

**UNAUDITED INTERIM RESULTS**  
for the six months ended 31 December **2016**

**supergroup** 



# Unaudited interim results

for the six months ended 31 December 2016

|    |                                                          |
|----|----------------------------------------------------------|
| 1  | Results at a glance                                      |
| 2  | Introduction                                             |
| 2  | Financial performance                                    |
| 4  | Divisional review                                        |
| 4  | Supply Chain                                             |
| 4  | Fleet Solutions                                          |
| 5  | Dealerships                                              |
| 5  | Services                                                 |
| 6  | Outlook                                                  |
| 6  | Basis of preparation and accounting policies             |
| 7  | Condensed Consolidated Statement of Comprehensive Income |
| 8  | Condensed Consolidated Statement of Financial Position   |
| 9  | Condensed Consolidated Statement of Cash Flow            |
| 10 | Condensed Consolidated Statement of Changes in Equity    |
| 12 | Operating segments                                       |
| 14 | Business combinations                                    |
| 16 | Salient features                                         |
| 21 | Corporate information                                    |

## Contents



**supergroup** 

**SUPER GROUP LIMITED**

(Incorporated in the Republic of South Africa)

Registration number 1943/016107/06

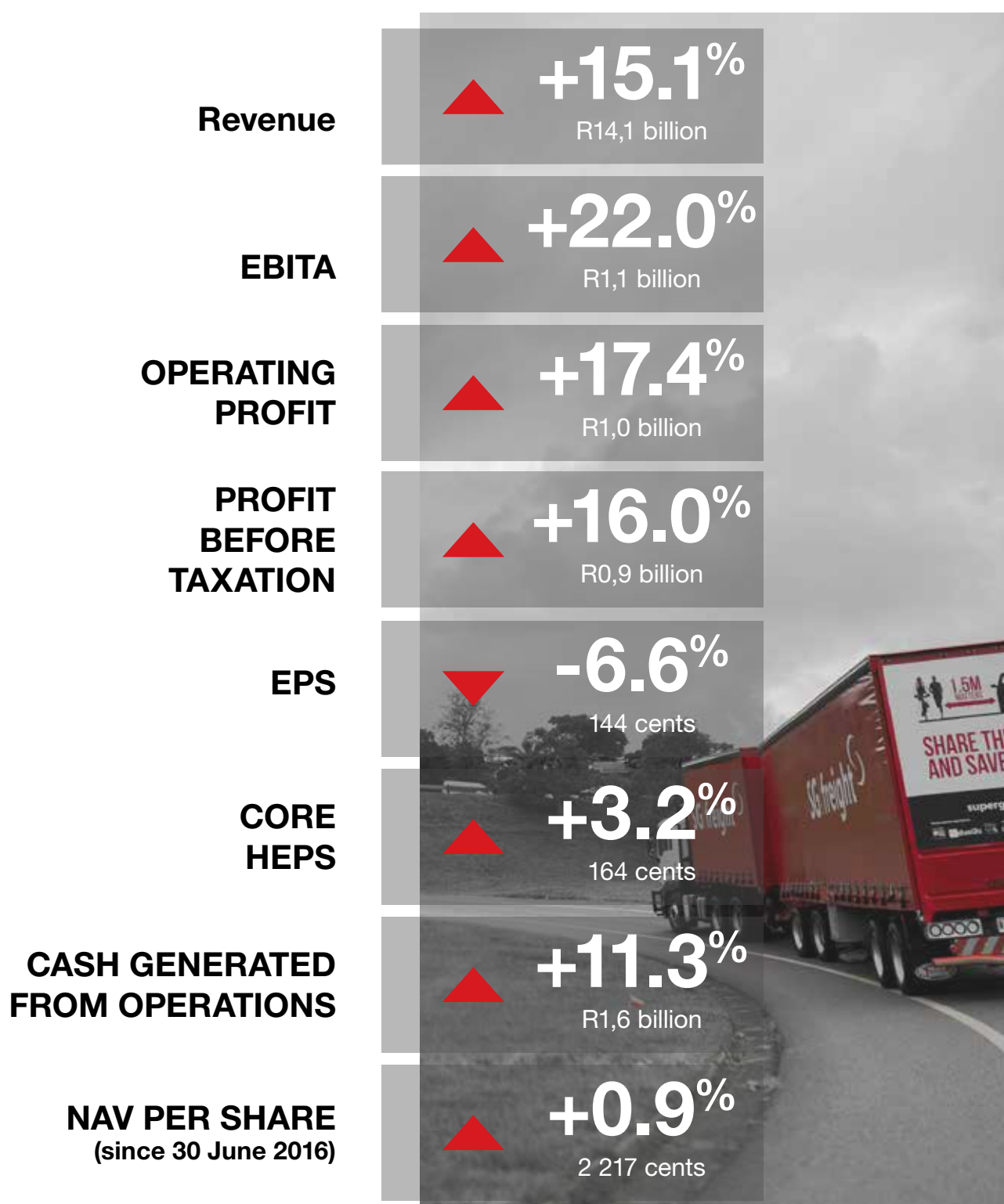
Share code SPG

ISIN ZAE000161832

("Super Group" or "the Group" or "the company")

## Results at a glance

for the six months ended 31 December 2016



# Introduction

Super Group reported a satisfactory set of results for the six months ended 31 December 2016 despite the prevailing difficult market conditions being experienced in many of the Group's operations. SG Fleet Australia made a significant contribution to the Group's results after the inclusion of the NLC results for the full period and the contributions from Fleet Hire (UK) and Motiva (UK) for five months and one month, respectively. SG IN TIME's results were also included for the full period compared to only two months in the prior reporting period. Dealerships SA's results included the addition of the nine Western Cape dealerships acquired from Sandown Motor Holdings with effect from September 2016.

Super Group's international footprint has increased substantially with the non-South African businesses contributing 38% and 58% respectively, to revenue and operating profit. The foreign earnings are subject to exchange rate volatility.

In the previous comparable period the earnings included acquisition costs of R88,8 million and a once-off foreign exchange profit of R101,3 million on the SG IN TIME forward exchange contract. Acquisition costs in the current period were R30,9 million. If the acquisition costs and the once-off forex profit were excluded from the results, underlying earnings before interest, taxation and amortisation of Purchase Price Allocation (PPA) intangibles (EBITA), operating profit and profit before taxation would have increased by 27.1%, 22.7% and 21.9%, respectively (Note 1).

The weighted average number of shares increased by 9.2% from the prior comparable period, of which 6.2% was a result of the rights issue in October 2015, and 2.8% from the accelerated bookbuild in December 2015. The equity raised in the aforementioned rights issue was to partly fund the SG IN TIME acquisition and the accelerated book build related to the NLC acquisition.

During the period under review, Super Group concluded transactions that are explained in more detail in the Financial Performance section and the Divisional Review section of this document.

## Financial performance

Group revenue increased by 15.1% to R14,1 billion (December 2015: R12,2 billion) mainly as a result of the inclusion of NLC and SG IN TIME for the full period, the acquisitions as well as the commendable turnaround in SG Coal's results.

EBITA was up by 22.0% to R1 126 million (December 2015: R923 million). The amortisation of PPA intangibles increased by 124.8% to R89 million (December 2015: R40 million) primarily due to the inclusion of NLC's and SG IN TIME's results for the full period.

Operating profit increased by 17.4% to R1 037 million (December 2015: R883 million), mainly as a result of the acquisitions and the improved performance by SG Coal within Supply Chain Africa.

The increase in net finance costs of 28.7% to R124 million (December 2015: R97 million) is attributable to the higher borrowings necessary to fund the various acquisitions by SG Fleet and the acquisition of the Western Cape dealerships. The average interest rate paid on borrowings was 6.2% (December 2015: 5.9%) and the average interest rate earned on cash was 3.9% (December 2015: 4.1%).

Profit before taxation increased by 16.0% to R913 million (December 2015: R786 million). The effective tax rate increased to 26.5% (December 2015: 23.6%) primarily as a result of the increase in profits in territories that have higher corporate tax rates.

Earnings per share (EPS) and headline earnings per share (HEPS) decreased by 6.6% to 143,7 cents (December 2015: 153,9 cents) and 9.5% to 144,1 cents (December 2015: 159,2 cents), respectively, mainly due to the impact of the increased weighted number of shares and the once-off foreign exchange profit on the SG IN TIME forward exchange contract in the prior comparable period. Core HEPS increased by 3.2% to 163,5 cents (December 2015: 158,5 cents). Core HEPS excludes the amortisation of PPA intangibles, acquisition costs and the Broad-Based Black Economic Empowerment (B-BBEE) scheme related costs, after tax and non-controlling interests. Core HEPS in the prior comparable period also excludes the once-off profit made on the foreign exchange contract. The increase of 9.2% in the weighted average number of shares in issue was due to the rights issue and book build concluded in October 2015 and December 2015, respectively, for the SG IN TIME and NLC acquisitions.

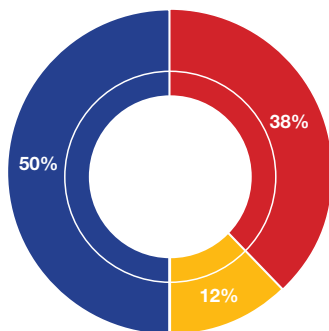
The increase in total assets of 2.3% to R23,3 billion (30 June 2016: R22,8 billion) is mainly as a result of the newly acquired assets of Fleet Hire and Motiva by SG Fleet and the nine Western Cape dealerships during the period under review. The Group's Return on Net Operating Assets, after tax and excluding the effects of acquisitions during the period, was 11.3% (June 2016: 12.8%).

Super Group's net debt position at 31 December 2016 increased by 48.8% or R971 million to R2 960 million, with R468 million attributable to FML borrowings, R217 million attributable to the Fleet Hire and Motiva acquisition funding and a R209 million increase in asset-based borrowings. The Group's total gearing, as at 31 December 2016, was 31.6% (30 June 2016: 21.4%). The net asset value per share increased by 0.9% for the period to 2 216,5 cents at 31 December 2016 (30 June 2016: 2 196,4 cents).

Operating cash flow increased by 14.0% for the period to R1 414 million (December 2015: R1 241 million) mainly due to the increase in earnings before interest, taxation, depreciation and amortisation (EBITDA). Cash generated from operations, after working capital, increased by 11.3% to R1 551 million (December 2015: R1 394 million).

