NEW CLICKS HOLDINGS LIMITED

ANNUAL RESULTS

for the year ended 31 August 2005

Contents

Financial Summary – continuing operations

		Year to 31 August 2005	Year to 31 August 2004
Income Statement			
Turnover	R'000	**8 714 338**	7 369 472
Gross profit	R'000	**1 709 476**	1 537 609
Headline earnings	R'000	**221 638**	242 094
Balance Sheet			
Ordinary shareholders' interest	R'000	**1 340 223**	1 319 155
Long-term liabilities	R'000	**167 683**	259 730
Total assets	R'000	**3 190 175**	3 157 433
Performance			
Turnover growth	%	**18.2**	28.2
Comparable stores turnover growth	%	**8.9**	8.1
Gross profit growth	%	**11.2**	26.8
Gross profit margin	%	**19.6**	20.9
Inventory turn	times	**5.4**	5.6
Return on total assets	%	**7.0**	7.3
Return on shareholders' interest	%	**16.7**	19.4
Net interest-bearing debt to shareholders' funds at year-end	%	**20.5**	26.5
Net interest-bearing debt, including cash, to shareholders' funds at year-end		**15.2**	(4.6)
Statistics			
Number of permanent employees		**8 947**	9 011
Number of stores – company owned		**663**	681
– franchised		**15**	15
Trading area – company owned	m^2	**249 417**	231 037
Share Statistics			
Number of shares in issue (gross)	'000	**370 260**	361 205
Number of shares in issue (net of treasury shares)	'000	**340 519**	345 391
Weighted average number of shares in issue	'000	**339 914**	353 571
Weighted average diluted number of shares in issue	'000	**350 433**	363 046
Headline earnings per share – undiluted	cents	**65.2**	68.5
– diluted	cents	**63.2**	66.7
Net asset value per share	cents	**394**	382
Net tangible asset value per share	cents	**368**	352

Financial Summary – group

		Year to 31 August 2005	Year to 31 August 2004
Income Statement			
Turnover	R'000	**8 714 338**	8 024 123
Gross profit	R'000	**1 709 476**	1 747 350
Headline earnings	R'000	**221 638**	264 660
Balance Sheet			
Ordinary shareholders' interest	R'000	**1 340 223**	1 319 155
Long-term liabilities	R'000	**167 683**	259 730
Total assets	R'000	**3 190 175**	3 157 433
Cash Flow			
Net cash effects of operating activities	R'000	**(13 144)**	218 962
Net interest paid	R'000	**49 086**	59 778
Capital expenditure	R'000	**170 106**	160 349
Depreciation and amortisation	R'000	**104 734**	109 021
Performance			
Turnover growth	%	**8.6**	8.9
Comparable stores turnover growth – South Africa	%	**8.9**	8.1
Gross profit growth	%	**(2.2)**	(0.5)
Gross profit margin	%	**19.6**	21.8
Inventory turn	times	**5.4**	5.6
Return on total assets	%	**7.0**	8.0
Return on shareholders' interest	%	**16.7**	18.4
Net interest-bearing debt to shareholders' funds at year-end	%	**20.5**	26.5
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Weighted average number of shares in issue	'000	**339 914**	353 571
Weighted average diluted number of shares in issue	'000	**350 433**	363 046
Headline earnings per share – undiluted	cents	**65.2**	74.9
– diluted	cents	**63.2**	72.9
Distribution per share – interim	cents	**11.2**	12.5
– proposed final/final	cents	**18.5**	22.5
Distribution cover	times	**2.2**	2.1
Share price – closing	cents	**810**	770
– high	cents	**990**	799
– low	cents	**690**	660
Net asset value per share	cents	**394**	382
Net tangible asset value per share	cents	**368**	352
Market capitalisation (gross)	R'000	**2 999 106**	2 781 279
Market capitalisation (net of treasury shares)	R'000	**2 758 204**	2 659 511
Price earnings ratio		**12.4**	10.3
Volume of shares traded	'000	**131 882**	163 031
Percentage of shares traded	%	**38.8**	46.1
Free float (including treasury shares)	%	**98.3**	98.8

Commentary

The business of New Clicks has continued to undergo transformation over the past year with the group addressing several strategic issues which are expected to deliver long-term benefits. These include:

- the ongoing integration of pharmacy into Clicks, which is providing evidence that the group's pharmacy model is effective as the volume of customer activity increases significantly in stores that have opened dispensaries;
- the successful implementation of an enterprise-wide information systems platform which will transform business processes; and
- several senior appointments and changes to the group's leadership structure to enhance the depth and experience of the management team.

Financial performance

While the group's overall results are disappointing, having been impacted by the poor results from Clicks, it is pleasing to note that Clicks has started to show the initial signs of an improvement in performance during the second half. There were, however, strong performances from Discom, the Entertainment division (Musica and CD Wherehouse) and wholesale distributor, New United Pharmaceutical Distributors (UPD).

The group increased turnover from continuing operations by 18.2% to R8.7 billion for the year, bolstered by the inclusion of the pharmacy operations for the full financial year compared to only six months in the 2004 results.

However, a 28.5% decline in the operating profit (gross profit plus other revenue less operating expenditure) of Clicks from R293.5 million to R209.7 million adversely affected the group's results. This decline resulted mainly from a loss of approximately R70 million in the pharmacy business for the year, the continued high level of shrinkage in the brand and a proportionately higher allocation of central costs.

An estimated R48 million of the pharmacy losses can be attributed to the impact of the lower margin on dispensing fees adopted by Clicks to meet competitive pressures.

Owing to the relative size of the Clicks brand within the group, there has been an 8.6% decline in the operating profit from continuing operations to R358.6 million.

Diluted headline earnings per share from continuing operations reduced by 5.3% to 63.2 cents per share (refer to Notes: Accounting policies). Diluted basic earnings per share at 58.4 cents per share (2004: 5.1 cents loss per share) were lower than diluted headline earnings per share owing to an impairment of the Link Investment Trust goodwill as well as various other capital items which together totalled R17.0 million.

Working capital management remains an opportunity and therefore a key area of focus. Net cash flow from operations amounted to R479 million, which was applied to capital formation in stores, improved information technology, loan repayments, dividend payments, share repurchases and working capital funding.

The group had a negative cash flow of R345 million for the year.

The results reported are in line with the trading statement issued on 11 October 2005.

Trading performance

Retail brands

The retail sector continues to experience strong growth considering the low inflation rates currently being experienced in the country. However, sales of fast moving consumer goods (FMCG) have not experienced the same growth rates as the fashion goods sold mainly by credit-based retailers.

Clicks increased turnover by 17.9% to R4.5 billion, inflated by the inclusion of the pharmacy results for the full financial year. When the turnover from the pharmacy operations is excluded, the core Clicks brand increased turnover by 9%.

The performance of the brand stabilised in the second half of the year and Clicks has started to show the early signs of a turnaround. The shrinkage trend has continued, while the margin was negatively impacted when Clicks adopted the medicine pricing regulations. Expense control improved in the second six months.

Clicks has significantly advanced the implementation of its strategy following the integration of pharmacy into the brand. The brand aims to be the "best discount drugstore in South Africa" by dominating mass market pharmacy health and beauty products and services. This core health and beauty range will continue to be supported by a homeware offering.

