



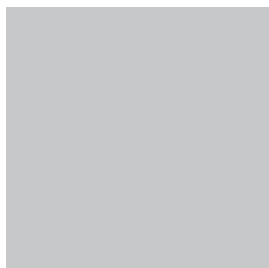
supergroup 

**UNAUDITED
INTERIM
RESULTS**

for the six months ended
31 December **2017**

Interim results

for the six months ended 31 December 2017



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SUPER GROUP LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1943/016107/06

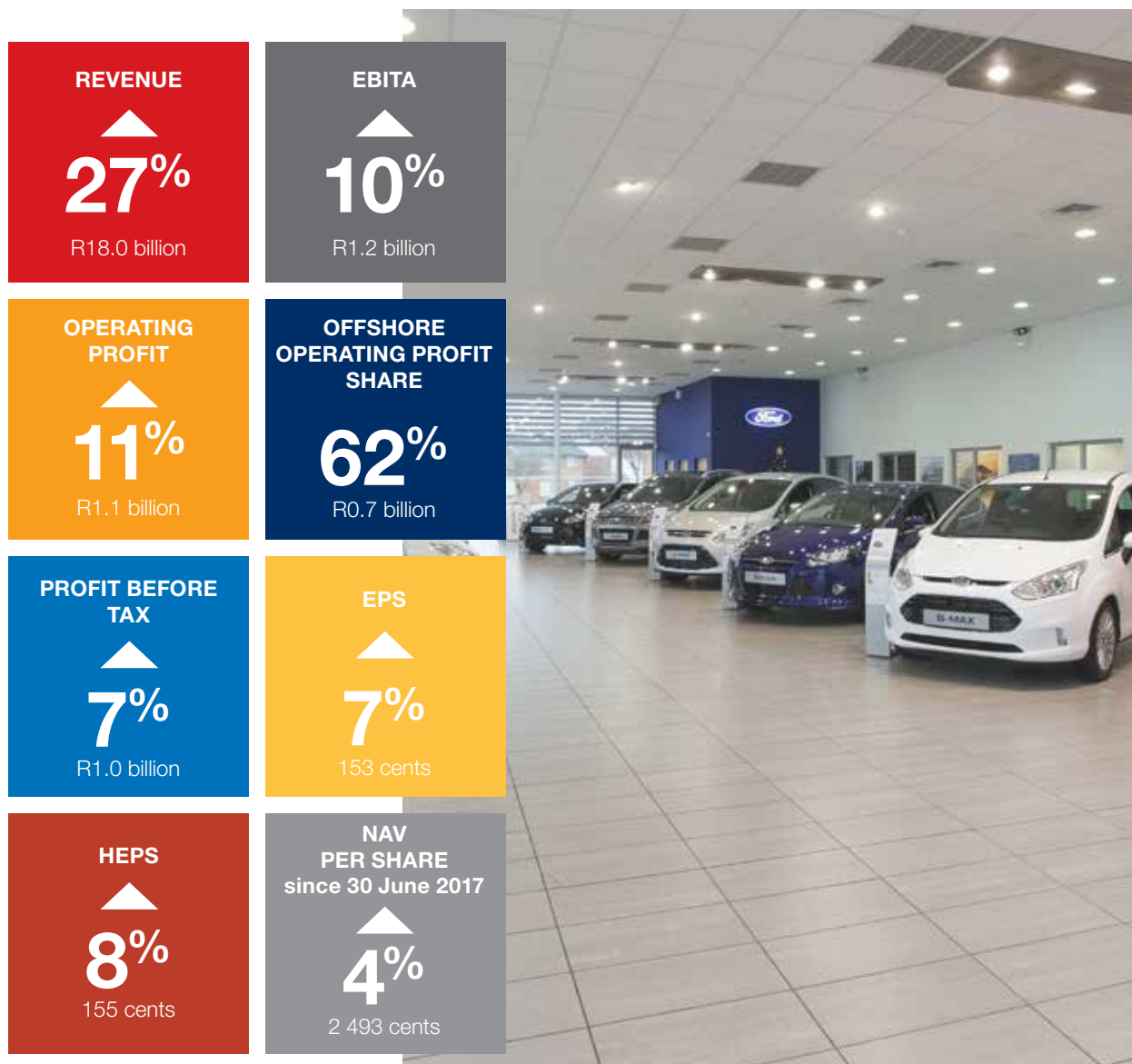
Share code: SPG

ISIN: ZAE000161832

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

Results at a glance

for the six months ended 31 December 2017



INTRODUCTION

Super Group reported a satisfactory set of results for the six months ended 31 December 2017. Political uncertainty and adverse trading conditions remained a challenge in Africa, Europe and the United Kingdom (UK). Australian economic conditions were stable, with good growth in certain industries. Following a two-year period of concluding strategic acquisitions, Super Group's results reflect the benefits derived from geographically diversifying its revenue stream.

Super Group's non-South African businesses contributed 46% of revenue and 62% of operating profit. The average Rand exchange rate for the period strengthened against the Australian Dollar (AUD) and Pound Sterling (GBP), but weakened against the Euro (EUR). Overall exchange rate variances had an immaterial impact on the earnings of the Group in relation to the prior comparable period.

In October 2017, Super Group raised an amount of R500 million through an Accelerated Bookbuild placement of 12 422 360 shares at a price of R40.25 per share. The price represented a 4.1% discount to the 30-day volume weighted average price on 12 October 2017. The book was oversubscribed.

The transactions concluded by Super Group during the period are explained in more detail in the Financial Performance section and the Divisional Review section of this document.

Financial performance

Group revenue increased by 27.5% to R18.0 billion (Dec 2016: R14.1 billion) predominantly as a result of the acquisitions of the Slough Motor Corporation (SMC) dealerships in the United Kingdom and SG IN TIME's net acquisition of an 88% interest in the Spanish courier company, Servicios Empresariales Ader, SL (Ader). Revenue also increased as a result of the inclusion of the Essex Auto Group (EAG) and the Western Cape dealerships for the full period, as well as an excellent performance by SG Coal.

Operating profit increased by 10.8% to R1 149.2 million (Dec 2016: R1 036.8 million). The main reason for the growth rate in operating profit being lower than the revenue growth rate is the acquisition of lower margin businesses, namely SMC and Ader.

The increase in net finance costs of 36.0% to R168.9 million (Dec 2016: R124.2 million) is attributable to the funding of the various acquisitions, as well as the funding of the working capital and the properties acquired with SMC. The average interest rate paid on borrowings was 5.7% (Dec 2016: 6.2%) and the average interest rate earned on cash was 3.0% (Dec 2016: 3.9%).

