

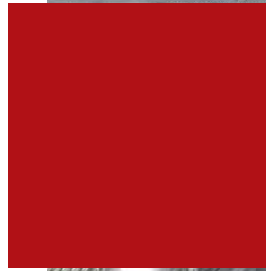


**REVIEWED
FINAL
RESULTS**

for the year ended
30 June **2017**

Final results

for the year ended June 2017



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supergroup 

SUPER GROUP LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1943/016107/06

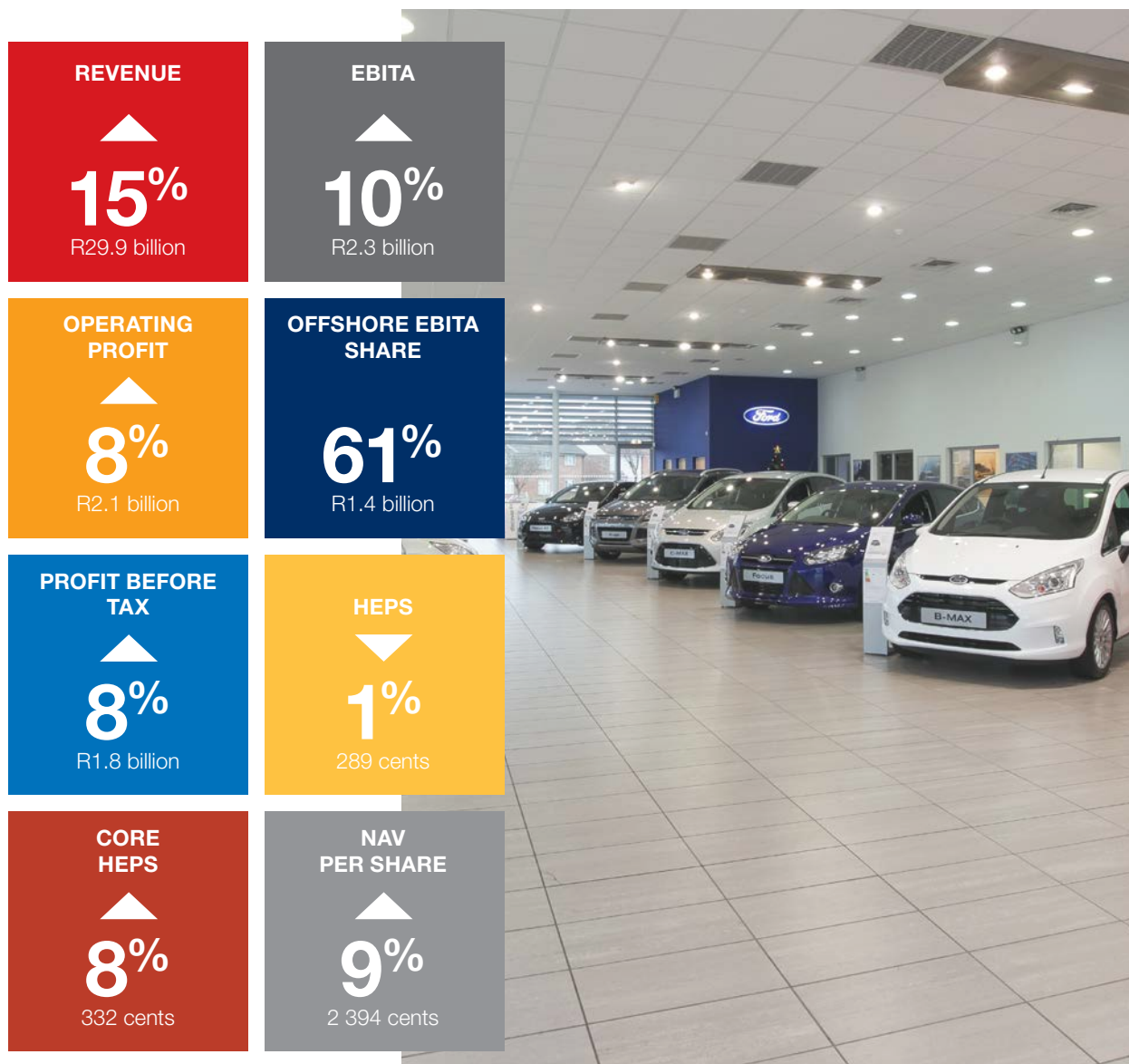
Share code SPG

ISIN ZAE000161832

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

Results at a glance

For the year ended 30 June 2017



INTRODUCTION

Super Group reported a solid set of results for the year ended 30 June 2017 despite many challenging and competitive trading conditions being experienced by the majority of the Group's operations, both locally and abroad. SG Fleet Australia made a significant contribution to the Group's results which includes nlc's results for the full period and the contributions from Fleet Hire (UK) and Motiva (UK) for 11 months and seven months, respectively. SG IN tIME's results were also included for the full period compared to eight months in the prior reporting year. Dealerships SA's results included the addition of the nine Western Cape dealerships from September 2016 and Dealerships UK included the Essex Auto Group acquisition for a four-month period.

Super Group continued to increase its geographical footprint and concluded five strategic acquisitions during the financial year. For the year under review, Super Group's non-South African businesses contributed 40% of revenue and 61% of earnings before interest, taxation and amortisation of Purchase Price Allocation (PPA) intangibles (EBITA). The foreign earnings are subject to exchange rate volatility and with the strengthening of the Rand against all the major currencies, the Group's reporting results were negatively impacted.

In the previous comparable year the earnings, after taxation and non-controlling interests, included a once-off foreign exchange profit of R98.3 million on the SG IN tIME forward exchange contract as well as lower Broad-Based Black Economic Empowerment (B-BBEE) expenses of R12.7 million compared to the current year's R25.6 million.

On 9 September 2016 and 31 October 2016, the JSE Limited (JSE) granted Super Group a listing of its second and third issuance, SPG002 and SPG003, senior unsecured notes, in terms of its Domestic Medium Term Note (DMTN) Programme dated 22 October 2013. The total value of the DMTN's issued and listed was R50 million and R154 million, respectively. The authorised DMTN programme size is R2 billion. Despite South Africa's Sovereign Credit Rating downgrade on 3 April 2017, Standard & Poor, in an unscheduled review, upgraded Super Group's long-term and short-term credit rating to zaAA and zaA+, respectively, on 10 August 2017.

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

The B-BBEE status for Super Group Holdings Proprietary Limited for the year ended 30 June 2017 was verified as a Level 2-Contributor.

Financial performance

Group revenue increased by 15.1% to R29.9 billion (June 2016: R25.9 billion) primarily due to the inclusion of the results of nlc and SG IN TIME for the full year, the acquisitions as well as the commendable turnaround in SG Coal's results.

EBITA was up by 10.1% to R2 292.4 million (June 2016: R2 082.5 million). The amortisation of PPA intangibles increased by 35.1% to R176.4 million (June 2016: R130.5 million) mainly as a result of the inclusion of the results of nlc and SG IN TIME, Fleet Hire for 11 months and Motiva for seven months.

Operating profit increased by 8.4% to R2 116.1 million (June 2016: R1 952.0 million), largely due to the acquisitions and the improved performance by SG Coal within Supply Chain Africa.

