**Sefalana Cash & Carry Limited**

**Audited Financial Results**

for the year ended 30 April 2010

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**SALIENT FEATURES:**

- **Sales down by 4%**
- **Gross profit down by 14%**
- **Profit before tax down by 16%**
- **Profit after tax down by 9%**
- **Four Shoppers Supermarkets opened**

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**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

<table>
<thead>
<tr>
<th>Item</th>
<th>30 April 2010</th>
<th>30 April 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,501,866</td>
<td>1,569,029</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(1,422,156)</td>
<td>(1,476,551)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>79,710</td>
<td>92,477</td>
</tr>
<tr>
<td>Operating profit</td>
<td>61,588</td>
<td>59,993</td>
</tr>
<tr>
<td>Net financial income</td>
<td>864</td>
<td>1,164</td>
</tr>
<tr>
<td>Share of loss of associates</td>
<td>(466)</td>
<td>(274)</td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>61,122</td>
<td>58,720</td>
</tr>
<tr>
<td>Income tax</td>
<td>(2,438)</td>
<td>(14,237)</td>
</tr>
<tr>
<td>Profit for the year from continuing operations</td>
<td>43,684</td>
<td>46,343</td>
</tr>
<tr>
<td>Loss for the year from discontinued operations</td>
<td>(9,372)</td>
<td>(2,395)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>40,312</td>
<td>43,948</td>
</tr>
</tbody>
</table>

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**CONDENSED STATEMENT OF CASH FLOWS**

<table>
<thead>
<tr>
<th>Item</th>
<th>30 April 2010</th>
<th>30 April 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before working capital changes</td>
<td>54,609</td>
<td>69,164</td>
</tr>
<tr>
<td>(Increase)/decrease in working capital</td>
<td>(8,503)</td>
<td>487</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>46,106</td>
<td>68,661</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(19,274)</td>
<td>(19,012)</td>
</tr>
<tr>
<td>Net cash generated from operations</td>
<td>26,832</td>
<td>50,549</td>
</tr>
<tr>
<td>Net cash utilised in investing activities</td>
<td>(18,982)</td>
<td>(6,330)</td>
</tr>
<tr>
<td>Net cash utilised in financing activities</td>
<td>(33,124)</td>
<td>(15,460)</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>(4,264)</td>
<td>(37,252)</td>
</tr>
<tr>
<td>Cash and cash equivalents of beginning</td>
<td>84,550</td>
<td>46,163</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>84,386</td>
<td>44,090</td>
</tr>
</tbody>
</table>

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**COMMENTS**

**BASIS OF PREPARATION**

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards. Accounting policies applied are consistent with the previous year.

The results are presented in Botswana Pula (P), which is the Company’s functional currency and all values are rounded to the nearest thousand except where otherwise indicated.

**OPERATIONS**

Trading conditions were extremely difficult during the reporting year. The decline in consumer spending, caused mainly by the economic recession, meant that our sales and margins were down on the previous year as we fought to maintain market share.

Administration and other operating costs were kept in check and some savings were realised.

**ASSOCIATE COMPANIES**

Seftim Hardware (Pty) Ltd continued to make losses during the year and the difficult decision has now been made to close down this business.

Hyperbola (Pty) Ltd also incurred losses during the year, but we are confident that the business will turn around and make a positive contribution in the 2010/11 year.

**TAXATION**

The income tax charge was reduced by a recovery of additional company tax on payment of the final dividend for the 2008/09 financial year.

**SHOPPERS**

Four Shoppers Supermarkets were opened during the year and another three have opened in the first quarter of 2010/11. A further four are scheduled to open in the 2010/11 year, giving a total of eleven su-

**FORECAST**

Trading conditions have continued to be very difficult in the first quarter of 2010/11 and it is apparent that the economic recovery has not yet trickled down to the man on the street. We anticipate that we will only see a recovery in consumer spending in the 2011/12 financial year.

**SCHEME OF ARRANGEMENT**

The offer made by Sefalana Holding Company Limited to acquire the shares held by minority shareholders has been circulated and we anticipate that a meeting of shareholders to consider the offer will take place on 07 September 2010.

**DIVIDEND**

The Directors have undertaken not to declare a dividend whilst the Scheme of Arrangement is under consideration.

**DIRECTORATE AND ADMINISTRATION**

Directors: HW Kampmann (Managing), CD Chauhan, VG Iyer, JM Marinelli, A Pegge

Registered office: Plot 10235, Lejara and Misporporo Roads, Broadhurst Industrial, Private Bag 0422, Gaborone

Transfer secretaries: DPS Consulting Services (Pty) Ltd, Plot 50371, Fairgrounds, PO Box 294, Gaborone

Auditors: PricewaterhouseCoopers, Plot 50371, Fairgrounds, PO Box 94, Gaborone

By order of the Board

[Signature]

JMM Marinelli

Managing Director

Gaborone 16 August 2010

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**CONDENSED STATEMENT OF CHANGES IN EQUITY**

<table>
<thead>
<tr>
<th>Item</th>
<th>Stated Capital</th>
<th>Retained Earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P'000</td>
<td>P'000</td>
<td>P'000</td>
</tr>
<tr>
<td>Balance at 30 April 2009</td>
<td>12,804</td>
<td>104,612</td>
<td>117,416</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>40,193</td>
<td>40,193</td>
<td>40,193</td>
</tr>
<tr>
<td>Dividend paid (thebe)</td>
<td>-</td>
<td>(50,495)</td>
<td>(50,495)</td>
</tr>
<tr>
<td>Balance at 30 April 2010</td>
<td>12,804</td>
<td>114,310</td>
<td>127,114</td>
</tr>
</tbody>
</table>

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**CONDENSED STATEMENT OF ASSETS**

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<tr>
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</thead>
<tbody>
<tr>
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**EQUITY AND LIABILITIES**

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<tr>
<td></td>
<td>P'000</td>
<td>P'000</td>
</tr>
</tbody>
</table>

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**NON-CURRENT ASSETS**

- Property, plant and equipment: 40,205, 28,016
- Intangible assets: 6,195, 5,803
- Investments in associates: 3,060, 7,510
- Loan receivable: 972, 1,164
- Deferred income tax assets: 12,663, 12,808
- Total non-current assets: 63,095, 55,242

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**CURRENT ASSETS**

- Inventories: 171,767, 158,606
- Trade and other receivables: 52,964, 59,643
- Cash and cash equivalents: 59,366, 84,050
- Total current assets: 254,117, 352,999

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**ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE**

- 3,331

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**TOTAL CURRENT ASSETS**

- 257,446, 352,999

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**TOTAL ASSETS**

- 350,543, 357,341

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**EQUITY**

- Stated capital: 12,804, 12,804
- Retained earnings: 114,310, 104,612
- Total equity: 127,114, 117,416

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**NON-CURRENT LIABILITIES**

- Finance lease liabilities: 15,230, 19,394

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**CURRENT LIABILITIES**

- Trade and other payables: 192,503, 194,504
- Provisions: 6,493, 10,741
- Finance lease liabilities: 4,164, 2,098
- Current income tax liabilities: 5,049, 12,547
- Total current liabilities: 205,199, 220,731

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**TOTAL EQUITY AND LIABILITIES**

- 350,543, 357,341

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**DIRECTORATE AND ADMINISTRATION**

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[Image]