



NU-WORLD HOLDINGS LIMITED

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

UNAUDITED INTERIM REPORT FOR THE HALF YEAR ENDED 28 FEBRUARY 2009

ABRIDGED CONSOLIDATED INCOME STATEMENT				
	Period ended 28 February 2009 (R000)	Period ended 29 February 2008 (R000)	% change	Year ended 31 August 2008 (R000)
Turnover				
Continuing operations	823 704	916 499	(10,1%)	1 589 234
Discontinued operations		334 537		372 653
Total turnover	823 704	1 251 036	(34,2%)	1 961 887
Net operating income	27 615	57 739		67 625
Depreciation	3 221	2 947		6 097
Interest paid	3 408	3 817		6 788
Income before taxation	20 986	50 975		54 740
Taxation	5 783	10 921		11 619
Income after taxation	15 203	40 054		43 121
Minority interests	(1 571)	(5 030)		(2 848)
Attributable income	13 632	35 024		40 273
Continuing operations	13 632	32 686		40 000
Discontinued operations		2 338		273
Total attributable income	13 632	35 024		40 273
Reconciliation of headline earnings				
Attributable income	13 632	35 024		40 273
Adjusted for:				
IFRS 3 net loss on disposal of investments	4 050			3 323
Headline earnings	17 682	35 024	(49,5%)	43 596
Capital distribution				13 429
Capital distribution from share premium (cents)				59,3
Attributable earnings	13 632	35 024		40 273
Headline earnings	17 682	35 024		43 596
Earnings per share (cents)	64,5	161,2	(60,0%)	189,8
Headline earnings per share (cents)	83,6	161,2	(48,1%)	205,5
Interest cover	7,2	14,4		9,1
Shares in issue	21 149 414	21 727 340		21 214 613
Shares in issue – weighted	21 177 842	21 727 340		21 696 807
Shares in issue – diluted	21 810 414	22 388 340		21 875 613
Other group information				
Headline earnings as a percentage of turnover (%)	2,1%	2,8%		2,2%
Net negative debt to equity ratio (%)	(15,8%)	(25,4%)		(25,4%)
Effective taxation rate	27,6%	21,4%		21,2%
Net asset value per share (cents)	2 595,8	2 564,4	1,2%	2 592,8
Capital expenditure				
Expansion	1 287	1 000		2 283
Replacement	270	757		471
	1 557	1 757		2 754
Intangible assets				
Goodwill				
At beginning of year	37 991	25 106		25 106
Net acquisition of subsidiaries		266		12 885
	37 991	25 372		37 991
Intellectual Property				
At beginning of year	14 322			
Net acquisition of subsidiaries				14 322
Total intangible assets	52 313	25 372		52 313

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT				
	Period ended 28 February 2009 (R000)	Period ended 29 February 2008 (R000)		Year ended 31 August 2008 (R000)
Cash utilised by operating activities	(52 832)	(113 720)		(55 833)
Cash absorbed by operations	(32 892)	(73 755)		(6 619)
Interest paid	(3 408)	(3 817)		(6 789)
Capital distributions/dividends paid	(14 029)	(28 376)		(28 653)
Normal tax on companies	(2 503)	(7 772)		(13 772)
Cash flows from investing activities	55	(53 540)		(112 292)
Purchase of tangible fixed assets	(2 344)	(1 757)		(2 754)
Proceeds on disposal of fixed assets				
Investment in financial assets and other investments		(51 706)		(51 706)
Increase in investment in subsidiary				(39 079)
Net proceeds on sale of a subsidiary	3 481			(9 468)
Increase in investment in treasury shares	(1 082)	(77)		(9 285)
Cash flows from financing activities	–	20 000		20 000
Increase in long term borrowing		20 000		20 000
Net decrease in cash and cash equivalents	(52 777)	(147 260)		(148 125)
Cash and cash equivalents at the beginning of the period/year	139 688	287 814		287 813
Cash and cash equivalents at end of the period/year	86 911	140 554		139 688

STATEMENT OF CHANGES IN EQUITY							
	Share capital	Share premium	Treasury shares	Foreign currency translation reserve	Accumulated profits	Share holders for dividend	Share based compensation reserve
Balance as at 1 September 2007	226	109 045	(20 200)	1 245	454 011	–	1 078
Net profit for the year					40 273		
Dividend paid					(276)		
Capital distribution from share premium		(28 377)					
Share purchase		(8 557)					
IFRS adjustments: share based payments							761
Fair value movement				1 558			
Net treasury share movement			(727)				
Balance as at 31 August 2008	226	72 111	(20 927)	2 803	494 008	–	1 839
Net profit for the period					13 632		
Dividend paid					(600)		
IFRS adjustments: share based payments							380
Capital distribution from share premium		(13 429)					
Fair value movement				46			
Net treasury movement			(1 083)				
Balance as at 28 February 2009	226	58 682	(22 010)	2 849	507 040	–	2 219