The increase in net finance costs of 10.0% to R280.0 million (June 2016: R254.7 million) is attributable to the funding of the various acquisitions, the funding of the working capital for and the properties of the Western Cape dealerships and the Essex Auto Group as well as the FML borrowings in the SG Fleet United Kingdom acquisitions. The average interest rate paid on borrowings was 6.2% (June 2016: 6.0%) and the average interest rate earned on cash was 3.7% (June 2016: 3.7%).

Profit before tax increased by 8.2% to R1 836.1 million (June 2016: R1 697.3 million). The effective tax rate increased to 27.4% (June 2016: 25.8%) primarily as a result of the increase in profits in territories that have higher corporate tax rates.

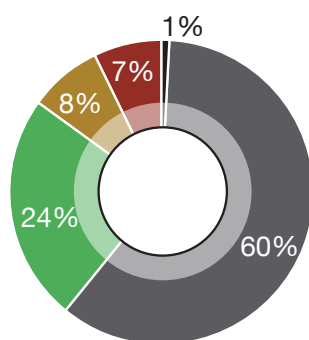
Earnings per share (EPS) and headline earnings per share (HEPS) decreased by 3.9% to 285.0 cents (June 2016: 296.6 cents) and 1.4% to 288.5 cents (June 2016: 292.6 cents), respectively, due to the impact of the increased weighted number of shares and the once-off foreign exchange profit on the SG IN TIME forward exchange contract in the prior comparable period. Core HEPS increased by 7.8% to 332.0 cents (June 2016: 308.1 cents). Core HEPS excludes the amortisation of PPA intangibles arising from business combinations, acquisition costs and the B-BBEE costs, after tax and non-controlling interests. Core HEPS in the prior comparable period also excluded the once-off profit made on the foreign exchange contract. The increase of 4.8% 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, to fund the SG IN TIME and nlc acquisitions.

The increase in total assets of 9.1% to R24.9 billion (2016: R22.8 billion) is mainly as a result of the newly acquired assets of Fleet Hire and Motiva by SG Fleet, the nine Western Cape dealerships, property related to the dealership transaction and the interest in Essex Auto Group during the year under review. The Group has taken a decision to modify the calculation of net operating assets by including the interest-bearing Dealerships' floorplan liabilities. As a consequence, the Group's Return on Net Operating Assets, after tax, was 12.2% (June 2016: 15.7%).

Super Group's net debt position at 30 June 2017 increased by 56.2% or R1 117.0 million to R3 105.7 million, with R537.6 million attributable to property and other borrowings relating to Dealerships SA and Dealerships UK. The Group's gearing, as at 30 June 2017, was 31.5% (June 2016: 21.4%). The net asset value per share increased by 9.0% for the year to 2 394.1 cents at 30 June 2017 (June 2016: 2 196.4 cents).

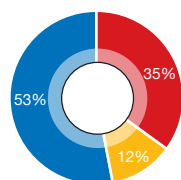
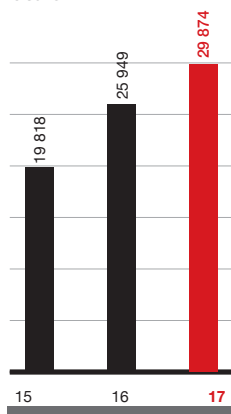
Operating cash flow increased by 17.3% for the year to R3 111.4 million (June 2016: R2 651.5 million) mainly due to the increase in earnings before interest, taxation, depreciation and amortisation. Cash generated from operations, after working capital, increased by 10.3% to R3 194.3 million (June 2016: R2 897.0 million).

REVENUE 30 June 2017



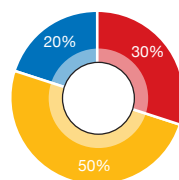
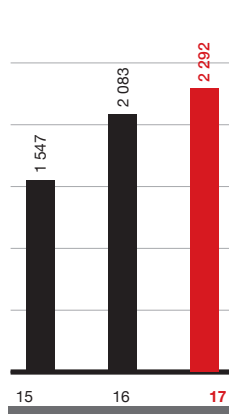
- South Africa
- United Kingdom
- Australia
- Europe
- Africa and other

REVENUE to June



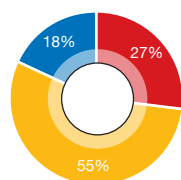
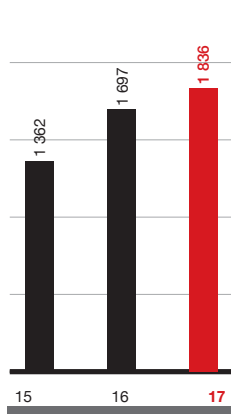
■ Supply Chain
■ Fleet Solutions
■ Dealerships

EBITA to June



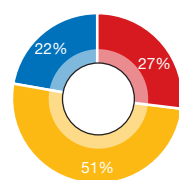
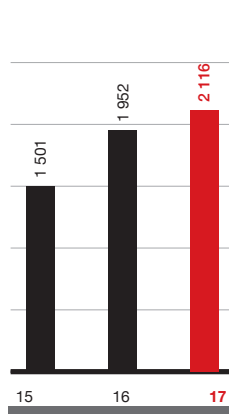
■ Supply Chain
■ Fleet Solutions
■ Dealerships

PROFIT BEFORE TAX to June



■ Supply Chain
■ Fleet Solutions
■ Dealerships

OPERATING PROFIT to June



■ Supply Chain
■ Fleet Solutions
■ Dealerships

Contribution indicated as a percentage of Group excl. services

Divisional review

SUPPLY CHAIN

R'000	Change %	Year ended 30 June 2017	Year ended 30 June 2016
Revenue		10 342 101	9 421 638
Supply Chain Africa	4.0	8 344 186	8 021 631
Supply Chain Europe	Nm	1 997 915	1 400 007
EBITA		676 631	648 015
Supply Chain Africa	(3.2)	482 163	497 905
Supply Chain Europe	Nm	194 468	150 110
Operating profit		568 686	555 398
Supply Chain Africa	(2.3)	448 528	459 056
Supply Chain Europe	Nm	120 158	96 342
Operating margin (%)			
Supply Chain Africa		5.4	5.7
Supply Chain Europe		6.0	6.9
Profit before tax		491 770	457 869
Supply Chain Africa	6.0	413 665	390 154
Supply Chain Europe	Nm	78 105	67 715
Net operating assets		5 796 941	5 922 863
Supply Chain Africa	5.9	3 455 840	3 263 231
Supply Chain Europe	(12.0)	2 341 101	2 659 632

Nm: Not meaningful

The majority of **Supply Chain Africa's** businesses delivered satisfactory performances with the exception of SG Consumer, SG Convenience and African Logistics. Both SG Consumer and SG Convenience reported a severe decline in revenue and profits on the back of lower volumes, primarily due to the consumer being under pressure, as well as the competitive environment. In addition, SG Convenience's results were negatively impacted by the loss of the Monster energy drink distribution contract in July 2016 as a consequence of The Coca-Cola Company investing in Monster USA. African Logistics performed poorly as a direct result of the loss-making SuperLinks Business, which was closed in 4Q2017. SG Coal delivered an excellent performance compared to the prior year. Phola Coaches performed very well over the reporting period on the back of new and extended contracts. VSc Solutions also reported solid results. SG Freight, Super Rent, SG Mobility and Digistics reported reasonable results under challenging trading conditions. Despite the competitive environment and difficult conditions, Supply Chain Africa managed to secure a number of contracts across its businesses, however, margin pressure is being experienced when tendering for new or even existing contracts. During the year, Super Group acquired the remaining 49.2% of its shareholding in SG Coal for R167.3 million.

