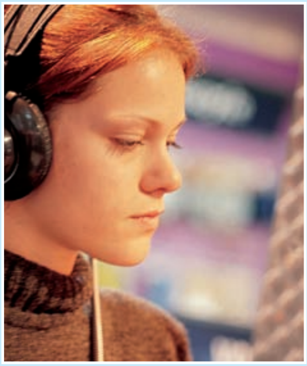


NEW CLICKS HOLDINGS LIMITED

unaudited preliminary group results

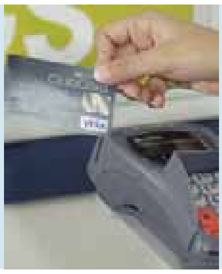
for the year ended 31 August 2006

contents

financial summary

			Year to 31 August 2006	Year to 31 August 2005
Income Statement				
Turnover		R'000	**10 000 621**	8 714 338
Gross profit		R'000	**1 953 576**	1 778 578
Headline earnings		R'000	**251 612**	200 530
Balance Sheet				
Ordinary shareholders' interest		R'000	**1 593 949**	1 416 939
Non-current interest-bearing loans and borrowings		R'000	**150 855**	167 683
Total assets		R'000	**3 684 407**	3 331 679
Cash Flow				
Cash inflow from operating activities before distributions		R'000	**219 960**	99 321
Net interest paid		R'000	**60 003**	49 086
Capital expenditure		R'000	**162 315**	170 106
Depreciation and amortisation		R'000	**108 602**	104 734
Performance				
Turnover growth		%	**14.8**	8.6
Comparable stores turnover growth		%	**9.9**	8.9
Gross profit growth		%	**9.8**	
Gross profit margin		%	**19.5**	20.4
Inventory turn		times	**6.9**	6.1
Return on total assets		%	**7.2**	6.0
Return on shareholders' interest		%	**16.7**	14.2
Interest-bearing debt to shareholders' interest at year end		%	**16.4**	19.4
Interest-bearing debt, including cash, to shareholders' interest at year end		%	**13.8**	15.1
Statistics				
Number of permanent employees			**9 058**	8 947
Number of stores	- company owned		**664**	663
	- franchised		**15**	15
Weighted retail trading area	- company owned	m^2	**237 575**	249 417
Share statistics				
Number of shares in issue (gross)		'000	**355 488**	370 260
Number of shares in issue (net of treasury shares)		'000	**347 613**	340 519
Weighted average number of shares in issue		'000	**344 337**	339 914
Weighted average diluted number of shares in issue		'000	**354 365**	349 358
Headline earnings per share	- undiluted	cents	**73.1**	59.0
	- diluted	cents	**71.0**	57.4
Distribution per share	- interim	cents	**11.2**	11.2
	- final proposed/paid	cents	**22.0**	18.5
Distribution cover		times	**2.2**	2.0
Share price	- closing	cents	**1 035**	810
	- high	cents	**1 121**	990
	- low	cents	**780**	690
Net asset value per share		cents	**448**	383
Net tangible asset value per share		cents	**313**	253
Market capitalisation (gross)		R'000	**3 679 301**	2 999 106
Market capitalisation (net of treasury shares)		R'000	**3 597 795**	2 758 204
Price earnings ratio		times	**14.2**	13.7
Volume of shares traded		'000	**226 921**	131 882
Percentage of shares traded		%	**65.9**	38.8
Free float		%	**97.1**	98.3

commentary



The group continues to make steady progress in its turnaround towards sustainable performance, with encouraging turnover growth over the past year and improvements in several key performance measures.

Overview

The operational performance of Clicks is reflected in improved turnover growth and profitability, while the group's wholesale pharmaceutical distributor, UPD, continued to perform well.

During the year under review a new group executive was formed and the board of directors was extensively restructured and strengthened.

The implementation of the enterprise-wide systems platform has proved challenging. After addressing systems stability issues in the early months of the financial year, business processes have had to be adapted to the requirements of the new systems. Operational compliance with these processes has taken longer than expected. As compliance improves, we anticipate further benefits in the quality of reporting and analysis.

As a consequence of the above, the year-end financial reporting and audit process has taken longer to complete than anticipated. KPMG Inc.'s modified review report on the preliminary results presented is available for inspection at the company's registered office. The board and management have decided to publish unaudited results and are confident that the audited results will not materially differ.

Financial performance

Group turnover increased 14.8% to reach the R10 billion mark for the first time. Retail turnover grew 10.0% in a period when both Clicks and Discom experienced price deflation. UPD lifted turnover by 26.8%.

Gross profit margin declined by 90 basis points as a result of the increased contribution of UPD's sales within the group. By the nature of its business, UPD operates at much lower gross margins and its decline in margin from 4.0% to 2.9% reflects the higher volume of ethical product distributed. Retail gross margin increased by 30 basis points to 27.1%.

Operating expense growth was contained at 9.5%, resulting in an increase in operating profit before capital items of 19.6%. Operating profit margin increased to 3.9% from 3.8% in 2005.

Headline earnings grew by 25.5% with diluted headline earnings per share increasing by 23.7% to 71 cents per share.

Return on equity improved from 14.2% in 2005 to 16.7%.

R220 million in cash was generated by operating activities during the year. This was driven by a significant improvement in the second half of the year, where the group generated R563 million compared to R295 million last year. This improvement in cash flow management is largely attributable to better working capital management. The efficient management of stock is reflected in inventory levels only increasing by 0.2% despite the 14.8% increase in turnover. Inventory turn increased from 6.1 times in 2005 to 6.9 times.

