

INTERIM GROUP RESULTS
FOR THE SIX MONTHS ENDED 29 FEBRUARY 2016



CLICKS GROUP
LIMITED

Group turnover up

13.4%

Diluted headline EPS up

15.1%

Interim dividend up

16.0%

Return on equity of

53.1%

R696 million

returned to shareholders

5.7 million

Clicks ClubCard active
members

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FINANCIAL SUMMARY

		Six months to 29 February 2016	Six months to 28 February 2015	% change	Year to 31 August 2015
Consolidated statement of comprehensive income					
Turnover	R'000	12 093 347	10 664 306	13.4%	22 070 092
Gross profit	R'000	2 547 506	2 275 747	11.9%	4 524 774
Total income	R'000	3 155 609	2 808 941	12.3%	5 734 856
Headline earnings	R'000	511 236	441 532	15.8%	960 455
Net interest charge	R'000	(18 182)	(24 740)	(26.5%)	(57 309)
Consolidated statement of financial position					
Equity	R'000	1 889 767	1 701 782	11.0%	2 012 807
Interest-bearing borrowings	R'000	200 800	181 500	10.6%	–
Total assets	R'000	8 375 882	6 874 807	21.8%	7 555 938
Consolidated statement of cash flows					
Net cash effects from operating activities	R'000	180 224	(4 422)		798 989
Capital expenditure	R'000	203 437	147 753	37.7%	369 547
Depreciation and amortisation	R'000	127 517	122 127	4.4%	248 054
Performance					
Turnover growth	%	13.4	14.1		15.3
Comparable stores turnover growth	%	10.3	7.2		7.5
Gross profit growth	%	11.9	10.2		9.7
Gross profit margin	%	21.1	21.3		20.5
Total income growth	%	12.3	11.3		10.9
Total income margin	%	26.1	26.3		26.0
Operating margin	%	6.1	6.0		6.3
Inventory days		73	71		68
Current ratio	:1	1.0	1.0		1.1
Return on total assets	%	12.5	12.7		14.0
Return on shareholders' interest	%	53.1	53.6		53.7
Shareholders' interest to total assets	%	22.6	24.8		26.6
Interest-bearing debt to shareholders' interest at period-end	%	10.6	10.7		–
Interest-bearing debt, including cash, to shareholders' interest at period-end	%	(1.4)	7.1		(19.9)
Statistics					
Number of permanent employees		13 235	12 131	9.1%	12 805
Number of stores		671	642	4.5%	657
Weighted retail trading area	m ²	275 895	263 073	4.9%	265 547
Share statistics					
Number of ordinary shares in issue (gross), excluding "A" shares	'000	246 138	246 138	–	246 138
Number of ordinary shares in issue (net of treasury shares)	'000	236 524	240 572	(1.7%)	239 884
Weighted average number of shares in issue (net of treasury shares)	'000	238 624	240 669	(0.8%)	240 603
Weighted average diluted number of shares in issue (net of treasury shares)	'000	250 110	248 652	0.6%	250 204
Headline earnings per share – basic	cents	214.2	183.5	16.7%	399.2
– diluted	cents	204.4	177.6	15.1%	383.9
Dividend per share – interim	cents	76.0	65.5	16.0%	65.5
– final	cents	–	–		169.5
Dividend cover	times	2.8	2.8		1.7
Share price – closing	cents	9 250	8 955	3.3%	9 154
– high	cents	10 600	9 284		9 955
– low	cents	7 980	6 226		6 226
Net asset value per share	cents	799	707	13.0%	839
Net tangible asset value per share	cents	584	508	15.0%	631
Market capitalisation (gross)	R'000	22 767 765	22 041 658	3.3%	22 531 473
Market capitalisation (net of treasury shares)	R'000	21 878 470	21 543 223	1.6%	21 958 981
Price earnings ratio	times	24.2	27.0		23.8
Volume of ordinary shares traded	'000	106 515	102 609		221 642
Percentage of ordinary shares traded	%	44.6	42.6		92.1
Free float	%	95.8	97.4		97.2
Shareholders' return	cents	371	3 399		2 474
Increase in share price	cents	295	3 333		2 239
Dividend per share	cents	76	66		235
Other information					
Inflation rate					
CPI	%	7.0	3.9		4.6
Internal selling price inflation	%	4.4	3.5		4.0
Interest rates					
Prime overdraft rate – closing	%	10.25	9.25		9.50
– average	%	9.81	9.25		9.28
FTSE/JSE Africa share indices					
All Share Index		49 415	53 344	(7.4%)	49 972
General Retailers Index		7 388	8 499	(13.1%)	8 286
Food and Drug Retailers Index		9 555	9 835	(2.8%)	10 053
Exchange rate					
Rand/US dollar – closing	R/US\$	16.13	11.54	39.8%	13.31
– average	R/US\$	14.71	11.29	30.3%	11.79

COMMENTARY

Overview

Clicks Group performed well against a backdrop of constrained consumer spending, increasing financial pressures and growing economic uncertainty in the country.

The group's retail businesses produced excellent trading performances, particularly over the festive and holiday season. Customers responded positively to the strong value offer and innovative product ranges which resulted in good volume growth and increased market shares across all core merchandise categories.

Diluted headline earnings per share (HEPS) for the half-year increased by 15.1% to 204.4 cents and the interim dividend was increased by 16.0% to 76.0 cents per share.

Financial performance

Group turnover increased by 13.4% to R12.1 billion, with retail sales growing by 13.4% and UPD by 12.8%. Selling price inflation was contained to 4.4% for the period.

Total income increased by 12.3%. The investment in competitive pricing in Clicks and the faster growth in generic medicines in UPD reduced the group's total income margin by 20 basis points to 26.1%.

The increase in retail operating expenses of 11.7% was contained below sales growth despite the investment in stores, pharmacies and marketing costs. UPD expenses grew by 12.9% and by 8.0% on a comparable basis.

Operating profit grew by 14.4% to R732 million with the operating margin increasing 10 basis points to 6.1%, benefiting from the stronger retail growth.

Inventory days in stock moved from 71 to 73 days, with inventory levels 17.1% higher at the end of February owing to the investment in stock by all businesses ahead of supplier price increases.