Following the Constitutional Court's judgment on the medicine pricing regulations, Clicks will continue to charge a dispensing fee of R26/26% in the interim period while a more workable pricing model is being sought. Clicks will continue to adopt a competitive pricing stance, supporting its value proposition of "You Pay Less at Clicks".

The performance of the integrated Clicks stores with dispensaries is proving the model that front shop sales will increase from the higher footfall through stores from pharmacy customers. Front shop sales from the integrated stores have increased 15.9% since being converted to include pharmacy.

Discom increased turnover by 11% to R975.2 million and lifted operating profit seven-fold to R28.9 million. The benefits of the brand's restructuring over the past few years are becoming increasingly evident, with continued improvement in margin, shrinkage and expense management.

An aggressive pricing strategy and increased sales of entertainment merchandise contributed to a 21.7% sales growth in the Entertainment division. In line with diversifying the income stream, sales of DVD, gaming and lifestyle merchandise now account for 39% of total turnover (2004: 29%). Operating profit increased 45.1% to R27.6 million.

The Body Shop increased turnover 14.0% to R58.4 million, although comparable store growth declined by 1.5%. The brand experienced a stronger performance in the second half but this was not sufficient to overcome the disappointing first six months and profit declined 5% to R9.5 million for the year.

New Clicks has grown its store base by a net 12 stores over the year to 663. An aggressive store expansion programme is planned for 2006 with a further 30 stores scheduled to be opened across Clicks (13), Discom (9) and Entertainment (8).

Wholesale distribution

UPD increased turnover by 33.3% to R3.0 billion for the year, driven by strong growth in sales to independent pharmacies. Growth in turnover from Clicks Pharmacy has increased as the rate of pharmacy integration increases, while sales to private hospitals is a major growth area. Margins were impacted by the lower logistics fee owing to the introduction of single exit pricing, but this was compensated by the increased sales volumes. Expenses were well managed at 6.6% of turnover (2004: 8.3%).

Prospects

The performance of Clicks is critical to the overall success of the group and the turnaround in Clicks remains management's main priority. While the brand showed an improved trading performance in the second half of the year and this upward trend is expected to continue, management considers that the full benefits of the recovery are realistically not likely to be achieved in the short term.

Discom will build on its recent success and expand into the health and wellness market, while the Entertainment division will focus on growing gaming, DVD, lifestyle merchandise and local music, as well as exploring opportunities in the cellular market.

UPD will continue to target volume growth. While the regulatory environment remains challenging with the expected capping of logistics fees and uncertainty on the retail pharmacy dispensing fee, UPD is well positioned for strong profit growth.

Following the migration to the enterprise systems platform, the group will focus on leveraging the benefits of the system and adapting to this new way of managing the business. The new systems will ultimately provide daily sales, margin and stock information, more timeous performance information, stock take results within 48 hours and also facilitate efficient end-to-end processing in the supply chain.

The directors and management believe that the group now has a clearer focus, a more experienced management team and a stronger platform for growth which is expected to contribute to improved profitability and earnings in the year ahead.

Dividend declaration

The Board of Directors has declared a final cash dividend of 18.5 cents per share payable on Monday, 19 December 2005 to shareholders recorded in the books of the company at the close of business on Thursday, 15 December 2005. The last day to trade ("cum" the dividend) in order to participate in the dividend will be Thursday, 8 December 2005 and the shares will trade "ex dividend" from the commencement of business on Friday, 9 December 2005. The record date will be Thursday, 15 December 2005.

Share certificates may not be dematerialised or rematerialised between Friday, 9 December 2005 and Thursday, 15 December 2005, both dates inclusive.

By order of the Board

ALLAN SCOTT
Company Secretary

25 October 2005

Consolidated Balance Sheet

R'000	As at 31 August 2005	As at 31 August 2004
Assets		
Non-current assets	**951 117**	883 486
Property, plant and equipment	**708 895**	659 347
Trademarks	**3 280**	3 930
Goodwill	**83 950**	98 280
Deferred taxation assets	**102 264**	95 475
Loans	**52 728**	26 454
Current assets	**2 239 058**	2 273 947
Inventories	**1 621 880**	1 411 339
Accounts receivable	**494 515**	443 762
Taxation prepaid	**37 903**	8 442
Cash on hand	**70 315**	410 404
Derivatives	**14 445**	–
Total assets	**3 190 175**	3 157 433
Equity and liabilities		
Capital and reserves	**1 340 223**	1 319 155
Ordinary share capital	**3 703**	3 612
Share premium	**964 077**	907 107
Treasury shares held	**(249 678)**	(122 981)
Non-distributable reserve	**18 488**	28 942
Distributable reserves	**603 633**	502 475
Non-current liabilities	**277 939**	355 841
Loans payable	**167 683**	259 730
Deferred taxation liabilities	**24 750**	19 623
Other non-current liabilities	**85 506**	76 488
Current liabilities	**1 572 013**	1 482 437
Short-term borrowings	**13 903**	8 710
Accounts payable	**1 451 713**	1 390 084
Loans payable	**93 024**	80 819
Taxation payable	**13 373**	2 824
Total equity and liabilities	**3 190 175**	3 157 433

Consolidated Income Statement

for the year ended 31 August	Continuing Operations			Discontinued Operations	Group		
R'000	**2005**	2004	% change	2004	**2005**	2004	% change
Turnover	**8 714 338**	7 369 472	18.2	654 651	**8 714 338**	8 024 123	8.6
Cost of merchandise	**7 004 862**	5 831 863	20.1	444 910	**7 004 862**	6 276 773	11.6
Gross profit	**1 709 476**	1 537 609	11.2	209 741	**1 709 476**	1 747 350	(2.2)
Other revenue	**542 778**	462 383	17.4	77 935	**542 778**	540 318	0.5
Other expenditure	**1 910 781**	1 892 342	1.0	248 744	**1 910 781**	2 141 086	(10.8)
Depreciation and amortisation	**104 734**	100 425	4.3	8 596	**104 734**	109 021	(3.9)
Occupancy costs	**291 409**	245 235	18.8	62 854	**291 409**	308 089	(5.4)
Employment costs	**846 782**	719 870	17.6	110 641	**846 782**	830 511	2.0
Other operating costs	**650 772**	542 229	20.0	63 316	**650 772**	605 545	7.5
Impairment of property, plant and equipment	**–**	13 496		–	**–**	13 496	
Profit on sale of Australian operations	**–**	–		(1 738)	**–**	(1 738)	
Profit on sale of Intercare	**–**	–		(587)	**–**	(587)	
Loss on disposal of property, plant and equipment	**270**	1 920		361	**270**	2 281	
Goodwill amortised	**–**	10 971		5 301	**–**	16 272	
Goodwill impaired	**16 814**	258 196		–	**16 814**	258 196	
Profit before interest and taxation	**341 473**	107 650	217.2	38 932	**341 473**	146 582	133.0
Net interest paid	**(49 086)**	(54 470)	(9.9)	(5 308)	**(49 086)**	(59 778)	(17.9)
Net interest paid – normal operations	**(49 086)**	(54 470)	(9.9)	(5 308)	**(49 086)**	(59 778)	(17.9)
Interest accrued – Purchase Milton & Associates (PM&A)	**–**	24 986		–	**–**	24 986	
Provision against interest accrued – PM&A	**–**	(24 986)		–	**–**	(24 986)	
Net profit before taxation	**292 387**	53 180	449.8	33 624	**292 387**	86 804	236.8
Taxation	**87 754**	91 044	(3.6)	14 287	**87 754**	105 331	(16.7)
Profit/(loss) attributable to shareholders	**204 633**	(37 864)		19 337	**204 633**	(18 527)	
Adjustment for:							
Impairment of property, plant and equipment	**–**	9 447		–	**–**	9 447	
Profit on sale of Australian operations	**–**	–		(1 738)	**–**	(1 738)	
Profit on sale of Intercare	**–**	–		(587)	**–**	(587)	
Loss on disposal of property, plant and equipment	**191**	1 344		253	**191**	1 597	
Goodwill amortised	**–**	10 971		5 301	**–**	16 272	
Goodwill impaired	**16 814**	258 196		–	**16 814**	258 196	
Headline earnings	**221 638**	242 094	(8.4)	22 566	**221 638**	264 660	(16.3)
HEPS							
– undiluted	**65.2**	68.5	(4.8)	6.4	**65.2**	74.9	(13.0)
– diluted	**63.2**	66.7	(5.3)	6.2	**63.2**	72.9	(13.3)
EPS							
– undiluted	**60.2**	(10.7)		5.4	**60.2**	(5.2)	
– diluted	**58.4**	(10.4)		5.3	**58.4**	(5.1)	
Shares in issue	**370 260**	361 205		361 205	**370 260**	361 205	2.5
Weighted average number of shares	**339 914**	353 571		353 571	**339 914**	353 571	(3.9)
Weighted average diluted number of shares	**350 433**	363 046		363 046	**350 433**	363 046	(3.5)

