

Directorate and Administration

Directors	Mr M S Goldberg <i>B.Com M.B.A. (Rand)</i> Mr J A Goldberg <i>B.Sc (Eng) (Rand)</i> Mr J M Judin <i>Dip.Law. (Rand)</i> Mr G R Hindle <i>B.Acc (Wits) CA (SA)</i> Mr D Piaray <i>Chem Eng (Natal) B.Com (Unisa) MBA (Wits)</i>
Secretary	Mr B H Halkney <i>CA (SA)</i> 35 Third Street Wynberg Sandton, 2199
Registered Office	35 Third Street Wynberg Sandton, 2199
Auditors	Tuffias Sandberg KSi Chartered Accountants (SA) Registered Accountants and Auditors 4 Fifth Avenue Edenburg Sandton, 2128
Transfer Secretaries	Computershare Investor Services 2004 (Proprietary) Limited 70 Marshall Street Johannesburg, 2001
Bankers	First National Bank, a division of First Rand Bank Limited
Attorneys	Goldman, Judin Inc. 2nd Floor, North Block Thrupps Illovo Centre 204 Oxford Road Illovo, 2196
Company Registration Number	1968/002490/06
Sponsors	Nedbank Capital 135 Rivonia Road Sandown, 2196 Sasfin Corporate Finance (Lead) Sasfin Place, 13 – 15 Scott Street Waverley, Johannesburg 2090



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Nu-World Holdings Limited



Annual Report 2006

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Mission statement

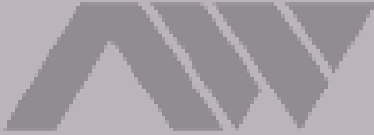
We at Nu-World, are driven by the quest for excellence across all the disciplines of manufacturing, importing, distributing and exporting, in the Global Market of branded consumer durables, working together with a team of committed, well-trained and empowered employees.

We aim to provide products of outstanding quality to our clients worldwide, superior returns to our shareholders, whilst contributing to the growth of a democratic and prosperous South Africa.

We will strive to be acknowledged, both locally and internationally, as an outstanding source and provider of branded consumer durables.

We will endeavour to ensure that the needs and expectations of our customers are consistently surpassed.

The attainment of this vision and mission, will require a sustained level of superior customer service and support as well as operational excellence, resulting in the continued growth and expansion of our business.



EBITDA operating income up **26%** to R129,059m

Profit before tax up **38,4%** to R120,423m

Attributable income up **12,0%** to R82,030m

Headline earnings per share up **11,6%** to 378,3 cents

Cash balances on hand up **40,4%** to R267,578m

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Financial highlights

Group financial results

A summary is as follows:

	2006 R000s	2005 R000s
Revenue	1 638 724	1 626 122
Net operating profit	129 059	102 466
Depreciation	7 413	8 251
Interest paid	1 223	7 220
Profit before taxation	120 423	86 995
Taxation	29 613	18 212
Profit after taxation	90 810	68 783
Share of loss attributable to associated company	(6 994)	
Minority interest	(1 786)	4 444
Net profit attributable to ordinary shareholders	82 030	73 227
Dividend/Capital distribution	20 970	15 252
Net profit for the year	61 060	57 975
Headline earnings per share (cents)	378,3	339,1

Chairman's Review

for the year ended 31 August 2006

On behalf of your board, I am pleased to report another year of growth for the period ending 31 August 2006. For the sixteenth consecutive year, the Group has produced growth in turnover, operating income, attributable income, headline earnings per share and dividend.

The Nu-World Group, one of the leading South African sources for branded consumer durables, continues to benefit from the current positive economic conditions in the South African retail industry. Our combined international sourcing for South Africa, Australia, the UK and the USA, provides the Group with a strategic edge on pricing, in a market where pricing is key and the consumer is king. Nu-World provides an extensively broad range of affordable consumer durables, ranging from products of necessity to aspirational products, for consumers across a broad spectrum of LSM categories.



South Africa's retail market estimated at close to R400bn has been experiencing an extended period of a buoyant retail environment, notwithstanding the recent dipping of consumer sentiment.

The macroeconomic picture for South Africa remains bright. Consumer spending remains strong, still benefiting from a relatively low interest rate environment and real wage increases over recent years. The underlying cashflows of corporate South Africa are strong, as is the country's foreign exchange reserve position. Our key retail customers continue to show double-digit growth. Massmart, which is a barometer for South African retail has re-iterated a positive outlook for 2007.

Although dollar prices for imported products have remained relatively stable, the weakening of the rand has inevitably had an inflationary effect on the local prices. The market for consumer durables has moved from a climate of disinflation, back to inflationary, but price increases have been relatively contained.

To date there has been little indication that higher interest rates have impacted negatively on retailers' bad debts – no indication as yet that consumers are under stress. It is however inevitable that growth will slow, but economists are in agreement that there will not be an outright contraction in the economy.

It is apparent that factors that have contributed to the growth in the tertiary economy are structural as well as cyclical. Four fundamental structural changes continue to support growth in spending on consumer

durables, which include: urbanisation, the emergence of a broader middle class, migration of consumers from lower to middle LSMs, real wage increases and greater purchasing power.

As a percentage, the number of consumers in the lower LSM groupings has decreased and numbers in the middle LSMs have increased. Increased job opportunities, employment equity and affirmative action legislation have initiated and supported the migration. The more consumers falling into the LSM 7 to LSM 10 categories, the larger the pool of consumers with reasonable disposable income and access to credit.

I am pleased to report that our two Australian operations have been merged as of 1 August 2006. The merged entity Prima Yale Pty Ltd has been trading profitably since the date of merger. The Board is expecting a positive contribution from the merged Prima Yale subsidiary for the forthcoming year. In addition, we have seen a turnaround in the UK operation, which contributed positively to our bottom line for the year under review.

On Corporation USA is a joint venture with a Korean company to supply the USA market with a limited range of consumer electronic products under the Proscan and Protel brands. The company was established on 1 May 2006 and the start-up phase is behind us. Revenues are expected to increase substantially in the coming years.

Government spending on infrastructure is higher than ever and company capex spends are high as well. This spend together with the spend for the 2010 Soccer World Cup, will most certainly filter through to the tertiary economy. New housing and electrification increases demand for consumer durables.

Nu-World is strategically well positioned for sustained growth. The key to Nu-World's sustainable growth is our diversification on many levels:

- Diversified globally from our South African base
- Diversified across a wide range of product categories
- Diversified across LSM groupings within each product category
- Diversified across a broad range of retailers
- Strategic mix of manufacturing, importing and exporting

Nu-World has provided shareholders with growth generation through good and difficult economic times, with a compound average growth rate over the last five years averaging 19,3%. We have demonstrated our ongoing ability to generate cash and shareholders have been rewarded with a steadily appreciating share price. We have 22 leading local and international brands to sustain growth across a diversity of countries, categories and income earners. The Group remains well positioned for long-term growth in terms of our broad diversification, level of innovation and key customer relationships.

The Group's BEE initiatives are in line with the dti's BEE Codes of Good Practice on Broad-Based Black Economic Empowerment – in terms of management, employment equity, skills development, preferential procurement where possible, enterprise development and corporate social responsibility. As an employer of close to 1,000 people on four continents, the Group is committed to creating a non-discriminatory working environment for all. The Group is of course committed to comply with environmental regulations. The Nu-World clinic continues to serve our employees suffering from HIV/AIDS with education programmes, pre-testing counselling, post-testing counselling and supportive medical and nutritional therapies.

As Chairman, I extend a special thank you to each and every member of staff, in South Africa and abroad, for your contribution to the ongoing success and growth of our Company. We sincerely appreciate your extraordinary commitment and support.



M S Goldberg
Executive Chairman
15 December 2006

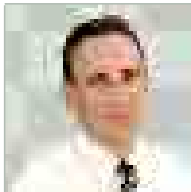
Managing Director's Review

for the year ended 31 August 2006

Financial overview

The Directors of the Group are pleased to report strong growth for the period ending 31 August 2006. For the sixteenth consecutive year, the Group has produced growth in turnover, operating income, attributable income, headline earnings per share and dividend/capital distribution.

Notwithstanding a softening of consumer sentiment, the Nu-World Group has continued to benefit from the current positive economic conditions being experienced in the South African retail industry. In addition, positive factors such as a rebound in confidence of retailers of durable goods due to stronger than expected retail sales in the third quarter, tax cuts and sustained employment growth, continue to support household income and should sustain a gradual easing in retail sales growth, avoiding a sharp contraction.



Group turnover increased by 0,8% to R1,638m (August 2005: R1,626m). South African revenues increased 16% and had the Prima subsidiary not been deconsolidated, overall turnover increase would have been reported as 15,1%.

Price deflation was evident in South Africa for most of the financial year and continues in Australia and the UK.

EBITDA increased 26,0% to R129,059m (August 2005: R102,625m).

Operating margins improved by 25,0% – increasing to 7,9% from the previous year's 6,3%.

Income before tax is up 38,4% to R120,423m (August 2005: R86,995m). The tax rate increased from 20,9% to 24,6%, being more reflective of the expected tax rate going forward.

Attributable income increased by 12,0% to R82,030m. (August 2005: R73,227m).

Headline earnings per share on a weighted basis ("HEPS") increased 11,6% to 378,3 cents (August 2005: 339,1 cents).

Cash generated from operations amounted to R101,476m. Overall net working capital days of 80,2 is an improvement on the previous year's 86,3 days.

The balance sheet is strong and the Group remains ungeared with cash balances on hand up 40,4% to R267,578m (August 2005: R190,548m).

The net asset value per share is up 14,4% to 2 238,0 cents (August 2005: 1 956,6 cents).

Operational review

Nu-World is a leading South African source for branded consumer durables. The Group manufactures, imports, exports and distributes a one-stop supply of branded consumer durables.

Subsidiaries

Nu-World U.K. Ltd; Yale Prima Pty Ltd; On Corporation USA

Nu-World U.K. Ltd is a 60% held subsidiary. The UK retail market continues to experience weak consumer sentiment, with lower disposable income due to increasing energy costs and higher interest rates. We are pleased to report that a new line-up of products and an increasing customer base, has seen the Company returning to profitability in the current year. The order book leading up to the Christmas season is healthy.

Yale Prima Pty Ltd. In Australia, Nu-World has consolidated its two operations into a 54,8% shareholding of Yale Prima Pty Ltd, as of 1 August 2006. The Yale Appliance Group performed well for the year under review, with a business model better suited to Australia's difficult trading conditions. Prima Australasia experienced a difficult year in an increasingly competitive and deflationary market.

However, following the merger and the change of the Prima business model in line with Yale, directors are confident that the merged subsidiary will generate profits in the coming year. Since the date of the merger, Yale Prima has been profitable each month and the order book for the festive season is particularly strong. Australia represents the largest of the Group's foreign operations with revenues of R452,369m. The Australian market for consumer electronics, whilst extremely competitive, remains strong with consumers trading up to flat panel televisions and the latest innovative technologies.

On Corporation USA. With effect from 1 May 2006, the Group acquired a controlling interest in On Corporation USA, with a Korean partner. Initial revenue contribution for the year under review has been marginal but is forecast to improve significantly in the years ahead.

Consumer Electronics

*JVC * Telefunken * Nu-Tec * Palsonic*

The Nu-World brands, which in South Africa cover the spectrum of the consumer electronics market, from price entry to top-end, performed well during the period under review. Telefunken improved its rating in the latest Markinor survey.

Flat panel televisions are taking a greater share of the TV market, which is the largest single category of the consumer electronics market. Telefunken and JVC have launched a range of flat panel televisions, both LCD and Plasma. JVC offers the largest rear projection TV in the market. Other latest technology offerings include second generation camcorders with 30GB hard disc drives as well as software to support direct copying to DVD. Car audio is moving into

the portable visual entertainment arena, offering 6 $\frac{1}{2}$ " LCD screens and iPod ready audio. Latest innovations in home theatre, component systems, personal audio, portable multimedia and MP3s, are driving aspirational purchases.

New product range line-up

*Conti Motorsport * Air Conditioning * White Goods * Power Tools * Cell Phones * GPS Guidance Systems*

The new ranges of products in terms of motorsport, air conditioning and white goods etc, represent a small percentage of our business at this time. However, these segments have performed exceedingly well and offer substantial potential for growth. In addition we are marketing a range of cell phones and GPS guidance systems.

Conti Motorsport

The off-take of Conti Motorsport has been excellent. The range is ever growing and now includes: scooters, road bikes, super bikes, quad bikes, bicycles, generators, go-carts and golf carts.

Conti Motorsport is driven by affordable ownership and fuel efficient transport. With the increase in the cost of fuel, the nature of commuting in South Africa will inevitably change in line with other emerging markets. Conti Motorsport provides consumers with an ownership opportunity. Ownership offers unlimited mobility, reduced commuting time and cost-saving fuel efficiency. Service and support is key, with 76 appointed service agents nationwide providing 24-hour service and spare parts. AMID, the Association of Motorcycle Importers, recently reported that sales of 2-wheelers year-to-date are up more than 50% on the previous year.

Manpower and social responsibility

The Group's BEE initiatives are in line with the dti's BEE Codes of Good Practice on Broad-Based Black Economic Empowerment, in terms of management, employment equity, skills development, preferential procurement, enterprise development and corporate social responsibility. The Group is committed to comply with environmental regulations.