The group remains highly cash-generative. Cash inflow from operations before working capital changes rose 11% to R888 million. Almost R700 million was returned to shareholders through dividend payments of R406 million and share buy-backs of R290 million.

Capital expenditure of R203 million was invested during the first half, mainly on new stores and pharmacies, refurbishments and IT systems.

The group's performance translated into a sector-leading return on equity of 53.1%.

Trading performance

Retail health and beauty sales, including Clicks and the franchise brands of The Body Shop, GNC and Claire's, increased by 14.1%, with strong performances in all product categories.

The Clicks store footprint was expanded to 496, with 384 pharmacies. This is supported by 60 standalone health and beauty franchise stores.

ClubCard membership increased by almost one million following the successful relaunch of the loyalty programme last year, bringing total membership to 5.7 million active customers.

UPD grew turnover by 12.8%, driven partly by the earlier implementation of the annual increase in the single exit price (SEP) of medicines which resulted in customers buying in stock ahead of manufacturer's price increases.



Outlook

Clicks Group is well positioned for continued growth despite the weakening outlook for consumer spending in the months ahead.

The core health and beauty markets in which the group trades are relatively resilient to economic downturns, with the strong value proposition of the Clicks brand appealing to consumers. Clicks also has considerable scope to expand its store and pharmacy footprint in South Africa.

The group continues to invest for long-term growth and record levels of capital expenditure of R455 million will be invested in the financial year.

Full-year earnings forecast

The directors forecast that diluted HEPS for the financial year ending 31 August 2016 will increase by between 10% and 15% over the 2015 financial year.

The forecast is based on the following key assumptions: the consumer spending environment will become increasingly challenging in the second half of the financial year; selling price inflation will be between 4% and 5% for the year; and the group will continue to invest for longer-term growth, mainly in new stores and pharmacies.

Shareholders are advised that this forecast has not been reviewed or reported on by the group's independent auditor.

Interim dividend

The board of directors has approved an interim gross ordinary dividend for the period ended 29 February 2016 of 76.0 cents per share (2015: 65.5 cents per share). The source of the dividend will be from distributable reserves and paid in cash.

Additional information

Dividends Tax (DT) amounting to 11.4 cents per ordinary share will be withheld in terms of the Income Tax Act. Ordinary

shareholders who are not exempt from DT will therefore receive a dividend of 64.6 cents net of DT.

The company has 246 137 763 ordinary shares and 29 153 295 ordinary "A" shares in issue. Its income tax reference number is 9061/745/71/8.

Shareholders are advised of the following salient dates in respect of the interim dividend:

Last day to trade "cum" the dividend	Friday, 24 June 2016
Shares trade "ex" the dividend	Monday, 27 June 2016
Record date	Friday, 1 July 2016
Payment to shareholders	Monday, 4 July 2016

Share certificates may not be dematerialised or rematerialised between Monday, 27 June 2016 and Friday, 1 July 2016, both days inclusive.

The directors of the company have determined that dividend cheques amounting to R50.00 or less due to any ordinary shareholder will not be paid unless a written request to the contrary is delivered to the transfer secretaries, Computershare Investor Services Proprietary Limited, by no later than close of business on Friday, 24 June 2016, being the day the shares trade "cum" the dividend. Unpaid dividend cheques will be aggregated with other such amounts and donated to a charity to be nominated by the directors.

By order of the board

David Janks

Company Secretary

21 April 2016



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Six months to 29 February 2016	Six months to 28 February 2015	% change	Year to 31 August 2015
Revenue	12 704 866	11 200 717		23 285 096
Turnover	12 093 347	10 664 306	13.4%	22 070 092
Cost of merchandise sold	(9 545 841)	(8 388 559)	13.8%	(17 545 318)
Gross profit	2 547 506	2 275 747	11.9%	4 524 774
Other income	608 103	533 194	14.0%	1 210 082
Total income	3 155 609	2 808 941	12.3%	5 734 856
Expenses	(2 423 410)	(2 168 825)	11.7%	(4 338 817)
Depreciation and amortisation	(121 900)	(117 077)	4.1%	(237 670)
Occupancy costs	(340 526)	(307 943)	10.6%	(619 023)
Employment costs	(1 244 372)	(1 115 787)	11.5%	(2 255 417)
Other costs	(716 612)	(628 018)	14.1%	(1 226 707)
Operating profit	732 199	640 116	14.4%	1 396 039
Loss on disposal of property, plant and equipment	(3 098)	(4 082)	(24.1%)	(9 446)
Profit before financing costs	729 101	636 034	14.6%	1 386 593
Net financing costs	(18 182)	(24 740)	(26.5%)	(57 309)
Financial income	3 416	3 217	6.2%	4 922
Financial expense	(21 598)	(27 957)	(22.7%)	(62 231)
Profit before taxation	710 919	611 294	16.3%	1 329 284
Income tax expense	(201 913)	(172 701)	16.9%	(374 709)
Profit for the period	509 006	438 593	16.1%	954 575
Other comprehensive income:				
Items that will not be subsequently reclassified to profit or loss	–	–		765
Remeasurement of post-employment benefit obligations	–	–		1 063
Deferred tax on remeasurement	–	–		(298)
Items that may be subsequently reclassified to profit or loss				
Exchange differences on translation of foreign subsidiaries	6 522	760		4 777
Cash flow hedges	(109)	27 808		33 238
Change in fair value of effective portion	(151)	38 622		46 164
Deferred tax on movement of effective portion	42	(10 814)		(12 926)
Other comprehensive income for the period, net of tax	6 413	28 568		38 780
Total comprehensive income for the period	515 419	467 161		993 355
Reconciliation of headline earnings				
Total profit for the period	509 006	438 593		954 575
Adjusted for:				
Loss net of tax on disposal of property, plant and equipment	2 230	2 939		6 801
Insurance recovery income net of tax on property, plant and equipment	–	–		(921)
Headline earnings	511 236	441 532	15.8%	960 455
Headline earnings per share (cents)				
– basic	214.2	183.5	16.7%	399.2
– diluted	204.4	177.6	15.1%	383.9
Earnings per share (cents)				
– basic	213.3	182.2	17.1%	396.7
– diluted	203.5	176.4	15.4%	381.5
Weighted average number of shares in issue (net of treasury shares, '000)	238 624	240 669	(0.8%)	240 603
Weighted average diluted number of shares in issue (net of treasury shares, '000)	250 110	248 652	0.6%	250 204