Profit before tax increased by 7.4% to R980.3 million (Dec 2016: R912.6 million). The effective tax rate increased to 27.7% (Dec 2016: 26.5%).

Earnings per share (EPS) and headline earnings per share (HEPS) increased by 6.6% to 152.9 cents (Dec 2016: 143.5 cents) and 7.7% to 155.1 cents (Dec 2016: 144.0 cents) respectively.

Core HEPS increased by 5.8% to 172.8 cents (Dec 2016: 163.3 cents). Core HEPS excludes the amortisation of Purchase Price Allocation (PPA) intangibles arising from business combinations, acquisition-related costs and B-BBEE costs, after tax and non-controlling interests.

The increase in total assets of 4.8% to R26.1 billion (Jun 2017: R24.9 billion) is mainly as a result of the newly acquired assets in SMC and Ader during the period under review. The Group's Return on Net Operating Assets, after tax, was 12.0% (Dec 2016: 12.5%).

Super Group's net debt position at 31 December 2017 was R3 321.7 million, equating to a gearing ratio of 31.6%, similar to the ratio at year-end. The net asset value per share increased by 4.1% for the period to 2 492.5 cents at 31 December 2017 (30 June 2017: 2 394.1 cents).

Operating cash flow increased by 19.3% for the period to R1 688.1 million (Dec 2016: R1 414.5 million) mainly due to a combination of the acquisition of SMC and the inclusion of the Western Cape dealerships and Motiva for the full period compared to four months and one month, respectively, in the prior period.

Divisional review

SUPPLY CHAIN

Supply Chain Africa

R'000	Change %	Six months ended 31 December 2017	Six months ended 31 December 2016	Year ended 30 June 2017
Revenue	7.8	4 656 626	4 320 536	8 344 186
EBITA	(1.1)	275 170	278 190	482 163
Operating profit	0.4	261 950	260 931	448 528
Operating margin (%)		5.6	6.0	5.4
Profit before tax	(0.9)	241 403	243 548	413 665

Supply Chain Africa's SG Consumer, SG Convenience, Digistics and SG Freight businesses were largely impacted by the weak consumer demand experienced in the FMCG and Quick Service Restaurant industries. SG Coal delivered another excellent set of results compared to the prior period. Super Rent, SG Mobility and African Logistics performed satisfactorily over the reporting period, however, these businesses experienced pressure on margins. Phola Coaches and VSc Solutions reported disappointing results as a result of the competitive environment in which they trade. Super Group acquired a 90% interest in the MDS Group, a web-based express domestic courier company, servicing both individuals and corporates including some of the country's largest multinationals. In addition, Super Group acquired the remaining 45% of Digistics and an additional 15% in Legend, as well as sold 15% of SG Coal to the Group's Black Empowerment Scheme.

Supply Chain Europe

R'000	Change %	Six months ended 31 December 2017	Six months ended 31 December 2016	Year ended 30 June 2017
Revenue	60.6	1 608 404	1 001 252	1 997 915
EBITA	14.0	106 639	93 534	194 468
Operating profit	13.5	62 579	55 125	120 158
Operating margin (%)		3.9	5.5	6.0
Profit before tax	11.4	36 893	33 118	78 105

Supply Chain Europe's results of SG IN TIME, a Time-critical Delivery Services company, included the results of Ader, a Spanish courier and express transport operator, acquired effective July 2017. Ader's business operates at lower margins than IN TIME, impacting the division's overall operating margin. The weakening of the average Rand against the Euro positively impacted Super Group's profit before tax to an amount of R1.4 million (Dec 2016: R1.3 million).

Divisional review continued

FLEET SOLUTIONS

Fleet Africa

R'000	Change %	Six months ended 31 December 2017	Six months ended 31 December 2016	Year ended 30 June 2017
Revenue	(3.4)	315 552	326 685	623 357
EBITA	(21.5)	61 425	78 262	146 921
Operating profit	(21.5)	61 425	78 262	146 921
Operating margin (%)		19.5	24.0	23.6
Profit before tax	(22.1)	54 570	70 068	129 284

Fleet Africa delivered an expected decline in results. The Transnet and other major contracts continued to perform well. Both the roll-out of the City of Tshwane emergency vehicles and the National Department of Transport maintenance contract are progressing slowly. Significant New tenders continue to be submitted.

SG Fleet

R'000	Change %	Six months ended 31 December 2017	Six months ended 31 December 2016	Year ended 30 June 2017
Revenue	14.3	1 599 657	1 399 728	2 985 856
EBITA	12.3	526 873	469 224	1 002 689
Operating profit	12.4	493 047	438 467	939 455
Operating margin (%)		30.8	31.3	31.5
Profit before tax	12.3	448 787	399 516	853 961

SG Fleet reported a good set of results and benefited from the inclusion of Motiva (UK) for the full period compared to only one month in the comparable prior period. Fairly tough trading conditions were experienced in 2Q2018. The novated lease market softened, subdued consumer sentiment was felt and winning contracts in the heavy commercial vehicle segment at acceptable returns posed a challenge. The margins decreased as a result of the lower Motiva (UK) and Fleet Hire (UK) margin businesses. The strengthening of the average Rand against the Australian Dollar negatively impacted Super Group's profit before tax by an amount of R4.9 million (Dec 2016: positively impacted the results by R28.1 million).

DEALERSHIPS

Dealerships SA

R'000	Change %	Six months ended 31 December 2017	Six months ended 31 December 2016	Year ended 30 June 2017
Revenue	17.7	5 016 721	4 261 576	9 074 861
EBITA	19.0	167 007	140 396	288 101
Operating profit	19.0	167 007	140 396	288 101
Operating margin (%)		3.3	3.3	3.2
Profit before tax	14.3	120 029	105 029	210 683

Dealerships SA reported an excellent set of results, comfortably outperforming NAAMSA statistics. The results include the nine Western Cape dealerships for the full period compared to only four months in the prior comparable period. Following the announcement by General Motors that they are exiting South Africa, Dealerships SA sold one dealership and closed another. Dealerships delivered a 7.9% growth rate in new vehicle sales (17.9% growth excluding dealerships sold/closed) compared to the NAAMSA dealer market reporting an increase of 2.3% in new vehicle sales for the six-month period ended 31 December 2017. Used vehicle sales increased by a satisfactory 10.5% over the same period (17.9% growth excluding dealerships sold/closed). The Parts and Services business continued to perform well. Dealerships SA maintained its operating margin at 3.3%.