Supply Chain Europe's results of SG IN tIME, a Time-critical Delivery Services company headquartered in Germany, was negatively impacted by the strengthening of the Rand against the Euro on profit before tax to an amount of R7.5 million. In Euro-terms, SG IN tIME reported good growth on the back of a sales volume increase of 7.2% in the 2H2017. The results are not comparable as only eight months' results were included for the year ended 30 June 2016. The amortisation of PPA intangibles for the period amounted to R74.3 million. Subsequent to year-end, SG IN tIME acquired an 89.5% interest in Ader, a Spanish courier and express transport operator, for €11.6 million. Ader, founded in 1992, has 17 offices throughout Spain and 15 operations in the Eurozone. Ader specialises in the provision of dedicated and exclusive transport and logistics solutions. SG IN tIME was encouraged by a large OEM to establish a direct presence in Spain in order to service the increase in locally manufactured parts volumes in the Iberian environment. Ader has been SG IN tIME's local network partner in Spain for 15 years.

FLEET SOLUTIONS

R'000	Change %	Year ended 30 June 2017	Year ended 30 June 2016
Revenue		3 609 213	2 935 788
Fleet Africa	(14.9)	623 357	732 716
SG Fleet	35.5	2 985 856	2 203 072
EBITA		1 149 610	963 003
Fleet Africa	(10.0)	146 921	163 301
SG Fleet	25.4	1 002 689	799 702
Operating profit		1 086 376	931 541
Fleet Africa	(10.0)	146 921	163 301
SG Fleet	22.3	939 455	768 240
Operating margin (%)			
Fleet Africa		23.6	22.3
SG Fleet		31.5	34.9
Profit before tax		983 245	840 207
Fleet Africa	(9.0)	129 284	142 103
SG Fleet	22.3	853 961	698 104
Net operating assets		4 549 427	3 762 966
Fleet Africa	3.6	993 739	959 276
SG Fleet	26.8	3 555 688	2 803 690

Fleet Africa delivered an expected decline in results despite having improved margins. This decline largely reflects the termination of the City of Johannesburg Red Fleet contract in the previous financial year. The Transnet and other major contracts performed well. The implementation of the City of Tshwane emergency vehicles contract commenced during the year under review with the roll-out of the fleet ongoing as the fire engines are commissioned. The National Department of Transport maintenance contract for 14 000 vehicles has only recently commenced, albeit at a slow pace. Fleet Africa, with the backing of General Motors and Co-op Bank, has secured its first government FML contract in Kenya. Significant new tenders are currently being submitted with regard to further opportunities in Kenya being pursued which should bode well for this business going forward.

SG Fleet reported an excellent set of results maintaining good momentum across all of its businesses, in what has been a very competitive environment. The results were boosted by the inclusion of nlc's results for the full period as well as Fleet Hire (UK) and Motiva (UK) results for 11 months and seven months, respectively. Major developments during the year included the roll-out of the New South Wales Government contract, which was won at the end of the previous financial year. The strengthening of the Rand against the Australian Dollar negatively impacted Super Group's profit before tax to an amount of R25.3 million (June 2016: positively impacted the results by R56.2 million).

DEALERSHIPS

R'000	Change %	Year ended 30 June 2017	Year ended 30 June 2016
Revenue		15 915 299	13 583 928
Dealerships SA	36.7	9 074 861	6 637 676
Dealerships UK	(1.5)	6 840 438	6 946 252
EBITA		468 525	388 291
Dealerships SA	37.0	288 101	210 303
Dealerships UK	1.4	180 424	177 988
Operating profit		463 344	381 853
Dealerships SA	37.0	288 101	210 303
Dealerships UK	2.2	175 243	171 550
Operating margin (%)			
Dealerships SA		3.2	3.2
Dealerships UK		2.6	2.5
Profit before tax		327 648	293 510
Dealerships SA	18.8	210 683	177 310
Dealerships UK	0.7	116 965	116 200
Net operating assets		2 263 572	1 001 951
Dealerships SA	Nm	1 000 715	162 116
Dealerships UK	50.4	1 262 857	839 835

Nm: Not meaningful

Dealerships SA reported very good results despite local market conditions and include the nine Western Cape dealerships, consisting of primarily Mercedes-Benz dealerships and a property acquired effective 1 September 2016. During the year, Dealerships added six passenger, four commercial and one Super Group Wholesale (a new concept dealership) dealerships to its stable, totalling 54 dealerships at 30 June 2017. Despite the NAAMSA dealer market reporting a 7.9% decline in new vehicle sales for the year ended 30 June 2017, Dealerships new vehicle sales increased by 4.5% with used vehicle sales increasing by a satisfactory 15.7%. The Parts and Services business continued to perform well. Dealerships SA maintained its operating margin at 3.2%.

Dealerships UK, being the 100% interest in Allen Ford (UK), delivered an excellent set of results, in Great British Pound (GBP) terms. The strengthening of the average Rand against the GBP had a severe negative impact on the profit before tax of the Group of R32.0 million (June 2016: positively impacted results by R24.3 million). Strong overall vehicle sales growth of 17.9% (2016: 3.2%) was shown, with new vehicle sales growth of 16.7% (2016: 2.4%) and used vehicle sales growth of 20.4% (2016: 4.9%) being achieved during the year. The Ford and Kia operations all performed above market sales benchmarks and the contribution from services was satisfactory. The results include Essex Auto Group's results for four months. Essex Auto Group was acquired effective 1 March 2017 for R407.0 million and consists of five Ford (one being the flagship in Basildon), two Kia, one Mazda and one Fiat dealerships. On 4 July 2017, Dealerships UK acquired Slough Motor Corporation, which owns six Ford and two Suzuki dealerships in Kent and Berkshire, for £24.0 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

Super Group's position as an innovative, integrated mobility solutions company remains compelling and the Group is committed to the growth of its core businesses, both organically and through strategic and focused acquisition opportunities, locally and internationally.

Supply Chain Africa continues to focus on retaining its existing client and customer base, as well as securing new long-term contracts at acceptable margins. Given the competitive trading environment, this is one of the major challenges faced by this business. African Logistics has been streamlined and although it remains a tough environment, it is well positioned for any growth going forward.

Supply Chain Europe has concluded the Ader acquisition and similar opportunities in Western and Eastern Europe will be explored.

Fleet Africa secured a new fleet management contract in East Africa with the potential of similar contracts in this region being concluded. Fleet Africa is now the sole distributor of the E-1 fire engine, a premium brand, which will positively contribute to the business' product offering.

SG Fleet continues to grow through acquisitions as well as organically. Its focus will remain on securing meaningful contracts, both with Government and corporates. Product innovation and differentiated service propositions are also key in expanding the Group's presence in the UK and New Zealand.

The **Dealerships SA** business is anticipating difficult trading conditions to continue as consumers remain under pressure. The interest rate cut announced in July 2017 is not expected to make a significant difference.

Dealerships UK is expecting a slowdown in growth in the new vehicle market given the uncertainty pertaining to the effect of Brexit and the speculation regarding the change in government policies on shifting diesel technology used towards the latest cleaner Euro 6 diesel standard. Since April 2017, there has been a marked decline in new vehicle registrations. The acquisitions of Essex Auto Group and Slough Motor Corporation are complementary to Allen Ford's existing businesses.

No final dividend for the year ended 30 June 2017 has been declared.