Consolidated Cash Flow Statement

R'000	Year to 31 August 2005	Year to 31 August 2004
Cash effects of operating activities		
Operating profit before working capital changes (refer note 1)	**479 416**	546 696
Working capital changes (refer note 2)	**(221 751)**	(68 400)
Cash generated by operations	**257 665**	478 296
Net interest paid	**(49 086)**	(59 778)
Taxation paid	**(109 258)**	(101 732)
Cash inflow from operating activities	**99 321**	316 786
Distributions to ordinary shareholders	**(112 465)**	(97 824)
Net cash effects of operating activities	**(13 144)**	218 962
Cash effects of investing activities		
Investment in property, plant and equipment to maintain and expand operations	**(170 106)**	(160 349)
Acquisition of subsidiaries and businesses	**–**	13 435
Cash flow on disposal of NCA	**–**	317 134
Cash flow on disposal of Intercare	**–**	(6 778)
Cash outflow on consolidation of Share Trust	**–**	(125)
Acquisition of additional goodwill	**(2 484)**	(203)
Proceeds on disposal of property, plant and equipment	**16 204**	4 760
Increase in loans	**(26 274)**	(3 351)
Net cash effects of investing activities	**(182 660)**	164 523
Cash effects of financing activities		
Shareholders' funds raised	**57 061**	33 025
Purchase of treasury shares	**(126 697)**	(99 523)
Long-term borrowings – raised	**–**	809
Long-term borrowings – repaid	**(79 842)**	(62 426)
Net cash effects of financing activities	**(149 478)**	(128 115)
Net (decrease)/increase in cash and cash equivalents	**(345 282)**	255 370
Adjustment for foreign exchange fluctuation	**–**	120
Cash and cash equivalents at beginning of year	**401 694**	146 204
Cash and cash equivalents at end of year	**56 412**	401 694

R'000	**Year to 31 August 2005**	Year to 31 August 2004
Notes to the cash flow statement		
1. Operating profit before working capital changes		
Profit before interest and tax	**341 473**	146 582
Non-cash items:		
Depreciation	**104 084**	108 371
Amortisation of trademarks	**650**	650
Forex loss/(profit)	**2 500**	(5 361)
Impairment of fixed assets	**–**	13 496
Profit on sale of Australian operations	**–**	(1 738)
Profit on sale of Intercare	**–**	(587)
Loss on disposal of property, plant and equipment	**270**	2 281
Fair value adjustment relating to share appreciation rights	**662**	–
Lease straight-lining adjustment	**9 018**	8 534
Derivatives fair value adjustment	**3 945**	–
Goodwill amortised	**–**	16 272
Goodwill impaired	**16 814**	258 196
	479 416	546 696
2. Working capital changes		
Increase in accounts receivable	**(50 753)**	(63 577)
Increase in accounts payable	**57 933**	201 377
Increase in derivatives	**(18 390)**	–
Increase in inventories	**(210 541)**	(206 200)
	(221 751)	(68 400)

Consolidated Changes in Equity Statement

R'000	Number of shares ('000)	Share capital	Share premium	Treasury shares	Non-distributable reserve	Distributable reserve	**Total**
Opening Balance at 31 August 2003 restated	354 118	3 541	874 153	–	73 722	609 526	**1 560 942**
Balance at 1 September 2003 as previously stated		3 541	874 153	–	73 722	657 094	**1 608 510**
Change in accounting policy		–	–	–	–	(47 568)	**(47 568)**
Shares issued in respect of options	7 087	71	33 149	–	–	–	**33 220**
Share issue expenses written off	–	–	(195)	–	–	–	**(195)**
Acquisition of Share Trust	(2 809)	–	–	(22 804)	–	–	**(22 804)**
Treasury shares purchased	(13 005)	–	–	(100 177)	–	–	**(100 177)**
Foreign currency translation reserve realised	–	–	–	–	(35 726)	–	**(35 726)**
Foreign currency translation reserve	–	–	–	–	246	–	**246**
Deferred tax on write-off of intangible assets	–	–	–	–	(9 300)	9 300	**–**
Loss for the year restated	–	–	–	–	–	(18 527)	**(18 527)**
Loss for the year as previously stated		–	–	–	–	(12 553)	**(12 553)**
Change in accounting policy		–	–	–	–	(5 974)	**(5 974)**
Distributions	–	–	–	–	–	(97 824)	**(97 824)**
Balance at 31 August 2004 restated	**345 391**	**3 612**	**907 107**	**(122 981)**	**28 942**	**502 475**	**1 319 155**
Balance at 31 August 2004 as previously stated		**3 612**	**907 107**	**(122 981)**	**28 942**	**556 017**	**1 372 697**
Change in accounting policy		**–**	**–**	**–**	**–**	**(53 542)**	**(53 542)**
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)**
Changes in tax rate	**–**	**–**	**–**	**–**	**(930)**	**–**	**(930)**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**204 633**	**204 633**
Deferred tax on write-off of intangible assets	**–**	**–**	**–**	**–**	**(8 990)**	**8 990**	**–**
Distributions	**–**	**–**	**–**	**–**	**–**	**(112 465)**	**(112 465)**
Balance at 31 August 2005	**340 519**	**3 703**	**964 077**	**(249 678)**	**18 488**	**603 633**	**1 340 223**

Notes

Accounting policies

These reviewed financial results have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and the accounting policies used are consistent with those applicable for the 2004 annual financial statements except in the case of accounting for goodwill (which is no longer amortised but is subject to an annual impairment test), operating leases and obligations to employees in terms of share appreciation rights as described below. These results have been reviewed by KPMG Inc. and their unqualified review report is available for inspection at the company's registered office.

On 2 August 2005 the South African Institute of Chartered Accountants issued Circular 7/2005 dealing with the requirements of AC105 – Leases, in respect of operating leases which include fixed rental increases. AC105 states that lease expense/income should be recognised on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. It is now considered that the definition of a "user's benefit" is only affected by factors that impact the physical usage of the property. The straight-line method results in an equal charge to the income statement in each reporting period irrespective of the fact that the cash payments for rent differ.

