

THE SPAR GROUP LIMITED

REGISTRATION NUMBER: 1967/001572/06

ISIN: ZAE000058517

JSE SHARE CODE: SPP

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

www.spar.co.za

PRELIMINARY SUMMARISED AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Rmillion	% Change	Notes	AUDITED YEAR ENDED SEPTEMBER	
			2016	2015
REVENUE	24.5		92 227.3	74 060.0
Turnover	23.8		90 688.5	73 258.8
Cost of sales			(82 281.5)	(66 892.2)
Gross profit			8 407.0	6 366.6
Other income			1 538.8	801.2
Net operating expenses	51.2		(7 347.6)	(4 860.2)
Trading profit			2 598.2	2 307.6
BBBEE transactions		2	(20.9)	(13.4)
Operating profit	12.3		2 577.3	2 294.2
Other non-operating items		3	(24.5)	(131.4)
Interest income			98.4	29.2
Interest expense			(110.4)	(121.6)
Finance costs including foreign exchange gains and losses			(106.5)	(108.1)
Share of equity accounted associate income/(losses)			4.9	(4.1)
Profit before taxation	24.6		2 439.2	1 958.2
Income tax expense			(624.2)	(537.3)
Profit for the year attributable to ordinary shareholders	27.7		1 815.0	1 420.9
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial loss on post-retirement medical aid			(7.9)	(4.2)
Deferred tax relating to actuarial loss on post-retirement medical aid			2.2	1.1
Actuarial loss on retirement funds			(220.1)	(13.3)
Deferred tax relating to actuarial loss on retirement funds			30.7	1.7
Items that may be reclassified subsequently to profit or loss:				
Loss on cash flow hedge			(39.2)	
Tax relating to loss on cash flow hedge			11.0	
Exchange differences from translation of foreign operations			(29.4)	20.7
Total comprehensive income	9.5		1 562.3	1 426.9

Rmillion	% Change	AUDITED YEAR ENDED SEPTEMBER	
		2016	2015
EARNINGS PER SHARE			
Basic earnings per share (cents)	23.1	1 010.0	820.8
Diluted earnings per share (cents)	32.2	999.5	756.1
SALIENT STATISTICS			
Headline earnings per share (cents)	22.1	1 020.0	835.5
Diluted headline earnings per share (cents)	31.2	1 009.4	769.6
Dividend per share (cents)	5.2	665.0	632.0
Net asset value per share (cents)	63.3	3 140.1	1 922.6
Operating profit margin (%)		2.8	3.1
Return on equity (%)		40.5	44.7

# HEADLINE EARNINGS RECONCILIATION

Profit for the year attributable to ordinary shareholders	1	815.0	1	420.9
Adjusted for:				
Loss on disposal of property, plant and equipment		15.0		12.1
- Gross		17.9		15.0
- Tax effect		(2.9)		(2.9)
Impairment of goodwill		4.9		11.6
Impairment of investments				1.7
Loss/(profit) on disposal of associate interests		0.7		(0.7)
Profit on disposal of business		(1.1)		
(Profit)/loss on disposal of assets held for sale		(3.0)		0.7
Fair value adjustment to assets held for sale		1.4		
Headline earnings	26.7	1 832.9	1	446.3

## SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Rmillion	Notes	AUDITED YEAR ENDED SEPTEMBER	
		2016	2015
ASSETS			
Non-current assets		10 610.4	6 771.1
Property, plant and equipment		6 160.3	3 221.3
Goodwill and intangible assets		4 008.3	3 281.5
Investment in associates		38.4	32.4
Other investments		54.2	2.3
Operating lease receivables		100.5	96.6
Loans		217.8	103.0
Deferred tax asset		30.9	34.0
Current assets		16 584.7	12 364.6
Inventories		3 810.9	2 430.4
Trade and other receivables		10 544.0	9 309.2
Prepayments		75.4	64.0
Operating lease receivables		63.4	47.7
Loans		46.8	27.9
Income tax recoverable		4.2	4.1
Cash and cash equivalents - SPAR		1 611.8	399.9
Cash and cash equivalents - Guilds and trusts		428.2	81.4
Assets held for sale		160.7	194.6
Total assets		27 355.8	19 330.3
EQUITY AND LIABILITIES			
Capital and reserves		5 642.9	3 328.4
Stated capital	5	2 231.5	67.6
Treasury shares		(18.7)	(26.9)
Currency translation reserve		7.9	37.3
Share-based payment reserve		261.1	425.1
Equity reserve		(713.0)	(545.7)
Hedging reserve		(28.2)	
Retained earnings	3	902.3	3 371.0
Non-current liabilities		7 590.1	3 868.2
Deferred tax liability		290.7	215.1
Post-employment benefit obligations		1 392.2	446.7
Financial liabilities	7	1 568.0	729.8
Long-term borrowings	4	164.3	2 367.9
Operating lease payables		116.0	108.7
Long-term provisions		58.9	
Current liabilities		14 122.8	12 132.6
Trade and other payables	13	162.5	11 349.2
Current portion of long-term borrowings		265.9	87.2

Operating lease payables	65.6	53.7
Provisions	38.0	110.3
Income tax liability	83.7	13.1
Bank overdrafts	507.1	519.1
Liabilities directly associated with assets held for sale		1.1
Total equity and liabilities	27 355.8	19 330.3

#### SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Rmillion	Notes	Stated capital	Treasury shares	Currency translation reserve	Sharebased payment reserve	Retained earnings	Equity reserve	Hedging reserve	Non-controlling interest	Attributable to ordinary shareholders
Capital and reserves at 30 September 2014		67.6	(48.2)	16.6	387.7	3 148.5	(545.7)	-	-	3 026.5
Total comprehensive income for the year				20.7		1 420.9				1 441.6
Actuarial loss on post-retirement medical aid						(3.1)				(3.1)
Actuarial loss on retirement funds						(11.6)				(11.6)
Recognition of share-based payments					25.0					25.0
Take-up of share options			250.2		(172.2)					78.0
Transfer arising from take-up of share options					172.2	(172.2)				-
Share repurchases			(228.9)							(228.9)
Dividends paid						(1 011.5)				(1 011.5)
Recognition of BBBEE transaction	2				12.4					12.4
Capital and reserves at 30 September 2015		67.6	(26.9)	37.3	425.1	3 371.0	(545.7)	-	-	3 328.4
Total comprehensive income for the year				(29.4)		1 815.0		(28.2)		1 757.4
Actuarial loss on post-retirement medical aid						(5.7)				(5.7)
Actuarial loss on retirement funds						(189.4)				(189.4)
Recognition of share-based payments					41.8					41.8
Take-up of share options			235.5		(152.5)					83.0
Transfer arising from take-up of share options					152.5	(152.5)				-
Transfer arising from closure of BBBEE transaction					(216.5)	216.5				-
Share repurchases			(227.3)							(227.3)
Dividends paid						(1 152.6)				(1 152.6)
Issue of shares	5	2 163.9								2 163.9
Recognition of BBBEE transaction	2				10.7					10.7
Non-controlling interest arising on business acquisition									384.8	384.8
Purchase obligation of non-controlling interest							(180.3)		(384.8)	(565.1)
Exchange rate translation							13.0			13.0
Capital and reserves at 30 September 2016		2 231.5	(18.7)	7.9	261.1	3 902.3	(713.0)	(28.2)	-	5 642.9

#### SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

Rmillion	Notes	AUDITED YEAR ENDED SEPTEMBER 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		1 547.3	1 269.3
Operating profit before:	2	577.3	2 294.2
Non-cash items		637.1	367.4
Loss on disposal of property, plant and equipment		17.9	15.0
Net working capital changes		17.9	278.0
- Increase in inventories		(133.6)	(114.8)
- Increase in trade and other receivables		(722.2)	(387.7)
- Increase in trade payables and provisions		873.7	780.5
Cash generated from operations	3	250.2	2 954.6
Interest received		89.0	26.7
Interest paid		(110.0)	(145.0)
Taxation paid		(529.3)	(555.5)
Dividends paid		(1 152.6)	(1 011.5)

CASH FLOWS FROM INVESTING ACTIVITIES		(1 613.5)	(978.5)
Acquisition of businesses/subsidiaries	6.1	(757.5)	(452.0)
Proceeds from disposal of businesses	6.2	10.0	10.4
Proceeds on disposal of assets held for sale		43.6	18.6
Investment to expand operations		(441.9)	(422.1)
Investment to maintain operations		(346.8)	(103.4)
- Replacement of property, plant and equipment		(372.6)	(111.8)
- Proceeds on disposal of property, plant and equipment		25.8	8.4
Net movement on loans and investments		(120.9)	(30.0)
 CASH FLOWS FROM FINANCING ACTIVITIES		 1 666.6	 162.3
Proceeds from issue of shares	2	163.9	
Proceeds from exercise of share options		83.0	78.0
(Repayments)/proceeds from borrowings		(353.0)	313.2
Share repurchases		(227.3)	(228.9)
 Net movement in cash and cash equivalents		 1 600.4	 453.1
Net overdrafts at beginning of year		(37.8)	(543.4)
Exchange rate translation		(29.7)	52.5
Net cash balances/(overdrafts) at end of year		1 532.9	(37.8)

## NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL RESULTS

### 1. BASIS OF PRESENTATION AND COMPLIANCE WITH IFRS

The preliminary summarised financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and must also, as a minimum, contain the information as required by IAS 34: Interim Financial Reporting, the JSE Ltd Listings 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 consolidated financial statements for the year ended 30 September 2015.

In compliance with the disclosure requirements of the Companies Act, 71 of 2008, the consolidated financial statements have been prepared under the supervision of Mr MW Godfrey CA(SA) (Group Financial Director) on behalf of The SPAR Group Ltd.

### 2. BBBEE TRANSACTIONS

#### 2.1 BBBEE participation transaction background

In 2009, The SPAR Group Ltd entered into a broad-based black economic empowerment (BBBEE) participation transaction.

In terms of the transaction, 18 911 349 redeemable convertible preference shares were issued to The SPAR BBBEE Employee Trust and The SPAR BBBEE Retailer Employee Trust.

The shares issued to the trusts were subject to restrictions on transferability for a period of seven years from the issue date. Thereafter, the trusts were required to settle their notional loans by way of surrendering such number of redeemable convertible preference shares at the redemption date market value required to settle the loan liability. The remaining convertible preference shares held by the trusts were converted into ordinary SPAR shares and distributed to participants of the relevant trusts.

Full details of the scheme were set out in the Circular to Shareholders dated 17 July 2009.

#### 2.2 BBBEE participation transaction vesting in 2016

The costs relating to the transaction have been measured and recognised from the grant date in 2009 to the transaction's vesting date in 2016.

The vesting of the redeemable convertible preference shares resulted in the issuance of 7 415 243 ordinary shares by The SPAR Group Ltd in August 2016. The impact of the ordinary share issue is reflected in the weighted average number of shares disclosed in the current year.

The majority of participants elected to sell their SPAR shares and The SPAR Group Ltd facilitated the share sale through an accelerated bookbuild offering. Details of this offering are included in note 5.2.

In compliance with IFRS, the two BBBEE trusts are consolidated by The SPAR Group Ltd. To the extent that participants have not been paid out at year-end, The SPAR Group Ltd have consolidated the balance owing to the participants and the corresponding cash resources still on hand.

The cost of the BBBEE scheme including transaction costs amounted to R20.9 million (2015: R13.4 million). The share-based payments charge relating to employees have been recognised in profit and loss over the duration of the scheme.

Rmillion	2016	2015
The SPAR BBBEE Employee Trust - Share-based payments charge	10.7	12.4
Legal and other costs	10.2	1.0
	20.9	13.4

	The SPAR BBBEE Retailer Employee Trust	The SPAR BBBEE Employee Trust	Total
Rmillion			
Included in trade and other payables			
Amounts due to BBBEE participants	(216.3)	(91.0)	(307.3)
Included in cash and cash equivalents - Guilds and trusts			
BBBEE cash resources	216.3	91.0	307.3
	-	-	-

The trusts are currently in the process of paying over to the participants their cash entitlements. At year-end certain participants had not yet been settled for various reasons.