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	As at 29 February 2016	As at 28 February 2015	As at 31 August 2015
ASSETS			
Non-current assets	2 165 828	1 938 555	2 009 163
Property, plant and equipment	1 284 961	1 150 461	1 221 658
Intangible assets	405 020	376 942	395 625
Goodwill	103 510	103 510	103 510
Deferred tax assets	195 123	195 165	177 037
Investment in associate	19 666	–	–
Loans receivable	13 246	12 755	13 003
Financial assets at fair value through profit or loss	19 946	17 248	16 668
Derivative financial assets	124 356	82 474	81 662
Current assets	6 210 054	4 936 252	5 546 775
Inventories	3 708 736	3 166 137	3 249 914
Trade and other receivables	2 248 338	1 703 176	1 871 616
Cash and cash equivalents	227 888	61 154	400 738
Derivative financial assets	25 092	5 785	24 507
Total assets	8 375 882	6 874 807	7 555 938
EQUITY AND LIABILITIES			
Equity	1 889 767	1 701 782	2 012 807
Share capital	2 754	2 754	2 754
Share premium	3 497	3 497	3 497
Share option reserve	312 355	251 219	254 592
Cash flow hedge reserve	35 087	29 766	35 196
Treasury shares	(704 298)	(353 219)	(414 127)
Non-distributable reserves	12 853	2 314	6 331
Distributable reserve	2 227 519	1 765 451	2 124 564
Non-current liabilities	316 058	310 188	308 503
Employee benefits	124 839	133 274	128 035
Operating lease liability	186 553	176 914	180 468
Financial liability held at fair value through profit and loss	4 666	–	–
Current liabilities	6 170 057	4 862 837	5 234 628
Trade and other payables	5 730 139	4 477 930	4 898 114
Employee benefits	165 841	138 635	214 943
Provisions	5 745	8 845	5 745
Interest-bearing borrowings	200 800	181 500	–
Income tax payable	66 340	54 588	115 826
Derivative financial liabilities	1 192	1 339	–
Total equity and liabilities	8 375 882	6 874 807	7 555 938

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Number of shares '000	Share capital	Share premium
Balance at 1 September 2014	242 260	2 754	3 497
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	-	-	-
Share-based payment reserve movement	-	-	-
Net cost of own shares purchased	(1 688)	-	-
Total transactions with owners	(1 688)	-	-
Total comprehensive income for the period	-	-	-
Profit for the period	-	-	-
Cash flow hedge reserve	-	-	-
Exchange differences on translation of foreign subsidiaries	-	-	-
Balance at 28 February 2015	240 572	2 754	3 497
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	-	-	-
Share-based payment reserve movement	-	-	-
Net cost of own shares purchased	(688)	-	-
Total transactions with owners	(688)	-	-
Total comprehensive income for the period	-	-	-
Profit for the period	-	-	-
Remeasurement of post-employment benefit obligations	-	-	-
Cash flow hedge reserve	-	-	-
Exchange differences on translation of foreign subsidiaries	-	-	-
Balance at 31 August 2015	239 884	2 754	3 497
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	-	-	-
Share-based payment reserve movement	-	-	-
Net cost of own shares purchased	(3 360)	-	-
Total transactions with owners	(3 360)	-	-
Total comprehensive income for the period	-	-	-
Profit for the period	-	-	-
Cash flow hedge reserve	-	-	-
Exchange differences on translation of foreign subsidiaries	-	-	-
Balance at 29 February 2016	236 524	2 754	3 497

Share option reserve	Treasury shares	Non-distributable reserve	Cash flow hedge reserve	Distributable reserve	Total equity
135 091	(237 863)	1 554	1 958	1 659 982	1 566 973
-	-	-	-	(333 124)	(333 124)
116 128	-	-	-	-	116 128
-	(115 356)	-	-	-	(115 356)
116 128	(115 356)	-	-	(333 124)	(332 352)
-	-	760	27 808	438 593	467 161
-	-	-	-	438 593	438 593
-	-	-	27 808	-	27 808
-	-	760	-	-	760
251 219	(353 219)	2 314	29 766	1 765 451	1 701 782
-	-	-	-	(157 634)	(157 634)
3 373	-	-	-	-	3 373
-	(60 908)	-	-	-	(60 908)
3 373	(60 908)	-	-	(157 634)	(215 169)
-	-	4 017	5 430	516 747	526 194
-	-	-	-	515 982	515 982
-	-	-	-	765	765
-	-	-	5 430	-	5 430
-	-	4 017	-	-	4 017
254 592	(414 127)	6 331	35 196	2 124 564	2 012 807
-	-	-	-	(406 051)	(406 051)
57 763	-	-	-	-	57 763
-	(290 171)	-	-	-	(290 171)
57 763	(290 171)	-	-	(406 051)	(638 459)
-	-	6 522	(109)	509 006	515 419
-	-	-	-	509 006	509 006
-	-	-	(109)	-	(109)
-	-	6 522	-	-	6 522
312 355	(704 298)	12 853	35 087	2 227 519	1 889 767

CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Six months to 29 February 2016	Six months to 28 February 2015	Year to 31 August 2015
Cash effects from operating activities			
Operating profit before working capital changes (refer note 1)	888 782	800 243	1 699 743
Working capital changes (refer note 2)	(47 224)	(248 908)	(15 451)
Cash generated by operations	841 558	551 335	1 684 292
Interest received	3 416	3 217	4 922
Interest paid	(16 441)	(24 201)	(43 947)
Taxation paid	(242 258)	(201 649)	(355 520)
Cash inflow from operating activities before dividends paid	586 275	328 702	1 289 747
Dividends paid to shareholders	(406 051)	(333 124)	(490 758)
Net cash effects from operating activities	180 224	(4 422)	798 989
Cash effects from investing activities			
Investment in property, plant and equipment and intangibles to maintain operations	(57 217)	(51 981)	(125 360)
Investment in property, plant and equipment and intangibles to expand operations	(146 220)	(95 772)	(244 187)
Proceeds from disposal of property, plant and equipment	124	771	1 394
Acquisition of non-controlling interest	–	(765)	(765)
Acquisition of unlisted investment in associate	(15 000)	–	–
Increase in loan receivables	(243)	(215)	(463)
Net cash effects from investing activities	(218 556)	(147 962)	(369 381)
Cash effects from financing activities			
Purchase of treasury shares	(290 171)	(115 356)	(176 264)
Acquisition of derivative financial asset	(45 147)	(48 237)	(48 237)
Interest-bearing borrowings raised	200 800	181 500	–
Net cash effects from financing activities	(134 518)	17 907	(224 501)
Net (decrease)/increase in cash and cash equivalents	(172 850)	(134 477)	205 107
Cash and cash equivalents at the beginning of the period	400 738	195 631	195 631
Cash and cash equivalents at the end of the period	227 888	61 154	400 738

STORE FOOTPRINT

	Clicks	Musica	The Body Shop	GNC	Claire's	Total retail
Number of stores at 29 February 2016	496	115	52	6	2	671
as at 31 August 2015	486	116	50	4	1	657
opened	10	1	2	2	1	16
closed	–	(2)	–	–	–	(2)
Presence in Clicks stores at 29 February 2016			88	267	73	
Number of pharmacies at 29 February 2016	384					384
as at 31 August 2015	361					361
new/converted	23					23
closed	–					–
Number of clinics at 29 February 2016	177					177

NOTES TO THE CASH FLOW STATEMENT

R'000	Six months to 29 February 2016	Six months to 28 February 2015	Year to 31 August 2015
Cash flow information			
1 Profit before working capital changes			
Profit before tax	710 919	611 294	1 329 284
Adjustment for:			
Depreciation and amortisation	127 517	122 127	248 054
Operating lease accrual	6 085	8 567	12 121
Loss on disposal of property, plant and equipment	3 098	4 082	9 446
Release of cash flow hedge to profit and loss	(4 319)	–	(14 508)
Equity-settled share option costs	30 578	24 060	52 084
Net financing cost	18 182	24 740	57 309
(Increase)/decrease in financial assets at fair value through profit or loss	(3 278)	5 373	5 953
	888 782	800 243	1 699 743
2 Working capital changes			
Increase in inventories	(458 822)	(551 941)	(635 718)
Increase in trade and other receivables	(376 722)	(96 682)	(260 953)
Increase in trade and other payables	845 775	444 135	861 136
(Decrease)/increase in employee benefits	(57 455)	(43 383)	24 221
Decrease in provisions	–	(1 037)	(4 137)
	(47 224)	(248 908)	(15 451)

ANALYSIS OF SHAREHOLDERS

Fund managers managing 3% or more of the issued share capital:

Major fund managers	Percentage of shares	
	Feb 2016	Feb 2015
Public Investment Corporation (SA)	14.5%	13.9%
Coronation Fund Managers (SA)	5.0%	10.6%
Fidelity Management & Research (US)	4.9%	7.7%
Mawer Investment Management (Canada)	4.7%	3.6%
Baillie Gifford & Co (UK)	4.5%	3.3%
GIC (Singapore)	3.7%	3.5%
Aberdeen Asset Management (UK)	3.7%	6.5%
Dimensional Fund Advisors (US)	3.3%	2.4%
RBC Global Asset Management (UK)	3.1%	1.8%
JPMorgan Asset Management (UK)	3.1%	2.9%
<i>Fund managers no longer managing over 3%:</i>		
Mondrian Investment Partners (UK)	1.0%	3.0%

Geographic distribution of shareholders	Percentage of shares	
	Feb 2016	Feb 2015
South Africa and rest of Africa	34.7%	38.8%
Offshore holdings	65.3%	61.2%
USA and Canada	43.6%	42.0%
Europe	6.5%	7.3%
United Kingdom, Ireland and Channel Islands	6.2%	6.1%
Other countries	9.0%	5.8%

SEGMENTAL ANALYSIS

R'000	Retail		
	Six months to 29 February 2016	Six months to 28 February 2015	
Statement of financial position			
Property, plant and equipment	1 073 659	930 990	
Intangible assets	386 803	364 879	
Goodwill	6 529	6 529	
Inventories	2 497 384	2 118 772	
Trade and other receivables	282 786	240 834	
Cash and cash equivalents	137 784	49 515	
Other assets	818 801	714 266	
Total assets	5 203 746	4 425 785	
Employee benefits – non-current	117 763	124 781	
Operating lease liability	186 553	176 868	
Trade and other payables	2 330 475	2 084 690	
Employee benefits – current	150 638	123 920	
Other liabilities	1 655 241	1 132 303	
Total liabilities	4 440 670	3 642 562	
Net assets	763 076	783 223	
Statement of comprehensive income			
Turnover	8 263 200	7 288 484	
Gross profit	2 457 823	2 188 201	
Other income	338 219	289 801	
Total income	2 796 042	2 478 002	
Expenses	(2 172 526)	(1 944 350)	
Operating profit	623 516	533 652	
Ratios			
Increase in turnover	%	13.4	9.9
Selling price inflation	%	3.5	3.6
Comparable stores turnover growth	%	10.3	7.2
Gross profit margin	%	29.7	30.0
Total income margin	%	33.8	34.0
Operating expenses as a percentage of turnover	%	26.3	26.7
Increase in operating expenses	%	11.7	11.5
Increase in operating profit	%	16.8	12.2
Operating profit margin	%	7.5	7.3
Inventory days		84	81
Trade debtor days		7	9
Trade creditor days		52	48
Number of stores		671	642
as at 31 August 2015/2014		657	632
opened		16	20
closed		(2)	(10)
Number of pharmacies		384	346
as at 31 August 2015/2014		361	339
new/converted		23	8
closed		–	(1)
Total leased area	m ²	349 733	338 278
Weighted retail trading area	m ²	275 895	263 073
Weighted annual sales per m ²	R	55 746	51 527
Number of permanent employees*		12 683	11 594

* Number of permanent employees have been restated to include both full-time and part-time flexible employees.