Trading performance

Clicks increased turnover by 8.8%, with the core categories of healthcare growing by 11.7% and beauty rising 9.4%. Comparable store turnover increased by 10.8%, reflecting the impact of the closure or conversion of the remaining non-integrated pharmacies. Operating profit improved by 13.3% to R207 million.

The drugstore model adopted by Clicks is proving effective, evidenced by a 19% increase in turnover in stores with dispensaries. Clicks opened 45 dispensaries during the year and now has 110 in-store dispensaries.

Discom continues to realise its potential as a health, beauty and lifestyle retailer

Group Turnover up	Operating profit up	Diluted headline EPS up	Return on equity
14.8%	19.6%	23.7%	16.7%
from 2005	to R393.0 million	to 71.0 cents	from 14.2

for the lower to middle income groups. Turnover increased by 10.5%, with comparable stores growing by 5.7%. Discom's operating profit grew by 37.8% to R34 million.

Musica's turnover growth of 17.6% was driven mainly by a strong increase in DVD and gaming sales. Comparable stores grew 10.8%. Entertainment-related merchandise categories now account for 34.5% of total sales. Operating profit increased 11.0% to R26 million.

The Body Shop increased turnover by 11.8% as sales in the second half of the year grew by 20%. Comparable store sales rose 3.1%. Operating profit increased 19.3% to R11 million.

UPD's turnover growth of 26.8% is mainly attributable to two major hospital supply contracts received during the year and to increasing sales to Clicks. Continued tight expense management contributed to a 28.0% increase in operating profit.

Prospects

Trading in the first two months of the new financial year has been satisfactory. However, the trading environment for 2007 is likely to be affected by increasing interest rates, although it is too early to determine the impact on spending patterns and consumer confidence levels. Modest levels of price inflation are expected in the year ahead. The group has developed clear plans for each business to improve its offer to its customers. 34 new stores are planned for the year ahead. Operationally the group will have the benefit of its new systems for a full year in 2007 and will focus on improving distribution efficiency and expense control.

The directors and management are confident of delivering real earnings growth in 2007.

Distribution

The board of directors has approved a distribution of 22 cents per share (2005: 18.5 cents per share) comprising a final cash dividend of 6.8 cents per share and a distribution out of share premium of 15.2 cents per share in lieu of a dividend (collectively "the distribution") payable on Monday, 18 December 2006 to shareholders recorded in the register of the company at the close of business on Friday, 8 December 2006.

The last day to trade ("cum" the distribution) in order to participate in the distribution will be Friday, 8 December 2006 and the shares will trade "ex distribution" from the commencement of business on Monday, 11 December 2006. The record date will be Friday, 15 December 2006.

Share certificates may not be dematerialised or rematerialised between Monday, 11 December 2006 and Friday, 15 December 2006, both dates inclusive.

By order of the Board

ALLAN SCOTT
Company Secretary
1 November 2006

operational segmental balance sheet

R'000	Retail As at 31 August 2006	Retail As at 31 August 2005	Distribution As at 31 August 2006	Distribution As at 31 August 2005
Assets				
Non-current assets	**1 339 234**	1 209 178	**(54 512)**	89 093
Property, plant and equipment	**615 361**	606 280	**81 375**	62 646
Investment property	**-**	-	**6 900**	6 900
Intangible assets	**394 820**	393 323	**2 630**	3 280
Goodwill	**-**	-	**83 950**	83 950
Deferred tax assets	**23 292**	72 792	**1 071**	958
Intragroup loans	**230 438**	68 641	**(230 438)**	(68 641)
Loans receivable	**75 323**	68 142	**-**	-
Current assets	**1 487 856**	1 401 246	**911 829**	632 162
Inventories	**1 145 923**	1 149 816	**297 238**	290 274
Trade and other receivables	**181 231**	141 844	**611 326**	338 511
Income tax receivable	**86 474**	37 903	**-**	-
Loans receivable	**1 481**	-	**-**	-
Cash and cash equivalents	**36 846**	56 934	**3 265**	3 377
Derivative financial assets	**35 901**	14 749	**-**	-
Total assets	**2 827 090**	2 610 424	**857 317**	721 255
Equity and liabilities				
Equity	**1 499 467**	1 378 954	**94 482**	37 985
Share capital	**3 555**	3 703	**-**	-
Share premium	**815 791**	964 077	**-**	-
Share option reserve	**20 037**	14 414	**-**	-
Treasury shares	**(69 624)**	(249 678)	**-**	-
Non-distributable reserve	**618**	508	**-**	-
Distributable reserve	**729 090**	645 930	**94 482**	37 985
Non-current liabilities	**305 525**	285 876	**20 260**	22 590
Interest-bearing loans and borrowings	**136 968**	146 210	**13 887**	21 473
Employee benefits	**28 116**	17 457	**-**	-
Deferred tax liabilities	**39 296**	36 703	**6 373**	1 117
Operating lease liability	**101 145**	85 506	**-**	-
Current liabilities	**1 022 098**	945 594	**742 575**	660 680
Short-term borrowings	**47 000**	-	**-**	13 903
Trade and other payables	**763 233**	737 891	**727 153**	632 208
Employee benefits	**96 861**	62 055	**8 614**	9 230
Provisions	**41 416**	42 090	**-**	-
Interest-bearing loans and borrowings	**58 841**	89 399	**4 010**	3 625
Derivative financial liabilities	**-**	2 500	**-**	-
Income tax payable	**14 747**	11 659	**2 798**	1 714
Total equity and liabilities	**2 827 090**	2 610 424	**857 317**	721 255

