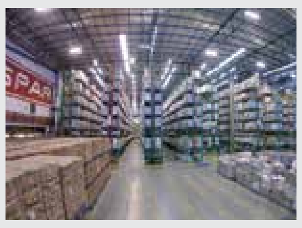
AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2012 AND CASH DIVIDEND DECLARATION



12.2% Turnover

10.6% Headline earnings per share

14.1% Annual dividend

430 cents Annual dividend declaration per share

Condensed consolidated statement of comprehensive income

Rmillion		% Change	Audited Year ended September 2012	Audited Year ended September 2011
Revenue			**43 560.2**	38 819.6
Turnover		12.2	**43 166.0**	38 458.7
Cost of sales			**(39 721.3)**	(35 336.6)
Gross profit			**3 444.7**	3 122.1
Other income			**394.2**	360.9
Operating expenses		12.1	**(2 315.7)**	(2 065.7)
Trading profit			**1 523.2**	1 417.3
BBBEE transactions			**(13.0)**	(12.9)
Operating profit		7.5	**1 510.2**	1 404.4
Interest received			**32.8**	18.2
Interest paid			**(27.8)**	(24.7)
Share of equity accounted associate			**3.5**	6.7
Profit before taxation		8.1	**1 518.7**	1 404.6
Taxation			**(459.8)**	(452.0)
Profit for the year attributable to ordinary shareholders		11.2	**1 058.9**	952.6
Other comprehensive income				
Exchange differences from translation of foreign operations				0.1
Total comprehensive income			**1 058.9**	952.7
EARNINGS PER SHARE				
Earnings per share	(cents)	10.8	**615.7**	555.6
Diluted earnings per share	(cents)		**570.6**	521.4
SALIENT STATISTICS				
Headline earnings per share	(cents)	10.6	**616.3**	557.1
Diluted headline earnings per share	(cents)	9.3	**571.2**	522.8
Dividend per share	(cents)	14.1	**430.0**	377.0
Net asset value per share	(cents)		**1 649.8**	1 450.5
Operating profit margin	(%)		**3.5**	3.7
Return on equity	(%)		**39.8**	40.7
HEADLINE EARNINGS RECONCILIATION				
Profit for the year attributable to ordinary shareholders			**1 058.9**	952.6
Adjusted for:				
Loss on disposal of property, plant and equipment			**1.5**	3.4
Tax effects of adjustments			**(0.4)**	(0.9)
Headline earnings		11.0	**1 060.0**	955.1

Condensed consolidated statement of financial position

Rmillion	Audited September 2012	Audited September 2011
ASSETS		
Non-current assets	**2 222.5**	2 123.8
Property, plant and equipment	**1 588.0**	1 550.4
Goodwill	**391.0**	381.9
Operating lease receivables	**112.7**	119.3
Investment in associate	**40.0**	22.1
Other investments	**20.9**	1.5
Loans	**59.0**	34.8
Deferred taxation asset	**10.9**	13.2
Other non-current assets		0.6
Current assets	**7 672.8**	6 177.8
Inventories	**1 415.6**	1 135.0
Trade and other receivables	**5 341.1**	4 867.8
Prepayments	**35.8**	26.6
Operating lease receivables	**34.3**	36.7
Loans	**4.4**	15.3
Bank balances – SPAR	**752.4**	
Bank balances – Guilds	**89.2**	96.4
Total assets	**9 895.3**	8 301.6
EQUITY AND LIABILITIES		
Capital and reserves	**2 837.6**	2 489.5
Stated capital	**54.5**	49.6
Treasury shares	**(6.9)**	(27.8)
Currency translation reserve	**(0.1)**	(0.1)
Share based payment reserve	**323.1**	292.0
Retained earnings	**2 467.0**	2 175.8
Non-current liabilities	**236.3**	216.5
Deferred taxation liability	**3.9**	0.6
Post retirement medical aid provision	**103.4**	85.5
Operating lease payables	**129.0**	130.4
Current liabilities	**6 821.4**	5 595.6
Trade and other payables	**6 772.6**	5 391.5
Operating lease payables	**35.4**	37.0
Provisions	**6.7**	11.6
Taxation	**6.7**	40.6
Bank overdrafts		114.9
Total equity and liabilities	**9 895.3**	8 301.6