Prospects

The Group has demonstrated its resilience by achieving growth for 16 consecutive years in turnover, operating income, attributable income and headline earnings per share.

South Africa, with a "high street" retail market estimated at R385bn, has been experiencing a period of the best retail environment in many years, notwithstanding the recent dipping of consumer sentiment. Structural changes and cyclical factors have contributed to this strong trading environment. South Africa's medium-term growth prospects are looking good. Urbanisation and an emerging middle class support growth in sales of consumer durables, Nu-World's product of trade.

The slight deterioration in consumer sentiment in the third quarter, reflects a change in macroeconomic factors. The effects of higher petrol and food prices, interest rate hikes, the depreciation of the Rand and a slowdown in property increases has started to filter through to consumer sentiment. However, retailer confidence remains relatively high after a third quarter of superb sales growth. Third quarter statistics indicate that business confidence in the wholesale trade is extremely high. It is evident that notwithstanding recent pressures, consumer affordability levels have increased with many consumers upgrading their durables with more expensive, latest technology products.

Infrastructure spending and preparation for the 2010 Soccer World Cup will sustain growth in the medium term. The government has committed to spend R400bn in the medium term to upgrade the country's electricity, water and transport infrastructure.

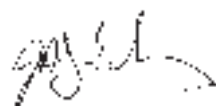
Nu-World has provided shareholders with growth generation, with the CAGR over the last five years averaging 19,3%. The Group has demonstrated its ongoing ability to generate cash and shareholders have been rewarded with a steadily appreciating share price. The Group remains well positioned for long-term growth in terms of our broad diversification, level of innovation and key customer relationships.

Corporate governance

The Group subscribes to and complies with the Code on Corporate Governance Practices as contained in the second King Report II on Corporate Governance.

Distribution to shareholders

The Board has resolved to declare a distribution to shareholders by way of a capital distribution out of share premium of 120,8 cents per share. Shareholders will be asked to consider, and if deemed fit, to approve the capital distribution at the annual general meeting of Nu-World to be held on 24 January 2007. Salient dates and times pertaining to the capital distribution will be announced following the annual general meeting.



J A Goldberg
Managing Director
24 October 2006

Electrolux

Kenwood

ideal

IDEAS

Moulinex

morphyrichards

prime

Sunbeam

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Imported appliances

The Nu-World range of imported appliances continues to grow and evolve with the needs of our customers, who have supported us over the years. There has been a sustained drive to introduce new and innovative products. Being able to source internationally for both our local and international operations has allowed us to provide our customers with quality products at affordable prices. We believe this has allowed us to become an outstanding source and provider of consumer durables.

AKAI

CASIO

JVC

NU-TEC

PALSONIC

PRINCE

TELEFUNKEN

DEANSUI

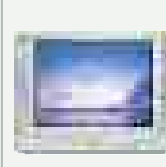
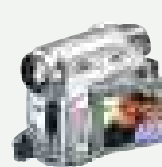
PROSCAN

NYLITE

PROTEL

Consumer electronics

Our consumer electronics division continues to bring the most recognisable brands to the market. Focusing on the latest technology and features in its drive to increase market share. There is a strategic focus on certain market segments and the introduction of new brands including Palsonic and Protel are viewed as potential strategic growth drivers. Focused marketing and sales initiatives have resulted in new quality accounts being brought aboard.



CONTI



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Motorsport

The motorsport division has been a resounding success since its introduction in March 2005. Over this period the division has gone from strength-to-strength. The provision of key service and support has allowed motorbikes, scooters and quad bikes to be sold through top retail outlets, a concept not considered possible previously. We believe that the continued sourcing of exciting new models and products for our range will bolster the division for the years to come.



Manufacturing

The Group's wholly-owned subsidiary, Nu-World Industries (Pty) Ltd is proud to celebrate its 60th anniversary this year, having commenced the manufacturing operations in 1946. The past 60 years has seen the operation grow into one of the leading manufacturers of quality appliances in South Africa. This has required a sustained design and engineering effort to secure our position as a leading low-cost, high-volume small appliance manufacturer in Africa, of which we are proud.



Board of Directors

for the year ended 31 August 2006



M S Goldberg (54)

Executive Chairman

B.Com M.B.A (Wits)

Executive Chairman responsible for the Group's overall performance and well-being. He plays an active role in the formulation of Group strategies, and in the formulation and implementation of growth strategies, and in determining the future direction of the Group. Appointed to the Board in 1986, listed the Group in 1987 and appointed Chairman of the Group in 2001. Has 29 years' experience in manufacturing and the appliance industry.

J A Goldberg (51)

Managing Director

B.Sc Eng (Wits)

Managing Director responsible for developing and implementing the Group's marketing and sales strategies. Intimately involved in all operational aspects of the Group and in sourcing new products and markets. Appointed to the Board in 1986. Has 29 years' experience in manufacturing and the appliance industry.



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G R Hindle (45)

Financial Director

B.Acc (Wits) CA(SA)

Financial Director joined the Group in 1992. Responsibilities include all financial aspects of the business including Information Systems, administrative and treasury functions. Appointed to the Board in 1993. Has 23 years' experience in financial management and Information System technology in the manufacturing and electronic environment.

J M Judin (60)

Non-Executive Director

Dip Law (Wits)

Currently the senior partner at the Johannesburg based law firm, Goldman, Judin Inc. Appointed to the Board in 1989 and holds the position of Chairman of the Primeserv Group Ltd and as a Non-Executive Director to Set Point Technology Holdings Ltd.



D Piaray (39)

Independent Non-Executive Director

D Chem. Eng (Natal) B.Com (Unisa) M.B.A (Wits)

Currently the Managing Director of Innovative Management Consulting (Pty) Ltd. Appointed to the Board in 2002 and holds positions as Executive and Non-Executive Director for several listed and non-listed companies.

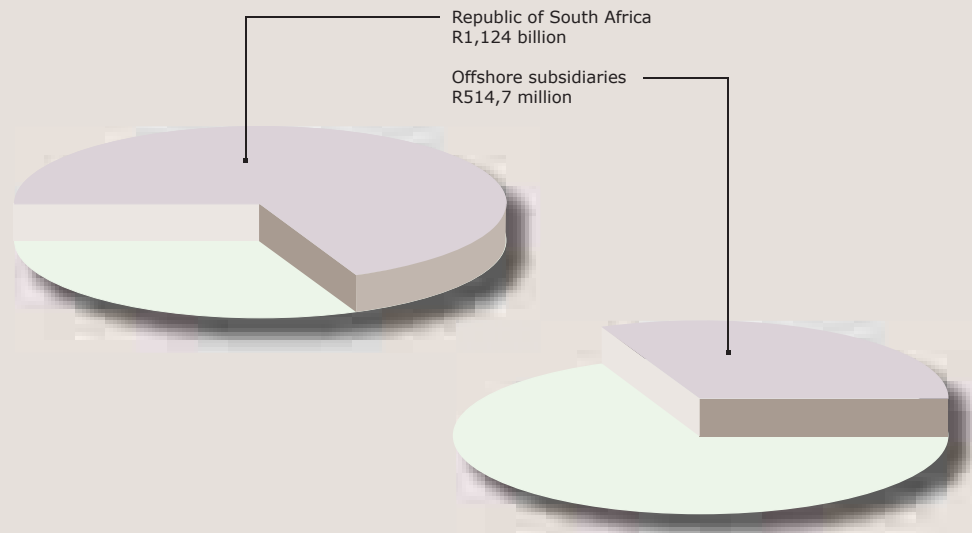
Value Added Statements
for the year ended 31 August 2006

	2006		2005	
	R000s	%	R000s	%
Revenue	1 638 724	100,00	1 626 122	100,00
Cost of materials, services and expenses	(1 234 745)	(75,35)	(1 228 349)	(75,54)
Value added from trading operations	403 979	24,65	397 773	24,46
Net interest paid	(1 223)	(0,07)	(7 220)	(0,44)
Total value added	402 756	24,58	390 553	24,02
Allocated as follows:				
Employees				
Salaries, wages, commission and other benefits	94 293	5,75	97 724	6,01
Government				
Normal taxation on companies	28 258	1,72	14 872	0,91
Employee tax	12 207	0,75	12 704	0,78
Providers of capital				
Minority interest	1 786	0,11	(4 444)	(0,27)
Dividends/Capital distribution	27 820	1,70	15 252	0,94
Total wealth distributed	164 364	10,03	136 108	8,37
Re-investment in the Group				
Depreciation and amortisation	7 413	0,45	8 251	0,51
Retained for future growth	230 979	14,10	246 194	15,14
	402 756	24,58	390 553	24,02

