Supply Chain innovation and excellence

super group

ANNUAL REPORT 2006

SUPER GROUP ANNUAL REPORT 2006

Our people . . .
our passion

Teamwork *is the ability to work together toward a common vision, and the ability to direct individual accomplishments toward organisational objectives*

FINANCIAL OVERVIEW

OPERATIONAL OVERVIEW

Tenth year as a listed company on the JSE

Cash generated by operations of R1 147 million

25,6% controlled by empowerment partners

Strong revenue growth to R12,4 billion

Pro forma revenue increased to over R10 billion

Supply Chain division continues to be awarded new contracts

Operating profit increased to R811 million

Pro forma operating profit increased to R664 million

First 40 000 m^2 warehouse in Super Park completed with second 40 000 m^2 warehouse near completion

Profit for the period increased to R431 million

84 000 vehicles under management worldwide in the Fleet Solutions businesses

Pro forma headline earnings per share increased to 115,1 cents

Acquisition of SMB Fleet Management Pty Limited – leading provider of private consumer leases in Australia

Year-end changed from 31 March to 30 June

Re-awarded the City of Johannesburg outsourced fleet management contract

Strong cash conversion

Transformation of the Auto Parts business to build on the AutoZone Brand

Dividend of 40 cents per share declared subsequent to period-end

Expanded dealership network to include imported commercial vehicle dealership

Total assets increased to R7,9 billion

Outlook: On course for profitable sustainable growth

	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000	**Pro forma 12-month period ended 30 June 2006[1] R000**
Revenue	**12 363 153**	8 444 942	10 044 704
Trading profit	**888 978**	636 725	740 125
Operating profit	**811 152**	581 518	663 537
Headline earnings	**476 684**	358 051	410 961
Headline earnings per share (cents)	**133,6**	102,9	115,1
Cash generated from operations	**1 147 054**	536 058	
Total assets	**7 942 949**	6 287 613	7 942 949
Capital and reserves attributable to equity holders of Super Group Limited	**1 754 857**	1 809 008	1 754 857
Net interest-bearing borrowings	**2 287 234**	1 515 454	2 287 234
Net asset value per share (cents)	**494,5**	496,2	494,5

[1]Unaudited.

SUPER GROUP AT A GLANCE

Super Group is an integrated supply chain management business operating in South Africa and abroad. Its primary operating activities comprise supply chain management, fleet management, retail supply chain, African transport and dealerships.

	SUPPLY CHAIN DIVISION	
Business segment	**Supply Chain Management**	**Fleet Solutions**
Overview	The Supply Chain Management businesses provide dynamic supply chain solutions by integrating operational excellence (management of assets) with appropriate, proven technology and on-going innovation to create tangible value for customers. Our aim within these businesses is to build world-class competencies in supply chain management.	The Fleet Solutions business, with operations in South Africa and Australia, focuses on containment of costs and risks associated with fleet ownership and management. It provides flexible total fleet management solutions designed to meet the specific transport and vehicle management needs of customers.
Areas of operation	South Africa Rest of Africa Middle East United Kingdom	South Africa Australia
Revenue (R000) **Trading profit (R000)** **Operating profit (R000)** **Net working assets (R000)**	2 779 621 348 485 336 585 601 280	1 214 554 307 508 291 415 (260 418)
Services/Brands	Supply chain strategy development Supply chain planning and management Network and channel design Supply chain consulting Systems integration and supply chain visibility Supply chain technologies International air and ocean freight forwarding Import and export customs clearing Outsourced procurement Dedicated and multi-principal warehousing Third-party distribution Vehicle rental and contract distribution Bulk materials handling solutions Multi-modal domestic and African transportation	Asset-based financing Sale and leasebacks Managed maintenance Maintenance fund management Novated leases Fuel management Insurance management Accident management Replacement rental Fleet optimisation Route planning and scheduling Call centre management Driver training and management Vehicle tracking and recovery Procurement and disposal services On-line exception reporting Equipment management Utilisation management
More info **www.supergrp.com**	www.supergroupscp.com www.micor.co.za www.transafricalogistics.co.za www.sherwood.co.za	www.fleetafrica.co.za www.fleetaustralia.com.au www.smb.com.au

Super Group has its headquarters in Johannesburg, South Africa, with group companies in Australia, the United Kingdom and numerous African countries. The group has a global permanent workforce of approximately 8 000 people.