The impact of this change in interpretation on opening distributable reserves and current year performance is set out below:

R'000	**2005**	2004
Effect on opening distributable reserves	**(53 542)**	(47 568)
Effect on current year net profit before taxation	**(9 018)**	(8 534)
Taxation	**2 615**	2 560
Effect on current year net profit/(loss)	**(6 403)**	(5 974)
Effect on earnings and headline earnings per share (cents per share)	**(1.9)**	(1.7)
Effect on diluted earnings and diluted headline earnings per share (cents per share)	**(1.8)**	(1.6)

The effects disclosed are net of deferred taxation at the rates prevailing during the relevant year. Comparatives have been restated.

The group issued share appreciation rights to certain employees during the year in terms of an incentive programme. The value of the obligation in terms of the share appreciation rights is expensed over the vesting period of the rights and the related liability raised. Any change in the fair value of the liability is recognised in profit/loss for the period. A hedge was acquired to limit the group's exposure in respect of this obligation. The derivative acquired to serve as the hedge is fair valued in accordance with AC133, with changes in fair value being recognised in profit/loss for the period.

Change in comparatives

For segmental reporting purposes, Clicks and Pharmacy, which were previously reported as separate segments, have been combined into a single segment referred to as Clicks. This is to reflect the operating philosophy and future strategy of the Clicks brand. Comparatives have been restated accordingly. The results of the Pharmacy business are therefore included in the comparative results of Clicks for a period of six months.

An amount of R24.7 million has been reallocated from cost of merchandise to turnover in 2004 in respect of UPD. This amount relates to discounts granted by UPD which were previously included in cost of merchandise. This has resulted in turnover reducing from R8 048.8 million to R8 024.1 million and cost of merchandise reducing from R6 301.5 million to R6 276.8 million. The reallocation was necessary in order to correctly state the group's turnover.

Presentation

NEW
CLICKS HOLDINGS
LIMITED

ANNUAL RESULTS
for the year ended 31 August 2005

Outline of presentation

- Review of year
- Financial results
- ERP II implementation
- Retail operations
- Wholesale distribution
- Conclusion

REVIEW OF THE YEAR
TREVOR HONNEYSETT

At interim … … status

We said priorities were:	Progress made
Â Address performance of Clicks brand	Â Remains a priority – improving H2
Â Manage shrinkage in Clicks	Â Ongoing, L-T objective
Â Manage expenses in Clicks	Â Progress made
Â Accelerate pharmacy integration	Â Ahead of plan
Â Maintain momentum in other brands	Â Achieved
Â Continue to adapt to low inflation	Â Ongoing, L-T objective
Â Systems implementation to deliver greater efficiencies	Â Migrated to ERP II system on schedule
Â Improve ROE through – Efficient capital management – Ongoing improvement margin & mix – Enhanced performance of retail	Â Remains ultimate objective for group

Review of year - Clicks

- Fulfilling Clicks’ heritage
- Integrated pharmacies proving strategy effective
  - Increased footfall lifting turnover
- On track for 90 pharmacies by end December 2005
- Constitutional Court ruling on pricing regulation
- Improved H2 performance from Clicks

… new dispensaries lifting front shop

Review of year *(continued)*

- UPD continues strong growth
- Discom well ahead of expectations
- Transformation of Entertainment sustaining performance
- Migration to enterprise-wide platform successfully completed
- Leadership restructured & new external appointments to strengthen leadership team

… clearer focus & stronger platform

FINANCIAL RESULTS
KEITH WARBURTON

Performance

	2005	2004	% change
Headline earnings (R'm)	**221.6**	264.7	(16.3)
Continuing operations	**221.6**	242.1	(8.4)
Discontinued operations	**-**	22.6	
Diluted headline EPS (cents)			
Group	**63.2**	72.9	(13.3)
Continuing operations	**63.2**	66.7	(5.3)
ROE (%)	**16.7**	18.4	(9.3)
Operating profit margin (%)	**4.1**	5.3	(23.8)
Inventory turn (times)	**5.4**	5.6	(4.1)

Turnover

R'm	2005	2004		% change
Clicks	**4 469**	3 789	*	17.9
Discom	**975**	879		11.0
Entertainment	**662**	544		21.7
The Body Shop	**58**	51		14.0
Other	**9**	6		
Total SA - Retail	**6 173**	5 269		17.2
UPD	**3 046**	2 285		33.3
Intragroup elimination	**(505)**	(185)		
Total SA	**8 714**	7 369		18.2
Australia	**-**	655	**	
Total group	**8 714**	8 024		8.6

* Pharmacy included for 6 months in 2004 ** Australia included for 4 months in 2004

Gross profit margin

	2005 R'm	2005 %	2004 R'm	2004 %
SA – Retail	**1 467**	**23.8**	1 336	25.4
SA – UPD	**242**	**8.0**	204	8.9
Intragroup elim.*	**-**	**-**	(3)	-
Total SA	**1 709**	**19.6**	1 537	20.9
Australia	**-**	**-**	210	32.0
Total group	**1 709**	**19.6**	1 747	21.8

* Margin in respect of stock on hand at year end sold by UPD to Clicks

Operating expenditure

R'm	2005	2004*	Pharmacy H1 2004	Pro forma 2004***	% change
Depreciation & amortisation	**105**	101	13	114	(7.9)
Occupancy costs	**291**	247	21	268	8.6
Employment costs	**847**	723	78	801	5.7
Other operating costs	**651**	545	38	583	11.7
Total SA	**1 894**	1 616	150	1 766	7.3
Australia**	**-**	237	-	237	
Total group	**1 894**	1 853	150	2 003	(5.4)

* Pharmacy included for 6 months in 2004 ** Australia included for 4 months in 2004
*** Including pharmacy costs for the full year in 2004

Operating expenditure *(continued)*

R'm	2005	2004	Pharmacy H1 2004	Pro forma 2004***	% change
Clicks	**1 169**	938*	150	1 088	7.4
Discom	**267**	257	-	257	3.7
Entertainment	**221**	196	-	196	12.9
The Body Shop	**26**	20	-	20	32.0
Other	**9**	16	-	16	
Total SA – Retail	**1 692**	1 427	150	1 577	7.3
UPD	**202**	189	-	189	6.6
Total SA	**1 894**	1 616	150	1 766	7.2
Australia**	**-**	237	-	237	
Total group	**1 894**	1 853	150	2 003	(5.4)

* Pharmacy included for 6 months in 2004 ** Australia included for 4 months in 2004
*** Including pharmacy costs for the full year in 2004

Operating profit
(gross profit + other revenue – operating expenditure)

R'm	2005	2004	% change
Clicks	**209.7**	293.5 *	(28.5)
Discom	**28.9**	4.2	596.0
Entertainment	**27.6**	19.0	45.1
The Body Shop	**9.5**	10.0	(5.2)
Other	**(6.2)**	(11.4)	
Total SA - Retail	**269.5**	315.3	(14.5)
UPD	**89.1**	75.6	17.9
Total SA	**358.6**	390.9	(8.3)
Australia	**-**	43.6 **	
Total group	**358.6**	434.5	(17.5)

* Pharmacy included for 6 months in 2004 ** Australia included for 4 months in 2004