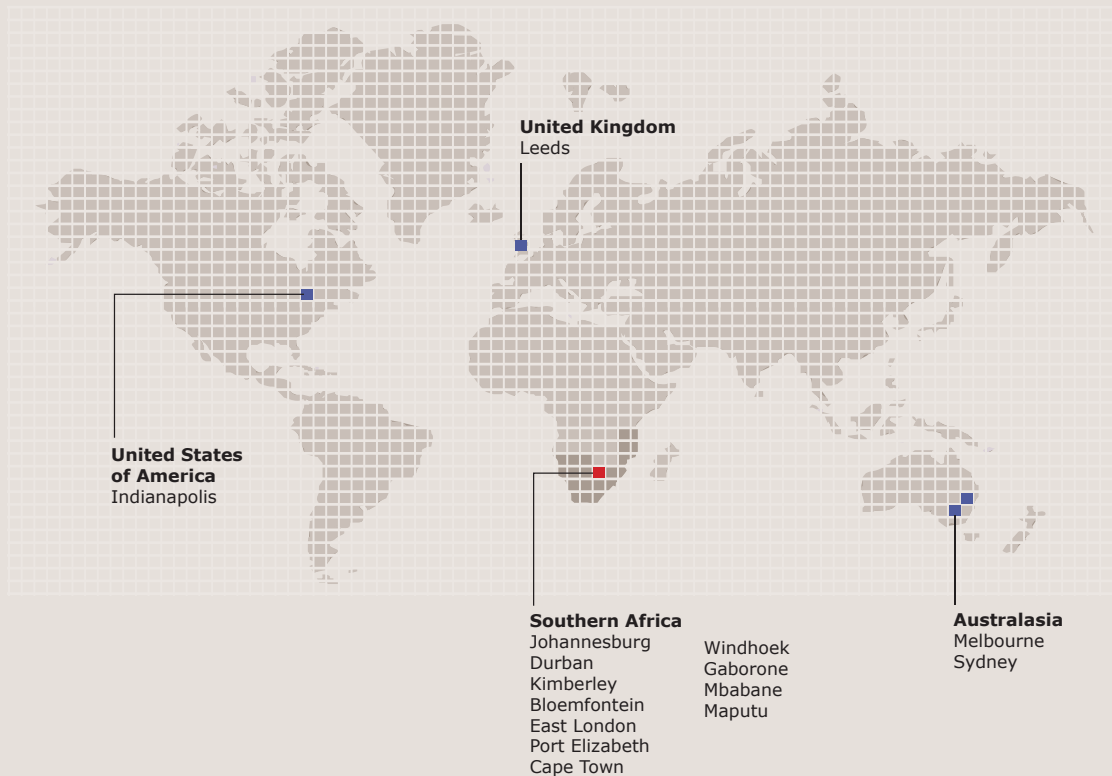
Global and Regional Representation

Nu-World Holdings Limited

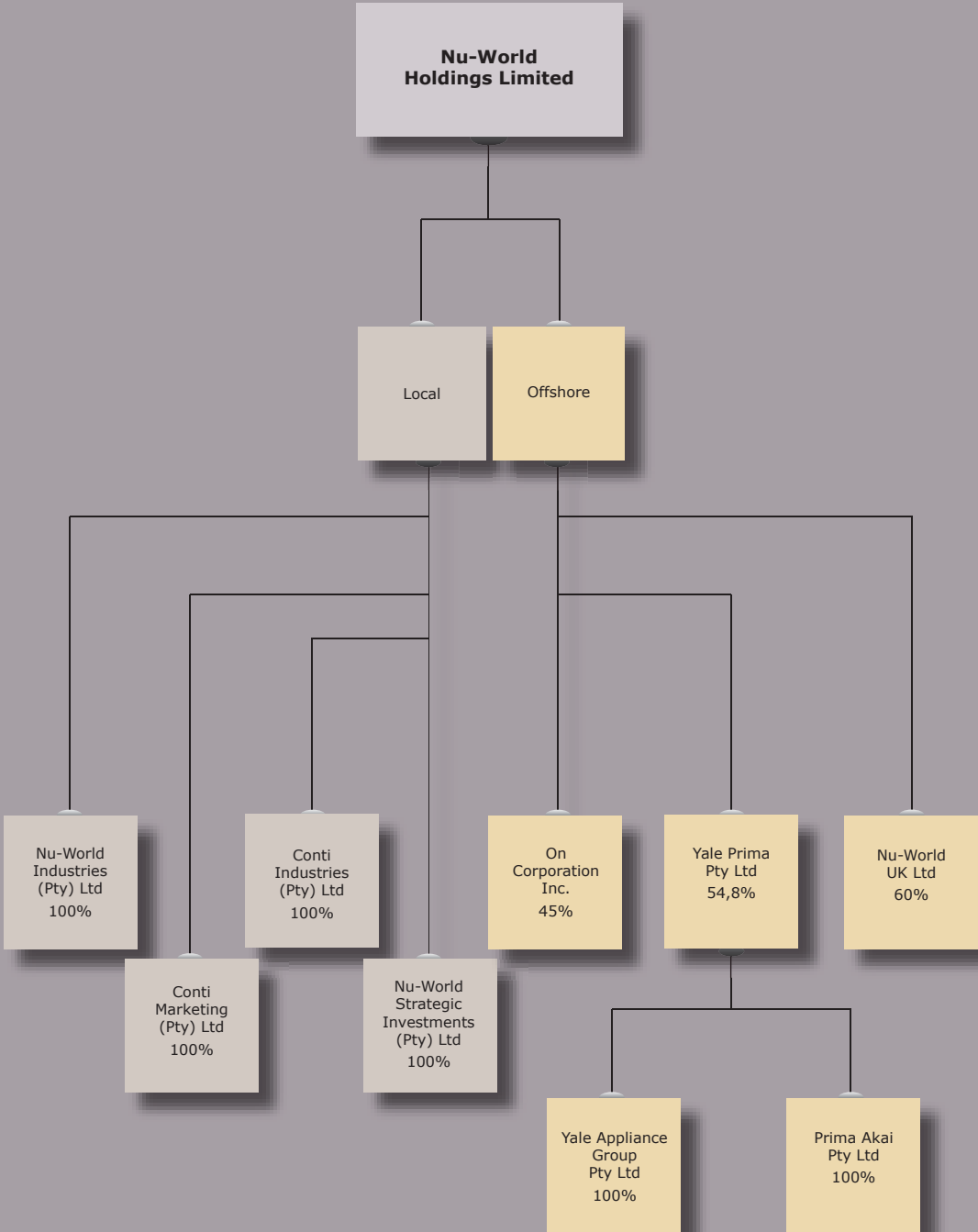
Geographical revenue 2006



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Group Structure



10 Year Review

	2006 R000s	2005 R000s	2004 R000s	2003 R000s	2002 R000s
Income Statement					
Revenue	1 638 724	1 626 122	1 430 804	1 179 455	942 984
Operating income	121 646	94 215	86 219	65 982	56 122
Interest paid	1 223	7 220	3 606	5 018	8 355
Income before taxation	120 423	86 995	82 613	60 964	47 767
Taxation	29 613	18 212	19 082	12 127	9 998
Income after taxation	90 810	68 783	63 531	48 837	37 769
Share of income attributable to associated company	(6 994)				2 296
Net income	83 816	68 783	63 531	48 837	40 065
Minority interest	(1 786)	4 444	(2 781)	(5 738)	
Attributable income	82 030	73 227	60 750	43 099	40 065
Shares in issue (000s):					
– at year end	21 684	21 592	21 597	21 611	21 695
– weighted average	21 684	21 592	21 597	21 611	21 695
Headline earnings per share (cents)	378,3	339,1	280,6	201,6	184,7
Headline earnings per share (cents)					
– weighted	378,3	339,1	280,6	201,6	184,7
Dividend per share (cents)	120,8	92,6	70,3	39,8	31,3
Dividend cover	3,0	3,5	4,0	5,0	5,9
Balance Sheet					
Assets					
Non-current assets	86 134	62 956	52 923	56 691	57 286
Property, plant and equipment	41 673	44 867	46 997	50 905	36 204
Deferred taxation	18 732				
Investment in associated company					21 082
Intangible asset	25 729	18 089	5 926	5 786	
Current assets	688 121	589 605	546 664	419 055	361 091
Inventories	179 030	171 340	167 448	132 695	117 384
Trade and other receivables	241 513	227 717	217 528	182 923	156 563
Bank and cash balances	267 578	190 548	161 688	103 437	87 144
Total assets	774 255	652 561	599 587	475 746	418 377
Equity and liabilities					
Total capital and reserves	485 282	422 478	361 397	309 071	274 846
Issued capital	115 697	114 684	114 776	115 058	115 849
Foreign currency translation reserve	166	(185)	(813)	(1 292)	
Share-based payment reserve	538	158			
Retained earnings	368 881	307 821	247 434	195 305	158 997
Minority interest	47 949	28 156	23 786	20 471	
Non-current liabilities	10 607	6 928	4 443	8 149	8 950
Interest bearing borrowings					
Deferred taxation	10 607	6 928	4 443	8 149	8 950
Current liabilities	230 417	194 999	209 961	138 055	134 581
Trade and other payables	219 056	194 999	209 961	138 001	134 528
Shareholders for dividend				54	53
Current portion of interest bearing borrowings	11 361				
Total equity and liabilities	774 255	652 561	599 587	475 746	418 377

10 Year Review

2001 R000s	2000 R000s	1999 R000s	1998 R000s	1997 R000s	
					Income Statement
884 252	653 772	527 706	446 629	343 979	Revenue
51 487	50 160	35 119	32 781	24 344	Operating income
8 988	6 414	6 098	6 636	5 957	Interest paid
42 499	43 746	29 021	26 145	18 387	Income before taxation
8 336	12 013	6 462	7 729	4 720	Taxation
34 163	31 733	22 559	18 416	13 667	Income after taxation
(135)					Share of income attributable to associated company
34 028	31 733	22 559	18 416	13 667	Net income
(87)	(2 648)				Minority interest
33 941	29 085	22 559	18 416	13 667	Attributable income
21 695	21 695	21 327	21 229	17 989	Shares in issue (000s):
21 695	21 584	19 496	17 848	17 009	– at year end
156,4	134,1	105,8	86,7	76,0	– weighted average
					Headline earnings per share (cents)
156,4	134,8	105,9	94,5	76,6	Headline earnings per share (cents)
27,2	22,6	17,0	15,5	15,3	– weighted
5,7	5,9	6,2	6,0	5,0	Dividend per share (cents)
					Dividend cover
					Balance Sheet
					Assets
40 954	35 812	24 681	23 516	22 137	Non-current assets
28 089	35 812	24 681	23 516	22 137	Property, plant and equipment
12 865					Deferred taxation
					Investment in associated company
					Intangible asset
330 648	350 628	273 364	265 296	144 971	Current assets
103 137	132 947	80 324	77 432	52 684	Inventories
162 433	157 150	113 622	104 632	79 755	Trade and other receivables
65 078	60 531	79 418	83 232	12 532	Bank and cash balances
371 602	386 440	298 045	288 812	167 108	Total assets
					Equity and liabilities
240 684	208 101	184 158	162 874	77 437	Total capital and reserves
115 849	117 120	117 449	115 099	39 341	Issued capital
	88				Foreign currency translation reserve
124 835	90 893	66 709	47 775	38 096	Share-based payment reserve
					Retained earnings
12 973	17 433	23 261	30 088	7 686	Minority interest
5 089	10 119	16 150	23 316	7 686	Non-current liabilities
7 884	7 314	7 111	6 772		Interest bearing borrowings
117 945	138 026	90 626	95 850	81 985	Deferred taxation
117 909	132 095	88 459	92 670	77 550	Current liabilities
6	4 900				Trade and other payables
30	1 031	2 167	3 180	4 435	Shareholders for dividend
					Current portion of interest bearing borrowings
371 602	386 440	298 045	288 812	167 108	Total equity and liabilities

Corporate Sustainable Development

Nu-World continually strives to develop and retain its staff through the provision of an equitable, safe and healthy working environment.

HIV/AIDS and Nu-World's voluntary counselling and testing statistics

Recognising the seriousness of the HIV/AIDS pandemic, Nu-World has over recent years intensified its drive to minimise the number of its employees who are infected by HIV and to prolong the lives of those who are already living with AIDS.

The Company has created an environment in which employees have access to information about HIV/AIDS in the workplace; appropriate supplementary and therapeutic medications through the Company Health Clinic and appropriate counselling services.

Nu-World commenced voluntary counselling and testing for HIV/AIDS among its employees in 2003. Since then, it has tested more than 15% of its employees, largely as the result of a concentrated drive to ensure that all Nu-World staff discover their status. The Company has implemented an intensive communication programme about Nu-World's improved support and care system which is aimed at:

- Improved levels of awareness and knowledge relating to HIV/AIDS at a general level;
- Enhanced management preparedness;
- Greater coverage of Nu-World's HIV/AIDS programme with regard to visibility, language adaptation and relevance;
- Increased uptake of voluntary testing activity.

Environment

The Group is conscious of the fact that in carrying out its activities there is a potential risk of environmental damage. An effort has therefore been made to educate all employees in best practice so as to avoid causing long-term damage to the environment or atmospheric pollution through the inappropriate use of plant and equipment.

Nu-World is committed to ensuring that its environmental management systems comply with legislation. The Company wishes to promote environments which are not harmful to the health or well-being of people, animals and land. The long-

term environmental philosophy is the concept of continuous improvement.

The Company promotes the enhancement of the quality and safety of the environment through education that develops the knowledge, awareness, attitudes, values and skills that will enable its employees to make a valuable contribution towards maintaining and improving the quality of the environment both in the work place and in the community.

The aim is to optimise resource use, decrease wastage and minimise environmental impact.

Employment equity

The organisation commits itself to non-discrimination and employment equity. It is the policy of the organisation that discrimination in any form will not be tolerated and is a disciplinary offence. The organisation's selection policy is aimed at addressing employment inequalities through our employment equity programme. However, the organisation maintains its commitment to quality and service excellence. A position will not be deliberately de-skilled to prejudice an applicant from a previously disadvantaged group.

This will ensure that applications are not discriminated against in terms of their salary packages or employment benefits. The organisation encourages all its employees to undergo appropriate training and development in order to enable them to give of their best and also to realise their full potential in the work situation. The organisation believes in the policy of promotion from within, in accordance with selection procedures and criteria, and such promotion is non-discriminatory and based on merit.

In the implementation of the Group's employment equity strategy the Group submitted its fourth Employment Equity Plan to the department of labour. The Group is positively committed to this progress, which is consistent with its philosophy in respect of employee development.

Corporate Sustainable Development continued

A share incentive scheme has been established to provide an incentive to employees to remain in the service of the Group and increase the proprietary interest in the Group's success. Other mechanisms have also been put in place by the remuneration committee and sanctioned by the Board which incentivise, motivate and empower management to express dynamic entrepreneurial skills.

Affirmative action

As part and parcel of a broader Human Resources Development Policy, affirmative action is seen as a process of maximising human resources and empowering individuals within Nu-World. Nu-World recognises that because of inequalities in the apartheid education system, and race and sex discrimination in the educational and employment opportunities available to women and black men, it needs to take positive steps to eliminate discrimination and to provide equal opportunities in its own workplace.

BEE subcommittee

The Group recognises the importance of black economic empowerment. To this end, a BEE subcommittee was established in 2003 and continues its engagement with potential partners.

Training and development

The organisation's policy is to encourage the development of our employees through education and training in order to maximise their full potential and productivity. Most training is offered in-house as on-the job training. External courses are considered where they can meet specific organisational needs, and in accordance with MerSETA standards. Employees are given the opportunity to utilise the available resources and improve their skills and knowledge. The Company completes a 'needs assessment' of all employees on an annual basis, and arranges training programmes around these assessments, once prioritised and in compliance with the Skills Levy Act.

Planning and implementation of the Skills Development Plan, in accordance with the Skills Levy Act, are completed timeously, and the Company has received its reimbursements for completion thereof.

Corporate Conduct and Performance

Introduction

The Board of directors subscribes to the recommendations for good corporate governance as set out in the King II Report. The directors have recognised the need to conduct the enterprise with integrity and in accordance with sound corporate practices by implementing procedures that are enhanced where necessary to meet the changing demands of our Group and to ensure a culture of qualitative governance. The Board and its individual directors have embraced their duty of ensuring that the principles set out in the Code of Corporate Practices and Conduct as defined in the King II Report are observed.

Business ethics

In order to foster the kind of corporate governance environment and guidelines needed, the Board and its directors have adopted the following guidelines:

- the Board accepts that dissent is not the same as disloyalty and constructive criticism at the boardroom table must be part of our corporate culture;
- best endeavours are made to ensure that all relevant information is presented to the Board objectively and timeously;
- information and communication to the Board is essential and individual directors are tasked to keep the Board informed of the strategic and operational issues that the Company is facing;
- a culture is created where every decision made must be in the best interests of the Company both in the short and long term;
- the Board is committed to communicating corporate information in a transparent way with substance over form in all its dealings with stakeholders and all others to whom the Company's corporate citizenship policy applies.

Board of directors

The Board comprises two Non-Executive Directors and three Executive Directors. Nu-World is a small market capitalisation company, which is reflected in the composition and size of its board. This has sometimes made it difficult when constituting various committees and following the recommendations espoused in the King II Report.

The Board considers the appointment of new directors as and when required.

The Board has an independent company secretary who is both properly empowered and suitably

experienced to fulfil the duties of a company secretary. The Company Secretary provides the Board with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Group in relation to its statutory and other requirements.

Board committees

The Board has established a number of committees, in which non-executive and independent skilled outsiders play an active role and which operate within the defined terms of reference laid down by the Board with clearly agreed upon reporting procedures, defined areas of authority and full transparency and disclosure. The committees are free, where appropriate, to take independent outside professional advice on any issues.

Executive committee

The executive committee consists of the Executive Chairman, Managing Director and Group Financial Director. This committee deals with the normal operating decisions, which are required to be made to run the Group effectively whilst major matters of importance are referred to the Board for approval.