SUPPLY CHAIN DIVISION		AUTOMOTIVE
African Transport	**Retail Supply Chain**	**Dealerships**
The African Transport business provides long-distance, cross-border transport and related services in the Democratic Republic of Congo, Malawi, Mauritius, Mozambique, Zambia and Zimbabwe.	The Automotive Parts business distributes and retails parts to the automotive aftermarket through a national footprint comprising of a combination of wholly-owned and member-owned AutoZone branded stores. Mica operates in the home improvement solutions segment, providing product and solutions to the "do-it-yourself" domestic market, the sub-contractor and the rural builder.	The Dealerships business comprises a network of franchised commercial and passenger vehicle dealerships. The dealerships retail new and used vehicles and have strong aftersales support services. Super Group Equipment, utilising the commercial vehicle infrastructure, retails equipment and provides aftersales parts and service support.
Rest of Africa	South Africa Rest of Africa	South Africa Rest of Africa
365 814 (21 966) (27 966) 141 058	2 806 547 87 142 87 142 469 813	4 918 997 152 314 142 572 286 630
Long-distance transport Clearing and forwarding services Third party logistics operations Transport brokerage Procurement and trading	**AutoZone exclusive brands** Autopro automotive accessories Ecotech auto-electrical products Spirex automotive parts and chemicals AmPro hand tools **Mica exclusive brands** Impact power tools Razor hand tools Gro garden products Escape outdoor equipment Elements housewares TradeMark paint, accessories and ladders Guardian security Colour co paint	Mercedes Benz/Chrysler/Jeep Toyota/Lexus Nissan Ford/Mazda Fiat/Alfa Honda Opel/Isuzu/Chevrolet Volvo/Land Rover VW/Audi Suzuki Nissan Commercial VW Commercial IVECO Commercial MAN Commercial Truck panel shops Powerstar Vito
	www.autozone.co.za www.mica.co.za	www.supergroupdealerships.co.za www.testdrive.co.za www.sge.co.za www.rapiscanafrica.com

GROUP PROFILE

An integrated supply chain management business whose primary operating activities comprise:

- Supply chain management
- Fleet solutions
- African transport
- Retail supply chain
- Dealerships

COUNTRIES IN WHICH WE OPERATE

Angola
Australia
Bahrain
Botswana
China
Democratic Republic of Congo
Ethiopia
Ghana
Kingdom of Saudi Arabia
Lesotho
Malawi
Mali
Mauritius
Mozambique
Namibia
Republic of Niger
Nigeria
Oman
Senegal
South Africa
Swaziland
Tanzania
Uganda
United Arab Emirates
United Kingdom
Yemen
Zambia
Zimbabwe

GOALS

- To continue developing an integrated collaborative supply chain management business
- To provide clients with a competitive advantage through value-added benefits and innovative solutions
- To focus on niche markets that provide superior margins with high growth potential
- To foster a philosophy of entrepreneurship through flexible management and financial accountability

CORE VALUES

We are committed to:

- Training and developing our people to achieve their true potential
  We have a learning culture
- Making a sustainable difference to the communities in which we operate
  We invest in our skills base, knowledge, expertise and resources
- Operational excellence within our businesses
  We focus on being "best in class"
- Challenging existing paradigms to implement dynamic solutions
  We believe that we are building something different
- High standards of corporate governance
  We believe in "doing the right thing"
- Seeking innovative and entrepreneurial opportunities to maximise returns within the clearly-defined strategy
  We aim to exceed expectations

