AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2009 AND CASH DIVIDEND DECLARATION

FINANCIAL HIGHLIGHTS

- Turnover ▲ 19.5%
- Trading profit ▲ 25.0%
- Headline earnings per share before BBBEE transaction ▲ 19.5%
- Final dividend 200 cents per share ▲ 29.0%

Condensed Income Statement

Rmillion	Change	Audited Year ended September 2009	Audited Year ended September 2008
REVENUE		**32 256.2**	26 992.5
Turnover	19.5%	**31 962.1**	26 742.2
Cost of sales		**(29 393.0)**	(24 582.5)
Gross profit		**2 569.1**	2 159.7
Other income		**294.1**	250.3
Operating expenses		**(1 648.7)**	(1 438.1)
TRADING PROFIT	25.0%	**1 214.5**	971.9
Profit on sale of property		**63.0**	
BBBEE transactions		**(136.2)**	
OPERATING PROFIT		**1 141.3**	971.9
Interest received		**34.9**	45.9
Interest paid		**(29.5)**	(19.3)
Profit before taxation		**1 146.7**	998.5
Taxation		**(401.5)**	(316.9)
PROFIT FOR THE YEAR ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		**745.2**	681.6
EARNINGS PER SHARE (CENTS)			
Earnings per share		**439.4**	406.5
Diluted earnings per share		**426.0**	390.5
SALIENT STATISTICS			
Headline earnings per share (cents)		**404.5**	405.7
Headline earnings per share before BBBEE transaction (cents)	19.5%	**484.8**	405.7
Diluted headline earnings per share (cents)		**392.1**	389.8
Dividend per share (cents)	26.3%	**322.0**	255.0
Net asset value per share (cents)		**1 137.4**	883.5
Trading profit margin (%)		**3.8**	3.6
Return on equity (%)		**43.5**	52.5
HEADLINE EARNINGS RECONCILIATION			
Profit for the year attributable to ordinary shareholders		**745.2**	681.6
Adjusted for:			
Profit on sale of property, plant and equipment		**(63.7)**	(1.8)
Tax effects of adjustments		**4.4**	0.5
HEADLINE EARNINGS		**685.9**	680.3
BBBEE transactions		**136.2**	
HEADLINE EARNINGS BEFORE BBBEE TRANSACTIONS		**822.1**	680.3

Condensed Cash Flow Statement

Rmillion	Audited Year ended September 2009	Audited Year ended September 2008
CASH FLOWS FROM OPERATING ACTIVITIES	**215.4**	(379.7)
Operating profit before:	**1 141.3**	971.9
Non cash items	**291.1**	117.7
Profit on disposal of property, plant and equipment	**(63.7)**	(1.8)
Net working capital changes	**(163.6)**	(870.1)
– Increase in inventories	**(57.4)**	(201.2)
– Increase in trade and other receivables	**(409.3)**	(686.7)
– Increase in trade payables and provisions	**303.1**	17.8
Cash generated from operations	**1 205.1**	217.7
Interest received	**34.3**	45.4
Interest paid	**(29.5)**	(19.3)
Taxation paid	**(526.8)**	(268.1)
Dividends paid	**(467.7)**	(355.4)
CASH FLOWS FROM INVESTING ACTIVITIES	**(268.5)**	(356.3)
Investment to expand operations	**(390.4)**	(365.3)
Investment to maintain operations	**49.5**	(55.6)
– Replacement of property, plant and equipment	**(51.1)**	(60.8)
– Proceeds on disposal of property, plant and equipment	**100.6**	5.2
Net movement on loans	**72.4**	64.6
CASH FLOWS FROM FINANCING ACTIVITIES	**22.6**	29.2
Proceeds from issue of share capital and premium	**9.9**	
Proceeds from exercise of share options	**47.6**	37.7
Share repurchases	**(34.9)**	(8.1)
Repayment of long-term borrowings		(0.4)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(30.5)**	(706.8)
NET (OVERDRAFTS)/CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**(252.1)**	453.5
Effects of exchange rate changes on the balance of cash held in foreign currencies	**0.1**	1.2
NET OVERDRAFTS AT END OF YEAR	**(282.5)**	(252.1)

