



(Incorporated in the Republic of South Africa) Registration number 1943/016107/06

super group

REVIEWED RESULTS FOR THE YEAR ENDED 30 JUNE 2010



ISIN: ZAE000011334 Share code: SPG ("Super Group" or "the Group")

• Super Group delivers solid financial performance • Profit before taxation from continuing operations increased 86,9% to R218 million • Net asset value at June 2010 up 114,7% to R2,6 billion • Trade gearing improves from 142% (30 June 2009) to a net cash position • Strong operating cash flow of R1,1 billion

Consolidated statement of financial position

	30 June 2010 Reviewed R'000	30 June 2009 Audited R'000
ASSETS		
Property, plant and equipment	1 308 003	1 242 208
Full maintenance lease assets	1 391 635	1 722 246
Intangible assets	92 645	125 130
Goodwill	1 289 666	1 286 038
Investments in associates	—	42 719
Investments and other non-current assets	27 856	15 881
Deferred tax assets	238 697	229 776
Current assets	3 234 390	4 163 927
Assets held for sale	108 832	2 285 339
Inventories	470 021	389 950
Trade and other receivables	1 241 121	1 304 498
Insurance related assets	239 912	—
Cash and cash equivalents	1 174 504	184 140
Total assets	7 582 892	8 827 925
EQUITY AND LIABILITIES		
Capital and reserves		
Capital and reserves attributable to equity holders of Super Group Limited	2 362 644	994 047
Non-controlling interests	188 211	194 196
Total equity	2 550 855	1 188 243
Liabilities		
Fund reserves	291 364	268 939
Deferred tax liabilities	173 103	188 143
Full maintenance lease borrowings (including Australia)	1 070 461	1 433 261
Non-current	72 166	893 725
Current	998 295	539 536
Interest-bearing borrowings	1 111 922	1 960 744
Non-current	974 415	1 523 365
Current	137 507	437 379
Liabilities directly associated with assets held for sale	93 921	1 942 184
Insurance related liabilities	396 485	—
Other current liabilities	1 894 781	1 846 411
Total equity and liabilities	7 582 892	8 827 925

The comparative consolidated statement of financial position has been reworded to include the non-current portion of finance lease receivables in full maintenance lease assets. The impact amounted to a reduction of R28 895 000 in investments and other non-current assets and respective increase in full maintenance lease assets.

Consolidated statement of comprehensive income

	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Restated* R'000
Revenue	6 991 748	7 138 572
Trading profit before depreciation and amortisation	1 051 705	1 166 226
Depreciation and amortisation	(537 761)	(555 340)
Trading profit	513 944	610 886
Capital items	(23 774)	(63 424)
Operating profit	490 170	547 462
Net finance charges	(272 598)	(431 074)
Profit before taxation	217 572	116 388
Income tax (expense)/income	(45 190)	1 490
Profit for the year from continuing operations	172 382	117 878
Total loss for the year from discontinued operations	(3 697)	(1 458 549)
Loss for the year from discontinued operations	(36 792)	(950 058)
Fair value profit/(loss) on discontinued operations	33 095	(508 491)
Profit/(loss) for the year	168 685	(1 340 671)
Other comprehensive income		
Effect of foreign exchange	(12 485)	(175 687)
Revaluation of land and buildings	74 250	4 677
Hedge accounting	15 554	(19 641)
Other comprehensive income/(expense) for the year (net of taxation)	77 319	(190 651)
Total comprehensive income/(expense) for the year	246 004	(1 531 322)
Profit/(loss) for the year attributable to:		
Non-controlling interests – continuing	33 936	15 050
Non-controlling interests – discontinued	(2 083)	(2 743)
Equity holders of Super Group Limited – continuing	138 446	102 828
Equity holders of Super Group Limited – discontinued	(1 614)	(1 455 806)
Profit/(loss) for the year attributable to equity holders of Super Group Limited	136 832	(1 352 978)
Capital items after tax (continuing operations)	20 140	63 424
Profit on sale of property	(1 660)	(4 956)
Impairment of investments	2 431	1 630
Impairment of goodwill	—	6 498
Loss on sale of businesses	—	4 499
Impairment of property, plant and equipment, full maintenance lease and intangible assets	19 369	55 753
Fair value (profit)/loss discontinued operations	(33 095)	508 491
Headline profit/(loss) for the year	123 877	(781 063)
Loss for the year from discontinued operations	36 792	950 058
Loss attributable to non-controlling interests – discontinued	(2 083)	(2 743)
Adjusted headline earnings for the year – continuing	158 586	166 252
	Cents	Cents
Basic earnings per share	6,4	(296,1)
Basic earnings per share (continuing operations)	6,5	22,5
Diluted earnings per share	6,4	(296,1)
Diluted earnings per share (continuing operations)	6,5	22,5
Headline earnings per share	5,8	(170,9)
Headline earnings per share (continuing operations)	7,4	36,4
Diluted headline earnings per share	5,8	(170,9)
Diluted headline earnings per share (continuing operations)	7,4	36,4

