

*Reviewed Group Results for
the year ended 30 June 2008*

super group 



Consolidated income statements

	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Restated R'000
Revenue	12 413 979	11 575 046
Trading profit before depreciation, amortisation and recoupments	1 217 084	1 205 520
Depreciation, amortisation and recoupments	(438 036)	(340 915)
Trading profit	779 048	864 605
Capital items	(58 504)	(15 801)
Operating profit	720 544	848 804
Net finance charges	(477 151)	(353 832)
Share of profit of associates (net of taxation)	2 275	4 708
Profit before taxation	245 668	499 680
Income tax expense	(42 009)	(90 681)
Profit for the year	203 659	408 999
Attributable to minority shareholders	(22 444)	(29 380)
Attributable to equity holders of Super Group Limited	181 215	379 619
RECONCILIATION OF HEADLINE EARNINGS		
Profit attributable to equity holders of Super Group Limited	181 215	379 619
Capital items	58 504	15 801
Closure costs	6 506	6 877
Costs incurred on unsuccessful business combination	3 438	5 321
Impairment of goodwill and intangible assets	45 735	3 603
Impairment of property, plant and equipment	2 825	—
Headline earnings for the year	239 719	395 420
Basic earnings per share (cents)	50,7	106,9
Diluted earnings per share (cents)	48,4	100,4
Headline earnings per share (cents)	67,1	111,3
Diluted headline earnings per share (cents)	64,0	104,6
Dividends per ordinary share paid – IAS 10 (cents)	—	40,0

Consolidated balance sheets

	30 June 2008	30 June 2007
	Reviewed	Restated
	R'000	R'000
ASSETS		
Property, plant and equipment	957 295	1 503 174
Full maintenance lease assets	2 026 724	1 655 333
Intangible assets	251 315	231 916
Goodwill	1 574 797	1 338 335
Investments in associates	70 022	21 191
Investments and other non-current assets	230 373	167 554
Deferred tax assets	177 890	112 191
Assets held for sale	668 381	—
Current assets	4 987 780	4 247 968
Inventories	1 418 063	1 202 635
Trade and other receivables	2 381 066	2 217 199
Insurance related assets	345 590	145 697
Cash and cash equivalents	843 061	682 437
Total assets	10 944 577	9 277 662
EQUITY AND LIABILITIES		
Capital and reserves		
Capital and reserves attributable to equity holders of Super Group Limited	2 222 129	2 101 158
Minority interest	257 777	94 194
Total equity	2 479 906	2 195 352
Liabilities		
Fund reserves	342 201	241 975
Deferred tax liabilities	209 186	223 054
Full maintenance lease liabilities	1 796 535	1 321 936
Non-current	1 122 669	1 005 575
Current	673 866	316 361
Interest-bearing borrowings	2 821 968	2 436 588
Non-current	1 703 743	1 026 585
Current	1 118 225	1 410 003
Insurance related liabilities	501 734	254 512
Other current liabilities	2 793 047	2 604 245
Total equity and liabilities	10 944 577	9 277 662

Segmental analysis

	REVENUE		TRADING PROFIT		OPERATING PROFIT	
	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Restated R'000	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Restated R'000	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Restated R'000
Supply Chain Management	2 587 716	2 350 469	335 744	330 964	333 898	326 461
African Transport	286 894	245 912	29 533	9 145	29 533	9 145
Fleet Solutions	1 526 644	1 201 211	299 553	259 464	298 102	254 143
Retail Supply Chain	2 726 699	2 556 711	134 997	129 308	134 997	128 972
Automotive	4 846 102	4 873 523	(40 708)	119 485	(50 652)	113 844
Services	439 924	347 220	19 929	16 239	(25 334)	16 239
Group	12 413 979	11 575 046	779 048	864 605	720 544	848 804