Dealerships UK

R'000	Change %	Six months ended 31 December 2017	Six months ended 31 December 2016	Year ended 30 June 2017
Revenue	71.3	4 764 855	2 781 681	6 840 438
EBITA	53.5	113 971	74 239	180 424
Operating profit	55.6	111 321	71 556	175 243
Operating margin (%)		2.3	2.6	2.6
Profit before tax	40.1	63 691	45 448	116 965

Dealerships UK's results were positively impacted by the inclusion of Essex Auto Group and Slough Motor Corporation. During the last six months of 2017, the UK dealership market experienced steep declines in new vehicle sales of 10.5%, as well as a drop in used car volumes due to fewer trade-ins. Ford lost market share in the UK, as a result of temporary and unprecedented supply problems with the popular Fiesta and Focus models, negatively impacting Allen Ford's results. Overall vehicle sales in Dealerships UK grew by 69.1% (existing dealerships declined by 13.5%), with new vehicle sales growth of 60.5% (existing dealerships declined by 14.4%) and used vehicle sales growth of 87.2% (existing dealerships declined by 11.6%) over the reporting period. The strengthening of the average Rand against the GBP had a negative impact on the profit before tax of the Group of R1.0 million (Dec 2016: R8.8 million).

SERVICES

The Services segment includes the Corporate 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 strategy of being an innovative, integrated mobility solutions company remains integral to growing and expanding its core businesses. The European and UK markets seem to be stabilising despite the continuing uncertainty regarding the potential Brexit outcome. The South African socio-political landscape continues to be challenging although there is some positive sentiment given the current political changes. The South African consumer remains under significant pressure and low growth rates are expected to persist. Nevertheless, the Group remains cautiously optimistic with regards to the impact of these political changes on the economies in which it operates and expects to further improve operational efficiencies and gain market share in most business sectors over the remainder of the financial year.

No interim dividend for the six months ended 31 December 2017 has been declared.

On behalf of the Board

P Vallet

Chairman of the company

P Mountford

Chief Executive Officer

Sandton

19 February 2018

The Unaudited Interim Results will be available on the Group's website after 08:30 on Tuesday, 20 February 2018. The presentation to the investor community can be viewed on the Group's website after 13:00. Copies of the full announcement are available on request from Nigel Redford, Company Secretary, nigel.redford@supergroup.com. The Group's website is www.supergroup.co.za.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Condensed Consolidated Interim Financial Statements are prepared in accordance with International Financial Reporting Standards, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these Condensed Consolidated Interim Financial Statements are in terms of International Financial Reporting Standards (IFRS) and are consistent with those applied in the previous Annual Financial Statements.

The definitions of capital items, core headline earnings and related adjustments are included in the accounting policies in the June 2017 Annual Financial Statements. There were no standards and amendments to standards with a material impact on the Condensed Consolidated Interim Financial Statements that are relevant to and became effective for the first time in Super Group's financial year that commenced 1 July 2017.

Standards effective for financial year commencing 1 July 2018:

- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Transfers of Investment Property (Amendments to IAS 40)
- IFRIC 22 Foreign Currency Transactions and Advance Considerations

Standards effective for reporting periods starting on or after 1 July 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments

The Group will adopt the above standards and interpretations when they become effective.

The Group has been holding workshops and strategy meetings to determine the potential impact of the adoption of IFRS 15, IFRS 9 and IFRS 16 on the Financial Statements.

IFRS 15 – Revenue from Contracts with Customers replaces IAS 18 – Revenue, and provides a single comprehensive model for revenue recognition based on the satisfaction of performance obligations and additional disclosures in respect of revenue. The initial assessment indicates that the only material anticipated change is expected in the SG Fleet businesses resulting in a gross up of the end of lease income and fleet management costs, some of which are currently presented as a net balance within revenue. This is expected to be a presentation change and will not have an impact on the operating results. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its revenue from contracts with customers and associated assets.

IFRS 9 – Financial Instruments replaces IAS 39 Financial instruments. The initial assessment indicates that the impairment allowance of receivables currently estimated on the incurred loss model will be estimated on an expected credit loss model and the increase of the allowance is not expected to have a material impact on the Group.

IFRS 16 – Leases replaces IAS 17 – Leases, introduced changes to lessee accounting, in particular, the requirement to recognise leases currently classified as operating leases on balance sheet. The standard requires a lessee to recognise a right-of-use asset, representing its rights to use the underlying lease asset, and a lease liability representing its obligation to make lease payments, with certain exceptions for short-term leases or leases of low-value assets, on the Statement of Financial Position. The initial assessment indicates that the present value of operating rental commitments disclosed in note 9 of the salient features be recorded as a financial liability with a corresponding capitalised non-current asset on the Statement of Financial Position. The related amortised finance cost and non-current asset depreciation will be recorded in the Statement of Comprehensive Income, replacing the operating lease expenses currently recognised.

The Board's initial view on the other standards not yet effective is that the impact is not expected to be material.

The Condensed Consolidated Interim 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

	Six-month period ended 31 December 2017 Unaudited R'000	Restated ¹ Six-month period ended 31 December 2016 Unaudited R'000	Restated ¹ Year ended 30 June 2017 Audited R'000
Revenue	17 966 337	14 094 915	29 873 856
Depreciation and amortisation (excluding amortisation of PPA intangibles)	(424 066)	(345 266)	(750 697)
Operating expenditure – excluding capital items	(16 292 845)	(12 619 204)	(26 813 272)
Operating expenditure – capital items	(6 432)	(4 526)	(17 474)
EBITA	1 242 994	1 125 919	2 292 413
Amortisation of PPA intangibles	(93 756)	(89 108)	(176 360)
Operating profit	1 149 238	1 036 811	2 116 053
Finance costs	(230 410)	(207 137)	(441 171)
Interest received and income from equity-accounted investees	61 516	82 917	161 171
Profit before income tax	980 344	912 591	1 836 053
Income tax expense	(271 595)	(241 940)	(503 322)
Profit for the period	708 749	670 651	1 332 731
Profit for the period attributable to:			
Non-controlling interests (NCI)	165 100	170 857	339 987
Equity holders of Super Group	543 649	499 794	992 744
	708 749	670 651	1 332 731
Other comprehensive income (OCI) for the period			
Item which will be reclassified to profit or loss:	(159 428)	(521 409)	(414 073)
Translation adjustment	(160 403)	(515 542)	(418 503)
Effective portion of hedge	1 342	(8 114)	6 897
Tax effect of effective portion of hedge	(367)	2 247	(2 467)
Items which will not be reclassified to profit or loss:	–	–	(15 363)
Revaluation of land and buildings	–	–	(9 148)
Tax effect and change in capital gains tax inclusion rate of revaluation of land and buildings	–	–	(6 215)
Other comprehensive income for the period (net of tax)	(159 428)	(521 409)	(429 436)
Total comprehensive income for the period (net of tax)	549 321	149 242	903 295
Total comprehensive income for the period attributable to:			
Non-controlling interests	129 905	27 057	220 604
Equity holders of Super Group	419 416	122 185	682 691
	549 321	149 242	903 295
RECONCILIATION OF HEADLINE EARNINGS			
Profit attributable to equity holders of Super Group	543 649	499 794	992 744
Capital items after tax (Refer note 8 in salient features)	7 489	1 631	12 416
Headline earnings for the period	551 138	501 425	1 005 160
RECONCILIATION OF CORE HEADLINE EARNINGS			
Headline earnings for the period	551 138	501 425	1 005 160
Acquisition costs after tax and NCI	2 810	18 350	42 075
B-BBEE costs after tax and NCI	13 546	7 702	25 644
Amortisation of intangible assets arising on business combinations after tax and NCI	46 834	41 325	83 704
Core headline earnings for the period	614 328	568 802	1 156 583
Earnings per share (cents)			
Basic	152.9	143.5	284.7
Diluted	152.4	141.3	282.6
Headline earnings per share (cents)			
Basic	155.1	144.0	288.2
Diluted	154.5	141.7	286.1
Core headline earnings per share (cents)			
Basic	172.8	163.3	331.7
Diluted	172.2	160.8	329.3