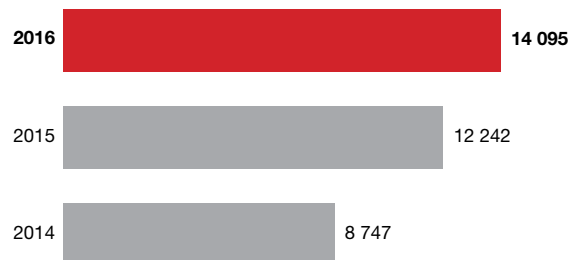
*Note 1: The financial information, as referenced in this sentence, constitutes pro forma financial information and has not been reviewed and reported on by the company's external auditors. The pro forma financial information is the responsibility of the Groups' Board of directors and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present items in the Statement of Comprehensive Income.*

### REVENUE

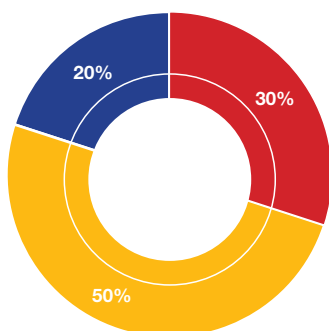


■ Supply Chain ■ Fleet Solutions ■ Dealerships

### REVENUE

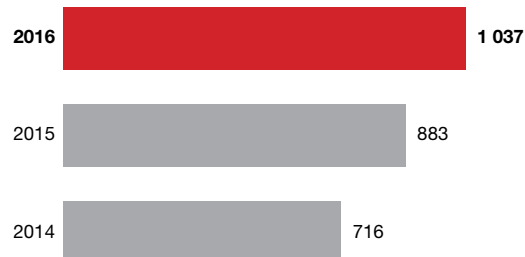


### OPERATING PROFIT

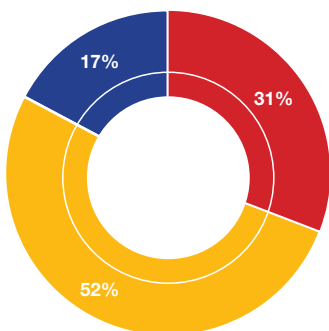


■ Supply Chain ■ Fleet Solutions ■ Dealerships

### OPERATING PROFIT

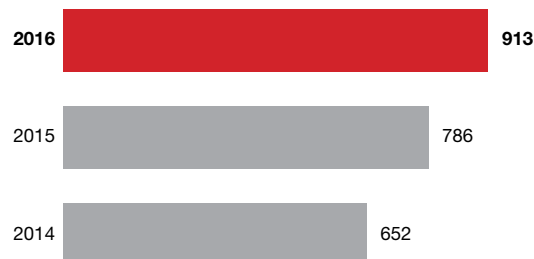


### PROFIT BEFORE TAXATION



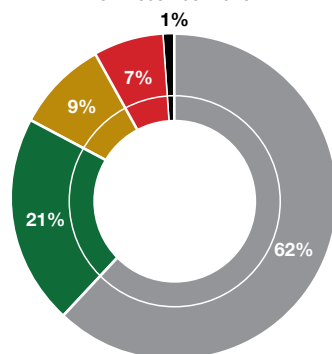
■ Supply Chain ■ Fleet Solutions ■ Dealerships

### PROFIT BEFORE TAXATION



### REVENUE

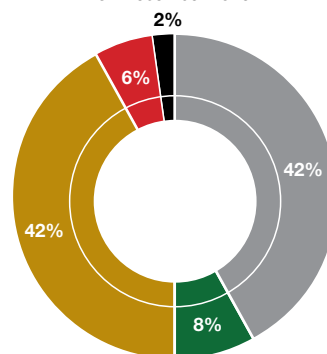
31 December 2016



■ South Africa ■ United Kingdom ■ Australia ■ Europe ■ Africa and other

### OPERATING PROFIT

31 December 2016



# Divisional review

## SUPPLY CHAIN

| R'000                                   | Change % | Six months ended<br>31 December<br>2016 | Six months ended<br>31 December<br>2015 | Year ended<br>30 June<br>2016 |
|-----------------------------------------|----------|-----------------------------------------|-----------------------------------------|-------------------------------|
| <b>Revenue</b>                          |          | <b>5 321 788</b>                        | 4 507 415                               | 9 421 638                     |
| Supply Chain Africa                     | 3.6      | <b>4 320 536</b>                        | 4 168 570                               | 8 021 631                     |
| Supply Chain Europe                     | Nm       | <b>1 001 252</b>                        | 338 845                                 | 1 400 007                     |
| <b>EBITA</b>                            |          | <b>371 724</b>                          | 328 761                                 | 648 015                       |
| Supply Chain Africa                     | (5.3)    | <b>278 190</b>                          | 293 818                                 | 497 905                       |
| Supply Chain Europe                     | Nm       | <b>93 534</b>                           | 34 943                                  | 150 110                       |
| <b>Operating profit</b>                 |          | <b>316 056</b>                          | 296 452                                 | 555 398                       |
| Supply Chain Africa                     | (4.7)    | <b>260 931</b>                          | 273 821                                 | 459 056                       |
| Supply Chain Europe                     | Nm       | <b>55 125</b>                           | 22 631                                  | 96 342                        |
| <b>Operating margin (%)</b>             |          |                                         |                                         |                               |
| Supply Chain Africa                     |          | <b>6.0</b>                              | 6.6                                     | 5.7                           |
| Supply Chain Europe                     |          | <b>5.5</b>                              | 6.7                                     | 6.9                           |
| <b>Profit before taxation</b>           |          | <b>276 666</b>                          | 253 562                                 | 457 869                       |
| Supply Chain Africa                     | 2.6      | <b>243 548</b>                          | 237 445                                 | 390 154                       |
| Supply Chain Europe                     | Nm       | <b>33 118</b>                           | 16 117                                  | 67 715                        |
| <b>Net operating assets</b>             |          | <b>5 716 540</b>                        | 6 076 582                               | 5 922 863                     |
| Supply Chain Africa (from 30 June 2016) | 5.0      | <b>3 425 132</b>                        | 3 302 117                               | 3 263 231                     |
| Supply Chain Europe (from 30 June 2016) | (13.8)   | <b>2 291 408</b>                        | 2 774 465                               | 2 659 632                     |

The majority of *Supply Chain Africa's* businesses delivered satisfactory performances. SG Coal posted much improved results as opposed to the loss made in the prior comparable period. Super Rent delivered a strong performance on the extension of a number of historic contracts. African Logistics, in US Dollar-terms, reported results in line with the previous period, however, the effect of the exchange rate volatility resulted in a R4 million loss for the period versus a R38 million profit in the prior period. African Logistics were also affected by the average transport rate decline of 17%. Supply Chain South Africa's trading environment remains challenging and highly competitive. SG Consumer reported good results as a result of new FMCG contracts. SG Convenience's results were negatively impacted by the loss of the Monster energy drink distribution contract following The Coca-Cola Company investing in Monster in the United States of America. SG Mobility and VSc Solutions performed in line with expectations. Digistics experienced volume decrease on the back of declining Quick Service Restaurant spend. Phola Coaches diversified its business into the education industry with a positive impact on its results. SG Freight's performance was negatively impacted by falling South African transport rates. Sherwood's results were adversely affected by the Thengashep project coming to an end during the period and the decision to continue with this project is dependent on the Ghana Government raising the necessary funding. SG Agility (previously Micor) has been disclosed as an equity-accounted investee.

*Supply Chain Europe's* results of SG IN tIME, a Time-critical Delivery Services company headquartered in Germany, continued to be impacted by a decline in automotive parts volumes, partly mitigated by cost savings across the business. The lower parts volumes are largely attributable to the Volkswagen emissions scandal which has affected time-critical delivery volumes related to this OEM and the automotive parts suppliers in general. The results are not comparable as only two months' results were included for the six months ended 31 December 2015. The results were adequate given the market conditions. The amortisation of PPA intangibles for the period amounted to R38 million.

## FLEET SOLUTIONS

| R'000                           | Change % | Six months ended<br>31 December<br>2016 | Six months ended<br>31 December<br>2015 | Year ended<br>30 June<br>2016 |
|---------------------------------|----------|-----------------------------------------|-----------------------------------------|-------------------------------|
| <b>Revenue</b>                  |          | <b>1 726 413</b>                        | 1 225 754                               | 2 935 788                     |
| FleetAfrica                     | 2.0      | <b>326 685</b>                          | 320 310                                 | 732 716                       |
| SG Fleet                        | 54.6     | <b>1 399 728</b>                        | 905 444                                 | 2 203 072                     |
| <b>EBITA</b>                    |          | <b>547 846</b>                          | 367 924                                 | 963 003                       |
| FleetAfrica                     | 8.0      | <b>78 262</b>                           | 72 434                                  | 163 301                       |
| SG Fleet                        | 58.8     | <b>469 224</b>                          | 295 490                                 | 799 702                       |
| <b>Operating profit</b>         |          | <b>516 729</b>                          | 363 721                                 | 931 541                       |
| FleetAfrica                     | 8.0      | <b>78 262</b>                           | 72 434                                  | 163 301                       |
| SG Fleet                        | 50.5     | <b>438 467</b>                          | 291 287                                 | 768 240                       |
| <b>Operating margin (%)</b>     |          |                                         |                                         |                               |
| FleetAfrica                     |          | <b>24.0</b>                             | 22.6                                    | 22.3                          |
| SG Fleet                        |          | <b>31.3</b>                             | 32.2                                    | 34.9                          |
| <b>Profit before taxation</b>   |          | <b>469 584</b>                          | 344 303                                 | 840 207                       |
| FleetAfrica                     | 7.5      | <b>70 068</b>                           | 65 196                                  | 142 103                       |
| SG Fleet                        | 43.1     | <b>399 516</b>                          | 279 107                                 | 698 104                       |
| <b>Net operating assets</b>     |          | <b>4 475 538</b>                        | 3 903 515                               | 3 762 966                     |
| FleetAfrica (from 30 June 2016) | (0.7)    | <b>952 222</b>                          | 958 724                                 | 959 276                       |
| SG Fleet (from 30 June 2016)    | 25.7     | <b>3 523 316</b>                        | 2 944 791                               | 2 803 690                     |

**FleetAfrica** delivered a solid performance for the six months ended 31 December 2016. The Transnet and other major contracts are performing well. The implementation of the City of Tshwane emergency vehicles contract commenced during the period under review with the roll-out of the fleet to continue in 2017. No orders on the National Department of Transport maintenance contract of 14,000 vehicles have as yet been implemented.

**SG Fleet** reported an excellent set of results with the results boosted by the inclusion of NLC's results for the full period and Fleet Hire (UK) and Motiva (UK) results for five months and one month, respectively. The deterioration of the Rand against the Australian Dollar positively impacted the final results of Super Group to an amount of R28,1 million (December 2015: R4,2 million).

