating margin 2.7 – 3.0%

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08

PRESENTATION



MUSICA
A WORLD AWAITS



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PERFORMANCE



- § Turnover growth of 7.7% - H2 up 6.7%
 - § CDs -3.0% - international CDs +1.1%
 - § DVDs +19.7%
 - § Gaming +26.2%
- § 46% of sales now non-music (2007: 41%)
- § Opened 15 stores & relocated 6
- § Operating profit up 16.7%
 - § Cost management
 - § Good buying & cellular income

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OUTLOOK



- § Market share
 - § CDs up from 38% to **41%***
 - § DVDs up from 20% to **22%***
 - § Gaming software maintained at **9%***
- § Extension of gaming space in all stores
 - § Gaming **44%** of entertainment market
- § Economic environment will remain challenging
- § 6 new stores planned
- § Operating margin 5 – 6%

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THE BODY SHOP.



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PRESENTATION

PERFORMANCE

THE BODY SHOP.

- § Turnover up 17.5% - H2 up 14.9%
 - § Gifting +38%
 - § Bath & body +24%
 - § Skincare +22%
- § 'Love Your Body' loyalty programme supporting growth
 - § 35% of sales; average basket value 50% more
- § 2 new stores in FY2008; 3 new stores planned
- § Brand being relaunched internationally
- § Good new product pipeline

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OUTLOOK



David Kneale

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STRATEGIC OBJECTIVES

- § Entrench **Clicks** as a health & beauty specialist
- § Build **UPD & Clicks** pre-eminence in healthcare supply & pharmacy management
- § Position **Musica** as an entertainment business
- § Enhance **organisational capability** to deliver sustained performance
- § Manage **capital & cash** efficiently

... *higher ROE*

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PROSPECTS

- § Regulatory environment remains uncertain
- § Robust businesses, well placed in current environment
- § Tight cost control
- § Expect mid single digit inflation
- § Continued real earnings growth

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PRESENTATION

THANK YOU



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