TEN-YEAR REVIEW

	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2006[1] R000	12-month period ended 31 March 2005[2] R000	12-month period ended 31 March 2004 R000	12-month period ended 31 March 2003 R000
Income statement					
Revenue	**12 363 153**	**9 858 532**	8 444 942	7 072 796	6 013 946
Trading profit[3]	**888 978**	**724 035**	636 725	593 918	449 200
Capital items	**(77 826)**	**(57 192)**	(55 207)	(31 639)	(53 128)
Goodwill and intangibles impairment/amortisation	**(26 700)**	**(20 113)**	(27 404)	(31 639)	(11 290)
Impairment of investments	**(34 091)**	**(30 186)**	–	–	–
Costs incurred on unsuccessful acquisition	**(7 793)**	**–**	–	–	–
Net loss on disposal/closure of businesses	**(9 242)**	**(6 893)**	(27 803)	–	(41 838)
Operating profit	**811 152**	**666 843**	581 518	562 279	396 072
Net finance costs	**(275 029)**	**(199 824)**	(153 328)	(102 940)	(47 935)
Income from associates	**5 544**	**4 755**	6 775	9 667	13 756
Profit before tax	**541 667**	**471 774**	434 965	469 006	361 893
Income tax expense	**(110 511)**	**(96 316)**	(103 220)	(87 274)	(73 107)
Profit for the period	**431 156**	**375 458**	331 745	381 732	288 786
Attributable to minority shareholders	**32 298**	**28 068**	28 901	31 239	24 438
Attributable to equity holders of Super Group Limited	**398 858**	**347 390**	302 844	350 493	264 348
Cash flow statement					
Cash generated from operations	**1 147 054**	**683 244**	536 058	600 094	421 117
Net finance costs, income tax and net dividends paid	**(481 577)**	**(374 739)**	(334 855)	(259 656)	(144 252)
Net cash retained from operating activities	**665 477**	**308 505**	201 203	340 438	276 865
Net cash (outflow)/inflow from investing activities	**(1 208 028)**	**(1 042 642)**	(955 986)	(705 222)	(618 022)
Net cash inflow/(outflow) from financing activities	**483 017**	**445 991**	1 387 848	357 454	135 383
Net (decrease)/increase in cash and cash equivalents	**(59 534)**	**(288 146)**	633 065	(7 330)	(205 774)
Cash and cash equivalents at beginning of period	**902 038**	**902 038**	268 322	282 948	534 005
Effect of foreign exchange on cash and cash equivalents	**(622)**	**(762)**	651	(7 263)	(45 283)
Net cash and cash equivalents at end of period	**841 882**	**613 130**	902 038	268 355	282 948
Additional information					
Headline earnings	**476 684**	**404 582**	358 051	382 132	317 476
Dividend per ordinary share (cents)	**37,0**	**37,0**	32,0	28,0	25,0
Basic earnings per share (cents)	**111,8**	**97,3**	87,0	113,5	85,5
Headline earnings per share (cents)	**133,6**	**113,3**	102,9	123,8	102,7
Diluted earnings per share (cents)	**106,8**	**93,0**	83,1	110,8	84,4
Diluted headline earnings per share (cents)	**127,6**	**108,3**	98,3	120,8	99,3
Net tangible asset value per share (cents)[4]	**195,6**	**211,2**	260,2	269,4	311,0
Closing share price (cents)	**1 200**	**1 280**	1 040	1 070	560
Market capitalisation (million)	**4 858**	**5 182**	4 210	3 826	1 944

Note: Financial results prior to the period ended 31 March 2005 have not been adjusted for subsequent changes in accounting policies.

[1]Unaudited.