Remuneration committee

The remuneration committee is chaired by Mr J M Judin and its other members are Mr G R Hindle, Mr D Piary and Mr B H Haikney. The Executive Chairman and Managing Director are invitees where necessary, when the committee meets. The committee reviews and approves the remuneration and terms of employment of Executive Directors and senior employees of the Group. The committee reviews salary trends in the market place and recommends emolument structures and levels to the Chairman for his consideration and approval.

Audit committee

The Board has appointed an audit committee. Mr J M Judin holds the position of Chairman of the committee and the other member is Mr D Piary. The Executive Chairman, Managing Director, Financial Director and the External Auditors are invited to attend every meeting. From time to time members of other management committees may meet with the audit committee.

The audit committee has written terms of reference that deal adequately with its membership, authority and duties. The committee deals with internal financial controls that are in place, assesses their adequacy and makes certain that business, statutory and financial risks have been identified and are being monitored and managed, and that appropriate standards of governance, reporting and compliance are in operation. The committee is also responsible for reviewing the interim reports and financial statements, internal financial control procedures, accounting policies, compliance and regulatory matters, recommending the appointment of

Corporate Conduct and Performance *continued*

external auditors and other related issues. The audit committee advises the Board on various other issues ranging from the application of accounting standards to published financial information. The Group's external auditors have unrestricted access to the audit committee Chairman and, if necessary, the Non-Executive Directors.

Accountability and audit

Going concern

The Board minutes the facts and assumptions used in the assessment of the going concern status of the Group at the financial year end, following the review by the audit committee. The directors consider their assessment at the reporting stage of the Group's ability to continue as a going concern and determine whether or not, under the guidance of the audit committee, any of the significant factors in the assessment have changed to such an extent that the appropriateness of the going concern assumption at the reporting stage has been affected.

Auditing and accounting

The Board considers that their auditors, Tuffias Sandberg KSi, observe the highest level of business and professional ethics and that their independence is not in any way impaired. Working papers and management letters as well as reports are drafted and prepared according to a set procedure and according to a common understanding of audit techniques, methods and terminology.

Internal financial controls

The Group maintains controls and systems designed to provide reasonable assurance as to the integrity and reliability of its financial information, to safeguard its assets and to provide reasonable, but not absolute assurance against material misstatement or loss.

General matters

Stakeholder communication

Members of the Board meet on an ad-hoc basis with institutional investors, investment analysts, individuals and members of the financial media. Discussions at such meetings are restricted to matters that are in the public domain.

Shareholders are informed, by means of press announcements and releases in South Africa and/or printed matter sent to such shareholders, and/or announcements on SENS, of all relevant corporate matters and financial reporting as required in

terms of prevailing legislation. In addition, such announcements are communicated via a broad range of channels in both the electronic and print media. The company maintains a corporate website, www.nuworld.co.za, containing financial and other information, including interim and annual results.

Information resources management

Nu-World, like other organisations, is reliant on information technology ("IT") to effectively and efficiently conduct its business. The Group's IT systems, policies and procedures are reviewed on an ongoing basis to ensure that effective internal controls are in place to manage risk and promote efficiencies, and as far as possible to comply with universally accepted standards and methods.

Attention is continuously focused on maximising the benefits whilst minimising the risks associated with all aspects of the IT portfolio inasmuch as they apply to business operations.

Information security

Compliance with legislative requirements contributes towards the protection of corporate information, but in itself only addresses a small part of the total number of threats posed to the business arising from its dependencies on information technology and the internet. Security policies and procedures for employees and the use of technologies such as enterprise and personal firewalls, antivirus systems, intrusion monitoring and detection are applied, as well as frequent application of software security "patches" issued by vendors as and when vulnerabilities are discovered.

Restriction on trading in securities

A formal policy, implemented some years ago, prohibits directors, officers and employees with access to financial information from dealing in the Company's securities, from the date of the end of an interim reporting period until after the interim results have been published and similarly from the end of the financial year until after the audited annual results have been published. Directors and employees are reminded of this policy prior to the commencement of any restricted period.

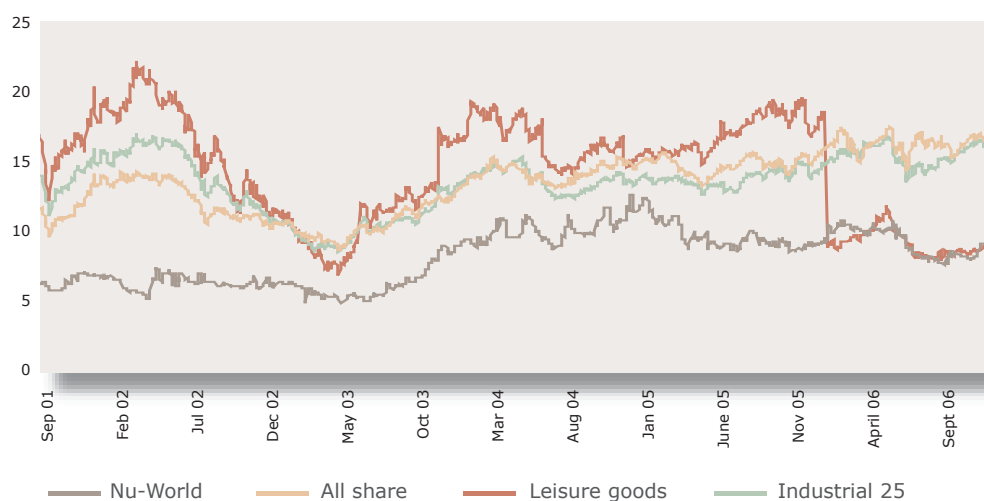
In addition, no dealing in the Company's securities is permitted by any director, officer or employee whilst in possession of information which could affect the price of the Company's securities and which is not in the public domain.

Directors of the Company and of its subsidiaries are required to obtain clearance from Nu-World's Chairman or in the absence of the Chairman, from the Managing Director, prior to dealing in the Company's securities, and to timeously disclose to the Company full details of any transaction for notification to and publication by the JSE.

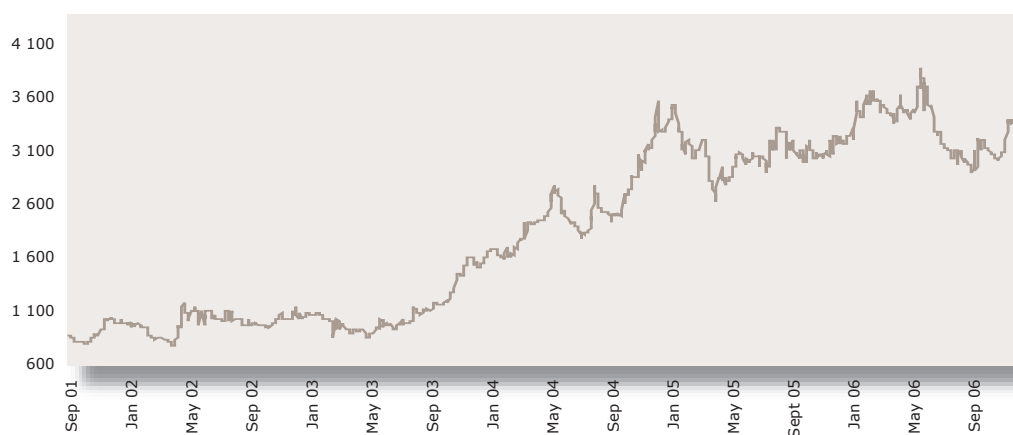
Share Performance

	12 months trade 31 August 2006	12 months trade 31 August 2005
Stock exchange performance		
Market price per share (cents)		
– at year end	2 750	3 000
– highest	3 900	3 850
– lowest	2 750	2 200
Number of shares traded (000)	8 216	8 550
Number of shares in issue (000)	22 646	22 646
Volume traded as a percentage of total shares in issue (%)	36,3	37,8

Relative p/e rating vs indices



Share price performance over the last 5 years



Shareholder Analysis

as at 31 August 2006

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 - 25 000 shares	1 006	93,2	1 900 241	8,4
25 001 - 50 000 shares	23	2,1	882 618	3,9
50 001 - 100 000 shares	18	1,7	1 333 898	5,9
Over 100 000 shares	32	3,0	18 529 708	81,8
	1 079	100,0	22 646 465	100,0
Distribution of shareholders				
Banks	31	2,9	7 461 357	33,0
Close Corporations	12	1,1	39 650	0,2
Endowment Funds	4	0,4	75 042	0,3
Individuals	771	71,4	1 483 208	6,6
Insurance Companies	14	1,2	3 189 590	14,1
Medical Aid Schemes	2	0,2	73 993	0,3
Mutual Funds	58	5,4	7 648 003	33,8
Nominees and Trusts	111	10,3	449 646	2,0
Other Corporations	17	1,6	76 101	0,1
Pension Funds	27	2,5	904 442	4,0
Private Companies	27	2,5	270 313	1,2
Public Companies	3	0,3	5 045	0,1
Share Trusts	2	0,2	970 075	4,3
	1 079	100,0	22 646 465	100,0
Public/non-public shareholders				
Non-public shareholders	8	0,7	4 885 784	21,6
Directors and Associates of the Company holdings	5	0,4	544 491	2,4
Strategic Holdings (more than 10%)	1	0,2	3 371 218	14,9
Share Trusts	2	0,1	970 075	4,3
Public shareholders	1 071	99,3	17 760 681	78,4
	1 079	100,0	22 646 465	100,0
Beneficial shareholders holding of 5% or more				
Old Mutual Group			5 072 519	22,4
SIS SegalInterSettle AG			3 371 218	14,9
Nedbank Group			1 702 965	7,5
State Street Bank & Trust Co			1 237 020	5,5

History of Nu-World Holdings Limited

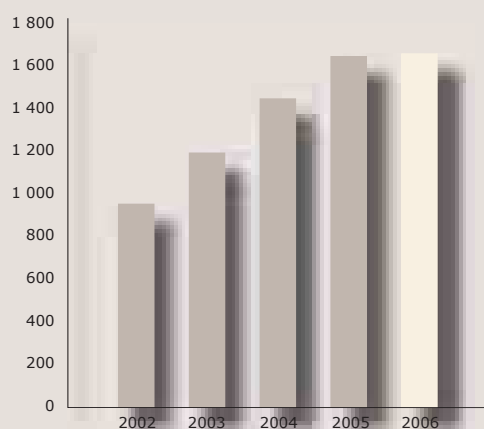
1946	Nu-World Industries (Pty) Ltd was established The Company began manufacturing electrical wiring accessories
1952	Manufacturing of small electrical appliances commenced
1980	Nu-World began importing and distributing small electrical appliances
1987	Nu-World Holdings Limited listed on the Johannesburg Stock Exchange
1995	Nu-World appointed as the sole agent for JVC in South Africa and sub-saharan Africa
1999	Nu-Tec consumer electronics introduced Fujitsu air conditioning introduced
2000	Nu-World acquires 33 $\frac{1}{3}$ % of Prima Australasia Pty Ltd Agency/distribution agreement established with Casio/James Ralph (Pty) Ltd Appointed sole agent for Telefunken in South Africa
2001	Thomson distribution agreement for South Africa signed Telefunken agency for Prima Australasia Pty Ltd
2002	Nu-World increases its holding in Prima Australasia to 51% Strategic alliance with Prima International UK Pty Ltd established
2003	Acquired 100% interest in Conti South Africa 60% investment in Nu-World UK Ltd Trademark licence and distribution agreement established with Morphy Richards
2004	Appointed South African agent for General Electric large appliances 65% investment in Yale Appliance Group Pty Ltd Introduction of Conti Motorsports division
2006	Rationalisation of Prima Australasia Pty Ltd and Yale Appliance Group Pty Ltd into Yale Prima Proprietary Limited 45% investment in On Corporation Inc. USA

Achievements

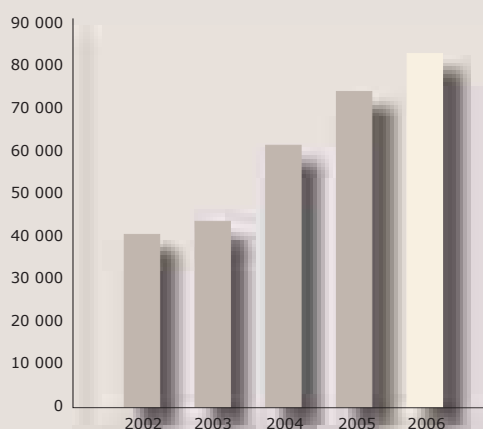
1994 and 1995	Obtained the President's award for export achievement
1997	Sunday Times Business Times top company Financial Mail top performer
2000	Star Business Report growth company Finance Week emerging giants company
2001	Rated as one of the top 10 growth companies listed on the JSE by the Star Business Report
Past 5 years	Nu-World has achieved an average annual compound growth rate of 19,3% in headline earnings
16 Consecutive years	Growth in turnover, operating income, attributable earnings, earnings per share and dividend
2006	60th Anniversary of its wholly-owned subsidiary, Nu-World Industries (Pty) Ltd

