



For Immediate Release

RESTRUCTURED AND RECAPITALISED SUPER GROUP DELIVERS SATISFACTORY PERFORMANCE

- **Rights issue successfully completed and debt restructured**
- **Significantly improved capital structure**
- **Profitability from core businesses – Operating profit of R248 million**
- **Trade gearing down from 120% (30 June 2009) to 12%**
- **HEPS from continuing operations 6.5 cents**
- **Cash generated from operations of R446 million**

Super Group announced an overall profit of R31.2 million for the six month period to 31 December 2009 compared to the loss of R350.4 million in the prior comparable period and earnings from continuing operations increased by 31% to R71.1 million from R54.1 million. Despite prevailing depressed global economic conditions that resulted in lower sales volumes across all Super Group's businesses, the Group generated revenue of R3.5 billion.

It has been a very busy interim period for Super Group and Super Group CEO, Peter Mountford, expresses his gratitude to the Group's shareholders for their support during the rights offer process where in excess of R1.2 billion, a 22.7% oversubscription, was raised in a tough economic climate. "We have substantially completed the financial restructuring of Super Group and we believe we are now in a strong position to capitalise on opportunities presented in the leasing and supply chain markets," says Mountford.

"The rights issue has enabled Super Group to settle the Group's short-term banking facilities whilst retaining cash to fund the future working capital requirements of the Group. The excess subscription of R0.2 billion was applied to pro-rata settle existing secured and unsecured facilities of our underwriting lenders," he said.

Super Group has substantially reduced its total net debt from R3.0 billion (30 June 2009) to R1.7 billion. Peter Mountford says that “this has enabled the Group to reduce its trade gearing ratio from 120% at 30 June 2009 to 12% at 31 December 2009. The cash generated for the period of R446 million further underpins the Group’s ability to generate cash from operating profit.”

During the period the Group concluded the sale of Herman’s Truck Accident Repairs (Hermans), the Mica business (including the Mica brand), various Mica corporate stores, the Powerstar business and the Group’s minority interest in Emerald Risk Transfer (Proprietary) Limited.

Super Group’s operating profit from continued operations decreased by 28.5% to R247.8 million from R346.5 million. Peter Mountford says that “the drop in operating profit can mainly be attributed to the significantly lower earnings from the African Logistics and the offshore procurement businesses as well as lower revenue and increased depreciation in FleetAfrica.”

Net finance costs were lower than the previous period due to lower prime borrowing rates, a R48.8 million fair value charge to interest rate swaps in the prior period and the steady repayment, in particular of FML borrowings, over the period. “The net finance charge would have been lower by approximately R32 million if not for the delay in the rights offer. The delay was as a result of Super Group having to consider an alternative recapitalisation proposal received late last year,” states Peter Mountford.

Continuing earnings per share and headline earnings per share decreased by 29% to 7.4 cents and by 33% to 7.2 cents, respectively, compared to the prior period due to the increase in the weighted average number of shares in issue. This reflects the issuance of an additional 2.7 billion shares on the completion of the rights issue.

Mountford concludes, “Super Group has come through an exceptionally tough period, but I have full confidence in the management teams of the continuing businesses of the Group and their ability to capitalise on opportunities being presented and to deliver sustainable earnings going forward.”

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Issue date: 24 February 2010

JSE code: SPG

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About Super Group

Super Group is a broad-based supply chain business. Super Group's supply chain management division provides a platform for the group's core expertise and offerings. This expertise is applied into vertically integrated divisions covering vehicle dealerships and fleet management. Founded in 1986, Super Group has an international footprint and offers customers a comprehensive range of products and services.

Financial performance of Super Group's continuing operations:

Super Group continues to provide business segmental results for the following divisions:

- **Supply Chain:** comprises of Supply Chain Partners, Micor, Sherwood, Trans Africa Logistics, Convenience Supply Chain and Super Group Commercial Trading
- **Fleet Solutions:** comprises of FleetAfrica and sgFleet
- **Dealerships**
- **Corporate Services**

Supply Chain delivered disappointing results compared to the previous interim period. This was largely attributable to lower earnings from African Logistics, the freight forwarding and the offshore procurement businesses. Revenue and operating profit decreased by 12.6% and 41.3%, respectively, as a result of the non-renewal of certain low margin supply chain contracts in the prior period, lower import volumes, significantly decreased activity due to the softening in commodity prices and a high incidence of empty back loads in the African Logistics' cross

border business. Regarding African Logistics, Mountford says “it remains the leading sub-Saharan transport company and is well positioned to benefit from any recovery in this region.”

Fleet Solutions reported an 18.5% drop in revenue and a 9.3% decline in operating profit mainly as a result of the application of conservative residual value management policies. FleetAfrica performed in line with expectations. Peter Mountford is very satisfied with the excellent operational performance on the City of Johannesburg contract where a consistent 98% uptime in fleet utilisation is reported. “FleetAfrica has been awarded an extension of the Eastern Cape Provincial Government contract for another 2 years, commencing 1 February 2010, and has also signed a Memorandum of Undertaking with a Funder to establish a market accepted solutions venture that should underpin future governmental FML growth,” says Mountford.

Australia sgFleet had a successful year, revenue and operating profit increased by 2% and 14%, respectively. The business made progress in gaining market share with several client wins and strong demand is experienced across all its operations.

Dealerships, despite a decline of 11.4% in like-for-like new car sales compared to the prior interim period, Super Group’s dealerships enjoyed new vehicle sales volumes ahead of the general market trend. “We are pleased with Dealership’s performance. The closure last year of the non-profitable dealerships together with ongoing expense control resulted in operating profit increasing from a loss of R3.2 million to a profit of R19.2 million. Demand for used vehicles is expected to remain strong, albeit in the face of poor stock availability. The business was able to generate cash through positive earnings and working capital efficiencies.

Corporate Services had a tough year incurring a R17.8 million operating loss largely due to the inability to recover management fees from discontinued businesses, restructuring costs, share-based payment expenses and the disposal of certain non-core properties under sale and lease back arrangements. Previously, the Group incurred interest charges on financing these properties which have now been replaced by rental charges included in operating profit.