Condensed Statement of Changes in Equity

Rmillion	Share capital and premium	Treasury shares	Currency translation reserve	Share based payment reserve	Retained earnings	Attributable to ordinary shareholders
Capital and reserves at 30 September 2007	13.4	(154.4)		30.2	1 220.5	1 109.7
Profit for 2008					681.6	681.6
Recognition of share based payments				22.3		22.3
Take-up of share options		84.9		(47.2)		37.7
Transfer arising from take-up of share options				73.1	(73.1)	–
Share repurchases		(8.1)				(8.1)
Dividends declared					(355.4)	(355.4)
Capital and reserves at 30 September 2008	**13.4**	**(77.6)**	**–**	**78.4**	**1 473.6**	**1 487.8**
Profit for 2009					**745.2**	**745.2**
Recognition of share based payments				**21.1**		**21.1**
Take-up of share options		**122.4**		**(64.9)**		**57.5**
Transfer arising from take-up of share options				**64.9**	**(64.9)**	**–**
Share repurchases		**(34.9)**				**(34.9)**
Issue of shares	**9.9**	**(9.9)**				**–**
Recognition of BBBEE transaction				**131.6**		**131.6**
Exchange differences on translation of foreign subsidiaries			**(0.3)**			**(0.3)**
Dividends declared					**(467.7)**	**(467.7)**
Capital and reserves at 30 September 2009	**23.3**	**–**	**(0.3)**	**231.1**	**1 686.2**	**1 940.3**

Condensed Balance Sheet

Rmillion	Audited September 2009	Audited September 2008
ASSETS		
NON-CURRENT ASSETS	**1 856.2**	1 549.6
Property, plant and equipment	**1 425.8**	1 083.3
Goodwill	**245.6**	245.6
Operating lease receivables	**143.3**	125.2
Investment in associate	**3.5**	3.5
Finance lease receivables		20.4
Loans	**13.8**	52.6
Other non-current assets	**2.3**	3.3
Deferred taxation asset	**21.9**	15.7
CURRENT ASSETS	**4 683.6**	4 284.3
Inventories	**853.1**	795.7
Trade and other receivables	**3 715.7**	3 341.4
Prepayments	**26.4**	24.2
Operating lease receivables	**15.4**	13.4
Finance lease receivables		5.5
Loans	**4.5**	15.9
Bank balances – Guilds	**68.5**	57.9
	4 683.6	4 254.0
Non-current assets held for sale		30.3
TOTAL ASSETS	**6 539.8**	5 833.9
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES	**1 940.3**	1 487.8
Share capital and premium	**23.3**	13.4
Treasury shares		(77.6)
Currency translation reserve	**(0.3)**	
Share based payment reserve	**231.1**	78.4
Retained earnings	**1 686.2**	1 473.6
NON-CURRENT LIABILITIES	**209.4**	184.7
Post retirement medical aid provision	**67.9**	60.8
Operating lease payables	**141.5**	123.9
CURRENT LIABILITIES	**4 390.1**	4 161.4
Trade and other payables	**4 015.2**	3 707.0
Operating lease payables	**15.5**	14.4
Provisions	**6.1**	8.7
Taxation	**2.3**	121.3
Bank overdrafts	**351.0**	310.0
TOTAL EQUITY AND LIABILITIES	**6 539.8**	5 833.9

Notes to the Condensed Financial Statements

1 BASIS OF PRESENTATION AND COMPLIANCE WITH IFRS

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. The Group has considered all new standards, interpretations, and amendments to existing standards that are effective as at year end. There has been no material impact of these amendments on the financial statements.

These condensed financial statements have been prepared in terms of IAS 34 – Interim Financial Reporting.

Rmillion	Audited Year ended September 2009	Audited Year ended September 2008
2 SHARE CAPITAL AND PREMIUM		
Authorised		
250 000 000 (2008: 250 000 000) ordinary shares of 0.06 cents (2008: 0.06 cents) each	**0.2**	0.2
Authorised		
30 000 000 (2008: Nil) redeemable, convertible preference shares of 0.06 cents each	–	–
Issued		
170 597 792 (2008: 169 940 035) ordinary shares of 0.06 cents (2008: 0.06 cents) each	**0.1**	0.1
Issued		
18 911 349 (2008: Nil) redeemable, convertible preference shares of 0.06 cents each	**–**	–
Share premium	**23.2**	13.3
Balance at beginning of year	**13.3**	13.3
Issue of shares	**9.9**	
Total share capital and premium	**23.3**	13.4

Issued ordinary share capital amounts to R102 359 consisting of 170 597 792 ordinary shares. 657 757 shares were issued during the financial year ended 30 September 2009.

Issued redeemable, convertible preference share capital amounts to R11 347, consisting of 18 911 349 shares issued during the financial year ended 30 September 2009.

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 169 581 464 (2008: 167 666 960).

Diluted earnings and headline earnings per share were based on a weighted average number of ordinary shares (net of treasury shares) of 174 928 715 (2008: 174 535 945).

Rmillion	2009	2008
3 CONTINGENT LIABILITIES		
Guarantees issued in respect of the finance obligations of SPAR retailer members	**330.5**	226.9
4 OPERATING LEASES		
Operating lease costs charged against operating profit		
Immovable property	**9.2**	10.0
– lease rentals	**221.5**	167.8
– sub-lease recoveries	**(212.3)**	(157.8)
Plant, equipment and vehicles	**8.6**	8.7
Operating lease commitments		
Future minimum lease payments under non-cancellable operating leases	**1 932.9**	1 706.0
– land and buildings	**1 930.6**	1 703.9
– other	**2.3**	2.1
Future minimum sub-lease recoveries under non-cancellable property leases are:	**(1 923.4)**	(1 683.8)
Net commitments	**9.5**	22.2
5 CAPITAL COMMITMENTS		
Contracted	**48.7**	248.7
Approved but not contracted	**53.0**	117.7
Total capital commitments	**101.7**	366.4

6 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.