¹ The earnings per share, headline earnings per share and core earnings per share have been restated in terms of IAS 33.28 as a result of the bookbuild in October 2017. The restated numbers for 30 June 2017 have not been audited.

Condensed Consolidated Statement of Financial Position

	31 December 2017 Unaudited R'000	31 December 2016 Unaudited R'000	30 June 2017 Audited R'000
ASSETS			
Non-current assets	15 093 989	13 756 408	14 558 691
Property, plant and equipment	4 654 858	3 637 144	4 216 737
Investment property	149 800	143 200	149 800
Full maintenance lease assets	1 508 157	1 661 732	1 613 868
Intangible assets	1 311 135	1 314 727	1 270 627
Goodwill	7 114 078	6 675 689	6 990 630
Investments and other non-current assets	209 457	98 232	103 649
Deferred tax assets	146 504	225 684	213 380
Current assets	10 975 040	9 570 792	10 314 060
Inventories	3 796 476	2 952 608	3 399 158
Trade receivables	3 273 604	2 731 748	3 034 492
Sundry receivables	1 321 406	1 349 499	1 153 277
Cash and cash equivalents	2 583 554	2 536 937	2 727 133
Total assets	26 069 029	23 327 200	24 872 751
EQUITY AND LIABILITIES			
Capital and reserves			
Capital and reserves attributable to equity holders of Super Group	9 050 340	7 731 094	8 355 814
Non-controlling interests	1 447 124	1 640 439	1 499 521
Total equity	10 497 464	9 371 533	9 855 335
Non-current liabilities			
Fund reserves	511 202	575 158	523 008
Non-controlling interest put option and other liabilities	245 516	342 526	268 078
Full maintenance lease borrowings	543 270	732 630	672 189
Interest-bearing borrowings	3 737 897	3 829 625	3 977 826
Provisions	69 000	83 631	57 860
Deferred tax liabilities	650 056	604 091	621 854
Current liabilities	9 814 624	7 788 006	8 896 601
Non-controlling interest put option liability	–	114 822	102 665
Full maintenance lease borrowings	328 017	361 624	337 009
Interest-bearing borrowings	1 296 081	572 979	845 837
Trade and other payables	7 913 470	6 499 849	7 234 455
Income tax payable	40 717	83 634	112 251
Provisions	236 339	155 098	264 384
Total equity and liabilities	26 069 029	23 327 200	24 872 751

Condensed Consolidated Statement of Cash Flows

	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000	Year ended 30 June 2017 Audited R'000
Cash flows from operating activities			
Operating cash flow	1 688 143	1 414 463	3 111 395
Working capital (outflow)/inflow	(241 267)	136 996	82 925
Cash generated from operations	1 446 876	1 551 459	3 194 320
Finance costs paid	(212 441)	(197 427)	(441 915)
Investment income and interest received	62 140	82 632	152 498
Income tax paid	(286 680)	(156 467)	(409 559)
Dividend paid to non-controlling interest	(128 679)	(114 128)	(222 407)
Net cash generated from operating activities	881 216	1 166 069	2 272 937
Cash flows from investing activities			
Additions to property, plant and equipment	(579 660)	(469 601)	(958 110)
Additions to full maintenance lease assets	(233 087)	(263 201)	(625 453)
Additions to intangible assets	(30 459)	(20 584)	(44 574)
Proceeds on disposal of property, plant and equipment	101 550	94 362	224 116
Proceeds on disposal of full maintenance lease assets	134 298	119 800	317 096
Net acquisition of businesses (net of cash acquired)	(459 776)	(1 250 266)	(1 794 057)
Dividends received from equity-accounted investee	–	9 785	10 882
Other investing activities	(2 748)	41 272	40 748
Net cash outflow from investing activities	(1 069 882)	(1 738 433)	(2 829 352)
Cash flows from financing activities			
Share issues net of expenses	497 150	–	–
Cash (outflow)/inflow on share options	(1 050)	6 439	(1 830)
Additional investments in existing subsidiaries	(540 005)	(32 909)	(95 074)
Interest-bearing borrowings raised	668 816	1 035 047	1 766 608
Full maintenance lease borrowings raised	264 666	108 708	396 010
Interest-bearing borrowings repaid	(393 444)	(828 800)	(1 253 827)
Full maintenance lease borrowings repaid	(387 596)	(148 115)	(522 571)
Net cash inflow from financing activities	108 537	140 370	289 316
Net decrease in cash and cash equivalents	(80 129)	(431 994)	(267 099)
Net cash and cash equivalents at beginning of the period	2 727 133	3 127 910	3 127 910
Effect of foreign exchange on cash and cash equivalents	(63 450)	(158 979)	(133 678)
Cash and cash equivalents at end of the period	2 583 554	2 536 937	2 727 133