## DEALERSHIPS

| R'000                              | Change % | Six months ended<br>31 December<br>2016 | Six months ended<br>31 December<br>2015 | Year ended<br>30 June<br>2016 |
|------------------------------------|----------|-----------------------------------------|-----------------------------------------|-------------------------------|
| <b>Revenue</b>                     |          | <b>7 043 257</b>                        | 6 505 646                               | 13 583 928                    |
| Dealerships SA                     | 26.4     | <b>4 261 576</b>                        | 3 372 000                               | 6 637 676                     |
| Dealerships UK                     | (11.2)   | <b>2 781 681</b>                        | 3 133 646                               | 6 946 252                     |
| <b>EBITA</b>                       |          | <b>214 635</b>                          | 183 776                                 | 388 291                       |
| Dealerships SA                     | 32.6     | <b>140 396</b>                          | 105 886                                 | 210 303                       |
| Dealerships UK                     | (4.7)    | <b>74 239</b>                           | 77 890                                  | 177 988                       |
| <b>Operating profit</b>            |          | <b>211 952</b>                          | 180 644                                 | 381 853                       |
| Dealerships SA                     | 32.6     | <b>140 396</b>                          | 105 886                                 | 210 303                       |
| Dealerships UK                     | (4.3)    | <b>71 556</b>                           | 74 758                                  | 171 550                       |
| <b>Operating margin (%)</b>        |          |                                         |                                         |                               |
| Dealerships SA                     |          | <b>3.3</b>                              | 3.1                                     | 3.2                           |
| Dealerships UK                     |          | <b>2.6</b>                              | 2.4                                     | 2.5                           |
| <b>Profit before taxation</b>      |          | <b>150 477</b>                          | 138 459                                 | 293 510                       |
| Dealerships SA                     | 24.4     | <b>105 029</b>                          | 84 445                                  | 177 310                       |
| Dealerships UK                     | (15.9)   | <b>45 448</b>                           | 54 014                                  | 116 200                       |
| <b>Net operating assets</b>        |          | <b>3 016 612</b>                        | 2 372 958                               | 2 287 664                     |
| Dealerships SA (from 30 June 2016) | 130.6    | <b>1 635 949</b>                        | 636 344                                 | 709 349                       |
| Dealerships UK (from 30 June 2016) | (12.5)   | <b>1 380 663</b>                        | 1 736 614                               | 1 578 315                     |

**Dealerships SA** reported a commendable set of results despite local market conditions. The NAAMSA dealer market reported a 13.4% decline in new vehicle sales for the period ended 31 December 2016. Despite the Dealerships new vehicle sales having declined by 3.1% for this period, the Group again outperformed the market by 10.3%. Used vehicle sales increased by a satisfactory 8.6%. The results include the nine Western Cape dealerships acquired from Sandown Motor Holdings Proprietary Limited, a subsidiary of Mercedes-Benz AG, effective 1 September 2016. The Parts and Services business continued to perform well. The Western Cape dealership acquisition, increased used vehicle sales, strict overhead control and working capital management, resulted in Dealerships increasing its operating margin to 3.3% (December 2015: 3.1%).

**Dealerships UK**, being the 100% interest in Allen Ford (UK), performed in line with expectations with an overall vehicle sales growth of 2.0%. New vehicle sales growth of 1.2% and used vehicle sales growth of 4.1% were achieved during the period. The Ford and Kia operations all performed above market sales benchmarks and the contribution from services was satisfactory. The strengthening of the Rand against the GBP negatively impacted the interim results of the Group by R8,8 million (December 2015: positively impacted results by R9,0 million).

## SERVICES

The Services segment includes the Corporate, Insurance and the Mauritius operations. The Services segment performed well on the back of the solid performance by Treasury together with other recoveries.

# Outlook

The South African economy has stagnated for a prolonged period, dropping overall growth in 2016 to its lowest level in seven years. The outlook for 2017 is expected to be restrained due to subdued global demand for resources and a myriad of political and economic issues. The South African environment in particular remains susceptible to negative political behaviour and corruption.

Africa's growth, in general terms, is also being adversely affected by the stronger US\$, weaker oil and commodity prices, and political uncertainty. The Group will monitor the performance of its African Logistics' businesses and continues to introduce mitigating strategies as may be required in this environment.

The Australian economy has performed well despite lower commodity prices. The major issues that could moderate growth in this region are the car industry shutdown and China's continued economic slowdown. Ford exited its manufacturing operations last year, with Toyota and Holden to follow this year. An estimated 40,000 job losses are expected. The resources downturn and low commodity prices are also expected to continue. Nevertheless, SG Fleet will continue to leverage off its strong competitive position to create quality product offerings and strengthen its customer relationships and market position.

Germany has an election this year and the outlook remains uncertain and potentially complicated by the need to derive Brexit solutions.

The Brexit referendum vote has slightly reduced growth prospects for the United Kingdom and increased volatility, as reflected by the large currency depreciation experienced towards the latter part of 2016.

The Group is, however, cautiously optimistic regarding growth prospects across its businesses. The Group strategy of being an innovative, integrated mobility solutions company is resolute and should provide modest growth for the remainder of the financial year.

No interim dividend for the period ended 31 December 2016 has been declared.

The Unaudited Condensed Consolidated Financial Statements for the six months ended 31 December 2016 and the forward looking information contained in the Outlook section have not been reviewed and reported on by the company's external auditors. The Unaudited Condensed Consolidated Financial Statements will be available on the Group's website after 08:30 on Tuesday, 21 February 2017. The presentation to the investor community can be viewed on the Group's website after 12:00. Copies of the full announcement are available on request from Nigel Redford, Company Secretary, [nigel.redford@supergroup.com](mailto:nigel.redford@supergroup.com). The Group's website is [www.supergroup.co.za](http://www.supergroup.co.za).

On behalf of the Board

**P Vallet**

*Chairman of the company*

**P Mountford**

*Chief Executive Officer*

20 February 2017

Sandton

## Basis of preparation and accounting policies

The Condensed Consolidated Interim Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS), (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The accounting policies applied in the preparation of the Condensed Consolidated Interim Financial Statements are in terms of IFRS and are consistent with those applied in the previous Consolidated Annual Financial Statements. The definitions of capital items, core headline earnings and related adjustments are included in the accounting policies in the June 2016 Consolidated Annual Financial Statements. There were no standards or amendments to standards that are relevant to and became effective for the first time in Super Group's financial year commencing 1 July 2016.

The Condensed Consolidated Interim Financial Statements are presented in Rand, which is the company's functional currency and the group's presentation currency.

These results have been compiled under the supervision of the Chief Financial Officer, Colin Brown, CA(SA), BCompt (Hons), MBL.

# Condensed Consolidated Statement of Comprehensive Income

|                                                                                      | Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 | Year ended 30 June 2016<br>Audited R'000 |
|--------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------|
| <b>Revenue</b>                                                                       | <b>14 094 915</b>                                          | 12 242 460                                                 | 25 949 004                               |
| Depreciation and amortisation (excluding amortisation of PPA intangibles)            | (345 266)                                                  | (325 087)                                                  | (656 822)                                |
| Operating expenditure – excluding capital items                                      | (12 619 204)                                               | (10 971 804)                                               | (23 219 796)                             |
| Operating (expenditure)/income – capital items                                       | (4 526)                                                    | (23 010)                                                   | 10 134                                   |
| <b>EBITA</b>                                                                         | <b>1 125 919</b>                                           | 922 559                                                    | 2 082 520                                |
| Amortisation of PPA intangibles                                                      | (89 108)                                                   | (39 644)                                                   | (130 517)                                |
| <b>Operating profit</b>                                                              | <b>1 036 811</b>                                           | 882 915                                                    | 1 952 003                                |
| Net finance charges                                                                  | (124 220)                                                  | (96 503)                                                   | (254 657)                                |
| <b>Profit before income tax</b>                                                      | <b>912 591</b>                                             | 786 412                                                    | 1 697 346                                |
| Income tax expense                                                                   | (241 940)                                                  | (185 253)                                                  | (438 594)                                |
| <b>Profit for the period</b>                                                         | <b>670 651</b>                                             | 601 159                                                    | 1 258 752                                |
| <b>Profit for the period attributable to:</b>                                        |                                                            |                                                            |                                          |
| Non-controlling interests                                                            | 170 857                                                    | 110 610                                                    | 272 798                                  |
| Equity holders of Super Group                                                        | 499 794                                                    | 490 549                                                    | 985 954                                  |
|                                                                                      | 670 651                                                    | 601 159                                                    | 1 258 752                                |
| <b>Other comprehensive income</b>                                                    |                                                            |                                                            |                                          |
| Translation adjustment*                                                              | (515 542)                                                  | 591 230                                                    | 380 342                                  |
| Effective portion of hedge*                                                          | (8 114)                                                    | (236)                                                      | (15 645)                                 |
| Tax effect of effective portion of hedge*                                            | 2 247                                                      | –                                                          | 4 423                                    |
| Revaluation of land and buildings*                                                   | –                                                          | –                                                          | 101 979                                  |
| Tax effect of revaluation of land and buildings*                                     | –                                                          | –                                                          | (23 237)                                 |
| <b>Other comprehensive income for the period (net of tax)</b>                        | <b>(521 409)</b>                                           | 590 994                                                    | 447 862                                  |
| <b>Total comprehensive income for the period (net of tax)</b>                        | <b>149 242</b>                                             | 1 192 153                                                  | 1 706 614                                |
| <b>Total comprehensive income for the period attributable to:</b>                    |                                                            |                                                            |                                          |
| Non-controlling interests (NCI)                                                      | 27 057                                                     | 288 248                                                    | 407 791                                  |
| Equity holders of Super Group                                                        | 122 185                                                    | 903 905                                                    | 1 298 823                                |
|                                                                                      | 149 242                                                    | 1 192 153                                                  | 1 706 614                                |
| <b>RECONCILIATION OF HEADLINE EARNINGS</b>                                           |                                                            |                                                            |                                          |
| <b>Profit attributable to equity holders of Super Group</b>                          | <b>499 794</b>                                             | 490 549                                                    | 985 954                                  |
| Capital items after tax and NCI                                                      | 1 631                                                      | 16 820                                                     | (13 495)                                 |
| <b>Headline earnings for the period</b>                                              | <b>501 425</b>                                             | 507 369                                                    | 972 459                                  |
| <b>RECONCILIATION OF CORE HEADLINE EARNINGS</b>                                      |                                                            |                                                            |                                          |
| <b>Headline earnings for the period</b>                                              | <b>501 425</b>                                             | 507 369                                                    | 972 459                                  |
| Acquisition costs after tax and NCI                                                  | 18 350                                                     | 69 208                                                     | 71 890                                   |
| FEC gain on acquisition after tax and NCI                                            | –                                                          | (98 283)                                                   | (98 283)                                 |
| B-BBEE costs after tax and NCI                                                       | 7 702                                                      | 6 193                                                      | 12 733                                   |
| Amortisation of intangible assets arising on business combinations after tax and NCI | 41 325                                                     | 20 714                                                     | 65 348                                   |
| <b>Core headline earnings for the period</b>                                         | <b>568 802</b>                                             | 505 201                                                    | 1 024 147                                |
| <b>Earnings per share (cents)</b>                                                    |                                                            |                                                            |                                          |
| Basic                                                                                | 143.7                                                      | 153.9                                                      | 296.6                                    |
| Diluted                                                                              | 141.4                                                      | 150.9                                                      | 291.3                                    |
| <b>Headline earnings per share (cents)</b>                                           |                                                            |                                                            |                                          |
| Basic                                                                                | 144.1                                                      | 159.2                                                      | 292.6                                    |
| Diluted                                                                              | 141.9                                                      | 156.1                                                      | 287.3                                    |
| <b>Core headline earnings per share (cents)</b>                                      |                                                            |                                                            |                                          |
| Basic                                                                                | 163.5                                                      | 158.5                                                      | 308.1                                    |
| Diluted                                                                              | 160.9                                                      | 155.4                                                      | 302.6                                    |

\* Item of other comprehensive income which will be reclassified to profit or loss in the event of deconsolidation of relevant subsidiary.