R'000	Group As at 31 August 2006	As at 31 August 2005
Assets		
Non-current assets	**1 284 722**	1 298 271
Property, plant and equipment	**696 736**	668 926
Investment property	**6 900**	6 900
Intangible assets	**397 450**	396 603
Goodwill	**83 950**	83 950
Deferred tax assets	**24 363**	73 750
Intragroup loans	**-**	-
Loans receivable	**75 323**	68 142
Current assets	**2 399 685**	2 033 408
Inventories	**1 443 161**	1 440 090
Trade and other receivables	**792 557**	480 355
Income tax receivable	**86 474**	37 903
Loans receivable	**1 481**	-
Cash and cash equivalents	**40 111**	60 311
Derivative financial assets	**35 901**	14 749
Total assets	**3 684 407**	3 331 679
Equity and liabilities		
Equity	**1 593 949**	1 416 939
Share capital	**3 555**	3 703
Share premium	**815 791**	964 077
Share option reserve	**20 037**	14 414
Treasury shares	**(69 624)**	(249 678)
Non-distributable reserve	**618**	508
Distributable reserve	**823 572**	683 915
Non-current liabilities	**325 785**	308 466
Interest-bearing loans and borrowings	**150 855**	167 683
Employee benefits	**28 116**	17 457
Deferred tax liabilities	**45 669**	37 820
Operating lease liability	**101 145**	85 506
Current liabilities	**1 764 673**	1 606 274
Short-term borrowings	**47 000**	13 903
Trade and other payables	**1 490 386**	1 370 099
Employee benefits	**105 475**	71 285
Provisions	**41 416**	42 090
Interest-bearing loans and borrowings	**62 851**	93 024
Derivative financial liabilities	**-**	2 500
Income tax payable	**17 545**	13 373
Total equity and liabilities	**3 684 407**	3 331 679

operational segmental income statement

R'000	Retail Year to 31 August 2006	Retail Year to 31 August 2005	% change	Distribution Year to 31 August 2006	Distribution Year to 31 August 2005	% change
Revenue	**7 033 664**	6 389 429	10.1	**4 072 949**	3 215 941	26.6
Turnover	**6 793 749**	6 173 511	10.0	**3 863 143**	3 045 934	26.8
Cost of merchandise	**4 949 887**	4 516 048	9.6	**3 752 972**	2 924 426	28.3
Gross profit	**1 843 862**	1 657 463	11.2	**110 171**	121 508	(9.3)
Other income	**239 915**	215 918	11.1	**209 806**	170 007	23.4
Expenses	**1 810 726**	1 657 466	9.2	**205 224**	201 690	1.8
Depreciation and amortisation	**99 278**	93 663	6.0	**4 104**	5 658	(27.5)
Occupancy costs	**306 043**	285 165	7.3	**10 881**	10 261	6.0
Employment costs	**841 192**	718 306	17.1	**101 172**	96 518	4.8
Other operating costs	**558 676**	536 977	4.0	**88 982**	89 381	(0.4)
Impairment of property, plant and equipment	**3 159**	6 143		**-**	-	
Loss/(profit) on disposal of property, plant and equipment	**1 124**	398		**85**	(128)	
Goodwill impairment	**1 254**	16 814		**-**	-	
Operating profit before financing costs	**273 051**	215 915	26.5	**114 753**	89 825	27.8

R'000	Intragroup Elimination Year to 31 August 2006	Year to 31 August 2005	Group Year to 31 August 2006	Year to 31 August 2005	% change
Revenue	**(656 271)**	(505 107)	**10 461 712**	9 108 141	14.9
Turnover	**(656 271)**	(505 107)	**10 000 621**	8 714 338	14.8
Cost of merchandise	**(655 814)**	(504 714)	**8 047 045**	6 935 760	16.0
Gross profit	**(457)**	(393)	**1 953 576**	1 778 578	9.8
Other income	**-**	-	**449 721**	385 925	16.5
Expenses	**-**	-	**2 015 950**	1 859 156	8.4
Depreciation and amortisation	**-**	-	**103 382**	99 321	4.1
Occupancy costs	**-**	-	**316 924**	295 426	7.3
Employment costs	**-**	-	**942 364**	814 824	15.7
Other operating costs	**-**	-	**647 658**	626 358	3.4
Impairment of property, plant and equipment	**-**	-	**3 159**	6 143	
Loss/(profit) on disposal of property, plant and equipment	**-**	-	**1 209**	270	
Goodwill impairment	**-**	-	**1 254**	16 814	
Operating profit before financing costs	**(457)**	(393)	**387 347**	305 347	26.9
Net financing costs			**(57 219)**	(49 086)	16.6
Financial income			**11 370**	7 878	44.3
Financial expenses			**(68 589)**	(56 964)	20.4
Profit before tax			**330 128**	256 261	28.8
Income tax expense			**84 138**	77 098	9.1
Profit for the year			**245 990**	179 163	37.3
Adjustment for:					
Impairment of property, plant and equipment			**3 159**	4 362	
Loss on disposal of property, plant and equipment			**1 209**	191	
Goodwill impairment			**1 254**	16 814	
Headline earnings			**251 612**	200 530	25.5
Headline earnings per share					
- undiluted (cents)			**73.1**	59.0	23.9
- diluted (cents)			**71.0**	57.4	23.7
Earnings per share					
- undiluted (cents)			**71.4**	52.7	35.5
- diluted (cents)			**69.4**	51.3	35.3
Shares in issue ('000)			**355 488**	370 260	(4.0)
Weighted average number of shares ('000)			**344 337**	339 914	1.3
Weighted average diluted number of shares ('000)			**354 365**	349 358	1.4