The Reviewed Condensed Consolidated Financial Statements will be available on the Group's website after 08:30 on Tuesday, 29 August 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@supergrp.com. The Group's website is www.supergroup.co.za.

On behalf of the Board

P Vallet

Chairman of the company

P Mountford

Chief Executive Officer

28 August 2017

Sandton

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Condensed Consolidated Financial Statements for the year ended 30 June 2017 are prepared in accordance with the requirements of the JSE Limited (JSE) Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting.

The accounting policies applied in the preparation of the Condensed Consolidated Financial Statements are in terms of IFRS and are consistent with those applied in the previous Condensed Consolidated Financial Statements. The definitions of capital items, core headline earnings and related adjustments are included in the accounting policies in the June 2016 Annual Financial Statements. There were no standards and amendments to standards with a material impact on the Condensed Consolidated Financial Statements that are relevant to and became effective for the first time in Super Group's financial year commencing 1 July 2016. These Condensed Consolidated Financial Statements for the year ended 30 June 2017 have been reviewed by KPMG Inc., who expressed an unmodified review conclusion. The Auditor's Report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the Auditor's engagement they should obtain a copy of the Auditor's Report together with the accompanying financial information from the issuer's registered office.

The Condensed Consolidated Financial Statements are presented in Rand, which is the company's functional currency and the Group's presentation currency, rounded to the nearest thousand.

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

	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000
Revenue	29 873 856	25 949 004
Depreciation and amortisation (excluding amortisation of PPA intangibles)	(750 697)	(656 822)
Operating expenditure – excluding capital items	(26 813 272)	(23 219 796)
Operating (expenditure)/income – capital items	(17 474)	10 134
EBITA	2 292 413	2 082 520
Amortisation of PPA intangibles	(176 360)	(130 517)
Operating profit	2 116 053	1 952 003
Finance costs	(441 171)	(394 921)
Interest received and income from equity-accounted investees	161 171	140 264
Profit before income tax	1 836 053	1 697 346
Income tax expense	(503 322)	(438 594)
Profit for the year	1 332 731	1 258 752
Profit for the year attributable to:		
Non-controlling interests (NCI)	339 987	272 798
Equity holders of Super Group	992 744	985 954
	1 332 731	1 258 752
Other comprehensive income		
Items which will be reclassified to profit or loss:	(414 073)	369 120
Translation adjustment	(418 503)	380 342
Effective portion of hedge	6 897	(15 645)
Tax effect of effective portion of hedge	(2 467)	4 423
Items which will not be reclassified to profit or loss:	(15 363)	78 742
Revaluation of land and buildings	(9 148)	101 979
Tax effect and change in capital gains tax inclusion rate of revaluation of land and buildings	(6 215)	(23 237)
Other comprehensive income for the year (net of tax)	(429 436)	447 862
Total comprehensive income for the year (net of tax)	903 295	1 706 614
Total comprehensive income for the year attributable to:		
Non-controlling interests	220 604	407 791
Equity holders of Super Group	682 691	1 298 823
	903 295	1 706 614
RECONCILIATION OF HEADLINE EARNINGS		
Profit attributable to equity holders of Super Group	992 744	985 954
Capital items after tax (Refer note 8 in salient features)	12 416	(13 495)
Headline earnings for the year	1 005 160	972 459
RECONCILIATION OF CORE HEADLINE EARNINGS		
Headline earnings for the year	1 005 160	972 459
Acquisition costs after tax and NCI	42 075	71 890
FEC gain on acquisition after tax and NCI	–	(98 283)
B-BBEE costs after tax and NCI	25 644	12 733
Amortisation of PPA intangible assets arising on business combinations after tax and NCI	83 704	65 348
Core headline earnings for the year	1 156 583	1 024 147
Earnings per share (cents)		
Basic	285.0	296.6
Diluted	282.9	291.3
Headline earnings per share (cents)		
Basic	288.5	292.6
Diluted	286.4	287.3
Core headline earnings per share (cents)		
Basic	332.0	308.1
Diluted	329.6	302.6

Condensed Consolidated Statement of Financial Position

	30 June 2017 Reviewed R'000	30 June 2016 Audited R'000
ASSETS		
Non-current assets	14 558 691	12 862 527
Property, plant and equipment	4 216 737	3 431 286
Investment property	149 800	143 200
Full maintenance lease assets	1 613 868	1 144 622
Intangible assets	1 270 627	1 400 757
Goodwill	6 990 630	6 333 276
Investments and other non-current assets	103 649	124 904
Deferred tax assets	213 380	284 482
Current assets	10 314 060	9 935 093
Inventories	3 399 158	3 053 994
Trade receivables	3 034 492	2 610 871
Sundry receivables	1 153 277	1 142 318
Cash and cash equivalents	2 727 133	3 127 910
Total assets	24 872 751	22 797 620
EQUITY AND LIABILITIES		
Capital and reserves		
Capital and reserves attributable to equity holders of Super Group	8 355 814	7 614 120
Non-controlling interests	1 499 521	1 687 673
Total equity	9 855 335	9 301 793
Liabilities		
Non-current liabilities	6 120 815	5 765 635
Fund reserves	523 008	536 175
Non-controlling interest put options and other liabilities	268 078	402 749
Full maintenance lease borrowings	672 189	523 619
Interest-bearing borrowings	3 977 826	3 627 830
Provisions	57 860	92 008
Deferred tax liabilities	621 854	583 254
Current liabilities	8 896 601	7 730 192
Non-controlling interest put option liability	102 665	–
Full maintenance lease borrowings	337 009	102 174
Interest-bearing borrowings	845 837	863 046
Trade and other payables	7 234 455	6 491 231
Income tax payable	112 251	54 925
Provisions	264 384	218 816
Total equity and liabilities	24 872 751	22 797 620

Condensed Consolidated Statement of Cash Flows

	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000
Cash flows from operating activities		
Operating cash flow	3 111 395	2 651 508
Working capital inflow	82 925	245 471
Cash generated from operations	3 194 320	2 896 979
Finance costs paid	(441 915)	(387 018)
Interest received	152 498	142 029
Income tax paid	(409 559)	(552 678)
Dividend paid to non-controlling interest	(222 407)	(186 481)
Net cash generated from operating activities	2 272 937	1 912 831
Cash flows from investing activities		
Additions to property, plant and equipment	(958 110)	(591 167)
Additions to full maintenance lease assets	(625 453)	(562 897)
Additions to intangible assets	(44 574)	(36 912)
Proceeds on disposal of property, plant and equipment	224 116	270 564
Proceeds on disposal of full maintenance lease assets	317 096	277 616
Proceeds on disposal of assets held-for-sale	–	48 065
Net acquisition of businesses (net of cash acquired)	(1 794 057)	(1 848 874)
Dividends received from equity-accounted investees	10 882	18 048
Other investing activities	40 748	19 902
Net cash outflow from investing activities	(2 829 352)	(2 405 655)
Cash flows from financing activities		
Share issues net of expenses	–	1 226 950
Cash outflow on share options	(1 830)	(570)
Additional investment in existing subsidiary	(95 074)	(81 447)
Interest-bearing borrowings raised	1 766 608	3 211 923
Full maintenance lease borrowings raised	396 010	259 642
Interest-bearing borrowings repaid	(1 253 827)	(2 997 858)
Full maintenance lease borrowings repaid	(522 571)	(229 707)
Net cash inflow from financing activities	289 316	1 388 933
Net (decrease)/increase in cash and cash equivalents	(267 099)	896 109
Cash and cash equivalents at beginning of the year	3 127 910	2 122 908
Effect of foreign exchange on cash and cash equivalents	(133 678)	108 893
Cash and cash equivalents at end of the year	2 727 133	3 127 910

