

FIVE-YEAR CONSOLIDATED SUMMARY OF PROFITS

for the year ended 31 August

R'm	5-year compound annual growth %	2013	2012	2011	2010	2009
Turnover	9.3%	17 543	15 437	14 136	13 277	12 175
Cost of merchandise sold	8.8%	(13 760)	(11 962)	(10 879)	(10 373)	(9 657)
Gross profit	11.2%	3 783	3 475	3 257	2 904	2 518
Other income	12.8%	913	801	689	626	564
Total income	11.5%	4 696	4 276	3 946	3 530	3 082
Expenses	11.1%	(3 592)	(3 265)	(3 008)	(2 706)	(2 373)
Depreciation and amortisation	16.1%	(200)	(172)	(150)	(128)	(114)
Occupancy costs	10.6%	(501)	(472)	(423)	(390)	(339)
Employment costs	12.5%	(1 790)	(1 582)	(1 496)	(1 399)	(1 157)
Other costs	8.4%	(1 101)	(1 039)	(939)	(789)	(763)
Operating profit	13.0%	1 104	1 011	938	824	709
Adjustment for capital items		(8)	(7)	(6)	(14)	(7)
Profit before financing costs	11.5%	1 096	1 004	932	810	702
Net financing costs	(2.5%)	(45)	(46)	(34)	(39)	(55)
Financial income		7	6	8	10	14
Financial expense		(52)	(52)	(42)	(49)	(69)
Profit before taxation	12.4%	1 051	958	898	771	647
Income tax expense	15.6%	(299)	(270)	(247)	(207)	(175)
Profit for the year	11.3%	752	688	651	564	472
Attributable to:						
Equity holders of the parent		751	689	651	565	472
Adjustment for impairment and loss on disposal		6	5	4	11	6
Insurance recovery income		–	(1)	–	–	–
Headline earnings	13.6%	757	693	655	576	478
Headline earnings per share (cents)						
– basic	17.7%	302.4	273.5	250.1	212.3	167.7
– diluted	17.8%	298.6	273.4	249.7	211.4	165.9
Earnings per share (cents)						
– basic	15.2%	300.1	272.0	248.3	208.6	165.6
– diluted	15.3%	296.4	271.9	248.0	207.7	163.8
Number of shares in issue (million)	(3.7%)	268	276	271	284	303
Weighted average number of shares in issue (net of treasury shares) (million)	(3.4%)	250	253	262	271	285
Weighted average diluted number of shares in issue (net of treasury shares) (million)	(3.6%)	253	253	263	272	288

FIVE-YEAR CONSOLIDATED SUMMARY OF PROFITS

for the year ended 31 August

US Dollars 'm	5-year compound annual growth %	2013	2012	2011	2010	2009
Turnover	4.8%	1 917	1 930	2 041	1 826	1 345
Cost of merchandise sold	4.3%	(1 504)	(1 495)	(1 574)	(1 427)	(1 067)
Gross profit	6.6%	413	435	467	399	278
Other income	8.0%	100	100	100	86	62
Total income	6.9%	513	535	567	485	340
Expenses	6.5%	(394)	(410)	(431)	(373)	(262)
Depreciation and amortisation	11.1%	(22)	(22)	(22)	(18)	(13)
Occupancy costs	6.1%	(55)	(59)	(61)	(54)	(37)
Employment costs	8.0%	(197)	(199)	(217)	(192)	(128)
Other costs	3.9%	(120)	(130)	(131)	(109)	(84)
Operating profit	8.0%	119	125	136	112	78
Adjustment for capital items		(1)	(1)	(1)	(2)	(1)
Profit before financing costs	6.5%	118	124	135	110	77
Net financing costs	(3.6%)	(5)	(6)	(5)	(6)	(6)
Financial income		1	1	1	1	2
Financial expense		(6)	(7)	(6)	(7)	(8)
Profit before taxation	7.2%	113	118	130	104	71
Income tax expense	10.5%	(33)	(34)	(36)	(28)	(19)
Profit for the year	5.9%	80	84	94	76	52
Attributable to:						
Equity holders of the parent		82	86	94	78	52
Adjustment for impairment and loss on disposal		1	1	1	2	1
Headline earnings	9.0%	83	87	95	80	53
Exchange rate: average rate		9.15	8.00	6.91	7.27	9.05

The ZAR five-year consolidated summary of profits was translated to USD using the average rate.