* The Hala Supply Chain Services and General Risk SA businesses have been classified as held for sale during the current year. This has necessitated the restatement of the comparative information in the consolidated statement of comprehensive income in terms of IFRS.

Basis of preparation and accounting policies

The condensed consolidated financial statement for the year ended 30 June 2010 have been prepared in accordance with the Recognition and Measurement requirements of International Financial Reporting Standards ("IFRS"), in particular the presentation and disclosure requirements of International Accounting Standard ("IAS") 34 Interim Financial Reporting, the AC 500 series issued by the Accounting Practices Board, 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 2009, except for the standards noted that became effective on 1 January 2009: IAS 1 (Presentation of Financial Statements (revised)), IFRS 7 (Financial Instruments: Improving Disclosures about Financial Instruments) and IFRS 8 (Operating Segments) the adoption of the amendments to IAS 16, Property, Plant and Equipment which permit FMI lease assets sold to be classified as inventory and profits or losses on sale to be included in headline earnings and the adoption of the revised standard IFRS dealing with Business Combinations and related amendments to IAS 27 Consolidated and Separate Financial Statements, which became effective 1 July 2009. The condensed consolidated financial statements are presented in Rand, which is Super Group's functional and presentation currency. The adoption of these standards has no effect on the results, nor has it required any restatement of the results.

Independent review by the auditors

The consolidated statement of financial position at 30 June 2010 and the restated consolidated statement of comprehensive income, statement of changes in equity, segmental analysis and cash flows for the year ended have been reviewed by KPMG Inc. Their unmodified report is available for inspection at the registered office of the company.

Directors: Executive: P Mountford (Chief Executive Officer) and C Brown (Chief Financial Officer) **Non-Executive:** P Vallet (Chairman), N Davies*, J Newbury*, V Chitalu* and D Rose* *Independent # Zambia **Company Secretary:** N Redford
Registered Office: 27 Impala Road, Chislehurst, Sandton, 2195. **Transfer Secretaries:** Computershare Investor Services (Pty) Limited (Registration number 2000/002739/07), 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown, 2107)
Sponsor: Deutsche Securities (SA) (Proprietary) Limited

Segmental analysis

	REVENUE		OPERATING PROFIT		PROFIT BEFORE TAX	
	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Restated* R'000	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Restated* R'000	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Restated* R'000
Supply Chain – South Africa	2 228 673	2 311 149	172 784	158 896	128 618	63 618
Supply Chain – International	—	—	14 767	73 855	28 130	100 425
Supply Chain – African	343 612	442 382	(18 882)	44 779	(28 615)	31 391
Logistics	1 739 582	1 742 629	272 269	282 768	162 884	62 401
Fleet Solutions	2 679 881	2 628 818	41 655	(9 913)	18 160	(57 083)
Dealerships	—	13 594	7 577	(2 923)	(91 605)	(84 364)
Services	—	—	—	—	—	—
Continuing operations	6 991 748	7 138 572	490 170	547 462	217 572	116 388
Retail supply chain	1 839 058	2 568 846	37 519	(510 565)	18	(583 502)
Automotive	343 896	871 953	(24 703)	(601 298)	(32 813)	(738 380)
Services	349 305	695 478	(8 145)	(177 257)	17 004	(128 327)
Discontinued operations	2 532 259	4 136 277	4 671	(1 289 120)	(15 791)	(1 450 209)
Group	9 524 007	11 274 849	494 841	(741 658)	201 781	(1 333 821)