Operating profit *(continued)*

R'm	2005	2004	% change
Clicks			
Pharmacy*	**(70.0)**	(4.5)	
Other	**279.7**	298.0	(6.1)
Total	**209.7**	293.5	(28.5)

* Estimated loss, only included for 6 months in 2004

Booklet only

Interest

Long term debt	R'm	Fixed rate	**2005**	2004
Deal 1 (02/2006)	11.6	16.15%	**(1.3)**	(3.1)
Deal 2 (02/2006)	1.2	16.92%	**(0.7)**	(1.1)
Deal 3 (10/2006)	9.0	18.45%	**(2.5)**	(3.5)
Deal 4 (08/2010)	61.2	15.41%	**(10.3)**	(11.4)
Deal 5 (08/2006)	20.3	9.50%	**(3.1)**	(5.8)
Deal 6 (08/2008)	394.7	11.65%	**(24.9)**	(23.1)
Pref set off deal 6	(260.0)	9.20%		
Total fixed rate	238.0		**(42.8)**	(48.0)
Variable rate (average 7.56%)			**(14.2)**	(20.9)
Total interest paid - SA			**(57.0)**	(68.9)
Interest received - SA			**7.9**	14.4
Net interest paid - Australia			**-**	(5.3)
Net interest paid			**(49.1)**	(59.8)

Cash - utilisation

R'm	**Total**
Cash from operations (pre dividends)	**321**
Less: increase in inventory	**(211)**
Less: other working capital requirements	**(11)**
Shares issued	**57**
Other cash inflow	**14**
	170
Store refurbishment & pharmacy conversion	**(70)**
Information technology	**(75)**
Other fixed asset purchases	**(25)**
Loan repayments	**(106)**
Dividends paid	**(112)**
Purchase of treasury shares	**(127)**
Net decrease in cash	**(345)**

Capital expenditure

Booklet only

Capital expenditure during the year:	R'm
Store refurbishments & new stores (incl. Pharmacy conversions)	**70**
IT	**75**
Other	**25**
Total	**170**

Forecast for year to August 2006:	
Store refurbishments	**19**
New stores	**26**
UPD DC	**34**
Pharmacy conversions	**13**
IT	**28**
Other	**44**
Forecast total expenditure	**164**

Inventory

	Turn (times)*		Inventory (R'm)	
	2005	2004	**2005**	2004
Clicks	**6.1**	5.8	**739**	735
Discom	**6.3**	6.5	**154**	135
Entertainment	**4.8**	4.8	**137**	114
The Body Shop	**22.1**	23.0	**3**	2
Held at DCs			**300**	217
Total Retail	**4.6**	4.7	**1 333**	1 203
UPD	**10.4**	10.9	**292**	210
Intragroup elim.			**(3)**	(2)
Total inventory	**5.4**	5.6	**1 622**	1 411

* Inventory on turnover

ERP II IMPLEMENTATION
KEITH WARBURTON

ERP II implementation

- Different way of measuring & managing business
- Started process 30 months ago
- Systems conversion successfully completed end August – on time & within budget
- Focus for next 2 years – adapting business & adding to systems & processes to allow extraction of benefits

… platform in place, now time to extract value

ERP II status

- Key building blocks used
  - Point of sale (Retalix)
  - Merchandise management (JDA MMS)
  - Distribution centre management (Aquitec SCM)
  - Financials (SAP)
- Daily sales & cash management in place
- Invoice matching in place
- Stock take in pilot – implementation 2006
- Outgoing margin dependent on move to moving average cost – due end 2006, run parallel 2007

ERP II objectives

Ultimately to be able to:

- View sales, margin & stock following day in all stores at all product levels
- Obtain performance information, including expenses, daily & finalised within 2 weeks of month end
- Receive provisional stock take results within 48 hours
- Achieve efficient end-to-end processing in supply chain
- Create demand driven supply network

Key financial management objectives

- Working capital management
  - Leverage benefits of ERP II systems
  - Cash flow management
- Expense management
  - Continual focus on cost efficiencies
  - Extract synergies from ERP II
- Improving management information
- Capital management
  - Optimise capital & gearing level

RETAIL OPERATIONS
MICHAEL HARVEY

Clicks - snapshot

Booklet only

(including Pharmacy for full year in 2005 & 6 months in 2004)		2005	2004
Sales	R'm	**4 469.1**	3 789.3
Sales growth	%	**17.9**	26.4
Comparable store sales growth	%	**6.9**	6.6
Operating profit before interest & after allocation of net costs of support structures	R'm	**209.7**	293.5
Number of stores			
Company owned		**315**	344
Franchised		**14**	14
Number of full-time permanent employees		**5 179**	5 262
Weighted trading area	m²	**179 330**	162 810
Net increase in trading area for the year	%	**10.1**	16.2
Weighted annual sales per m²	R	**24 921**	23 274

Clicks – strategy

Vision to be ***"the best discount drugstore in SA"***

Mission to ***"dominate mass market health & beauty products & services"***

Brand to reflect ***"strong value proposition"***

- Health & beauty offering to be retail market differentiator
- Supported by homeware offering
- Integrated front shop & dispensary
- Professional pharmacy to underpin retail offering
- Goal to include a dispensary & clinic in every Clicks store

… target 30% pharmacy market share by 2010

Clicks – strategy *(continued)*

- Making stores an exciting retail destination
- Business to embrace diversity
- Enhance ClubCard opportunity
- Performance driven culture
- People empowered & passionate about brand

… point of difference in SA retail landscape

Clicks – performance

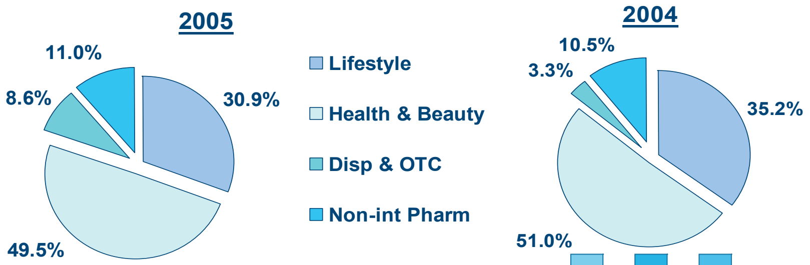
- Improved performance in H2
- Medicine pricing regulations lowered margin
- Estimated impact of pricing regulations R48m
- Shrinkage trend continues
- Expense control improved in H2
- Integration of pharmacy into Clicks on track – 60 stores
- Performance of integrated stores proving pharmacy strategy effective

… turnaround always expected to take time

Clicks - turnover growth

Booklet only

R'm	2005	2004	% change
Lifestyle	**1 380**	1 333	3.5
Health & Beauty	**2 213**	1 933	14.5
Pharmacy – dispensary & OTC	**383**	126 *	
Non-integrated pharmacies	**493**	397 *	
	4 469	3 789	17.9



* Pharmacy included for 6 months in 2004

Clicks – inflation at cost

Booklet only

	6 mth Average	Closing
Local purchase price inflation at Feb 2005	(0.2%)	(0.4%)
Local purchase price inflation at Aug 2005	0.2%	1.3%
Import purchase price inflation at Feb 2005	(7.0%)	(4.8%)
Import purchase price inflation at Aug 2005	(4.1%)	(4.8%)

Clicks – performance: shrinkage

- Continuing poor shrinkage trend, particularly inland
- To counter this, we have:
  - Reduced management spans of control
  - Focused on improving in-store disciplines & controls
  - Started using new systems for more timeous monitoring & tighter control of stock & cash
  - Started addressing staff morale – hampered by current industrial relations environment