FIVE-YEAR CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 August

R'm	5-year compound annual growth %	2013	2012	2011	2010	2009
ASSETS						
Non-current assets		1 583	1 490	1 415	1 384	1 362
Property, plant and equipment	7.6%	1 059	1 011	950	889	830
Intangible assets		349	306	302	314	302
Goodwill		104	104	104	106	96
Deferred tax assets		59	57	53	52	88
Loans receivable		12	12	6	23	46
Current assets		3 866	3 286	2 840	2 727	2 819
Inventories	10.2%	2 225	2 080	1 802	1 571	1 422
Trade and other receivables	13.3%	1 507	1 172	999	869	908
Loans receivable		–	4	18	16	11
Cash and cash equivalents		116	25	18	152	410
Derivative financial assets		18	5	3	119	68
Total assets	8.7%	5 449	4 776	4 255	4 111	4 181
EQUITY AND LIABILITIES						
Equity	3.8%	1 377	1 349	965	1 142	1 126
Share capital		3	3	3	3	3
Share premium		3	3	–	–	–
Treasury shares		(955)	(928)	(703)	(511)	(488)
Share option reserve		80	56	41	25	25
Cash flow hedging reserve		14	4	2	–	–
Foreign currency translation reserve		2	–	(2)	(2)	(5)
Distributable reserve		2 229	2 211	1 623	1 626	1 589
Equity attributable to equity holders of the parent		1 376	1 349	964	1 141	1 124
Non-controlling interest		1	–	1	1	2
Non-current liabilities		252	286	265	297	317
Interest-bearing borrowings		–	–	–	17	37
Employee benefits		91	106	92	96	91
Deferred tax liabilities		9	39	47	69	83
Operating lease liability		152	141	126	115	106
Current liabilities		3 820	3 141	3 025	2 672	2 738
Trade and other payables	12.3%	3 260	2 769	2 432	2 290	2 408
Employee benefits		148	110	165	203	241
Provisions		7	9	5	6	6
Interest-bearing borrowings		344	215	375	117	30
Tax payable		59	37	45	47	33
Derivative financial liabilities		2	1	3	9	20
Total equity and liabilities	8.7%	5 449	4 776	4 255	4 111	4 181

FIVE-YEAR CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 August

US Dollars 'm	5-year compound annual growth %	2013	2012	2011	2010	2009
ASSETS						
Non-current assets		153	175	201	188	175
Property, plant and equipment	1.4%	102	119	134	121	107
Intangible assets		34	36	43	43	39
Goodwill		10	12	15	14	12
Deferred tax assets		6	7	8	7	11
Loans receivable		1	1	1	3	6
Current assets		374	387	401	370	363
Inventories	4.0%	215	245	255	213	183
Trade and other receivables	7.0%	146	138	140	118	117
Loans receivable		–	–	3	2	1
Cash and cash equivalents		11	3	3	21	53
Derivative financial assets		2	1	–	16	9
Total assets	2.7%	527	562	602	558	538
EQUITY AND LIABILITIES						
Equity	(2.0%)	133	158	137	155	144
Share capital		–	–	–	–	–
Share premium		–	–	–	–	–
Treasury shares		(92)	(110)	(99)	(69)	(63)
Share option reserve		8	7	6	3	3
Cash flow hedging reserve		1	–	–	–	–
Foreign currency translation reserve		–	–	–	–	(1)
Distributable reserve		216	261	230	221	205
Equity attributable to equity holders of the parent		133	158	137	155	144
Non-controlling interest		–	–	–	–	–
Non-current liabilities		25	35	38	40	42
Interest-bearing borrowings		–	–	–	2	5
Employee benefits		9	13	13	13	12
Deferred tax liabilities		1	5	7	9	11
Operating lease liability		15	17	18	16	14
Current liabilities		369	369	427	363	352
Trade and other payables	5.9%	315	326	344	311	309
Employee benefits		14	13	23	28	31
Provisions		1	1	1	1	1
Interest-bearing borrowings		33	25	53	16	4
Tax payable		6	4	6	6	4
Derivative financial liabilities		–	–	–	1	3
Total equity and liabilities	2.7%	527	562	602	558	538
Exchange rate: closing rate		10.34	8.48	7.07	7.37	7.77

The ZAR five-year consolidated statement of financial position was translated to USD using the closing rate.

