



For Immediate Release

SUPER GROUP POSTS SOLID INTERIM RESULTS IN LINE WITH EXPECTATIONS

- **Revenue for the period increased by 10% to R3 801 million**
- **Operating profit of R298 million up 19%**
- **Profit before taxation increased by a satisfactory 123% to R216 million**
- **Cash generated from operations up by 57% to R375 million**
- **Headline earnings from continuing operations increased by 115% to R154 million**
- **Term Loans repaid in full, reducing consolidated gearing to 40%**

Super Group, the JSE listed transport logistics and mobility group, announced that all its Divisions delivered good results for the six month period to December 2010 despite the challenging economic conditions still prevailing across all the markets it operates in. Peter Mountford, Chief Executive Officer of Super Group, commented that: "At the previous results presentation we stated that we would concentrate on improving operational efficiencies and cost containment. It is our belief that these results bear testimony to the successes achieved in these areas."

"The Group also managed to repay all of its Term Loans during this six month period, thereby reducing Super Group's consolidated gearing ratio to an acceptable 40% as at December 2010 from the 54% level at June 2010. The unrestricted gearing ratio, which excludes Full Maintenance Leasing borrowings and restricted cash, has reduced to 18% from 26% at June 2010;" said Mountford.

Revenue increased by 10% to R3,8 billion from the prior period's R3,5 billion, largely as a result of volume increases in Supply Chain South Africa's businesses, strong revenue growth reported by the Fleet Solutions businesses and increased new vehicle sales by Dealerships.

Operating profit increased by a healthy 19% to R298,1 million from R250.6 million, reflecting an operating margin of 7,8% (December 2009: 7,2%). The improved results are attributed to the return to profitability by African Logistics within the Supply Chain Division, complemented by the solid performances from the Fleet Solutions and Dealerships Divisions.

Net finance charges decreased by 47% to R81,7million as a result of interest rate reductions, lower borrowings and stringent working capital management.

Headline earnings per share from continuing operations of 4,8 cents are in line with the Group's expectations and cash flow generated from operations of R374,9 million enabled the Group to reduce net borrowings by a further R199,1 million over the period concerned.

The Group's operating cash flow of R534,5 million, before working capital movements, was up 20% on the prior period.

The statement of financial position is reflecting a strong balance sheet for the Group, with a net tangible asset value of 34,5 cents, up 13% from the 30,6 cents at 30 June 2010.

The **Supply Chain** Division continued to be impacted by poor trading volumes, nevertheless SG Convenience, the Group's national distributor of food and household supplies to forecourts and smaller trading stores exceeded expectations in terms of both sales and profit growth. The fleet replacement strategy within the African Logistics operations has mitigated historically high maintenance costs in this business, which returned to profitability on the back of lower operational costs and a modest increase in regional tariffs. Peter Mountford confirmed that: "As a result of all these positive contributors, revenue for this Division increased by 9% to R1,4 billion, operating profit by 8% to R107,4 million and profit before taxation by a satisfactory 28% to R97,1 million for the reporting period."

Fleet Solutions reported solid financial results with revenue, operating profit and profit before taxation increasing by 7%, 23% and 101%, respectively. The results are attributed to Fleet Africa completing the roll-out of the new vehicle fleet in the Eastern Cape as well as extending the City of Johannesburg (CoJ) Red Fleet contract during this period. Sg Fleet (Australia) also reported strong results with improved operating profits as a result of higher volumes and an improved Australian economic environment.

The **Dealerships** Division reflected revenue growth that is similar to that reported in the industry with new vehicle sales increasing by 25,8%. Used vehicle sales were disappointing and declined by 6%, largely as a result of reduced stock availability. Overall, the Dealerships Division delivered a very pleasing performance by increasing revenue by 13%, operating profit by 44% and profit before taxation by 158%. "Operating margin also increased to 1,9%, just shy of the targeted 2,0% set for the 2011 financial year end;" said Mountford.

"We are expecting a pedestrian recovery in the local economy which will continue to moderate volume activity in our Southern Africa Supply Chain operations. Nevertheless, we believe that the Group is optimally positioned across all businesses for any improvement in consumer

activity. We will continue to place emphasis on the improvement of operational efficiencies and will also focus on complementary strategic initiatives;” concluded Mountford.

Ends

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