Condensed consolidated 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 2010	33.4	(10.8)	(0.2)	261.8	1 903.0	2 187.2
Total comprehensive income			0.1		952.6	952.7
Share capital issued	16.2	(16.2)				–
Recognition of share based payments				17.8		17.8
Take-up of share options		97.0		(55.2)		41.8
Transfer arising from take-up of share options				55.2	(55.2)	–
Share repurchases		(97.8)				(97.8)
Dividends declared					(624.6)	(624.6)
Recognition of BBBEE transaction				12.4		12.4
Capital and reserves at 30 September 2011	49.6	(27.8)	(0.1)	292.0	2 175.8	2 489.5
Total comprehensive income					**1 058.9**	**1 058.9**
Share capital issued	**4.9**	**(4.9)**				**–**
Recognition of share based payments				**18.7**		**18.7**
Take-up of share options		**149.4**		**(97.2)**		**52.2**
Transfer arising from take-up of share options				**97.2**	**(97.2)**	**–**
Share repurchases		**(123.6)**				**(123.6)**
Dividends declared					**(670.5)**	**(670.5)**
Recognition of BBBEE transaction				**12.4**		**12.4**
Capital and reserves at 30 September 2012	**54.5**	**(6.9)**	**(0.1)**	**323.1**	**2 467.0**	**2 837.6**

Condensed consolidated statement of cash flows

Rmillion	Audited Year ended September 2012	Audited Year ended September 2011
CASH FLOWS FROM OPERATING ACTIVITIES	**1 153.5**	737.7
Operating profit before:	**1 510.2**	1 404.4
Non cash items	**173.0**	169.1
Loss on disposal of property, plant and equipment	**1.5**	3.4
Net working capital changes	**622.4**	204.3
– Increase in inventories	**(280.6)**	(175.9)
– Increase in trade and other receivables	**(473.2)**	(452.2)
– Increase in trade payables and provisions	**1 376.2**	832.4
Cash generated from operations	**2 307.1**	1 781.2
Interest received	**32.8**	17.1
Interest paid	**(27.8)**	(24.7)
Taxation paid	**(488.1)**	(411.3)
Dividends paid	**(670.5)**	(624.6)
CASH FLOWS FROM INVESTING ACTIVITIES	**(222.0)**	(254.2)
Investment to expand operations	**(92.7)**	(118.0)
Investment to maintain operations	**(71.8)**	(36.6)
– Replacement of property, plant and equipment	**(74.1)**	(41.5)
– Proceeds on disposal of property, plant and equipment	**2.3**	4.9
Acquisition of businesses	**(9.1)**	(82.2)
Net movement on loans and investments	**(48.4)**	(17.4)
CASH FLOWS FROM FINANCING ACTIVITIES	**(71.4)**	(56.1)
Proceeds from issue of shares	**4.9**	16.2
Proceeds from exercise of share options	**47.3**	25.5
Share repurchases	**(123.6)**	(97.8)
Net increase in cash and cash equivalents	**860.1**	427.4
Net overdrafts at beginning of year	**(18.5)**	(445.9)
Net cash and cash equivalents/(overdrafts) at end of year	**841.6**	(18.5)

Notes to the condensed consolidated financial results

1. BASIS OF PRESENTATION AND COMPLIANCE WITH IFRS

The condensed financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board and the information as required by IAS 34: Interim Financial Reporting, the JSE requirements and the requirements of the Companies Act of South Africa. The report has been prepared using accounting policies that comply with IFRS which are consistent with those applied in the financial statements for the year ended 30 September 2011.

In compliance with the disclosure requirements of the Companies Act, No 71 of 2008, the annual financial statements have been prepared under the supervision of Mr MW Godfrey CA(SA) on behalf of The SPAR Group Limited.

Rmillion	Audited Year ended September 2012	Audited Year ended September 2011
2. STATED CAPITAL		
Authorised		
250 000 000 (2011: 250 000 000) ordinary shares	**0.2**	0.2
30 000 000 (2011: 30 000 000) redeemable convertible preference shares	**–**	–
Issued		
172 377 704 (2011: 171 936 604) ordinary shares	**54.5**	49.6
18 911 349 (2011: 18 911 349) redeemable convertible preference shares	**–**	–
Total stated capital	**54.5**	49.6

Per the resolution passed at the annual general meeting, all shares of par value were converted to no par value.

