AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

OPERATING PROFIT R774.7 million +28.5%

HEADLINE EARNINGS 312.3 cents per share +30.1%

FINAL DIVIDEND 112.5 cents per share +50.0%

SPAR

The SPAR Group Limited

Condensed Income Statement

Rmillion	% Change	Audited year ended September 2007	Audited year ended September 2006
REVENUE	27.5	21 903.1	17 176.6
Turnover	27.6	21 704.0	17 009.6
Cost of sales		(19 926.9)	(15 581.3)
Gross profit		1 777.1	1 428.3
Other income		199.1	167.0
Operating expenses		(1 201.5)	(992.5)
Warehousing and distribution expenses		(609.3)	(515.5)
Marketing and selling expenses		(320.4)	(258.2)
Administration and information technology expenses		(271.8)	(218.8)
OPERATING PROFIT	28.5	774.7	602.8
Interest received		32.3	21.7
Interest paid		(10.3)	(6.1)
Share of equity accounted associate		(2.0)	0.3
Profit before taxation	28.4	794.7	618.7
Taxation		(271.7)	(211.1)
PROFIT FOR THE YEAR ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	28.3	523.0	407.6
EARNINGS PER SHARE			
Earnings per share (cents)	30.1	313.0	240.5
Diluted earnings per share (cents)		299.0	231.7
SALIENT STATISTICS			
Headline earnings per share (cents)	30.1	312.3	240.0
Diluted headline earnings per share (cents)		298.4	231.2
Dividend per share (cents)		185.0	123.0
Net asset value per share (cents)		666.9	533.5
Operating profit margin (%)		3.6	3.5
Return on equity (%)		52.3	49.6
HEADLINE EARNINGS RECONCILIATION			
Profit for the year attributable to ordinary shareholders		523.0	407.6
Adjusted for:			
Profit on sale of property, plant and equipment		(2.1)	(1.2)
Impairment of property, plant and equipment		0.5	–
Tax effects of adjustments		0.5	0.3
HEADLINE EARNINGS	28.3	521.9	406.7

Condensed Balance Sheet

Rmillion	Audited September 2007	Audited September 2006
ASSETS		
NON-CURRENT ASSETS	1 242.5	925.9
Property, plant and equipment	736.2	519.1
Goodwill	245.6	245.6
Investment in associate	3.5	5.5
Finance lease receivables	9.3	
Operating lease receivables	115.3	104.7
Loans	114.0	51.0
Other non-current assets	4.1	
Deferred taxation asset	14.5	
CURRENT ASSETS	3 815.0	2 702.6
Inventories	594.5	449.3
Trade and other receivables	2 677.9	2 146.3
Prepayments	17.8	12.5
Finance lease receivables	2.2	
Operating lease receivables	10.3	9.2
Loans	31.1	16.7
Bank balances and cash	389.2	
Bank balances – Guilds	64.3	68.6
	3 787.3	2 702.6
Non-current assets held for sale	27.7	
TOTAL ASSETS	5 057.5	3 628.5
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES	1 109.7	892.4
Share capital and premium	13.4	13.4
Treasury shares	(154.4)	(99.8)
Share based payment reserve	30.2	35.0
Retained earnings	1 220.5	943.8
NON-CURRENT LIABILITIES	169.8	160.5
Deferred taxation liability		6.1
Post retirement medical aid provision	54.8	49.8
Borrowings		0.4
Operating lease payables	115.0	104.2
CURRENT LIABILITIES	3 778.0	2 575.6
Trade and other payables	3 691.9	2 419.9
Borrowings	0.4	37.6
Operating lease payables	10.9	9.7
Provisions	3.5	64.4
Taxation	71.3	16.9
Bank overdrafts		27.1
TOTAL EQUITY AND LIABILITIES	5 057.5	3 628.5

Condensed Cash Flow Statement

Rmillion	Audited year ended September 2007	Audited year ended September 2006
CASH FLOWS FROM OPERATING ACTIVITIES	924.7	369.0
Cash generated from operations	1 387.2	730.8
Interest received	32.0	21.4
Interest paid	(10.3)	(6.1)
Taxation paid	(237.9)	(186.4)
Dividends paid	(246.3)	(190.7)
CASH FLOWS FROM INVESTING ACTIVITIES	(393.8)	(237.5)
Investment to maintain operations	(20.7)	(37.3)
– Replacement of property, plant and equipment	(38.7)	(39.7)
– Proceeds on disposal of property, plant and equipment	18.0	2.4
Investment to expand operations	(275.9)	(150.1)
Net movement on loans and investments	(97.2)	(50.1)
CASH FLOWS FROM FINANCING ACTIVITIES	(118.1)	(93.9)
Proceeds from issue of share capital and premium		8.0
Proceeds from the exercise of share options	11.6	
Share repurchases	(92.1)	(99.8)
Repayment of long-term borrowings	(37.6)	(2.1)
NET INCREASE IN CASH AND CASH EQUIVALENTS	412.8	37.6
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	41.5	0.2
Effects of exchange rate changes on the balance of cash held in foreign currencies	(0.8)	3.7
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	453.5	41.5

