

Summarised Consolidated Statement of Comprehensive Income

	Year ended 30 June 2017 Audited 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

Summarised Consolidated Statement of Financial Position

	30 June 2017 Audited 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		
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

Summarised Consolidated Statement of Cash Flows

	Year ended 30 June 2017 Audited 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

Summarised 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	2 899 979	(349 085)	(2 550 894)	–	–	–	–	–	–
Book build shares issued for cash ¹	360 000	–	–	–	–	–	360 000	–	360 000
Share issue expenses – bookbuild	(3 488)	–	–	–	–	–	(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

	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 2016 – Audited	3 256 491	–	–	1 158 011	3 496 689	(297 071)	7 614 120	1 687 673	9 301 793
Changes in equity for the 2017 year									
Other comprehensive income	–	–	–	(310 053)	–	–	(310 053)	(119 383)	(429 436)
Translation adjustment	–	–	–	(297 010)	–	–	(297 010)	(121 493)	(418 503)
Effective portion of hedge	–	–	–	3 612	–	–	3 612	3 285	6 897
Tax effect of effective portion of hedge	–	–	–	(1 292)	–	–	(1 292)	(1 175)	(2 467)
Revaluation of land and buildings	–	–	–	(9 148)	–	–	(9 148)	–	(9 148)
Tax effect and change in capital gains tax inclusion rate of revaluation of land and buildings	–	–	–	(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 – Audited	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 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Audited 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 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Audited 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 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Audited R'000	Year ended 30 June 2016 Audited R'000	Year ended 30 June 2017 Audited 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)	(156 075)	(167 272)	(80 892)	(15 631)	(32 153)	(21 060)	(17 377)	(16 194)	(14 132)
(303 816)	(413 340)	(1 815 332)	(1 322 939)	(8 766 587)	(6 395 161)	(6 638 954)	(6 750 887)	(1 495)	85 302
-	-	(563)	461	(4 542)	(59)	-	-	8 093	4 391
146 921	163 301	1 002 689	799 702	288 101	210 303	180 424	177 988	(2 353)	83 211
-	-	(63 234)	(31 462)	-	-	(5 181)	(6 438)	-	-
146 921	163 301	939 455	768 240	288 101	210 303	175 243	171 550	(2 353)	83 211
(17 637)	(21 198)	(85 494)	(70 136)	(77 418)	(32 993)	(58 278)	(55 350)	35 743	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 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Audited R'000	As at 30 June 2016 Audited R'000	As at 30 June 2017 Audited R'000	As at 30 June 2016 Audited R'000
1 200	1 732	42 624	31 054	704 889	351 595	666 091	355 400	785 029	789 306
-	-	-	-	-	-	-	-	149 800	143 200
961 113	967 547	652 755	177 075	-	-	-	-	-	-
-	-	674 373	640 887	-	-	51 533	65 196	8 768	5 330
87 822	87 822	3 441 719	3 226 787	554 978	159 705	594 123	438 961	-	-
-	-	-	-	-	-	-	-	29 050	98 254
-	174	113 515	57 365	1 275 363	773 756	1 664 817	1 802 558	-	-
90 548	125 141	680 701	449 933	299 055	134 677	394 566	223 822	15 845	38 370
71 886	26 065	132 552	85 488	27 676	7 152	35 171	94 753	166 337	235 947
592	4 703	-	-	1 167	701	-	-	(11 217)	(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	444 265	1 625 079	1 393 844	200 000	-	463 339	606 431	698 998	365 000
-	-	20 002	28 341	31 713	44 999	-	-	37 858	14 968
40 841	83 955	482 167	452 220	-	-	-	-	-	-
-	-	55 159	78 772	-	-	-	-	-	8 527
66 132	51 394	524 444	215 433	-	-	303 356	-	6 609	481 364
-	-	-	-	-	-	-	-	-	-
114 047	91 159	1 625 230	1 305 531	1 829 861	1 218 909	2 143 444	2 140 856	133 344	159 815
7 465	6 800	-	-	838	1 562	-	-	(38 534)	(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.

	Dealerships SA R'000
Net proceeds on disposal of business	
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

	SG Fleet R'000	SG Coal R'000	Total R'000
Net costs on increase in existing shareholding in subsidiaries			
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.

	Fleet Hire R'000	Motiva R'000	Total R'000
Net proceeds on decrease in existing shareholding in SG Fleet			
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 Audited 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
<p>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.</p>		
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 arm's-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.

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 six-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 six-month period ending 31 December 2017.

Salient features > continued

Acquisition of an additional interest in SG Fleet Group Limited

Effective 25 August 2017, Bluefin Investments Limited acquired an additional 1.63% in SG Fleet Group Limited for R175 949 000, increasing the Group's holding to 54.0%. Effective 11 September 2017, SG Fleet issued 4 136 925 shares on exercise of vested options granted as long-term incentive awards under SG Fleet's Equity Incentive Plan, diluting the Group's holding to 53.14%.

Acquisition of minority interest in Digistics

Effective 18 September 2017, Super Group Holdings Proprietary Limited acquired the 45% minority interest in Digistics Proprietary Limited for R102 665 000, increasing the Group's holding to 100%.

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 seven 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 four 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 three financial years preceding 1 October 2017, adjusted for dividends paid, at a price earnings ratio of 6.5.
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 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 7.7%. 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.

Salient features > continued

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 Audited 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 Audited 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)
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.

	30 June 2017 Audited 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)