\* Items of other comprehensive income which will not be reclassified to profit or loss.

# Condensed Consolidated Statement of Financial Position

|                                                                    | 31 December<br>2016<br>Unaudited<br>R'000 | 31 December<br>2015<br>Unaudited<br>R'000 | 30 June<br>2016<br>Audited<br>R'000 |
|--------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------|
| <b>ASSETS</b>                                                      |                                           |                                           |                                     |
| <b>Non-current assets</b>                                          | <b>13 756 408</b>                         | 13 333 263                                | 12 862 527                          |
| Property, plant and equipment                                      | 3 637 144                                 | 3 448 462                                 | 3 431 286                           |
| Investment property                                                | 143 200                                   | 139 200                                   | 143 200                             |
| Full maintenance lease assets                                      | 1 661 732                                 | 1 223 495                                 | 1 144 622                           |
| Intangible assets                                                  | 1 314 727                                 | 1 523 440                                 | 1 400 757                           |
| Goodwill                                                           | 6 675 689                                 | 6 555 437                                 | 6 333 276                           |
| Investments and other non-current assets                           | 98 232                                    | 113 656                                   | 124 904                             |
| Deferred tax assets                                                | 225 684                                   | 329 573                                   | 284 482                             |
| <b>Current assets</b>                                              | <b>9 570 792</b>                          | 9 532 254                                 | 9 935 093                           |
| Inventories                                                        | 2 952 608                                 | 3 009 520                                 | 3 053 994                           |
| Trade receivables                                                  | 2 731 748                                 | 2 612 618                                 | 2 610 871                           |
| Sundry receivables                                                 | 1 349 499                                 | 1 057 223                                 | 1 142 318                           |
| Cash and cash equivalents                                          | 2 536 937                                 | 2 852 893                                 | 3 127 910                           |
| <b>Total assets</b>                                                | <b>23 327 200</b>                         | 22 865 517                                | 22 797 620                          |
| <b>EQUITY AND LIABILITIES</b>                                      |                                           |                                           |                                     |
| <b>Capital and reserves</b>                                        |                                           |                                           |                                     |
| Capital and reserves attributable to equity holders of Super Group | 7 731 094                                 | 7 120 771                                 | 7 614 120                           |
| Non-controlling interests                                          | 1 640 439                                 | 1 553 158                                 | 1 687 673                           |
| <b>Total equity</b>                                                | <b>9 371 533</b>                          | 8 673 929                                 | 9 301 793                           |
| <b>LIABILITIES</b>                                                 |                                           |                                           |                                     |
| <b>Non-current liabilities</b>                                     | <b>6 167 661</b>                          | 6 297 109                                 | 5 765 635                           |
| Fund reserves                                                      | 575 158                                   | 531 903                                   | 536 175                             |
| Non-controlling interest put options and other liabilities         | 342 526                                   | 451 501                                   | 402 749                             |
| Full maintenance lease borrowings                                  | 732 630                                   | 562 310                                   | 523 619                             |
| Interest-bearing borrowings                                        | 3 829 625                                 | 4 048 887                                 | 3 627 830                           |
| Provisions                                                         | 83 631                                    | 116 388                                   | 92 008                              |
| Deferred tax liabilities                                           | 604 091                                   | 586 120                                   | 583 254                             |
| <b>Current liabilities</b>                                         | <b>7 788 006</b>                          | 7 894 479                                 | 7 730 192                           |
| Non-controlling interest put option liability                      | 114 822                                   | 64 358                                    | –                                   |
| Full maintenance lease borrowings                                  | 361 624                                   | 108 167                                   | 102 174                             |
| Interest-bearing borrowings                                        | 572 979                                   | 896 434                                   | 863 046                             |
| Trade and other payables                                           | 6 499 849                                 | 6 379 865                                 | 6 491 231                           |
| Income tax payable                                                 | 83 634                                    | 132 521                                   | 54 925                              |
| Provisions                                                         | 155 098                                   | 313 134                                   | 218 816                             |
| <b>Total equity and liabilities</b>                                | <b>23 327 200</b>                         | 22 865 517                                | 22 797 620                          |

# Condensed Consolidated Statement of Cash Flow

|                                                             | Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 | Year ended 30 June 2016<br>Audited R'000 |
|-------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------|
| <b>Cash flows from operating activities</b>                 |                                                            |                                                            |                                          |
| Operating cash flow                                         | 1 414 463                                                  | 1 240 828                                                  | 2 651 508                                |
| Working capital inflow                                      | 136 996                                                    | 153 604                                                    | 245 471                                  |
| Cash generated from operations                              | 1 551 459                                                  | 1 394 432                                                  | 2 896 979                                |
| Finance costs paid                                          | (197 427)                                                  | (147 801)                                                  | (387 018)                                |
| Investment income and interest received                     | 82 632                                                     | 59 428                                                     | 142 029                                  |
| Income tax paid                                             | (156 467)                                                  | (257 461)                                                  | (552 678)                                |
| Dividend paid to non-controlling interest                   | (114 128)                                                  | (95 630)                                                   | (186 481)                                |
| <b>Net cash generated from operating activities</b>         | <b>1 166 069</b>                                           | <b>952 968</b>                                             | <b>1 912 831</b>                         |
| <b>Cash flows from investing activities</b>                 |                                                            |                                                            |                                          |
| Net additions to property, plant and equipment              | (375 239)                                                  | (167 648)                                                  | (320 603)                                |
| Net additions to full maintenance lease assets              | (143 401)                                                  | (228 291)                                                  | (285 281)                                |
| Net additions to intangible assets                          | (20 584)                                                   | (11 480)                                                   | (36 912)                                 |
| Proceeds on disposal of assets held-for-sale                | –                                                          | 48 065                                                     | 48 065                                   |
| Acquisition of businesses (net of cash acquired)            | (1 250 266)                                                | (1 857 297)                                                | (1 848 874)                              |
| Dividends received from equity-accounted investee           | 9 785                                                      | 3 000                                                      | 18 048                                   |
| Other investing activities                                  | 41 272                                                     | 7 040                                                      | 19 902                                   |
| <b>Net cash outflow from investing activities</b>           | <b>(1 738 433)</b>                                         | <b>(2 206 611)</b>                                         | <b>(2 405 655)</b>                       |
| <b>Cash flows from financing activities</b>                 |                                                            |                                                            |                                          |
| Share issues net of expenses                                | –                                                          | 1 227 115                                                  | 1 226 950                                |
| Net shares sold/(repurchased)                               | 6 439                                                      | (2 575)                                                    | (570)                                    |
| Additional investment in existing subsidiary                | (32 909)                                                   | –                                                          | (81 447)                                 |
| Net interest-bearing borrowings raised                      | 206 247                                                    | 471 701                                                    | 214 065                                  |
| Net full maintenance lease borrowings (repaid)/raised       | (39 407)                                                   | 63 843                                                     | 29 935                                   |
| <b>Net cash inflow from financing activities</b>            | <b>140 370</b>                                             | <b>1 760 084</b>                                           | <b>1 388 933</b>                         |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | <b>(431 994)</b>                                           | <b>506 441</b>                                             | <b>896 109</b>                           |
| Net cash and cash equivalents at beginning of the period    | 3 127 910                                                  | 2 122 908                                                  | 2 122 908                                |
| Effect of foreign exchange on cash and cash equivalents     | (158 979)                                                  | 223 544                                                    | 108 893                                  |
| <b>Cash and cash equivalents at end of the period</b>       | <b>2 536 937</b>                                           | <b>2 852 893</b>                                           | <b>3 127 910</b>                         |

# Condensed Consolidated Statement of Changes in Equity

|                                                                 | Stated<br>capital<br>R'000 | Share<br>capital<br>R'000 | Share<br>premium<br>R'000 | Other<br>reserves<br>R'000 | Retained<br>earnings<br>R'000 | Share<br>buyback<br>reserve<br>R'000 | Total<br>R'000 | Non-controlling<br>Interest<br>R'000 | Total<br>equity<br>R'000 |
|-----------------------------------------------------------------|----------------------------|---------------------------|---------------------------|----------------------------|-------------------------------|--------------------------------------|----------------|--------------------------------------|--------------------------|
| <b>Balance at 30 June 2015 – Audited</b>                        |                            |                           |                           |                            |                               |                                      |                |                                      |                          |
| <b>Other comprehensive income</b>                               |                            |                           |                           |                            |                               |                                      |                |                                      |                          |
| Translation adjustment                                          | –                          | 315 334                   | 1 746 798                 | 846 378                    | 2 547 444                     | (434 003)                            | 5 021 951      | 910 729                              | 5 932 680                |
| Effective portion of hedge                                      | –                          | –                         | –                         | 413 356                    | –                             | –                                    | 413 356        | 177 638                              | 590 994                  |
| <b>Profit for the period</b>                                    | –                          | –                         | –                         | (123)                      | –                             | –                                    | 413 479        | 177 751                              | 591 230                  |
|                                                                 | –                          | –                         | –                         | –                          | –                             | –                                    | (123)          | (113)                                | (236)                    |
| <b>Total comprehensive income for the period</b>                | –                          | –                         | –                         | –                          | 490 549                       | –                                    | 490 549        | 110 610                              | 601 159                  |
| Realisation of revaluation reserve through depreciation         | –                          | –                         | –                         | 413 356                    | 490 549                       | –                                    | 903 905        | 288 248                              | 1 192 153                |
| Shares issued for cash                                          | –                          | –                         | –                         | (271)                      | 271                           | –                                    | –              | –                                    | –                        |
| Share issue expenses – rights offer                             | –                          | 33 751                    | 833 658                   | –                          | –                             | 32 591                               | 900 000        | –                                    | 900 000                  |
| Transfer to stated capital                                      | –                          | –                         | (29 397)                  | –                          | –                             | –                                    | (29 397)       | –                                    | (29 397)                 |
| Bookbuild shares issue for cash <sup>2</sup>                    | 2 900 144                  | (349 085)                 | (2 551 059)               | –                          | –                             | –                                    | –              | –                                    | –                        |
| Share issue expenses – bookbuild                                | 360 000                    | –                         | –                         | –                          | –                             | –                                    | 360 000        | –                                    | 360 000                  |
| Share-based payment reserve movement                            | (3 488)                    | –                         | –                         | –                          | –                             | –                                    | (3 488)        | –                                    | (3 488)                  |
| Share options exercised                                         | –                          | –                         | –                         | –                          | 15 576                        | –                                    | 15 576         | 2 542                                | 18 118                   |
| B-BBEE good leaver options exercised <sup>1</sup>               | –                          | –                         | –                         | –                          | (39 549)                      | –                                    | (39 549)       | (6 096)                              | (45 645)                 |
| Movement in treasury shares                                     | –                          | –                         | –                         | –                          | (1 569)                       | –                                    | (1 569)        | –                                    | (1 569)                  |
| Dividends paid to NCI                                           | –                          | –                         | –                         | –                          | –                             | 44 639                               | 44 639         | –                                    | 44 639                   |
| Deferred tax recorded directly in equity on movement in options | –                          | –                         | –                         | –                          | –                             | –                                    | –              | (95 630)                             | (95 630)                 |
| NCI put options movement                                        | –                          | –                         | –                         | –                          | 21 333                        | –                                    | 21 333         | 593                                  | 21 926                   |
| Transactions with equity partners – NLC                         | –                          | –                         | –                         | –                          | (229 294)                     | –                                    | (229 294)      | –                                    | (229 294)                |
| NCI recognised in respect of subsidiaries acquired – IN TIME    | –                          | –                         | –                         | –                          | 156 664                       | –                                    | 156 664        | 204 296                              | 360 960                  |
| <b>Balance at 31 December 2015 – Unaudited</b>                  | 3 256 656                  | –                         | –                         | 1 259 463                  | 2 961 425                     | (356 773)                            | 7 120 771      | 1 553 158                            | 8 673 929                |
| <b>Other comprehensive income</b>                               | –                          | –                         | –                         | (100 487)                  | –                             | –                                    | (100 487)      | (42 645)                             | (143 132)                |
| Translation adjustment                                          | –                          | –                         | –                         | (173 499)                  | –                             | –                                    | (173 499)      | (37 389)                             | (210 888)                |
| Effective portion of hedge                                      | –                          | –                         | –                         | (8 037)                    | –                             | –                                    | (8 037)        | (7 372)                              | (15 409)                 |
| Tax effect of effective portion of hedge                        | –                          | –                         | –                         | 2 307                      | –                             | –                                    | 2 307          | 2 116                                | 4 423                    |
| Revaluation of land and buildings                               | –                          | –                         | –                         | 101 979                    | –                             | –                                    | 101 979        | –                                    | 101 979                  |
| Tax effect of revaluation of land and buildings                 | –                          | –                         | –                         | (23 237)                   | –                             | –                                    | (23 237)       | –                                    | (23 237)                 |
| <b>Profit for the period</b>                                    | –                          | –                         | –                         | –                          | 495 405                       | –                                    | 495 405        | 162 188                              | 657 593                  |
| <b>Total comprehensive income for the period</b>                | –                          | –                         | –                         | (100 487)                  | 495 405                       | –                                    | 394 918        | 119 543                              | 514 461                  |
| Realisation of revaluation reserve through depreciation         | –                          | –                         | –                         | (965)                      | 965                           | –                                    | –              | –                                    | –                        |
| Share issue expenses – rights offer                             | –                          | –                         | (165)                     | –                          | –                             | –                                    | (165)          | –                                    | (165)                    |
| Transfer to stated capital                                      | (165)                      | –                         | 165                       | –                          | –                             | –                                    | –              | –                                    | –                        |
| Share-based payment reserve movement                            | –                          | –                         | –                         | –                          | 22 838                        | –                                    | 22 838         | 3 001                                | 25 839                   |
| Share options exercised                                         | –                          | –                         | –                         | –                          | (53 220)                      | –                                    | (53 220)       | (86)                                 | (53 306)                 |