Distribution		Intragroup elimination		Total operations	
Six months to 29 February 2016	Six months to 28 February 2015	Six months to 29 February 2016	Six months to 28 February 2015	Six months to 29 February 2016	Six months to 28 February 2015
211 302	219 471	-	-	1 284 961	1 150 461
18 217	12 063	-	-	405 020	376 942
96 981	96 981	-	-	103 510	103 510
1 247 288	1 063 041	(35 936)	(15 676)	3 708 736	3 166 137
2 385 265	1 817 481	(419 713)	(355 139)	2 248 338	1 703 176
90 104	11 639	-	-	227 888	61 154
1 380 591	887 504	(1 801 963)	(1 288 343)	397 429	313 427
5 429 748	4 108 180	(2 257 612)	(1 659 158)	8 375 882	6 874 807
7 076	8 493	-	-	124 839	133 274
-	46	-	-	186 553	176 914
3 826 132	2 748 149	(426 468)	(354 909)	5 730 139	4 477 930
15 203	14 715	-	-	165 841	138 635
423 667	402 542	(1 800 165)	(1 288 573)	278 743	246 272
4 272 078	3 173 945	(2 226 633)	(1 643 482)	6 486 115	5 173 025
1 157 670	934 235	(30 979)	(15 676)	1 889 767	1 701 782
5 436 703	4 820 087	(1 606 556)	(1 444 265)	12 093 347	10 664 306
95 304	93 013	(5 621)	(5 467)	2 547 506	2 275 747
312 359	278 731	(42 475)	(35 338)	608 103	533 194
407 663	371 744	(48 096)	(40 805)	3 155 609	2 808 941
(293 359)	(259 813)	42 475	35 338	(2 423 410)	(2 168 825)
114 304	111 931	(5 621)	(5 467)	732 199	640 116
12.8	20.7	11.2	13.0	13.4	14.1
6.0	3.3	-	-	4.4	3.5
-	-	-	-	10.3	7.2
1.8	1.9	-	-	21.1	21.3
7.5	7.7	-	-	26.1	26.3
5.4	5.4	-	-	20.0	20.3
12.9	9.4	-	-	11.7	11.0
2.1	15.7	-	-	14.4	12.2
2.1	2.3	-	-	6.1	6.0
43	41	-	-	73	71
66	56	-	-	52	44
109	88	-	-	85	72
-	-	-	-	671	642
-	-	-	-	657	632
-	-	-	-	16	20
-	-	-	-	(2)	(10)
-	-	-	-	384	346
-	-	-	-	361	339
-	-	-	-	23	8
-	-	-	-	-	(1)
-	-	-	-	349 733	338 278
-	-	-	-	275 895	263 073
-	-	-	-	55 746	51 527
552	537	-	-	13 235	12 131

DEFINITIONS

Capital expenditure

Maintenance capital expenditure

Capital expenditure incurred in replacing existing capital or capital expenditure with a return below the group's required return.

Growth capital expenditure

Capital expenditure that is not maintenance capital expenditure.

Cash flow

Financing activities

Activities that result in changes to the capital and funding structure of the group.

Investing activities

Activities relating to the acquisition, holding and disposal of capital assets and long-term investments.

Operating activities

Activities that are not financing or investing activities that arise from the operations conducted by the group.

Comparable stores turnover growth

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

Current ratio

Current assets at period-end divided by current liabilities at period-end.

Dividend cover

Undiluted headline earnings per share for the period divided by the ordinary dividend per share for the period.

Dividend per share

Dividend per share is the actual interim cash dividend paid and the final cash dividend declared, expressed as cents per share.

Earnings per share

Earnings per share

Profit for the period divided by the weighted average number of shares in issue for the period.

Diluted earnings per share

Profit for the period divided by the weighted average diluted number of shares in issue for the period.

Headline earnings per share

Headline earnings divided by the weighted average number of shares in issue for the period.

Diluted headline earnings per share

Headline earnings divided by the weighted average diluted

number of shares in issue for the period.

Effective tax rate

The tax charge in the income statement as a percentage of profit before tax.

Free float

The number of ordinary 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 period adjusted for the after-tax effect of goodwill impairment and certain other capital items.

IFRS

International Financial Reporting Standards, as adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

Clicks Group's consolidated financial statements are prepared in accordance with IFRS.

Interest-bearing debt, including cash, to shareholders' interest at period-end

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

Inventory days

Closing inventory at period-end divided by the cost of merchandise sold during the period, multiplied by 365 days.

Issued shares

Ordinary shares and unlisted "A" shares having a par value of one cent each in the authorised share capital of Clicks Group Limited.

Market capitalisation

The closing market price per share at period-end multiplied by the number of ordinary shares in issue at period-end.

Net asset value per share

Net assets at period-end divided by the number of ordinary shares in issue at period-end (net of treasury shares).

Net tangible asset value per share

Net assets at period-end, less intangible assets (such

as goodwill and trademarks), divided by the number of ordinary shares in issue at period-end (net of treasury shares).

Operating profit

Operating profit before financing costs, as reported in the group consolidated statement of comprehensive income, 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.

Percentage of ordinary shares traded

The number of ordinary shares traded on the JSE Limited during the period as a percentage of the weighted average number of ordinary shares in issue (net of treasury shares).

Price earnings ratio

The closing market price per share at period-end divided by diluted headline earnings per share for the period.

Return on shareholders' interest (ROE)

Headline earnings expressed as a percentage of the average shareholders' interest for the period.

Return on total assets (ROA)

Headline earnings expressed as a percentage of the average total assets for the period.

Return on net assets (RONA)

Operating profit as defined for RONA divided by average net assets for the period as defined for RONA.

Operating profit as defined for RONA is the reported operating profit for the group inclusive of capital gains and losses relating to continuing operations of the business and excluding the employee short-term bonus.

Net assets as defined for RONA are the average assets less liabilities for the period excluding taxation and financial-related assets and liabilities (cash, overdrafts, loans receivable, interest-bearing borrowings, deferred tax and taxation payable).