consolidated changes in equity statement

R'000	Number of shares ('000)	Share capital	Share premium	Share option reserve	Treasury shares	Non-distributable reserve	Distributable reserve	Total
Balance at 1 September 2004 restated	**345 391**	**3 612**	**907 107**	**9 035**	**(122 981)**	**1 042**	**618 147**	**1 415 962**
Balance at 1 September 2004 as previously stated	345 391	3 612	907 107	-	(122 981)	28 942	502 475	**1 319 155**
Adjustments	-	-	-	9 035	-	(27 900)	115 672	**96 807**
Shares issued in respect of options	9 055	91	57 243	-	-	-	-	**57 334**
Share issue expenses written off	-	-	(273)	-	-	-	-	**(273)**
Treasury shares purchased	(13 927)	-	-	-	(126 697)	-	-	**(126 697)**
Foreign currency translation reserve	-	-	-	-	-	(534)	-	**(534)**
Deferred tax on write-off of intangible assets restated	-	-	-	-	-	-	(930)	**(930)**
Deferred tax on write off of intangible assets as previously stated	-	-	-	-	-	(9 920)	8 990	**(930)**
Adjustments	-	-	-	-	-	9 920	(9 920)	**-**
Share option reserve	-	-	-	5 379	-	-	-	**5 379**
Profit for the period restated	-	-	-	-	-	-	179 163	**179 163**
Profit for the period as previously stated	-	-	-	-	-	-	204 633	**204 633**
Adjustments	-	-	-	-	-	-	(25 470)	**(25 470)**
Distributions to shareholders	-	-	-	-	-	-	(112 465)	**(112 465)**
Balance at 31 August 2005	**340 519**	**3 703**	**964 077**	**14 414**	**(249 678)**	**508**	**683 915**	**1 416 939**
Balance at 31 August 2005 as previously stated	340 519	3 703	964 077	-	(249 678)	18 488	603 633	**1 340 223**
Adjustments	-	-	-	14 414	-	(17 980)	80 282	**76 716**
Shares issued in respect of options	12 160	122	74 461	-	-	-	-	**74 583**
Share issue expenses written off	-	-	(189)	-	-	-	-	**(189)**
Treasury shares cancelled	-	(270)	(182 990)	-	226 838	-	(43 578)	**-**
Treasury shares purchased	(5 066)	-	-	-	(46 784)	-	-	**(46 784)**
Foreign currency translation reserve	-	-	-	-	-	110	-	**110**
Share option reserve	-	-	-	5 623	-	-	-	**5 623**
Profit for the period	-	-	-	-	-	-	245 990	**245 990**
Distributions to shareholders	-	-	(39 568)	-	-	-	(62 755)	**(102 323)**
Balance at 31 August 2006	**347 613**	**3 555**	**815 791**	**20 037**	**(69 624)**	**618**	**823 572**	**1 593 949**

ADJUSTMENTS	Impact on profit for the year		Impact on equity		
			Cumulative	31 August	Cumulative
R'000	**2006**	2005	**31 August 2005**	2005	31 August 2004
Share options	**(5 623)**	(5 379)	**-**	-	-
Re-recognition of trademarks previously written off	**-**	3 720	**264 120**	3 720	260 400
Change in estimate relating to useful lives of assets	**4 434**	-	**-**	-	-
Inventory adjustments	**6 868**	(15 668)	**(129 075)**	(15 668)	(113 407)
Irrecoverable debtors' balances	**-**	-	**(25 080)**	-	(25 080)
Leave pay and bonus accruals	**(6 865)**	(295)	**(13 301)**	(295)	(13 006)
Onerous leases	**3 240**	(3 007)	**(13 704)**	(3 007)	(10 697)
Other	**5 916**	(4 841)	**(6 244)**	(4 841)	(1 403)
Total Adjustments	**7 970**	(25 470)	**76 716**	(20 091)	96 807

The effects disclosed are net of deferred tax at the rates prevailing during the relevant year. The 2005 impact includes the impact of the change in tax rate on the cumulative 31 August 2004 adjustment.

The group is reporting for the first time in accordance with International Financial Reporting Standards (IFRS) for the year ended 31 August 2006 and accordingly, comparative figures have been restated. The unaudited preliminary results for the year ended 31 August 2006 have been prepared in accordance with the group's accounting policies, which comply with IFRS. These standards are subject to ongoing review and possible amendment by interpretive guidance from the International Financial Reporting Interpretations Committee. The results may therefore be subject to change at future reporting dates. A full set of the group's accounting policies are available on request from company's registered office. The disclosures required in terms of IFRS1 - First time adoption of IFRS concerning the transition from South African Statements of Generally Accepted Accounting Practice and the requisite changes in accounting policies are set out below and as part of the of Changes in Equity Statement.

The group has applied IFRS2 - Share-based payments to all options granted after 7 November 2002 which had not vested at 31 August 2004. The fair value of these options were determined at the grant date using the Binomial option pricing model. The fair value of the options that are expected to vest have been amortised over the vesting period. The cumulative value amortised at 31 August 2006 amounts to R20.0 million.