7 POST BALANCE SHEET EVENTS

No material events have occurred subsequent to 30 September 2009 which may have an impact on the Group's reported financial position at this date.

Review of Trading Results

FINANCIAL OVERVIEW

In a difficult and competitive trading environment The SPAR Group Limited ("SPAR" or "the Group") produced strong growth in both sales and profitability for the year under review. Turnover of R32 billion increased 19.5%, while trading profit rose 25% on the prior year. Headline earnings per share of 484.8 cents, exclusive of the Broad Based Black Economic Empowerment (BBBEE) transaction cost increased by 19.5%. The annual dividend declaration increased 26.3%, reflecting a further reduction in the dividend cover. Cash generation remained satisfactory, notwithstanding capital expenditure of R442 million.

The year was one of two halves. During the first six months food inflation ran at an average of 16% and group turnover during this period increased 24.5%. The second six months saw food inflation decline significantly to an average of 9%, which, with increased pressure on consumer spending, resulted in a sharply reduced turnover increase of 14.9% for the period.

SPAR's focus on responsible competitive pricing resulted in the gross margin declining to 8.0% (2008: 8.1%). The Group benefited from its ongoing distribution facilities upgrade programme, improved warehouse efficiencies and a substantially reduced fuel cost in the second half resulting from lower world oil prices. The Group incurred, and has provided for, a higher level of irrecoverable debts as a result of some retailers experiencing cash flow difficulties or problems in accessing bank credit. The Group continues to assist cash-strapped retailers wherever possible.

Net interest earned of R5.4 million was considerably lower than that earned in 2008 (R26.6 million), and reflected the effects of the capital expenditure programme and of lower interest rates. The Group advanced or secured loan facilities for retailers in order to enable them to purchase or revamp stores. These loans are discounted with the Group's bankers.

The Group continued expanding and upgrading its operating facilities. Expenditure of R145 million was incurred in completing the KwaZulu-Natal perishable facility and R104 million on the final phase of the expansion of the South Rand facility.

A final dividend of 200 cents (2008: 155 cents) per share was declared. Dividends for the year amounted to 322 cents (2008: 255 cents) per share.

The Group has no long-term borrowings and, when necessary, funds its operations from overdraft facilities. The Group has overdraft facilities with three major banks to the extent of R1.2 billion and has in place access to overnight funds of a further R350 million. These facilities are comfortably in excess of forecast requirements and are subject to annual review.

BROAD BASED BLACK ECONOMIC EMPOWERMENT TRANSACTION

In line with the Group's commitment to transformation, shareholders approved the Group's proposed BBBEE transaction on 12 August 2009. The transaction, which has resulted in 10% of SPAR's equity being transferred to two trusts for the benefit of the Group's and retailers' employees, is an important component of SPAR's transformation objectives.

COMPETITION COMMISSION

During June 2009 the Competition Commission initiated an investigation into major South African supermarket chains, including SPAR, for possible contraventions of the Competition Act. Issues being investigated by the Commission are the potential abuse of buying power, long term exclusive leases, category management and the exchange of information. The Group has undertaken to fully co-operate with the Commission in its investigation and is of the opinion that no contraventions of the Competition Act have taken place.

PROSPECTS

Management expects 2010 to be another challenging year but are nevertheless positive about the opportunities for the business. It is anticipated that the current relatively low levels of trading activity will continue for at least the first half of the 2010 financial year, whereafter it is likely that volumes will increase. Food inflation is forecast to continue to run at lower levels. The Group will aggressively focus on driving new business opportunities, organic growth, stringent cost control and securing operating efficiencies.

Cash generation is forecast to improve as capital expenditure reduces and the dividend cover is maintained. Where appropriate, surplus cash will be utilised to buy back shares.

Mike Hankinson
Chairman

Wayne Hook
Chief Executive

10 November 2009

AUDIT OPINION

The auditors, Deloitte & Touche, have issued their opinion on the Group's financial statements for the year ended 30 September 2009. 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 Group'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 200 cents per share has been declared in respect of the year ended 30 September 2009.

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

Last day to trade cum-dividend	Friday, 27 November 2009
Shares to commence trading ex-dividend	Monday, 30 November 2009
Record date	Friday, 4 December 2009
Payment of dividend	Monday, 7 December 2009

Shareholders will not be permitted to dematerialise or rematerialise their share certificates between Monday, 30 November 2009 and Friday, 4 December 2009, both days inclusive.

By order of the board

KJ O'Brien
Company Secretary

Pinetown
10 November 2009

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

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