



NU-WORLD HOLDINGS LIMITED

(Registration No. 1968/002490/06)

5 Year Compound Average Annual Growth Rate in Headline Earnings - 19%

Thirteen consecutive years of Growth in Turnover, Operating Income, Attributable Income, Headline Earnings per Share and Dividend

↑ GROUP TURNOVER	UP 25.2%
↑ PROFIT AFTER TAXATION	UP 29.3%
↑ HEADLINE EARNINGS PER SHARE	UP 8.7%
↑ DIVIDEND DECLARED PER SHARE (CENTS)	UP 27.2%
↑ CASH GENERATED BY OPERATIONS	R 32,465M

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2003

CONSOLIDATED INCOME STATEMENT

Figures in R 000	Year Ended 31 Aug 2003	Year Ended 31 Aug 2002	% Change
Turnover	1,179,455	942,084	25.2
Net operating income	72,835	60,846	
Depreciation	6,852	4,724	
Interest paid	5,018	8,355	
Income before taxation	60,965	47,767	27.6
Taxation	12,127	9,998	
Income after taxation	48,838	37,769	29.3
Income from associate company		2,296	
Minority interests	5,739		
Attributable earnings	43,099	40,065	7.6
Dividend declared	8,626	6,791	27.0
Dividend per share (cents)	39.8	31.3	27.2
Headline earnings	43,562	40,065	8.7
Earnings per share (cents)	198.7	184.7	7.6
Headline earnings per share (cents)	200.8	184.7	8.7
Dividend per share (cents)	39.8	31.3	27.2
Dividend declared cover	5.0	5.9	
Interest cover	13.1	6.7	95.5
Shares in issue	21,695,465	21,695,465	0.0
Shares in issue - weighted	21,695,465	21,695,465	0.0

OTHER GROUP INFORMATION

Determination of attributable earnings and headline earnings			
Net income attributable to ordinary shareholders	43,099	40,065	7.6
Adjustment for amortisation of goodwill	463		
Headline earnings	43,562	40,065	8.7
Operating income as percentage of turnover (%)	6.2	6.5	
Net negative debt to equity ratio (%)	(33.6)	(31.7)	
Effective taxation rate	19.9	20.9	
Net asset value per share (cents)	1,428.4	1,266.8	12.8
Capital expenditure			
Expansion	4,270	13,667	
Replacement	588	336	
	4,858	14,003	
Goodwill and amortisation			
At beginning of year	-		
Net acquisition of subsidiaries	6,249		
Goodwill written off	(463)		
At end of year	5,786		

SEGMENTAL INFORMATION

Geographical revenue			
Republic of South Africa	929,253	942,084	(1.4)
Australasia	250,202		
	1,179,455	942,084	25.2
Geographical income			
Republic of South Africa	37,126	37,769	(1.7)
Australasia	5,973	2,296	160.2
	43,099	40,065	7.6

CONSOLIDATED BALANCE SHEET

Figures in R 000	Year Ended 31 Aug 2003	Year Ended 31 Aug 2002
ASSETS		
Non-current assets		
Fixed assets	50,905	36,203
Investment in associated company		21,082
Goodwill	5,786	
Current assets		
Inventory	132,695	117,385
Trade and other receivables	183,714	156,563
Cash equivalents	103,437	87,143
TOTAL ASSETS	476,537	418,376
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shareholders' funds	309,862	274,845
Minority interests	20,471	
Total shareholder's funds	330,333	274,845
Non-current liabilities		
Deferred tax	8,149	8,951
Current liabilities		
Trade and other payables	138,055	134,580
TOTAL EQUITY AND LIABILITIES	476,537	418,376

STATEMENT OF CHANGES IN EQUITY

	Share Capital and Premium	Retained Income	TOTAL
Balance as at 1 September 2001	115,849	124,834	240,683
Earnings for the year		40,065	40,065
Dividends paid		(5,903)	(5,903)
Balance as at 31 August 2002	115,849	158,996	274,845
Earnings for the year		43,099	43,099
Dividends paid		(6,791)	(6,791)
Foreign currency translation		(1,291)	(1,291)
Balance as at 31 August 2003	115,849	194,013	309,862