… expect to start seeing improvements in H2 2006

Clicks – industrial action

- Strike well managed by operational team
- Minimal reputational damage to brand
- Acknowledge customer support during strike
- Turnover loss estimated at R9m
- Net impact of strike approx R3m (costs + GP loss)
- Impacted staff morale at a critical time
- Rebuild trust with staff & union

… contingency planning proved effective

Clicks – performance: pharmacy

Full Clicks store conversions (excl. new stores)	25
Front shop sales 2005 (since conversion) (R'000)	256 999
Front shop sales 2004 (R'000)	221 782
Increase	15.88%
Dispensary sales August 2005 (R'000) *	8 689
Total August 2005 sales (R'000)	50 650
Dispensary as % of sales for August 2005	17.17%

* Sales from integrated pharmacies only

Clicks – pharmacy: pricing

- Constitutional Court ruling allow parties to collectively develop a workable pricing model
- Judgment vindicates decision to go to court
- Legal process not hampered implementation strategy
- Continuing to charge R26 / 26% in interim to remain competitive
- Will continue competitive pricing policy
  - But will seek margin opportunity

… discount drugstore model

Pharmacy – store projection

Booklet only

	PM&A	Hyper-pharm	Clicks Pharmacy	Clicks integrated	Total
April '05	30	11	12	25	78
Closed/sold	(6)	-	(1)	-	(7)
Transferred	(7)	(1)	-	8	-
New	-	2	-	16	18
August '05	**17**	**12**	**11**	**49**	**89**
Close/sell	(10)	-	-	-	(10)
Transfer	(6)	(12)	-	18	-
New	-	-	-	12	12
Dec '05	**1**	**-**	**11**	**79**	**91**

Strategy unchanged – "a dispensary in every store"

Subject to licences

Pharmacy licence update

New applications	132
Relocations	27
Total applications to date	159
Approved	69
Pending	90

Clicks – conclusion

- Focusing on health & beauty while integrating pharmacy
- Pharmacy strategy – seeing uplift in front shop
- Continue with roll-out of dispensaries
- Integration / closure of remaining non-integrated pharmacies by early 2006
- Address shrinkage
- Improving stock management
- Strengthening management team
- Building staff morale – making our people proud

… early signs of turnaround

Discom - snapshot

Booklet only

		2005	2004
Sales	R'm	**975.2**	878.7
Sales growth	%	**11.0**	13.9
Comparable store sales growth	%	**9.2**	11.0
Operating profit before interest & after allocation of net costs of support structures	R'm	**28.9**	4.2
Number of stores			
Company owned		**179**	173
Franchised		**1**	1
Number of full-time permanent employees		**1 835**	1 792
Weighted trading area	m²	**50 957**	49 638
Net increase in trading area for the year	%	**2.7**	0.6
Weighted annual sales per m²	R	**19 138**	17 702

Discom - performance

- Strong profit growth driven by continued improvement in margin & reduced shrinkage
- Growth in higher margin categories of toiletries, electrical appliances & audio / video
- Expenses contained below sales growth
- Continue to dominate African hair care market
- New management team continuing to build brand

… revitalised brand showing its potential

Discom – inflation at cost

Booklet only

	6 mth Average	Closing
Local purchase price inflation at Feb 2005	(0.3%)	(0.1%)
Local purchase price inflation at Aug 2005	(0.4%)	(4.1%)
Import purchase price inflation at Feb 2005	(6.7%)	(7.9%)
Import purchase price inflation at Aug 2005	(5.9%)	(10.0%)

Discom – action plans

- Further differentiating & growing core categories
- Continue to improve trading margin
- Enhancing product mix for new locations
- Continued expansion in inland region
- Net growth in retail space
- Enhance health & wellness offering

… innovation a differentiator

Entertainment - snapshot

Booklet only

		2005	2004
Sales	R'm	**662.3**	544.2
Sales growth	%	**21.7**	12.8
Comparable store sales growth	%	**21.1**	11.9
Operating profit before interest & after allocation of net costs of support structures	R'm	**27.6**	19.0
Number of stores Company owned		**139**	138
Number of full-time permanent employees		**621**	592
Weighted trading area	m^2	**17 365**	17 349
Net increase in trading area for the year	%	**0.1**	1.3
Weighted annual sales per m^2	R	**38 140**	31 369

Entertainment - performance

- R99.95 pricing strategy brought traffic into stores
- Strong turnover growth also driven by 'new' categories
  - DVD +92%; gaming +160%; lifestyle +45%
  - Account for 39% of turnover (2004: 29%)
- Margin as expected
- Shrinkage improved
- Converted 18 stores to 'urban' model
- Growth in local music of 38% mainly from these stores
- Opened 2 DVD-only stores

… move to entertainment a success

Entertainment – action plans

- Continued focus on growth genres of gaming, DVD, lifestyle & local music
- Maintain aggressive pricing & promotions strategy
- Explore opportunities in cellular market
- Lead music industry technology – integrate store & online offering
- Store growth – 8 new stores, 10 urban conversions

The Body Shop - snapshot

Booklet only

		2005	2004
Sales	R'm	**58.4**	51.3
Sales growth	%	**14.0**	12.0
Comparable stores sales growth	%	**(1.5)**	8.0
Operating profit before interest & after allocation of net costs of support structures	R'm	**9.5**	10.0
Number of stores Company owned		**27**	24
Number of full-time permanent employees		**76**	76
Weighted trading area	m²	**1 513**	1 214
Net increase in trading area for the year	%	**24.6**	28.9
Weighted annual sales per m²	R	**38 627**	42 237

The Body Shop - performance

- Stronger H2 reversed poor profit performance of H1
- Comparable store growth down
- Expenses up 12% – occupancy costs & depreciation
- Advertising curtailed in H2 with no negative impact
- Margin remained steady

The Body Shop – action plans

- Consolidate store base as close to market saturation
- Grow existing store sales
- Continued focus on expense management
- Adopt Body Shop International global strategies
  - New brand identity created & to be launched
  - Introduce *‘Love Your Body’* loyalty programme
  - New make-up range planned for early 2006

Retail - store footprint

	Aug 2004	Opened	Closed	**Aug 2005**	Committed new stores 2006
Clicks	285	16	(15)	**286**	13
Non-integrated pharmacies	59	-	(30)	**29**	-
Discom	173	20	(14)	**179**	9
Entertainment	138	5	(4)	**139**	8
The Body Shop	24	4	(1)	**27**	-
Style Studio	2	1	-	**3**	-
Total	681	46	(64)	**663**	30

(company owned stores only)

… continued growth strategy

Retail - conclusion

Â Focus on improving performance in Clicks
  – Pharmacy integration
  – Business efficiencies

Â Drive Clicks strategy

Â Continue to pursue current strategies in Discom, Entertainment & The Body Shop

Â Benefit of new management structure

WHOLESALE DISTRIBUTION
TREVOR HONNEYSETT

UPD - snapshot

Booklet only

		2005	2004
Sales	R'm	**3 045.9**	2 284.9
Sales growth	%	**33.3**	8.0
Operating profit before interest & after allocation of net costs of support structures	R'm	**89.1**	75.6
Inventory	R'm	**292.0**	210.3
Inventory turn		**10.4**	10.9
Trade debtors	R'm	**316.2**	240.7
Trade debtors days	Days	**28.9**	26.0
Number of full-time permanent employees		**507**	519

