

Revenue  
20%



Gross Profit  
21%



Profit after Tax  
2%



Asset Value  
18%



Earnings per Share  
4%



### ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) 6 months ended 31 December, 2014 P' 000	(Unaudited) 6 months ended 31 December, 2013 P' 000	(Audited) Year ended 30 June, 2014 P' 000
<b>Revenue</b>	3 008 478	2 504 254	5 012 418
Cost of sales	(2 364 470)	(1 971 407)	(3 933 347)
Gross profit	644 008	532 847	1 079 071
Other income	10 555	8 015	8 729
<b>Operating income</b>	654 563	540 862	1 087 800
<b>Expenditure</b>	(513 987)	(407 561)	(846 389)
Administrative expenses	(398 666)	(311 367)	(650 279)
Selling and distribution expenses	(24 626)	(23 168)	(44 976)
Other operating expenses	(90 695)	(73 026)	(151 134)
<b>Operating profit before interest and taxation</b>	140 576	133 301	241 411
Interest cost	(12 201)	(5 241)	(15 566)
Interest received	1 065	2 788	3 589
Profit before taxation	129 440	130 848	229 434
Taxation	(26 189)	(29 283)	(52 274)
<b>Profit after taxation</b>	103 251	101 565	177 160
Attributable to:			
Owners of the company	100 572	96 898	167 882
Non-controlling interest	2 679	4 667	9 278
<b>Other comprehensive income:</b>			
Items that will be reclassified to profit or loss			
Foreign currency translation differences from foreign operations	(6 996)	(16 575)	3 487
Attributable to:			
Owners of the company	(2 052)	(10 719)	5 616
Non-controlling interest	(4 944)	(5 856)	(2 129)
<b>Profit and total comprehensive income</b>	96 255	84 990	180 647
Attributable to:			
Owners of the company	98 520	86 179	173 498
Non-controlling interest	(2 265)	(1 189)	7 149
<b>Earnings per share (Thebe)</b>	8.57	8.25	14.30
<b>Dividend per share (Thebe)</b>	4.51	4.25	4.25

### ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 31 December, 2014 P' 000	(Unaudited) 31 December, 2013 P' 000	(Audited) 30 June, 2014 P' 000
<b>Assets</b>			
<b>Non current assets</b>	1 222 951	1 040 537	1 094 808
Plant and equipment	734 519	554 130	597 040
Deferred taxation	21 464	11 382	15 217
Investments in new projects	12 926	25 070	28 509
Goodwill	454 042	449 955	454 042
<b>Current assets</b>	919 811	784 262	654 663
Inventory	543 181	421 945	407 871
Investment	3	3	3
Advances and deposits	48 856	38 036	53 872
Trade and other receivables	203 726	104 989	84 082
Amounts due from related entities	5 629	6 709	5 336
Cash and cash equivalents	118 416	212 580	103 499
<b>Total assets</b>	2 142 762	1 824 799	1 749 471
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>	912 588	773 666	869 323
Stated capital	421 474	421 474	421 474
Preference shares	85	85	85
Retained earnings	486 000	367 434	438 418
Non-controlling interest	4 884	(1 189)	7 149
Foreign currency translation reserve	145	(14 138)	2 197
<b>Non Current liabilities</b>	401 111	237 083	2 44 447
Long term borrowings	363 044	212 526	210 164
Operating lease liabilities	38 067	24 557	34 283
<b>Current liabilities</b>	829 063	814 050	635 701
Current portion of long term borrowings	102 984	94 863	66 186
Current portion of deferred lease liabilities	3 554	3 245	4 139
Bank overdraft	82 206	31 722	45 660
Trade and other payables	587 135	632 035	469 796
Amounts due to related entities	36 266	42 797	35 768
Taxation payable	16 918	9 388	14 152
<b>Total equity and liabilities</b>	2 142 762	1 824 799	1 749 471

### COMMENTARY

#### 1. Basis of preparation and accounting policies

The financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") (which includes IAS 34 Interim Financial Reporting), to the extent applicable to Interim Financial Reporting, and in the manner required by The Botswana Companies Act, 2003 (No. 32 of 2004). The accounting policies have been applied consistently to all the periods presented in these financial statements. The financial statements are presented in Pula, which is considered the functional currency. The interim financial statements were reviewed, but not audited by KPMG.