CONSOLIDATED CASH FLOW STATEMENT

Cash generated by operating activities	32,465	45,920
Cash generated by operations	54,369	71,734
Interest paid	(5,018)	(8,355)
Dividend paid	(6,790)	(5,856)
Normal tax on companies	(10,096)	(11,603)
Cash flows from investing activities	(16,207)	(18,736)
Purchase of tangible fixed assets	(4,858)	(14,003)
Proceeds on disposal of fixed assets	336	1,189
Increase in investment in associate		(5,922)
Increase in investment in subsidiaries	(11,685)	
Cash flows from financing activities		(5,119)
Repayment of long term borrowing		(5,119)
Net increase in cash and cash equivalents	16,258	22,065
Effects of exchange rate changes	36	
Cash and cash equivalents at the beginning of the year	87,143	65,078
Cash and cash equivalents at the end of the year	103,437	87,143

NOTES

These results have been compiled in accordance with South African Statements of Generally Accepted Accounting Practice and Schedule 4 of the South African Companies Act. The accounting policies used in the preparation of these results are consistent in all material respects with those adopted in the annual financial statements for the year ended 31 August 2002. During the year the Group adopted AC 133, Financial Statements: Recognition and Measurement. The effect on earnings on the adoption of this statement was to decrease earnings by R872,930 based on the unreleased loss on unexpired forward exchange contracts. No material events have occurred subsequent to the year-end.

These results have been audited by Tuffias Sandbergs' and the unqualified audit opinion is available for inspection at their company's registered office. The Group's annual financial report will be available by the end of December 2003.

COMMENTARY

FINANCIAL REVIEW

Directors of Nu-World Holdings Ltd are pleased to report growth results for the year ending 31st August 2003. The Group has once again, produced growth in turnover, operating income, attributable income, headline earnings per share and dividend. Nu-World is a leading South African source for branded consumer durables. The Group manufactures, imports, exports and distributes a one-stop supply of branded consumer durables. Notwithstanding the difficult economic conditions, particularly in the second half of the year under review, the Group achieved satisfactory growth.

Group turnover increased by 25.2% to R1,179,455m. **Net operating income** increased 19.7% to R72,835m (August 2002 : R60,846m). **Attributable income** increased by 7.6% to R43,099m (August 2002 : R40,065m). **Headline earnings per share - H.E.P.S.** increased 8.7% to 200.8 cents (August 2002 : 184.7 cents). **Dividend per share** is up 27.2% to 39.8 cents (August 2002 : 31.3 cents). **Cash generated by operating activities amounted to** R32,465m.

The improved working capital position, has resulted in a 39.9% reduction in **interest paid** of R5,018m (August 2002 : R8,355m). The Group remains **ungeared** at year end with **cash balances on hand** of R103,437m (August 2002 : R87,143m). **The net asset value per share** at 1428 cents is up 12.8% (August 2002 : 1267 cents). At the time of writing, Nu-World shares are trading at a 9.0% discount to **net asset value per share**, at the current share price of R13,00.

OPERATIONAL REVIEW

Nu-World is South Africa's leading low-cost, high-volume manufacturer, importer and exporter, of small electrical appliances and one of South Africa's leading distributors of consumer electronics.

Nu-World's consumer electronics division, with our range of complimentary international brands, differentiated within distinct market segments, from price-entry to top-end, continues to generate growth.

Difficult market conditions prevailed during the year. The appreciation in the value of the rand created a deflationary environment for imported products, leading to lower retail price points. However, notwithstanding the extremely difficult trading environment, consumer electronics continues to grow and gain market share. The Group has been successful in launching a number of in-house retail brands, developing a closer working relationship with many key retail customers.

The Group's purchasing power, for the Southern African and Australasian markets, provides a strategic advantage in obtaining world-best pricing and trading terms.

PRIMA AUSTRALASIA PTY LTD - SUBSIDIARY

Akai * Telefunken * Prima * Nu-Tec * RCA

Nu-World increased its share of Prima to 51.0% in September 2002 (previously 44.7%). Prima has been successful in achieving strong growth in a subdued Australian market. Prima continues to win market share and is making further inroads into leading Australian retailers.