Notes to the Financial Statements

1. BASIS OF PRESENTATION AND COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
The group financial results, from which these condensed financial statements were derived, are prepared in accordance with International Financial Reporting Standards and have been prepared on the historical cost basis except for the revaluation of financial instruments, the valuation of share based payments and the post retirement medical obligation. The principal accounting policies adopted are consistent with those of the previous year, except for the adoption of IFRIC 4 and SAICA Circular 8/2007 in the current year, both of which have not had a material impact on the financial statements. These condensed financial statements have been prepared in terms of IAS 34 – Interim Financial Reporting.

	Audited year ended September 2007 Rmillion	Audited year ended September 2006 Rmillion
2. NON-CURRENT ASSETS HELD FOR SALE		
Property, plant and equipment held for sale	27.7	

As a result of growth in business, the group has concluded the sale of its Montague Gardens, Cape Town distribution centre, effective 2 October 2007. Distribution centre operations will be relocated to a new, larger facility presently being constructed in Philippi, Cape Town. Operations are expected to commence from the new distribution centre during the second quarter of 2008, with the present facility being vacated by 31 May 2008.

No impairment was recognised on the reclassification of the property.

	2007 Rmillion	2006 Rmillion
3. SHARE CAPITAL AND PREMIUM		
Authorised		
250 000 000 (2006: 250 000 000) ordinary shares of 0.06 cent (2006: 0.06 cent) each	0.2	0.2
Issued		
169 940 035 (2006: 169 935 935) ordinary shares of 0.06 cent (2006: 0.06 cent) each	0.1	0.1
Share premium account	13.3	13.3
Balance at beginning of year	13.3	5.3
Shares issued during the year		8.0
Total share capital and premium	13.4	13.4

Pursuant to the exercising of options, 4 100 ordinary shares (2006: 675 900) were issued during the year ended 30 September 2007, thereby increasing the issued share capital to R102 575 (2006: R101 961) consisting of 169 940 035 ordinary shares (2006: 169 935 935).

The weighted average number of ordinary shares (net of treasury shares) used in the calculation of earnings per share and headline earnings per share was 167 075 611 (2006: 169 447 986).

Diluted earnings and headline earnings per share were based on a weighted average number of ordinary shares (net of treasury shares) of 174 862 368 (2006: 175 874 772).

	2007 Rmillion	2006 Rmillion
4. CONTINGENT LIABILITIES		
The company has guaranteed the finance obligations of certain SPAR retailer members to the amount of	123.5	164.8

5. OPERATING LEASES
The operating lease receivables and payables relating to sub-let properties have both been restated by R91.9 million due to an error at the initial measurement date. This has had no effect on opening equity, or on current and comparative earnings.

	2007 Rmillion	2006 Rmillion
Operating lease costs charged against operating profit		
Immovable property	6.2	1.5
– lease rentals	138.0	103.5
– sub-lease recoveries	(131.8)	(102.0)
Plant, equipment and vehicles	12.9	13.4
Operating lease commitments		
Future minimum lease payments under non-cancellable operating leases	1 542.3	1 297.6
– land and buildings	1 540.0	1 295.6
– other	2.3	2.0
The future minimum sub-lease recoveries under non-cancellable property leases	(1 524.3)	(1 277.6)
Net commitments	18.0	20.0
6. CAPITAL COMMITMENTS		
Contracted	281.8	95.0
Approved but not contracted	192.5	206.7
	474.3	301.7

7. SEGMENTAL REPORTING
The group operates its business from six distribution centres situated throughout South Africa. The distribution centres individually supply goods and services of a similar nature to the group's voluntary trading members. The directors are of the opinion that the operations of the individual distribution centres are substantially similar to one another and that the risks and returns of these distribution centres are likewise similar. As a consequence thereof, the business of the group is considered to be a single geographic segment. TOPS at SPAR and Build it, although constituting distinct businesses at retail, do not satisfy the thresholds of significance for disclosure as separate reportable segments of the group.

