

# DIRECTORS' REPORT

## NATURE OF BUSINESS

The company is an investment holding company listed in the Food and Drug Retailers sector of the JSE Limited. Its subsidiaries house South Africa's leading health and beauty retailer and its leading pharmaceutical distributor and wholesaler, amongst other businesses. The company operates in southern Africa.

## GROUP FINANCIAL RESULTS

The results of operations for the year are set out in the consolidated statement of comprehensive income on page 10. The profit attributable to ordinary shareholders for the year is R1 702.9 million (2018: R1 468.4 million).

## SHARE CAPITAL

During the year under review the company had the following movements in share capital:

253 948 352	Ordinary shares issued at 31 August 2018
8 135 087	Issue of shares on 4 February 2019
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262 083 439	Ordinary shares issued at 31 August 2019
14 576 648	"A" shares issued at 31 August 2018
(14 576 648)	Repurchase of "A" shares on 14 February 2019
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0	"A" shares issued at 31 August 2019

## DIVIDENDS TO SHAREHOLDERS

### Interim

The directors approved an interim ordinary dividend of 118.0 cents per ordinary share (2018: 102.5 cents per ordinary share) from distributable reserves. The dividend was paid on 1 July 2019 to shareholders registered on 28 June 2019.

### Final

The directors have approved a final ordinary dividend of 327.0 cents per ordinary share (2018: 227.5 cents per ordinary share). The source of the dividend will be from distributable reserves. The dividend will be payable on 27 January 2020 to shareholders registered on 24 January 2020.

## EVENTS AFTER THE FINANCIAL YEAR-END

Other than the declaration of the final dividend, no significant events took place between the end of the financial year and the date of this report.

## DIRECTORS AND SECRETARY

The names of the directors in office at the date of this report are:

### Independent non-executive directors

David Nurek (chairman)  
Fatima Abrahams  
John Bester  
Fatima Daniels  
Nonkululeko Gobodo  
Martin Rosen

### Executive directors

Vikesh Ramsunder (chief executive officer) appointed 1.1.2019  
David Kneale (chief executive officer) retired 1.1.2019  
Michael Fleming (chief financial officer)  
Bertina Engelbrecht (group HR director)

The company secretary's details are set out on page 75.

## RETIREMENT AND RE-ELECTION OF DIRECTORS

In accordance with the company's memorandum of incorporation Fatima Abrahams and Martin Rosen retire by rotation at the forthcoming annual general meeting. These directors, being eligible, offer themselves for re-election at the 2020 AGM.

## DIRECTORS' INTEREST IN SHARES

No directors traded in securities of the company in this year, neither from the date of year-end to the date of signing off the report.

## INCENTIVE SCHEMES

Information relating to the incentive schemes is set out on pages 45 to 47.

## SPECIAL RESOLUTIONS

Special resolutions passed at the annual general meeting held on 30 January 2019:

Special Resolution No. 1: General authority to repurchase shares  
Special Resolution No. 2: Approval of directors' fees  
Special Resolution No. 3: General approval to provide financial assistance

## SUBSIDIARY COMPANIES

The names of the company's main subsidiaries and financial information relating thereto appear on page 71.