Segmental reporting

The group has two reportable segments, being the retail division and the distribution division.

Selling price inflation

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

Shareholders' interest

Share capital and share premium (reduced by the cost of treasury shares) and other reserves comprising equity.

Shareholders' interest to total assets

The shareholders' interest divided by the total assets at the period-end.

Total income

Gross profit plus other income.

Total income margin

Total income expressed as a percentage of turnover.

Trade creditor days

Closing trade creditors at period-end (adjusted to exclude VAT) divided by the cost of merchandise sold during the period, multiplied by 365 days.

Trade debtor days

Closing trade debtors at period-end (adjusted to exclude VAT) divided by sales for the period, multiplied by 365 days.

Treasury shares

Issued shares in Clicks Group Limited held by a group company in terms of an approved share repurchase programme, the New Clicks Holdings Share Trust and the Clicks Group Employee Share Ownership Trust.

Weighted average number of shares

The number of ordinary shares in issue, increased by shares issued during the period and reduced by treasury shares purchased or shares cancelled during the period, 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 ordinary shares adjusted for the effects of all dilutive potential shares.

PRESENTATION



INTERIM RESULTS FOR THE
SIX MONTHS ENDED
29 FEBRUARY 2016

CLICKS GROUP
LIMITED

PRESENTATION OUTLINE

- Review of the period
- Financial results
- Trading performance
- Outlook
- Questions



CLICKS GROUP INTERIM RESULTS 2016 2

PRESENTATION



REVIEW OF THE PERIOD

- Challenging consumer environment continues
- Excellent retail performance, especially over Christmas
 - Strong value and product offer
 - Good volume growth
- UPD growth in line with expectations
- Diluted headline earnings per share up **15.1%**
- Continuing to invest for longer term
 - Record capital expenditure planned for the year



FINANCIAL HIGHLIGHTS

- Group turnover up **13.4%**
 - Health & beauty retail turnover up **14.1%**
 - UPD turnover up **12.8%**
- Operating margin up from 6.0% to **6.1%**
- Diluted HEPS up **15.1%** to 204.4 cps
- Interim dividend of 76.0 cps, up **16.0%**
- Return on equity of **53.1%**

PRESENTATION

TURNOVER					
R'm	Feb 2016	Feb 2015	% change	% same store growth	% inflation
Retail	8 263	7 288	13.4	10.3	3.5
Distribution	5 437	4 820	12.8		6.0
Intragroup turnover	(1 607)	(1 444)	11.2		
Total group	12 093	10 664	13.4		4.4

- Strong Christmas trading by retail brands
- UPD benefited from earlier implementation of SEP increase
- Inflation anticipated to be 4 - 5% for FY2016

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TOTAL INCOME					
	Feb 2016 R'm	Feb 2015 R'm	% change	Feb 2016 % margin	Feb 2015 % margin
Retail	2 796	2 478	12.8	33.8	34.0
Distribution	408	372	9.7	7.5	7.7
Intragroup	(48)	(41)			
Total group	3 156	2 809	12.3	26.1	26.3

- Investment in every day competitive pricing in Clicks
- Impact of business mix in UPD

CLICKS GROUP INTERIM RESULTS 2016 8

OPERATING EXPENDITURE - RETAIL

R'm	Feb 2016	Feb 2015	% change
Depreciation and amortisation	108	104	3.8
Occupancy costs	339	306	10.7
Employment costs	1 129	1 008	12.0
Other operating costs	597	526	13.4
Total retail costs	2 173	1 944	11.7

- Investing in stores and pharmacies
- Comparable employment costs up 7.0%
- Other operating costs reflect investment in marketing
- Comparable retail costs up 8.0%

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OPERATING EXPENDITURE - DISTRIBUTION

R'm	Feb 2016	Feb 2015	% change
Depreciation and amortisation	14	14	6.2
Occupancy costs	2	2	(2.7)
Employment costs	115	107	7.2
Other operating costs	162	137	18.3
Total distribution costs	293	260	12.9

- Other operating costs impacted by additional security investment
- Comparable costs up 8.0%

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PRESENTATION

OPERATING PROFIT					
	Feb 2016 R'm	Feb 2015 R'm	% change	Feb 2016 % margin	Feb 2015 % margin
Retail	624	534	16.8	7.5	7.3
Distribution	114	112	2.1	2.1	2.3
Intragroup	(6)	(6)			
Total group	732	640	14.4	6.1	6.0

- Retail accounts for 85% of group profit
- UPD margin within target range
- Group margin benefited from stronger retail growth

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INVENTORY					
	<u>Days in stock</u>		<u>Inventory (R'm)</u>		
	Feb 2016	Feb 2015	Feb 2016	Feb 2015	% change
Retail	84	81	2 498	2 119	17.9
Distribution	43	41	1 247	1 063	17.3
Intragroup inventory			(36)	(16)	
Total group	73	71	3 709	3 166	17.1

- Investment in stock ahead of price increases
- SEP increase effective during February, earlier than last year

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CASH GENERATION

R'm	Feb 2016	Feb 2015
Profit before tax	711	611
Non-cash adjustments	177	189
Operating profit before working capital changes	888	800
Working capital changes	(47)	(248)
Net interest and tax paid	(255)	(223)
Cash inflow from operations	586	329

CLICKS GROUP INTERIM RESULTS 2016 13

CASH UTILISATION

R'm	Feb 2016	Feb 2015
Cash inflow from operations	586	329
Dividends paid	(406)	(333)
Share buy-backs	(290)	(115)
Capital expenditure	(203)	(148)
Other investing activities	(16)	-
Other financing activities	156	133
Net cash utilised	(173)	(134)

- R455m capex planned for FY2016

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PRESENTATION



HEALTH & BEAUTY SALES PERFORMANCE

	% change	% contribution
Pharmacy	13.3	25.4
Front shop health	15.8	22.2
Beauty and personal care	13.5	34.7
General merchandise	14.5	17.7
Total turnover	14.1	100.0

- Health & beauty comprises Clicks, The Body Shop, GNC and Claire's
- Excellent growth across all categories