8. POST BALANCE SHEET EVENTS
No material events have occurred subsequent to 30 September 2007 which may have an impact on the group's reported financial position at this date.
The group has concluded the sale of its Montague Gardens, Cape Town distribution centre effective 2 October 2007.

Condensed Statement of Changes in Equity

Rmillion	Share capital and premium	Treasury shares	Share based payment reserve	Retained earnings	Attributable to ordinary shareholders
Total capital and reserves at 30 September 2005	5.4		18.5	726.9	750.8
Profit for 2006				407.6	407.6
Recognition of share based payments			16.5		16.5
Shares issued	8.0				8.0
Share repurchases		(99.8)			(99.8)
Dividends declared				(190.7)	(190.7)
Total capital and reserves at 30 September 2006	13.4	(99.8)	35.0	943.8	892.4
Profit for 2007				523.0	523.0
Recognition of share based payments			21.1		21.1
Take-up of share options		37.5	(25.9)		11.6
Share repurchases		(92.1)			(92.1)
Dividends declared				(246.3)	(246.3)
Total capital and reserves at 30 September 2007	13.4	(154.4)	30.2	1 220.5	1 109.7

Review of Trading Results

SPAR produced a solid set of trading results on the back of an excellent performance at retail, aggressive marketing, strong consumer spending and higher inflation. The group achieved earnings of R523 million, an increase of 28.3% on 2006. Headline earnings per share of 312.3 cents, increased 30.1%. Cash generation remained strong, notwithstanding the increased dividend and capital expenditure and share buyback programmes.

Turnover up 27.6% reflected the group's effort to drive growth and the strong trading environment which existed during the year under review. The group's liquor and Build it sales performances were particularly pleasing, showing growths of 48.2% and 37.3%, respectively. Perishable product sales also showed above average growth. Internal inflation of between 7% – 8% meant that the group achieved substantial real growth during 2007.

In spite of a competitive environment, category gross margins were maintained, but as anticipated, the actual gross margin declined marginally to 8.2% from 8.4% in 2006. The decline in the margin was again caused by the change in the sales mix. Gross profit at R1.78 billion increased 24.4%.

Warehouse and distribution expenditure, up 18.2%, increased at a rate lower than the growth in ex warehouse turnover. Efficiencies from the implementation of new warehouse technologies and improved fleet management were recorded.

Marketing costs increased 24.1% driven by increased television and radio advertising, additional promotional campaigns, SPAR brand product research and development costs and the recently announced sponsorship of the AmaZulu football club.

Administration and information technology expenditure rose 24.2%. This increase was driven, in the main, by the investment in warehouse technologies, the installation of a virtual private network and new retail back office software.

Depreciation at R53.4 million increased from R39.7 million in 2006.

Net interest earned of R22.0 million (2006: R15.6 million) reflected the increased contribution received as a result of the group's additional financial assistance to retailers. Loans were primarily made for store purchase purposes.

Following upon the continued depreciation of the Zimbabwean dollar, the group provided for a decrease of R2.0 million in the value of its 35% investment in SPAR Harare (Pvt) Limited. The group's net investment in its Zimbabwean associate stands at R3.5 million. Notwithstanding difficult trading conditions in Zimbabwe, SPAR Harare traded profitably.

The effective rate of taxation, inclusive of Secondary Tax on Companies, at 34.2% remained unchanged from that of 2006.

The group invested R314.6 million on expansionary and replacement capital expenditure and provided additional loan facilities to retailers of R77.6 million. The group continued to repurchase its shares. The cost of share purchases during the year was R92.1 million. Proceeds from the exercising of share options amounted to R11.6 million.

At year-end the group had cash holdings of R453.5 million (2006: R41.5 million) on hand. Creditor finance remained linked to supplier trading terms and the substantial increase in creditor finance was due to the September 2007 closing cutoff date.

The group held good on its commitment to reduce the dividend cover, with cover being reduced to 1.7 from 1.95 (2006). A final dividend of 112.5 cents per share was declared. The annual dividend of 185 cents per share represented a 50.4% increase over the 2006 dividend of 123 cents per share.

RETAIL STORES

An extremely active year was experienced at retail. The group opened a further 32 SPAR stores and 14 stores changed formats. The group supplied 810 SPAR stores at year-end (SUPERSPAR 172, SPAR 477, KWIKSPAR 161). The ongoing programme of upgrading stores resulted in 129 stores undertaking major revamps. Retail trading space grew an impressive 7.2% to 780 294 m^2. Sales at retail increased 21% and topped R29 billion. The group again gained market share and closed the year with a national market share of 26.9%.

Build it opened 32 new outlets and TOPS 73. At year-end the group serviced 243 Build it and 287 TOPS stores, respectively.