Condensed Consolidated Statement of Changes in Equity

	Stated capital 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	–	(377 609)	–	–	(377 609)	(143 800)	(521 409)
Translation adjustment	–	(374 542)	–	–	(374 542)	(141 000)	(515 542)
Effective portion of hedge	–	(4 242)	–	–	(4 242)	(3 872)	(8 114)
Tax effect of effective portion of hedge	–	1 175	–	–	1 175	1 072	2 247
Profit for the period	–	–	499 794	–	499 794	170 857	670 651
Total comprehensive income for the period	–	(377 609)	499 794	–	122 185	27 057	149 242
Realisation of revaluation reserve through depreciation	–	(39)	39	–	–	–	–
Share-based payment reserve movement	–	–	18 750	–	18 750	2 011	20 761
Share options exercised	–	–	(78 292)	–	(78 292)	(454)	(78 746)
B-BBEE good leaver options exercised ¹	–	–	(2 412)	–	(2 412)	–	(2 412)
Movement in treasury shares	–	–	–	87 597	87 597	–	87 597
Dividends paid to NCI	–	–	–	–	–	(114 128)	(114 128)
Deferred tax recorded directly in equity on movement in options	–	–	(2 345)	–	(2 345)	(1 144)	(3 489)
NCI put option movement	–	–	(23 399)	–	(23 399)	–	(23 399)
Transactions with equity partners – SG Fleet	–	–	(25 047)	–	(25 047)	(7 862)	(32 909)
Transactions with equity partners – Motiva	–	–	6 459	–	6 459	10 128	16 587
Transactions with equity partners – Fleet Hire	–	–	13 478	–	13 478	18 817	32 295
NCI recognised in respect of subsidiary acquired – Legend	–	–	–	–	–	18 341	18 341
Balance at 31 December 2016 – Unaudited	3 256 491	780 363	3 903 714	(209 474)	7 731 094	1 640 439	9 371 533
Other comprehensive income	–	67 556	–	–	67 556	24 417	91 973
Translation adjustment	–	77 532	–	–	77 532	19 507	97 039
Effective portion of hedge	–	7 854	–	–	7 854	7 157	15 011
Tax effect of effective portion of hedge	–	(2 467)	–	–	(2 467)	(2 247)	(4 714)
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)

	Stated capital 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
Profit for the period	-	-	492 950	-	492 950	169 130	662 080
Total comprehensive income for the period	-	67 566	492 950	-	560 506	193 547	754 053
Realisation of revaluation reserve through depreciation	-	(45)	45	-	-	-	-
Share-based payment reserve movement	-	-	19 779	-	19 779	2 402	22 181
Share options exercised	-	-	(8 268)	-	(8 268)	(10)	(8 278)
B-BBEE good leaver options exercised ¹	-	-	(8 269)	-	(8 269)	-	(8 269)
Movement in treasury shares	-	-	-	8 278	8 278	-	8 278
Dividends paid to NCI	-	-	-	-	-	(108 279)	(108 279)
Deferred tax recorded directly in equity on movement in options	-	-	(28 771)	-	(28 771)	(1 067)	(29 838)
NCI put option movement	-	-	30 985	-	30 985	-	30 985
Transactions with equity partners – SG Fleet	-	-	(7 691)	-	(7 691)	(1 795)	(9 486)
Transactions with equity partners – SG Coal	-	-	58 171	-	58 171	(225 476)	(167 305)
NCI recognised in respect of subsidiary acquired – Legend	-	-	-	-	-	(240)	(240)
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
Changes in equity for the 2018 period	-	(124 233)	-	-	(124 233)	(35 195)	(159 428)
Other comprehensive income	-	(124 772)	-	-	(124 772)	(35 631)	(160 403)
Translation adjustment	-	742	-	-	742	600	1 342
Effective portion of hedge	-	(203)	-	-	(203)	(164)	(367)
Tax effect of effective portion of hedge	-	-	-	-	-	-	-
Profit for the period	-	-	543 649	-	543 649	165 100	708 749
Total comprehensive income for the period	-	(124 233)	543 649	-	419 416	129 905	549 321
Realisation of revaluation reserve through depreciation	-	(58)	58	-	-	-	-
Bookbuild shares issued for cash ²	500 000	-	-	-	500 000	-	500 000
Share issue expenses ²	(2 850)	-	-	-	(2 850)	-	(2 850)
Share-based payment reserve movement	-	-	19 948	-	19 948	1 994	21 942
Share options exercised – South Africa	-	-	(68 323)	-	(68 323)	(74)	(68 397)
Share options exercised – Australia	-	-	(11 033)	-	(11 033)	(9 728)	(20 761)
B-BBEE good leaver options exercised	-	-	(1 050)	-	(1 050)	-	(1 050)
Movement in treasury shares	-	-	-	68 397	68 397	-	68 397
Deferred tax recorded directly in equity on movement in options	-	-	7 396	-	7 396	133	7 529
NCI put options movement	-	-	115 416	-	115 416	-	115 416
Dividends paid to NCI	-	-	-	-	-	(128 679)	(128 679)
NCI recognised in respect of subsidiaries acquired ³	-	-	-	-	-	15 678	15 678
Transactions with equity partners – increase in shareholdings ³	-	-	(363 779)	-	(363 779)	(178 817)	(542 596)
Transactions with equity partners – decrease in shareholdings ³	-	-	10 988	-	10 988	117 191	128 179
Balance at 31 December 2017 – Unaudited	3 753 641	723 583	4 705 915	(132 799)	9 050 340	1 447 124	10 497 464

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

² A bookbuild is an offer of shares to selected investors of the company.

³ Refer to business combinations note.

Operating segments

	Super Group		Supply Chain Africa		Supply Chain Europe	
	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000
Revenue	17 966 337	14 094 915	4 656 626	4 320 536	1 608 404	1 001 252
Depreciation and amortisation (excluding amortisation of PPA intangibles)	(424 066)	(345 266)	(180 222)	(169 953)	(7 681)	(5 916)
Net operating expenditure – excluding capital items	(16 292 845)	(12 619 204)	(4 207 485)	(3 867 561)	(1 493 648)	(901 792)
Operating expenditure – capital items	(6 432)	(4 526)	6 251	(4 832)	(436)	(10)
EBITA	1 242 994	1 125 919	275 170	278 190	106 639	93 534
Amortisation of PPA intangibles	(93 756)	(89 108)	(13 220)	(17 259)	(44 060)	(38 409)
Operating profit	1 149 238	1 036 811	261 950	260 931	62 579	55 125
Net finance charges	(168 894)	(124 220)	(20 547)	(17 383)	(25 686)	(22 007)
Profit before tax	980 344	912 591	241 403	243 548	36 893	33 118
Net capex	607 358	539 224	353 538	189 116	9 263	10 205