UPD – performance

- Turnover increase of 33% driven by strong growth in pharmacy (+32%) & hospital business (new channel)
- Market share gains from single channel distributors
- Continued growth in turnover from Clicks Pharmacy
- Margin impacted by lower logistics fees owing to single exit pricing – compensated by increased sales volumes
- Expenses well managed to 6.6% of turnover (2004: 8.3%)

UPD – hospital business

- Awarded contract by Life Healthcare (ex Afrox Hospital Group) to channel all health purchases through UPD
  - Strategic alignment of major hospital group with UPD
  - Expected to add R350 million to turnover
  - Main benefit derived from operating efficiencies through higher volumes
  - Impact from F2006 onwards

UPD – challenges for 2006

- Expected capping of logistics fee
  - Calling for fee to be split into fine & bulk plus a funding element
  - Clarity on role of wholesaler vs distributor
- Dispensing fee for retail pharmacy
  - Appropriate for independent pharmacy to survive
- Benchmarking of manufacturer prices

UPD – action plans

- Increase negotiated logistics fees with suppliers based on value-added services
- Increase volumes & capitalise on industry consolidation
- Expansion of third party distribution
- Continual tight management of expenses, debtors' book & stock

CONCLUSION
TREVOR HONNEYSETT

2006 priorities

Â Continue with Clicks brand turnaround

Â Expand dispensary roll-out

Â Maintain performance in UPD, Discom & Entertainment

Â Start extracting synergies & operating efficiencies from new ERP II systems

Â Aligning complementary skills of new leadership team

… clearer focus & stronger platform

THANK YOU

Notes

Notes

Operational Segmental Balance Sheet

As at 31 August	SA Retail		UPD		Total	
R'000	**2005**	2004	**2005**	2004	**2005**	2004
Assets						
Non-current assets	**862 024**	809 714	**89 093**	73 772	**951 117**	883 486
Property, plant and equipment	**636 069**	587 169	**72 826**	72 178	**708 895**	659 347
Trademarks	**3 280**	3 930	**–**	–	**3 280**	3 930
Goodwill	**–**	14 330	**83 950**	83 950	**83 950**	98 280
Deferred taxation assets	**101 306**	94 323	**958**	1 152	**102 264**	95 475
Intragroup loans	**68 641**	83 508	**(68 641)**	(83 508)	**–**	–
Loans	**52 728**	26 454	**–**	–	**52 728**	26 454
Current assets	**1 605 151**	1 798 367	**633 907**	475 580	**2 239 058**	2 273 947
Inventories	**1 329 861**	1 201 072	**292 019**	210 267	**1 621 880**	1 411 339
Accounts receivable	**156 004**	182 338	**338 511**	261 424	**494 515**	443 762
Taxation prepaid	**37 903**	7 518	**–**	924	**37 903**	8 442
Cash on hand	**66 938**	407 439	**3 377**	2 965	**70 315**	410 404
Derivatives	**14 445**	–	**–**	**–**	**14 445**	–
Total assets	**2 467 175**	2 608 081	**723 000**	549 352	**3 190 175**	3 157 433
Equity and liabilities						
Capital and reserves	**1 300 999**	1 319 529	**39 224**	(374)	**1 340 223**	1 319 155
Ordinary share capital	**3 703**	3 612	**–**	–	**3 703**	3 612
Share premium	**964 077**	907 107	**–**	–	**964 077**	907 107
Treasury shares	**(249 678)**	(122 981)	**–**	–	**(249 678)**	(122 981)
Non-distributable reserve	**18 488**	28 942	**–**	–	**18 488**	28 942
Distributable reserves	**564 409**	502 849	**39 224**	(374)	**603 633**	502 475
Non-current liabilities	**254 843**	329 694	**23 096**	26 147	**277 939**	355 841
Loans payable	**146 210**	236 560	**21 473**	23 170	**167 683**	259 730
Deferred taxation liabilities	**23 127**	16 646	**1 623**	2 977	**24 750**	19 623
Other non-current liablities	**85 506**	76 488	**–**	–	**85 506**	76 488
Current liabilities	**911 333**	958 858	**660 680**	523 579	**1 572 013**	1 482 437
Short-term borrowings	**–**	–	**13 903**	8 710	**13 903**	8 710
Accounts payable	**810 275**	877 981	**641 438**	512 103	**1 451 713**	1 390 084
Loans payable	**89 399**	78 053	**3 625**	2 766	**93 024**	80 819
Taxation payable	**11 659**	2 824	**1 714**	–	**13 373**	2 824
Total equity and liabilities	**2 467 175**	2 608 081	**723 000**	549 352	**3 190 175**	3 157 433

Operational Segmental Income Statement

For the year to 31 August	SA Retail 2005 R'000	SA Retail 2004 R'000	UPD 2005 R'000	UPD 2004 R'000
Turnover	**6 173 511**	5 269 332	**3 045 934**	2 284 860
Cost of merchandise	**4 706 071**	3 933 244	**2 803 505**	2 080 839
Gross profit	**1 467 440**	1 336 088	**242 429**	204 021
Other revenue	**493 974**	407 990	**48 804**	61 050
Other expenditure	**1 708 813**	1 700 320	**201 968**	199 448
Depreciation and amortisation	**99 911**	95 663	**4 823**	5 299
Occupancy costs	**281 142**	237 136	**10 267**	9 981
Employment costs	**750 277**	633 633	**96 505**	88 991
Other operating costs	**560 271**	459 869	**90 501**	85 200
Impairment of property, plant and equipment	**–**	13 496	**–**	–
Profit on sale of Australian operations	**–**	–	**–**	–
Profit on sale of Intercare	**–**	(587)	**–**	–
Loss/(profit) on disposal of property, plant and equipment	**398**	2 018	**(128)**	(98)
Goodwill amortised	**–**	896	**–**	10 075
Goodwill impaired	**16 814**	258 196	**–**	–
Profit before interest and taxation	**252 601**	43 758	**89 265**	65 623
Net interest paid	**(20 354)**	(27 463)	**(28 732)**	(26 998)
Net interest paid – normal operations	**(20 354)**	(27 463)	**(28 732)**	(26 998)
Interest accrued – Purchase Milton & Associates (PM&A)	**–**	24 986	**–**	–
Provision against interest accrued – PM&A	**–**	(24 986)	**–**	–
Profit before taxation	**232 247**	16 295	**60 533**	38 625
Taxation	**70 285**	77 103	**17 583**	14 691
Profit/(loss) attributable to ordinary shareholders	**161 962**	(60 808)	**42 950**	23 934
Adjustment for:				
Impairment of property, plant and equipment	**–**	9 447	**–**	–
Profit on sale of Australian operations	**–**	–	**–**	–
Profit on sale of Intercare	**–**	(587)	**–**	–
Loss/(profit) on disposal of property, plant and equipment	**282**	1 413	**(91)**	(68)
Goodwill amortised	**–**	896	**–**	10 075
Goodwill impaired	**16 814**	258 196	**–**	–
Headline earnings	**179 058**	208 557	**42 859**	33 941