Consolidated cash flow statements

	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Restated R'000
Cash flows from operating activities		
Operating cash flow before working capital changes	1 172 946	1 097 642
Working capital changes	(34 083)	(259 022)
Cash generated from operations	1 138 863	838 620
Net finance charges paid	(501 653)	(346 342)
Net dividend paid	(149 995)	(147 065)
Taxation paid	(110 085)	(98 764)
Net cash retained from operating activities	377 130	246 449
Cash flows from investing activities		
Cash effect of business combinations, net of cash received	(85 470)	(283 492)
Additions to property, plant and equipment and intangible assets – net of disposals	(297 566)	(361 726)
Additions to full maintenance lease assets – net of disposals	(520 345)	(467 623)
Increase in other investments and loans	(44 632)	(16 814)
Net cash outflow from investing activities	(948 013)	(1 129 655)
Cash flows from financing activities		
Net proceeds on share purchases, share issues and options exercised	9 017	10 527
(Decrease)/increase in interest-bearing borrowings	(70 649)	280 683
Increase in full maintenance lease borrowings	404 856	161 541
Net cash inflow from financing activities	343 224	452 751
Net decrease in cash and cash equivalents	(227 659)	(430 455)
Cash and cash equivalents at beginning of year	422 488	841 882
Effect of foreign exchange on cash and cash equivalents	29 968	11 061
Net cash and cash equivalents at end of year	224 797	422 488

Consolidated statements of changes in equity

	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Restated R'000
Capital and reserves attributable to equity holders of Super Group Limited		
Balance at beginning of year	2 101 158	1 754 857
Share issues and options exercised, net of expenses	2 564	9 974
Total recognised income and expense	257 236	408 717
Effect of foreign exchange on equity holders	76 021	29 098
Profit attributable to equity holders of Super Group Limited	181 215	379 619
Other movements in reserves	4 070	69 554
Ordinary dividends	(142 899)	(141 944)
Balance at end of year	2 222 129	2 101 158
Minority interest		
Balance at beginning of year	94 194	142 819
Ordinary dividends paid to minority shareholders	(6 987)	(3 460)
Profit attributable to minority shareholders	22 444	29 380
Effect of foreign exchange on minority shareholders	22 548	7 425
Changes in minority shareholders as a result of acquisitions and disposals	125 578	(81 970)
Balance at end of year	257 777	94 194
Total equity at end of year	2 479 906	2 195 352
Comprising:		
Share capital	47 297	47 297
Share premium	511 229	511 229
Retained earnings	1 654 731	1 624 832
Treasury shares	(537 617)	(540 181)
General reserve	556 036	556 036
Revaluation reserve	89 451	83 097
Foreign currency translation reserve	(123 038)	(199 059)
Contingency reserve – insurance	24 040	17 907
Minority interest	257 777	94 194
Total equity at end of year	2 479 906	2 195 352

Salient features

	Year ended 30 June 2008 Reviewed R'000	Year ended 30 June 2007 Restated R'000
1 Interest-bearing borrowings comprise:		
Non-recourse acquisition funding	575 744	417 703
Bond, securitisation and other	1 199 142	1 349 835
Property borrowings	428 818	409 101
Bank overdraft	618 264	259 949
	2 821 968	2 436 588
2 Share statistics		
Total issued less treasury shares ('000)	357 276	356 497
Weighted ('000)	357 085	355 275
Diluted ('000)	374 756	378 094
Net asset value per share (cents)	622,0	589,4
Net asset value per share excluding goodwill (cents)	181,2	214,0
3 Capital commitments		
Authorised, but not yet contracted for capital commitments, excluding full maintenance lease assets	167 123	228 758
Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowing facilities. There have been no significant changes in the contingent liabilities of the group as disclosed in the 2007 Annual Report.		
Full details of the group's business combinations for the period, additions and disposals of property, plant and equipment, as well as commitments and contingencies, will be included in the group's financial statements.		
4 Selected ratios	%	%
Trading margin	6,3	7,5
Operating margin	5,8	7,3
Gearing – excluding FML and non-recourse borrowings	65,4	67,6
5 Currency analysis – operating profit		
Australian dollar	13	11
US dollar and other	20	18
Rand	67	71
	100	100

Commentary

Overview

The year under review has been an extremely difficult and challenging one.