Condensed consolidated statement of cashflow

	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Audited R'000
Cash flows from operating activities		
Cash generated from operations	847 713	1 154 479
Net finance charges paid	(280 242)	(585 201)
Net dividend paid	—	(188)
Taxation paid	(57 333)	(95 874)
Net cash retained from operating activities	510 138	473 216
Net cash inflow/(outflow) from investing activities	275 606	(300 089)
Net cash inflow/(outflow) from financing activities	95 177	(51 835)
Net increase in cash and cash equivalents	880 921	121 292
Cash and cash equivalents at beginning of year	321 350	224 797
Effect of foreign exchange on cash and cash equivalents	(5 013)	(24 739)
Cash and cash equivalents at end of year	1 197 258	321 350

Consolidated statement of changes in equity

	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Audited R'000
Capital and reserves attributable to equity holders of Super Group Limited		
Balance at beginning of year	994 047	2 007 161
Share issues and options exercised, net of expenses	1 158 727	503 642
Total comprehensive income for the year attributable to equity holders of Super Group Limited	213 627	(1 519 736)
Profit/(loss) for the year	136 832	(1 352 978)
Effect of foreign exchange	(13 009)	(151 794)
Revaluation of land and buildings	74 250	4 677
Hedge accounting	15 554	(19 641)
Share-based payment expenses	2 231	—
Effect of business combinations on equity holders of Super Group Limited	(5 988)	2 980
Balance at end of year	2 362 644	994 047
Non-controlling interests		
Balance at beginning of year	194 196	257 777
Ordinary dividends paid to non-controlling interests	—	(188)
Total comprehensive income for the year attributable to non-controlling interests	32 377	(11 586)
Profit for the year	31 853	12 307
Effect of foreign exchange	524	(23 893)
Increase in other reserves	903	1 102
Non-controlling interest loan capitalised	9 217	—
Changes in non-controlling interests as a result of acquisitions and disposals	(48 482)	(52 909)
Balance at end of year	188 211	194 196
Total equity at end of year	2 550 855	1 188 243
Comprising:		
Share capital	327 310	54 551
Share premium	1 893 091	1 002 131
Capital redemption reserve fund	5 486	5 486
Retained earnings	270 620	118 490
Share buyback reserve	(542 609)	(537 617)
General reserve	556 036	556 036
Revaluation reserve	147 792	76 926
Foreign currency translation reserve	(305 442)	(292 433)
Contingency reserve – insurance	14 447	30 118
Hedge Reserve	(4 087)	(19 641)
Non-controlling interests	188 211	194 196
Total equity at end of year	2 550 855	1 188 243

Salient features

	Year ended 30 June 2010 Reviewed R'000	Year ended 30 June 2009 Audited R'000
1 Interest-bearing borrowings comprises		
Australian ring-fenced borrowings	385 463	434 334
Corporate bond	—	411 997
Term loans	237 671	—
Securitisation	—	258 033
Property borrowings	361 002	425 312
Other borrowings	170 986	333 153
Bank overdraft	—	317 866
Interest-bearing borrowings before reallocation to held for sale	1 155 122	2 180 695
Other interest bearing borrowings directly associated with assets held for sale	(43 200)	(219 951)
	1 111 922	1 960 744
2 Share statistics		
Total issued shares less treasury shares ('000)	3 200 530	497 950
Weighted ('000)	2 141 758	457 002
Diluted ('000)	2 146 060	457 002
Net asset value per share (cents)	73,8	199,6
Net asset value per share excluding goodwill (cents)	33,5	(58,6)
3 Capital commitments		
Authorised but not yet contracted for capital commitments excluding full maintenance lease assets	55 069	13 960
Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowing facilities.		
4 Related party transactions		
The group, in the ordinary course of business, entered into various sales and purchase transactions on an arm's length basis with related parties.		
5 Subsequent events		
Other than the matters disclosed, the directors are not aware of any matter or circumstance arising subsequent to the balance sheet date up to the date of this report.		

The year at a glance

The Group is pleased to announce that in spite of the difficult economic conditions it achieved satisfactory results for the year ended 30 June 2010. The year under review saw the finalisation of operational changes, the implementation of stringent cost-cutting initiatives and the completion of the disposals of AutoZone and other non-core businesses.

The Group embarked on a highly successful rights offer in November 2009 which resulted in net subscription proceeds in excess of R1,1 billion. Most of the proceeds were utilised to reduce the Group's short term borrowings. Strong cash flow generated within the Group's core operations together with the proceeds received on the disposal of non-core businesses, reduced the net trade debt ratio from 142% at June 2009 to a net cash position, after excluding the full maintenance leasing and Australian non-recourse borrowings. Subsequent to year end, the Group has repaid a further R67 million of the term loans.