Condensed Consolidated Statement of Changes in Equity

	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
Balance at 30 June 2015 – Audited	–	315 334	1 746 798	846 378	2 547 444	(434 003)	5 021 951	910 729	5 932 680
Changes in equity for the 2016 year									
Other comprehensive income	–	–	–	312 869	–	–	312 869	134 993	447 862
Translation adjustment	–	–	–	239 980	–	–	239 980	140 362	380 342
Effective portion of hedge	–	–	–	(8 160)	–	–	(8 160)	(7 485)	(15 645)
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)
Profit for the year	–	–	–	–	985 954	–	985 954	272 798	1 258 752
Total comprehensive income for the year	–	–	–	312 869	985 954	–	1 298 823	407 791	1 706 614
Realisation of revaluation reserve through depreciation	–	–	–	(1 236)	1 236	–	–	–	–
Shares issued for cash	–	33 751	833 658	–	–	32 591	900 000	–	900 000
Share issue expenses – rights offer	–	–	(29 562)	–	–	–	(29 562)	–	(29 562)
Transfer to stated capital	–	–	(2 550 894)	–	–	–	–	–	–
Book build shares issued for cash ¹	2 899 979	(349 085)	–	–	–	–	360 000	–	360 000
Share issue expenses – bookbuild	360 000	–	–	–	–	–	(3 488)	–	(3 488)
Share-based payment reserve movement	–	–	–	–	38 414	–	38 414	5 543	43 957
Share options exercised	–	–	–	–	(92 769)	–	(92 769)	(6 182)	(98 951)
B-BBEE good leaver options exercised ²	–	–	–	–	(5 960)	–	(5 960)	–	(5 960)
Movement in treasury shares	–	–	–	–	–	104 341	104 341	–	104 341
Dividends paid to NCI	–	–	–	–	–	–	–	(186 481)	(186 481)
Deferred tax recorded directly in equity on movement in options	–	–	–	–	20 234	–	20 234	1 518	21 752
NCI put option movement	–	–	–	–	(126 306)	–	(126 306)	–	(126 306)
Transactions with equity partners – nlc	–	–	–	–	156 664	–	156 664	204 296	360 960
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)
NCI recognised in respect of subsidiaries acquired – IN TIME	–	–	–	–	–	–	–	248 476	248 476
Balance at 30 June 2016 – Audited	3 256 491	–	–	1 158 011	3 496 689	(297 071)	7 614 120	1 687 673	9 301 793

	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
Changes in equity for the 2017 year									
Other comprehensive income									
Translation adjustment	–	–	–	(310 053)	–	–	(310 053)	(119 383)	(429 436)
Effective portion of hedge	–	–	–	(297 010)	–	–	(297 010)	(121 493)	(418 503)
Tax effect of effective portion of hedge	–	–	–	3 612	–	–	3 612	3 285	6 897
Revaluation of land and buildings	–	–	–	(1 292)	–	–	(1 292)	(1 175)	(2 467)
Tax effect and change in capital gains tax inclusion rate of revaluation of land and buildings	–	–	–	(9 148)	–	–	(9 148)	–	(9 148)
	–	–	–	(6 215)	–	–	(6 215)	–	(6 215)
Profit for the year	–	–	–	–	992 744	–	992 744	339 987	1 332 731
Total comprehensive income for the year	–	–	–	(310 053)	992 744	–	682 691	220 604	903 295
Realisation of revaluation reserve through depreciation	–	–	–	(84)	84	–	–	–	–
Share-based payment reserve movement	–	–	–	–	38 529	–	38 529	4 413	42 942
Share options exercised	–	–	–	–	(86 560)	–	(86 560)	(464)	(87 024)
B-BBEE good leaver options exercised ²	–	–	–	–	(10 681)	–	(10 681)	–	(10 681)
Movement in treasury shares	–	–	–	–	–	95 875	95 875	–	95 875
Dividends paid to NCI	–	–	–	–	–	–	–	(222 407)	(222 407)
Deferred tax recorded directly in equity on movement in options	–	–	–	–	(31 116)	–	(31 116)	(2 211)	(33 327)
NCI put option movement	–	–	–	–	7 586	–	7 586	–	7 586
Transactions with equity partners – SG Fleet ³	–	–	–	–	(32 738)	–	(32 738)	(9 657)	(42 395)
Transactions with equity partners – Motiva ³	–	–	–	–	6 459	–	6 459	10 128	16 587
Transactions with equity partners – Fleet Hire ³	–	–	–	–	13 478	–	13 478	18 817	32 295
Transactions with equity partners – SG Coal ³	–	–	–	–	58 171	–	58 171	(225 476)	(167 305)
NCI recognised in respect of subsidiary acquired – Legend ³	–	–	–	–	–	–	–	18 101	18 101
Balance at 30 June 2017 – Reviewed	3 256 491	–	–	847 874	4 452 645	(201 196)	8 355 814	1 499 521	9 855 335

¹ A bookbuild is an offer of shares to selected investors of the company.

² 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, retirement or sale of the subsidiary or business which employed the participant.

³ Refer to business combinations note.

Operating segments

	Super Group		Supply Chain Africa		Supply Chain Europe	
	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000
Revenue	29 873 856	25 949 004	8 344 186	8 021 631	1 997 915	1 400 007
South Africa	17 855 966	15 148 437				
Australia	2 458 924	2 103 987				
Europe	1 997 915	1 400 007				
United Kingdom	7 305 555	7 000 543				
Africa and other	255 496	296 030				
Depreciation and amortisation (excluding amortisation of PPA intangibles)	(750 697)	(656 822)	(345 737)	(348 666)	(12 183)	(7 527)
Net operating expenditure – excluding capital items	(26 813 272)	(23 219 796)	(7 495 960)	(7 181 221)	(1 791 128)	(1 241 550)
Operating (expenditure)/income – capital items	(17 474)	10 134	(20 326)	6 161	(136)	(820)
EBITA	2 292 413	2 082 520	482 163	497 905	194 468	150 110
Amortisation of PPA intangibles	(176 360)	(130 517)	(33 635)	(38 849)	(74 310)	(53 768)
Operating profit	2 116 053	1 952 003	448 528	459 056	120 158	96 342
Net finance charges	(280 000)	(254 657)	(34 863)	(68 902)	(42 053)	(28 627)
Profit before tax	1 836 053	1 697 346	413 665	390 154	78 105	67 715