Statistical information

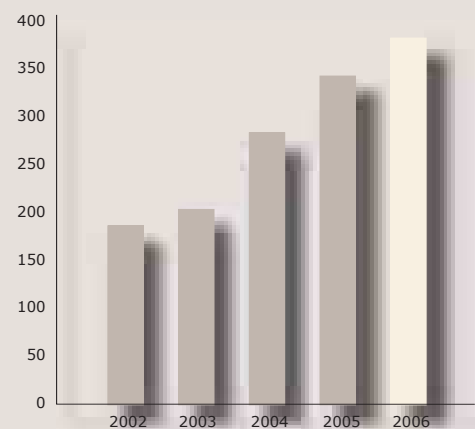
Turnover
(Rm)



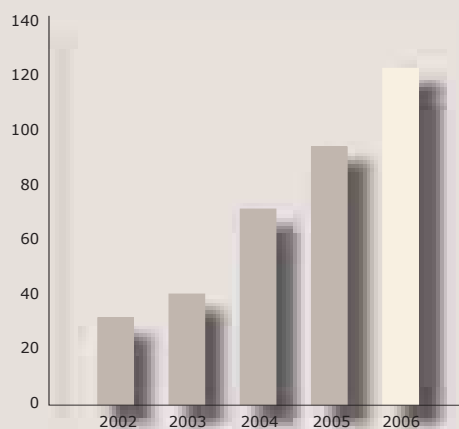
Attributable income
(R000)



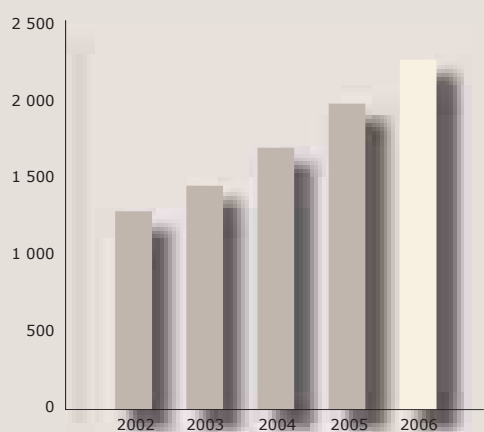
Headline EPS
(cents)



Dividends per share
(cents)



Net asset value per share
(cents)



Directors' Responsibility for and Approval of the Annual Financial Statements for the year ended 31 August 2006

The annual financial statements, set out on pages 28 to 46, were prepared by management in conformity with Generally Accepted Accounting Practice and the Companies Act, applied on a consistent basis throughout the year, except where otherwise stated. They have been approved by the board of directors and have been signed on their behalf by the undermentioned directors.

The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the board of directors.

To fulfil its responsibilities, the board of directors has developed and continues to maintain a system of internal controls. These controls are based on established policies and procedures, are implemented by trained skilled personnel with an appropriate segregation of duties and are closely monitored by the board of directors.

We believe the controls in use are adequate to provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

After conducting appropriate procedures the directors are satisfied that the Company will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the annual financial statements.

The board of directors are primarily responsible for the financial affairs of the Group. The auditors are responsible for independently reviewing and reporting on the Group's annual financial statements and the relevant underlying financial controls.

The audit committee comprises two Non-Executive Directors and meets bi-annually with the auditors. The auditors have free access to this committee.

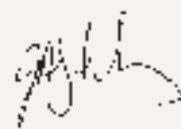
The annual financial statements have been examined by the Group's auditors and their report is presented on page 25. The auditors are appointed each year based on recommendation by the audit committee.

24



M S Goldberg
Executive Director

Sandton
24 October 2006



J A Goldberg
Managing Director

Certificate by the Company Secretary

I certify, in accordance with Section 286 G(d) of the Companies Act 1973 (as amended) that the Company has lodged with the Registrar all such returns as are required by a public company in terms of this Act, for the year ended 31 August 2006. Furthermore, all such returns are true and correct.



B H Haikney
Company Secretary

Sandton
24 October 2006

Report of the Independent Auditors

To the members of Nu-World Holdings Limited

We have audited the accompanying balance sheet and Group balance sheet of Nu-World Holdings Limited as of 31 August 2006, and the related statements of income, and cash flows for the year then ended as set out on pages 28 to 46. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as

well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as of 31 August 2006, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.



Tuffias Sandberg KSi

Chartered Accountants (SA)
Registered Accountants and Auditors
Johannesburg
24 October 2006

Report of the Directors

Nature of business

The Company is a holding company listed on the JSE Limited South Africa. Its subsidiaries manufacture, import and export a diversified range of Electrical Appliances, Consumer Electronics and Branded Consumer Durables.

The results and state of affairs of the Group are reflected in the attached financial statements and commentary thereon is provided in the managing director's review.

Share capital

Authorised share capital

The authorised share capital of the Company comprises 30 000 000 ordinary shares of 1 cent each and 20 000 000 "N" ordinary shares of 0,1 cent each. There were no changes to the authorised share capital for the year under review.

Issued share capital

Details of the change in issued share capital is reflected in note 7 on page 37.

Unissued share capital

At the forthcoming annual general meeting, members will be asked to place the unissued share capital of the Company under the control of the directors. A resolution for this purpose is included in the notice of the forthcoming annual general meeting.

The Nu-World Share Incentive Trust

The Nu-World Share Incentive Trust ("the trust") was established in March 1994. In terms of the trust deed, the aggregate number of ordinary shares in the capital of the Company, which may be made available for purposes of the trust, shall not exceed 10% of the Company's issued share capital.

The trust requires a minimum of two trustees. The current trustees are Messrs R G Fermoye, R Kinross and J M Judin. No trustee is a beneficiary of the trust.

Refer to note 17 in the attached financial statements for further details.

Dividend/capital distribution

The Board has resolved to declare a distribution to shareholders by way of a capital distribution out of share premium of 120,8 cents per share. Shareholders will be asked to consider, and if

deemed fit, to approve the capital distribution at the annual general meeting of Nu-World Holdings Limited to be held on the 24 January 2007. Salient dates and times pertaining to the capital distribution will be announced following the annual general meeting.

Directors

The composition of the board of directors during the year under review was as follows:

M S Goldberg (Chairman), J A Goldberg (Managing Director), G R Hindle, J M Judin, D Piaray.

In terms of the articles of association, Messrs G R Hindle, J M Judin and D Piaray retire at the forthcoming annual general meeting, but being eligible offer themselves for re-election.

Secretary

Mr B H Haikney was company secretary throughout the year.

Business and postal address:

The Secretary

35, 3rd Street, Wynberg.

P O Box 8964, Johannesburg.

Subsidiary companies

Details of your company's investment in its subsidiaries are set out on page 46 to the annual financial statements.

Directors' interest in the shares of the Company

The directors' interest, directly and indirectly, in the issued share capital of the Company at the year end represented 4,3%.

There have been no material changes in the directors' interest between 31 August 2006 and the date of this report.

Post balance sheet events

No material facts or circumstances have occurred between 31 August 2006 and the date of this report.

Report of the Directors continued

The directors' remuneration in respect of the financial year ended 31 August 2006 was as follows:

Name	Directors' fees R000s	Basic remuneration R000s	Performance bonus R000s	Car/subsistence allowance R000s	Total 2006 R000s	2005 R000s
Executive						
M S Goldberg		3 231		162	3 393	3 146
J A Goldberg		3 231		162	3 393	3 146
G R Hindle		2 296		178	2 474	2 281
Non-executive						
D Piaray	108				108	100
J M Judin	108				108	100
	216	8 758		502	9 476	8 773

The directors' interest in the issued share capital of the Company was as follows:

Name	Direct holding Beneficially	Non- beneficially	Indirect holding Beneficially	Non- beneficially	Total 2006	Total 2005
Executive						
M S Goldberg			1 805	437 000	438 805	438 805
J A Goldberg			488 860		488 860	473 860
G R Hindle	29 470				29 470	19 470
Non-executive						
J M Judin			26 039		26 039	26 039

Balance Sheets

as at 31 August 2006

	Note	Group		Company	
		2006	Restated 2005	2006	2005
		R000s	R000s	R000s	R000s
Assets					
Non-current assets		86 134	62 956	134 227	151 540
Property, plant and equipment	2	41 673	44 867		
Intangible asset	3	25 729	18 089		
Investment in subsidiaries	4			134 227	151 540
Deferred taxation	5	18 732			
Current assets		688 121	589 605	39	39
Inventories	6	179 030	171 340		
Trade and other receivables		241 478	227 717		
Cash and cash resources		267 578	190 548		
Taxation prepaid		35		39	39
Total assets		774 255	652 561	134 266	151 579
Equity and liabilities					
Capital and reserves		533 231	450 634	134 114	151 495
Issued capital	7	115 697	114 684	138 516	138 516
Foreign currency translation reserve		166	(185)		
Accumulated profits		368 881	307 821	(4 402)	12 979
Share based payment reserve	8	538	158		
Capital and reserves attributed to equity holdings of the Company		485 282	422 478	134 114	151 495
Minority interest		47 949	28 156		
Non-current liabilities		10 607	6 928		
Deferred taxation	5	10 607	6 928		
Current liabilities		230 417	194 999	152	84
Trade and other payables		204 339	183 172	152	84
Taxation		14 717	11 827		
Loans payable		11 361			
Total equity and liabilities		774 255	652 561	134 266	151 579

Income Statements

for the year ended 31 August 2006

		Group		Company	
			Restated		
	Note	2006	2005	2006	2005
		R000s	R000s	R000s	R000s
Revenue	9	1 638 724	1 626 122	15 855	9 840
Cost of sales		1 234 745	1 228 349		
Gross profit		403 979	397 773	15 855	9 840
Other income		23 940	14 531		
Operating expenses		306 273	318 089	538	611
Operating profit before interest	10	121 646	94 215	15 317	9 229
Interest paid		1 223	7 220		
Profit before taxation		120 423	86 995	15 317	9 229
Taxation	11	29 613	18 212	1 656	
Net profit after taxation		90 810	68 783	13 661	9 229
Share of loss attributable to associated company		6 994		6 994	
Net income		83 816	68 783	6 667	9 229
Attributable to:					
Minorities		1 786	(4 444)		
Equity holders of the Company		82 030	73 227	6 667	9 229
		83 816	68 783	6 667	9 229
Earnings per share (cents)	12	378,3	339,1		
Dividend declared per share (cents)	13	120,8	92,6		

Statements of Changes in Equity

for the year ended 31 August 2006

Group	Issued share capital R000s	Share premium R000s	Treasury share R000s	Foreign currency translation reserve R000s	Accu- mulated profits R000s	Share- based payment reserve R000s	Total R000s	Minority interest R000s	Total equity R000s
Balance at 31 August 2004	217	115 632	(1 073)	(813)	247 434		361 397	23 786	385 183
Currency translation difference				2 329			2 329		2 329
Transfer to deferred taxation				(699)			(699)		(699)
Transfer to minorities				(1 002)			(1 002)	1 002	
Acquisition of subsidiary								7 812	7 812
Net profit for the year					73 227		73 227	(4 444)	68 783
Net profit for the year as previously reported					73 385		73 385	(4 444)	68 941
Transfer of fair value adjustment									
– share based payments					(158)		(158)		(158)
– transfer to share-based payment reserve						158	158		158
Share issue	9	20 770					20 779		20 779
Dividend paid					(15 252)		(15 252)		(15 252)
Derecognition of negative goodwill					2 412		2 412		2 412
Treasury share movement			(20 871)				(20 871)		(20 871)
Balance at 31 August 2005	226	136 402	(21 944)	(185)	307 821	158	422 478	28 156	450 634
Currency translation difference				1 810			1 810		1 810
Transfer to deferred taxation				(543)			(543)		(543)
Transfer to minorities				(916)			(916)	916	
Acquisition of subsidiary								24 234	24 234
Rationalisation of subsidiary								(294)	(294)
Dividend paid to minorities								(6 849)	(6 849)
Net profit for the year					82 030		82 030	1 786	83 816
Dividend paid/Capital distribution					(20 970)		(20 970)		(20 970)
Treasury share movement			1 013				1 013		1 013
Transfer of fair value adjustment									
– transfer to share-based payment reserve						380	380		380
Balance at 31 August 2006	226	136 402	(20 931)	166	368 881	538	485 282	47 949	533 231

Company	Issued share capital R000s	Share premium R000s	Accu- mulated profits R000s	Total equity R000s
Balance at 31 August 2004	217	117 520	19 002	136 739
Net profit for the year			9 229	9 229
Share issue	9	20 770		20 779
Dividend paid			(15 252)	(15 252)
Balance at 31 August 2005	226	138 290	12 979	151 495
Net profit for the year			6 667	6 667
Reclassification of subsidiaries			(3 078)	(3 078)
Dividend paid/Capital distribution			(20 970)	(20 970)
Balance at 31 August 2006	226	138 290	(4 402)	134 114

Cash Flow Statements

for the year ended 31 August 2006

	Note	Group		Company	
		2006	Restated 2005	2006	2005
		R000s	R000s	R000s	R000s
Cash flows from operating activities		54 659	65 467	(7 241)	(6 123)
Receipts from customers		1 624 961	1 641 974	15 855	9 940
Paid to suppliers and employees		(1 523 485)	(1 549 078)	(16 325)	(10 651)
Cash generated from (absorbed by) operations	14.1	101 476	92 896	(470)	(711)
Investment income		7 628	8 615	15 855	9 840
Interest paid		(1 223)	(7 220)		
Taxation paid	14.2	(25 402)	(13 572)	(1 656)	
Dividends paid	14.3	(27 820)	(15 252)	(20 970)	(15 252)
Cash flows from investing activities		11 009	(26 342)	7 241	6 123
Additions to property, plant and equipment		(4 221)	(5 511)		
Proceeds on disposal of property, plant and equipment		219	146		
Acquisition of subsidiaries	14.4	22 469	(20 885)	(21 592)	(24 258)
Increase in amounts due by subsidiaries				33 608	9 602
Rationalisation of subsidiaries	14.4	(8 471)		(4 775)	
Increase in investment in treasury shares		1 013	(92)		20 779
Cash flows from financing activities		11 362	(10 196)	-	-
Decrease (increase) in interest bearing borrowings		11 362	(10 196)		
Net increase in cash and cash equivalents		77 030	28 929	-	-
Effects of exchange rate changes			(69)		
Cash and cash equivalents at the beginning of the year		190 548	161 688		
Cash and cash equivalents at the end of the year	14.5	267 578	190 548	-	-

Notes to the Financial Statements

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1. Basis of preparation and accounting policies

1.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), its interpretations adopted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") and the requirements of the Companies Act. These are the Group's first consolidated financial statements in accordance with IFRS and IFRS 1 – First-time Adoption of IFRS has been applied.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in note 21.