|                                                                          | Stated capital R'000 | Share capital R'000 | Share premium R'000 | Other reserves R'000 | Retained earnings R'000 | Share buyback reserve R'000 | Total R'000 | Non-controlling interest R'000 | Total equity R'000 |
|--------------------------------------------------------------------------|----------------------|---------------------|---------------------|----------------------|-------------------------|-----------------------------|-------------|--------------------------------|--------------------|
| B-BBEE good leaver options exercised <sup>1</sup>                        | -                    | -                   | -                   | -                    | (4 391)                 | -                           | (4 391)     | -                              | (4 391)            |
| Movement in treasury shares                                              | -                    | -                   | -                   | -                    | -                       | 59 702                      | 59 702      | -                              | 59 702             |
| Dividends paid to NCI                                                    | -                    | -                   | -                   | -                    | -                       | -                           | -           | (90 851)                       | (90 851)           |
| Deferred tax recorded directly in equity on movement in options          | -                    | -                   | -                   | -                    | (1 099)                 | -                           | (1 099)     | 925                            | (174)              |
| NCI put options movement                                                 | -                    | -                   | -                   | -                    | 102 988                 | -                           | 102 988     | -                              | 102 988            |
| Transactions with equity partners – SG Coal                              | -                    | -                   | -                   | -                    | (19 238)                | -                           | (19 238)    | 104 446                        | 85 208             |
| Transactions with equity partners – SG Fleet                             | -                    | -                   | -                   | -                    | (8 984)                 | -                           | (8 984)     | (2 463)                        | (11 447)           |
| <b>Balance at 30 June 2016 – Audited</b>                                 | 3 256 491            | -                   | -                   | 1 158 011            | 3 496 689               | (297 071)                   | 7 614 120   | 1 687 673                      | 9 301 793          |
| <b>Other comprehensive income</b>                                        | -                    | -                   | -                   | (377 609)            | -                       | -                           | (377 609)   | (143 800)                      | (521 409)          |
| Translation adjustment                                                   | -                    | -                   | -                   | (374 542)            | -                       | -                           | (374 542)   | (141 000)                      | (515 542)          |
| Effective portion of hedge                                               | -                    | -                   | -                   | (4 242)              | -                       | -                           | (4 242)     | (3 872)                        | (8 114)            |
| Tax effect of effective portion of hedge                                 | -                    | -                   | -                   | 1 175                | -                       | -                           | 1 175       | 1 072                          | 2 247              |
| <b>Profit for the period</b>                                             | -                    | -                   | -                   | -                    | 499 794                 | -                           | 499 794     | 170 857                        | 670 651            |
| <b>Total comprehensive income for the period</b>                         | -                    | -                   | -                   | (377 609)            | 499 794                 | -                           | 122 185     | 27 057                         | 149 242            |
| Realisation of revaluation reserve through depreciation                  | -                    | -                   | -                   | (39)                 | 39                      | -                           | -           | -                              | -                  |
| Share-based payment reserve movement                                     | -                    | -                   | -                   | -                    | 18 750                  | -                           | 18 750      | 2 011                          | 20 761             |
| Share options exercised                                                  | -                    | -                   | -                   | -                    | (78 292)                | -                           | (78 292)    | (454)                          | (78 746)           |
| B-BBEE good leaver options exercised <sup>1</sup>                        | -                    | -                   | -                   | -                    | (2 412)                 | -                           | (2 412)     | -                              | (2 412)            |
| Movement in treasury shares                                              | -                    | -                   | -                   | -                    | -                       | 87 597                      | 87 597      | -                              | 87 597             |
| Dividends paid to NCI                                                    | -                    | -                   | -                   | -                    | -                       | -                           | -           | (114 128)                      | (114 128)          |
| Deferred tax recorded directly in equity on movement in options          | -                    | -                   | -                   | -                    | (2 345)                 | -                           | (2 345)     | (1 144)                        | (3 489)            |
| NCI put options movement                                                 | -                    | -                   | -                   | -                    | (23 399)                | -                           | (23 399)    | -                              | (23 399)           |
| Transactions with equity partners – SG Fleet <sup>3</sup>                | -                    | -                   | -                   | -                    | (25 047)                | -                           | (25 047)    | (7 862)                        | (32 909)           |
| Transactions with equity partners – Fleet Hire <sup>3</sup>              | -                    | -                   | -                   | -                    | 13 478                  | -                           | 13 478      | 18 817                         | 32 295             |
| Transactions with equity partners – Motiva <sup>3</sup>                  | -                    | -                   | -                   | -                    | 6 459                   | -                           | 6 459       | 10 128                         | 16 587             |
| NCI recognised in respect of subsidiaries acquired – Legend <sup>8</sup> | -                    | -                   | -                   | -                    | -                       | -                           | -           | 18 341                         | 18 341             |
| <b>Balance at 31 December 2016 – Unaudited</b>                           | 3 256 491            | -                   | -                   | 780 363              | 3 903 714               | (209 474)                   | 7 731 094   | 1 640 439                      | 9 371 533          |

<sup>1</sup> A good leaver is an employee who participated in the Broad-Based Black Economic Empowerment Scheme whose employment was terminated due to their death, retrenchment or sale of the subsidiary or business whom employed the participant.

<sup>2</sup> A bookbuild is an offer of shares to selected investors of the company.

<sup>3</sup> Refer to business combinations note.

# Operating segments

|                                                                           | Super Group                                                |                                                            | Supply Chain Africa                                        |                                                            | Supply Chain Europe                                        |                                                            |
|---------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
|                                                                           | Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 | Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 | Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 |
| Revenue                                                                   | 14 094 915                                                 | 12 242 460                                                 | 4 320 536                                                  | 4 168 570                                                  | 1 001 252                                                  | 338 845                                                    |
| Depreciation and amortisation (excluding amortisation of PPA intangibles) | (345 266)                                                  | (325 087)                                                  | (169 953)                                                  | (187 543)                                                  | (5 916)                                                    | (1 666)                                                    |
| Net operating expenditure – excluding capital items                       | (12 619 204)                                               | (10 971 804)                                               | (3 867 561)                                                | (3 689 612)                                                | (901 792)                                                  | (302 201)                                                  |
| Operating expenditure – capital items                                     | (4 526)                                                    | (23 010)                                                   | (4 832)                                                    | 2 403                                                      | (10)                                                       | (35)                                                       |
| EBITA                                                                     | 1 125 919                                                  | 922 559                                                    | 278 190                                                    | 293 818                                                    | 93 534                                                     | 34 943                                                     |
| Amortisation of PPA intangibles                                           | (89 108)                                                   | (39 644)                                                   | (17 259)                                                   | (19 997)                                                   | (38 409)                                                   | (12 312)                                                   |
| Operating profit                                                          | 1 036 811                                                  | 882 915                                                    | 260 931                                                    | 273 821                                                    | 55 125                                                     | 22 631                                                     |
| Net finance charges                                                       | (124 220)                                                  | (96 503)                                                   | (17 383)                                                   | (36 376)                                                   | (22 007)                                                   | (6 514)                                                    |
| Profit before tax                                                         | 912 591                                                    | 786 412                                                    | 243 548                                                    | 237 445                                                    | 33 118                                                     | 16 117                                                     |
| Net capex                                                                 | 539 224                                                    | 407 419                                                    | 189 116                                                    | 103 254                                                    | 10 205                                                     | 5 506                                                      |

