



Nu-World Holdings Limited
Annual Report 2007



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BY NU-WORLD

MAGIC LINE

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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.



Turnover up **13,9%**
to **R1 865m**

Net asset value per share up **11,6%**
to **2 498,1 cents**

Attributable income up **3,8%**
to **R85,131m**

Earnings per share up **3,1%**
to **389,9 cents**

Cash balances on hand up **7,6%**
to **R287,813m**

Financial highlights

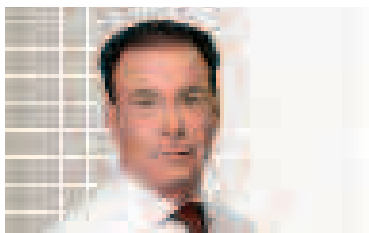
Group financial results

A summary is as follows:

	2007 R000s	2006 R000s
Revenue	1 865 780	1 638 724
Net operating profit	116 114	129 059
Depreciation	7 087	7 413
Interest paid	4 691	1 223
Profit before taxation	104 336	120 423
Taxation	15 214	29 613
Profit after taxation	89 122	90 810
Share of loss attributable to associated company		(6 994)
Minority interest	(3 991)	(1 786)
Net profit attributable to ordinary shareholders	85 131	82 030
Dividend paid		20 970
Net profit for the year	85 131	61 060
Earnings per share (cents)	389,9	378,3

Chairman's review

for the year ended 31 August 2007



After what has proved to be a difficult year, particularly evident during the last quarter of the financial year, Nu-World Holdings Ltd has recorded growth in revenue, attributable earnings and distribution per share.

I commend the directors, management and staff for their achievement in providing shareholders with seventeen consecutive years of growth in turnover and attributable income and a compound average annual growth rate in attributable income of 16,3% over the past five years.

The Nu-World Group is one of the leading South African sources for branded consumer durables. Our combined international sourcing for South Africa, Australia, the United Kingdom and the USA, provides the Group with a strategic edge on pricing. Nu-World supplies an extensively broad range of affordable consumer durables. Nu-World's product offerings range from products of necessity to aspirational products, selling to consumers across a broad spectrum of LSM categories.

In light of a moderation in the rate of growth being experienced in the South African economy, Nu-World in South Africa, together with our off-shore subsidiaries, are actively looking to broaden our product offering and further diversify our customers bases.

Retail South Africa is experiencing muted trading conditions, due to interest rate hikes, the escalating cost of food and fuel and the introduction of the National Credit Act. The resulting diminishing disposable income of consumers is impacting negatively on retail sales, most particularly sales of interest rate sensitive consumer durables. Massmart, a barometer for general merchandising retail in SA, warned of a tightening in the retail environment, but reported solid sales growth and confirmed confidence in the medium to long-term consumer trend in SA.

Inflation remains persistently above the Reserve Bank's target. Consumer spending has slowed, primarily in interest rate sensitive consumer durables. Semi-durable and non-durable categories other than food, are also experiencing a slowdown. Food and fuel price hikes are driving inflation. At this time, there is concern that any further increase in interest rates, in response to rising food and fuel inflation, will have a negative impact on economic growth. Credit retailers are reporting a deterioration in net bad debts, which have become more significant over the last few months. According to the BER, should the Reserve Bank hike interest rates by a further 50 basis points in December, it will likely be the final increase. Once inflation has been contained, there is a likelihood that subsequent interest rate moves will be down, but this is not expected before the end of 2008 or early 2009. The BER points out that any future rate decreases will be marginal as the higher rate of inflation will persist.

Dollar prices for imported products have begun to firm. Higher FOB prices have been offset by the recent strengthening of the Rand, which for the time being, is serving to dampen the inflationary pressure on retail pricing for consumer durables.

Despite the current slowdown, the economy remains relatively strong and positive factors such as structural changes, tax cuts, sustained employment growth and infrastructure spend, continue to support household income. In effect there is a rotation away from consumer spending to fixed investment. A number of years of sustained economic growth have resulted in a broader middle class with more consumers entering the LSM 7 to LSM 10 categories.

This ever growing pool of middle class consumers enjoys reasonable levels of disposable income as well as access to credit.

The Group operates subsidiaries in Australia, the United Kingdom and the USA. All off-shore subsidiaries provided positive contributions for the year under review. In Australia, Yale Prima Pty Ltd, is operating in an increasingly competitive environment. Whilst the Australian economy is being fuelled by the commodities boom, the Australian Reserve Bank is keeping a tight reign on interest rates, in an effort to curb inflation and credit extension. Yale Prima has diversified its product range and taken a majority interest in Primex Products Pty Ltd, an importer and distributor of home-ware. Nu-World UK Ltd too, operates in a fiercely competitive market place. There is an expectation that UK interest rates will come off and that consumer sentiment and high street spending will improve as a result. In The USA, On Corporation USA supplies a growing range of flat panel TV's and consumer electronics to leading USA and Canadian retailers. On Corporation USA has achieved remarkable growth for the period under review and directors forecast similar levels of growth for the forthcoming year.

The benefits from the strategy to increase and extend ranges of our durable products offering are expected to support revenue growth for the forthcoming year. In South Africa, new initiatives seek to capitalise on the boom in home improvement, Eskom load shedding and a growing rental market opportunity.

The Nu-World Group employs close to 1 000 people on four continents. We are committed to creating a non discriminatory working environment for all. Our 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. Our Occupational Health clinic serves the primary health needs of our employees. The HIV/AIDS pandemic is being tackled in our company by way of education programmes, counselling and supportive medical and nutritional therapies.

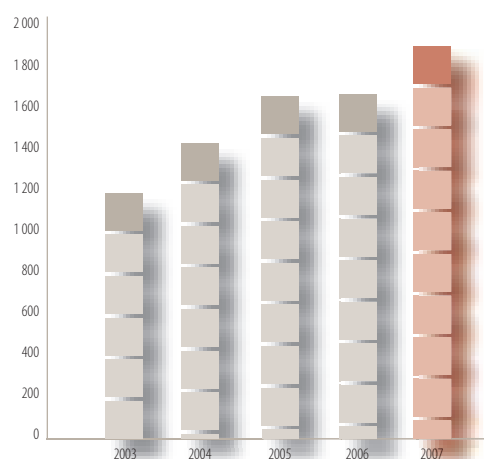
The BER is forecasting a softening of consumer demand through to the second quarter of 2008. Analysts have revised their growth forecasts for 2008 down to levels lower than the annual average growth rate of 5% clocked up during the passed three years. However, government spending on infrastructure in the region of R480m-plus, together with spending for the 2010 FIFA World Cup, will filter through to the tertiary economy and underpin consumer sentiment and spending. Although leading indicators show that momentum in growth is slowing, the overall trend is still positive.

As chairman, I take this opportunity to thank all staff members, in South Africa and abroad. Thank you for your contribution to the growth and success of our Company. We sincerely appreciate your extraordinary commitment and support.