The provisions of IFRS1 have required the group to re-recognise trademarks to the value of R372 million which were written off against share premium in 1996. These trademarks are treated as intangibles with indefinite useful lives in accordance with IAS38 - Intangible assets. Accordingly these trademarks are not amortised, but are subject to an annual impairment test.

The group has revised its assessment of the residual values and remaining useful lives of its assets in accordance with IAS16 - Property, plant and equipment. The historic impact was not considered material and has accordingly been adjusted for prospectively. The change relates to land and buildings and motor vehicles.

Rebates, settlement discounts and distribution costs have been included as part of the cost of merchandise which has had the effect of reducing the value of inventories. In addition, the group has historically used the Retail Inventory Method to estimate the first-in-first-out (FIFO) cost of inventory. The assumptions and methodology applied by the group in using the Retail Inventory Method were reviewed and refined during the year in the context of more reliable information becoming available, to more accurately reflect the FIFO cost of inventory.

Irrecoverable debtors' balances represent amounts that should have been impaired in previous years.

Leave pay and bonus accruals relate to known over and underprovisions in the years indicated.

Onerous leases relate to onerous contract costs which had previously not been accrued for.

In addition to the reallocation of rebates and settlement discounts from other income to gross profit and the reallocation of distribution costs from operating expenses to gross profit as described above, the group has also reallocated distribution and logistic fee income in its pharmaceutical distribution business from gross profit to other income.

The changes detailed above have necessitated a change in the method in which Group Service costs are allocated to the business units. The comparative information in respect of the trading segmental analysis has thus been restated.

consolidated cash flow statement

R'000	**Year to 31 August 2006**	Year to 31 August 2005
Cash effects of operating activities		
Operating profit before working capital changes (refer note 1)	**505 930**	454 150
Working capital changes (refer note 2)	**(154 666)**	(196 485)
Cash generated by operations	**351 264**	257 665
Interest received	**11 370**	7 878
Interest paid	**(71 373)**	(56 964)
Tax paid	**(71 301)**	(109 258)
Cash inflow from operating activities	**219 960**	99 321
Distributions to shareholders	**(102 323)**	(112 465)
Net cash effects of operating activities	**117 637**	(13 144)
Cash effects of investing activities		
Investment in property, plant and equipment	**(162 315)**	(170 106)
Acquisition of additional goodwill	**(1 254)**	(2 484)
Proceeds on disposal of property, plant and equipment	**20 688**	16 204
Decrease/(increase) in loan receivables	**41 338**	(26 274)
Net cash effects of investing activities	**(101 543)**	(182 660)
Cash effects of financing activities		
Proceeds from the issue of share capital	**74 583**	57 334
Share issue expenses	**(189)**	(273)
Purchase of treasury shares	**(46 784)**	(126 697)
Long-term borrowings repaid	**(97 001)**	(79 842)
Net cash effects of financing activities	**(69 391)**	(149 478)
Net decrease in cash and cash equivalents	**(53 297)**	(345 282)
Cash and cash equivalents at beginning of year	**46 408**	391 690
Cash and cash equivalents at end of year	**(6 889)**	46 408

R'000	**Year to 31 August 2006**	Year to 31 August 2005
Notes to the cash flow statement		
1. Operating profit before working capital changes		
Operating profit before financing costs	**387 347**	305 347
Non-cash items:		
Depreciation and amortisation	**108 602**	104 734
Impairment of property, plant and equipment	**3 159**	6 143
Goodwill impairment	**1 254**	16 814
Unrealised foreign exchange (gain)/loss	**(8 580)**	2 500
Loss on disposal of property, plant and equipment	**1 209**	270
Share option reserve	**5 623**	5 379
Operating lease accrual	**15 639**	9 018
Derivative financial instruments fair value adjustment	**(8 323)**	3 945
	505 930	454 150
2. Working capital changes		
Increase in inventories	**(3 071)**	(190 757)
Increase in trade and other receivables	**(312 202)**	(50 107)
Acquisition of derivative financial instruments	**(3 965)**	(18 390)
Increase in trade and other payables	**120 397**	42 436
Increase in employee benefits	**44 849**	12 374
(Decrease)/increase in provisions	**(674)**	7 959
	(154 666)	(196 485)

trading segmental analysis

for the year to 31 August 2006		Group	Clicks		Discom	
R'000		2005	**2006**	2005	**2006**	2005
Balance sheet						
Property, plant and equipment*		697 149	**210 452**	169 208	**57 703**	56 001
Inventories		1 440 090	**816 885**	802 179	**191 354**	222 081
Other assets		1 194 440	**-**	-	**-**	-
Total assets		3 331 679	**1 027 337**	971 387	**249 057**	278 082
Income statement						
Turnover		8 714 338	**4 864 521**	4 469 078	**1 077 682**	975 223
Operating profit/(loss)		328 574	**206 906**	182 635	**33 905**	24 608
Ratios						
Operating profit margin	%	3.8	**4.3**	4.1	**3.1**	2.5
Return on assets managed	%	12.2	**20.7**	18.8	**12.9**	10.5
Product price inflation	%	-	**(0.8)**	(2.7)	**(1.0)**	(0.3)
Number of stores						
- company owned		663	**308**	315	**179**	179
- franchised		15	**14**	14	**1**	1
Weighted retail trading area	m^2	249 417	**164 180**	179 330	**52 931**	50 957
Weighted annual retail sales per m^2	R	24 739	**29 629**	24 921	**20 360**	19 138
Number of permanent employees		8 947	**5 230**	5 179	**1 820**	1 835