ABRIDGED CONSOLIDATED BALANCE SHEET				
	Period ended 28 February 2009 (R000)	Period ended 29 February 2008 (R000)		Year ended 31 August 2008 (R000)
ASSETS				
Non-current assets				
Fixed assets	33 835	34 649		35 054
Non-current assets				
Intangible assets	52 313	25 372		52 313
Financial assets and other investments	51 706	51 705		51 706
Deferred taxation	11 608	10 105		10 234
Current assets				
Inventory	307 216	285 914		224 998
Trade and other receivables	175 906	252 809		239 221
Cash equivalents	86 911	141 798		139 688
Total assets	719 495	802 352		753 214
Equity and liabilities				
Ordinary shareholders' funds	549 006	557 166		550 060
Minority interests	22 301	63 839		21 466
Total shareholders' funds	571 307	621 005		571 526
Long term liabilities	20 000	20 000		20 000
Current liabilities				
Trade and other payables	128 188	160 103		161 688
Bank overdraft		1 244		
Total equity and liabilities	719 495	802 352		753 214

SEGMENTAL INFORMATION				
	Period ended 28 February 2009 (R000)	Period ended 29 February 2008 (R000)	% change	Year ended 31 August 2008 (R000)
Geographical revenue				
South Africa	542 314	625 997		1 104 927
Offshore subsidiaries	281 390	290 502		484 307
Discontinued operations		334 537		372 653
	823 704	1 251 036	(34,2%)	1 961 887
Geographical headline earnings				
South Africa	16 718	30 885		42 225
Offshore subsidiaries	964	1 801		1 098
Discontinued operations		2 338		273
	17 682	35 024	(49,5%)	43 596

COMMENTS

FINANCIAL OVERVIEW

The Nu-World Group has performed in line with the Trading Statement released on SENS on 9 April 2009. In light of the current economic slowdown and the concurrent recessionary retail environment, specifically related to durable goods, the period under review has proved to be one of the most difficult for many years.

The current depressed environment is impacting negatively on consumer and business confidence. Consumers remain under pressure. Falling asset prices are minimising their wealth and a contracting economy is threatening their security of employment. However, there are signs of light. Interest rates have been reduced by a total of 350 basis points since December 2008, after five percentage points of hikes over the preceding 2 years. It is expected that consumer spending will remain muted for the remainder of the first half of 2009, due to the propensity by over-indebted consumers to pay down debt and concerns in terms of security of employment. The second half of 2009 should show signs of improvement as consumers respond to lower rates and sentiment improves with the expectations of further interest rate cuts over the next few months.

Both in South Africa and Australia, intense competition in deteriorating markets has eroded margins and highlighted the need for rationalisation within the Group. The directors of Nu-World are currently engaged in consolidating and restructuring each company and division within the group, to be better positioned for a continuing difficult economic environment. Manufacturing in South Africa in general is currently under severe pressure. Our local manufacturing division is receiving particular attention in terms of restructuring and downsizing. Small appliances which are no longer cost-competitive to manufacture locally are being outsourced to the East. The rationalisation process is expected to be completed by the end of the financial year.

Group turnover for continuing operations decreased by 10,1% to R823,7 million (February 2008: R916,5 million). The "discontinued operations" comparative for February 2008 includes the turnover of our subsidiary in the United Kingdom, which has subsequently been sold. South African revenue reflects a decrease of 13,4%, a reflection of the subdued Festive Season sales.

Net operating income, EBITDA declined by 52,2% to R27,6 million (February 2008: R57,7 million). Operating margins came under severe pressure in intensely competitive South African and Australian marketplaces.

Net interest paid decreased to R3,4 million (February 2008: R3,8 million), attributable to the decrease in interest rates and overall lower debt and higher cash holding levels during the period. Inventory levels increased due to the inclusion of stock for Overstockoutlet Pty Ltd., not reflected in the 2008 comparative. In South Africa and Australia, group companies continue to consolidate stock holding in line with reduced demand.

The increase in the effective tax rate to 27,5% is due to the non-deductibility of the capital loss of R4,0 million from the sale of the UK subsidiary.

Headline earnings per share – H.E.P.S. decreased by 48,1% to 83,6 cents (February 2008: 161,2 cents).

The balance sheet remains strong, with negative gearing and **cash balances on hand** of R86,9 million.

The net asset value per share is up 1,2% to 2 595,8 cents (February 2008: 2 564,4 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, IAS 34 – Interim Financial Reporting and the JSE Listings Requirements.