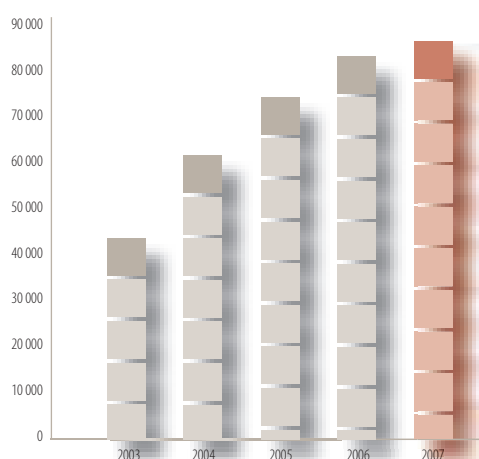
M S Goldberg

Executive chairman
24 October 2007

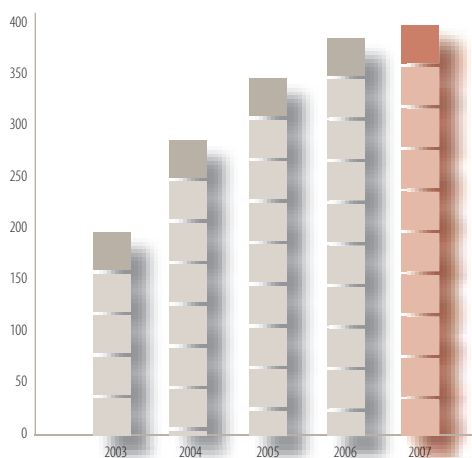
**Turnover
(Rm)**



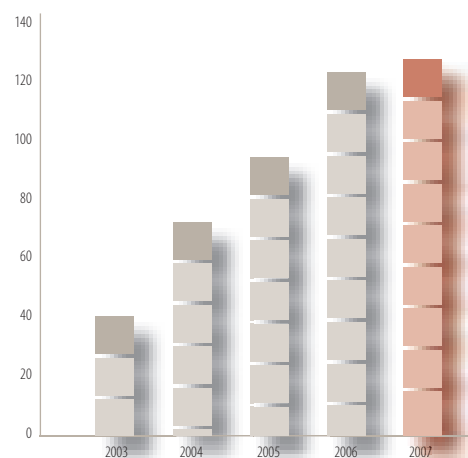
**Attributable income
(R000)**



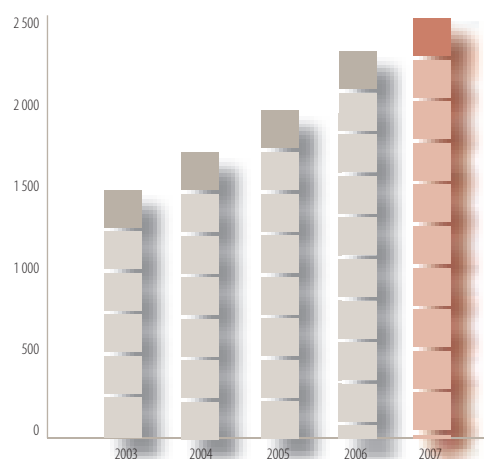
**Earnings per share
(cents)**



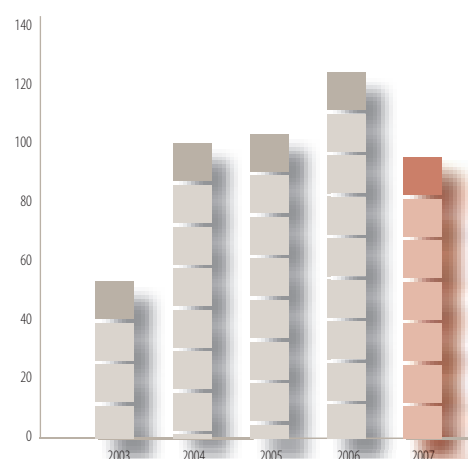
**Dividends per share
(cents)**



**Net asset value per share
(cents)**



**Cash generated from operations
(Rm)**



Managing director's review

for the year ended 31 August 2007



Financial overview

The directors of Nu-World, a leading international source for branded consumer durables, confirm results for the financial year-end to 31 August 2007, in line with the trading update released on SENS on 24 August 2007.

In light of a moderation of the rate of growth being experienced in the South African economy, more particularly in durables and other interest rate sensitive product groups, Nu-World is actively broadening our product offering and diversifying our ranges and customers base both locally and internationally.

South African retailers are experiencing a moderation in the rate of growth, coming off high levels of previous years. Higher interest rates, food inflation and higher fuel costs, have inevitably lead to a softening of consumer sentiment. However, it must be noted that the economy remains relatively strong and positive factors such as structural changes, tax cuts, sustained employment growth and infrastructure spend, continue to support household income and should sustain a gradual moderation in retail sales growth, avoiding a sharp contraction.

Group turnover increased by 13,9% to R1 865,8m (August 2006: R1 638,7m). South African revenues increased marginally with strong revenue growth generated from offshore subsidiaries. In South Africa, prices firmed for consumer electronics but remained flat year-on-year for appliances.

EBITDA decreased by 10,0% to R116,114m (August 2006: R129,061m).

Operating margins decreased to 6,2% from the previous year's 7,9%, a reflection of the tough trading conditions in South Africa as well as the increasing percentage of off-shore revenue – our off-shore subsidiaries operate on an indent business model, with lower gross margins. Our off-shore operations contributed 39,0% of Group revenues during the current year, against 31,4% for the previous year.

Income before tax is down, whereas income after tax remained relatively flat year on year, August 2007: R89,122m (August 2006: R90,810m).

Attributable income increased by 3,8% to R85,131m (August 2006: R82,030m).

Headline earnings per share on a weighted basis – HEPS decreased to 249,1 cents (August 2006: 378,3 cents).

The differential between attributable earnings and headline earnings, is profit earned from a once off sale of trademarks. The Group has exclusive right of use of these trademarks in the future.

Capital distribution per share is up 3,7% to 125,3 cents (2006: 120,8 cents). Distribution cover remains in line with 2006, at 3 times cover.

Cash generated from operations amounted to R85,789m.

Overall net working capital days of 71,9 is an improvement on the previous year's 80,2 days, due to improved turnover of stock.

The balance sheet remains strong with cash balances on hand of R287,813m.

The net asset value per share is up 11,6% to 2 498,1 cents (August 2006: 2 238,0 cents).

Accounting policies

The final report is prepared on the historical cost basis, except financial instruments, which have been fair valued.

This is in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act and the JSE Listings Requirements.

The results are presented in terms of IFRS statements and IAS 34. The Group adopted and applied IFRS for the first time for the year ended 2006.

Operational review

Offshore Subsidiaries

*Yale Prima Pty Ltd * Nu-World UK Ltd * On Corporation USA*

Yale Prima Pty Ltd is a 59,4% held subsidiary operating out of Sydney Australia. Australia remains the largest by turnover, of the Group's offshore operations. Yale Prima has provided a positive contribution to group income for the financial year.

The Australian economy remains buoyant on the back of the commodities boom. The Australian reserve bank is keeping a tight reign on interest rates, in an effort to curb inflation and credit extension. Australian consumer sentiment and demand however, remains robust. The market for consumer electronics (our primary focus) remains strong, but intensely competitive. Yale Prima is diversifying into other consumer durable segments with an increasing range of large appliances, "white goods". In addition, Yale Prima has taken a majority interest in Primex Products Pty Ltd, an importer and distributor of homewares. Directors intend to add Yale's existing customer base of mass merchandisers, to the Primex customer base.

Nu-World UK Ltd is a 60% held subsidiary. With the expectation of lower interest rates, consumer sentiment in the UK is set to improve and high street spending is set to increase. Nu-World UK is now trading with a wider customer base across wholesalers, department stores, TV shopping and internet retailers. A reduction in overhead costs and the introduction of new retro and nostalgia ranges of appliances and a solid order book for the Christmas season, should further improve the contribution from the UK.

On Corporation USA. The Group retains a controlling interest in On Corporation USA. On Corporation USA supplies a growing range of flat panel TVs and consumer electronics to leading USA and Canadian retailers,

including Aaron Sales and Lease, Sears, and CTC of Canada. On Corporation USA has achieved rapid growth for the period under review. It is expected that revenue and profit contribution will continue to grow at the same pace during the forthcoming period.

Product range

*Consumer electronics * Small electrical appliances * Conti Motorsport * Air-conditioning * White goods * Cell phones * GPS navigation systems* Power tools * Generators * DIY * Home improvement **

The Nu-World brands now cover the spectrum of a widely increasing range of consumer durables, including small appliances, consumer electronics, motorsport, large appliances, air-conditioning and more. New initiatives seek to capitalise on the boom in home improvement, Eskom load shedding and a growing rental market opportunity.