Intragroup Elimination		Total SA		Australia	Total	
2005	2004	**2005**	2004	2004	**2005**	2004
R'000	R'000	**R'000**	R'000	R'000	**R'000**	R'000
(505 107)	(184 720)	**8 714 338**	7 369 472	654 651	**8 714 338**	8 024 123
(504 714)	(182 220)	**7 004 862**	5 831 863	444 910	**7 004 862**	6 276 773
(393)	(2 500)	**1 709 476**	1 537 609	209 741	**1 709 476**	1 747 350
–	–	**542 778**	469 040	71 278	**542 778**	540 318
–	–	**1 910 781**	1 899 768	241 318	**1 910 781**	2 141 086
–	–	**104 734**	100 962	8 059	**104 734**	109 021
–	–	**291 409**	247 117	60 972	**291 409**	308 089
–	–	**846 782**	722 624	107 887	**846 782**	830 511
–	–	**650 772**	545 069	60 476	**650 772**	605 545
–	–	**–**	13 496	–	**–**	13 496
–	–	**–**	–	(1 738)	**–**	(1 738)
–	–	**–**	(587)	–	**–**	(587)
–	–	**270**	1 920	361	**270**	2 281
–	–	**–**	10 971	5 301	**–**	16 272
–	–	**16 814**	258 196	–	**16 814**	258 196
(393)	(2 500)	**341 473**	106 881	39 701	**341 473**	146 582
–	–	**(49 086)**	(54 461)	(5 317)	**(49 086)**	(59 778)
–	–	**(49 086)**	(54 461)	(5 317)	**(49 086)**	(59 778)
–	–	**–**	24 986	–	**–**	24 986
–	–	**–**	(24 986)	–	**–**	(24 986)
(393)	(2 500)	**292 387**	52 420	34 384	**292 387**	86 804
(114)	(750)	**87 754**	91 044	14 287	**87 754**	105 331
(279)	(1 750)	**204 633**	(38 624)	20 097	**204 633**	(18 527)
–	–	**–**	9 447	–	**–**	9 447
–	–	**–**	–	(1 738)	**–**	(1 738)
–	–	**–**	(587)	–	**–**	(587)
–	–	**191**	1 344	253	**191**	1 597
–	–	**–**	10 971	5 301	**–**	16 272
–	–	**16 814**	258 196	–	**16 814**	258 196
(279)	(1 750)	**221 638**	240 747	23 913	**221 638**	264 660

Trading Segmental Analysis

For the year to 31 August		Total SA 2005 R'000	Total SA 2004 R'000	Clicks 2005 R'000	Clicks 2004 R'000	Discom 2005 R'000	Discom 2004 R'000	Entertainment 2005 R'000	Entertainment 2004 R'000
Balance sheet									
Property, plant and equipment		**708 895**	659 347	**174 638**	181 687	**61 481**	62 324	**33 993**	42 533
Inventories		**1 621 880**	1 411 339	**738 880**	735 277	**153 938**	134 827	**136 596**	113 981
Other assets		**859 400**	1 086 747						
Total assets		**3 190 175**	3 157 433	**913 518**	916 964	**215 419**	197 151	**170 589**	156 514
Income statement									
Turnover		**8 714 338**	7 369 472	**4 469 078**	3 789 307	**975 223**	878 703	**662 293**	544 221
Operating profit/(loss) (before allocation)		**358 557**	390 877	**300 700**	346 557	**37 989**	15 715	**45 617**	35 206
Shared Services allocation		**–**	–	**(90 988)**	(53 085)	**(9 063)**	(11 559)	**(18 010)**	(16 181)
Operating profit/(loss) (after allocation)		**358 557**	390 877	**209 712**	293 472	**28 926**	4 156	**27 607**	19 025
Ratios									
Operating profit margin (after allocation)	%	**4.1**	5.3	**4.7**	7.7	**3.0**	0.5	**4.2**	3.5
Product price inflation (local product only)	%			**0.0**	1.7	**(0.3)**	1.8		
Number of stores									
– company owned		**663**	681	**315**	344	**179**	173	**139**	138
– franchised		**15**	15	**14**	14	**1**	1	**–**	–
Weighted trading area	m^2	**249 417**	231 037	**179 330**	162 810	**50 957**	49 638	**17 365**	17 349
Weighted annual sales per m^2	R	**24 739**	22 784	**24 921**	23 274	**19 138**	17 702	**38 140**	31 369
Number of permanent employees		**8 947**	9 011	**5 179**	5 262	**1 835**	1 792	**621**	592

The Body Shop		Style Studio		Intercare	UPD		Shared Services		Intragroup Elimination	
2005 R'000	2004 R'000	**2005 R'000**	2004 R'000	2004 R'000	**2005 R'000**	2004 R'000	**2005 R'000**	2004 R'000	**2005 R'000**	2004 R'000
11 377	8 872	**1 296**	502	–	**72 826**	72 177	**353 284**	291 252	**–**	–
2 658	2 226	**1 200**	25	–	**292 019**	210 267	**299 482**	217 236	**(2 893)**	(2 500)
					358 155	266 907	**501 245**	819 840	**–**	–
14 035	11 098	**2 496**	527	–	**723 000**	549 351	**1 154 011**	1 328 328	**(2 893)**	(2 500)
58 442	51 276	**5 337**	358	–	**3 045 934**	2 284 860	**3 138**	5 467	**(505 107)**	(184 720)
11 169	9 870	**(340)**	(211)	(1 356)	**89 137**	75 600	**(125 322)**	(88 004)	**(393)**	(2 500)
(1 647)	177	**–**	–	–	**–**	–	**119 708**	80 648	**–**	–
9 522	10 047	**(340)**	(211)	(1 356)	**89 137**	75 600	**(5 614)**	(7 356)	**(393)**	(2 500)
16.3	19.6				**2.9**	3.3				
27	24	**3**	2	–	**–**	–	**–**	–	**–**	–
–	–	**–**	–	–	**–**	–	**–**	–	**–**	–
1 513	1 214	**252**	26	–	**–**	–	**–**	–	**–**	–
38 627	42 237	**21 179**	13 903	–	**–**	–	**–**	–	**–**	–
76	76	**14**	15	–	**507**	519	**715**	755	**–**	–

Definitions

Comparable stores sales 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 Australian operations and excluding the results of Intercare Managed Healthcare (Proprietary) Limited, and including the acquisition of PM&A with effect from 1 March 2004.
Diluted headline earnings per share
Headline earnings divided by the diluted weighted average number of shares in issue for the year.
Discontinued operations
The Australian operations, which were sold with effect from 28 December 2003, and Intercare Managed Healthcare (Proprietary) Limited, which was sold with effect from 1 March 2004.
Distribution cover
Headline earnings for the year divided by the distributions for the year.
Distribution per share
Distribution per share is the actual interim cash dividend paid and the final cash dividend declared expressed as cents per share.
Gross profit margin
Gross profit expressed as a percentage of turnover.
Headline earnings
Net profit for the year adjusted for the after tax effect of goodwill amortisation, impairment of assets and other items of a capital nature.
Headline earnings per share
Headline earnings divided by the weighted average number of shares in issue for 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 of treasury shares).
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 interest-bearing debt to shareholders' funds at year-end
Interest-bearing debt at the end of the year divided by shareholders' funds at the end of the year.
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 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 headline earnings per share.
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.
Treasury shares
Ordinary shares in New Clicks Holdings Limited acquired by a group company in terms of an approved share repurchase programme or held by the Share Incentive Trust.
Weighted average number of shares
The number of shares in issue, increased by shares issued during the year and decreased by treasury shares acquired 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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