	Super Group		Supply Chain Africa		Supply Chain Europe	
	As at 30 June 2017 Reviewed R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Reviewed R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Reviewed R'000	As at 30 June 2016 Audited R'000
ASSETS						
Non-current assets						
Property, plant and equipment	4 216 737	3 431 286	1 977 777	1 861 987	39 127	40 212
Investment property	149 800	143 200	–	–	–	–
Full maintenance lease assets	1 613 868	1 144 622	–	–	–	–
Intangible assets	1 270 627	1 400 757	55 763	84 658	480 190	604 686
Goodwill	6 990 630	6 333 276	636 891	588 890	1 675 097	1 831 111
Investments and other non-current assets	103 649	124 904	74 599	26 650	–	–
Current assets						
Inventories	3 399 158	3 053 994	343 237	419 052	2 226	1 089
Trade receivables	3 034 492	2 610 871	1 185 153	1 250 495	368 624	388 433
Sundry receivables	1 153 277	1 142 318	701 576	680 690	18 079	12 223
Intercompany trade receivables	–	–	9 458	13 329	–	–
SEGMENT ASSETS	21 932 238	19 385 228	4 984 454	4 925 751	2 583 343	2 877 754
South Africa	9 615 265	8 354 934				
Australia	4 306 841	4 491 484				
Europe	2 583 343	2 877 754				
United Kingdom	4 689 747	3 045 401				
Africa and other	737 042	615 655				
LIABILITIES						
Non-current liabilities						
Long-term borrowings	4 650 015	4 151 449	511 512	440 762	765 205	901 147
Non-controlling interest put options and other liabilities	268 078	402 749	40 152	124 825	138 353	189 616
Fund reserves	523 008	536 175	–	–	–	–
Long term provisions	57 860	92 008	–	2 078	2 701	2 631
Current liabilities						
Short-term borrowings	1 182 846	965 220	278 465	212 448	3 840	4 581
Non-controlling interest put options	102 665	–	102 665	–	–	–
Trade and other payables and provisions	7 498 839	6 710 047	1 413 372	1 578 286	239 541	215 491
Intercompany trade payables	–	–	30 231	44 057	–	–
SEGMENT LIABILITIES	14 283 311	12 857 648	2 376 397	2 402 456	1 149 640	1 313 466
South Africa	5 773 673	5 151 302				
Australia	3 183 838	3 316 687				
Europe	1 149 640	1 313 466				
United Kingdom	3 929 392	2 814 108				
Africa and other	246 768	262 085				
Net capex	1 086 925	594 731	414 111	160 748	16 484	14 507
South Africa	825 766	362 661				
Australia	63 887	47 345				
Europe	16 484	14 507				
United Kingdom	127 283	77 489				
Africa and other	53 505	92 729				
Net operating assets *	13 495 267	11 589 310	3 455 840	3 263 231	2 341 101	2 659 632

* The definition of net operating assets has been amended to include interest-bearing floorplan liabilities. The prior year amounts have been repurposed with this amendment.

Fleet Africa		SG Fleet		Dealerships SA		Dealerships UK		Services and intercompany eliminations	
Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000
623 357	732 716	2 985 856	2 203 072	9 074 861	6 637 676	6 840 438	6 946 252	7 243	7 650
(172 620) (303 816) –	(156 075) (413 340) –	(167 272) (1 815 332) (563)	(80 892) (1 322 939) 461	(15 631) (8 766 587) (4 542)	(32 153) (6 395 161) (59)	(21 060) (6 638 954) –	(17 377) (6 750 887) –	(16 194) (1 495) 8 093	(14 132) 85 302 4 391
146 921 –	163 301 –	1 002 689 (63 234)	799 702 (31 462)	288 101 –	210 303 –	180 424 (5 181)	177 988 (6 438)	(2 353) –	83 211 –
146 921 (17 637)	163 301 (21 198)	939 455 (85 494)	768 240 (70 136)	288 101 (77 418)	210 303 (32 993)	175 243 (58 278)	171 550 (55 350)	(2 353) 35 743	83 211 22 549
129 284	142 103	853 961	698 104	210 683	177 310	116 965	116 200	33 390	105 760

Fleet Africa		SG Fleet		Dealerships SA		Dealerships UK		Services and intercompany eliminations	
As at 30 June 2017 Reviewed R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Reviewed R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Reviewed R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Reviewed R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Reviewed R'000	As at 30 June 2016 Audited R'000
1 200 – 961 113 – 87 822 – – 90 548 71 886 592	1 732 – 967 547 – 87 822 – 174 125 141 26 065 4 703	42 624 – 652 755 674 373 3 441 719 – 113 515 680 701 132 552 –	31 054 – 177 075 640 887 3 226 787 – 57 365 449 933 85 488 –	704 889 – – – 554 978 – 1 275 363 299 055 27 676 1 167	351 595 – – – 159 705 – 773 756 134 677 7 152 701	666 091 – – 51 533 594 123 – 1 664 817 394 566 35 171 –	355 400 – – 65 196 438 961 – 1 802 558 223 822 94 753 –	785 029 149 800 – 8 768 – 29 050 – 15 845 166 337 (11 217)	789 306 143 200 – 5 330 – 98 254 – 38 370 235 947 (18 733)
1 213 161	1 213 184	5 738 239	4 668 589	2 863 128	1 427 586	3 406 301	2 980 690	1 143 612	1 291 674
385 882 – 40 841 – 66 132 – 114 047 7 465	444 265 – 83 955 – 51 394 – 91 159 6 800	1 625 079 20 002 482 167 55 159 524 444 1 625 230 –	1 393 844 28 341 452 220 78 772 215 433 – 1 305 531 –	200 000 31 713 – – – – 1 829 861 838	– 44 999 – – – – 1 218 909 1 562	463 339 – – – 303 356 – 2 143 444 –	606 431 – – – – – 2 140 856 –	698 998 37 858 – – 6 609 – 133 344 (38 534)	365 000 14 968 – 8 527 481 364 – 159 815 (52 419)
614 367	677 573	4 332 081	3 474 141	2 062 412	1 265 470	2 910 139	2 747 287	838 275	977 255
224 545	191 341	138 898	98 742	157 077	15 130	111 138	75 767	24 672	38 496
993 739	959 276	3 555 688	2 803 690	1 000 715	162 116	1 262 857	839 835	885 327	901 530

Business combinations

Subsidiaries and businesses acquired	Nature of business	Operating segment	Date acquired	Interest acquired (%)	Purchase price R'000	
Fleet Hire Holdings Limited (Fleet Hire)	Fleet management	SG Fleet	4 August 2016	100	(367 458)	
Western Cape Dealerships	Dealerships	Dealerships SA	1 September 2016	100	(899 301)	
ABF Legend Logistics Proprietary Limited (Legend)	Logistics	Supply Chain Africa	30 September 2016	75	(110 547)	
Motiva Group Limited (Motiva)	Fleet management	SG Fleet	30 November 2016	100	(249 004)	
Essex Auto Group Limited (EAG)	Dealerships	Dealerships UK	1 March 2017	100	(406 988)	
Purchase price					(2 033 298)	
Net cost on acquisition of businesses	Fleet Hire R'000	Western Cape Dealerships R'000	Legend R'000	Motiva R'000	EAG R'000	Total R'000
Fair value of assets acquired and liabilities assumed at date of acquisition:						
Assets						
Property, plant and equipment	(4 845)	(211 615)	(96 531)	(1 165)	(254 663)	(568 819)
Intangible assets	(82 802)	–	(12 364)	(64 086)	–	(159 252)
Full maintenance lease assets	(124 552)	–	–	(439 711)	–	(564 263)
Goodwill	(335 509)	(399 794)	(56 244)	(180 678)	(201 681)	(1 173 906)
Deferred tax asset	–	(2 966)	–	–	–	(2 966)
Inventories	(9 681)	(618 693)	(2 189)	(7 098)	(688 668)	(1 326 329)
Trade and other receivables	(82 160)	(4 504)	(51 472)	(63 071)	(1 001)	(202 208)
Provision for impairment of trade receivables	2 852	–	3 469	–	–	6 321
Taxation receivable	(309)	–	–	(983)	–	(1 292)
Cash and cash equivalents	(19 455)	–	(18 277)	(53 890)	(58 382)	(150 004)
	(656 461)	(1 237 572)	(233 608)	(810 682)	(1 204 395)	(4 142 718)
Liabilities						
Fund reserves	45 141	–	–	26 407	–	71 548
Interest-bearing borrowings	–	–	45 650	–	56 687	102 337
Full maintenance lease borrowings	124 202	–	–	425 337	–	549 539
Deferred tax liabilities	12 784	–	13 841	15 209	16 635	58 469
Trade and other payables	103 887	335 563	41 498	91 708	724 085	1 296 741
Income tax payable	–	–	3 803	–	–	3 803
Provisions	2 989	2 708	168	3 017	–	8 882
	289 003	338 271	104 960	561 678	797 407	2 091 319
Fair value of net assets acquired	(367 458)	(899 301)	(128 648)	(249 004)	(406 988)	(2 051 399)
Less: Non-controlling interest	–	–	18 101	–	–	18 101
Purchase price	(367 458)	(899 301)	(110 547)	(249 004)	(406 988)	(2 033 298)
Deferred contingent purchase consideration	–	–	35 547	–	–	35 547
Equity shares of SG Fleet transferred	32 295	–	–	16 587	–	48 882
Cash consideration transferred	(335 163)	(899 301)	(75 000)	(232 417)	(406 988)	(1 948 869)
Cash acquired	19 455	–	18 277	53 890	58 382	150 004
Cash outflow	(315 708)	(899 301)	(56 723)	(178 527)	(348 606)	(1 798 865)