The market for televisions, the single largest category of consumer electronics, is increasingly competitive, with aggressive price cutting evident in price-entry CRT TVs. With margins under pressure for entry level TVs, Nu-World is focusing on middle to high-end flat, slim-line CRTs and flat panel LCDs and Plasmas.

The benefits from the initiative to increase and extend ranges of our durable products offering are expected to support revenue growth for the forthcoming year. New products have been added to ranges within motorsport, power tools, generators, porcelain tiles, air-conditioning and white goods etc. Our inroads into the market for a new range of car accessories and GPS navigation systems, has opened up a broader customer base and new distribution channels.

The extensive Conti Motorsport range has continued to expand and now includes: scooters, road bikes, super bikes, pit bikes, quad bikes, bicycles, generators, go-carts, golf carts and car accessories. The growth drivers for Conti Motorsport being affordable ownership and fuel efficient transport, will inevitably change the nature of commuting in South Africa, in line with other emerging markets. Service and support are the keys to satisfied customers and Nu-World has appointed more than 80 service agents nationwide, providing 24 hour service and spare parts. Conti Motorsport is also making inroads into the SADEC markets with excellent opportunities for growth.

Manpower and social responsibility

The Group's BEE initiatives are inline 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 now achieved growth in turnover and attributable income for 17 consecutive years. It is evident that the South African "high street" market, estimated to be close to R400bn, is experiencing a moderation in the rate of growth – primarily in interest rate sensitive durables and passenger cars. The BER is forecasting a softening of consumer demand through to the second quarter of 2008. However, it must be noted that structural changes within the economy, personal tax relief in line with the 2007 budget and Government's committed infrastructure spend, will continue to support sustainable positive economic growth.

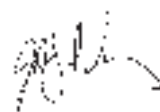
Although consumer confidence has declined marginally, confidence remains high by historical levels, underpinned by employment growth and structural changes such as urbanisation and an emerging middle class.

The National Credit Act has further impacted retailer confidence, however despite lower levels of confidence, retailers still remain optimistic about prevailing business conditions.

Nu-World's diversification in South Africa and off-shore, into an increasingly wider range of consumer durable market segments, provides for broader market exposure and offers greater scope for sustainable growth. Nu-World and its subsidiaries continue with the initiative to diversify further into areas of durables which offer scope for improved margins. The Group has delivered growth in attributable income over the last five financial years, CAGR averaging 16,3%. Notwithstanding the difficult market conditions in South Africa at this time, the Group remains well positioned for long term growth.

Capital distribution to shareholders

Notice is hereby given that the Board of directors has resolved to distribute to ordinary shareholders a portion of the share premium account in lieu of a dividend to ordinary shareholders of the Company. The distribution will be paid in terms of a general authority to make such payments granted to the Board by shareholders at the Company's AGM held on Wednesday, 24 January 2007. The distribution will amount to 125,3 cents per ordinary share, based on a reduction to share premium of R28 376 020.



J A Goldberg

Managing director
24 October 2007

Divisional structure

■ Imported appliances

- Our focus is to continually source quality consumer durables at affordable prices, always attempting to bring new and innovative products to the market place in our goal to continue to be an outstanding source and provider of branded consumer durables both locally and abroad.

■ Consumer electronics

- Locally Nu-World has achieved a market share of approximately 20% with its JVC, Telefunken, Protel, Nu-Tec and Palsonic brands. These brands are aimed at the various market segments within the consumer electronics market and the needs of each segment are continually re-assessed to ensure that they meet the requirements of the customers therein.

■ Motorsport

- With the motorsport division now fully functional, offering full service and support functions nation wide, we are now in a position to concentrate on new markets, including the SADEC regions which are presenting excellent growth opportunities.



■ Home improvements

■ This newly created division has been established in an attempt to capitalise on the boom in home improvements and currently supplies items such as power tools, generators, porcelain tiles etc to leading retailers.

Board of directors

for the year ended 31 August 2007



M S Goldberg (55)

Executive chairman

BCom MBA (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 30 years' experience in manufacturing and the appliance industry.



J A Goldberg (52)

Managing director

BSc 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 30 years' experience in manufacturing and the appliance industry.



G R Hindle (46)

Financial director

BAcc (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 24 years' experience in financial management and Information System technology in the manufacturing and electronic environment.



J M Judin (61)

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 (40)

Independent non-executive director

DChem. Eng (Natal) BCom (Unisa) MBA (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

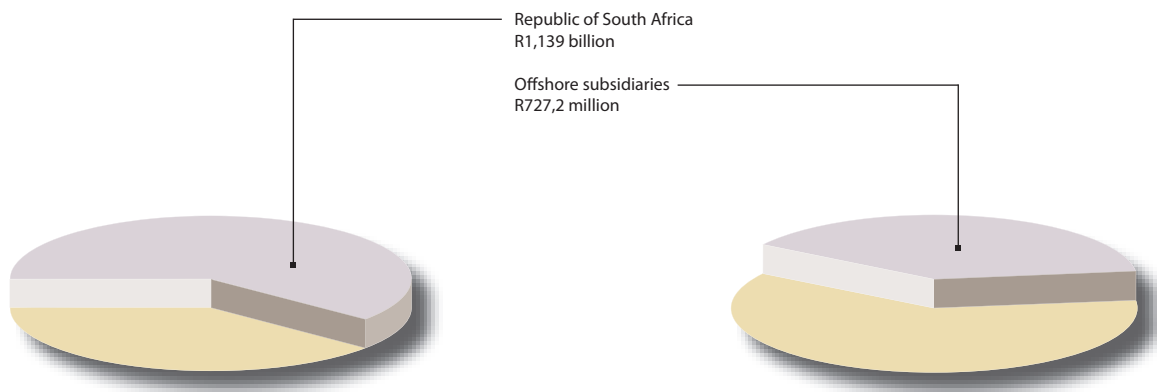
for the year ended 31 August 2007

	2007		2006	
	R000s	%	R000s	%
Revenue	1 865 780	100,00	1 638 724	100,00
Cost of materials, services and expenses	(1 466 833)	(78,62)	(1 234 745)	(75,35)
Value added from trading operations	398 947	21,38	403 979	24,65
Net interest paid	(4 691)	(0,25)	(1 223)	(0,07)
Total value added	394 256	21,13	402 756	24,58
Allocated as follows:				
Employees				
Salaries, wages, commission and other benefits	100 285	5,37	94 293	5,75
Government				
Normal taxation on companies	18 949	1,02	28 258	1,72
Employee tax	13 807	0,74	12 207	0,75
Providers of capital				
Minority interest	3 991	0,21	1 786	0,11
Dividends/capital distribution	27 357	1,47	27 820	1,70
Total wealth distributed	164 389	8,81	164 364	10,03
Re-investment in the Group				
Depreciation and amortisation	7 087	0,38	7 413	0,45
Retained for future growth	222 780	11,94	230 979	14,10
	394 256	21,13	402 756	24,58