	Super Group		Supply Chain Africa		Supply Chain Europe	
	As at 31 December 2017 Unaudited R'000	As at 30 June 2017 Audited R'000	As at 31 December 2017 Unaudited R'000	As at 30 June 2017 Audited R'000	As at 31 December 2017 Unaudited R'000	As at 30 June 2017 Audited R'000
ASSETS						
Non-current assets						
Property, plant and equipment	4 654 858	4 216 737	2 151 034	1 977 777	58 358	39 127
Investment property	149 800	149 800	–	–	–	–
Full maintenance lease assets	1 508 157	1 613 868	–	–	–	–
Intangible assets	1 311 135	1 270 627	57 568	55 763	564 976	480 190
Goodwill	7 114 078	6 990 630	663 794	636 891	1 726 919	1 675 097
Investments and other non-current assets	209 457	103 649	72 893	74 599	2 592	–
Current assets						
Inventories	3 796 476	3 399 158	396 549	343 237	1 849	2 226
Trade receivables	3 273 604	3 034 492	1 414 349	1 185 153	591 889	368 624
Sundry receivables	1 321 406	1 153 277	870 713	701 576	16 978	18 079
Intercompany trade receivables	–	–	7 892	9 458	–	–
SEGMENT ASSETS	23 338 971	21 932 238	5 634 792	4 984 454	2 963 561	2 583 343
LIABILITIES						
Non-current liabilities						
Long-term borrowings	4 281 167	4 650 015	565 257	511 512	843 376	765 205
Non-controlling interest put options and other liabilities	245 516	268 078	24 148	40 152	142 912	138 353
Fund reserves	511 202	523 008	–	–	–	–
Long-term provisions	69 000	57 860	–	–	2 685	2 701
Current liabilities						
Short-term borrowings	1 624 098	1 182 846	312 036	278 465	473	3 840
Non-controlling interest put options	–	102 665	–	102 665	–	–
Trade and other payables and provisions	8 149 809	7 498 839	1 893 790	1 413 372	492 020	239 541
Intercompany trade payables	–	–	29 929	30 231	–	–
SEGMENT LIABILITIES	14 880 792	14 283 311	2 825 160	2 376 397	1 481 466	1 149 640
Net operating assets	14 156 104	13 495 267	3 628 990	3 455 840	2 466 263	2 341 101

Fleet Africa		SG Fleet		Dealerships SA		Dealerships UK		Services & intercompany eliminations	
Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000
315 552 (90 913)	326 685 (84 204)	1 599 657 (112 978)	1 399 728 (60 701)	5 016 721 (9 707)	4 261 576 (8 464)	4 764 855 (13 836)	2 781 681 (8 063)	4 522 (8 729)	3 457 (7 965)
(163 214)	(164 219)	(959 289) (517)	(870 005) 202	(4 830 848) (9 159)	(4 112 727) 11	(4 637 048)	(2 699 379)	(1 313) (2 571)	(3 521) 103
61 425	78 262	526 873 (33 826)	469 224 (30 757)	167 007	140 396	113 971 (2 650)	74 239 (2 683)	(8 091)	(7 926)
61 425 (6 855)	78 262 (8 194)	493 047 (44 260)	438 467 (38 951)	167 007 (46 978)	140 396 (35 367)	111 321 (47 630)	71 556 (26 108)	(8 091) 23 062	(7 926) 23 790
54 570	70 068	448 787	399 516	120 029	105 029	63 691	45 448	14 971	15 864
29 580	107 939	103 401	65 783	87 324	45 845	11 101	98 015	13 151	22 321

Fleet Africa		SG Fleet		Dealerships SA		Dealerships UK		Services & intercompany eliminations	
As at 31 December 2017 Unaudited R'000	As at 30 June 2017 Audited R'000	As at 31 December 2017 Unaudited R'000	As at 30 June 2017 Audited R'000	As at 31 December 2017 Unaudited R'000	As at 30 June 2017 Audited R'000	As at 31 December 2017 Unaudited R'000	As at 30 June 2017 Audited R'000	As at 31 December 2017 Unaudited R'000	As at 30 June 2017 Audited R'000
1 288	1 200	38 891	42 624	781 970	704 889	832 739	666 091	790 578	785 029
-	-	-	-	-	-	-	-	149 800	149 800
898 021	961 113	610 136	652 755	-	-	-	-	-	-
-	-	632 331	674 373	-	-	48 077	51 533	8 183	8 768
87 822	87 822	3 310 757	3 441 719	545 823	554 978	778 963	594 123	-	-
-	-	-	-	-	-	-	-	133 972	29 050
-	-	103 131	113 515	1 324 736	1 275 363	1 967 168	1 664 817	3 043	-
106 322	90 548	618 152	680 701	308 947	299 055	231 766	394 566	2 179	15 845
52 491	71 886	124 259	132 552	48 862	27 676	34 616	35 171	173 487	166 337
197	592	-	-	1 135	1 167	-	-	(9 224)	(11 217)
1 146 141	1 213 161	5 437 657	5 738 239	3 011 473	2 863 128	3 893 329	3 406 301	1 252 018	1 143 612
282 318	385 882	1 433 649	1 625 079	200 000	200 000	387 567	463 339	569 000	698 998
-	-	17 134	20 002	29 068	31 713	-	-	32 254	37 858
46 906	40 841	464 296	482 167	-	-	-	-	-	-
-	-	66 315	55 159	-	-	-	-	-	-
98 510	66 132	464 550	524 444	-	-	597 943	303 356	150 586	6 609
-	-	-	-	-	-	-	-	-	-
98 011	114 047	1 518 341	1 625 230	1 829 349	1 829 861	2 183 966	2 143 444	134 332	133 344
7 172	7 465	-	-	958	838	-	-	(38 059)	(38 534)
532 917	614 367	3 964 285	4 332 081	2 059 375	2 062 412	3 169 476	2 910 139	848 113	838 275
943 816	993 739	3 370 858	3 555 688	1 152 097	1 000 715	1 709 362	1 262 857	884 718	885 327

Business combinations

Subsidiaries and businesses acquired	Nature of business	Operating segment	Date acquired	Interest acquired (%)	Purchase price R'000
Servicios Empresariales Ader, S.L. (Ader)	Logistics	Supply Chain Europe	4 July 2017	89.5	(173 752)
Bestodeck Limited (SMC)	Dealerships	Dealerships UK	4 July 2017	100	(414 344)
MDS Group (MDS)	Logistics	Supply Chain Africa	1 October 2017	90	(59 045)
Purchase price					(647 141)