FIVE-YEAR CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 August

R'm	5-year aggregate effect	2013	2012	2011	2010	2009
Cash effects from operating activities						
Operating profit before working capital changes	5 323	1 351	1 235	1 075	837	825
Working capital changes	46	26	(162)	(105)	(203)	490
Cash generated by operations	5 369	1 377	1 073	970	634	1 315
Interest received	43	6	6	8	9	14
Interest paid	(187)	(41)	(39)	(29)	(35)	(43)
Taxation paid	(1 281)	(329)	(276)	(272)	(175)	(229)
Cash inflow from operating activities before dividends/distributions paid	3 944	1 013	764	677	433	1 057
Dividends/distributions paid to shareholders	(1 463)	(394)	(337)	(296)	(245)	(191)
Net cash effects from operating activities	2 481	619	427	381	188	866
Cash effects from investing activities						
Investment in property, plant and equipment and intangible assets	(1 212)	(310)	(256)	(216)	(206)	(224)
Acquisition of business, net of cash acquired	(42)	–	–	(10)	(22)	(10)
Acquisition of remaining interest in subsidiary	(3)	–	–	–	(3)	–
Proceeds from disposal of property, plant and equipment	10	1	3	2	2	2
Repayment of loans receivable	58	4	5	15	19	15
Net cash effects from investing activities	(1 189)	(305)	(248)	(209)	(210)	(217)
Cash effects from financing activities						
Purchase of treasury shares	(1 578)	(354)	(12)	(552)	(322)	(338)
Proceeds from disposal of treasury shares	62	–	2	3	15	42
Interest-bearing borrowings raised/(repaid)	239	130	(161)	243	71	(44)
Net cash effects from financing activities	(1 277)	(224)	(171)	(306)	(236)	(340)
Net increase/(decrease) in cash and cash equivalents	15	90	8	(134)	(258)	309

FIVE-YEAR CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 August

US Dollars 'm	5-year aggregate effect	2013	2012	2011	2010	2009
Cash effects of operating activities						
Operating profit before working capital changes	664	148	154	156	115	91
Working capital changes	(4)	3	(20)	(15)	(28)	56
Cash generated by operations	660	151	134	141	87	147
Interest received	6	1	1	1	1	2
Interest paid	(23)	(4)	(5)	(4)	(5)	(5)
Taxation paid	(159)	(36)	(35)	(39)	(24)	(25)
Cash inflow from operating activities before dividends/distributions paid	484	112	95	99	59	119
Dividends/distributions paid to shareholders	(184)	(43)	(42)	(44)	(34)	(21)
Net cash effects from operating activities	300	69	53	55	25	98
Cash effects of investing activities						
Investment in property, plant and equipment and intangible assets	(152)	(34)	(33)	(31)	(29)	(25)
Acquisition of business, net of cash acquired	(5)	–	–	(1)	(3)	(1)
Proceeds from disposal of property, plant and equipment	–	–	–	–	–	–
Decrease in loans receivable	8	–	1	2	3	2
Net cash effects from investing activities	(149)	(34)	(32)	(30)	(29)	(24)
Cash effects of financing activities						
Purchase of treasury shares	(202)	(39)	(2)	(80)	(44)	(37)
Proceeds from disposal of treasury shares	7	–	–	–	2	5
Interest-bearing borrowings raised/(repaid)	37	15	(19)	36	10	(5)
Net cash effects from financing activities	(158)	(24)	(21)	(44)	(32)	(37)
Net (decrease)/increase in cash and cash equivalents	(7)	11	–	(19)	(36)	37
Exchange rate: average rate		9.15	8.00	6.91	7.27	9.05

The ZAR five-year consolidated statement of cash flows was translated to USD using the average rate.

