



TURNOVER **UP 13,9%** TO R1 865m
 ATTRIBUTABLE INCOME **UP 3,8%** TO R85,131m
 CAPITAL DISTRIBUTION PER SHARE **UP 3,7%** TO 249,1 cents
 NET ASSET VALUE PER SHARE **UP 11,6%** TO 2 498,1 cents
 CASH GENERATED FROM OPERATIONS **R93,772** MILLION
 CASH AND CASH EQUIVALENTS AT END OF YEAR **R287,813** MILLION

NU-WORLD HOLDINGS LIMITED

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

- Five Year Compound Average Annual Growth rate in Attributable Income of 16,3%
- Seventeen consecutive years of growth in Turnover and Attributable Income
- Headline earnings per share (HEPS) down 34,2% to 249,1 cents, due to difficult trading conditions both locally and abroad

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2007

ABRIDGED CONSOLIDATED INCOME STATEMENT

	Year ended 31 August 2007 (R000)	Year ended 31 August 2006 (R000)	% change
Turnover	1 865 783	1 638 724	13,9
Net operating income	116 114	129 061	
Depreciation	7 087	7 415	
Interest paid	4 691	1 223	
Income before taxation	104 336	120 423	
Taxation	15 214	29 613	
Income after taxation	89 122	90 810	
Share of associate company loss		6 994	
Minority interests	3 991	1 786	
Attributable income	85 131	82 030	3,8
Capital distribution	28 377	27 357	3,7
Capital distribution from share premium (cents)	125,3	120,8	3,7
Attributable Income	85 131	82 030	3,8
Headline earnings	54 383	82 030	(33,7)
Earnings per share (cents)	389,9	378,3	3,1
Headline earnings per share (cents)	249,1	378,3	(34,2)
Capital distribution per share (cents)	125,3	120,8	3,7
Dividend declared/capital distribution cover	3,0	3,0	
Interest cover	23,2	99,5	
Shares in issue	21 833 040	21 683 890	0,7
Shares in issue - weighted	21 833 040	21 683 890	0,7
Shares in issue - diluted	22 494 040	22 634 890	(0,6)

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31 August 2007 (R000)	Year ended 31 August 2006 (R000)	% change
Cash generated by operating activities	34 188	54 659	
Cash generated from operations	93 772	122 041	
Interest paid	(4 691)	(1 223)	
Dividend paid	(27 357)	(27 820)	
Normal tax on companies	(27 536)	(38 339)	
Cash flows from investing activities	(3 322)	9 996	
Purchase of tangible fixed assets	(2 768)	(4 222)	
Proceeds on disposal of fixed assets	1 319	220	
Reclassification of associate to subsidiary		(8 471)	
Increase in investment in subsidiary	(1 873)	22 469	
Cash flows from financing activities	(10 630)	12 374	
(Decrease)/increase in shareholders loans	(11 361)	11 361	
Proceeds from issue of treasury shares	731	1 013	
Net increase in cash and cash equivalents	20 235	77 029	
Cash and cash equivalents at the beginning of the year	267 578	190 549	
Cash and cash equivalents at end of the year	287 813	267 578	

SUPPLEMENTARY INFORMATION

	Year ended 31 August 2007 (R000)	Year ended 31 August 2006 (R000)	% change
Determination of Attributable Earnings and Headline Earnings			
Net income attributable to ordinary shareholders	85 131	82 030	3,8
Profit on sale of trademarks	(30 748)		
Headline earnings	54 383	82 030	(33,7)
Operating income as percentage of turnover (%)	6,2%	7,9%	
Net negative debt to equity ratio (%)	(52,7%)	(55,1%)	
Effective taxation rate (%)	14,6%	24,6%	
Net asset value per share (cents)	2 498,1	2 238,0	11,6
Capital expenditure			
Expansion	1 230	2 815	
Replacement	1 538	1 407	
	2 768	4 222	
Goodwill and amortisation			
At beginning of year	25 729	18 089	
Net acquisition of subsidiaries	(623)	15 978	
Reclassification of subsidiary		(8 338)	
	25 106	25 729	

STATEMENT OF CHANGES IN EQUITY

	Share capital (R000)	Share premium (R000)	Treasury share (R000)	Foreign currency translation reserve (R000)	Accumulated profit (R000)	Shareholders for dividend (R000)	Share based compensation reserve (R000)	Total (R000)
Balance as at 1 September 2005	226	136 402	(21 944)	(186)	307 821	0	159	422 478
Net profit for the year					82 030			82 030
Dividends					(20 971)	20 971		0
Dividend settled						(20 971)		(20 971)
IFRS adjustments – share based payments							380	380
Fair value movement				352				352
Net treasury movement			1 013					1 013
Balance as at 31 August 2006	226	136 402	(20 931)	166	368 880	0	539	485 282
Net profit for the year					85 131			85 131
Capital distribution from share premium		(27 357)						(27 357)
IFRS adjustments – share based payments							539	539
Fair value movement				1 079				1 079
Net treasury movement			731					731
Balance as at 31 August 2007	226	109 045	(20 200)	1 245	454 011	0	1 078	545 405