|                                                            | Super Group                               |                                     | Supply Chain Africa                       |                                     | Supply Chain Europe                       |                                     |
|------------------------------------------------------------|-------------------------------------------|-------------------------------------|-------------------------------------------|-------------------------------------|-------------------------------------------|-------------------------------------|
|                                                            | As at 31 December 2016<br>Unaudited R'000 | As at 30 June 2016<br>Audited R'000 | As at 31 December 2016<br>Unaudited R'000 | As at 30 June 2016<br>Audited R'000 | As at 31 December 2016<br>Unaudited R'000 | As at 30 June 2016<br>Audited R'000 |
| <b>ASSETS</b>                                              |                                           |                                     |                                           |                                     |                                           |                                     |
| <b>Non-current assets</b>                                  |                                           |                                     |                                           |                                     |                                           |                                     |
| Property, plant and equipment                              | 3 637 144                                 | 3 431 286                           | 1 950 340                                 | 1 861 987                           | 38 602                                    | 40 212                              |
| Investment property                                        | 143 200                                   | 143 200                             | –                                         | –                                   | –                                         | –                                   |
| Full maintenance lease assets                              | 1 661 732                                 | 1 144 622                           | –                                         | –                                   | –                                         | –                                   |
| Intangible assets                                          | 1 314 727                                 | 1 400 757                           | 78 859                                    | 84 658                              | 499 763                                   | 604 686                             |
| Goodwill                                                   | 6 675 689                                 | 6 333 276                           | 639 909                                   | 588 890                             | 1 619 422                                 | 1 831 111                           |
| Investments and other non-current assets                   | 98 232                                    | 124 904                             | 49 647                                    | 26 650                              | –                                         | –                                   |
| <b>Current assets</b>                                      |                                           |                                     |                                           |                                     |                                           |                                     |
| Inventories                                                | 2 952 608                                 | 3 053 994                           | 426 185                                   | 419 052                             | 1 472                                     | 1 089                               |
| Trade receivables                                          | 2 731 748                                 | 2 610 871                           | 1 209 981                                 | 1 250 495                           | 310 441                                   | 388 433                             |
| Sundry receivables                                         | 1 349 499                                 | 1 142 318                           | 843 618                                   | 680 690                             | 9 057                                     | 12 223                              |
| Intercompany trade receivables                             | –                                         | –                                   | 13 489                                    | 13 329                              | –                                         | –                                   |
| <b>SEGMENT ASSETS</b>                                      | <b>20 564 579</b>                         | <b>19 385 228</b>                   | <b>5 212 028</b>                          | <b>4 925 751</b>                    | <b>2 478 757</b>                          | <b>2 877 754</b>                    |
| <b>LIABILITIES</b>                                         |                                           |                                     |                                           |                                     |                                           |                                     |
| <b>Non-current liabilities</b>                             |                                           |                                     |                                           |                                     |                                           |                                     |
| Long-term borrowings                                       | 4 562 255                                 | 4 151 449                           | 534 945                                   | 440 762                             | 765 898                                   | 901 147                             |
| Non-controlling interest put options and other liabilities | 342 526                                   | 402 749                             | 48 832                                    | 124 825                             | 173 891                                   | 189 616                             |
| Fund reserves                                              | 575 158                                   | 536 175                             | –                                         | –                                   | –                                         | –                                   |
| Long-term provisions                                       | 83 631                                    | 92 008                              | –                                         | 2 078                               | 2 327                                     | 2 631                               |
| <b>Current liabilities</b>                                 |                                           |                                     |                                           |                                     |                                           |                                     |
| Short-term borrowings                                      | 934 603                                   | 965 220                             | 326 827                                   | 212 448                             | 4 221                                     | 4 581                               |
| Non-controlling interest put option                        | 114 822                                   | –                                   | 114 822                                   | –                                   | –                                         | –                                   |
| Trade and other payables and provisions                    | 6 654 947                                 | 6 710 047                           | 1 687 472                                 | 1 578 286                           | 185 022                                   | 215 491                             |
| Intercompany trade payables                                | –                                         | –                                   | 38 624                                    | 44 057                              | –                                         | –                                   |
| <b>SEGMENT LIABILITIES</b>                                 | <b>13 267 942</b>                         | <b>12 857 648</b>                   | <b>2 751 522</b>                          | <b>2 402 456</b>                    | <b>1 131 359</b>                          | <b>1 313 466</b>                    |
| Net operating assets                                       | 14 144 069                                | 12 875 023                          | 3 425 132                                 | 3 263 231                           | 2 291 408                                 | 2 659 632                           |

| Fleet Africa                                               |                                                            | SG Fleet                                                   |                                                            | Dealerships SA                                             |                                                            | Dealerships UK                                             |                                                            | Services and intercompany eliminations                     |                                                            |
|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 | Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 | Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 | Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 | Six-month period ended 31 December 2016<br>Unaudited R'000 | Six-month period ended 31 December 2015<br>Unaudited R'000 |
| 326 685                                                    | 320 310                                                    | 1 399 728                                                  | 905 444                                                    | 4 261 576                                                  | 3 372 000                                                  | 2 781 681                                                  | 3 133 646                                                  | 3 457                                                      | 3 645                                                      |
| (84 204)                                                   | (70 688)                                                   | (60 701)                                                   | (37 458)                                                   | (8 464)                                                    | (12 689)                                                   | (8 063)                                                    | (7 823)                                                    | (7 965)                                                    | (7 220)                                                    |
| (164 219)                                                  | (177 188)                                                  | (870 005)                                                  | (572 752)                                                  | (4 112 727)                                                | (3 253 414)                                                | (2 699 379)                                                | (3 047 933)                                                | (3 521)                                                    | 71 296                                                     |
| -                                                          | -                                                          | 202                                                        | 256                                                        | 11                                                         | (11)                                                       | -                                                          | -                                                          | 103                                                        | (25 623)                                                   |
| 78 262                                                     | 72 434                                                     | 469 224                                                    | 295 490                                                    | 140 396                                                    | 105 886                                                    | 74 239                                                     | 77 890                                                     | (7 926)                                                    | 42 098                                                     |
| -                                                          | -                                                          | (30 757)                                                   | (4 203)                                                    | -                                                          | -                                                          | (2 683)                                                    | (3 132)                                                    | -                                                          | -                                                          |
| 78 262                                                     | 72 434                                                     | 438 467                                                    | 291 287                                                    | 140 396                                                    | 105 886                                                    | 71 556                                                     | 74 758                                                     | (7 926)                                                    | 42 098                                                     |
| (8 194)                                                    | (7 238)                                                    | (38 951)                                                   | (12 180)                                                   | (35 367)                                                   | (21 441)                                                   | (26 108)                                                   | (20 744)                                                   | 23 790                                                     | 7 990                                                      |
| 70 068                                                     | 65 196                                                     | 399 516                                                    | 279 107                                                    | 105 029                                                    | 84 445                                                     | 45 448                                                     | 54 014                                                     | 15 864                                                     | 50 088                                                     |
| 107 939                                                    | 193 154                                                    | 65 783                                                     | 49 884                                                     | 45 845                                                     | 10 557                                                     | 98 015                                                     | 11 845                                                     | 22 321                                                     | 33 219                                                     |

| Fleet Africa                              |                                     | SG Fleet                                  |                                     | Dealerships SA                            |                                     | Dealerships UK                            |                                     | Services and intercompany eliminations    |                                     |
|-------------------------------------------|-------------------------------------|-------------------------------------------|-------------------------------------|-------------------------------------------|-------------------------------------|-------------------------------------------|-------------------------------------|-------------------------------------------|-------------------------------------|
| As at 31 December 2016<br>Unaudited R'000 | As at 30 June 2016<br>Audited R'000 | As at 31 December 2016<br>Unaudited R'000 | As at 30 June 2016<br>Audited R'000 | As at 31 December 2016<br>Unaudited R'000 | As at 30 June 2016<br>Audited R'000 | As at 31 December 2016<br>Unaudited R'000 | As at 30 June 2016<br>Audited R'000 | As at 31 December 2016<br>Unaudited R'000 | As at 30 June 2016<br>Audited R'000 |
| 1 632                                     | 1 732                               | 44 692                                    | 31 054                              | 410 610                                   | 351 595                             | 392 436                                   | 355 400                             | 798 832                                   | 789 306                             |
| -                                         | -                                   | -                                         | -                                   | -                                         | -                                   | -                                         | -                                   | 143 200                                   | 143 200                             |
| 967 280                                   | 967 547                             | 694 452                                   | 177 075                             | -                                         | -                                   | -                                         | -                                   | -                                         | -                                   |
| -                                         | -                                   | 671 926                                   | 640 887                             | -                                         | -                                   | 53 814                                    | 65 196                              | 10 365                                    | 5 330                               |
| 87 822                                    | 87 822                              | 3 396 630                                 | 3 226 787                           | 552 465                                   | 159 705                             | 379 441                                   | 438 961                             | -                                         | -                                   |
| -                                         | -                                   | -                                         | -                                   | -                                         | -                                   | -                                         | -                                   | 48 585                                    | 98 254                              |
| -                                         | 174                                 | 115 061                                   | 57 365                              | 1 403 099                                 | 773 756                             | 1 006 791                                 | 1 802 558                           | -                                         | -                                   |
| 94 168                                    | 125 141                             | 619 561                                   | 449 933                             | 290 729                                   | 134 677                             | 172 549                                   | 223 822                             | 34 319                                    | 38 370                              |
| 34 360                                    | 26 065                              | 130 734                                   | 85 488                              | 12 484                                    | 7 152                               | 20 074                                    | 94 753                              | 299 172                                   | 235 947                             |
| 850                                       | 4 703                               | -                                         | -                                   | 805                                       | 701                                 | -                                         | -                                   | (15 144)                                  | (18 733)                            |
| 1 186 112                                 | 1 213 184                           | 5 673 056                                 | 4 668 589                           | 2 670 192                                 | 1 427 586                           | 2 025 105                                 | 2 980 690                           | 1 319 329                                 | 1 291 674                           |
| 407 403                                   | 444 265                             | 1 785 017                                 | 1 393 844                           | -                                         | -                                   | 499 992                                   | 606 431                             | 569 000                                   | 365 000                             |
| -                                         | -                                   | 21 969                                    | 28 341                              | 46 476                                    | 44 999                              | -                                         | -                                   | 51 358                                    | 14 968                              |
| 75 643                                    | 83 955                              | 499 515                                   | 452 220                             | -                                         | -                                   | -                                         | -                                   | -                                         | -                                   |
| -                                         | -                                   | 77 578                                    | 78 772                              | -                                         | -                                   | -                                         | -                                   | 3 726                                     | 8 527                               |
| 57 877                                    | 51 394                              | 539 785                                   | 215 433                             | -                                         | -                                   | -                                         | -                                   | 5 893                                     | 481 364                             |
| -                                         | -                                   | -                                         | -                                   | -                                         | -                                   | -                                         | -                                   | -                                         | -                                   |
| 86 251                                    | 91 159                              | 1 549 597                                 | 1 305 531                           | 1 885 746                                 | 1 218 909                           | 1 126 269                                 | 2 140 856                           | 134 590                                   | 159 815                             |
| 7 426                                     | 6 800                               | -                                         | -                                   | 749                                       | 1 562                               | -                                         | -                                   | (46 799)                                  | (52 419)                            |
| 634 600                                   | 677 573                             | 4 473 461                                 | 3 474 141                           | 1 932 971                                 | 1 265 470                           | 1 626 261                                 | 2 747 287                           | 717 768                                   | 977 255                             |
| 952 222                                   | 959 276                             | 3 523 316                                 | 2 803 690                           | 1 635 949                                 | 709 349                             | 1 380 663                                 | 1 578 315                           | 935 379                                   | 901 530                             |