Revenue increased 7% from R11,6 billion to R12,4 billion. Revenue growth and trading margins were impacted by the reduction in consumer spending, significant decline in sales volumes in the motor industry and the poor performance of the industrial products business. Trading margins declined from 7,5% to 6,3% resulting in trading profit decreasing by 9,9% from R865 million to R779 million.

The group produced satisfactory trading results in three of its four divisions. The Automotive division, which consists of the motor vehicle dealerships and industrial products businesses, reported a trading loss of R41 million. The dealerships business has been impacted by the tough economic conditions affecting passenger vehicle sales. Super Group Industrial Products (SGIP) incurred a trading loss as a result of operational difficulties and accounting adjustments. Upon notification of the accounting inconsistencies, the board appointed Ernst and Young (E&Y) to perform an independent accounting and forensic review. The results of the review have confirmed that foreign creditors were misstated and that errors were made in the pricing and accounting of inventory. This has required the restatement of the 2007 financial results.

The 250 basis points increase in South African interest rates, increase in the FML lease book, higher working capital in the first half of the year and increased acquisition funding in Australia has resulted in the net finance costs increasing to R477 million. Headline earnings per share decreased 40% from 111,3 to 67,1 cents for the year ended 30 June 2008 on a restated basis.

The group satisfactorily converted its operating results into cash of R1,2 billion before working capital movements, equating to its cash conversion ratio improving from 91% to 96%. A strong focus on working capital management has resulted in a significant reduction in working capital to a net investment of R34 million for the year.

During the year the Australian fleet management business acquired the Commercial Fleet business unit of National Australia Bank Ltd. Commercial Fleet specialises in the leasing and maintenance of light to heavy duty commercial vehicles, buses, forklifts, trailers and other mobile equipment.

The group invested R298 million in capital expenditure. Capital was invested in transport and rental fleets for new supply chain contracts and the completion of Phase 2 and Phase 3 of Super Park. Further investment was required for an industrial products retail outlet in Centurion and upgrades to dealerships in line with OEM standards. The group acquired full maintenance lease assets of R520 million principally for the continuing replacement programme in the City of Johannesburg fleet management contract, funding of the new United Kingdom fleet management business and the newly acquired Commercial Fleet business in Australia. The United Kingdom business is an extension of our Australian fleet management business and these assets are funded by non-recourse debt.

During the latter part of the year, the Group settled its R900 million corporate bond (SPG01) in compliance with the contractual settlement obligations. Super Group secured new long term funding facilities (including corporate bonds SGL04 and SGL05) amounting to R650 million at funding rates which approximate the current prime rate less 220 basis points.

Subsequent to year end, the group resolved to undertake a rights issue to reduce its gearing in the current high interest rate environment and to provide it with additional financial resources to improve its financial flexibility. Shareholders, representing 66% of the effective issued share capital, have irrevocably undertaken to follow their rights which will result in proceeds of R487 million.

At 30 June 2008 the group had net debt amounting to R1,56 billion (2007: R1,43 billion) and gearing of 65% (2007: 68%), after excluding full maintenance and non-recourse debt. The R487 million proceeds from the rights issue and proceeds of approximately R125 million from the disposal of certain properties subsequent to year end will be utilised to reduce short term debt. This will result in gearing reducing from 65% to 33%.

Strategic initiatives

Super Group continues to evaluate its options in respect of the remainder of its property portfolio. These properties (including Super Park) have been identified by the board as being available for sale and accordingly have been reflected as such in the balance sheet.