#### 2. Performance highlights

- \* Revenue up by 20% to P 3 billion
- \* Gross profit up by 21% to P 644 million
- \* EBITDA up by 12% to P 206 million
- \* Total number of stores rose to 121 during the period
- \* Total retail space up by 18% to 177,031 Sq Mts.

#### 3. Financial overview & review of operations

During the period we opened 5 new stores in Botswana, 6 in South Africa and 5 in Zimbabwe. Total number of stores as on 31 December 2014:

Botswana – 72                      South Africa - 31                      Zimbabwe – 18

The group continued to deliver strong growth in revenue, but profit growth for the period was impacted by higher interest costs as a result of increased capital expenditure for the expansion into various regions.

#### Botswana

The positive topline performance from increased sales volumes was partially offset by continued deflationary pressures due to Rand weakness and falling commodity prices. Gross profit margins improved during the period. New point of sale IT implementation will start yielding benefits from efficiencies and centralised control, which should result in better price management and margins going forward.

### ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital P' 000	Preference shares P' 000	Retained earnings P' 000	Foreign currency translation reserve P' 000	Non-controlling interest P' 000	Total P' 000
Balance as on June 2012 (Audited)	421 474	85	210 304	107	-	631 970
Total comprehensive income for the year	-	-	153 301	(3 526)	-	149 775
Profit	-	-	153 301	-	-	153 301
Other comprehensive income	-	-	-	(3 526)	-	(3 526)
Transactions with owners	-	-	(43 144)	-	-	(43 144)
Dividend declared	-	-	(43 144)	-	-	(43 144)
Balance as on 30 June 2013 (Audited)	421 474	85	320 461	(3 419)	-	738 601
Total comprehensive income for the year	-	-	167 882	5 616	7 149	180 647
Profit	-	-	167 882	-	9 278	177 160
Other comprehensive income	-	-	-	5 616	(2 129)	3 487
Transactions with owners	-	-	(49 925)	-	-	(49 925)
Dividend declared	-	-	(49 925)	-	-	(49 925)
Balance as on 30 June 2014 (Audited)	421 474	85	438 418	2 197	7 149	869 323
Total comprehensive income for the period	-	-	100 572	(2 052)	(2 265)	96 255
Profit	-	-	100 572	-	2 679	103 251
Other comprehensive income	-	-	-	(2 052)	(4 944)	(6 996)
Transaction with owners	-	-	(52 990)	-	-	(52 990)
Dividend declared	-	-	(52 990)	-	-	(52 990)
Balance as on 31 December 2014 (Un-audited)	421 474	85	486 000	145	4 884	912 588

### ABRIDGED CONSOLIDATED STATEMENT OF CASHFLOWS

	(Unaudited) 6 months ended 31 December, 2014 P' 000	(Unaudited) 6 months ended 31 December, 2013 P' 000	(Audited) Year ended 30 June, 2014 P' 000
Net cashflows (used in)/ generated from operating activities	(14 660)	155 850	196 615
Net cashflows used in investment activities	(184 446)	(405 634)	(528 056)
Net cashflows generated from financing activities	177 477	215 512	174 150
Net movement in cash and cash equivalents	(21 629)	(34 272)	(157 291)
Cash and cash equivalents at the beginning of the period	57 839	215 130	215 130
Cash and cash equivalents at the end of the period	36 210	180 858	57 839