1.2 Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial instruments to fair value.

1.3 Accounting policies

The financial statements incorporate the following principal accounting policies, which have been applied consistently in all material respects with those applied in the previous year, and in preparing the applicable IFRS balances at 1 September 2004 for the purposes of the transition to IFRS.

1.3.1 Basis of consolidation

The consolidated financial statements include those of Nu-World Holdings Limited and its subsidiaries. A subsidiary being defined as a company in which Nu-World has the power to govern the financial and operating activities. The results of any subsidiary acquired or disposed of during the year are included from the date effective control commenced to the date that effective control ceased. Significant intercompany transactions and balances and any resultant unrealised profits have been eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein.

1.3.2 Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment losses.

1.3.3 Investment in associates

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group has between 20% and 50% of the voting rights, and over which the Group exercises significant influence, but which it does not control. Provisions are recorded for long-term impairment in value.

Equity accounting involves recognising in the income statement the Group's share of the associates' profit and loss for the year. The Group's interest in the associate is carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes goodwill on the acquisition.

1.3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and are depreciated on the reducing balance basis at rates, which approximate their useful lives. Depreciation is provided at the following rates:

Plant and machinery	15%
Moulds and dies	15%
Computers and software	25%
Motor vehicles	25%
Equipment	20%
Furniture, fixtures and fittings	10%
Leasehold improvements	10%

1.3.5 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses. The value of work in progress and finished goods includes direct costs and

Notes to the Financial Statements continued

31 August 2006

an appropriate proportion of manufacturing overheads. Specific provisions are made for slow moving, obsolete and redundant inventories.

1.3.6 Foreign currencies

Foreign entities

The balance sheets of the consolidated foreign subsidiaries are translated into South African Rand at rates of exchange ruling at year end. The related income statements are translated at the weighted average rate of exchange for the period. Aggregate gains or losses on the translation of the foreign subsidiaries are taken directly to a foreign currency translation reserve.

Foreign currency transactions and balances

Transactions in foreign currencies are translated at the rate of exchange ruling on the transaction dates. Gains and losses on settlement of these amounts are included in operating profit when they arise.

Monetary assets and liabilities denominated in foreign currencies are brought to account or valued at the rates of exchange ruling at the balance sheet date. Unrealised differences on monetary assets and liabilities are recognised in the income statement in the period in which they occur.

1.3.7 Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated

future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash resources

Cash and cash resources comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derivatives

Derivatives including forward foreign exchange contracts and financial future options are categorised as held-for-trading. Assets in this category are classified as current assets. Purchases and settlements of derivative financial instruments are recognised on the trade date at cost and are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of derivative financial instruments are included in the income statement as other income or other expenses in the period in which they arise. The fair value of forward foreign exchange contracts and financial future options is determined using exchange rates at the balance sheet date. The Group does not apply hedge accounting.

1.3.8 Earnings per share

Earnings per share has been calculated on the basis of net profit attributable to equity holders of the Company in relation to the weighted average number of shares in issue during the financial year.

1.3.9 Deferred taxation

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Notes to the Financial Statements continued

31 August 2006

Currently enacted taxation rates are used to determine deferred taxation. Deferred taxation assets are recognised to the extent that it is probable that future taxable profits will be available against which to offset the deductible temporary difference.

Management applies judgement to determine whether sufficient future taxable profits will be available after considering, amongst others, factors such as profit histories, forecasted cash flows and budgets.

1.3.10 Retirement benefits

The policy of the Group is to contribute to a defined contribution fund on behalf of employees. Contributions to the retirement funds operated for employees are charged to income as incurred.

1.3.11 Revenue recognition

The sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer. Interest income is recognised on a time proportion basis. Dividend income is recognised when shareholders are entitled to such dividend.

1.3.12 Intangible assets

Goodwill

The difference between the fair value of the consideration paid and the fair value of net tangible assets of subsidiaries at the date of acquisition is charged or credited to goodwill arising on consolidation. Goodwill is not amortised, instead it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

If the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the Company shall:

- reassess the identification and measurement of the identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

- recognise immediately in profit or loss any excess remaining after that assessment.

The Group's policy for goodwill arising on the acquisition of an associate is described under "Investment in associates" above.

1.3.13 Share-based payments

The Group provides employees with the ability to purchase the Company's shares at a discount to the market value. The Group records an expense, based on its estimate of the discount related to shares expected to vest, on a straight line basis over the vesting period with a corresponding increase in the share-based payment reserve.

Notes to the Financial Statements continued

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	Group		Company	
	2006	2005	2006	2005
	R000s	R000s	R000s	R000s
2. Property, plant and equipment				
Cost				
Plant and machinery	87 127	85 574		
Motor vehicles	5 828	5 259		
Office equipment and furniture	22 205	20 206		
Leasehold improvements	9 941	9 902		
	125 101	120 941		
Accumulated depreciation				
Plant and machinery	59 954	55 378		
Motor vehicles	3 301	3 207		
Office equipment and furniture	16 003	13 827		
Leasehold improvements	4 170	3 662		
	83 428	76 074		
Net carrying amount				
Plant and machinery	27 173	30 196		
Motor vehicles	2 527	2 052		
Office equipment and furniture	6 202	6 379		
Leasehold improvements	5 771	6 240		
	41 673	44 867		

	Leasehold improvements	Plant and machinery	Other fixed assets	Total
	R000s	R000s	R000s	R000s
Movement summary				
Opening net carrying amount	6 240	30 196	8 431	44 867
Additions	272	1 324	2 625	4 221
Acquisition of subsidiary	(129)	193	65	129
Disposals		(240)	(240)	
Depreciation	(611)	(4 507)	(2 295)	(7 413)
Translation difference	(1)	(33)	143	109
Closing net carrying amount	5 771	27 173	8 729	41 673

	Group	
	2006	2005
	R000s	R000s
3. Intangible asset		
Goodwill		
Balance at beginning of year	18 089	5 926
Acquisition of subsidiary	1 765	9 751
Rationalisation of subsidiaries	5 875	
Derecognition of negative goodwill		2 412
Balance at end of year	25 729	18 089

Notes to the Financial Statements continued

31 August 2006

	Group		Company	
	2006 R000s	2005 R000s	2006 R000s	2005 R000s
4. Investment in subsidiaries				
Shares at valuation			107 010	90 842
Amount owing by subsidiaries			27 217	60 698
			134 227	151 540
The above loans are unsecured, interest free, with no fixed terms of repayment. Refer to page 46 for analysis of subsidiaries.				
5. Deferred taxation				
Balance at beginning of year	6 928	4 443		
Rate change		(186)		
Charge to income statement	1 355	3 527		
– Capital allowances	(41)	684		
– Allowances for future expenditure	1 290	2 951		
– Other temporary differences	106	(108)		
Acquired through subsidiaries	(16 951)	(1 555)		
Amounts not charged to income statement – translation reserve	543	699		
	(8 125)	6 928		
Balance consists of:				
Asset				
Computed tax losses	18 732			
Liability	10 607	6 928		
Capital allowances	6 666	6 707		
Allowances for future expenditure	4 467	1 396		
Other temporary differences	(621)	(727)		
Translation reserve	95	(448)		
	(8 125)	6 928		
The rate change in 2005 was as a result of a decrease in the South African statutory tax rate from 30% to 29%.				
6. Inventories				
Raw materials	17 820	14 702		
Work in progress	3 224	3 144		
Finished goods	157 986	153 494		
	179 030	171 340		

Notes to the Financial Statements continued

31 August 2006

	Group		Company	
	2006	2005	2006	2005
	R000s	R000s	R000s	R000s
7. Share capital				
Authorised				
30 000 000 ordinary shares of 1 cent each	300	300	300	300
20 000 000 "N" ordinary shares of 0,1 cent each	20	20	20	20
	320	320	320	320
Issued				
22 646 465 (2005: 22 646 465) ordinary shares of 1 cent each	226	226	226	226
Treasury share	(20 931)	(21 944)		
Share premium	136 402	136 402	138 290	138 290
Arising on shares issued	141 664	141 664	141 664	141 664
Share issue expenses written off	(3 374)	(3 374)	(3 374)	(3 374)
Goodwill arising on consolidation	(1 888)	(1 888)		
	115 697	114 684	138 516	138 516
8. Share-based payment reserve				
Equity arising on share-based payment transactions	538	158		
9. Revenue				
9.1 Group	1 638 724		1 626 122	
Consolidated revenue comprises the net invoiced value of goods supplied to customers, less trade discounts where applicable.				
9.2 Company			15 855	9 840
Revenue comprises dividends from a subsidiary company.				

Notes to the Financial Statements continued

31 August 2006

	Group		Company	
	2006	2005	2006	2005
	R000s	R000s	R000s	R000s
10. Operating profit				
Operating profit is arrived at after taking into account:				
Income				
Foreign exchange profits	16 312	5 840		
Dividend received			15 855	9 840
Investment income	7 628	8 615		
Profit on disposal of property, plant and equipment		75		
Expenditure				
Auditors' remuneration	906	796	11	15
Audit fees	834	762	11	10
Fees for other services	36	11		5
Underprovision prior years	36	23		
Depreciation of property, plant and equipment	7 413	8 251		
Plant and machinery	4 507	5 024		
Leasehold improvements	611	675		
Motor vehicles	570	561		
Office equipment and furniture	1 725	1 991		
Directors' executive emoluments			215	200
Paid by company				
Paid by subsidiary	16 932	16 240		
Loss on disposal of property, plant and equipment	20			
Operating lease rentals				
Property	5 408	8 387		

Notes to the Financial Statements continued

31 August 2006

	Group		Company	
	2006	2005	2006	2005
	R000s	R000s	R000s	R000s
11. Taxation				
11.1 Charge to income statement				
South African normal taxation	24 596	18 172	1 656	
– Current year	22 940	18 172		
– Secondary tax on companies	1 656		1 656	
Deferred taxation	1 355	3 340		
– Current year	1 355	3 527		
– Rate change		(187)		
Foreign taxation	3 662	(3 300)		
– Current year	3 662	(3 300)		
	29 613	18 212	1 656	
11.2 Reconciliation of rates of taxation				
Statutory tax rate	29,00%	29,00%		
Adjusted for:	(4,40%)	(8,10%)		
Permanent differences	(4,24%)	(7,75%)		
Foreign taxation	(0,16%)	(0,15%)		
Deferred tax attributable to rate change		(0,20%)		
Effective tax rate	24,60%	20,90%		
11.3 The Group has a tax loss of R34 076 447 (2005: R54 168 339) to carry forward to set off against future taxable income. These have not been recognised in these financial statements due to uncertainty of their recoverability.				
12. Earnings per share				
Earnings per share are based on:				
Weighted average number of shares	21 684	21 592		
Net profit for the year	82 030	73 227		

Notes to the Financial Statements continued

31 August 2006

	Group		Company	
	2006 R000s	2005 R000s	2006 R000s	2005 R000s
13. Dividend/Capital distribution	20 970	15 252	20 970	15 252
It is the Company's policy to declare only one dividend per year. A cash dividend of 92,6 cents per share was been declared in respect of the year ended 31 August 2005. The Board has resolved to declare a distribution to shareholders by way of a capital distribution out of share premium of 120,8 cents per share in respect of the year ended 31 August 2006.				
14. Cash flow information				
14.1 Cash generated from (absorbed by) operations				
Operating profit before interest and taxation	121 646	94 215	15 317	9 229
Adjustments for:				
Depreciation	7 413	8 251		
Transfer of fair value adjustment	380	158		
Profit on disposal of property, plant and equipment	20	(75)		
Investment income	(7 628)	(8 615)	(15 855)	(9 840)
Translation difference	4 756	2 329		
Operating profit (loss) before working capital changes	126 587	96 263	(538)	(611)
Working capital changes	(25 111)	(3 367)	68	(100)
(Increase) decrease in inventories	(20 959)	8 687		
Decrease in trade and other receivables	21 290	30 379		
(Decrease) increase in trade and other payables	(25 442)	(42 433)	68	(100)
	101 476	92 896	(470)	(711)
14.2 Taxation paid				
Amount (unpaid) prepaid at beginning of year	(11 827)	(10 937)	39	39
Amounts charged to the income statement	(28 258)	(14 872)	(1 656)	
Acquisition of subsidiary		410		
Amounts unpaid (prepaid) at end of year	14 683	11 827	(39)	(39)
	(25 402)	(13 572)	(1 656)	