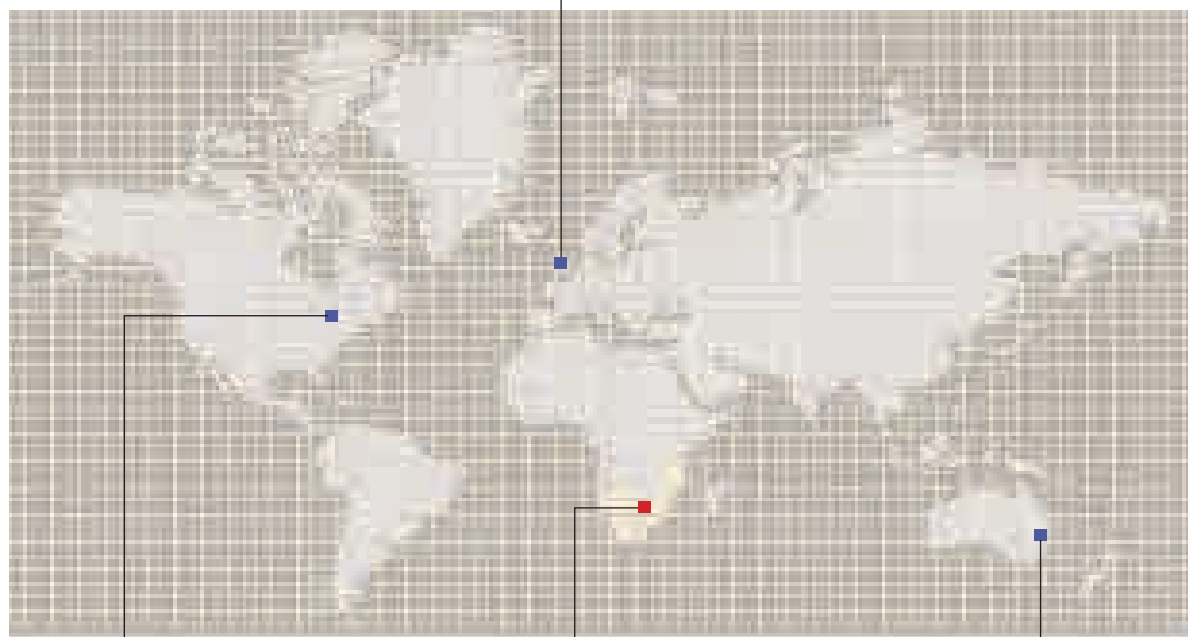
Global and regional representation

Nu-World Holdings Limited

Geographical revenue 2007



United Kingdom Leeds

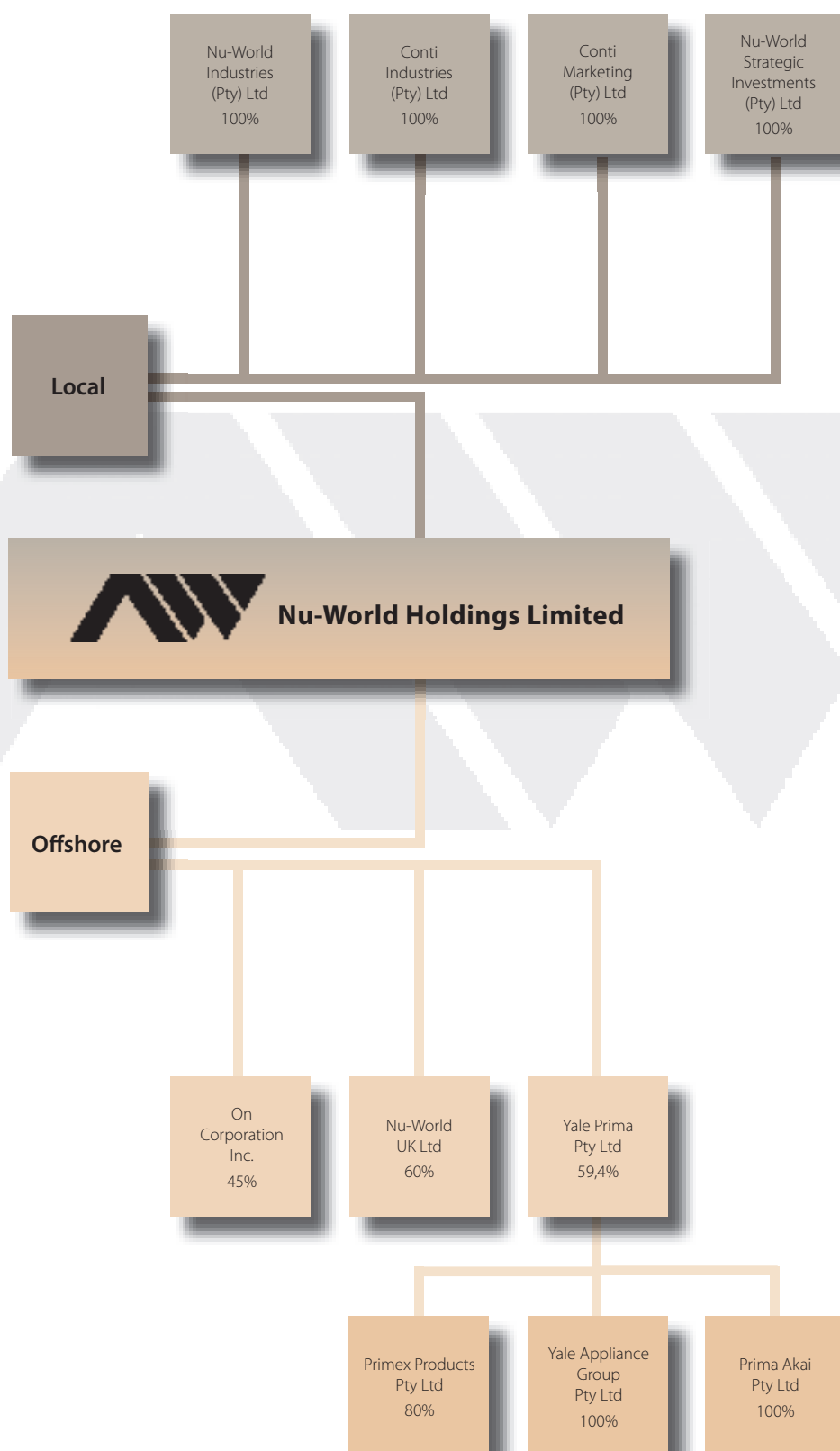


**United States
of America**
Indianapolis

Southern Africa
Johannesburg
Durban
Kimberley
Bloemfontein
East London
Port Elizabeth
Cape Town

Windhoek
Gaborone
Mbabane
Maputu

Australasia
Sydney



10 Year review

	2007 R000s	2006 R000s	2005 R000s	2004 R000s	2003 R000s
Income statement					
Revenue	1 865 780	1 638 724	1 626 122	1 430 804	1 179 455
Operating income	109 027	121 646	94 215	86 219	65 982
Interest paid	4 691	1 223	7 220	3 606	5 018
Income before taxation	104 336	120 423	86 995	82 613	60 964
Taxation	15 214	29 613	18 212	19 082	12 127
Income after taxation	89 122	90 810	68 783	63 531	48 837
Share of income attributable to associated company		(6 994)			
Net income	89 122	83 816	68 783	63 531	48 837
Minority interest	(3 991)	(1 786)	4 444	(2 781)	(5 738)
Attributable income	85 131	82 030	73 227	60 750	43 099
Shares in issue (000s):					
– at year end	21 833	21 684	21 592	21 597	21 611
– weighted average	21 833	21 684	21 592	21 597	21 611
Headline earnings per share (cents)	249,1	378,3	339,1	280,6	201,6
Headline earnings per share (cents)					
– weighted	249,1	378,3	339,1	280,6	201,6
Dividend per share (cents)	125,3	120,8	92,6	70,3	39,8
Dividend cover	3,0	3,0	3,5	4,0	5,0
Balance sheet					
Assets					
Non-current assets	80 083	86 134	62 956	52 923	56 691
Property, plant and equipment	35 839	41 673	44 867	46 997	50 905
Deferred taxation	19 137	18 732			
Investment in associated company					
Intangible asset	25 107	25 729	18 089	5 926	5 786
Current assets	666 692	688 121	589 605	546 664	419 055
Inventories	153 086	179 030	171 340	167 448	132 695
Trade and other receivables	225 793	241 513	227 717	217 528	182 923
Bank and cash balances	287 813	267 578	190 548	161 688	103 437
Total assets	746 775	774 255	652 561	599 587	475 746
Equity and liabilities					
Total capital and reserves	545 406	485 282	422 478	361 397	309 071
Issued capital	89 070	115 697	114 684	114 776	115 058
Foreign currency translation reserve	1 246	166	(185)	(813)	(1 292)
Share-based payment reserve	1 078	538	158		
Retained earnings	454 012	368 881	307 821	247 434	195 305
Minority interest	51 346	47 949	28 156	23 786	20 471
Non-current liabilities	7 233	10 607	6 928	4 443	8 149
Interest bearing borrowings					
Deferred taxation	7 233	10 607	6 928	4 443	8 149
Current liabilities	142 790	230 417	194 999	209 961	138 055
Trade and other payables	142 790	219 056	194 999	209 961	138 001
Shareholders for dividend					54
Current portion of interest bearing borrowings		11 361			
Total equity and liabilities	746 775	774 255	652 561	599 587	475 746