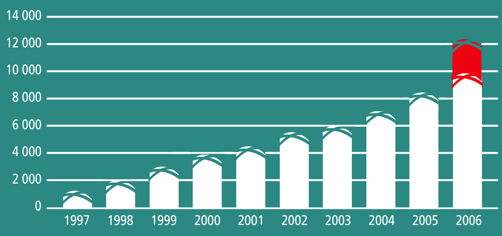
[2]Adjusted for transition to IFRS.

[3]Trading profit is calculated as operating profit before capital items.

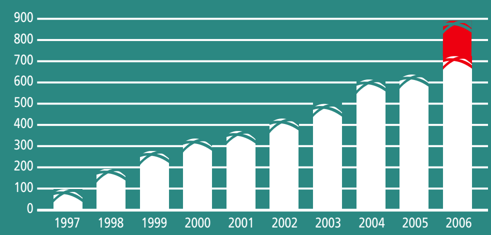
[4]Net tangible asset value per share is net asset value per share after deducting goodwill per share.

12-month period ended 31 March 2002 R000	12-month period ended 31 March 2001 R000	12-month period ended 31 March 2000 R000	12-month period ended 31 March 1999 R000	12-month period ended 31 March 1998 R000	12-month period ended 31 March 1997 R000
5 536 447	4 505 319	3 864 337	3 000 968	1 989 176	1 273 246
447 580	381 152	336 575	274 016	192 009	95 971
(127 538)	177 141	(35 422)	75 829	–	–
(11 524)	(3 900)	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
(116 014)	181 041	(35 422)	75 829	–	–
320 042	558 293	301 153	349 845	192 009	95 971
(62 149)	(50 358)	(89 993)	(54 819)	(56 785)	(17 652)
21 223	58 734	83 237	28 173	9 341	–
279 116	566 669	294 397	323 199	144 565	78 319
(71 054)	(62 110)	(51 153)	(28 032)	(33 543)	(5 979)
208 062	504 559	243 244	295 167	111 022	72 340
14 049	11 232	13 632	2 241	627	332
194 013	493 327	229 612	292 926	110 395	72 008
609 177	547 182	388 553	239 261	260 385	118 320
(156 871)	(110 610)	(114 437)	(69 646)	(38 343)	(24 001)
452 306	436 572	274 116	169 615	222 042	94 319
(115 197)	388 229	(331 694)	(634 618)	(523 870)	(107 869)
(333 267)	(279 000)	46 742	242 340	405 828	40 471
3 842	545 801	(10 836)	(222 663)	104 000	26 921
445 700	(103 624)	(92 788)	129 875	25 875	(1 046)
84 463	3 523	–	–	–	–
534 005	445 700	(103 624)	(92 788)	129 875	25 875
321 551	316 186	265 030	217 097	110 395	72 008
22,0	19,0	15,0	13,0	11,0	–
61,6	146,0	69,0	93,3	41,8	39,6
102,1	94,0	79,6	69,1	41,8	39,4
61,3	142,9	68,5	92,1	42,6	39,4
98,8	89,4	77,1	66,9	41,0	39,4
350,6	399,0	307,4	214,2	310,5	186,5
550	750	820	1 240	1 329	900
1 909	2 604	2 847	4 039	3 984	2 000

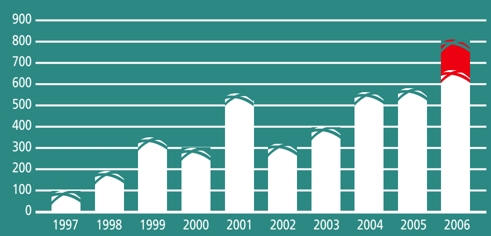
Revenue (R billion)



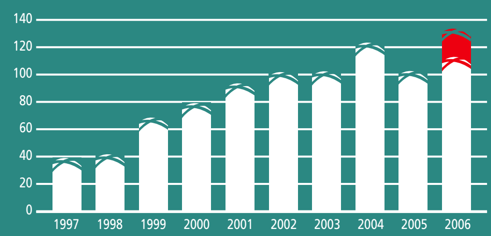
Trading profit (R million)