SUSTAINABILITY INDICATORS

			5-year compound annual growth %	2013	2012	2011	2010	2009
Economic								
Turnover	R'm	9.3%		17 543	15 437	14 136	13 277	12 175
Comparable stores' turnover growth	%			5.8	5.5	6.9	11.2	13.2
Gross profit margin	%			21.6	22.5	23.0	21.9	20.7
Operating margin	%			6.3	6.6	6.6	6.2	5.8
Headline earnings	R'm	13.6%		757	692	655	576	478
Diluted headline earnings per share	cents	17.8%		298.6	273.4	249.7	211.4	165.9
Return on shareholders' interest	%			55.6	59.9	62.2	50.8	42.3
Return on total assets	%			14.8	15.3	15.7	13.9	12.3
Net asset value per share	cents			558	533	382	429	407
Dividends/distributions per share	cents			168.0	152.0	125.0	106.2	84.0
Dividend/distribution cover	times			1.8	1.8	2.0	2.0	2.0
Capital expenditure	R'm	12.0%		310	256	226	231	234
Depreciation and amortisation	R'm			210	181	158	137	122
Growth in trading space	%			3.3	4.7	5.3	4.1	4.9
Number of stores				607	595	590	561	540
Retail trading density	R/m ²			50 760	48 607	46 911	44 588	40 567
In-store dispensaries				331	306	283	251	207
In-store clinics				122	116	104	93	105
Market share*								
– Clicks: retail pharmacy	%			17.6	16.2	15.4	13.1	11.1
– UPD: private pharmaceutical market	%			26.7	24.3	23.1	22.7	23.6
Clicks ClubCard								
– Active members	m			4.1	3.9	3.4	3.1	2.7
– Annual growth in membership	%			5.1	14.7	9.7	14.8	6.7
– Contribution to sales	%			76.1	77.1	76.7	74.8	70.0
Clicks private label and exclusive products								
– Percentage of total sales	%			18.4	18.4	18.2	17.8	17.6
– Percentage of front shop sales	%			24.1	24.2	24.2	23.0	22.4
Social								
Permanent staff				8 385	8 063	8 262	8 064	7 585
Staff turnover	%			21.5	21.7	19.4	19.8	26.1
Pharmacy turnover	%			28.0	37.3	23.0	34.0	53.0
Percentage employee participation in share ownership scheme	%			98.7	97.4	95.8	–	–
Employment equity*								
– Black staff as a % of total staff	%			85.0	85.3	84.8	84.7	84.3
– Black senior and top management	%			27.6	22.0	20.4	17.8	11.5
– Black directors	%			44.0	44.0	40.0	40.0	33.0
– Women as a % of total staff	%			63.1	63.3	63.0	62.7	62.0
– Women senior and top management	%			35.2	36.0	35.5	34.7	32.0
Skills development*								
– Total expenditure	R'm			45.1	40.0	47.0	56.0	39.7
– Skills development as a % of basic payroll	%			2.8	2.8	3.4	4.4	4.3
– Number of employees trained				3 735	4 687	4 356	4 527	4 523
Preferential procurement*	%			79.0	65.6	75.0	54.0	48.0
Enterprise development spend*	R'm			55.7	48.2	33.7	28.6	8.6
Corporate social investment spend*	R'm			13.8	6.0	9.0	9.8	14.4
Transformation rating*	Level			3	3	3	5	5
Employees covered by medical aid	%			19.0	18.2	16.7	18.2	22.3
Employees covered by retirement benefits	%			99.5	99.2	95.0	91.6	92.2
Employees covered by collective bargaining agreements	%			37.8	40	42	39	47
Environmental								
Carbon emissions (CO ₂) metric tons**								
Total emissions				123 025	119 480	121 257	121 685	134 341

* Indicators have been externally assured

** Current year indicators are in the process of being externally assured

SUSTAINABILITY INDICATORS

		5-year compound annual growth %	2013	2012	2011	2010	2009
Additional information							
Working capital management							
Inventory days			59	63	60	55	54
Trade debtor days			48	46	46	42	46
Trade creditor days			64	61	57	52	64
Effective tax rate	%		28.5	28.2	27.5	26.8	27.0
Solvency and liquidity							
Current ratio	times		1.0	1.0	0.9	1.0	1.0
Interest-bearing debt to shareholders' interest	%		25.0	15.9	38.9	11.7	6.0
Interest-bearing debt, including cash, to shareholders' interest	%		16.6	14.0	37.1	(1.7)	(30.5)
Share-related information							
Number of shares in issue (gross)	m		268.3	276.1	270.7	284.0	302.8
Number of shares in issue (net of treasury shares)	m		246.9	253.0	253.0	266.3	276.3
Weighted average number of shares in issue (net of treasury shares)	m		250.3	253.2	262.1	271.1	285.2
Weighted average diluted number of shares in issue (net of treasury shares)	m		253.4	253.3	262.5	272.3	288.3
Share price							
– closing	cents		5 483	5 750	4 170	3 750	2 030
– high	cents		6 830	6 065	4 706	3 799	2 099
– low	cents		5 269	3 659	3 500	1 960	1 192
Market capitalisation (gross)	R'm	24.0%	14 712	15 877	11 286	10 650	6 148
Market capitalisation (net of treasury shares)	R'm	24.6%	13 536	14 550	10 548	9 986	5 609
Volume of shares traded	m		275.7	349.2	466.3	306.4	222.3
Volume of shares traded	%		110.0	138.0	177.9	113.0	77.9
Free float (including treasury shares)	%		91.8	91.0	93.2	93.5	91.1
Price earnings ratio	times		18.4	21.0	16.7	17.7	12.2
FTSE/JSE Africa share indices							
All Share Index		8.8%	42 228	35 389	31 006	27 254	24 929
General Retailers Index		18.5%	58 160	63 520	45 547	34 216	24 277
Food and Drug Retailers Index***		23.9%	8 064	8 533	5 899	5 135	3 441
Economic information							
Inflation rate							
CPI	%		6.4	5.0	5.3	3.5	7.7
Prime overdraft rate							
– closing	%		8.5	8.5	9.0	10.0	10.5
– average	%		8.5	8.9	9.1	10.3	13.3
Exchange rates							
Rand/US Dollar							
– closing			10.34	8.48	7.07	7.37	7.77
– average			9.15	8.00	6.91	7.27	9.05

*** The JSE and FTSE rebased the index by dividing the index value by 10, after close of business on 21 December 2012. The comparative index values were restated.