2002 R000s	2001 R000s	2000 R000s	1999 R000s	1998 R000s	
					Income statement
942 984	884 252	653 772	527 706	446 629	Revenue
56 122	51 487	50 160	35 119	32 781	Operating income
8 355	8 988	6 414	6 098	6 636	Interest paid
47 767	42 499	43 746	29 021	26 145	Income before taxation
9 998	8 336	12 013	6 462	7 729	Taxation
37 769	34 163	31 733	22 559	18 416	Income after taxation
2 296	(135)				Share of income attributable to associated company
40 065	34 028	31 733	22 559	18 416	Net income
	(87)	(2 648)			Minority interest
40 065	33 941	29 085	22 559	18 416	Attributable income
					Balance sheet
					Assets
					Non-current assets
57 286	40 954	35 812	24 681	23 516	
36 204	28 089	35 812	24 681	23 516	Property, plant and equipment
					Deferred taxation
21 082	12 865				Investment in associated company
					Intangible asset
361 091	330 648	350 628	273 364	265 296	Current assets
117 384	103 137	132 947	80 324	77 432	Inventories
156 563	162 433	157 150	113 622	104 632	Trade and other receivables
87 144	65 078	60 531	79 418	83 232	Bank and cash balances
418 377	371 602	386 440	298 045	288 812	Total assets
					Equity and liabilities
					Total capital and reserves
274 846	240 684	208 101	184 158	162 874	
115 849	115 849	117 120	117 449	115 099	Issued capital
		88			Foreign currency translation reserve
158 997	124 835	90 893	66 709	47 775	Share-based payment reserve
					Retained earnings
		22 880			Minority interest
8 950	12 973	17 433	23 261	30 088	Non-current liabilities
	5 089	10 119	16 150	23 316	Interest bearing borrowings
8 950	7 884	7 314	7 111	6 772	Deferred taxation
134 581	117 945	138 026	90 626	95 850	Current liabilities
134 528	117 909	132 095	88 459	92 670	Trade and other payables
53	6	4 900			Shareholders for dividend
	30	1 031	2 167	3 180	Current portion of interest bearing borrowings
418 377	371 602	386 440	298 045	288 812	Total equity and liabilities

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 fifth Employment Equity Plan to the department of labour. The Group is positively committed to this process, which is consistent with its philosophy in respect of employee development.

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 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 in as much 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.

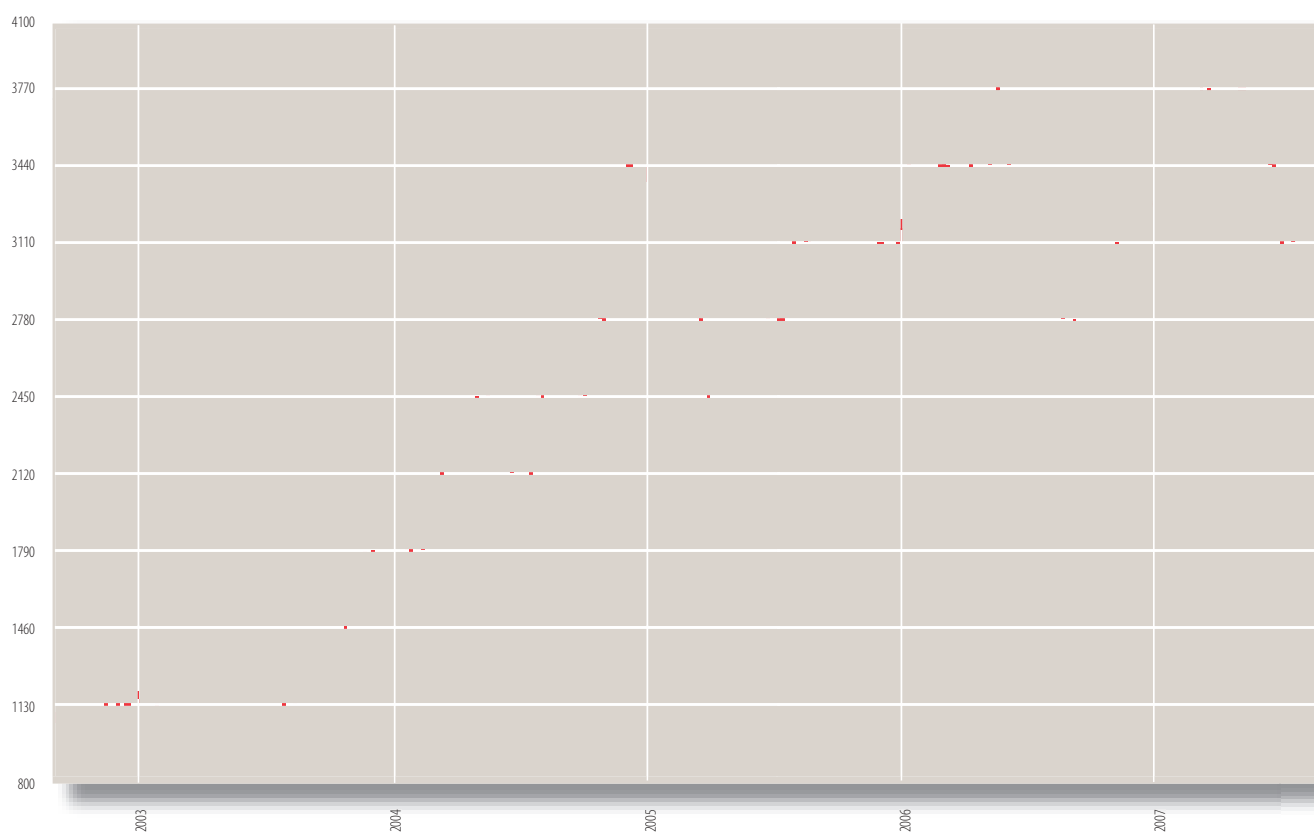
In addition, no dealing in the Company's securities is permitted by any director, officer or employee whilst in possession of information which could affect the price of the Company's securities and which is not in the public domain.