DISTRIBUTION

The strong retail performance resulted in significant volume increases flowing through the group's facilities. The group's six distribution centres handled approximately 137 million cases during the year, up 14% on 2006. Notwithstanding the considerable increase in activity, all distribution centres showed improved efficiencies. Whilst there has been a quantum increase in the number of cases handled, service levels to retail outlets remained satisfactory.

Pending completion of the group's new Western Cape distribution centre and the extension to the South Rand facility, the group will continue to make use of temporary warehouse storage facilities.

FACILITIES

Construction of the group's new 33 550 m^2 Western Cape distribution centre is progressing well with trading from this facility expected to commence in April 2008. This new R300 million facility will give SPAR Western Cape the ability to consolidate its present operations onto a single site and to grow its market share.

Property adjoining the group's South Rand distribution centre has been acquired and construction of a 23 500 m^2 dry goods extension to the existing facility is underway. Once complete in November 2008, the existing perishable facility will be expanded from approximately 7 000 m^2 to 12 500 m^2. Estimated cost of the total project is R265 million.

The group has acquired a 42 000 m^2 site in Mount Edgecombe and planning is at an advanced stage for the construction thereon of a 13 000 m^2 dedicated perishable facility. It is expected that trading from this new facility will commence early in 2009, whereafter the existing perishable facility within the present KwaZulu-Natal distribution centre will be converted to additional dry goods space.

PROSPECTS

The group expects the current favourable trading environment to continue into 2008, but at slightly lower activity levels, due to by higher interest rates and an anticipated slowdown in consumer spending. Planned SPAR, TOPS and BUILD it store openings together with driving the growth of existing stores will translate into positive volume growths.

The group is confident that it will be able to maintain category margins, although a change in the sales mix and the expansion into emerging markets may affect margins slightly. Warehouse efficiencies arising from recently implemented warehouse technologies will continue to accrue, however increased information technology expenditure will be incurred. The capital expenditure programme will result in depreciation running at higher levels and the relocation by the group's Western Cape operation to its new distribution centre will result in an increased level of costs at that operation. Additional operating expenditure will be incurred by the South Rand distribution centre as the operation copes with the inconvenience of the facility expansion.

Cash generation during 2008 will remain strong and will accommodate the group's capital expansion requirements as well as providing for dividends and share buybacks. Net capital expenditure for 2008 (after receipt of the proceeds from the sale of the Montague Gardens property) is expected to be R400 million.

DIVIDEND

In line with the group announcement to decrease the dividend cover, a final dividend of 112.5 cents per share has been declared.

Mike Hankinson — Chairman
Wayne Hook — Chief Executive

13 November 2007

AUDIT OPINION

The auditors, Deloitte & Touche, have issued their opinion on the group's financial statements for the year ended 30 September 2007. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. A copy of their audit report is available for inspection at the company's registered office. These condensed financial statements have been derived from the group financial statements and are consistent in all material respects, with the group financial statements.

DECLARATION OF ORDINARY DIVIDEND

Notice is hereby given that a final dividend of 112.5 cents per share has been declared in respect of the year ended 30 September 2007.

The salient dates for the payment of the final dividend are detailed below:

Last day to trade *cum*-dividend	Friday, 30 November 2007
Shares to commence trading *ex*-dividend	Monday, 3 December 2007
Record date	Friday, 7 December 2007
Payment of dividend	Monday, 10 December 2007

Shareholders will not be permitted to dematerialise or rematerialise their share certificates between Monday, 3 December 2007 and Friday, 7 December 2007, both days inclusive.

By order of the board

KJ O'Brien — Secretary
Pinetown — 13 November 2007

DIRECTORATE AND ADMINISTRATION

DIRECTORS: MJ Hankinson* (Chairman), WA Hook (Chief Executive), RW Coe, DB Gibbon*, PK Hughes*, RJ Hutchison*, MP Madi*, HK Mehta*, P Mnganga*, R Venter. *Non-executive

COMPANY SECRETARY: KJ O'Brien

ISIN: ZAE000058517 JSE CODE: SPP

REGISTERED OFFICE: 22 Chancery Lane, PO Box 1589, Pinetown, 3600

TRANSFER SECRETARIES: Link Market Services South Africa (Pty) Limited, PO Box 4844, Johannesburg, 2000

AUDITORS: Deloitte & Touche, PO Box 243, Durban, 4000

SPONSOR: Rand Merchant Bank, PO Box 786273, Sandton, 2146

BANKER: First National Bank, PO Box 4130, Umhlanga Rocks, 4320

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