

FIVE-YEAR CONSOLIDATED SUMMARY OF PROFITS

FOR THE YEAR ENDED 31 AUGUST

R'million	5-year compound annual growth %	2018	2017	2016	2015	2014
Turnover	10.8%	29 240	26 809	24 171	22 070	19 150
Cost of merchandise sold	10.9%	(23 063)	(21 185)	(19 157)	(17 545)	(15 026)
Gross profit	10.3%	6 177	5 624	5 014	4 525	4 124
Other income	13.5%	1 717	1 523	1 354	1 210	1 048
Total income	11.0%	7 894	7 147	6 368	5 735	5 172
Expenses	10.3%	(5 852)	(5 333)	(4 796)	(4 339)	(3 954)
Depreciation and amortisation	9.9%	(320)	(283)	(252)	(238)	(220)
Occupancy costs	13.1%	(928)	(795)	(683)	(619)	(564)
Employment costs	11.6%	(3 094)	(2 846)	(2 551)	(2 255)	(2 034)
Other costs	6.6%	(1 510)	(1 409)	(1 310)	(1 227)	(1 136)
Operating profit	13.1%	2 042	1 814	1 572	1 396	1 218
Adjustment for capital items		(1)	(5)	(6)	(9)	30
Profit before financing costs	13.2%	2 041	1 809	1 566	1 387	1 248
Net financing income/(costs)	(153.4%)	2	(37)	(53)	(57)	(41)
Financial income		26	11	6	5	5
Financial expense		(24)	(48)	(59)	(62)	(46)
Profit before earnings from associate	14.2%	2 043	1 772	1 513	1 330	1 207
Share of profit of an associate		2	3	2	–	–
Profit before tax	14.3%	2 045	1 775	1 515	1 330	1 207
Income tax expense	13.8%	(570)	(497)	(421)	(375)	(342)
Profit for the year	14.5%	1 475	1 278	1 094	955	865
Attributable to:						
Equity holders of the parent		1 475	1 278	1 094	955	865
Adjustment for impairment and loss/(profit) on disposal of capital items		1	4	5	6	(27)
Insurance recovery income		–	–	–	(1)	–
Gain on consolidation of the New Clicks Foundation Trust		–	(13)	–	–	–
Headline earnings	14.3%	1 476	1 269	1 099	960	838
Headline earnings per share (cents)						
– basic	15.2%	612.3	536.3	462.4	399.2	341.7
– diluted	14.1%	578.0	502.1	438.5	383.9	336.8
Earnings per share (cents)						
– basic	15.3%	611.9	540.2	460.5	396.7	352.4
– diluted	14.3%	577.6	505.7	436.7	381.5	347.4
Number of shares in issue (million)	(1.1%)	254	246	246	246	246
Weighted average number of shares (net of treasury shares) (million)	(0.7%)	241	237	238	241	245
Weighted average diluted number of shares (net of treasury shares) (million)	0.2%	255	253	251	250	249

FIVE-YEAR CONSOLIDATED SUMMARY OF PROFITS

FOR THE YEAR ENDED 31 AUGUST

US Dollars million	5-year compound annual growth %	2018	2017	2016	2015	2014
Turnover	3.3%	2 254	1 992	1 640	1 872	1 824
Cost of merchandise sold	3.4%	(1 778)	(1 574)	(1 300)	(1 488)	(1 431)
Gross profit	2.9%	476	418	340	384	393
Other income	5.9%	133	113	92	103	100
Total income	3.5%	609	531	432	487	493
Expenses	2.7%	(451)	(396)	(325)	(368)	(377)
Depreciation and amortisation	2.6%	(25)	(21)	(17)	(20)	(21)
Occupancy costs	5.5%	(72)	(59)	(46)	(53)	(54)
Employment costs	3.9%	(238)	(211)	(173)	(191)	(194)
Other costs	(0.7%)	(116)	(105)	(89)	(104)	(108)
Operating profit	5.8%	158	135	107	119	116
Adjustment for capital items		–	–	–	(1)	3
Profit before financing costs	6.0%	158	135	107	118	119
Net financing costs	(100.0%)	–	(3)	(4)	(5)	(4)
Financial income		2	1	–	–	–
Financial expense		(2)	(4)	(4)	(5)	(4)
Profit before earnings from associate	6.9%	158	132	103	113	115
Share of profit of an associate		–	–	–	–	–
Profit before tax	6.9%	158	132	103	113	115
Income tax expense	5.9%	(44)	(37)	(29)	(32)	(33)
Profit for the year	7.3%	114	95	74	81	82
Attributable to:						
Equity holders of the parent		114	95	74	81	82
Adjustment for impairment and loss/(profit) on disposal		–	–	1	1	(2)
Gain on consolidation of the New Clicks Foundation Trust		–	(1)	–	–	–
Headline earnings	6.6%	114	94	75	82	80
Exchange rate: average rate		12.97	13.46	14.74	11.79	10.50