On 15 August 2008, in accordance with the provisions of the BEE transaction, approved by Super Group shareholders on 4 August 2004, between Super Group and the Pea Group, 68 130 900 A ordinary shares held by the Pea Group were converted into 13 273 523 ordinary shares of R0,10 each and 54 857 377 redeemable preference shares of R0,10 each. The redeemable preference shares were compulsorily and automatically redeemed upon their conversion for R1 on 15 August 2008. The ordinary shares have been listed from 20 August 2008. During the year the group entered into a BEE transaction for the disposal of 14% of the South African fleet management business. Super Group is committed to broad based economic empowerment and the group continues to evaluate options to promote meaningful transformation.

Divisional overview

Supply Chain Management » The Supply Chain Management division has been expanded to include African Transport. The South African operations increased revenue and trading profits by 10,1% and 1,4% respectively in challenging trading conditions as the various businesses were impacted by the slowing consumer spend and higher fuel prices. The Automotive supply chain business reported another year of good growth in both revenue and trading profits. The FMCG operations continued to experience difficult trading conditions in a highly competitive segment. Cash flow from operations for the division showed a significant improvement over the prior year, reflecting stringent cost controls and working capital management. The business has a number of new client opportunities currently under consideration and is focussed on improving operational efficiencies. Supply chain customers are looking for innovative and differentiating supply chain solutions in order to counter margin pressures and the division is well positioned to meet these demands. Super Group continues to invest in supply chain businesses which extend our range of supply chain services. The African Transport operations produced solid growth. The business continued to benefit from its dedicated contract business, improved transport rates, new routes and improved fleet utilisation achieving revenue growth of 16,7% and a trading margin of 10,3%. Zimbabwe remains a concern although a successful political settlement should lead to economic revival. Growth in mining activities in the DRC and the Zambian copper-belt should support growth in the business.

Fleet Solutions » Fleet Africa increased revenue by 28,9% and trading profit by 16,8%. Vehicles under management increased 28% to 68 800. The South African fleet business remains under margin pressure due to the City of Johannesburg contract, which was

renewed at lower margins as well as the depressed used vehicle market. The Eastern Cape Provincial Government contract has been extended by a further six months to 31 January 2009.

The Australian business is trading well with the New Zealand and the newly opened United Kingdom fleet management businesses performing in line with expectation. The business achieved organic revenue growth of 7,8%. The acquisition of Commercial Fleet results in the business becoming the leading commercial vehicle management company in Australia. Vehicles under management increased 24% to 66 000. The Group has reduced its equity interest in the Australian business to 66,5%.

Retail Supply Chain » AutoZone achieved revenue and trading profit growth of 8,5% and 6% respectively. AutoZone remains Africa's largest aftermarket distributor and retailer of vehicle parts and accessories through a network of 167 branded Autozone outlets countrywide. The parts aftermarket remains highly competitive. During the year the business was re-awarded the contract to supply parts nationally to the South African Police Service for the fourth time.

Lower consumer disposable income impacted Mica in the last quarter of the financial year. With 181 stores nationwide, Mica continues to dominate the independent DIY/Hardware market, being voted for the 10th consecutive year by "Reader's Choice" as "Favourite DIY/Hardware" retailer. Super Group invested an additional R95 million in member store partnerships in new stores and developing its central distribution centre that will further enhance Mica's supply chain efficiencies and improve inventory optimisation. During the year 17 stores were opened and the new generation stores with a modern format are proving successful.

Automotive » The higher interest rates, declining consumer spend and changes to the National Credit Act negatively impacted the vehicle sales industry. Intense competition has put further pressure on margins. Vehicle servicing and parts sales are becoming a growing contributor within the dealer structure. Good demand for servicing is expected to continue, owing to the record new vehicle sales volumes in the prior four years.

Initial sales and growth within SGIP are promising but various factors, including delays in product launches, initial quality and operational difficulties has resulted in the expected profitability not materialising. A revised strategic plan has been implemented to address these issues. The division has a strong order book for cranes, trailers and Powerstar trucks.

