

SHOPRITE



(Reg. No. 1936/007721/06) | (ISIN: ZAE 000012084) | (JSE Share code: SHP) **HOLDINGS LTD**
(NSX Share code: SRH) | (LuSE Share code: SHOPRITE) | ("the Group")

Unaudited Group results for the 26 weeks ended 30 December 2018

Key information

	% change	30 Dec 2018	31 Dec 2017
Sale of merchandise (Rm)	0.2	75 837	75 704
Trading profit (Rm)	-19.0	3 323	4 104
Operating profit (Rm)	-16.9	3 385	4 074
Profit before income tax (Rm)	-21.8	3 140	4 014
Income tax expense (Rm)	-20.0	875	1 094
Profit for the period (Rm)	-22.4	2 265	2 920
Attributable to owners of the parent (Rm)		2 258	2 912
Attributable to non-controlling interest (Rm)		7	8
Basic headline earnings per share (cents)	-24.1	398.9	525.6
Basic earnings per share (cents)	-21.9	407.3	521.3
Dividend per share (cents)	-23.9	156.0	205.0

Pieter Engelbrecht, Chief Executive Officer

2018 has been a transformational year and the Group remains Africa's largest and most profitable retailer. Our first half performance is below expectations, but not a reflection of the health of the business. The results for the six months were affected by an overlapping of multiple factors disrupting the trading environment.

These include factors in our external operating environment, where economic conditions have left our core customer under significant financial pressure and in which significant currency devaluations wiped out the performance in the Non-RSA operations.

At the same time, we have dealt with many internal challenges, investment expenses and operational issues relating to the implementation of strategic decisions including the roll out of the new SAP ERP system. The IT replatforming was an absolute imperative and represents the culmination of four years of planning. Although it came with short-term pain, it will ultimately improve our global competitiveness.

Despite the tougher set of results, we served a record number of customers and sold record product volumes, up 1.7% and 0.2% respectively, whilst supermarket space growth was 1.9%. Strategic decisions to invest in convenience foods, our fresh offer, private label and our liquor footprint also continue to bear fruit.

Product availability has improved but a lot of work still needs to be done and remains our number one priority in the short term. We have continued to invest in the business through the cycle in new store rollouts and the digital transformation of the Group.

The positive sales trend emerging in the festive season has continued in January and February alongside improving product availability.

Declaration of ordinary dividend

The board has declared an interim dividend of 156 cents (2017: 205 cents) per ordinary share, payable to shareholders on Monday, 18 March 2019. The dividend has been declared out of income reserves. The last day to trade cum dividend will be Tuesday, 12 March 2019. As from Wednesday, 13 March 2019, all trading of Shoprite Holdings Ltd shares will take place ex dividend. The record date is Friday, 15 March 2019. Share certificates may not be dematerialised or rematerialised between Wednesday, 13 March 2019, and Friday, 15 March 2019, both days inclusive.

In terms of the Dividends Tax, the following additional information is disclosed:

1. The local dividend tax rate is 20%.
2. The net local dividend amount is 124.8 cents per share for shareholders liable to pay Dividends Tax and 156 cents per share for shareholders exempt from paying Dividends Tax.
3. The issued ordinary share capital of Shoprite Holdings Ltd as at the date of this declaration is 591 338 502 ordinary shares.
4. Shoprite Holdings Ltd's tax reference number is 9775/112/71/8.

About this announcement

This short-form announcement is the responsibility of the directors of Shoprite Holdings Ltd. It is only a summary of the information in the condensed consolidated interim financial statements and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the condensed consolidated interim financial statements published on SENS and www.shopriteholdings.co.za as a whole.

The condensed consolidated interim financial statements have been released on the Stock Exchange News Service (SENS) and are available for viewing on www.shopriteholdings.co.za. Copies of the condensed consolidated interim financial statements may be requested from the company secretary (cosec@shoprite.co.za, tel +27 (0)21 980 4284) at PO Box 215, Brackenfell, 7561, South Africa.

By order of the board

CH Wiese
Chairman

PC Engelbrecht
Chief Executive Officer

Cape Town
25 February 2019