### ABRIDGED SEGMENTAL RESULTS

Particulars	Botswana P' 000	South Africa P' 000	Zimbabwe P' 000	Total P' 000
<b>Six months ended 31 December 2014 (Un-audited)</b>				
<b>Statement of comprehensive income</b>				
Revenue:				
Trading income	1 991 840	622 301	394 337	3 008 478
Other income	9 285	1 067	203	10 555
<b>Total segment revenue</b>	2 001 125	623 368	394 540	3 019 033
Reportable segment profit/(loss) before taxation	129 762	(8 037)	7 715	129 440
<b>Reportable segment EBITDA</b>	176 807	13 942	15 073	205 822
<b>Statement of financial position</b>				
Reportable segment assets	1 317 120	467 403	358 239	2 142 762
Reportable segment liabilities	374 233	511 870	344 071	1 230 174
<b>Six months ended 31 December 2013 (Un-audited)</b>				
<b>Statement of comprehensive income</b>				
Revenue:				
Trading income	1 868 776	524 503	110 975	2 504 254
Other income	7 025	990	-	8 015
<b>Total segment revenue</b>	1 875 801	525 493	110 975	2 512 269
Reportable segment profit/(loss) before taxation	124 733	(6 002)	12 117	130 848
<b>Reportable segment EBITDA</b>	161 438	9 606	13 134	184 178
<b>Statement of financial position</b>				
Reportable segment assets	1 215 207	334 796	274 796	1 824 799
Reportable segment liabilities	421 197	364 290	265 646	1 051 133
<b>Year ended 30 June 2014 (Audited)</b>				
<b>Statement of comprehensive income</b>				
Revenue:				
Trading income	3 586 393	1 001 693	424 332	5 012 418
Other income	7 324	1 226	179	8 729
<b>Total segment revenue</b>	3 593 717	1 002 919	424 511	5 021 147
Reportable segment profit/(loss) before taxation	233 623	(28 525)	24 336	229 434
<b>Reportable segment EBITDA</b>	318 576	3 018	30 058	351 652
<b>Statement of financial position</b>				
Reportable segment assets	1 124 217	347 588	277 666	1 749 471
Reportable segment liabilities	524 979	112 809	242 360	880 148

#### South Africa

Performance continued to improve during the period, and the business is expected to become profitable in the near future as we reach critical mass. Trading conditions post the 2014 platinum belt strike remained challenging. This situation may continue for the foreseeable future. The Fruit and Veg Distribution Centre in Rustenburg was opened in December 2014 which should help improve efficiencies.

#### Zimbabwe

We saw strong revenue growth in Zimbabwe as we expanded our store footprint in the country. The distribution centre in Harare became operational during the period. Margins were negatively impacted by high marketing and promotional expenditure as we entered the Harare market. Continued strengthening of the US Dollar had a deflationary impact, and we expect this to continue for the rest of the financial year.

#### 4. Prospects

As part of our expansion plans, we expect to open more stores in Botswana, South Africa and Zimbabwe, although the rate of expansion in Botswana is expected to slow. In accordance with our long term strategy, we are also well advanced in our plans to open stores in a number of new markets this year.

We are continuing to evaluate a possible secondary listing on the Johannesburg Stock Exchange in 2015 in order to access new investors and to promote increased liquidity in our shares.

#### 5. Changes to the Board of Directors

The following changes in the board of directors took place during the period and up to the date of this report:

Name	Designation	Nature of change	Date
Manikandan Madakkavil	Chief Financial Officer	Appointment	01 March 2015

#### 6. Dividend

No interim dividend has been declared. A final dividend will be declared and distributed after the finalization of the financial statements for the year ended 30 June 2015.

For and on behalf of the Board

F.G. Mogae  
(Chairman)

R. Ottapathu  
(Chief Executive Officer)

Registered office	Transfer secretaries	Auditor
Unit 5, Plot 115, Kgale Mews P O Box 406, Gaborone Botswana	Grant Thorton Business Services (Pty) Ltd Acumen Park, Plot 50370, Fairgrounds Office Park Botswana	KPMG Plot 67977, Off Tlokweng Rd, Fairgrounds Office Park, P O Box 1519, Gaborone, Botswana