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 R62.0 million for Fleet Hire and Motiva respectively.

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

The acquisition of Legend will bolster 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 acquisition of EAG will expand the Group's dealership footprint in the United Kingdom.

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.

Goodwill has been recognised on the acquisition of Fleet Hire, Western Cape Dealerships, Legend, Motiva and EAG amounting to R335.5 million, R399.8 million, R56.2 million, R180.7 million and R201.7 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 R42.0 million relating to these acquisitions are included in the consolidated statement of comprehensive income.

The values identified in relation to the acquisitions are provisional as at 30 June 2017.

Impact of the acquisitions on the results of the Group	Fleet Hire R'000	Western Cape Dealerships R'000	Legend R'000	Motiva R'000	EAG R'000	Total R'000
From the dates of acquisition, the acquired businesses contributed:						
Revenue	*	2 541 507	375 426	169 361	1 186 727	4 273 021
Profit after tax and amortisation of PPA intangibles (excluding acquisition related costs)	*	20 910	43 641	12 079	21 455	98 085
Attributable profit to equity holders of Super Group ¹	*	20 910	32 731	6 326	21 455	81 422

¹ 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 revenue and profit contribution

Impact of the acquisitions on the results of the Group – had they occurred on 1 July 2016	Fleet Hire R'000	Western Cape Dealerships R'000	Legend R'000	Motiva R'000	EAG R'000	Total R'000
From 1 July 2016 the businesses would have contributed:						
Revenue	*	3 028 121	480 803	292 463	2 461 199	6 262 586
Profit after tax and amortisation of PPA intangibles (excluding acquisition related costs)	*	24 039	56 421	15 736	36 284	132 480
Attributable profit to equity holders of Super Group ¹	*	24 039	42 316	8 241	36 284	110 880

¹ 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 revenue and profit contribution

Net proceeds on disposal of business	Dealerships SA R'000
Fair value of assets and liabilities disposed were:	
Property, plant and equipment	255
Inventories	10 061
Trade and other payables	(5 486)
Provisions	(22)
Cash inflow	4 808

The Group disposed of Nissan and Renault the Glen effective 1 March 2017 for R4.8 million.

Business combinations continued

Net costs on increase in existing shareholding in subsidiaries	SG Fleet R'000	SG Coal R'000	Total R'000
Non-controlling interest	(9 657)	(225 476)	(235 133)
Effect of transactions between equity partners on equity	(32 738)	58 171	25 433
Purchase price	(42 395)	(167 305)	(209 700)
Reduction of SG Coal receivable	–	114 626	114 626
Cash outflow	(42 395)	(52 679)	(95 074)

During the year the Group purchased an additional 0.42% in SG Fleet for R42.4 million and the NCI of 49.17% in SG Coal for R167.3 million.

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

SG Fleet issued 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

	Year ended 30 June 2017 Reviewed R'000	Year ended 30 June 2016 Audited R'000
1. INTEREST-BEARING BORROWINGS		
SG Fleet interest-bearing borrowings	1 592 338	1 479 144
Asset-based finance	789 977	653 210
Corporate bond	206 881	478 398
Acquisition borrowings – Allen Ford and EAG	420 102	466 667
Acquisition borrowings – IN tIME	769 045	905 727
Property and other borrowings	1 045 320	507 730
	4 823 663	4 490 876
During the year, the Group settled the SPG001 Corporate bond of R471.0 million and issued the SPG002 and SPG003 Corporates bonds of R50.0 million and R154.0 million respectively. Property and other borrowings increased as a result of the property acquisitions in the Dealerships SA and Dealerships UK operating segments.		
2. SHARE STATISTICS		
Total issued less treasury shares ('000)	349 013	346 671
Weighted number of shares ('000)	348 355	332 387
Diluted weighted number of shares ('000)	350 906	338 447
Net asset value per share (cents)	2 394.1	2 196.4
3. CAPITAL COMMITMENTS		
Authorised but not yet contracted for capital commitments, excluding full maintenance lease assets.	913 103	555 355
Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowings facilities.		

4. RELATED PARTY TRANSACTIONS

The Group, in the ordinary course of business, entered into various sales and purchase transactions on an arms' length basis with related parties.

Certain management of subsidiary companies sub-contracts vehicles to the Group. Sales, purchases and management fees received amounted to R82.4 million (2016: R5.1 million), R48.7 million (2016: R27.0 million) and R2.7 million (2016: R1.2 million) respectively for these services. These transactions were entered into in the normal course of business under terms and conditions that were no more favourable than those arranged with third parties. Net amounts owing by key employees of this subsidiary was Rnil (2016: R0.04 million).

The Group utilises Fluxmans Attorneys, a director-related entity, to assist with corporate law advisory services in respect of various transactions and several other corporate and labour matters. These transactions are performed on an arm's length basis.

The Group encourages its employees and key management to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's length basis although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed and no impairments were recognised in relation to any transactions with key management personnel during the year nor have they resulted in any non-performing debts at year-end. Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at Group level.

Salient features continued

5. SUBSEQUENT EVENTS

Acquisition of Servicios Empres. Ader S.A

Effective 4 July 2017, SG IN tIME acquired 89.5% of the shares of Servicios Empres. Ader S.A (Ader) for a purchase consideration of €11.6 million. The principal place of business and the majority of operations of Ader are performed in Spain and the Eurozone, with 17 offices throughout Spain and 15 operations in the Eurozone. Ader specialises in the provision of dedicated and exclusive transport and logistics solutions. Ader will be included in the Supply Chain Europe operating segment. The Group is in the process of determining the initial accounting and purchase price allocation of Ader and will provide updated information in the unaudited interim results for the 6-month period ending 31 December 2017.