ABRIDGED CONSOLIDATED BALANCE SHEET

	Year ended 31 August 2007 (R000)	Year ended 31 August 2006 (R000)
ASSETS		
Non-current assets		
Fixed assets	35 839	41 673
Goodwill	25 106	25 729
Deferred taxation	11 905	8 125
Current assets		
Inventory	153 085	179 030
Trade and other receivables	225 793	241 512
Cash equivalents	287 813	267 578
Total assets	739 541	763 647
EQUITY AND LIABILITIES		
Ordinary shareholders' funds	545 405	485 282
Minority interests	51 345	47 949
Total shareholders' funds	596 750	533 231
Long term liabilities		11 361
Current liabilities		
Trade and other payables	142 791	219 055
Total equity and liabilities	739 541	763 647

SEGMENTAL INFORMATION

	Year ended 31 August 2007 (R000)	Year ended 31 August 2006 (R000)	% change
Geographical revenue			
South Africa	1 138 578	1 124 014	
Offshore subsidiaries	727 205	514 710	
	1 865 783	1 638 724	13,9
Geographical income			
South Africa	77 432	83 275	
Offshore subsidiaries	7 699	(1 245)	
	85 131	82 030	3,8

COMMENTS

FINANCIAL OVERVIEW
The Directors of Nu-World, a leading international source for branded consumer durables, confirm results for the financial year-end to 31st 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 led 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 - H.E.P.S. 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 249,1 cents (2006 : 120,8 cents). Distribution cover remains in line with 2006, at 3 times cover.

Cash generated from operations amounted to R93,772m.

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 IAS34. 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 U.K. 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 home-wares. Directors intend to add Yale's existing customer base of mass merchandisers, to the Primex customer base.

Nu-World U.K. Ltd is a 60% held subsidiary. With the expectation of lower interest rates, consumer sentiment in the U.K. is set to improve and high street spending is set to increase. Nu-World U.K. 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 U.K.

On Corporation USA. The Group retains a controlling interest in On Corporation USA. On Corporation USA supplies a growing range of flat panel TV's 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 TV's. With margins under pressure for entry level TV's, Nu-World is focusing on middle to high-end flat, slim-line CRT's and flat panel LCD's and Plasma's.

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

PROSPECTS

The Group has 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 5 financial years, C.A.G.R. averaging 16,3%. Notwithstanding the difficult market conditions in South Africa at this time, the Group remains well positioned for long term growth.

AUDIT REPORT

The consolidated financial statements for the year have been audited by Tuffias Sandberg KSi and their accompanying unqualified audit report as well as their unqualified audit report on this set of summarized financial information is available for inspection at the Company's registered office.

CAPITAL DISTRIBUTION TO SHAREHOLDERS

The Board has resolved to make a distribution to ordinary shareholders from the Company's share premium account amounting to 125,3 cents per ordinary share ("the capital distribution").

Notice is hereby given that the board of directors ("the board") 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.

The following salient dates will be applicable:

Last date to trade "cum" the capital distribution	Friday, 7 December 2007
Trading commences "ex" the capital distribution	Monday, 10 December 2007
Record date	Friday, 14 December 2007
Date of payment	Tuesday, 18 December 2007

Share certificates may not be dematerialised or rematerialised between Monday, 10 December 2007 and Friday, 14 December 2007, both dates inclusive.

FINANCIAL EFFECTS

The table below illustrates the effect of the capital distribution on the earnings and net asset value per Nu-World ordinary share and is based on the audited results for the year ended 31 August 2007. These financial effects which have been reviewed by the Company's auditors, Tuffias Sandberg KSi, are prepared for illustrative purposes only, are the responsibility of the Board, and because of their nature, may not give a true indication of the Company's financial position and results of operations.

	Before (cents)	After (cents)	Change (%)
Earnings per share (cents)	389,9	382,0	(2,0)
Headline earnings per share (cents)	249,1	241,1	(3,2)
Net asset value per share (cents)	2 498,1	2 360,1	(5,5)
Net tangible asset value per share (cents)	2 383,1	2 245,1	(5,8)

Notes to the financial effects:

It is assumed that the capital distribution had been paid to shareholders on 1 September 2006; and based on a reduction of R28 376 020 and an after tax interest rate earned on cash resources of 6,1%.

ANNUAL REPORT

The annual report will be mailed to shareholders in due course. The annual general meeting will take place at 10h00 on Wednesday, 20 February 2008, at the registered office of the Company.

On behalf of the Board of Directors

M.S. Goldberg
Executive Chairman
24 October 2007

B.H. Haikney
Company Secretary



Administration
Registration number 1968/002490/06
(Incorporated in the Republic of South Africa)
JSE share code: NWL
ISIN code: ZAE000005070
Registered office
35 3rd Street, Wynberg, Sandton 2199
Republic of South Africa
Tel +27 (11) 321 2111
Fax +27 (11) 440 9920

Transfer secretaries
Computershare Investor Services 2004 (Pty) Ltd
70 Marshall Street, Johannesburg 2001
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 Director
J.M. Judin
Independent Non-executive Director
D. Piary

www.nuworld.co.za