Services » The insurance business experienced an unusual number of large property and engineering related claims during the latter part of the financial year for which provisions have been recognised. The insurance industry in general has had similar experience in regards to industrial claims.

Group Prospects » We expect improved performance in the year ahead. This will be tempered by lower consumer spending as a result of the lagged effect of the high interest rates and record fuel price.

Dealerships performance is expected to remain under pressure. Industrial Products will benefit from the implementation of its revised strategic plan and the continued infrastructure spend. FleetAfrica will experience further margin erosion but is well-placed for new Government contracts. The Australian fleet management business should show solid operational growth. Improved performance is expected from AutoZone in a competitive trading environment. Mica will be impacted by consumers' lower disposable income. Supply chain management will achieve growth on the back of good regional opportunities in Africa, new client opportunities and continued focus on operational efficiencies. We continue with our strategy to create Africa's Logistics Giant.

Accounting adjustment and restatement of accounts

On 23 July 2008 Super Group issued a trading update and advised shareholders that an independent forensic team from Ernst & Young (E&Y) had been engaged to investigate and report on inconsistencies in the management accounts of Equipment and Commercial Vehicles and MMS Cranes businesses of Super Group Industrial Products (SGIP). The Company has substantially completed its review and has recently received a preliminary report from E&Y.

The report highlights irregularities in SGIP's balance sheet and expense control that has led to unbudgeted losses as a result of rapid growth of a new business, over-emphasis on sales, under-emphasis on back-office control, override of accounting procedures and fraud.

The results of the forensic review have confirmed that foreign creditors were misstated and that errors were made in the pricing of inventory. The effect on the 2007 financial year is a reduction in HEPS to 111,3 cents (a reduction of 16% to the previously reported HEPS of 132,3 cents). The impact on HEPS for the financial year ended 30 June 2008 is a reduction in profit after tax of R54 million.

Super Group is taking a number of actions to restore profitability and improve operational efficiencies which include:

- five individuals were suspended during the forensic investigation (all of whom have subsequently resigned)
- new management is in place in SGIP and in the cranes business
- control policies and systems have been strengthened at SGIP and will continue to be reviewed throughout the group
- recovery of losses arising from fraud
- criminal and civil actions will be taken where appropriate.

Basis of preparation and accounting policies

The condensed consolidated preliminary financial statements for the year ended 30 June 2008 have been prepared in compliance with International Financial Reporting Standards ("IFRS") (in particular the presentation and disclosure requirements of International Accounting Standard ("IAS") 34 Interim Financial Reporting), the Listings Requirements of the JSE Limited, and the South African Companies Act, 1973, as amended. The accounting policies applied in the presentation of the condensed consolidated financial statements are consistent with those applied for the year ended 30 June 2007 except for the adoption of the amendments to IFRS 7 and the consequential amendments to IAS1. The adoption of these revised standards have not had a material impact on the reported results. Consequently, no adjustments have been made to previously reported figures for the adoption of these revised standards.

IFRS 7: Financial Instruments: Disclosures and the amendment to IAS 1 Presentation of Financial Statements: Capital disclosures (effective 1 January 2007) require extensive disclosures about the significance of financial instruments for an entity's financial position and performance, and qualitative disclosures on the nature and extent of risks. The adoption of this accounting statement had no material financial recognition impact on the results of the group or disclosure in this provisional report. Additional disclosure will be provided in the 2008 Annual Report.

The condensed consolidated financial statements have been prepared in accordance with the historic cost convention except for certain financial assets and liabilities (including derivative instruments), available-for-sale financial assets and land and buildings which

are stated at fair value. The condensed consolidated financial statements are presented in Rand, which is Super Group's functional and presentation currency.

This report should be read in conjunction with the annual financial statements for the year ended 30 June 2007. The 2008 annual report containing a detailed review of operations of the group together with the audited financial statements will be posted to shareholders towards the end of October 2008.