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

FIVE-YEAR CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 AUGUST

R'million	5-year compound annual growth %	2018	2017	2016	2015	2014
ASSETS						
Non-current assets		3 233	2 854	2 507	2 009	1 772
Property, plant and equipment	11.7%	1 844	1 534	1 345	1 222	1 135
Intangible assets		477	457	434	395	372
Goodwill		104	104	104	104	104
Deferred tax assets		477	572	347	177	126
Investment in associate		20	20	20	–	–
Loans receivable		15	4	10	13	12
Financial assets at fair value through profit or loss		82	28	16	17	23
Derivative financial assets		214	135	231	81	–
Current assets		8 331	6 867	5 870	5 547	4 420
Inventories	13.7%	4 227	3 754	3 479	3 250	2 614
Trade and other receivables	9.1%	2 331	2 213	2 013	1 871	1 608
Loans receivable		10	9	8	–	–
Cash and cash equivalents		1 524	700	370	401	195
Derivative financial assets		239	191	–	25	3
Total assets	16.3%	11 564	9 721	8 377	7 556	6 192
EQUITY AND LIABILITIES						
Equity	26.3%	4 428	3 300	2 453	2 013	1 567
Share capital		3	3	3	3	3
Share premium		514	3	3	3	3
Treasury shares		(703)	(703)	(704)	(414)	(238)
Share option reserve		578	748	483	255	135
Cash flow hedge reserve		74	15	29	35	2
Foreign currency translation reserve		8	(1)	6	6	2
Distributable reserve		3 954	3 235	2 633	2 125	1 660
Non-current liabilities		447	402	405	308	286
Employee benefits		245	209	215	128	115
Deferred tax liabilities		–	–	–	–	3
Operating lease liability		202	193	190	180	168
Current liabilities		6 689	6 019	5 519	5 235	4 339
Trade and other payables	13.7%	6 199	5 475	5 149	4 898	4 041
Employee benefits		418	395	242	215	191
Provisions		5	7	7	6	10
Income tax payable		67	133	92	116	94
Derivative financial liabilities		–	9	27	–	3
Financial liability at fair value through profit or loss		–	–	2	–	–
Total equity and liabilities	16.3%	11 564	9 721	8 377	7 556	6 192

FIVE-YEAR CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 AUGUST

US Dollars million	5-year compound annual growth %	2018	2017	2016	2015	2014
ASSETS						
Non-current assets		219	219	173	151	167
Property, plant and equipment	4.2%	125	118	93	92	107
Intangible assets		32	35	30	30	35
Goodwill		7	8	7	8	10
Deferred tax assets		32	44	24	13	12
Investment in associate		1	2	1	–	–
Loans receivable		1	–	1	1	1
Financial assets at fair value through profit or loss		6	2	1	1	2
Derivative financial assets		15	10	16	6	–
Current assets		567	528	405	417	414
Inventories	5.9%	287	288	239	244	245
Trade and other receivables	1.7%	159	170	139	141	151
Loans receivable		1	1	1	–	–
Cash and cash equivalents		104	54	26	30	18
Derivative financial assets		16	15	–	2	–
Total assets	8.3%	786	747	578	568	581
EQUITY AND LIABILITIES						
Equity	17.7%	301	252	169	151	147
Share capital		–	–	–	–	–
Share premium		35	–	–	–	–
Treasury shares		(48)	(54)	(49)	(31)	(22)
Share option reserve		39	57	33	19	13
Cash flow hedge reserve		5	1	2	3	–
Foreign currency translation reserve		1	–	–	–	–
Distributable reserve		269	248	183	160	156
Non-current liabilities		31	31	28	24	27
Employee benefits		17	16	15	10	11
Deferred tax liabilities		–	–	–	–	–
Operating lease liability		14	15	13	14	16
Current liabilities		454	464	381	393	407
Trade and other payables	6.0%	421	422	356	368	379
Employee benefits		28	30	17	16	18
Provisions		–	1	–	–	1
Income tax payable		5	10	6	9	9
Derivative financial liabilities		–	1	2	–	–
Financial liability at fair value through profit or loss		–	–	–	–	–
Total equity and liabilities	8.3%	786	747	578	568	581
Exchange rate: closing rate		14.71	13.02	14.49	13.31	10.65