As of September 2003, Prima was selected by Thomson of France as the exclusive agent and distributor of the RCA brand of consumer electronics. Prima will distribute the full RCA range of PTVs, CTVs, videos and accessories. RCA is one of the most recognised brands of consumer electronics in the world today.

Prima is expected to produce strong growth during the forthcoming year.

CONTI SOUTH AFRICA - SUBSIDIARY

Nu-World acquired Conti South Africa. as from the 1st June 2003. The Conti brand is well recognised for value and quality in the South African appliance market. The potential for growth of the Conti brand in Southern Africa, with an extended range of products, is excellent. Conti as a brand, is positioned at the higher end of the market for electrical appliances and dovetails perfectly into the Group's stable of brands, from price-entry to top-end.

MORPHY RICHARDS

Nu-World was appointed the exclusive agent for the Morphy Richards brand of appliances in South Africa, as of 1st September 2003. Morphy Richards is regarded as a top quality and design brand of appliances, in more than 30 countries worldwide. The premium range of Morphy Richards appliances, is expected to make a strong impact on the market for the 2003 Christmas season and generate strong growth for the financial year.

PROSPECTS

The Group has produced 13 consecutive years of solid growth in adverse market conditions in South Africa and Australia.

Consumer sentiment will improve as interest rates decrease. An increasing level of disposable income will boost consumer spending in the local market during the forthcoming year. The Group expects to increase market penetration in each of its areas of operation in Southern Africa, with new and increased ranges of products lined up for the consumer electronics and appliances divisions.

Conti S.A. and Morphy Richards appliances, will generate additional growth in the South African market. In addition to increasing market share in the South African consumer electronics market, an additional substantial boost is budgeted for the new in-house retail brands.

Prima Australasia Pty Ltd is budgeting to accelerate growth through increased market penetration as well as the take-on of the RCA brand. Prima is expected to generate an increased contribution in the forthcoming year.

Future sustainable growth levels in the medium term, are supported by the Group's strategically diversified base.

DIVIDEND DECLARATION

Dividend No 16 of 39.8 cents per share, being the total dividend for the financial year ended 31 August 2003 (2002: 31.3 cents per share) has been declared payable to shareholders recorded in the books of the company at the close of business on Friday 12 December 2003. ("the dividend")
The salient dates of the dividend are as follows:

Last date to trade shares cum dividend	Friday	5 December 2003
Shares trade ex dividend from	Monday	8 December 2003
Record date	Friday	12 December 2003
Payment date	Monday	15 December 2003

No dematerialisation or rematerialisation of shares may take place for the period from 8 December 2003 to 12 December 2003, both days inclusive.

On Monday 15 December 2003, the dividend will be electronically transferred to the bank accounts of all certificated shareholders unless this has not been requested by or is not available to them. If electronic funds transfer is not applicable, cheques dated 15 December 2003 will be posted on that date. Transfers will be made to the dematerialised shareholder's accounts at their CSDP or broker on 15 December 2003.

By order of the board

M.S. Goldberg (Chairman), **J.A. Goldberg** (Chief Executive), **G.R. Hindle** (Financial Director)

Sandton, 15 October 2003

NU-WORLD HOLDINGS LIMITED

Directors: M.S. Goldberg (Chairman), J.A. Goldberg (Chief Executive), G.R. Hindle (Financial Director) **Company Secretary:** B.H. Haikney **Non-executive Directors:** P. Gross, J.M. Judin, D. Piray

Registrars: Computershare Limited, (Registration number 2000/006082/06), 70 Marshall Street, Johannesburg, 2001; PO Box 61051, Marshalltown, 2170 Tel: (011) 370-5000, Telefax: (011) 688-7717

JOINT SPONSOR:

Nedbank Corporate; Sasfin Corporate Finance, a division of Sasfin Bank Limited

NU-WORLD HOLDINGS LIMITED: Registration number: 1968/002490/06

Share Code: NWL **ISIN code:** ZAE000005070

Registered Office: 35 - 3rd Street, Wynberg, Sandton 2199