# Business combinations

| Subsidiaries and businesses acquired              | Nature of business | Operating segment   | Date acquired     | Interest acquired (%) | Purchase price R'000 |
|---------------------------------------------------|--------------------|---------------------|-------------------|-----------------------|----------------------|
| Western Cape Dealerships                          | Dealerships        | Dealerships SA      | 1 September 2016  | 100                   | 699 301              |
| Fleet Hire Holdings Limited (Fleet Hire)          | Fleet management   | SG Fleet            | 4 August 2016     | 100                   | 367 465              |
| Motiva Group Limited (Motiva)                     | Fleet management   | SG Fleet            | 30 November 2016  | 100                   | 249 004              |
| ABF Legend Logistics Proprietary Limited (Legend) | Logistics          | Supply Chain Africa | 30 September 2016 | 75                    | 110 547              |
| <b>Purchase price</b>                             |                    |                     |                   |                       | <b>1 426 317</b>     |

| Net cost on acquisition of businesses                                                | Western Cape Dealerships R'000 | Fleet Hire R'000 | Motiva R'000 | Legend R'000 | Total R'000 |
|--------------------------------------------------------------------------------------|--------------------------------|------------------|--------------|--------------|-------------|
| <b>Fair value of assets acquired and liabilities assumed at date of acquisition:</b> |                                |                  |              |              |             |
| <b>Assets</b>                                                                        |                                |                  |              |              |             |
| Property, plant and equipment                                                        | 21 615                         | 4 850            | 1 165        | 96 531       | 124 161     |
| Intangible assets                                                                    | –                              | 82 802           | 48 004       | 12 364       | 143 170     |
| Full maintenance lease assets                                                        | –                              | 124 902          | 447 790      | –            | 572 692     |
| Goodwill                                                                             | 392 760                        | 334 310          | 189 266      | 55 523       | 971 859     |
| Inventories                                                                          | 618 693                        | 9 681            | 9 097        | 2 189        | 639 660     |
| Trade and other receivables                                                          | 4 504                          | 79 677           | 63 438       | 51 471       | 199 090     |
| Provision for impairment of trade receivables                                        | –                              | (373)            | –            | (3 469)      | (3 842)     |
| Taxation receivable                                                                  | –                              | 309              | –            | –            | 309         |
| Cash and cash equivalents                                                            | –                              | 19 455           | 53 890       | 18 277       | 91 622      |
|                                                                                      | 1 037 572                      | 655 613          | 812 650      | 232 886      | 2 738 721   |
| <b>Liabilities</b>                                                                   |                                |                  |              |              |             |
| Fund reserves                                                                        | –                              | 45 141           | 26 414       | –            | 71 555      |
| Interest-bearing borrowings                                                          | –                              | –                | –            | 45 650       | 45 650      |
| Full maintenance lease borrowings                                                    | –                              | 124 193          | 425 337      | –            | 549 530     |
| Deferred tax liabilities                                                             | –                              | 13 456           | 14 796       | 12 879       | 41 131      |
| Trade and other payables                                                             | 335 563                        | 102 024          | 91 006       | 41 498       | 570 091     |
| Income tax payable                                                                   | –                              | –                | 4 513        | 3 803        | 8 316       |
| Provisions                                                                           | 2 708                          | 3 334            | 1 580        | 168          | 7 790       |
|                                                                                      | 338 271                        | 288 148          | 563 646      | 103 998      | 1 294 063   |
| Fair value of net assets acquired                                                    | 699 301                        | 367 465          | 249 004      | 128 888      | 1 444 658   |
| Less: Non-controlling interest                                                       | –                              | –                | –            | (18 341)     | (18 341)    |
| Purchase price                                                                       | 699 301                        | 367 465          | 249 004      | 110 547      | 1 426 317   |
| Deferred contingent purchase consideration                                           | –                              | –                | –            | (35 547)     | (35 547)    |
| Equity shares of SG Fleet transferred                                                | –                              | (32 295)         | (16 587)     | –            | (48 882)    |
| Cash consideration transferred                                                       | 699 301                        | 335 170          | 232 417      | 75 000       | 1 341 888   |
| Cash acquired                                                                        | –                              | (19 455)         | (53 890)     | (18 277)     | (91 622)    |
| Cash outflow                                                                         | 699 301                        | 315 715          | 178 527      | 56 723       | 1 250 266   |

The acquisition of the Western Cape dealerships will allow the Group to expand the Mercedes Benz dealerships footprint.

The acquisition of Fleet Hire and Motiva will bolster the United Kingdom SG Fleet division. The Group performed a purchase price allocation exercise on Fleet Hire and Motiva whereby intangible assets acquired were separately valued. The valuation, using projected financial information led to the recognition of customer contracts and relationships of R82,8 million and R45,9 million for Fleet Hire and Motiva respectively.

The acquisition of Legend will strengthen the Supply Chain Africa division. The Group performed a purchase price allocation exercise on Legend whereby intangible assets acquired were separately valued. The valuation, using projected financial information led to the recognition of R12,4 million in respect of customer contracts.

The non-controlling interests have been calculated using the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

The values identified in relation to the acquisitions are provisional as at 31 December 2016.

Goodwill has been recognised on the acquisition of Western Cape Dealerships, Fleet Hire, Motiva and Legend amounting to R392,8 million, R334,3 million, R189,3 million and R55,5 million respectively.

Goodwill is attributable mainly to the skills and technical talent of the workforce and synergies expected to be achieved from integrating the acquired businesses into the Group's various operations. None of the goodwill is expected to be deductible for tax purposes.

The acquisition related costs of R28,8 million relating to these acquisitions are included in the consolidated statement of comprehensive income.

| Impact of the acquisitions on the results of the Group              | Western Cape<br>Dealerships<br>R'000 | Fleet Hire<br>R'000 | Motiva<br>R'000 | Legend<br>R'000 | Total<br>R'000   |
|---------------------------------------------------------------------|--------------------------------------|---------------------|-----------------|-----------------|------------------|
| From the dates of acquisition, the acquired businesses contributed: |                                      |                     |                 |                 |                  |
| Revenue                                                             | 996 899                              | 114 310             | 24 431          | 123 123         | <b>1 258 763</b> |
| Profit after tax and amortisation of PPA intangibles                | 9 070                                | *                   | 1 486           | 12 015          | <b>*</b>         |
| Attributable profit to equity holders of Super Group <sup>1</sup>   | 9 070                                | *                   | 777             | 9 011           | <b>*</b>         |

<sup>1</sup> Profit after tax, after non-controlling interest (excluding acquisition related costs).

\*Due to the significant integration activities it is not practical to derive a meaningful profit contribution.

| Impact of the acquisitions on the results of the Group – had they occurred on 1 July 2016 | Western Cape<br>Dealerships<br>R'000 | Fleet Hire<br>R'000 | Motiva<br>R'000 | Legend<br>R'000 | Total<br>R'000   |
|-------------------------------------------------------------------------------------------|--------------------------------------|---------------------|-----------------|-----------------|------------------|
| From 1 July 2016 the businesses would have contributed:                                   |                                      |                     |                 |                 |                  |
| Revenue                                                                                   | 1 483 513                            | 132 057             | 193 172         | 228 500         | <b>2 037 242</b> |
| Profit after tax and amortisation of PPA intangibles                                      | 12 630                               | *                   | 5 227           | 25 754          | <b>*</b>         |
| Attributable profit to equity holders of Super Group <sup>1</sup>                         | 12 630                               | *                   | 2 732           | 19 316          | <b>*</b>         |

<sup>1</sup> Profit after tax, after non-controlling interest (excluding acquisition related costs).

\*Due to the significant integration activities it is not practical to derive a meaningful profit contribution.

| Net costs on increase in existing shareholding in subsidiaries | SG Fleet<br>R'000 |
|----------------------------------------------------------------|-------------------|
| Non-controlling interest                                       | <b>7 862</b>      |
| Effect of transactions between equity partners on equity       | <b>25 047</b>     |
| Cash outflow                                                   | <b>32 909</b>     |

During the year the Group purchased an additional 0.37% in SG Fleet for R32,9 million.

| Net proceeds on decrease in existing shareholding in subsidiaries | Fleet Hire<br>R'000 | Motiva<br>R'000 | Total<br>R'000  |
|-------------------------------------------------------------------|---------------------|-----------------|-----------------|
| Non-controlling interest                                          | 18 817              | 10 128          | <b>28 945</b>   |
| Effect of transactions between equity partners on equity          | 13 478              | 6 459           | <b>19 937</b>   |
|                                                                   | 32 295              | 16 587          | <b>48 882</b>   |
| Equity shares of SG Fleet transferred on purchase of Fleet Hire   | (32 295)            | –               | <b>(32 295)</b> |
| Equity shares of SG Fleet transferred on purchase of Motiva       | –                   | (16 587)        | <b>(16 587)</b> |
| Cash inflow                                                       | –                   | –               | <b>–</b>        |

SG Fleet issued a total of 1 239 043 shares to the sellers of Fleet Hire and Motiva as part payment for the acquisitions, resulting in a dilution of 0.25% of the Group's shareholding.

# Salient features

|                                                                                                                                                                                                                   | Six-month<br>period<br>ended<br>31 December<br>2016<br>Unaudited<br>R'000 | Six-month<br>period<br>ended<br>31 December<br>2015<br>Unaudited<br>R'000 | Year ended<br>30 June<br>2016<br>Audited<br>R'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------|
| <b>1. Interest-bearing borrowings</b>                                                                                                                                                                             |                                                                           |                                                                           |                                                   |
| SG Fleet interest-bearing borrowings                                                                                                                                                                              | 1 695 645                                                                 | 1 603 720                                                                 | 1 479 144                                         |
| Asset-based borrowings                                                                                                                                                                                            | 861 955                                                                   | 829 381                                                                   | 653 210                                           |
| Corporate bond                                                                                                                                                                                                    | 206 818                                                                   | 477 599                                                                   | 478 398                                           |
| Acquisition borrowings – Allen Ford                                                                                                                                                                               | 342 881                                                                   | 538 711                                                                   | 466 667                                           |
| Acquisition borrowings – Germany                                                                                                                                                                                  | 770 120                                                                   | 956 851                                                                   | 905 727                                           |
| Property and other borrowings                                                                                                                                                                                     | 525 185                                                                   | 539 059                                                                   | 507 730                                           |
|                                                                                                                                                                                                                   | <b>4 402 604</b>                                                          | 4 945 321                                                                 | 4 490 876                                         |
| <b>2. Share statistics</b>                                                                                                                                                                                        |                                                                           |                                                                           |                                                   |
| Total issued less treasury shares ('000)                                                                                                                                                                          | 348 793                                                                   | 345 166                                                                   | 346 671                                           |
| Weighted number of shares ('000)                                                                                                                                                                                  | 347 863                                                                   | 318 698                                                                   | 332 387                                           |
| Diluted weighted number of shares ('000)                                                                                                                                                                          | 353 425                                                                   | 325 104                                                                   | 338 447                                           |
| Net asset value per share (cents) <sup>1</sup>                                                                                                                                                                    | 2 216,5                                                                   | 2 063,0                                                                   | 2 196,4                                           |
| <sup>1</sup> Net asset value per share is calculated as the capital and reserves attributable to equity shareholders of Super Group divided by the total issued less treasury shares.                             |                                                                           |                                                                           |                                                   |
| <b>3. Capital commitments</b>                                                                                                                                                                                     |                                                                           |                                                                           |                                                   |
| Authorised but not yet contracted for capital commitments, excluding full maintenance lease assets.                                                                                                               | 544 825                                                                   | 339 465                                                                   | 555 355                                           |
| Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowings facilities.                                                                                        |                                                                           |                                                                           |                                                   |
| <b>4. Related party transactions</b>                                                                                                                                                                              |                                                                           |                                                                           |                                                   |
| The Group, in the ordinary course of business, entered into various sales and purchase transactions on an arm's length basis with related parties.                                                                |                                                                           |                                                                           |                                                   |
| <b>5. Subsequent events</b>                                                                                                                                                                                       |                                                                           |                                                                           |                                                   |
| The transfer and payment of the Century City property which is included in the purchase agreement of the Western Cape dealerships became effective in January 2017. The property has been valued at R191 million. |                                                                           |                                                                           |                                                   |
| Other than the matters disclosed, the directors are not aware of any other matters or circumstance arising subsequent to the reporting date up to the date of this report, which will affect these results.       |                                                                           |                                                                           |                                                   |

## 6. Significant events

### *SG Fleet Group Limited acquisition of Fleet Hire*

SG Fleet Group Limited acquired Fleet Hire effective 4 August 2016 for a purchase consideration of R367,5 million. The statement of financial position as at 31 December 2016 has been impacted by increases in full maintenance lease assets of R98,2 million, intangible assets of R72,1 million, goodwill of R303,8 million, trade and other receivables of R33,5 million, full maintenance lease borrowings of R98,4 million and deferred tax liability of R11,6 million as a result of this acquisition. Trading relating to the five months ended 31 December 2016 has been included in the Statement of Comprehensive Income.