Notes to the Financial Statements continued

31 August 2006

	Group		Company	
	2006	2005	2006	2005
	R000s	R000s	R000s	R000s
14. Cash flow information (continued)				
14.3 Dividends paid				
Amounts unpaid at beginning of year				
Amounts charged to the income statement	(20 970)	(15 252)	(20 970)	(15 252)
Amounts paid to minority shareholders	(6 850)			
Amounts unpaid at end of year				
	(27 820)	(15 252)	(20 970)	(15 252)
14.4 Acquisition of subsidiaries				
14.4.1 Acquisition of subsidiary				
<i>Yale Appliance Group Proprietary Limited</i>				
Property, plant and equipment		611		611
Cash and cash equivalents		3 373		3 373
Inventories		12 581		12 581
Trade and other receivables		40 567		40 567
Trade and other payables		(26 582)		(26 582)
Receiver of revenue		410		410
Long-term loan		(10 196)		(10 196)
Deferred tax		1 555		1 555
Fair value of assets acquired	–	22 319	–	22 319
Minority interest		(7 812)		(7 812)
Goodwill		9 751		9 751
Purchase price	–	24 258	–	24 258
Cash and cash equivalents on acquisition		(3 373)		
Net cash purchase price	–	20 885	–	24 258
14.4.2 Acquisition of subsidiary				
<i>On Corporation Inc.</i>				
Cash and cash equivalents	44 061		44 061	
Fair value of assets acquired	44 061	–	44 061	–
Minority interest	(24 234)		(24 234)	
Goodwill	1 765		1 765	
Purchase price	21 592	–	21 592	–
Cash and cash equivalents on acquisition	(44 061)			
Net cash purchase price	(22 469)	–	21 592	–

Notes to the Financial Statements continued

31 August 2006

	Group		Company	
	2006	2005	2006	2005
	R000s	R000s	R000s	R000s
14. Cash flow information (continued)				
14.4.3 Rationalisation of subsidiaries into				
<i>Yale Prima Proprietary Limited</i>				
Property, plant and equipment	129		129	
Cash and cash equivalents	(3 696)		(3 696)	
Inventories	(13 269)		(13 269)	
Trade and other receivables	35 051		35 051	
Trade and other payables	(27 876)		(27 876)	
Goodwill	9 260		9 260	
Translation difference	3 054		3 054	
Deferred tax	(1 781)		(1 781)	
Fair value of assets acquired	872	–	872	–
Minority interest	294		294	
Goodwill	(3 385)		(3 385)	
Cost of investment	6 994		6 994	
Purchase price	4 775	–	4 775	–
Cash and cash equivalents on acquisition	3 696			
Net cash purchase price	8 471	–	4 775	–
14.5 Cash and cash equivalents				
Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments.	267 578	190 548		

15. Related party transactions

Transactions with group companies

Nu-World Industries (Proprietary) Limited, Nu-World Strategic Investments (Proprietary) Limited, Conti Marketing (Proprietary) Limited, Conti Industries (Proprietary) Limited, Yale Prima Proprietary Limited, On Corporation Inc. and Nu-World U.K. Limited are subsidiaries of Nu-World Holdings Limited.

Related party transactions are conducted at arms length.

Transactions with related parties are as follows:

Nu-World Industries (Proprietary) Limited is a wholly owned subsidiary and the main manufacturing and trading entity of the Group.

Nu-World Industries (Proprietary) Limited has a Procurement, Purchasing and Assembly Agreement with Conti Industries (Proprietary) Limited and a Warehousing and Distribution Agreement with Conti Marketing (Proprietary) Limited.

Manufactured goods are exported to Yale Prima Proprietary Limited and Nu-World U.K. Limited.

Notes to the Financial Statements continued

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16. Retirement benefits

The Group contributes to either a defined contribution pension fund or provident fund. These funds are registered under the Pension Funds Act, 1956.

Non-scheduled employees may choose to which fund they wish to belong.

	2006 Shares	2005 Shares
17. Share incentive and option scheme		
During March 1994 a share incentive and option scheme was created.		
Total number of shares available to be utilised for the share incentive and option scheme:		
Opening balance		
– unissued shares	1 053 975	98 200
Shares purchased during the year	2 000	955 775
Shares issued during the year	(93 400)	
Closing balance – unissued shares	962 575	1 053 975

The abovementioned shares are under the control of the Company's executive directors.

	Group	
	R000s	R000s
18. Operating lease commitments		
Property		
Due within one year	7 013	6 036
Due within two to five years	9 373	15 351
	16 386	21 387

19. Financial risk management

Senior executives meet on a regular basis to analyse interest rate exposures and evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits are reviewed at quarterly meetings of the Board. The directors believe, to the best of their knowledge, that there are no undisclosed financial risks.

19.1 Interest rate management

As part of the process of managing the Group's fixed and floating borrowings, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

19.2 Foreign currency management

Foreign exchange commitments are managed using forward exchange contracts and the natural hedge derived from uncovered export proceeds. At 31 August 2006 forward exchange contracts amounted to USD13,6 million (2005: USD13,3 million).

19.3 Credit risk management

Potential concentrations of credit risk consist principally of trade receivables and short-term cash investments.

The Group only deposits short-term cash surpluses with major banks of high quality credit standing. Trade receivables comprise a large, widespread customer base. The granting of credit is controlled via credit applications, rigorous credit reviews, and the assumptions therein are reviewed and updated on an ongoing basis. At 31 August 2006, the Group did not consider that any significant concentration of credit risk existed which had not been adequately provided for.

Notes to the Financial Statements continued

31 August 2006

		Group	
		2006	2005
		R000s	R000s
19. Financial risk management (continued)			
19.4 Liquidity risk			
The Group manages liquidity risk by the proper management of working capital and cash flows. The risk of illiquidity is not considered probable as the Group has substantial banking facilities available.			
Banking facilities			
Total banking facilities		372 500	475 000
Bank facility utilisation		9 122	(21 596)
Unutilised banking facilities		381 622	453 404

20. Contingent liabilities

The Group has signed guarantee's for bank borrowings and other loan facilities on behalf of their wholly owned subsidiary, Nu-World Industries (Proprietary) Limited, which at year end amounted to R372,5 million (2005: R475 million).

Nu-World Holdings Limited has issued a deed of suretyship in favour of Citibank, N.A. for up to three million Australian Dollars on behalf of the subsidiary, Yale Prima Proprietary Limited. The suretyship is to cover the trade finance facility available to Yale Prima Proprietary Limited, which at 31 August 2006 was unutilised.

21. Transition to IFRS

The Group's and Company's annual financial statements for the year ended 31 August 2006 are the first that comply with IFRS, IFRS 1 – First-time Adoption of International Financial Reporting Standards has been applied in preparing these annual financial statements.

The transition date and that of the opening balance sheet is 1 September 2004. The Group and Company's adoption date is 1 September 2005.

The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies and have affected the amounts reported for the prior year as follows:

IFRS 2 – Share-based Payment

IFRS 2 – Share-based Payment requires the recognition of equity-settled share-based payments at fair value at the date of grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each balance sheet date. Prior to the adoption of IFRS 2, the Group did not recognise the financial effect of share-based payments until such payments were settled.

In accordance with the transitional provisions of IFRS 2, the Standard has been applied retrospectively to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005, and to liabilities for share-based transactions existing at 1 January 2005. The Standard therefore applies to share options granted in 2005.

For 2005, the impact of share-based payments is a net charge to income of R158 500. At 31 August 2005, the share based payment reserve amounted to R158 500.

Notes to the Financial Statements continued

31 August 2006

21. Transition to IFRS (continued)

The share-based payments expense has been included in the other expenses line of the income statement.

The following table summarises the impact on earnings per share.

	Impact on earnings per share	
	2006 Cents	2005 Cents
Recognition of share-based payments as expenses	(1,8)	(0,7)

At the date of authorisation of these financial statements, the following new Standards and Interpretations and amendments to existing standards were in issue but not yet effective:

IFRS 6	Exploration for and Evaluation of Mineral Resources
IFRS 7	Financial instruments: Disclosures
IAS 1	Presentation of financial statements
IAS 16	Property, plant and equipment
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 24	Related Party Disclosures
IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 39	Financial instruments: Recognition and Measurement
IFRIC	Interpretation 4: Determining whether an arrangement contains a lease
IFRIC	Interpretation 5: Rights to interests arising from Decommissioning, Restoration and Environment Rehabilitation Funds
IFRIC	Interpretation 6: Liabilities arising from Participating in a Specific Market – Waste, Electrical and Electronic Equipment
IFRIC	Interpretation 7: Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC	Interpretation 8: Scope of IFRS 2
IFRIC	Interpretation 9: Reassessment of Embedded Derivatives
AC 503	Accounting for Black Economic Empowerment ("BEE") transactions.

The directors anticipate that the adoption of these Standards and Interpretations and amendments to existing standards in future periods will have no material impact on the financial statements of the Group.

Interest in Subsidiaries

as at 31 August 2006

	Issued share capital		Effective shareholding		Shares at valuation		Loans receivable/ (payable)	
	2006	2005	2006	2005	2006	2005	2006	2005
	Rs	Rs	%	%	R000s	R000s	R000s	R000s
Direct interest								
Nu-World Industries (Proprietary) Limited	5 725	5 725	100,0	100,0	38 931	38 931	12 191	56 393
Nu-World Strategic Investments (Proprietary) Limited	1	1	100,0	100,0				
Conti Industries (Proprietary) Limited	35 401	35 401	100,0	100,0	15	15		
Conti Marketing (Proprietary) Limited	4 781	4 781	100,0	100,0	15	15		
Prima Australasia Proprietary Limited		245		51,0		25 888		(128)
Nu World U.K. Limited	1 188	1 188	60,0	60,0	1 735	1 735	4 433	4 433
Yale Appliance Group Proprietary Limited		930		65,0		24 258		
Yale Prima Proprietary Limited	58 267 140	5 725	54,8		44 721		10 593	
On Corporation Inc.	22 468 788		45,0		21 593			
The aggregate net profit after taxation of subsidiaries attributable to the company amounted to R89 024 518 (2005: R73 996 565).								
					107 010	90 842	27 217	60 698

Indirect interest

Prima Akai Proprietary Limited
Yale Appliance Group Proprietary Limited

Shareholders Calender

Declaration of dividend	24 October 2006
Announcement of 2006 results	Published 24 October 2006
2006 Annual Financial Statement to shareholders	Published December 2006
Record date	9 February 2007
Payment of dividend nineteen	12 February 2007
Annual General Meeting	24 January 2007
Announcement of 2007 interim results	To be published April 2007

Notice of Annual General Meeting

Notice is given that the annual general meeting of shareholders in respect of the year ended 31 August 2006 will be held in the boardroom of Nu-World Holdings Limited at 35 Third Street, Wynberg, Sandton at 10h00 on Wednesday, 24 January 2007 for the purpose of considering and, if deemed fit, passing with or without modification the resolutions set out below, in the manner required by the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act"); and subject to the Listings Requirements of the JSE Limited ("JSE"):

Ordinary Resolution number 1

"Resolved that the annual financial statements and group annual financial statements together with reports of the directors and auditors for the year ended 31 August 2006 be approved."

Ordinary Resolution number 2

In terms of the Company's articles of association, all non-executive directors and at least one third of the executive directors are required to retire from office at every annual general meeting. Messrs M S Goldberg and J A Goldberg will not retire and thus will continue as directors. Curriculum vitae in respect of each director appear on page 10 of the annual report.

"Resolved that the retiring directors, G R Hindle, J M Judin and D Piaray who, being eligible, have offered themselves for re-election, be and they are hereby re-appointed as directors."

Ordinary Resolution number 3

"Resolved that the remuneration paid to the directors of the Company as set out in the financial statements for the financial year ended 31 August 2006 be approved."

Ordinary Resolution number 4

"Resolved that the directors be and are hereby authorised to re-appoint Tuffias Sandberg KSi as auditors of the Company, which appointment shall be valid until the next annual general meeting of the Company unless varied or revoked by any general meeting prior thereto and that their remuneration for the year ended 31 August 2006 be approved."

Ordinary Resolution number 5

"Resolved that the authorised but unissued shares in the capital of the Company be and are hereby placed under the authority of the directors and that the directors be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the terms and conditions of the Act and the Listings Requirements of the JSE. Such issues in the aggregate in any one financial year shall not exceed 10% (ten percent) of the ordinary shares in issue in the capital of the Company.

Further, that this authorisation is valid until the next annual general meeting of the Company, unless varied or revoked by any general meeting prior thereto."