	The SPAR BBBEE Retailer Employee Trust	The SPAR BBBEE Employee Trust	Total
Scheme conclusion statistics			
Number of participants	13 746	2 032	15 778
Number of ordinary shares issued for participants			
Total shares issued by The SPAR Group Ltd	3 425 982	3 989 261	7 415 243
Number of ordinary shares issued and sold on behalf of participants	3 399 940	3 967 325	7 367 265
Number of ordinary shares issued to participants	26 042	21 936	47 978
Rmillion			
Value creation at BBBEE transaction conclusion	677.1	788.4	1 465.5
Pre-tax proceeds (net of costs) from sale of shares	671.9	784.0	1 455.9
Value of shares retained by participants	5.2	4.4	9.6

### 3. OTHER NON-OPERATING ITEMS

Rmillion	2016	2015
Remeasurement of financial instruments	(1.0)	72.8
Fair value adjustment to financial liability		72.8
Fair value adjustment to investment in GRH	0.2	
Fair value adjustment to investments in shares and bonds	(1.2)	
Capital items	25.5	58.6
Impairment of goodwill	4.9	11.6
Impairment of investments		1.7
Loss/(profit) on disposal of associate interests	0.7	(0.7)
Profit on disposal of businesses	(1.1)	
Business acquisition costs - refer note 6.1	21.0	46.0
	24.5	131.4

### 4. SEGMENTAL REPORTING

Segment accounting policies are consistent with those adopted for the preparation of the consolidated financial statements.

The principal segments of the group have been identified on a primary basis by geographical segment which is representative of the internal reporting used for management purposes as well as source and nature of business risks and returns.

The Chief Executive Officer (the Chief Operating Decision Maker) is of the opinion that the operations of the individual distribution centres within Southern Africa are substantially similar to one another and that the risks and returns of these distribution centres are likewise similar. The risks and returns of the Ireland and Switzerland operations are not considered to be similar to those within Southern Africa or each other.

As a result, the geographical segments of the group have been identified as Southern Africa, Ireland and Switzerland. All segment revenue and expenses are directly attributable to the segments. Segment assets and liabilities include all operating assets and liabilities used by a segment, with the exception of inter-segment assets and liabilities, and IFRS adjustments made by segments to their management report for the purposes of IFRS compliance. These assets and liabilities are all directly attributable to the segments.

Analysis per reportable segment:

Rmillion	Southern Africa	Ireland	Switzerland	IAS 19 adjustment	Consolidated Total
2016					
Total revenue	62 232.3	23 471.5	6 523.5		92 227.3
Operating profit	2 057.3	487.8	45.0	(12.8)	2 577.3
Profit before tax	2 001.2	431.7	19.1	(12.8)	2 439.2
Other information					
Interest income	86.8	10.1	1.5		98.4
Interest expense	42.3	51.4	16.7		110.4
Depreciation	174.3	213.9	143.2		531.4
Statement of financial position					
Total assets	13 521.2	8 741.5	5 093.1		27 355.8
Total liabilities	9 582.4	7 468.4	4 045.9	616.2	21 712.9
2015					
Total revenue	56 883.6	17 176.4			74 060.0
Operating profit	1 975.6	318.6			2 294.2
Profit before tax	1 763.9	194.3			1 958.2
Other information					
Interest income	23.7	5.5			29.2
Interest expense	37.8	83.8			121.6
Depreciation	158.3	173.2			331.5
Statement of financial position					
Total assets	11 283.3	8 047.0			19 330.3
Total liabilities	9 038.8	6 963.1			16 001.9

## 5. STATED CAPITAL

Rmillion	2016	2015
5.1 Authorised		
250 000 000 (2015: 250 000 000) ordinary shares		
Nil (2015: 30 000 000) redeemable convertible preference shares		
Issued and fully paid		
192 602 355 (2015: 173 261 662) ordinary shares	2 231.5	67.6
Nil (2015: 18 702 349) redeemable convertible preference shares		
Number of shares		
Ordinary shares		
Outstanding at beginning of year	173 261 662	173 231 049
Issue of shares through accelerated bookbuild offering	11 891 892	
Converted from redeemable convertible preference shares during the year	33 558	30 613

Converted from redeemable convertible preference shares at vesting	7 415 243	
Outstanding at end of year	192 602 355	173 261 662
Redeemable convertible preference shares		
Outstanding at beginning of year	18 702 349	18 759 349
Converted into ordinary shares during the year	(55 450)	(57 000)
Converted into ordinary shares at vesting	(10 323 684)	
Redeemed at par value	(8 323 215)	
Outstanding at end of year	-	18 702 349

All authorised and issued shares of the same class rank pari passu in every respect.

The unissued shares of the company are under the control of the directors to the extent that such shares may be required to satisfy option holders' requirements. This authority will expire at the forthcoming annual general meeting.

There are no conversion or exchange rights in respect of the ordinary shares and a variation of share rights requires approval by a special resolution from the shareholders at a general meeting in accordance with the Memorandum of Incorporation. During the current financial year, 55 450 (2015: 57 000) redeemable convertible preference shares converted into 33 558 (2015: 30 613) ordinary shares. These related to the death of participants in both BBBEE trusts.

## 5.2 Accelerated bookbuild offering

In April 2016, R2.1 billion was raised through the issue of 11 891 892 new ordinary shares through an accelerated bookbuild offering. The bookbuild was offered to institutional investors. The shares were oversubscribed and placed at a price of R185 per share. R725 million (CHF44.5 million) of the proceeds were used to settle the purchase of 60% of SPAR Switzerland. Details of the SPAR Switzerland acquisition are included in note 6.

In August 2016, the balance of the redeemable convertible preference shares vested resulting in the conversion of 10 323 684 shares into 7 415 243 ordinary shares. The unallocated redeemable convertible preference shares totalling 8 323 215 shares were redeemed at par. Further details of the transaction vesting are included in note 2.

## 6. BUSINESS COMBINATIONS

### 6.1 Subsidiaries acquired

#### SPAR Holding AG (SPAR Switzerland)

The SPAR Group Ltd acquired a controlling shareholding of 60% in SPAR Switzerland, which is held by SAH Ltd, a wholly owned subsidiary of The SPAR Group Ltd for a total consideration of R909.7 million. This acquisition was effective from 1 April 2016. SPAR Switzerland is the operator and holder of the SPAR licence in Switzerland and a member of SPAR International since 1989. SPAR Switzerland supplies a wide range of food and beverage products to consumers through company-owned and independent retailer stores trading under the SPAR, SPAR Express and Maxi brands. It also owns 11 corporate cash-and-carry outlets trading under the brand TopCC, rated the second largest business in the Swiss cash-and-carry market in 2014. SPAR Switzerland operates a world-class logistics network based at the group owned centralised warehouse in St Gallen. The transaction is an attractive opportunity for SPAR to invest in an established business in a stable market with growth potential. The company believes that synergies will result from the opportunity to share knowledge, technologies, products and best practice across groups. The goodwill recognised on acquisition reflects this, as well as the brands that have been built by SPAR Switzerland.