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 2007	12 months trade 31 August 2006
Stock exchange performance		
Market price per share (cents)		
– at year end	3 100	2 750
– highest	4 000	3 900
– lowest	2 765	2 750
Number of shares traded (000)	7 945	8 216
Number of shares in issue (000)	22 646	22 646
Volume traded as a percentage of total shares in issue (%)	35,1	36,3

Historical share price



	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 – 25 000 shares	909	92,6	1 659 785	7,3
25 001 – 50 000 shares	16	1,6	566 247	2,5
50 001 – 100 000 shares	21	2,1	1 480 494	6,5
Over 100 000 shares	36	3,7	18 939 939	83,7
	982	100,0	22 646 465	100,0
Distribution of shareholders				
Banks	22	2,2	6 181 206	27,3
Close corporations	9	0,9	39 240	0,2
Endowment funds	2	0,2	21 810	0,1
Individuals	700	71,3	1 391 097	6,1
Insurance companies	18	1,8	2 339 243	10,3
Medical aid schemes	3	0,3	96 493	0,5
Mutual funds	47	4,8	8 956 609	39,6
Nominees and trusts	98	10,0	325 841	1,4
Other corporations	24	2,5	323 589	1,4
Pension funds	29	3,0	1 849 250	8,2
Private companies	22	2,2	251 691	1,1
Public companies	6	0,6	52 271	0,2
Share trusts	2	0,2	818 125	3,6
	982	100,0	22 646 465	100,0
Public/non-public shareholders				
Non-public shareholders				
	7	0,7	4 849 727	21,4
Directors and associates of the company holdings	4	0,4	1 039 202	4,6
Strategic holdings (more than 10%)	1	0,1	2 992 400	13,2
Share trusts	2	0,2	818 125	3,6
Public shareholders				
	975	99,3	17 796 738	78,6
	982	100,0	22 646 465	100,0
Beneficial shareholders holding of 5% or more				
Old Mutual Group			3 947 160	17,4
SIS SegalInterSettle AG			2 992 400	13,2
Investment Solutions			1 806 203	8,0

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 Ltd 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 33⅓% 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 Pty Ltd 45% investment in On Corporation Inc. USA
2007	Increased investment in Yale Prima Pty Ltd to 59,4% Introduction of home improvement division

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 16,3% in attributable income
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
2007	20th Anniversary of Nu-World Holdings Ltd

Directors	<p>Mr Michael S Goldberg BCom MBA (Rand)</p> <p>Mr Jeffrey A Goldberg BSc (Eng) (Rand)</p> <p>Mr J Michael Judin DipLaw (Rand)</p> <p>Mr Graham R Hindle BAcc (Wits) CA (SA)</p> <p>Mr Desmond Piaray Chem Eng (Natal) BCom (Unisa) MBA (Wits)</p>
Secretary	<p>Mr Bruce H Haikney CA (SA)</p> <p>35, 3rd Street</p> <p>Wynberg</p> <p>Sandton</p> <p>2199</p>
Registered office	<p>35, 3rd Street</p> <p>Wynberg</p> <p>Sandton</p> <p>2199</p>
Auditors	<p>Tuffias Sandberg KSi</p> <p>Chartered Accountants (SA)</p> <p>Registered Auditors</p> <p>4, 5th Avenue</p> <p>Edenburg</p> <p>Sandton</p> <p>2128</p>
Transfer secretaries	<p>Computershare Investor Services 2004 (Pty) Ltd</p> <p>70 Marshall Street</p> <p>Johannesburg</p> <p>2001</p>
Bankers	<p>First National Bank, a division of</p> <p>First Rand Bank Limited</p>
Attorneys	<p>Goldman, Judin, Maisels Inc.</p> <p>2nd Floor, North Block</p> <p>Thrupps Illovo Centre</p> <p>204 Oxford Road</p> <p>Illovo</p> <p>2196</p>
Company registration number	1968/002490/06
Sponsor	<p>Sasfin Capital</p> <p>Sasfin Place, 13 – 15 Scott Street</p> <p>Waverley</p> <p>2090</p>

Directors' responsibility for and approval of the annual financial statements

for the year ended 31 August 2007

The annual financial statements, set out on pages 26 to 43, 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.

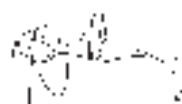
Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

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 is comprised of two non-executive directors and meets bi-annually with the auditors. The auditors have free access to this committee.

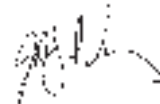
The annual financial statements have been examined by the Group's auditors and their report is presented on page 23. The auditors are appointed each year based on recommendation by the audit committee.



M S Goldberg

Executive director
Sandton

24 October 2007



J A Goldberg

Managing director

Certificate of the company secretary

as at 31 August 2007

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 2007. Furthermore, all such returns are true and correct.



B H Haikney

Company secretary

Sandton

24 October 2007

To the members of Nu-World Holdings Limited

We have audited the annual financial statements and group annual financial statements of Nu-World Holdings Limited, which comprise the directors' report, the balance sheet as at 31 August 2007, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 43.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of

the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 August 2007, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa.



Tuffias Sandberg KSi

Chartered Accountants (SA)
Registered Auditors
Johannesburg
24 October 2007

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 35.

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 125,3 cents per share. The distribution will be paid in terms of a general authority to make such payments granted to the Board of shareholders at the companies annual general meeting, held on Wednesday, 24 January 2007.

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 43 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 4,6%.

There have been no material changes in the directors' interest between 31 August 2007 and the date of this report.

Post balance sheet events

No material facts or circumstances have occurred between 31 August 2007 and the date of this report.

The directors' remuneration in respect of the financial year ended 31 August 2007 was as follows:

Name	Directors' fees R000s	Basic remuneration R000s	Performance bonus R000s	Car/ subsistence allowance R000s	Total 2007 R000s	Total 2006 R000s
Executive						
M S Goldberg		3 216		168	3 384	3 393
J A Goldberg		3 216		168	3 384	3 393
G R Hindle		2 272		194	2 466	2 474
Non-executive						
D Piaray	108				108	108
J M Judin	108				108	108
	216	8 704	–	530	9 450	9 476

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

Name	Direct holding		Indirect holding		Total 2007	Total 2006
	Beneficially	Non-beneficially	Beneficially	Non-beneficially		
Executive						
M S Goldberg	35 000			437 000	472 000	438 805
J A Goldberg			517 610		517 610	488 860
G R Hindle	49 470				49 470	29 470
Non-executive						
J M Judin			26 039		26 039	26 039

Balance sheets

as at 31 August 2007

		Group		Company	
	Note	2007 R000s	2006 R000s	2007 R000s	2006 R000s
Assets					
Non-current assets		80 083	86 134	106 510	134 227
Property, plant and equipment	2	35 839	41 673	106 510	134 227
Intangible asset	3	25 107	25 729		
Investment in subsidiaries	4				
Deferred taxation	5	19 137	18 732		
Current assets		666 692	688 121	39	39
Inventories	6	153 086	179 030		
Trade and other receivables		225 793	241 478		
Cash and cash resources		287 813	267 578		
Taxation prepaid			35	39	39
Total assets		746 775	774 255	106 549	134 266
Equity and liabilities					
Capital and reserves		596 752	533 231	106 434	134 114
Issued capital	7	89 070	115 697	111 159	138 516
Foreign currency translation reserve		1 246	166		
Accumulated profits		454 012	368 881		
Share based payment reserve	8	1 078	538	(4 725)	(4 402)
Capital and reserves attributed to equity holdings of the Company		545 406	485 282		
Minority interest		51 346	47 949		
Non-current liabilities		7 233	10 607	–	–
Deferred taxation	5	7 233	10 607		
Current liabilities		142 790	230 417	115	152
Trade and other payables		136 694	204 339	115	152
Taxation		6 096	14 717		
Loans payable			11 361		
Total equity and liabilities		746 775	774 255	106 549	134 266

Income statements

for the year ended 31 August 2007

	Note	Group		Company	
		2007 R000s	2006 R000s	2007 R000s	2006 R000s
Revenue	9	1 865 780	1 638 724		15 855
Cost of sales		1 466 833	1 234 745		
Gross profit		398 947	403 979	–	15 855
Other income		49 007	23 940	563	
Operating expenses		338 927	306 273	886	538
Operating profit/(loss) before interest	10	109 027	121 646	(323)	15 317
Interest paid		4 691	1 223		
Profit/(loss) before taxation		104 336	120 423	(323)	15 317
Taxation	11	15 214	29 613		1 656
Net profit/(loss) after taxation		89 122	90 810	(323)	13 661
Share of loss attributable to associated company			6 994		6 994
Net income/(loss)		89 122	83 816	(323)	6 667
Attributable to:					
Minorities		3 991	1 786		
Equity holders of the Company		85 131	82 030	(323)	6 667
		89 122	83 816	(323)	6 667
Earnings per share (cents)	12	389,9	378,3		
Dividend declared per share (cents)	13	125,3	120,8		