	Ader R'000	SMC R'000	MDS R'000	Total R'000
Net cost on acquisition of businesses				
Fair value of assets acquired and liabilities assumed at date of acquisition				
Assets				
Property, plant and equipment	(17 801)	(185 445)	(10 454)	(213 700)
Intangible assets	(130 598)	–	(17 633)	(148 231)
Goodwill	(62 147)	(200 120)	(30 274)	(292 541)
Inventories	–	(515 394)	(318)	(515 712)
Trade and other receivables	(187 294)	(13 595)	(22 009)	(222 898)
Provision for impairment of trade receivable	–	–	315	315
Taxation receivable	–	–	(788)	(788)
Cash and cash equivalents	(9 024)	(183 508)	–	(192 532)
	(406 864)	(1 098 062)	(81 161)	(1 586 087)
Liabilities				
Interest-bearing borrowings	–	–	1 901	1 901
Deferred tax liabilities	27 027	15 479	4 797	47 303
Trade and other payables	188 695	664 555	11 689	864 939
Income tax payable	3 003	3 684	–	6 687
Provisions	1 906	–	400	2 306
Overdraft	–	–	132	132
	220 631	683 718	18 919	923 268
Fair value of net assets acquired	(186 233)	(414 344)	(62 242)	(662 819)
Less: Non-controlling interest	12 481	–	3 197	15 678
Purchase price	(173 752)	(414 344)	(59 045)	(647 141)
Cash/(overdraft) acquired	9 024	183 508	(132)	192 400
Cash outflow	(164 728)	(230 836)	(59 177)	(454 741)

The acquisition of Ader through IN tIME Holding GmbH (IN tIME) will bolster the Supply Chain Europe division and increase the Group's footprint in the Eurozone. The Group performed a PPA exercise on Ader whereby intangible assets acquired were separately valued. The valuation, using projected financial information led to the recognition of a trade name, software, customer contracts and relationships of R54.8 million, R11.0 million and R64.8 million respectively.

The acquisition of the MDS Group, consisting of MDS Collivery Proprietary Limited, MDS outsourcing Proprietary Limited, Messenger and delivery services technologies Proprietary Limited, MDS VISAPAK Proprietary Limited and MDS vehicle management Proprietary Limited, will bolster the Supply Chain Africa division. The Group performed a PPA exercise on MDS whereby intangible assets acquired were separately valued. The valuation, using projected financial information led to the recognition of a trade name, software, customer contracts and relationships of R4.7million, R9.0 million and R3.4 million respectively.

The acquisition of SMC will expand the the Group's dealership footprint in the United Kingdom. The Group performed a PPA exercise which resulted in no additional intangible assets recognised.

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

The values identified in relation to the acquisitions are provisional as at 31 December 2017.

Goodwill has been recognised on the acquisition of Ader, SMC and MDS amounting to R62.1 million, R200.1 million and R30.3 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 R14.8 million in respect of these acquisitions are included in the consolidated statement of comprehensive income.

Impact of the acquisitions on the results of the Group	Ader R'000	SMC R'000	MDS R'000	Total R'000
From the dates of acquisition, the acquired businesses contributed:				
Revenue	408 162	1 140 988	29 488	1 578 638
Profit after tax and amortisation of PPA intangibles ¹	6 439	9 165	2 828	18 432
Attributable profit to equity holders of Super Group ¹	4 322	9 165	2 545	16 032

¹ Excluding acquisition related costs.

Impact of the acquisitions on the results of the Group- had they occurred on 1 July 2017	Ader R'000	SMC R'000	MDS R'000	Total R'000
From 1 July 2017 the businesses would have contributed:				
Revenue	408 162	1 140 988	56 624	1 605 774
Profit after tax and amortisation of PPA intangibles ¹	6 439	9 165	5 385	20 989
Attributable profit to equity holders of Super Group ¹	4 322	9 165	4 847	18 334

¹ Excluding acquisition related costs.

Net proceeds on disposal of business	Tommy Martin R'000	Other R'000	Total R'000
Fair value of assets and liabilities disposed were:			
Assets			
Property, plant and equipment	539	–	539
Inventories	10 805	–	10 805
Trade and other receivables	–	254	254
Cash and cash equivalents	–	8 809	8 809
	11 344	9 063	20 407
Liabilities			
Trade and other payables	(7 274)	(6 410)	(13 684)
Provisions	(296)	(30)	(326)
	(7 570)	(6 440)	(14 010)
Fair value of net assets disposed	3 774	2 623	6 397
Loss on sale of business	–	(2 623)	(2 623)
Selling price	3 774	–	3 774
Cash disposed	–	(8 809)	(8 809)
Cash inflow/(outflow)	3 774	(8 809)	(5 035)

Net costs on increase in existing shareholding in subsidiaries	SG Fleet R'000	Digistics R'000	Legend R'000	Ader R'000	Total R'000
Non-controlling interest	(92 756)	(68 760)	(18 285)	984	(178 817)
Effect of transactions between equity partners on equity	(307 475)	(33 905)	(21 415)	(984)	(363 779)
Cash outflow	(400 231)	(102 665)	(39 700)	–	(542 596)

During the period the Group purchased an additional 9 742 802 shares in SG Fleet for R400.2 million, the remaining 45% of Digistics for R102.7 million and an additional 15% in Legend for R39.7 million. In December the Group increased its investment in Ader via a purchase of shares. This transaction did not change the Group's profit share arrangement.

Net proceeds on decrease in existing shareholding in subsidiaries	SG Fleet R'000	Ader R'000	SG Coal R'000	Total R'000
Non-controlling interest	30 505	2 038	84 648	117 191
Effect of transactions between equity partners on equity	(9 917)	553	20 352	10 988
	20 588	2 591	105 000	128 179
Equity shares of SG Fleet transferred	(20 588)	–	–	(20 588)
Long-term receivable	–	–	(105 000)	(105 000)
Cash inflow	–	2 591	–	2 591

During the period SG Fleet issued 4 327 277 shares for the fulfilment of the vesting of SG Fleet's share options. The Group's closing shareholding is 55.27%.

In December IN TIME disposed of 1.5% of Ader for R2.6 million.

On 1 October the Group disposed of 15% of SG Coal for R105.0 million.