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'million	5-year aggregate effect	2018	2017	2016	2015	2014
Cash effects from operating activities						
Operating profit before working capital changes	9 352	2 274	2 040	1 847	1 700	1 491
Working capital changes	497	182	(6)	(19)	(15)	355
Cash generated by operations	9 849	2 456	2 034	1 828	1 685	1 846
Interest received	53	26	11	6	5	5
Interest paid	(178)	(10)	(42)	(45)	(44)	(37)
Taxation paid	(1 889)	(267)	(472)	(444)	(356)	(350)
Cash inflow from operating activities before dividends paid	7 835	2 205	1 531	1 345	1 290	1 464
Dividends paid to shareholders	(2 995)	(812)	(677)	(586)	(491)	(429)
Net cash effects from operating activities	4 840	1 393	854	759	799	1 035
Cash effects from investing activities						
Investment in property, plant and equipment and intangible assets	(2 329)	(671)	(518)	(433)	(370)	(337)
Proceeds from disposal of property, plant and equipment	46	2	3	1	2	38
Disposal of investments	17	17	–	–	–	–
Acquisition of investments	(63)	(63)	–	–	–	–
Acquisition of unlisted investment in associate	(20)	–	(2)	(18)	–	–
Acquisition of non-controlling interest	(1)	–	–	–	(1)	–
(Increase)/decrease in loan receivables	(12)	(12)	5	(5)	–	–
Net cash effects from investing activities	(2 362)	(727)	(512)	(455)	(369)	(299)
Cash effects from financing activities						
Purchase of treasury shares	(752)	–	–	(290)	(177)	(285)
Acquisition of derivative financial asset	(215)	(83)	(39)	(45)	(48)	–
Settlement of derivative financial asset	219	191	28	–	–	–
Proceeds from sale of treasury shares	50	50	–	–	–	–
Share cancellation expenses	(3)	–	–	–	–	(3)
Interest-bearing borrowings repaid	(345)	–	–	–	–	(345)
Transaction cost on the issue of shares	(1)	(1)	–	–	–	–
Net cash effects from financing activities	(1 047)	157	(11)	(335)	(225)	(633)
Net increase/(decrease) in cash and cash equivalents	1 431	823	331	(31)	205	103

FIVE-YEAR CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST

US Dollars million	5-year aggregate effect	2018	2017	2016	2015	2014
Cash effects of operating activities						
Operating profit before working capital changes	737	175	151	125	144	142
Working capital changes	46	14	–	(1)	(1)	34
Cash generated by operations	783	189	151	124	143	176
Interest received	3	2	1	–	–	–
Interest paid	(15)	(1)	(3)	(3)	(4)	(4)
Taxation paid	(149)	(20)	(35)	(30)	(30)	(33)
Cash inflow from operating activities before dividends paid	622	170	114	91	109	139
Dividends paid to shareholders	(236)	(62)	(50)	(40)	(42)	(41)
Net cash effects from operating activities	386	108	64	51	67	98
Cash effects from investing activities						
Investment in property, plant and equipment and intangible assets	(182)	(52)	(38)	(29)	(31)	(32)
Proceeds from disposal of property, plant and equipment	5	1	–	–	–	4
Disposal of investments	1	1	–	–	–	–
Acquisition of investments	(5)	(5)	–	–	–	–
Acquisition of unlisted investment in associate	(1)	–	–	(1)	–	–
(Increase)/decrease in loan receivables	(1)	(1)	–	–	–	–
Net cash effects from investing activities	(183)	(56)	(38)	(30)	(31)	(28)
Cash effects of financing activities						
Purchase of treasury shares	(62)	–	–	(20)	(15)	(27)
Acquisition of derivative financial asset	(16)	(6)	(3)	(3)	(4)	–
Settlement of derivative financial asset	17	15	2	–	–	–
Proceeds from disposal of treasury shares	4	4	–	–	–	–
Interest-bearing borrowings repaid	(32)	–	–	–	–	(32)
Transaction cost on the issue of shares	(1)	(1)	–	–	–	–
Net cash effects from financing activities	(86)	12	(1)	(23)	(19)	(59)
Net increase/(decrease) in cash and cash equivalents	117	64	25	(2)	17	11
Exchange rate: average rate		12.97	13.46	14.74	11.79	10.50

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