The cash portion of the purchase price was settled from part of the proceeds of the equity capital raised through the April 2016 bookbuild offering. Details of this offering are included in note 5.2. The SPAR Group Ltd has an option to buy the remaining 40% of the ordinary shares in SPAR Switzerland from the existing shareholders after five years for CHF40.3 million. This has been recognised as a financial liability, refer to note 7. The non-controlling interest has been recognised at the proportionate share of the net assets of the business.

The initial accounting for the acquisition of SPAR Switzerland is provisional for the value of intangible assets acquired as the valuation of these assets has not yet been completed. Once this valuation is finalised the values of intangible assets acquired, deferred tax, and goodwill are expected to change.

Business acquisition costs of R6.2 million relating to the acquisition of SPAR Switzerland have been recognised as other non-operating items in the statement of profit or loss.

#### GCL 2016 Ltd (Gilletts)

The BWG Group, which is held by TIL JV Ltd, a subsidiary of The SPAR Group Ltd, acquired the entire issued share capital of Gilletts for a total consideration of R295.4 million. This acquisition was effective from 14 July 2016. The principal business activity of Gilletts is that of retail of consumer goods in the South West of England. The 63 convenience stores trade under the SPAR banner and are customers of Appleby Westward Ltd, a subsidiary of TIL JV Ltd. The goodwill recognised on acquisition of this group is reflective of the expected benefit of these stores continuing to trade as SPARs.

#### Details of contingent consideration

The contingent consideration is an amount payable which is dependent on the outcome of a completion account process for the working capital, and a valuation performed by a property expert on the quantum of repairs required to properties as part of the business combination. The initial accounting for the acquisition of Gilletts is provisional for the value of repairs as a result of a delapidation valuation, the consideration, inventories, trade and other receivables, and trade and other payables.

The working capital element of the acquisition is subject to a completion account process which requires that the value of the working capital purchased at the date of acquisition be finalised. As this process has not yet been formally concluded this may result in a change in the fair value of working capital acquired. The maximum amount payable for the contingent consideration is expected to be R35.9 million and the minimum amount payable is estimated to be R17.1 million. Business acquisition costs of R14.8 million relating to the acquisition of Gilletts have been recognised as other non-operating items in the statement of profit or loss.

#### Acquisition costs

Total acquisition costs for business acquisitions concluded during the 2016 financial year amounted to R21.0 million (2015: R46 million) and have been recognised as an expense in profit or loss in "other non-operating items".

#### SA Retail Stores

During the course of the financial year The SPAR Group Ltd acquired the assets of 13 retail stores (2015: 12). These acquisitions were funded from available cash resources. The principal activity of these acquisitions is that of retail trade and all its aspects. Some of these stores are TOPS stores, acquired to add value to the business of related corporate SPAR stores, while other stores were acquired in order to protect strategic sites. This added value and expected turnover from the acquired stores are reflected in the goodwill recognised on acquisition.

#### Assets acquired and liabilities assumed at date of acquisition

Rmillion	2016				2015		
	SPAR Holding AG	GCL 2016 Ltd	SA Retail Stores	Total	ADM Londis plc	SA Retail Stores	Total
Assets	5 157.5	143.7	13.7	5 314.9	574.9	17.7	592.6
Property, plant and equipment	2 873.8	14.6	13.7	2 902.1	4.6	17.7	22.3
Intangible assets				-	98.1		98.1
Other investments	55.2			55.2			-
Assets held for sale				-	144.7		144.7
Loans	9.9			9.9			-
Inventories	1 303.1	56.9		1 360.0	37.1		37.1
Trade and other receivables	686.0	20.6		706.6	239.0		239.0
Provision for doubtful debts	(25.7)			(25.7)			-
Income taxation recoverable				-	6.1		6.1
Cash and cash equivalents	255.2	51.6		306.8	45.3		45.3
Liabilities	(4 195.5)	(211.5)	-	(4 407.0)	(304.3)	-	(304.3)
Post-employment benefit obligations	(732.5)			(732.5)			-
Long-term borrowings	(2 327.2)	(126.3)		(2 453.5)	(2.0)		(2.0)
Trade and other payables	(990.1)	(78.0)		(1 068.1)	(289.0)		(289.0)
Income tax liability	(3.3)	(2.6)		(5.9)			-
Deferred taxation liability	(142.4)	(4.6)		(147.0)	(13.3)		(13.3)
Total identifiable net assets at fair value	962.0	(67.8)	13.7	907.9	270.6	17.7	288.3
Goodwill arising from acquisition	332.5	363.2	42.0	737.7	216.3	117.3	333.6
Non-controlling interest	(384.8)			(384.8)			-
Purchase consideration	909.7	295.4	55.7	1 260.8	486.9	135.0	621.9
Paid in cash	685.4	263.0	55.7	1 004.1	316.3	135.0	451.3
Deferred consideration	224.3			224.3			-
Contingent consideration		32.4		32.4	170.6		170.6
Cash and cash equivalents acquired	(255.2)	(51.6)		(306.8)	(45.3)		(45.3)
Business acquisition costs	6.2	14.8		21.0	46.0		46.0
Loss on cash flow hedge through OCI	39.2			39.2			-
Deferred consideration	(224.3)			(224.3)			-
Contingent consideration		(32.4)		(32.4)	(170.6)		(170.6)
Net cash outflow on acquisition	475.6	226.2	55.7	757.5	317.0	135.0	452.0

#### 6.2 Assets and liabilities at date of disposal

The assets and liabilities disposed of relate to retail stores.