Statements of changes in equity

for the year ended 31 August 2007

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 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)
Net profit for the year					82 030		82 030	1 786	83 816
Dividend paid to minorities								(6 849)	(6 849)
Transfer of fair value adjustment – transfer to share-based payment reserve						380	380		380
Dividend paid					(20 970)		(20 970)		(20 970)
Treasury share movement			1 013				1 013		1 013
Balance at 31 August 2006	226	136 402	(20 931)	166	368 881	538	485 282	47 949	533 231
Currency translation difference				4 259			4 259		4 259
Transfer to deferred taxation				(1 277)			(1 277)		(1 277)
Transfer to minorities				(1 902)			(1 902)	1 902	
Increase in investment in subsidiary								(2 496)	(2 496)
Net profit for the year					85 131		85 131	3 991	89 122
Dividend paid/capital distribution		(27 357)					(27 357)		(27 357)
Treasury share movement			730				730		730
Transfer of fair value adjustment – transfer to share-based payment reserve						540	540		540
Balance at 31 August 2007	226	109 045	(20 201)	1 246	454 012	1 078	545 406	51 346	596 752
Company	Issued share capital R000s	Share premium R000s						Accu- mulated profits R000s	Total equity R000s
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								(20 970)	(20 970)
Balance at 31 August 2006	226	138 290						(4 402)	134 114
Net loss for the year								(323)	(323)
Dividend paid/capital distribution							(27 357)		(27 357)
Balance at 31 August 2007	226	110 933						(4 725)	106 434

Cash flow statements

for the year ended 31 August 2007

	Note	Group		Company	
		2007 R000s	2006 R000s	2007 R000s	2006 R000s
Cash flows from operating activities		34 187	54 659	(27 717)	(7 241)
Receipts from customers		1 881 465	1 624 961		15 855
Paid to suppliers and employees		(1 795 676)	(1 523 485)	(360)	(16 325)
Cash generated from (absorbed by) operations	14.1	85 789	101 476	(360)	(470)
Investment income		7 982	7 628		15 855
Interest paid		(4 691)	(1 223)		
Taxation paid	14.2	(27 536)	(25 402)		(1 656)
Dividends paid	14.3	(27 357)	(27 820)	(27 357)	(20 970)
Cash flows from investing activities		(2 590)	11 009	27 717	7 241
Additions to property, plant and equipment		(2 767)	(4 221)		
Proceeds on disposal of property, plant and equipment		1 320	219		
Acquisition of subsidiaries	14.4		22 469		(21 592)
Increased investment in subsidiary	14.4	(1 873)		(1 873)	
Increase in amounts due by subsidiaries				29 590	33 608
Rationalisation of subsidiaries	14.4		(8 471)		(4 775)
Increase in investment in treasury shares		730	1 013		
Cash flows from financing activities		(11 362)	11 362	-	-
(Decrease)/increase in interest bearing borrowings		(11 362)	11 362		
Net increase in cash and cash equivalents		20 235	77 030	-	-
Cash and cash equivalents at the beginning of the year		267 578	190 548		
Cash and cash equivalents at the end of the year	14.5	287 813	267 578	-	-

Notes to the financial statements

31 August 2007

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.

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.

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 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. 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

31 August 2007

	Group		Company	
	2007	2006	2007	2006
	R000s	R000s	R000s	R000s
4. Investment in subsidiaries				
Shares at valuation			108 883	107 010
Amount owing by subsidiaries			(2 373)	27 217
			106 510	134 227
The above loans are unsecured, interest free, with no fixed terms of repayment. Refer to page 43 for analysis of subsidiaries.				
5. Deferred taxation				
Balance at beginning of year	(8 125)	6 928		
Charge to income statement	(3 735)	1 355		
– Capital allowances	(175)	(41)		
– Allowances for future expenditure	(4 467)	1 290		
– Other temporary differences	907	106		
Acquired through subsidiaries		(16 951)		
Amounts not charged to income statement – translation reserve	(44)	543		
	(11 904)	(8 125)		
Balance consists of:				
Asset	19 137	18 732		
Computed tax losses	19 137	18 732		
Liability	7 233	10 607		
Capital allowances	6 491	6 666		
Allowances for future expenditure		4 467		
Other temporary differences	(631)	(621)		
Translation reserve	1 373	95		
	(11 904)	(8 125)		
6. Inventories				
Raw materials	16 806	17 820		
Work in progress	3 442	3 224		
Finished goods	132 838	157 986		
	153 086	179 030		

	Group		Company	
	2007 R000s	2006 R000s	2007 R000s	2006 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	(20 201)	(20 931)		
Share premium	109 045	136 402	110 933	138 290
Capital distribution	(27 357)		(27 357)	
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)		
	89 070	115 697	111 159	138 516
8. Share-based payment reserve				
Equity arising on share-based payment transactions	1 078	538		
9. Revenue				
9.1 Group	1 865 780	1 638 724		
Consolidated revenue comprises the net invoiced value of goods supplied to customers, less trade discounts where applicable.				
9.2 Company				15 855
Revenue comprises dividends from a subsidiary company.				

Notes to the financial statements continued

31 August 2007

	Group		Company	
	2007	2006	2007	2006
	R000s	R000s	R000s	R000s
10. Operating profit				
Operating profit is arrived at after taking into account:				
Income				
Foreign exchange profits	9 319	16 312		
Dividend received				15 855
Investment income	7 982	7 628		
Profit on sale of trademarks	31 706			
Expenditure				
Auditors' remuneration	1 007	906	32	11
Audit fees	798	834	17	11
Fees for other services	194	36		
Underprovision prior years	15	36	15	
Depreciation of property, plant and equipment	7 087	7 413		
Plant and machinery	4 184	4 507		
Leasehold improvements	609	611		
Motor vehicles	741	570		
Office equipment and furniture	1 553	1 725		
Directors' executive emoluments				
Paid by company			215	215
Paid by subsidiary	17 935	16 932		
Loss on disposal of property, plant and equipment	100	20		
Operating lease rentals				
Property	8 661	5 408		

	Group		Company	
	2007 R000s	2006 R000s	2007 R000s	2006 R000s
11. Taxation				
11.1 Charge to income statement				
South African normal taxation	17 993	24 596	–	1 656
– Current year	17 035	22 940		
– Capital gains tax	958			
– Secondary tax on companies		1 656		1 656
South African deferred taxation	(4 652)	1 355		
– Current year	(4 652)	1 355		
Foreign taxation	957	3 662		
– Current year	957	3 662		
Foreign deferred taxation	916	–		
– Current year	916			
	15 214	29 613	–	1 656
11.2 Reconciliation of rates of taxation				
Statutory tax rate	29,00%	29,00%		
Adjusted for:	(14,42%)	(4,40%)		
Permanent differences	(12,59%)	(4,24%)		
Foreign taxation	(0,92%)	(0,16%)		
Capital gains tax	(0,91%)			
Effective tax rate	14,58%	24,60%		
11.3 The Group has a tax loss of R11 781 942 (2006: R34 076 447) 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 and headline earnings per share				
The calculation of earnings per share is based on earnings of R85 130 750 (2006: R82 030 396) for the year and a weighted average of 21 833 040 (2006: 21 683 890) shares in issue for the year.				
The calculation of headline earnings per share of 249,1 cents (2006: 378,3 cents) is based on headline earnings of R54 382 768 (2006: R82 030 396) and a weighted average of 21 833 040 (2006: 21 683 890) shares in issue. The following adjustments to income attributable to shareholders were taken into account in the calculation of headline earnings:				
Attributable to ordinary shareholders	85 131	82 030		
Profit on sale of trademarks	(30 748)			
Headline earnings	54 383	82 030		