Independent review by the auditors

The condensed consolidated balance sheet at 30 June 2008 and the related condensed consolidated income statement, statements of changes in equity and cash flows for the year then ended have been reviewed by KPMG Inc. Their unmodified review report is available for inspection at the registered office of the company.

Effects of restatements

Line items as reported at 30 June 2007 affected by the restatement:

	<i>Before restatement R'000</i>	<i>After restatement R'000</i>
Balance sheet		
Deferred tax assets	81 551	112 191
Inventories	1 186 551	1 202 635
Trade and other receivables	2 241 983	2 217 199
Capital and reserves attributable to equity holders of Super Group Limited	(2 175 869)	(2 101 158)
Other current liabilities (accounts payable)	(2 507 594)	(2 604 245)
Income statement		
Trading profit before depreciation, amortisation and recoupments	1 297 971	1 205 520
Net finance changes	(340 932)	(353 832)
Income tax expense	(121 321)	(90 681)

Post balance sheet events » Super Group is in the process of undertaking a capital raising by way of a rights offer. In terms of the rights offer, 209 058 316 shares in the authorised but unissued share capital of Super Group will be offered to shareholders in the ratio of 50 rights offer shares for every 1s00 ordinary shares at an issue price of 400 cents per rights offer share.

The table below sets out the unaudited pro forma financial effects of the Rights Offer on Super Group's unaudited basic earnings per share ("EPS"), headline earnings per share ("HEPS"), the net asset value ("NAV") per ordinary share and tangible NAV ("TNAV") per ordinary share based on the unaudited results of Super Group for the year ended 30 June 2008.

The unaudited pro forma financial effects are the responsibility of the directors and have been prepared for illustrative purposes only to provide information about how the Rights Offer may have affected the financial position of Super Group on the relevant reporting date. Due to the fact that the unaudited pro forma financial effects are based on the preliminary results, this may not be a fair reflection of Super Group's financial position after the implementation of the Rights Offer.

<i>Cents per share</i>	<i>Reviewed before the rights offer'</i>	<i>Unaudited subsequent to the rights offer</i>	<i>Change (%)</i>
EPS	50,7	47,2	(6,9)
HEPS	67,1	59,0	(12,1)
NAV per share	622,0	550,3	(11,5)
TNAV per share	181,2	230,4	27,2

The financial effects are calculated on the assumptions that:

- only shareholders who have provided irrevocable commitments follow their rights and Super Group raises R487 million;
- the cash proceeds have been received and the Rights Offer shares issued at the beginning of the 2008 financial year for income statement purposes;
- the proceeds from the rights offer are used to repay debt facilities with interest at prime minus one percent; and
- the cash proceeds have been received and the Rights Offer shares issued on 30 June 2008 for balance sheet purposes.
- tax has been calculated based on the statutory tax rate (28%).
- the number of shares has been adjusted to take into account the conversion of the 'A' ordinary shares into ordinary shares for the purposes of calculating EPS, HEPS, NAV and TNAV.

Dividend

The board of directors has resolved not to declare a dividend for the current year. The dividend policy will be reviewed next year.

Related party transactions

The group, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market rates with related parties. There have been no significant changes to the nature of the related party transaction as disclosed in the 2007 Annual Report.

Corporate governance

The group subscribes to sound corporate governance structures and processes and complies with the JSE Limited's Listing Requirements. The group strives to continually improve reporting to stakeholders.

Company information

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Directors P Malungani* (Chairman), P Vallet* (Deputy Chairman), L Lipschitz (Chief Executive Officer), S Abrahams*#,
D Dharmalingam (Chief Financial Officer), B Tshili* *Non-executive #Independent

Company Secretary D de Quintal

Super Group Limited

Incorporated in the Republic of South Africa

Registration number 1943/016107/06

ISIN number: ZAE000011334

Share code: SPG

Also available on www.supergrp.com