Rmillion	2016	2015
Non-current assets	8.9	3.5
Property, plant and equipment	8.9	3.5



Non-current liabilities	-	(2.4)
Operating lease liability		(2.4)
Goodwill		9.3
Profit on disposal of business	1.1	
Proceeds	10.0	10.4

### 6.3 Impact of subsidiaries on the results of the group

Since acquisition SPAR Switzerland has contributed R6 523.5 million revenue and R32.2 million operating profits to the results of the group. Since acquisition Gilletts has contributed R96.2 million revenue and R9.8 million operating profits to the results of the group.

Had all the acquisitions been consolidated from 1 October 2015, they would have contributed additional revenue of R14 194.7 million, and an operating profit of R83.4 million. The group's total revenue would have increased to R 106 422.0 million, and the group's operating profit would have increased to R2 660.7 million.

	2016				2015		
	Spar Holding AG	GCL 2016 Ltd	SA Retail Stores	Total	ADM Londis plc	SA Retail Stores	Total
Rmillion							
Revenue	6 523.5	96.2	126.5	6 746.2	614.0	56.5	670.5
Trading profit before acquisition costs	32.2	9.8	(11.4)	30.6	11.0	3.4	14.4

### 6.4 Finalisation of ADM Londis plc acquisition

The initial accounting for the 2015 acquisition of ADM Londis plc (Londis) was provisional for the value of the contingent consideration, assets held for sale, inventories, trade and other receivables, and trade and other payables. This was as a result of costs in the acquisition including an element of deferred consideration which was contingent upon the values realised for the assets held for sale. The working capital element of the acquisition was subject to a completion account process, which required that the value of the working capital purchased at the date of acquisition be finalised within five months. This process has now been concluded, which has resulted in no material changes to the provisional values disclosed for this business combination.

## 7 FINANCIAL LIABILITIES

7.1 The SPAR Group Ltd acquired a controlling shareholding of 80% in the BWG Group, which is held by TIL JV Ltd, a subsidiary of The SPAR Group Ltd, effective from 1 August 2014. The SPAR Group Ltd has agreed to acquire the remaining 20% shareholding from the minorities at specified future dates and in accordance with a determined valuation model. An election was made not to recognise a non-controlling interest, but to fair value the financial liability. The financial liability is calculated as the present value of the non-controlling interests share of the expected purchase value and discounted from the expected exercise dates to the reporting date. As at 30 September 2016, the financial liability was valued at R824.4 million (2015: R729.8 million) based on management's expectation of future profit performance. The group has recognised 100% of the attributable profit.

Repayments will commence in December 2019 and continue in 2020 and 2022. The undiscounted value of the financial liability at 30 September 2016 is R1 094.2 million (2015: R1 087.3 million).

Interest is recorded in respect of this liability within finance costs using the effective interest rate method. The net exchange differences on the financial liability have been presented in finance costs. The estimated future purchase price is fair valued at each reporting date and any changes in the value of the liability as a result of changes in the assumptions used to estimate the future purchase price are recorded in profit or loss.

In 2016, there were no changes to these assumptions and therefore no fair value adjustment. In 2015, changes in these assumptions resulted in a fair value adjustment of R72.8 million.

7.2 The SPAR Group Ltd acquired a controlling shareholding of 60% in SPAR Holding AG, which is held by SAH Ltd, a wholly owned subsidiary of The SPAR Group Ltd, effective from 1 April 2016. Part of the purchase price of this 60% shareholding is a deferred consideration of CHF16 million, which will be paid between December 2020 and February 2021 with the purchase of the remaining 40% of SPAR Holding AG. The purchase of the remaining 40% shareholding is at a set price of CHF40.3 million. An election was made not to recognise the non-controlling interest's share of profits and losses in equity, but rather as the movement in the fair value of the discounted financial liability to purchase the remaining 40% shareholding. On initial recognition of the financial liability to purchase the non-controlling interest, the present value of the liability was set-off against the non-controlling interest recognised on acquisition of SPAR Holding AG, and the remaining debit recognised as an equity reserve. The undiscounted value of the financial liability including the deferred consideration at 30 September 2016 is R803.6 million.

Interest is recorded in respect of this liability within finance costs using the effective interest rate method. The net exchange differences on the financial liability have been presented in finance costs.

## 8. FINANCIAL RISK MANAGEMENT

Rmillion	2016	2015
Financial instruments classification		
Net bank balances/(overdrafts)	1 532.9	(37.8)
Loans*	264.6	130.9
Other equity investments***	54.2	2.3
Trade and other receivables*	10 544.0	9 309.2
Trade and other payables**	(13 162.5)	(11 349.2)
FEC (liability)/asset***	(0.7)	0.4
Borrowings**	(4 430.2)	(2 455.1)
Financial liabilities***	(1 568.0)	(729.8)

\* Classified under IAS 39 as loans and receivables.

\*\* Classified under IAS 39 as financial liabilities measured at amortised cost.

\*\*\* Classified under IAS 39 as financial assets or liabilities at fair value through profit or loss.

#### Fair value hierarchy

The group's financial instruments carried at fair value are classified into three categories defined as follows:

Level 1 financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments. These instruments consist of the forward exchange contracts.

Level 2 financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active; or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. Financial instruments classified as level 2 are mainly comprised of other equity investments.

Level 3 financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

The following financial instruments on the statement of financial position are carried at fair value.

The financial instruments are further categorised into the appropriate fair value hierarchy:

#### Financial instrument

2016 Rmillion	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Other equity investments	54.2		54.2	
FEC liability	(0.7)	(0.7)		
Financial liability	(1 568.0)			(1 568.0)
Total	(1 514.5)	(0.7)	54.2	(1 568.0)
2015				
Other equity investments	2.3		2.3	
FEC asset	0.4	0.4		
Financial liability	(729.8)			(729.8)
Total	(727.1)	0.4	2.3	(729.8)

#### Level 3 sensitivity information

The fair value of the level 3 financial liabilities of R1 568.0 million (2015: R729.8 million) was estimated by applying an income approach valuation method including a present value discount technique. The fair value measurement is based on significant inputs that are not observable in the market. Key inputs used in the valuation include the assumed future profit targets for the financial liability relating to TIL JV Ltd, and the discount rates applied. The assumed profitability for TIL JV Ltd was based on historical performances but adjusted for expected growth.