The results have been prepared in terms of IFRS statements and are consistent with those applied in the previous year.

OPERATIONAL REVIEW

Offshore Subsidiaries

Yale Prima Pty Ltd, Overstockoutlet Pty Ltd, Nu-World U.K. Ltd

Yale Prima Pty Ltd is a 59,4% held subsidiary headquartered in Sydney Australia. Australian consumers are under pressure. Whilst interest rates are substantially lower, consumers are encountering tighter access to credit from the banks. Consumers are primarily paying off debt. Consumers are also shifting their spending towards discounters/supermarkets as well as shopping on-line. The Australian management is focussed on reducing overheads and aligning staffing levels with the reduced order loading in the subdued economy. The acquisition of Overstockoutlet has introduced further opportunities to consolidate and rationalise overheads.

Overstockoutlet Pty Ltd. (www.oo.com.au) Effective 1st July 2008, the group acquired a majority shareholding in online retailer, Overstockoutlet Pty Ltd, (oo.com.au) the second largest Australian online internet retailer. The Company trades primarily in leading international brands across a broad range of consumer products:- including leading world brands in consumer electronics, watches, perfumes, books, DVD's, golf, health and fitness equipment, luggage, manchester, and fashion accessories etc.

Nu-World UK Ltd was a 60% held subsidiary. The U.K. has been one of the hardest hit economies during the current global financial crisis. The U.K. subsidiary was experiencing difficulty in the recessionary U.K. market and consequently the directors took the decision to dispose of the subsidiary, effective the 1st September 2008.

Product Range

Consumer Electronics * Small Electrical Appliances * Conti Motorsport * Air-Conditioning * White Goods * Power Tools * Generators * Gas, Paraffin and Solar Appliances * DIY Home Improvement * Luxury Goods * Furniture *

The Group's line-up of international and in-house value brands, encompass an increasing spread of consumer durables, including small appliances, consumer electronics, motorsport, large appliances, air-conditioning, generators, gas appliances, home improvement, DIY and furniture.

Notwithstanding the downturn in the market for consumer durables, Nu-World is holding its own and increasing market share in certain categories. Nu-World is focusing on value-added up-market products within specific categories – matching the specifications of international brands, but offering a more affordable alternative. The "Vegas" range of consumer electronics and appliances has been added to our top-line offering.

MANPOWER AND SOCIAL RESPONSIBILITY

Nu-World supports the DTI's Broad Based Black Economic Empowerment (BBBEE) initiatives and remains committed to achieving the objectives set out in the DTI's 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 current slowdown in the South African economy within the context of the depressed global economy presents a challenging trading environment for the remainder of the financial year. However the directors are confident that current strategic initiatives to consolidate and rationalise, will better position all companies in the group to withstand these challenges.

The Bureau of Economic Research has reviewed their forecast for real GDP growth to slow to (0.8%) for 2009, turning positive again in 2010 to 2.5%. However respected economists are forecasting that the economy will notch up growth of 0,5% for 2009, fuelled by infrastructure spending, sports events and interest rate cuts. Government's substantial infrastructure program will extend beyond the 2010 World Cup and should serve to shelter the economy from the worst of the international financial crisis. The Reserve Bank's composite leading business cycle indicator, the economy's leading indicator of economic growth, which predicts trends 6 to 12 months in advance, rose in February for the first time in a year. Hopefully this may signal a "light at the end of the tunnel". South Africa's medium-term growth prospects remain positive.

The Group's diversification is an advantage in turbulent times. The Group is diversified across a broad range of product categories and key brands. Our product offering is diversified across market segments, from price-entry to top-end. The Group's international exposure has been cut back, but we continue to operate in both Southern Africa as well as Australia.

Whilst the directors acknowledge that 2009 will be a tough and demanding year, we remain confident that the group will weather these challenging times and deliver sustained growth in the medium and long term.

On behalf of the board of directors

M.S. Goldberg
Executive Chairman
12 May 2009

B.H. Haikney
Company Secretary

Administration

Registration number 1968/002490/06
(Incorporated in the Republic of South Africa)
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ISIN code: ZAE000005070

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Company secretary

B.H. Haikney

Auditors

Tuffias Sandberg KSI

Sponsor

Sasfin Capital,
a division of Sasfin Bank Limited

Directors

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

Non-executive directors

J.M. Judin
D. Piarray

CASH

WORLD

RETAIL

OVERSTOCK

IDEAS

IDEAS

JVC

WORLDWIDE

motorcycle network

motorcycle

WORLDWIDE

WORLD

Philippine

Philippine

PHOTEL

WORLD

WORLDWIDE

WORLDWIDE