Financial overview

Revenue decreased by 2,1% to R7,0 billion from the prior year's R7,1 billion largely as a result of the slowdown in economic activities in the industries served by the African Logistics' business and the local fast moving consumer goods (FMCG) market.

Operating profit decreased by 10,5% to R490,2 million, resulting in an operating margin of 7,0% (2009: 7,7%). This was the result of the declined contributions of African Logistics and the impact of the reduced procurement activities within the International (Mauritius) operations. The latter was a result of the disposal of the Super Group Industrial Products (SGIP) and Mica businesses. These negative impacts were partly off-set by solid performances from Supply Chain South Africa, sgfleet (Australia) and the Dealerships Division.

Net finance charges decreased by 36,8% to R272,6 million as a result of interest rate reductions, lower borrowings and stringent working capital management.

Profit before taxation from continuing operations increased by 86,9% to R217,6 million. Headline earnings for the Group are R123,9 million for the year, up from a loss of R781 million in the prior year. Adjusted earnings per share (EPS) and headline earnings per share (HEPS) are 6,5 cents and 7,4 cents, respectively. The EPS and HEPS results were diluted by the issue of the additional 2,7 billion shares in November 2009.

The Group's operating cash flow of R1,1 billion before working capital movements was marginally up on the prior year.

No dividends have been declared for the year ended June 2010.

Operational review

Supply Chain

The overall results from Supply Chain were below the Group's expectations due to the underperformance of African Logistics and the International (Mauritius) operations.

The Supply Chain South Africa business produced a satisfactory performance in light of the prevailing economic climate. Revenue was down 3,6% from R2 311,1 million in 2009 to R2 228,7 million. Operating profit increased by 8,7% to R172,8 million and profit before taxation increased by 102,2% to R128,6 million. The operating margin improved to 7,8% from 6,9% achieved in the prior year. These results are attributable to reduced overheads and an improved performance by the Freight and Trans Africa Logistics (TAL) businesses. The automotive business within Supply Chain South Africa had a satisfactory year despite the poor performance of the industry as a whole. The FMCG business experienced a marked decline in volumes whilst the staple foods business reported a modest growth in turnover compared to the previous year. Major contracts were renewed within the automotive and FMCG operations, whilst new contracts were obtained in the beverage, packaging and food sectors. Super Rent experienced a reduction in short-term rental utilisation compared to the prior year. Subsequent to year end, this business has expanded its fleet in the fast food distribution market. Despite lower FMCG volumes, the Freight operation had a good year and expanded its activities within the paper and packaging distribution sector. The VSc (Virtual Supply Chain) Solutions technology and consulting business reported another good year securing a number of annuity-based income contracts. The availability of capacity within Super Park and a relatively new vehicle fleet positions Supply Chain South Africa in a position to take advantage of growth opportunities in the medium term. **Micor** was significantly impacted by the decline in both South Africa's imports and exports. **Sherwood** experienced positive sales growth, despite lower activity in the African mining sector. **TAL** showed a favourable turnaround as a result of increased volumes through the Mohatas Dry Port terminal in Mozambique and the securing of a five year short distance bulk coal contract. **Convenience Supply Chain** completed its strategic roll-out plan to establish a national network. Revenue for this business increased by 41,9%. This business is now profitable and is expected to make a significant contribution to the Group in future.

Softening commodity prices resulted in a significant decrease in mining activity and together with a decline in aid programmes seriously impacted revenue within the **African Logistics** business. Revenue declined by 22,3% to R343,6 million resulting in an operating loss of R18,9 million. Profit before taxation in 2009 was R31,4 million and this declined to a loss before taxation of R28,6 million for the current year. Operating conditions that impacted the results included a decline in south bound transport rates and increased overheads due to Zimbabwe adopting a US Dollar-based economic model. Corrective action undertaken includes discontinuing the operations in Malawi and downsizing businesses in the other areas, reflecting in a reduction in the reduction in the fleet size. In excess of 50% of the remaining African Logistics' fleet has been replaced, reducing the average age of the fleet. This operation is expected to deliver improved results as infrastructure and overheads are now matched to current market conditions.