The following factors were applied in calculating the financial liabilities at 30 September 2016:

TIL JV Ltd

- Discount rate of 7.2% (2015: 8.15%)

- Closing rand/euro exchange rate of 15.59 (2015: 15.53)

SPAR Holding AG  
- Discount rate of 2%  
- Closing rand/swiss franc exchange rate of 14.38

The following tables show how the fair value of the level 3 financial liabilities would change in relation to the interest rate if the interest rate increased or decreased by 0.5%.

TIL JV Ltd 2016	Valuation technique	Discount rate %	Sensitivity %	Liability Rmillion
Financial liability	Income approach	7.20	0.5	(15.8)
Financial liability	Income approach	7.20	(0.5)	16.2

2015				
Financial liability	Income approach	8.15	0.5	(17.5)
Financial liability	Income approach	8.15	(0.5)	18.0

SPAR Holding AG 2016	Valuation technique	Discount rate %	Sensitivity %	Liability Rmillion
Financial liability	Income approach	2.00	0.5	(15.5)
Financial liability	Income approach	2.00	(0.5)	16.1

The following tables show a reconciliation of the opening and closing balances of the financial liabilities carried at fair value:

TIL JV Ltd Rmillion	GROUP	
	2016	2015
Balance at the beginning of the year	729.8	548.9
Finance costs recognised in profit or loss	96.3	45.9
Net exchange differences arising during period	(1.7)	62.2
Fair value adjustment		72.8
Closing value of financial liability	824.4	729.8

SPAR Holding AG	GROUP	
Rmillion	2016	2015
Balance at the beginning of the year	-	
Financial liability initially recognised	789.4	
Initial recognition reducing non-controlling interest balance	384.8	
Initial recognition in equity reserve	180.3	
Deferred consideration	224.3	
Finance costs recognised in profit or loss	7.7	
Net exchange differences arising during period	4.2	
Foreign exchange translation	(57.7)	
Closing value of financial liability	743.6	-
Total financial liabilities	1 568.0	729.8

## 9. EVENTS AFTER THE REPORTING DATE

No material events have occurred subsequent to 30 September 2016, which may have an impact on the group's reported financial position at this date.

## COMMENTARY

## HIGHLIGHTS

- Turnover up 23.8%
- Net asset value per share 63.3%
- Headline earnings per share up 22.1%
- Annual dividend declared 665 cents per share

## REVIEW OF TRADING RESULTS

The SPAR Group delivered a very pleasing overall performance for the year ended 30 September 2016:

- SPAR Southern Africa's organic growth focus continued to pay off with positive indications of market share gains across all store formats. In order to support its store network, which increased to 2 033 during the year, the pace of investment in promotional and marketing activities as well as increased warehousing and distribution capacity has been accelerated.
- BWG Group (SPAR Ireland) delivered excellent growth, underpinned by a positive contribution from all brands and store formats. In particular, the Londis business was fully integrated and its growth was ahead of plan. BWG Group increased its total store network to 1 340 outlets by the end of September 2016.
- The acquisition of a majority stake in SPAR Switzerland (effective 1 April 2016) added 302 stores and a third geographic region to the group's portfolio. Although the performance for this first period of consolidation was disappointing, the group is confident of an improvement through well-defined management interventions to enhance retail performance and grow the business.

FINANCIAL REVIEW

Summary segmental analysis

R million	SPAR (Southern Africa)	BWG Group (Ireland)	SPAR (Switzerland)	The SPAR Group Ltd
Turnover	61 699.5	23 099.7	5 889.3	90 688.5
Gross profit	5 081.2	2 499.7	826.1	8 407.0
Operating profit	2 111.7	433.4	32.2	2 577.3
Profit before tax	2 055.6	377.3	6.3	2 439.2

The SPAR Group achieved a significant 23.8% increase in reported turnover to R90.7 billion (2015: R73.3 billion). The core Southern African business achieved growth of 9.5% underpinned by aggressive promotional and marketing activity in a highly competitive market. In addition, the Irish operations delivered 36.8% turnover growth bolstered by the acquisition of Londis, in the latter part of the prior year, Gilletts in the current year and a good performance across all other brands. The turnover of SPAR Switzerland, consolidated for the second six months, contributed R5.9 billion. Resulting from its international expansion, the group's revenue streams have become more geographically diversified with 32.0% of total turnover being generated in foreign currency (2015: 23.1%).

The increasing offshore revenue streams also enhanced the group's gross margin, rising from 8.7% to 9.3%. Southern African gross margins were enhanced by a continued growth in ex-warehouse sales as well as an increased contribution from corporate stores. In Ireland, increased volumes from the recently commissioned perishables facility at the Kilcarbery National Distribution Centre contributed to higher margins. The newly acquired Swiss business enjoys higher gross margins of 14.0%, as a result of operating in the convenience sector and also contributed to the overall gross margin expansion.

The SPAR Group reported a total operating profit of R2.6 billion, up 12.3% from the previous year (2015: R2.3 billion). The operating profit of the Irish operations grew 41.4% to R433.4 million. In Southern Africa, operating profit increased 6.2%, being impacted by higher marketing and IT costs, contributions to closure costs of the Zimbabwe operation of R19.3 million and net debt impairments increasing by R15.7 million. Profit before tax was up 24.6% to R2.4 billion (2015: R2.0 billion), boosted by net interest income of R44.5 million (2015: R14.1 million net interest expense) from the Southern African operations, largely attributable to the proceeds of the equity raising in April 2016. Lower finance costs in Ireland following the refinancing in July 2015 also had a substantial positive impact.

Profit after tax improved 27.7% to R1.8 billion (2015: R1.4 billion), as a result of lower effective tax rates in Ireland and Switzerland. Headline earnings per share increased 22.1% to 1 020.0 cents (2015: 835.5 cents), as the weighted average number of shares increased to 179.7 million shares (2015: 173.1 million) following the issue of shares to fund the Irish and Swiss acquisitions as well as settling the BBBEE share scheme that vested in August 2016. The board approved a final dividend of 410 cents resulting in a total annual dividend growth of 5.2% which was largely impacted by the increased number of ranking shares and accounting adjustments in the prior year.

In line with the improved trading performance, cash generated from operations rose to R3.3 billion (2015: R3.0 billion). Overall cash flow was however negatively affected by a R425.0 million increase in trade receivables for the Southern African operations. The improved cash holding of the group was lifted by the issue of 11.9 million ordinary shares for total proceeds of R2.1 billion in April 2016, of which R725 million was utilised to settle the funding raised to purchase 60% of SPAR Switzerland.