Issued share capital amounts to R103 427, consisting of 172 377 704 ordinary shares. 441 100 ordinary shares were issued during the year ended 30 September 2012.

Issued redeemable convertible preference share capital amounts to R11 347, consisting of 18 911 349 (2011: 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 171 992 577 (2011: 171 444 814).

Diluted earnings and headline earnings per share were based on a weighted average number of ordinary shares (net of treasury shares) of 185 565 578 (2011: 182 689 548).

Rmillion	Audited Year ended September 2012	Audited Year ended September 2011
3. CONTINGENT LIABILITIES		
The company has guaranteed the finance obligations of certain SPAR retailer members to the amount of:	**386.8**	415.6
4. OPERATING LEASES		
Operating lease costs charged against operating profit		
Immovable property	**52.0**	35.2
– lease rentals	**410.7**	337.6
– sub-lease recoveries	**(358.7)**	(302.4)
Plant, equipment and vehicles	**15.7**	13.9
Operating lease commitments		
Future minimum lease payments under non-cancellable operating leases	**3 337.6**	2 924.5
– land and buildings	**3 335.0**	2 917.2
– other	**2.6**	7.3
Future minimum sub-lease receivables under non-cancellable property leases	**(2 659.3)**	(2 569.4)
Net commitments	**678.3**	355.1
5. CAPITAL COMMITMENTS		
Contracted	**161.4**	130.3
Approved but not contracted	**56.5**	16.1
Total capital commitments	**217.9**	146.4

6. SEGMENTAL REPORTING

The group operates its business from 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 segment.

7. EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to 30 September 2012 which may have an impact on the group's reported financial position at this date.

Review of trading results

Trading for the year under review was impacted by an unsettled political and labour scenario, consumer spending still under some pressure and a highly competitive food retail environment. The group has, nevertheless, produced a solid set of financial results for the year.

Turnover increased 12.2% to R43.2 billion which again included strong performances from our liquor business and the building materials division. Internally measured food inflation across the group averaged 6.1% for the year, while cases despatched by our distribution centres increased by 6.4% reflecting the continued healthy, real growth of our business.

SPAR retailers again performed well with retail turnover of R53.7 billion up 11.5%, which drove wholesale turnover up by 11.0% to R35.5 billion. Turnover of existing stores grew by 10.6%, which is well above the reported market performance and was supported by the upgrade of 147 stores during the year. Group house brands continued to perform well and now account for R6.2 billion of wholesale turnover to retail stores. Retail trading space increased by 3.2% as we opened 23 new stores. At the end of the year the group serviced 868 SPAR stores.

TOPS had another great year with retail turnover increasing by 21.2% to R5.0 billion and supporting wholesale liquor turnover growth of 18.3%. We opened 47 new stores and now have 538 stores operating under the TOPS banner. The brand continued to "shake things up" in the market and again won numerous 'best liquor store' awards.

Build it had an excellent trading year and retail turnover of R7.5 billion was up 17% on last year. Wholesale turnover of R4.6 billion rose by 18.5%. The organic growth of existing stores was 15% which, when viewed against the performance of the building industry, was outstanding. During the year, 20 new stores were opened, taking total store numbers to 281.

The Build it house brand imports initiative showed further positive signs and turnover increased by an encouraging 53% to R154 million. House brand product is distributed to Build it retailers and we remain confident that this initiative remains a growth opportunity for the group.

Profit before tax for the year was up 8.1%, despite the challenging trading environment. The group's gross margin declined slightly to 8.0% (2011: 8.1%). We did not experience the same inflation related margin opportunities as last year and, in addition, the strong Build it and TOPS performances influenced the margin mix as these divisions operate at lower gross margins. We will continue to focus on our retailer's ongoing profitability which remains crucial to the group's future success.

Operating expenses increased 12.1% and were affected by a relatively high increase in Build It costs, impacted by abnormal bad debt losses, and the growth of the imports facility. The retail division also reported high cost increases, largely due to the timing of store acquisitions. The core SPAR business costs rose by 10.9% and were negatively impacted by fuel costs increasing by 32%, and the once-off strike costs at the KwaZulu-Natal facility of R12 million.