* Property, plant and equipment includes investment property and intangible assets excluding trademarks

Musica		The Body Shop		Style Studio		UPD		Group Services		Intragroup elimination	
2006	2005	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005
36 400	33 157	**13 179**	11 377	**1 129**	1 296	**88 275**	69 546	**319 318**	356 564	**-**	-
130 696	122 222	**8 780**	5 027	**1 559**	1 200	**297 238**	290 274	**-**	-	**(3 351)**	(2 893)
	-	**-**	-	**-**	-	**702 242**	430 076	**812 548**	764 364	**-**	-
167 096	155 379	**21 959**	16 404	**2 688**	2 496	**1 087 755**	789 896	**1 131 866**	1 120 928	**(3 351)**	(2 893)
778 798	662 293	**65 342**	58 442	**7 120**	5 337	**3 863 143**	3 045 934	**286**	3 138	**(656 271)**	(505 107)
25 635	23 094	**11 067**	9 274	**1 075**	(341)	**114 838**	89 697	**-**	-	**(457)**	(393)
3.3	3.5	**16.9**	15.9	**15.1**	(6.4)	**3.0**	2.9	**-**	-	**-**	-
15.9	15.2	**57.7**	67.0	**41.5**	(22.6)	**13.5**	14.5	**-**	-	**-**	-
-	-	-	-	-	-	-	-	-	-	**-**	-
145	139	**29**	27	**3**	3	**-**	-	**-**	-	**-**	-
-	-	-	-	-	-	**-**	-	**-**	-	**-**	-
18 603	17 365	**1 596**	1 513	**265**	252	**-**	-	**-**	-	**-**	-
41 864	38 140	**40 941**	38 627	**26 868**	21 179	**-**	-	**-**	-	**-**	-
699	621	**80**	76	**10**	14	**507**	507	**712**	715	**-**	-

definitions

Diluted headline earnings per share - Headline earnings divided by the weighted average diluted number of shares in issue for the year.
Distribution cover - Diluted headline earnings per share for the year divided by the distributions per share for the year.
Distribution per share - Distribution per share is the actual interim cash dividend and/or capital distribution paid and the final cash dividend and/or capital distribution declared expressed as cents per share.
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 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 to shareholders' interest at year end - Interest-bearing debt (including bank overdraft) at the end of the year divided by shareholders' interest at the end of the year.
Inventory turn - Turnover for the year divided by closing inventory at year end.
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 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.
Operating profit margin - Operating profit expressed as a percentage of turnover.
Percentage of shares traded - The number of shares traded as a percentage of the weighted number of shares in issue.
Price earnings ratio - The market price per share at year end divided by undiluted headline earnings per share.
Return on assets managed - Operating profit before capital items expressed as a percentage of average property, plant and equipment, inventory, investment properties, intangible assets (excluding trademarks and goodwill) and trade and other receivables for the year. Trade and other receivables are not allocated to retail business units.
Return on shareholders' interest - Headline earnings expressed as a percentage of the average ordinary shareholders' interest for the year.
Return on total assets - Headline earnings expressed as a percentage of the average total assets for the year.
Shareholders' interest - Ordinary share capital, share premium and reserves, net of treasury shares.
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 year 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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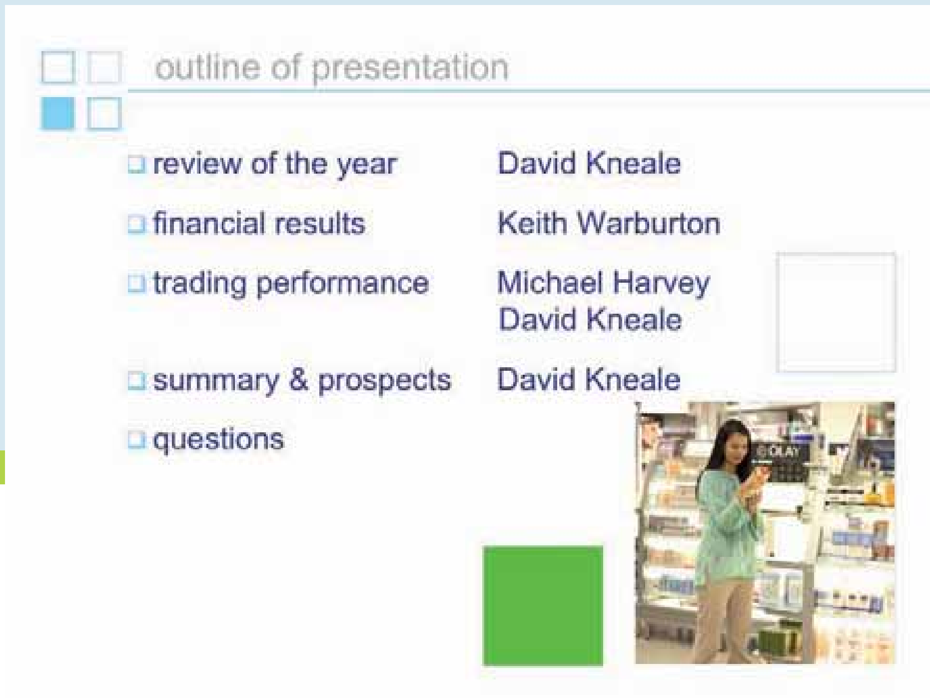
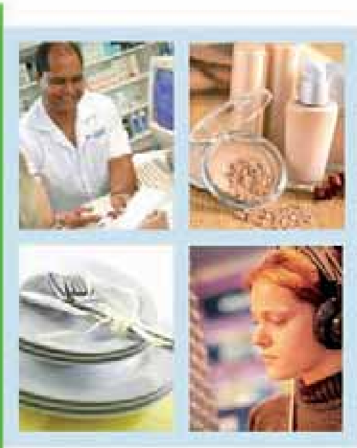
NEW
CLICKS HOLDINGS
LIMITED
annual results
for the year ended 31 August 2006