Capital expenditure increased to R788.7 million (2015: R525.5 million). This comprised of R339.5 million in Southern Africa, including the expansion of the Western Cape and North Rand perishables facilities. In Ireland and Switzerland, capital expenditure amounted to R325.6 million and R123.6 million respectively, which was applied to investments in the retail environment and technology upgrades.

Budgeted capital expenditure for the year ahead in Southern Africa, amounting to R752.0 million (budget 2016: R 462.2 million) includes the purchase of additional land to build a new dry warehouse in the Eastern Cape, property in KwaZulu-Natal to accommodate future expansion of the dry facility and completing the acquisition of land in the West Rand to develop a future distribution centre. The group will also make further investments to gear up its IT systems across all three regions to support future growth. In Ireland, budgeted capital projects for the year ahead amount to EUR20 million and include wide ranging retail development projects. In Switzerland, CHF23 million has been budgeted in 2017 for retail investments and revamps of TopCC premises. It is anticipated that the foreign subsidiaries will fund all capital expenditure from their own cash flows.

GEOGRAPHICAL REVIEW

Southern Africa

The turnover of SPAR Southern Africa increased 9.5% to R61.7 billion (2015: R56.4 billion) underpinned by double digit liquor and building material sales growth. Furthermore, combined food and liquor wholesale turnover growth of 9.2% was well ahead of internally measured food inflation of 6.2%.

An increase in ex-warehouse sales' contribution to 56.3% (2015: 55.8%) of supplied sales unlocked higher gross margins of 8.24% (2015: 8.16%). The contribution of the corporate owned stores to the group's bottomline is also enhancing margins. Operating expenses were up 11.9%. Volumes processed through the seven distribution centres increased 3.4% during the year to 226.4 million cases (2015: 219 million cases).

SPAR Southern Africa achieved a 15.7% increase in profit before tax to R2.1 billion, which was boosted by net interest income of R44.5 million.

SPAR stores performed well despite a highly competitive market with retail turnover growth of 8.2% to R73.2 billion (2015: R67.9 billion) and strong organic like-for-like growth of 7.9%. Combined food and liquor retail sales, which allow for a better industry comparison, increased by 8.9%. This bears testimony to the effectiveness of extensive marketing campaigns and promotions rolled out during the year as well as initiatives to drive SPAR's fresh and home meal replacement offerings. Wholesale turnover growth of 8.9% to R49.6 billion indicates increased loyalty from SPAR's independent retailers. Also demonstrating the success of SPAR's ongoing efforts to deliver value to price sensitive consumers, demand for its SPAR-branded products grew 12.3% during the year, with total sales of R7.3 billion.

Reflecting SPAR's focus on supporting the profitability of existing retailers, total retail space growth slowed to 1.5% (2015: 3.2%). This was due to increased scrutiny to confirm the viability of all proposed expansion projects and a number of new developments being delayed by property developers. In line with its organic growth focus, SPAR accelerated the pace of store refurbishments, with 167 stores being revamped (2015: 159 stores). A net five stores were opened during the year, bringing the total store numbers to 890 by 30 September 2016.

TOPS at SPAR continues to enjoy increasing levels of customer loyalty, reflected by a 14.6% increase in reported retail turnover to R8.9 billion (2015: R7.8 billion). The brand extended its strong organic growth trajectory with same store turnover up 10.7%. These results were underpinned by a number of entertaining promotional and marketing campaigns that are appealing to its target market. Wholesale turnover was up 12% to R5.2 billion (2015: R4.6 billion). Despite delays in obtaining Liquor Licences, 45 new TOPS stores opened during the year and the brand closed the year with 691 stores. The total retail space was up 9.3% for the period. The majority of stores converted to the new TOPS at SPAR logo and 36 stores were revamped.

The performance of Build it continues to defy ongoing pressure on consumer spending with retail sales up 13.4% to R11.7 billion (2015: R10.4 billion) and same store growth of 7.4%. Improved dropshipment benefited wholesale turnover, which grew 11.6% to R6.9 billion. Build it withstood deflationary pressures in an increasingly competitive market, with increasing numbers of independent and informal retailers entering the market and new cement manufacturers lowering cement prices to grow market share. Consumers continue to favour Build it's house brand imports with sales improving 9.7% to R285.2 billion for the period. The recently launched TrenDIY ended the year with four stores, and work is ongoing to fine tune its offering in order to bed down this new brand. As at 30 September 2016, Build it's store network stood at 348 stores, having opened 32 new outlets during the year.

## Ireland

BWG Group showed an excellent 36.8% increase in turnover to R23.1 billion (2015: R16.9 billion), with euro-denominated turnover growth of 14.5% to EUR1.4 billion and all retail brands achieving positive growth. This compares extremely favourably to the reported internal deflation of -1.1% for food and non-alcoholic beverages and inflation of 1.4% for alcohol and tobacco products in the 12 months to September 2016 (Source: Irish Central Statistics).

The integration of Londis, acquired in the prior year, was completed and sales retention was ahead of plan with a pleasing improvement in like-for-like sales. Excluding Londis, BWG Group attained organic turnover growth of 4.8% for the period (2015: 2.6%). The performance of the SPAR brand was particularly pleasing, with total turnover up 8% and 6.0% on a like-for-like basis. Management interventions were successful at EUROSPAR which grew sales strongly in the year. The BWG Wines and Spirits and BWG Food Service businesses delivered excellent results. Appleby Westward, operating in South West England, delivered 13.0% turnover growth including a positive contribution from Gilletts, which comprises 63 SPAR stores and was acquired in July 2016.

Due to an improved product mix, led by increasing perishable volumes, the gross margin increased to 10.8% (2015: 10.5%). Profitability in the second half recovered, compensating for slightly lower margins at the half-year stage when BWG Group's margin was impacted by heightened competition. Operating profit grew 41.4% to R433.4 million (2015: R306.4 million) while profit after tax was up 106% to R327.6 million (2015: R159.0 million), or 73% in euro terms. This reflects the improved trading performance as well as substantial interest cost savings on the lower banking rates which were realised for the full year.

Total store numbers across BWG Group's store formats increased to 1 340 stores, with 94 new stores opened during the year and the completion of 197 store refurbishments (2015: 109 stores).