Acquisition of Bestodeck Limited

Effective 4 July 2017, the Group acquired 100% of the shares of Bestodeck Limited (Bestodeck), the holding company of Slough Motor Company Limited (SMC), and seven freehold properties upon which the dealerships are located, for a purchase consideration of £24.0 million. SMC currently operates six Ford and two Suzuki dealerships in the United Kingdom. SMC will be included in the Dealerships UK operating segment. The Group is in the process of determining the initial accounting and purchase price allocation of SMC and will provide updated information in the unaudited interim results for the 6-month period ending 31 December 2017.

Other than the matters disclosed, the directors are not aware of other matters or circumstances arising subsequent to the reporting date up to the date of this report, which will materially affect these results.

6. SIGNIFICANT EVENTS

SG Fleet Group Limited acquisition of Fleet Hire Holdings

SG Fleet Group Limited, acquired Fleet Hire Holdings effective 4 August 2016 for a purchase price of R367.5 million. The statement of financial position as at 30 June 2017 has been impacted by increases in full maintenance lease assets of R92.8 million, intangible assets of R68.7 million, goodwill of R306.5 million, trade and other receivables of R52.1 million, fund reserves of R41.1 million, full maintenance lease borrowings of R90.9 million, trade and other payables of R77.4 million as a result of this acquisition. Trading relating to the 11 months ended 30 June 2017 has been included in the Statement of Comprehensive Income.

SG Fleet Group Limited acquisition of Motiva Group Limited

SG Fleet Group Limited acquired Motiva Group Limited effective 30 November 2016 for a purchase price of R249.0 million. The statement of financial position as at 30 June 2017 has been impacted by increases in full maintenance lease assets of R363.2 million, intangible assets of R58.2 million, goodwill of R174.6 million, trade and other receivables of R66.5 million, trade and other payables of R90.4 million, fund reserves of R23.2 million and full maintenance lease borrowings of R336.0 million as a result of the acquisition. Trading relating to the 7 months ended 30 June 2017 has been included in the Statement of Comprehensive Income.

Western Cape dealerships acquisition

The Group acquired the Western Cape dealerships business from Sandown Motor Holdings (Pty) Ltd effective 1 September 2016 for a purchase price of R899.3 million. The statement of financial position as at 30 June 2017 has been impacted by increases in goodwill of R399.8 million, inventories of R457.5 million, trade and other receivables of R124.5 million and trade and other payables of R621.7 million as a result of the acquisition. Trading relating to the 10 months ended 30 June 2017 has been included in the Statement of Comprehensive Income.

Essex Auto Group Limited acquisition

The Group acquired Essex Auto Group Limited effective 1 March 2017 for a purchase price of R407.0 million. The statement of financial position as at 30 June 2017 has been impacted by increases in Property, plant and equipment of R266.0 million, goodwill of R212.7 million, inventories of R518.3 million, trade and other receivables of R64.5 million and trade and other payables of R639.6 million as a result of the acquisition. Trading relating to the 4 months ended 30 June 2017 has been included in the Statement of Comprehensive Income.

Exchange rate movements

The Group operates in foreign countries which use currencies other than presentation currency. The main currencies used in the Group's foreign operations are Australian Dollar, US Dollar, Euro and the Great British Pound. The strengthening of the Rand against these currencies has had an effect on the Group's financial statements and has resulted in a foreign currency translation adjustment of R418.5 million decreasing total equity.

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

	30 June 2017	30 June 2016	% Change
Average currency rate to the South African Rand:			
Australian Dollar	10.25	10.49	(2.3)
US Dollar	13.61	14.51	(6.2)
Euro	14.84	16.10	(7.8)
Great British Pound	17.27	21.46	(19.5)
Closing currency rate to the South African Rand:			
Australian Dollar	10.07	10.98	(8.3)
US Dollar	13.07	14.73	(11.3)
Euro	14.95	16.34	(8.5)
Great British Pound	17.04	19.61	(13.1)

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

The non-South African operations generated 40% (June 2016: 42%) and 61% (June 2016: 60%) of the Group's revenue and operating profit respectively.

The non-South African operations revenue, operating profit and profit before tax increased in the current year by 12%, 10% and 9% respectively.

7. Fair value	Hierarchy		Valuation technique
	Level 2 R'000	Level 3 R'000	
Property, plant and equipment – Land, buildings and leasehold improvements		2 120 365	Valuation performed by Onyx valuation services in June 2017. 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		149 800	
Deferred contingent purchase consideration receivable – GWM		60 000	Due to the sale of the GWM business in 2016 and the related profit warranties not being met, the amount receivable is certain as at 30 June 2017 according to the purchase agreement and has been assessed as recoverable.
Deferred contingent purchase consideration payable – Legend		24 501	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	1 378		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	4 343		
Digistics put option		102 665	This put option has been based on the average non-controlling interest non-proportionate share of the profit after tax for the last 3 financial years preceding 1 October 2017, adjusted for dividends paid, at a price earnings ratio of 6.5.

Salient features continued

7. Fair value (continued)	Hierarchy		Valuation technique
	Level 2 R'000	Level 3 R'000	
Legend put option		29 744	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 ten-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		138 375	This put option is calculated as the fair value determined by using the average audited EBITDA for the 3 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 7.7%. 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 30 June 2017.

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:

	30 June 2017 Reviewed R'000
Property, plant and equipment – Land and buildings and leasehold improvements	
Opening balance	1 474 689
Net additions	260 956
Acquisition of businesses	446 492
Revaluation of land and buildings – through equity	(9 148)
Other	(52 624)
	2 120 365
Investment properties	
Opening balance	143 200
Fair value adjustment recognised in profit or loss	6 600
	149 800

	GWM R'000	Legend R'000	30 June 2017 Reviewed R'000 Total
Financial asset/(liability) – Deferred contingent purchase consideration			
Opening balance	57 462	–	57 462
Subsidiary acquired – Legend	–	(35 547)	(35 547)
Fair value adjustment to profit and loss	2 538	11 046	13 584
	60 000	(24 501)	35 499
Financial assets – Put option liabilities			
Opening balance			302 990
Movement through statement of changes in equity			(32 206)
Subsidiary acquired – Legend			36 802
Fair value adjustment			(44 388)
For foreign currency translation			(24 620)
			270 784

Sensitivity analysis:

Deferred contingent purchase consideration

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

	Fair value R'000	Increase in liability R'000
Legend – Deferred contingent purchase consideration payable	25 177	676

Due to the sale of the GWM business in 2016 and the related profit warranties not being met, the amount receivable is certain as at 30 June 2017 according to the purchase agreement and has been assessed as recoverable.

Put options

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

	Fair value R'000	Increase in liability R'000
Digistics	102 665	*
Legend	29 997	253
IN tIME	141 918	3 543

* The put option value has been finalised.

Salient features continued

	30 June 2017 Reviewed R'000	30 June 2016 Audited R'000
8. CAPITAL ITEMS		
Impairment of property, plant and equipment and intangible assets	20 604	19 715
(Reversal of impairment)/impairment of equity-accounted investee	(1 305)	22 620
Impairment of goodwill	4 521	–
Profit on sale of business	–	(39 629)
Fair value adjustment to investment property	(6 600)	(4 000)
Loss/(profit) on sale of property, plant and equipment	254	(8 840)
Capital items before tax and NCI	17 474	(10 134)
Tax effect of capital items	(5 064)	(2 297)
NCI effect of capital items	6	(1 064)
Capital items after tax and NCI	12 416	(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

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