**Commentary**

Clíos Group produced another strong performance for the year and remained in leadership position across the health and beauty markets.

The group continued to deliver excellent real growth in an overall economic environment characterized by subdued demand, driven mainly by the following:

- The group generated normalised cash flow from operations of R744 million, translating into a 21.6% growth in profit per share.
- Turnover grew at a compound rate of 24.5% over the past five years.
- The group is in a strong position to fund growth initiatives in the medium term.
- The Clicks chain continued to deliver excellent real growth in an overall economic environment characterized by subdued demand.
- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Overview**

- Total income, comprising gross profit and other income, increased by 14.7% to R9.7 billion, driven mainly by the opening of 44 dispensaries during the year. After adjusting for the opening of 44 dispensaries during the year, adjusted turnover increased by 14.7%.
- The group’s margin from operating profit target has been maintained.
- Contribution to the Clicks retail turnover was 16.7% and recorded market share gains of 2.8%.
- The group’s margin from operating profit target has been maintained.
- Operating margin improved from 5.8% to 6.2%, translating into a 16.1% growth in profit per share.

**Return on equity**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Total share price**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Contribution to the Clicks retail turnover**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Share of the Clicks Retail turnover**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Total turnover**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Segmental analysis**

- The group has acquired IFRS 8 “Operating Segments” with effect from 1 September 2009. This new standard requires entities to be segmented on the basis of internal reporting provided to the chief operating decision maker (CODM). These preliminary financial statements for the year ended 31 August 2010 have been prepared in accordance with this new standard.

**Supplementary information**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Notes**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Shareholders**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Management**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**General**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Share capital**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Dividends**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Shareholders’ equity**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Summary**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Compliance**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Risk management**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Statement of comprehensive income**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.

**Cash flows**

- The group’s margin from operating profit target has been maintained.
- The group’s margin from operating profit target has been maintained.