outline of presentation
review of the year David Kneale
financial results Keith Warburton
trading performance Michael Harvey
David Kneale
summary & prospects David Kneale
questions



review of the year

David Kneale

strategy

- a specialist retail group
  ..... best for range, value & trusted
- focus on
  ..... health, beauty, entertainment & homeware
- operating through multiple formats
- organised to be cost effective & efficient

... focus on delivery

review of the year

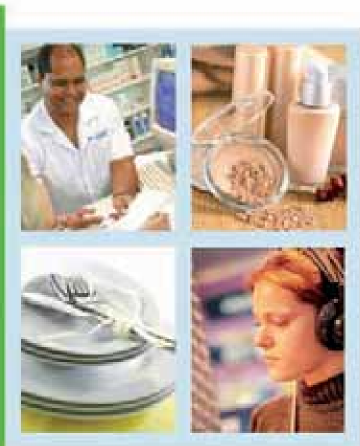
- encouraging turnover growth of 14.8%
- Clicks performance improving
- strong growth from UPD
- operating profit up 19.6%
- inventory turn improved from 6.1 to 6.9 times
- diluted headline EPS up 23.7% to 71 cps
- ROE improves from 14.2% to 16.7%

review of the year *(continued)*

- new leadership team
  - strong team dynamic in new group executive
  - board restructured & strengthened
- business adapting to new enterprise platform
  - challenge to implement
  - better information
- morale improving

priorities – report back

priorities	action to date
clear targets	return on assets managed (ROAM) introduced
clear accountabilities	scorecards in use
make business simpler	business unit structure
get the basics right	less stock better availability systems compliance



financial results

Keith Warburton

turnover

R'm	2006	2005	% change	same store % growth
Clicks	4 865	4 469	8.8	10.8
Discom	1 078	975	10.5	5.7
Musica	779	662	17.6	10.8
The Body Shop	65	58	11.8	3.1
Style Studio	7	5	33.4	33.4
other	-	4		
total – retail	6 794	6 173	10.0	9.9
UPD	3 863	3 046	26.8	
intragroup turnover	(656)	(505)	29.9	
total group	10 001	8 714	14.8	

gross profit margin

	2006 R'm	2006 %	2005 R'm	2005 %
retail	1 844	27.1	1 658	26.8
UPD	110	2.9	121	4.0
total	1 954	19.5	1 779	20.4

- retail margin up 30bps
- UPD margin no longer includes logistics fees under IFRS

operating expenditure

R'm	2006	2005	% change
Clicks	1 241	1 134	9.4
Discom	309	281	9.9
Musica	224	191	17.2
The Body Shop	28	25	13.9
Style Studio	3	3	0.2
UPD	205	202	1.6
Group Services	-	-	
total group	2 010	1 836	9.5

- Group Services costs allocated to business units
- expense growth below revenue growth

operating profit

R'm	2006	2005	% change
Clicks	207	183	13.3
Discom	34	25	37.8
Musica	26	23	11.0
The Body Shop	11	9	19.3
Style Studio	1	-	
UPD	114	89	28.0
Group Services	-	-	
total operating profit	393	329	19.6

- R28m provision at H1 - required as accrual for supplier obligations & allocated to business units
- Musica R5m stock shortfall (prior year stock valuations, syndicated fraud & stock control) – processes tightened as a result

inventory

	turn (times)*		inventory (R'm)		
	2006	2005	**2006**	2005	% change
Clicks	**6.0**	5.6	**817**	802	1.8
Discom	**5.6**	4.4	**191**	222	(13.8)
Musica	**6.0**	5.4	**131**	123	6.9
The Body Shop	**7.4**	11.6	**9**	5	74.7
Style Studio	**4.6**	4.5	**1**	1	29.9
total Retail	**5.9**	5.4	**1 149**	1 153	(0.3)
UPD	**13.0**	10.5	**297**	290	2.4
intragroup inventory			**(3)**	(3)	
total inventory	**6.9**	6.1	**1 443**	1 440	0.2

* inventory on turnover

cash – utilisation

R'm	**2006**	2005
cash equivalents at beginning of year	**46**	392
cash utilised	**(477)**	(452)
cash equivalents at half year	**(431)**	(60)
cash generated	**424**	106
cash equivalents at end of year	**(7)**	46

... improving working capital management helping cash flow

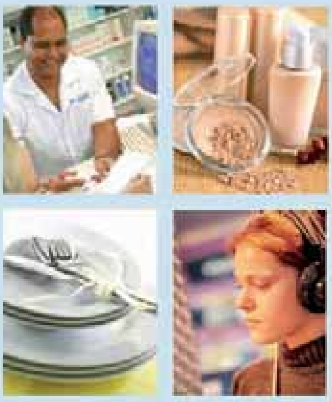
distribution to shareholders

- distribution cover of 2.2 maintained
- total distribution of 33.2 cps
- comprises a portion from retained earnings & the balance from share premium

financial priorities

- enhancing financial management
- tight expense control
- cash flow generation
  - continued stock reduction
  - effective working capital management