During the year under review, the corporate retail division reported turnover of R780 million and an operating loss of R28.8 million, although this is offset by the wholesale profit made on sales to this division. The group acquired 1 additional retail store during the year and now owns 11 stores. Management in this division are now well established and are committed to a much improved result in 2013.

Headline earnings rose 11% to R1 060.0 million (2011: R955.1 million) and headline earnings per share increased by 10.6% to 616.3 cents (2011: 557.1 cents). A final dividend of 275 cents (2011: 235 cents) per share was declared and was adjusted to recognise the effect of the change in STC legislation. Dividends for the year amounted to 430 cents (2011: 377 cents) per share representing a 14.1% increase over last year.

Capital expenditure for the current year of R166.8 million was spent predominantly on our fleet, materials handling equipment and the replacement of distribution centre systems hardware infrastructure. The board recently approved an extension to the KwaZulu-Natal distribution centre at a budgeted cost of R65 million to handle the growth in volumes. This project will be completed by August 2013. The group has also embarked on a phased programme to upgrade distribution centre systems infrastructure, commencing in 2013 with the modernisation of group financial systems. We anticipate that group capital expenditure for the next year will be R290 million.

Cash generation remained strong and was positively impacted by lower levels of capital expenditure and improved working capital management during the year. The group has no long-term borrowings and, when necessary, funds its operations from confirmed overdraft facilities. These facilities are adequate for forecast requirements and are subject to annual review.

PROSPECTS

The group expects trading conditions to continue to be subdued with low economic growth forecast and consumer spending remaining under pressure. The consumer is likely to be further affected by rising food prices forecast in the 2013 financial year.

The group, however, remains optimistic that, by realising growth opportunities, improving our operating efficiencies and tightly controlling costs, we will produce a satisfactory level of earnings in 2013.

For and on behalf of the board

Mike Hankinson — *Chairman*
Wayne Hook — *Chief Executive*

AUDIT OPINION

The independent auditors, Deloitte & Touche, have issued their opinion on the group's financial statements for the year ended 30 September 2012. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These abridged provisional financial statements have been derived from the group financial statements and are consistent in all material respects, with the group financial statements. The auditor's report does not necessarily cover all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of that report together with the accompanying financial information from the registered office of the company.

DECLARATION OF ORDINARY DIVIDEND

Notice is hereby given that a final cash dividend of 275 cents per share (gross) has been declared by the board in respect of the year ended 30 September 2012. The dividend has been declared out of income reserves.

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

Last day to trade *cum* dividend	Friday, 30 November 2012
Shares to commence trading *ex* dividend	Monday, 3 December 2012
Record date	Friday, 7 December 2012
Payment of dividend	Monday, 10 December 2012

Shareholders will not be permitted to dematerialise or rematerialise their share certificates between Monday, 3 December 2012 and Friday, 7 December 2012, both dates inclusive.

In terms of the new Dividend Tax effective 1 April 2012, the following additional information is disclosed:

- The local dividend tax rate is 15%;
- There are no STC credits utilised;
- The net local dividend amount is 233.75 cents per share for shareholders liable to pay the new Dividend Tax, and 275 cents per share for shareholders exempt from paying the new Dividend Tax;
- The issued share capital of The SPAR Group Limited is 172 377 704 ordinary shares; and
- The SPAR Group Limited's income tax reference number is 9285/168/20/0

By order of the board

KJ O'Brien — *Company Secretary*
Pinetown
13 November 2012

DIRECTORATE AND ADMINISTRATION

DIRECTORS: MJ Hankinson* *(Chairman)*, WA Hook *(Chief Executive)*, MW Godfrey, PK Hughes*, RJ Hutchison*, MP Madi*, HK Mehta*, P Mnganga*, R Venter, CF Wells* **Non-executive*

COMPANY SECRETARY: KJ O'Brien

THE SPAR GROUP LIMITED ("SPAR" or "the company" or "the group")

REGISTRATION NUMBER: 1967/001572/06

ISIN: ZAE000058517 **JSE SHARE 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: One Capital, PO Box 784573, Sandton, 2146

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

ATTORNEYS: Garlicke & Bousfield, PO Box 1219, Umhlanga Rocks, 4320

WEBSITE: www.spar.co.za

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