PHARMACY AND FRONT SHOP HEALTH



- Pharmacy
 - Continued switch to generics +17.1% (46.9% of sales)
 - OTC medicines +15.9%
 - 177 clinics now open
- Front shop health helped by broader distribution of GNC
- Continuing strong growth in baby +21.9%
- % market shares




	Feb 2016	Feb 2015
Retail pharmacy*	19.0	18.5
Front shop health**	29.1	28.9
Baby**	11.7	10.5


* Per IMS ** Per AC Nielsen (comparatives restated)

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BEAUTY AND GENERAL MERCHANDISE



- Beauty and personal care
 - Benefit of range extension and new launches in fragrance +20.3%
 - Good growth in skincare +18.4%
 - The Body Shop +16.1%
 - Claire's in 75 stores
- General merchandise
 - Confectionery +11.8%
 - Electrical +15.0%
- % market shares



	Feb 2016	Feb 2015
Skincare**	26.8	26.7
Haircare**	25.7	25.4

** Per AC Nielsen (comparatives restated)

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PRESENTATION

CUSTOMER ENGAGEMENT

- Almost 1 million new ClubCard members in the past year
 - 5.7 million active members
 - 77% of sales
- Launch of transactional website on track for H2 2016
- Private label up to 21.7% from 20.4% of sales
 - Front shop at 27.6%
 - Pharmacy at 4.5%
 - Partnership to develop Sorbet Brands



CLICKS GROUP INTERIM RESULTS 2016 19

STORES AND PHARMACIES

- 60 standalone health & beauty franchise stores
- 496 Clicks stores with 384 pharmacies
 - 10 stores and 23 pharmacies opened in past six months
 - 28 stores refurbished
 - 25 stores outside SA, with sales up 31%
- Considerable scope for organic store growth in SA
 - Opening 500th store in new Mall of Africa on 28 April



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PERFORMANCE



	Turnover		Market share*	
	% change	% contribution	Feb 2016	Feb 2015
CDs	0.7	39.5	68.1%	59.4%
DVDs	(3.1)	23.5	50.8%	42.2%
Gaming	6.7	18.8	14.4%	11.8%
Technology	11.4	18.2		
Total turnover	3.4	100.0		

- Market share growth continues in all categories, driven by improved availability and promotional activity
- DVDs impacted by weaker new release schedule and decline of Blu-ray
- Strong performance in technology with expanded ranges
- Successful pilot of Christmas pop-up stores

* Per Aquidneck / GfK (comparatives restated)

PRESENTATION



FINE WHOLESALE TURNOVER		UPD WE DELIVER HEALTHCARE
	% change	% contribution
Clicks	13.0	43.4
Hospitals	11.5	33.2
Independent pharmacy	(10.3)	16.4
Other channels	(8.0)	7.0
Fine wholesale turnover	6.3	100.0

- Strong growth from core customers
- Wholesale market share 24.5%*

* MAT per IMS

PERFORMANCE



- Slower growth in distribution as expected
 - 1.9% growth in total managed distribution business
- H1 turnover boosted by customers buying in ahead of earlier SEP increase
- Continued margin pressure from product mix
 - Generics increased from 44.9% to 47.8% of reported turnover
- SEP increase of 4.8% (2015: 7.5%)
- Focus on delivering cost efficiencies
 - Labour, transport and customer service

CLICKS GROUP INTERIM RESULTS 2016 25



OUTLOOK

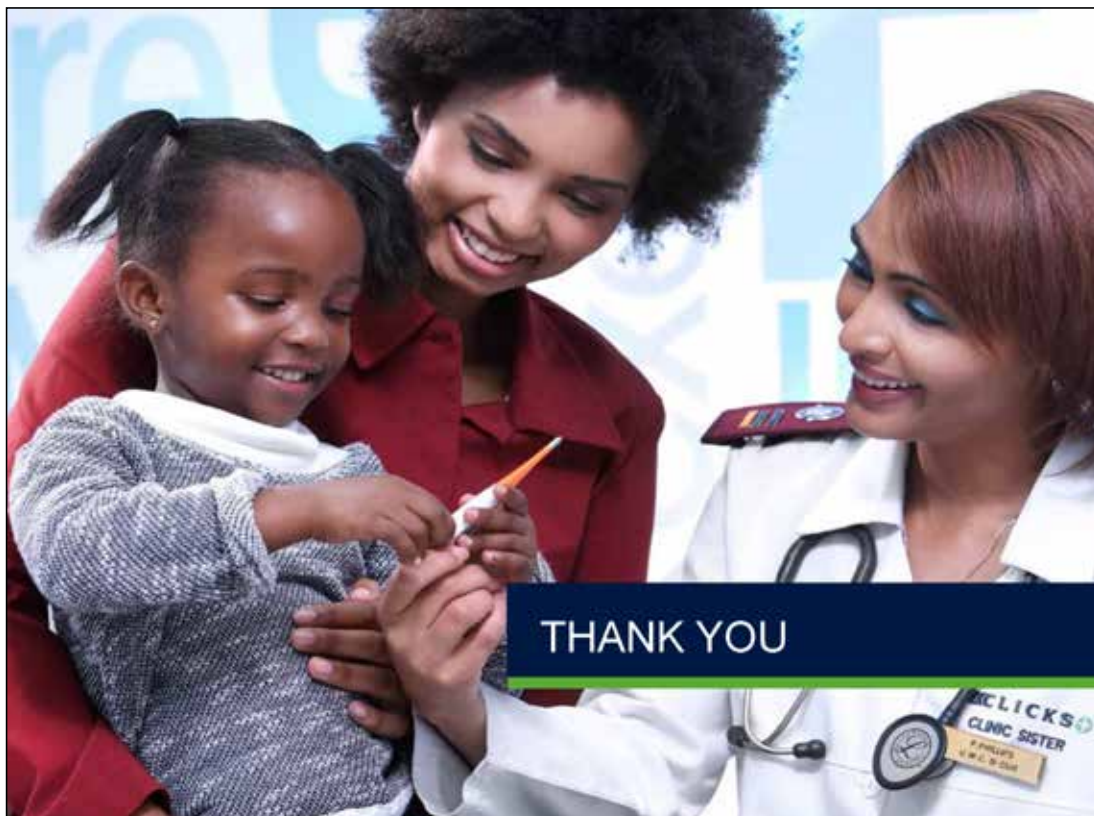
DAVID KNEALE

PRESENTATION

OUTLOOK

- Consumer spending to come under more pressure
- Group is well positioned for a tough environment
 - Trading in resilient markets
 - Clicks brand has a strong value proposition
 - Continued expansion of store and pharmacy footprint
 - All businesses continue to focus on cost management
 - Strong and experienced management teams
- Confidence to invest for future growth
- Expect 10 – 15% growth in diluted HEPS for FY2016

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DISCLAIMER

Clicks Group has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this presentation, including all information that may be defined as 'forward-looking statements' within the meaning of United States securities legislation.

Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'.

Forward-looking statements are not statements of fact, but statements by the management of Clicks Group based on its current estimates, projections, expectations, beliefs and assumptions regarding the group's future performance.

No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

The risks and uncertainties inherent in the forward-looking statements contained in this presentation include, but are not limited to: changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic business and market conditions; changes in the domestic regulatory and legislative environments; changes to domestic operational, social, economic and political risks; and the effects of both current and future litigation.

Clicks Group does not undertake to update any forward-looking statements contained in this presentation and does not assume responsibility for any loss or damage whatsoever and howsoever arising as a result of the reliance by any party thereon, including, but not limited to, loss of earnings, profits, or consequential loss or damage.

CORPORATE INFORMATION

Registered address: Cnr Searle and Pontac Streets, Cape Town 8001. PO Box 5142, Cape Town 8000

Directors: DM Nurek* (Chairman), F Abrahams*, JA Bester*, BD Engelbrecht, M Fleming (Chief Financial Officer), F Jakoet*, DA Kneale# (Chief Executive Officer), NS Matlala*, M Rosen*

* Independent non-executive # British

Company secretary: DW Janks

Transfer secretaries: Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg 2001. PO Box 61051, Marshalltown 2107

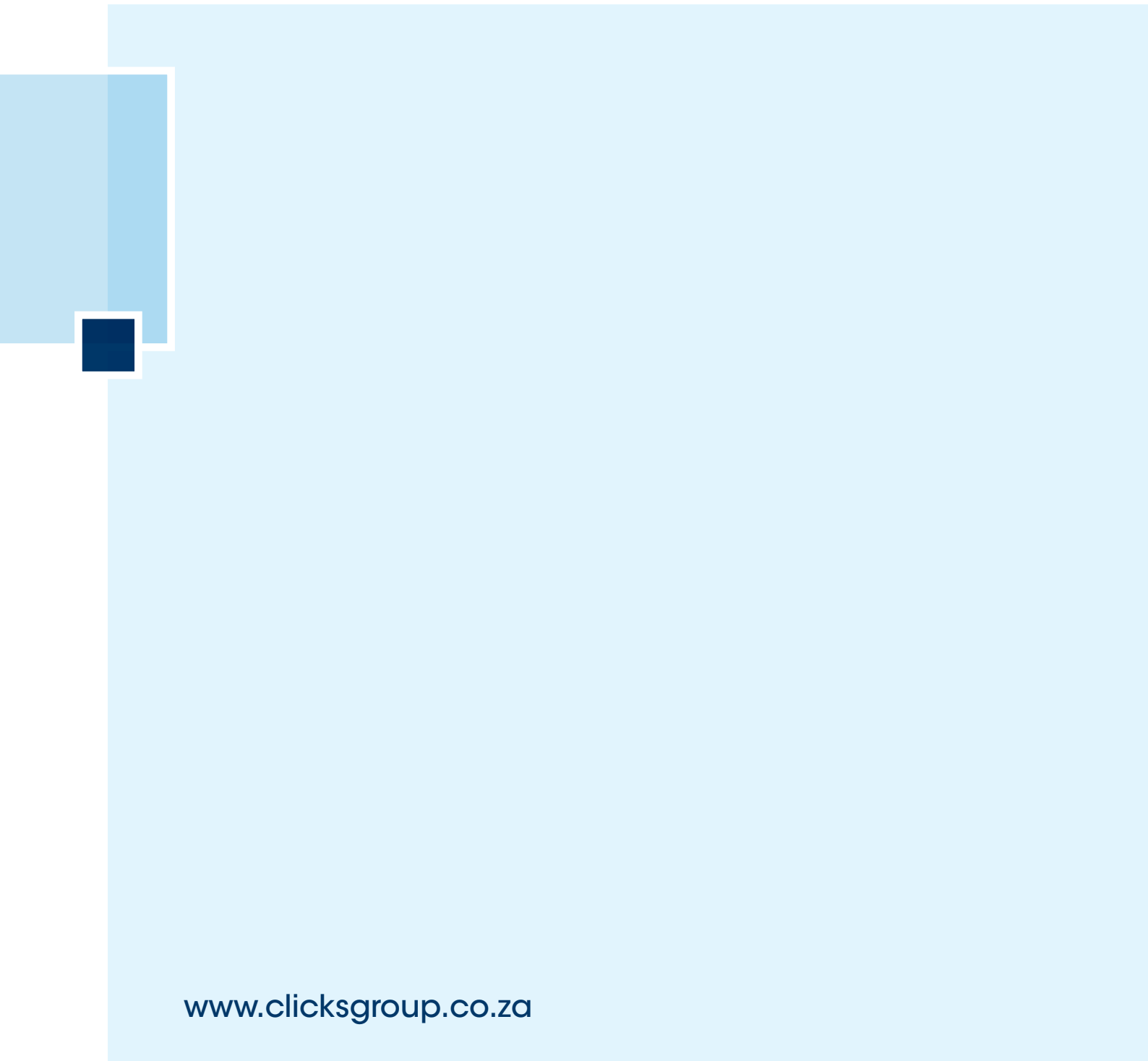
Sponsor: Investec Bank Limited

Registration number: 1996/000645/06 **Income tax number:** 9061/745/71/8

Share code: CLS **ISIN:** ZAE000134854 **CUSIP:** 18682W205

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