### *SG Fleet Group Limited acquisition of Motiva*

SG Fleet Group Limited acquired Motiva effective 30 November 2016 for a purchase consideration of R249,0 million. The statement of financial position as at 31 December 2016 has been impacted by increases in full maintenance lease assets of R427,6 million, intangible assets of R45,7 million, goodwill of R181,9 million, full maintenance lease borrowings of R210,3 million and a deferred tax liability of R14,1 million as a result of the acquisition. Trading relating to the one month ended 31 December 2016 has been included in the Statement of Comprehensive Income.

### *Mercedes-Benz dealerships acquisition*

The Group acquired the Western Cape dealerships business from Sandown Motor Holdings Proprietary Limited effective 1 September 2016 for a purchase consideration of R699,3 million. The statement of financial position as at 31 December 2016 has been impacted by increases in goodwill of R392,8 million, inventories of R554,8 million, trade and other receivables of R116,1 million and trade and other payables of R654,4 million as a result of the acquisition. Trading relating to the four months ended 31 December 2016 has been included in the Statement of Comprehensive Income.

The table below reflects the movement in the exchange rates from the prior reporting periods:

|                                                         | 31 December<br>2016 | 31 December<br>2015 | %<br>change |
|---------------------------------------------------------|---------------------|---------------------|-------------|
| <b>Average currency rate to the South African Rand:</b> |                     |                     |             |
| Australian Dollar                                       | 10,54               | 9,81                | 7.4         |
| US Dollar                                               | 13,99               | 13,62               | 2.7         |
| Euro                                                    | 15,34               | 15,02               | 2.1         |
| Great British Pound                                     | 17,89               | 20,88               | (14.3)      |
|                                                         | 31 December<br>2016 | 30 June<br>2016     | %<br>change |
| <b>Closing currency rate to the South African Rand:</b> |                     |                     |             |
| Australian Dollar                                       | 9,90                | 10,98               | (9.8)       |
| US Dollar                                               | 13,74               | 14,73               | (6.7)       |
| Euro                                                    | 14,45               | 16,34               | (11.6)      |
| Great British Pound                                     | 16,95               | 19,61               | (13.6)      |

The non-South African operations account for 54% (June 2016: 58%) and 56% (June 2016: 60%) of the Group's total assets and liabilities respectively.

The non-South African operations generated 38% (December 2015: 37%) and 58% (December 2015: 52%) of the Group's revenue and operating profit respectively.

The non-South African operations revenue, operating profit and profit before tax increased from the prior comparable period by 19%, 29% and 22% respectively.

## Salient features continued

### 7. Fair value

|                                                                            | Hierarchy        |                  | Valuation technique                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------|------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                            | Level 2<br>R'000 | Level 3<br>R'000 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Property, plant and equipment – Land, buildings and leasehold improvements |                  | <b>1 559 817</b> | Valuation performed by Onyx valuation services in June 2016. The valuation model considers the present value of net cash flows to be generated from these properties, taking into account expected rental growth rate, void period, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. |
| Investment properties                                                      |                  | <b>143 200</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Deferred contingent purchase consideration receivable – GWM                |                  | <b>59 358</b>    | This valuation is calculated as the amount receivable discounted using a pre-tax rate of 9,5% and assessed for recoverability.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Deferred contingent purchase consideration payable – Legend                |                  | <b>36 391</b>    | An obligation exists at acquisition date resulting from the possibility of the acquiree's aggregate profit after tax for the three-year period ending 30 June 2019 exceeding R60 million. The deferred contingent purchase consideration is calculated by applying 75% to every R1 excess over the R60 million aggregate profit after tax. The present value of this obligation is determined using a pre-tax discount rate of 9.5%. The date of exercise is the second business day after the aggregate profit after tax is agreed.                                                        |
| FEC assets                                                                 | <b>2 032</b>     |                  | The fair values are based on broker quotes. Similar contracts are traded in an active market and reflect the actual transactions in similar instruments.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| FEC liabilities                                                            | <b>6 816</b>     |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Digistics put option                                                       |                  | <b>114 822</b>   | This put option has been based on the average non-controlling interest non-proportionate share of the profit after tax for the last three financial years preceding 1 October 2017 at a price earnings ratio of 6.5. The present value has been determined using a pre-tax discount rate of 9.5%.                                                                                                                                                                                                                                                                                           |
| Legend put option                                                          |                  | <b>37 676</b>    | This put option is calculated as the fair value of the business at exercise date of the option, by present valuing the free cash flows for a 10-year period post the date of exercise. The present value is determined by using a pre-tax discount rate of 9.5%. The option can be exercised on 1 October 2019.                                                                                                                                                                                                                                                                             |
| IN TIME put option                                                         |                  | <b>173 891</b>   | This put option is calculated as the fair value determined by using the average audited EBITDA for the three years preceding the put option exercise date at a price earnings multiple of 7.5, adjusted for net debt. The present value has been determined using a pre-tax discount rate of 7.3%. The put option can be exercised from 30 June 2020 to 30 June 2025.                                                                                                                                                                                                                       |

The carrying value of all other financial instruments approximates the fair value of the financial instruments as at 31 December 2016.

### Movement in level 3 financial instruments measured at fair value

The following table shows a reconciliation from the opening to closing balances of level 3 financial instruments carried at fair value:

|                                                                                                      | 31 December 2016<br>R'000 |
|------------------------------------------------------------------------------------------------------|---------------------------|
| <b>Financial asset/(liability) – Deferred contingent purchase consideration receivable/(payable)</b> |                           |
| Opening balance                                                                                      | 57 462                    |
| Subsidiary acquired – Legend                                                                         | (35 547)                  |
| Fair value adjustment to profit and loss                                                             | 1 052                     |
| Closing balance                                                                                      | 22 967                    |
| <b>Financial liabilities – Put option liabilities</b>                                                |                           |
| Opening balance                                                                                      | 302 990                   |
| Movement through statement of changes in equity                                                      | 23 399                    |
| Subsidiary acquired                                                                                  | 36 802                    |
| Fair value adjustment                                                                                | (13 403)                  |
| Closing balance                                                                                      | 326 389                   |

### Sensitivity analysis

#### Deferred contingent purchase consideration

The significant assumptions included in the fair value measurement of the deferred contingent purchase consideration for Legend are based on the projected income that is not observable in the market. The following table shows how the fair value of the Legend payable would change if the projected income assumption was increased by 100bps:

|                                                             | Fair value<br>R'000 | Increase in liability<br>R'000 |
|-------------------------------------------------------------|---------------------|--------------------------------|
| Legend – Deferred contingent purchase consideration payable | 36 391              | 774                            |

Due to the Group having disposed of GWM in the prior year, the deferred contingent purchase consideration of R60 million is certain and has been discounted to 31 December 2016.

#### Put options

The significant assumption included in the fair value measurement of the put option liabilities relates to the projected income that is not observable in the market. The following table shows how the fair value of the liabilities would change if the significant assumption was increased by 100bps:

|           | Fair value<br>R'000 | Increase in liability<br>R'000 |
|-----------|---------------------|--------------------------------|
| Digistics | 114 822             | 382                            |
| Legend    | 37 676              | 323                            |
| IN TIME   | 173 891             | 3 795                          |

## Salient features continued

### 8. Capital items

|                                                                                                                             | Six-month<br>period ended<br>31 December<br>2016<br>Unaudited<br>R'000 | Six-month<br>period ended<br>31 December<br>2015<br>Unaudited<br>R'000 | Year ended<br>30 June 2016<br>Audited<br>2016 |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------|
| (Reversal of impairment)/impairment of property, plant and equipment, intangible assets and full maintenance lease vehicles | (14)                                                                   | 16 229                                                                 | 19 715                                        |
| Impairment of equity-accounted investee                                                                                     | –                                                                      | 9 000                                                                  | 22 620                                        |
| Profit on sale of business                                                                                                  | –                                                                      | –                                                                      | (39 629)                                      |
| Fair value adjustment to investment property                                                                                | –                                                                      | –                                                                      | (4 000)                                       |
| Loss/(profit) on sale of property, plant and equipment                                                                      | 4 540                                                                  | (2 219)                                                                | (8 840)                                       |
| Capital items before tax and NCI                                                                                            | 4 526                                                                  | 23 010                                                                 | (10 134)                                      |
| Tax effect of capital items                                                                                                 | (1 263)                                                                | (3 920)                                                                | (2 297)                                       |
| NCI effect of capital items                                                                                                 | (1 632)                                                                | (2 270)                                                                | (1 064)                                       |
| Capital items after tax and NCI                                                                                             | 1 631                                                                  | 16 820                                                                 | (13 495)                                      |

# Corporate information

## Directors

Executive: P Mountford (Chief Executive Officer) and C Brown (Chief Financial Officer)

Non-executive: P Vallet (Chairman of the company), Dr E Banda\*, M Cassim\*, V Chitalu\*#, J Newbury\* and D Rose\*

*\*Independent #Zambian*

## Company Secretary

N Redford

## Registered office

27 Impala Road, Chislehurst, Sandton, 2196

## Transfer secretaries

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

(PO Box 61051, Marshalltown, 2107)

## Sponsor

Deutsche Securities (SA) Proprietary Limited

(Registration number 1995/011798/07)

3 Exchange Square, 87 Maude Street, Sandton, 2196

## Investor Relations

Keyter Rech Investor Solutions CC

(Registration number 2008/156985/23)

5 2nd Road, Hyde Park, 2196

[www.supergroup.co.za](http://www.supergroup.co.za)