Salient features

	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000	Year ended 30 June 2017 Audited R'000
1. INTEREST-BEARING BORROWINGS			
Australia and New Zealand	1 131 401	1 366 832	1 289 527
Germany	728 882	770 120	769 045
South Africa	1 782 775	1 436 847	1 695 585
United Kingdom	1 261 848	828 805	1 069 506
Spain	114 967	–	–
Mauritius	14 105	–	–
	5 033 978	4 402 604	4 823 663
2. SHARE STATISTICS			
Total issued less treasury shares ('000)	363 110	348 793	349 013
Weighted number of shares ('000) ¹	355 450	348 230	348 723
Diluted weighted number of shares ('000) ¹	356 660	353 792	351 274
Net asset value per share (cents) ²	2 492.5	2 216.5	2 394.1
¹ As a result of the Bookbuild undertaken by the Group in October 2017, the comparative weighted and diluted weighted number of shares in issue had to be adjusted in terms of IAS 33.28. The restated numbers for 30 June 2017 have not been audited.			
² Net asset value per share is calculated as the capital and reserves attributable to equity shareholders of Super Group divided by the total issued less treasury shares.			
3. CAPITAL COMMITMENTS			
Authorised but not yet contracted for capital commitments, excluding full maintenance lease assets.	472 077	544 825	913 103
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 R14.7 million (Dec 2016: R14.4 million), R36.5 million (Dec 2016: R30.3 million) and R11.2 million (Dec 2016: R11.5 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 R3.9 million (June 2017: R 0.04 million).			
5. SUBSEQUENT EVENTS			
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			
<i>IN TIME acquisition of Ader</i>			
IN TIME acquired Ader effective 4 July 2017 for a purchase consideration of R173.8 million. The statement of financial position as at 31 December 2017 has been impacted by increases in intangible assets of R125.5 million, goodwill of R61.8 million, trade and other receivables of R207.6 million, deferred tax liability of R26.4 million and trade and other payables of R256.3 million as a result of this acquisition. Trading relating to the 6 months ended 31 December 2017 has been included in the Statement of Comprehensive Income.			
<i>SG International Holdings Limited acquisition of SMC</i>			
SG International Holdings Limited acquired SMC effective 4 July 2017 for a purchase consideration of R414.3 million. The statement of financial position as at 31 December 2017 has been impacted by increases in goodwill of R195.8 million, inventories of R452.6 million and trade and other payables of R528.1 million as a result of this acquisition. Trading relating to the 6 months ended 31 December 2017 has been included in the Statement of Comprehensive Income.			
<i>Exchange rate movements</i>			
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 Pound Sterling. The strengthening of the Rand against the majority of these currencies has had an effect on the Group's financial statements and has resulted in a foreign currency translation adjustment of R160.4 million decreasing total equity.			

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

	31 December 2017	31 December 2016	% Change
Average currency rate to the South African Rand:			
Australian Dollar	10.43	10.54	(1.0)
US Dollar	13.41	13.99	(4.1)
Euro	15.77	15.34	2.8
Pound Sterling	17.67	17.89	(1.2)
Closing currency rate to the South African Rand:			
Australian Dollar	9.66	10.07	(4.1)
US Dollar	12.38	13.07	(5.3)
Euro	14.86	14.95	(0.6)
Pound Sterling	16.72	17.04	(1.9)

The non-South African operations account for 57% (June 2017: 58%) and 64% (June 2017: 60%) of the Group's total assets and liabilities respectively.

The non-South African operations generated 46% (December 2016: 38%) and 62% (December 2016: 58%) of the Group's revenue and operating profit respectively.

	Hierarchy Level 2 R'000	Level 3 R'000	Valuation technique
7. FAIR VALUE			
Property, plant and equipment – Land, buildings and leasehold improvements		2 374 204	An external valuation was performed on the significant South African properties 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 31 December 2017 according to the purchase agreement and has been assessed as recoverable.
Deferred contingent purchase consideration payable – Legend		40 316	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 Liabilities	8 848		The fair values are based on broker quotes. Similar contracts are traded in an active market and reflect the actual transactions in similar instruments.
Legend put option		14 231	This put option is calculated as the fair value of the business at exercise date of the option, by present valuing the free cash flows for a 10-year period post the date of exercise. The present value is determined by using a pre-tax discount rate of 9.5%. The option can be exercised on 1 October 2019.
IN tIME put option		142 912	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 31 December 2017.

Salient features continued

7. FAIR VALUE (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:

	31 December 2017 Unaudited R'000 Total
Property, plant and equipment – Land and buildings and leasehold improvements	
Opening balance	2 120 365
Net additions	98 709
Acquisition of businesses	190 384
Other	(35 254)
	2 374 204

Investment properties

There has been no movement in the fair value of the Investment properties as at 31 December 2017. The next external valuation will be performed in June 2018.

	GWM R'000	Legend R'000	31 December 2017 Unaudited R'000 Total
Financial asset/(liability) – Deferred contingent purchase consideration			
Opening balance	60 000	(24 501)	35 499
Fair value adjustment to profit and loss	–	(15 815)	(15 815)
	60 000	(40 316)	19 684
Financial assets – Put option liabilities			
Opening balance			270 784
Movement through statement of changes in equity			(113 641)
Exercised – Digistics			(102 665)
Exercised – Legend			(18 418)
Fair value adjustment			5 667
Foreign currency translation			1 775
			157 143

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 income that is not observable in the market. The following table shows how the fair value of the Legend payable would change if the projected earnings assumption was increased by 100bps:

	Fair value R'000	Increase in liability R'000
Legend – Deferred contingent purchase consideration payable	40 497	181

Due to the Group having disposed of GWM, the deferred contingent purchase consideration of R60 million is certain.

Put options

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

	Fair value R'000	Increase in liability R'000
Legend	14 333	102
IN TIME	146 571	3 659

	Six-month period ended 31 December 2017 Unaudited R'000	Six-month period ended 31 December 2016 Unaudited R'000	Year ended 30 June 2017 Audited R'000
8. CAPITAL ITEMS			
Impairment of property/(reversal of impairment), plant and equipment and intangible assets	3 486	(14)	20 604
Impairment of goodwill	9 155	–	4 521
Loss on sale of business	2 623	–	–
(Profit)/loss on sale of property, plant and equipment	(8 832)	4 540	254
Fair value adjustment to investment property	–	–	(6 600)
Reversal of impairment of equity-accounted investee	–	–	(1 305)
Capital items before tax and NCI	6 432	4 526	17 474
Tax effect of capital items	1 661	(1 263)	(5 064)
NCI effect of capital items	(604)	(1 632)	6
Capital items after tax and NCI	7 489	1 631	12 416

	31 December 2017 Unaudited R'000
9. OPERATING RENTAL COMMITMENTS	
<i>Property</i>	2 390 445
– less than one year	388 966
– between one and five years	930 094
– thereafter	1 071 385
<i>Rental and transport fleet</i>	244 088
– less than one year	65 835
– between one and five years	127 822
– thereafter	50 431
<i>Other</i>	73 889
– less than one year	43 734
– between one and five years	30 155
– thereafter	–
<i>Total rental commitments</i>	2 708 422
– less than one year	498 535
– between one and five years	1 088 071
– thereafter	1 121 816

Corporate information

Directors

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

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

**Independent [#]Zambian*

Company Secretary

N Redford

Registered office

27 Impala Road, Chislehurst, Sandton, 2196

Transfer secretaries

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

(PO Box 61051, Marshalltown, 2107)

Sponsor

Deutsche Securities (SA) Proprietary Limited

(Registration number 1995/011798/07)

3 Exchange Square, 87 Maude Street, Sandton, 2196

Investor Relations

Keyter Rech Investor Solutions CC

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