Notes to the financial statements continued

31 August 2007

		Group		Company	
		2007	2006	2007	2006
		R000s	R000s	R000s	R000s
13.	Capital distribution	27 357	20 970	27 357	20 970
<p>It is the Company's policy to declare only one dividend per year.</p> <p>The Board has resolved to declare a distribution to shareholders by way of a capital distribution out of share premium of 125,3 cents (2006: 120,8 cents) per share in respect of the year ended 31 August 2007.</p>					
14.	Cash flow information				
14.1	Cash generated from (absorbed by) operations				
	Operating profit before interest and taxation	109 027	121 646	(323)	15 317
	Adjustments for:				
	Depreciation	7 087	7 413		
	Transfer of fair value adjustment	540	380		
	Loss on disposal of property, plant and equipment	100	20		
	Investment income	(7 982)	(7 628)		(15 855)
	Translation difference	3 033	4 756		
	Operating profit/(loss) before working capital changes	111 805	126 587	(323)	(538)
	Working capital changes	(26 016)	(25 111)	(37)	68
	Decrease/(increase) in inventories	25 944	(20 959)		
	Decrease in trade and other receivables	15 685	21 290		
	(Decrease)/increase in trade and other payables	(67 645)	(25 442)	(37)	68
		85 789	101 476	(360)	(470)
14.2	Taxation paid				
	Amount (unpaid)/prepaid at beginning of year	(14 683)	(11 827)		39
	Amounts charged to the income statement	(18 949)	(28 258)		(1 656)
	Acquisition of subsidiary				
	Amounts unpaid/(prepaid) at end of year	6 096	14 683		(39)
		(27 536)	(25 402)		(1 656)

	Group		Company	
	2007 R000s	2006 R000s	2007 R000s	2006 R000s
14. Cash flow information (continued)				
14.3 Dividends paid				
Amounts unpaid at beginning of year				
Amounts charged to the income statement		(20 970)		(20 970)
Capital distribution	(27 357)		(27 357)	
Amounts paid to minority shareholders		(6 850)		
Amounts unpaid at end of year				
	(27 357)	(27 820)	(27 357)	(20 970)
14.4 Acquisition of subsidiaries				
14.4.1 Increase in investment in Yale Prima Pty Ltd				
Fair value of assets acquired from minority	2 496		2 496	
Goodwill	(623)		(623)	
Net cash purchase price	1 873	–	1 873	–
14.4.2 Acquisition of subsidiary On Corporation Inc.				
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 2007

	Group		Company	
	2007 R000s	2006 R000s	2007 R000s	2006 R000s
14. Cash flow information (continued)				
14.4.3 Rationalisation of subsidiaries into Yale Prima Pty Ltd				
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.	287 813	267 578		
15. Related party transactions				
Transactions with group companies				
Nu-World Industries (Proprietary) Limited; Nu-World Strategic Investments (Pty) Ltd; Conti Marketing (Proprietary) Limited; Conti Industries (Proprietary) Limited; Yale Prima Pty Ltd; 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 (Pty) Ltd is a wholly owned subsidiary and the main manufacturing and trading entity of the Group.				
Nu-World Industries (Pty) Ltd has a Procurement, Purchasing and Assembly Agreement with Conti Industries (Pty) Ltd and a Warehousing and Distribution Agreement with Conti Marketing (Pty) Ltd.				
Manufactured goods are exported to Yale Prima Pty Ltd and Nu-World U.K. Limited.				
During the year, the Company entered into the following transactions:				
			Consulting fees from related party	
			2007	2006
			R000s	R000s
On Corporation Inc.			563 140	

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.

	2007	2006
	Shares	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	962 575	1 053 975
Shares purchased during the year	145 550	2 000
Shares issued during the year	(290 000)	(93 400)
Closing balance – unissued shares	818 125	962 575
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	5 720	7 013
Due within two to five years	19 892	9 373
	25 612	16 386

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 2007 forward exchange contracts amounted to USD15,75 million (2006: USD13,6 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 2007, 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 2007

		Group		Company	
		2007	2006	2007	2006
		R000s	R000s	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	372 500		
	Bank facility utilisation	(53 872)	9 122		
	Unutilised banking facilities	318 628	381 622		
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 (2006: R372,5 million).				
21.	Accounting statements issued, not yet effective				
	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 8 Operating segments				
	IAS 23 Borrowing costs				
	IFRIC Interpretation 12: service concession arrangements				
	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 2007

	Issued share capital		Effective shareholding		Shares at valuation		Loans receivable/ (payable)	
	2007 Rs	2006 Rs	2007 %	2006 %	2007 R000s	2006 R000s	2007 R000s	2006 R000s
Direct interest								
Nu-World Industries (Proprietary) Limited	5 725	5 725	100,0	100,0	38 931	38 931	(15 525)	12 191
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		
Nu World U.K. Limited	1 188	1 188	60,0	60,0	1 735	1 735	4 433	4 433
Yale Prima Proprietary Limited	58 267 140	58 267 140	59,4	54,8	46 594	44 721	8 719	10 593
On Corporation Inc.	22 468 783	22 468 783	45,0	45,0	21 593	21 593		
The aggregate net profit after taxation of subsidiaries attributable to the company amounted to R85 130 750 (2006: R89 024 518).								
					108 883	107 010	(2 373)	27 217

Indirect interest

Prima Akai Pty Ltd
Yale Appliance Group Pty Ltd
Primex Products Pty Ltd



Shareholders calender

Declaration of dividend	24 October 2007
Announcement of 2007 results	Published 24 October 2007
2007 Annual Financial Statement to shareholders	Published January 2008
Record date	14 December 2007
Payment of dividend twenty	18 December 2007
Annual General Meeting	20 February 2008
Announcement of 2008 interim results	To be published April 2008

Notice is given that the annual general meeting of shareholders in respect of the year ended 31 August 2007 will be held in the boardroom of Nu-World Holdings Limited at 35 Third Street, Wynberg, Sandton at 10h00 on Wednesday, 20 February 2008 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 2007 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 8 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 2007 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 2007 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 15% (fifteen 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 5 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, in the share capital of the Company, 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 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 7 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, namely:

Directors of the Company:	page 8
Major shareholders:	page 19
Directors' interests in securities:	page 25
Share capital of the Company:	page 35

Litigation

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.

Material changes

Save as disclosed in the report of the directors, there has been no material change in the financial and trading position of the Company or of its subsidiaries since 31 August 2007.

Directors' responsibility statement

The directors, whose names are given on page 8 of the annual report, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and notice of annual general meeting contains all the information required by the JSE Listings Requirements.

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 authorities 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 capitalization 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 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 12 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 12 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 sponsor 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 sponsor has 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 2007. This authority shall not extend beyond the earlier 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.

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 the authority and the date on which such payments will take place will be announced following the annual general meeting; and

That further relevant disclosure as required for ordinary resolution number 7, in terms of the JSE Listings Requirements, is contained in the special resolution number 1.

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 8

"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 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, 18 February 2008) before the scheduled time of the meeting. Shareholders whose shares have been dematerialised (other than by own name registration) must inform their 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.

Dematerialised shareholders, other than own name dematerialised shareholders, who wish to attend the annual general meeting must request their CSDP or broker to provide them with a Letter of Representation or must instruct their CSDP or broker to vote by proxy on their behalf in terms of the agreement entered into between the shareholder and the CSDP broker.

By order of the Board



B H Haikney

Company secretary

Sandton

18 December 2007

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 Wednesday, 20 February 2008 at 10h00 and at any adjournment thereof.

I/We (Please print name in full)

of (address)

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 resolution 7: approval to make a capital distribution out of share premium			
Ordinary resolution 8: 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) Ltd Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107), 48 hours (being 10h00 on Monday, 18 February 2008) 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 an alternative proxy 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) Ltd, Ground floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107) to be received by not later than 10h00 on Monday, 18 February 2008, 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.



www.nuworld.co.za