... improving ROAM



trading performance

Michael Harvey & David Kneale

CLICKS category performance

R'm	2006	2005	% change
health	**1 620**	1 450	11.7
beauty	**1 716**	1 569	9.4
general merchandise	**1 529**	1 451	5.3
	4 865	4 469	8.8

CLICKS health

- currently 110 dispensaries
  - 45 opened this year
- drugstore model proving effective
  - stores with dispensaries +19%
  - stores without dispensaries +4.1%
- prescription volumes up 27.7%; OTC volumes up 28.7% (continuing stores)
- introduced Plus Points on dispensary
- Clicks Pharmacy awareness levels 34% nationally

CLICKS beauty

- skin & bath categories both up 16.5%
- cosmetics up 9.1%
- private label & exclusive brands gaining traction – sales up 17.1%

CLICKS general merchandise

- rationalisation of categories
- negatively impacted by photographic -28%
- confectionery; electrical both +10%
- homewares +13%

CLICKS store performance

- 6% increase in till transactions to 61.7 million
- ClubCard customers
  - till transactions +3.1%
  - basket size +5.4% at R88.71 (front shop) & R173.12 (front shop + dispensary)
- other customers
  - till transactions +9%

CLICKS strategic focus

- enhancing health & beauty specialisation
  - developing blueprint for new store look & layout
- building pharmacy profitability & authority
  - pharmacist availability a challenge
  - dispensing fee regulations
- increasing differentiation & gross margins
  - launched ClubCard credit card

CLICKS ClubCard credit card

CLICKS strategic focus *(continued)*

- growing private label & exclusive brands
  - account for 12.2% of sales (10.5% at half year)
  - over 200 lines introduced this year

CLICKS private label

CLICKS strategic focus *(continued)*

- growing private label & exclusive brands
  - account for 12.2% of sales (10.5% at half year)
  - over 200 lines introduced this year
- broadening customer base
  - develop ethnic hair care category
  - exploring new areas for stores

… the health & beauty specialist

CLICKS broadening store base

CLICKS broadening store base


CLICKS operational objectives
tight expense control
continued focus on shrinkage & wastage
reduce stock & improve availability
further centralised distribution
… customer focused


CLICKS looking ahead
clear plans – up pace of execution
focused on health & beauty
complemented by homeware
pharmacy totally integrated
improving morale
… committed to sustainable delivery

DiSCOM
LOOK GOOD • FEEL GOOD

DiSCOM performance

- turnover
  - FMCG up 10.9%
  - lifestyle up 9.6%
  - comparable stores 5.7%
- performance highlights
  - inland division sales growth
  - stock turn
- operating margin up from 2.5% to 3.1%

… continuing to realise potential

DiSCOM strategic focus

- dominate health, beauty & lifestyle for lower to middle income groups
- convenient store locations for target market

DiSCOM strategic focus

DiSCOM LOOK GOOD • FEEL GOOD

strategic focus *(continued)*

- dominate health, beauty & lifestyle for lower to middle income groups
- convenient store locations for target market
- low cost operating model
- priorities
  - turnaround underperforming stores
  - stock management
  - strengthening value proposition

MUSICA
LISTEN WITH YOUR SOUL

performance

- turnover growth driven by
  - DVD sales +46%
  - gaming +65%
- entertainment-related merchandise now 34.5% of sales
- operating margin 3.3% (2005: 3.5%)
- strong brand awareness

... entertainment strategy successful

strategic focus

- enhance the Musica brand
  - launch of Musica Megastore format

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for the year ended 31 August 2006

Musica Megastore

strategic focus *(continued)*

- enhance the Musica brand
  - launch of Musica Megastore format
- continued transition to entertainment
  - additional space to DVD & gaming
  - extending the offer to airtime
- broaden access to the brand
  - target emerging middle class consumers

broadening access

The Body Shop

- turnover up 11.8%; comparable stores up 3.1%
- sales up 20% in H2
  - improved operational management
  - response to 'Love Your Body' loyalty programme
- operating margin 16.9% (2005: 15.9%)
- building customer loyalty
- enhancing in-store experience

The Body Shop

UPD performance

- turnover growth boosted by strong increase in
  - sales to hospitals
  - sales to Clicks
- margin impacted by higher volumes of ethical products
- expenses well-managed to 5.3% of sales (2005: 6.6%)
- operating margin maintained at 3.0%

… focus on volume & efficiency

UPD strategic focus

- continue to improve operating efficiencies
  - automation of Lea Glen ethical warehouse
- grow & diversify income base
  - Musica & other third party distribution
- add value to pharmacy
  - development of UPD's banner group Multicare
- optimise group synergies

… driving return on assets


legislation
logistics fee proposals
split fee between fine & bulk distribution
strict definition of a wholesaler


summary & prospects
David Kneale

trading environment

- continued satisfactory trading to date
- expecting modest level of inflation
- impact of rising interest rates
- slowdown in consumer spending

medium-term goals

- delighting our customers
  - clear plans in each business
  - deepen our presence in healthcare
  - 34 new stores planned
- motivated & competent people
  - appointed Group HR director
  - launched employee wellness programme
- improving ROE
  - adopted ROAM measurement for all businesses
  - emphasising cash generation

strive for operating excellence

- full year of new systems
- more efficient distribution
- tight expense control
- customer focus

prospects

- confident of sustainable real earnings growth

... building blocks firmly in place