Ordinary Resolution number 6

"Resolved that subject to the passing of ordinary resolution number 7 and the Act and the Listings Requirements of the JSE, the directors of the Company be authorised, by way of a general authority to allot and issue ordinary shares of the Company for cash, subject to the following limitations:

That this authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting, or the date of the next annual general meeting, whichever is the earlier date;

That the shares will only be issued to "public shareholders" as defined in the Listings Requirements of the JSE, and not to related parties;

That a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares of that class in issue prior to the issue;

That issues in the aggregate in any one financial year may not exceed 10% (ten percent) of the number of shares of that class of the Company's issued share capital (including instruments which are compulsorily convertible into shares of that class) at the date of application less any shares of that class issued, or to be issued in future arising from option/convertible securities issued during the current financial year, plus any shares to be issued pursuant to an announced, irrevocable and fully underwritten rights offer or to be issued pursuant to any acquisition for which final terms have been announced; and

That, in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average trading price of the shares in question, as determined over the 30 business days prior to the date that the price of the issue is determined or was agreed by the directors."

In terms of the Listing Requirements of the JSE, the approval of a 75% majority of votes cast by shareholders present or represented by proxy at this meeting is required for this resolution to become effective.

Special Resolution number 1

"Resolved that the Company hereby approves, as a general approval contemplated in sections 85(2) and 85(3) of the Act, and in terms of the Company's

Notice of Annual General Meeting continued

articles of association the acquisition by the Company or any of its subsidiaries from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the articles of association of the Company, the provisions of the Act and the Listings Requirements of the JSE as presently constituted and which may be amended from time to time, and provided:

That any such acquisition of ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;

That this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;

That a paid press announcement will be published as soon as the Company or its subsidiaries has/ have acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition pursuant to which the 3% (three percent) threshold is reached, and in respect of every 3% (three percent) thereafter, which announcement shall contain full details of such acquisitions;

That acquisitions by the Company and its subsidiaries of ordinary shares in the aggregate in any one financial year may not exceed 10% (ten percent) of the Company's issued ordinary shares capital from the date of the grant of this general authority;

That, in determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares by the Company;

That the Company may at any point in time only appoint one agent to effect any repurchase(s) on its behalf;

That the Company may only undertake a repurchase if, after such a repurchase it shall still comply with the spread requirements of the JSE Listings Requirements; and

That the Company may not repurchase securities during a prohibited period, as defined in the JSE Listings Requirements."

The reason for the special resolution is to grant the Company a general authority in terms of the Act for the acquisition by the Company or any of its subsidiaries of shares issued by the Company, which authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this annual general meeting. The passing and registration of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire shares issued by the Company.

The following information which is required by the JSE Listings Requirements with regard to the ordinary resolution number 8 and 9 and special resolution number 1 granting a general authority to the Company to repurchase securities and authority to make payment out of the share premium account, appears on the pages of the annual financial statements to which this notice of general meeting is annexed indicated below:

Directors of the Company:	page 10
Major shareholders:	page 21
Directors' interests in securities:	page 26
Share capital of the Company:	page 37
Directors' responsibility statement:	page 24

There are no legal or arbitration proceedings, either pending or threatened against the Company or its subsidiaries, of which the Company is aware, which may have, or have had in the last 12 months, a material effect on financial position of the Company or its subsidiaries.

Statement by the board of directors of the Company

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the Company hereby state:

That, the intention of the directors of the Company is to utilise the authority if at some future date the cash resources of the Company are in excess of its requirements. In this regard the directors will take account of, *inter alia*, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and will ensure that any such utilisation is in the interests of shareholders;

That the method by which the Company intends to re-purchase its securities and the date on which such re-purchase will take place, has not yet been determined, and

That after considering the effect of a maximum permitted re-purchase of securities, the Company is, as at the date of this notice convening the annual general meeting of the Company, able to fully

Notice of Annual General Meeting continued

comply with the Listings Requirements of the JSE. Nevertheless, at the time that the contemplated re-purchase is to take place, the directors of the Company will ensure:

- That the Company and the Group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 months after the date of the annual general meeting;
- That the consolidated assets of the Company and the Group, fairly valued in accordance with generally Accepted Accounting Practice, will be in excess of the consolidated liabilities of the Company and the Group for a period of twelve months after the date of the annual general meeting;
- That the issued share capital and reserves of the Company and the Group will be adequate for the purposes of the business of the Company and the Group for a period of twelve months after the date of the annual general meeting;
- That the working capital available to the Company and the Group will be sufficient for the Company and the Group's requirements for a period of 12 months after the date of the annual general meeting; and
- That the Company will provide its sponsors and the JSE with all documentation as required in Schedule 25 of the JSE Listings Requirements, and will not commence any repurchase programme until the sponsors have signed off on the adequacy of its working capital, advised the JSE accordingly, and the JSE has approved this documentation.

Ordinary Resolution number 7

"Resolved that, in terms of article 40 of the Company's Articles of Association and subject to the Company obtaining a declaration of the directors that the directors of the Company shall be entitled, from time to time, to pay by way of a reduction of share premium, capital distributions, pro-rata, to all shareholders of the Company in lieu of a dividend. Such distributions shall be the amounts which the directors would have declared and paid out of the profits of the Company as final dividends in respect of the financial year ended 31 August 2006. This authority shall not extend beyond the earlier of the date of the annual general meeting following the annual general meeting at which this resolution is being proposed or 15 months from the date of the resolution."

In terms of section 5.86 of the Listings Requirements of the JSE any general payment(s) may not exceed 20% (twenty percent) of the Company's issued share capital, including reserves but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one

financial year, measured as at the beginning of such financial year.

Ordinary Resolution number 8

"Resolved that, the resolution of the directors passed on 24 October 2006 to make a capital distribution out of share premium of 120,8 cents per share to ordinary shareholders recorded in the register at the close of business on 9 February 2007, be and is hereby ratified and confirmed."

As announced on Tuesday, 24 October 2006, the Board has resolved to make a distribution to ordinary shareholders from the Company's share premium account amounting to 120,8 cents per ordinary share ("the capital distribution").

The directors have considered the terms and conditions of the capital distribution and are of the opinion that Nu-World shareholders should vote in favour of the resolutions necessary to implement the capital distribution. The directors, who directly and indirectly hold Nu-World shares intend to vote or to procure the voting of such shares in favour of the resolutions proposed to implement the capital distribution.

The table below illustrates the effect of the capital distribution on the earnings and net asset value per Nu-World ordinary share and is based on the audited results for the year ended 31 August 2006. These financial effects which have been reviewed by the Company's auditors, Tuffias Sandberg KSi, are prepared for illustrative purposes only, are the responsibility of the Board, and because of their nature, may not give a true indication of the Company's financial position and results of operations.

	Before (cents)	After (cents)	Change (%)
Earnings per share (cents)	378,3	372,1	(1,6%)
Headline earnings per share (cents)	378,3	372,1	(1,6%)
Net asset value per share (cents)	2 238,0	2 105,6	(5,9%)
Net tangible asset value per share (cents)	2 119,3	1 987,0	(6,2%)

Notes to the financial effects:

It is assumed that the capital distribution had been paid to shareholders on 1 September 2005; and based on a reduction of R27,356,929 and an after tax interest rate earned on cash resources of 4,9%.

Notice of Annual General Meeting continued

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the Company hereby state:

- That the intention of the Company and/or any of its subsidiaries is to utilise the general authority to make capital payments to shareholders if at some future date the cash resources of the Company are in excess of its requirements. In this regard the directors will take account, inter alia, of an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and will ensure that any such utilisation is in the interest of shareholders;
- That the method by which the Company intends to make capital payments to shareholders in terms of a general authority and the date on which such payments will take place has been stated in the paragraph below; and
- That further relevant disclosure as required for ordinary resolutions number 7 and 8, in terms of the JSE Listings Requirements, is contained in the special resolution number 1.

Should the capital distribution of 120,8 cents per ordinary share be approved by shareholders the following salient dates will be applicable thereto:

Finalisation information of the capital distribution announced on SENS	Wednesday, 24 January 2007
Last date to trade "cum" the capital distribution	Friday, 2 February 2007
Trading commences "ex" the capital distribution	Monday, 5 February 2007
Record date	Friday, 9 February 2007
Date of payment	Monday, 12 February 2007

The above dates are subject to change. Any change will be announced on SENS and in the press. Share certificates may not be dematerialised or rematerialised between Monday, 5 February 2007 and Friday, 9 February 2007, both dates inclusive.

The capital distribution is subject to the South African Exchange Control Regulations of the South African Reserve Bank. The following is a summary of certain of the South African Exchange Control Regulations insofar as they are applicable to shareholders in relation to this document. Shareholders should consult their professional advisors in this regard:

Emigrants from the common monetary area

Certificated shares: The capital distribution due to shareholders who have not dematerialised their shares, who are emigrants from the common monetary area and whose documents of title have been restrictively endorsed under the South African Exchange Control Regulations, will be deposited in a blocked rand account with the authorised dealer in foreign exchange in South Africa controlling the shareholders' blocked assets in accordance with his instructions, or failing such nomination, with the Company to be held in trust as an interim measure until such time as an authorised dealer is appointed and shall not bear interest.

Dematerialised shares: The capital distribution due to shareholders who are emigrants from the common monetary area and have dematerialised their shares will be credited directly to the blocked rand bank account of the duly appointed Central Securities Depository Participant ("CSDP") of the shareholders and will be held to the order of the authorised dealers in foreign exchange in South Africa controlling such shareholders' blocked accounts.

Other non-residents of the common

monetary area: The capital distribution due to shareholders whose registered addresses are outside the common monetary area will be dealt with as follows:

Certificated shares: In the case of shareholders who have not dematerialised their shares, the capital distribution will be forwarded to the authorised dealers in foreign exchange in South Africa nominated by the shareholders. It will be incumbent on the shareholders concerned to instruct the nominated authorised dealers as to the disposal of the amount concerned.

Dematerialised shares: In the case of shareholders who have dematerialised their shares, the capital distribution will be credited directly to the bank account nominated by the shareholders, by their duly appointed CSDP. If the information regarding authorised dealers is not supplied, the cash consideration will be held in trust by the Company for the shareholders concerned pending receipt of the necessary information and instruction. No interest will accrue or be paid on any capital distributions so held in trust.

Ordinary Resolution number 9

"Resolved that the directors of the Company be and are hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the registration or implementation

Notice of Annual General Meeting continued

of the resolutions set out in the notice convening the annual general meeting at which this ordinary resolution is to be considered."

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company. The attention of members is drawn to the fact that, to be effective, the completed proxy form must reach the transfer secretaries of the Company, Computershare Investor Services 2004 (Pty) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 22 January 2007) before the scheduled time of the meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the meeting and obtain the necessary authorisation from the CSDP or broker to attend the meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them.

By order of the Board



B H Haikney
Company Secretary

Sandton
15 December 2006

Form of Proxy

NU-WORLD HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(REGISTRATION NUMBER 1968/002490/06)

Share Code: NWL ISIN code: ZAE000005070

("Nu-World" or "the Company")

For use only by certificated shareholders and own name dematerialised shareholders at the annual general meeting of the Company to be held at the Company's registered office, 35 Third Street, Wynberg, Sandton on 24 January 2007 at 10h00 and at any adjournment thereof.

I/We

of

being a holder of ordinary shares hereby appoint

1. or failing him/her

2. or failing him/her

3. The Chairman of the general meeting

as my/our proxy to act for me/us at the annual general meeting for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares in the issued capital of Nu-World registered in my/our name as follows:

	For	Against	Abstain
Ordinary resolution 1: approval of annual financial statements			
Ordinary resolution 2: re-appointment of directors			
2.1 G R Hindle			
2.2 J M Judin			
2.3 D Piaray			
Ordinary resolution 3: approval of directors' remuneration			
Ordinary resolution 4: re-appointment of auditors			
Ordinary resolution 5: placing of unissued shares under the control of directors			
Ordinary resolution 6: general authority to issue shares for cash			
Special resolution 1: general approval to repurchase shares			
Ordinary resolutions 7: approval to distribute share capital and reserves of Company			
Ordinary resolutions 8: approval to make a capital distribution out of share premium			
Ordinary resolution 9: authority to sign documents			

Signed at on

Signature

Name if full

Any member entitled to attend and vote is entitled to appoint a proxy or proxies to attend speak and vote in his stead and the person so appointed need not be a member. A form of proxy is attached for use by certificated and own name dematerialised shareholders who cannot attend the meeting and wish to be represented thereat. A form of proxy may be obtained from the registered office of the Company. The attention of members is drawn to the fact that, to be effective, the completed proxy form must reach the transfer secretaries of the Company, Computershare Investor Services 2004 (Pty) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 22 January 2007) before the scheduled time of the meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the meeting and obtain the necessary authorisation from the CSDP or broker to attend the meeting, or provide the CSDP or broker with voting instructions in terms of the custody agreement between them.

Notes to the Form of Proxy

A form of proxy is only to be completed by those shareholders who are:

- 1.1 Holding shares in certificated form; or
- 1.2 Recorded in dematerialised form on the electronic sub-register in "own name".

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the annual general meeting, must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker in the manner and cut-off time stipulated therein.

A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the annual general meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are filled in, the proxy shall be exercised by the Chairman of the annual general meeting.

A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercised by that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he deems fit in respect of all the shareholder's votes exercised thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstentions are recorded may not exceed the total votes exercisable by the shareholder or his proxy.

Forms of proxy must be lodged with or posted to the transfer secretaries; Computershare Investor Services 2004 (Pty) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107) by not later than 10h00 on Monday, 22 January 2007, in accordance with the instructions thereon.

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting, speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

Documentary proof establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the Chairman of the annual general meeting.

Any alterations to the form of proxy must be initialled by the signatories.