The commissioning of the chilled facility at the Kilcarbery National Distribution Centre was completed and will result in lower distribution costs per case. In addition, the Londis chilled facility was closed and consolidated into the Kilcarbery facility where volumes peaked at 32 500 cases per day, delivering economies of scale and improved costs per case.

## Switzerland

A majority stake in SPAR Switzerland was acquired effective from 1 April 2016. Retail sales industry-wide were impacted by adverse weather and flooding in Europe during the months of June and July. SPAR Switzerland's overall sales for the six month period were down some 4.1% from the prior year, compared to Swiss food retail sales which were up 0.6% year-on-year for the same period (Source: Federal Statistical Office). Driving sales at both the retail and wholesale level in Switzerland is a key priority for SPAR to improve this acquisition's business performance.

The higher gross margins that characterise SPAR Switzerland's business model compared to the group's other regions, partially shielded the impact of lower sales. The

business model whereby all products distributed are ex-warehouse, with limited central billing arrangements, underpins the reported gross margin of 14.0%. Furthermore, SPAR Switzerland is highly exposed to the convenience sector that commands higher margins.

The cost structure of SPAR Switzerland reflects the greater exposure of this business to retail, resulting from the proportionately higher contribution from corporate-owned stores and TopCC cash & carry outlets. Accordingly, selling and marketing expenditure typically amounts to some 70% of this business's overheads, or at least double that of the rest of the group. An IAS 19 pension liability charge of R12.8 million also impacted reported expenses.

SPAR Switzerland recorded operating profit of R32.2 million for the period and profit before tax amounting to R6.3 million. However, adjusting for the extraordinary IFRS pension charge and a financial liability relating to the future minority purchase obligation, the reported figure increases to R31.0 million. Although the performance of SPAR Switzerland for this first period of consolidation was well below plan, the adjusted result is closer to management's expectation. The underlying drivers to reach the required returns have been fully analysed and plans have been prioritised to improve the performance of this region.

THE BBBEE TRANSACTION

In 2009, the group entered into a BBBEE empowerment deal, with approximately 16 000 SPAR employees and SPAR retailer employees being the beneficiaries of this scheme. In terms of the transaction, 18.9 million redeemable convertible preference shares were issued to the BBBEE Trusts. All BBBEE shares vested in August 2016, seven years after the grant date. This resulted in an issue of 7.4 million new ordinary SPAR shares for cash in August 2016, which was taken up by institutional investors. This enabled the vast majority of participants who opted to receive their benefits in cash, to share in this total payout of R1.5 billion.

"We look forward to witnessing the life-changing impact that this scheme will make to members of our SPAR family," said the Chairman.

PROSPECTS

In Southern Africa, the group will maintain an uncompromising focus on the organic growth of retailers to ensure their success regardless of the uncertainty of both the economic and political landscape.

The Irish economy remains robust and accordingly the BWG Group is well positioned to extend its strong performance from the current year, building on its successes in driving real business growth. The Irish management team remains upbeat about business prospects and growth opportunities despite the economic uncertainties relating to Brexit.

Management has identified the issues that need to be addressed in the Swiss operations in order to achieve the expected profitability levels. SPAR remains confident in the investment case and will focus on improving the retail performance, thereby driving returns.

Management and the board believe we will continue to prosper in our chosen markets and deliver value to our shareholders.

AUDIT OPINION

The auditors, Deloitte & Touche, have issued their opinion on the consolidated financial statements for the year ended 30 September 2016. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified opinion. A copy of the auditor's report together with a copy of the audited consolidated financial statements is available for inspection at the company's registered office. These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects with the consolidated financial statements. These summarised consolidated financial statements have been audited by the group's auditors who have issued an unmodified opinion. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report together with the accompanying summarised financial information from the company's registered office. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors.

DECLARATION OF ORDINARY DIVIDEND

Notice is hereby given that a gross final cash dividend of 410 cents per share has been declared by the board in respect of the year ended 30 September 2016. The dividend has been declared out of income reserves. This brings the total gross dividend for the year to 665 cents (2015: 632 cents) per ordinary share.

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

Last day to trade cum-dividend	Tuesday, 6 December 2016
Shares to commence trading ex-dividend	Wednesday, 7 December 2016
Record date	Friday, 9 December 2016
Payment of dividend	Monday, 12 December 2016

Shareholders will not be permitted to dematerialise or rematerialise their share certificates between Wednesday, 7 December 2016 and Friday, 9 December 2016, both days inclusive.

In terms of South African taxation legislation effective from 1 April 2012, the following additional information is disclosed:

- The South African local dividend tax rate is 15%;
- The net local dividend amount is 348.50 cents per share for shareholders liable to pay tax on dividends and 410 cents per share for shareholders exempt from such dividend tax;

- The issued share capital of The SPAR Group Ltd is 192 602 355 ordinary shares; and
- The SPAR Group Ltd's tax reference number is 9285/168/20/0.

By order of the board

MJ Hogan  
Company Secretary  
Pinetown  
15 November 2016

DIRECTORATE AND ADMINISTRATION

DIRECTORS: MJ Hankinson\* (Chairman), GO O'Connor (Chief Executive Officer), MW Godfrey, WA Hook, MP Madi\*, M Mashologu\*, HK Mehta\*, P Mnganga\*, R Venter, CF Wells\*  
\* Non-executive

Company Secretary  
Ms MJ Hogan was appointed as Group Company Secretary on 9 June 2016. Mr KJ O'Brien remained with SPAR as the Group Risk and Sustainability Executive.

THE SPAR GROUP LTD ("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) Ltd  
PO Box 4844  
Johannesburg  
2000

Auditors  
Deloitte & Touche  
PO Box 243  
Durban  
4000

Sponsor  
One Capital  
PO Box 784573  
Sandton  
2146

Bankers  
Rand Merchant Bank, a division of FirstRand Bank Ltd  
PO Box 4130  
The Square  
Umhlanga Rocks  
4021

Attorneys  
Garlicke & Bousfield  
PO Box 1219  
Umhlanga Rocks  
4320

Website [www.spar.co.za](http://www.spar.co.za)

The SPAR Group Ltd  
Central Office PO Box 1589, Pinetown 3600  
Tel: +27 31 719 1900  
Fax: +27 31 719 1990