Operating profit (R million)



Headline earnings per share (cents)



TEN-YEAR REVIEW

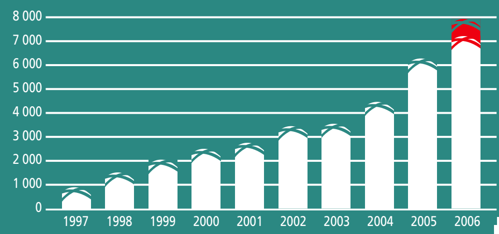
	30 June 2006 R000	31 March[1] 2006 R000	31 March[2] 2005 R000	31 March 2004 R000	31 March 2003 R000
Balance sheet					
ASSETS					
Non-current assets					
Property, plant and equipment	**1 247 150**	**1 184 664**	819 450	450 315	508 672
Full maintenance lease assets	**1 351 538**	**1 356 271**	1 245 162	1 111 137	828 464
Goodwill and intangible assets[3]	**1 060 902**	**1 035 357**	860 352	385 739	104 874
Intangible assets[3]	**188 661**	**167 441**	116 404	–	–
Investments in subsidiaries	**–**	**–**	–	67 981	–
Investments in associate	**6 151**	**51 463**	78 369	84 403	78 096
Investments and other non-current assets	**131 674**	**131 663**	117 966	127 956	171 179
Deferred tax assets	**73 212**	**62 736**	63 671	85 354	80 196
	4 059 288	**3 989 595**	3 301 374	2 312 885	1 771 481
Current assets					
Inventories	**1 120 832**	**1 002 384**	778 725	683 900	671 822
Trade and other receivables	**1 861 946**	**1 616 132**	1 297 933	1 058 236	750 375
Investments held for sale	**40 312**	**–**	–	–	–
Cash and cash equivalents	**860 571**	**614 679**	909 581	412 222	365 608
	3 883 661	**3 233 195**	2 986 239	2 154 358	1 787 805
Total assets	**7 942 949**	**7 222 790**	6 287 613	4 467 243	3 559 286
EQUITY AND LIABILITIES					
Capital and reserves attributable to equity holders of Super Group Limited	**1 754 857**	**1 784 970**	1 809 008	1 239 054	1 059 510
Compulsorily convertible debentures	**–**	**–**	–	42 151	140 495
Minority interest	**142 819**	**131 870**	110 987	76 932	61 858
Total equity	**1 897 676**	**1 916 840**	1 919 995	1 358 137	1 261 863
Non-current liabilities					
Full maintenance lease borrowings	**804 062**	**877 315**	369 983	797 066	562 269
Interest-bearing borrowings	**1 768 250**	**1 746 187**	1 361 041	185 060	84 670
Fund reserves	**200 893**	**209 141**	104 064	111 485	89 267
Deferred tax liabilities	**198 234**	**237 196**	193 079	140 522	160 273
	2 971 439	**3 069 839**	2 028 167	1 234 133	896 479
Current liabilities					
Bank overdrafts	**18 689**	**1 549**	7 543	143 867	82 660
Short-term interest-bearing borrowings	**217 081**	**70 510**	58 802	79 694	71 482
Short-term full maintenance lease borrowings	**339 723**	**242 647**	627 666	175 687	94 619
Trade and other payables	**2 124 319**	**1 583 695**	1 378 569	1 188 422	914 120
Taxation	**70 032**	**117 344**	84 458	93 806	98 560
Shareholders for dividends	**2 357**	**719**	841	504	504
Provisions	**301 633**	**219 647**	181 572	192 993	138 999
	3 073 834	**2 236 111**	2 339 451	1 874 973	1 400 944
Total equity and liabilities	**7 942 949**	**7 222 790**	6 287 613	4 467 243	3 559 286

Note: Financial results prior to the period ended 31 March 2005 have not been adjusted for subsequent changes in accounting policies.

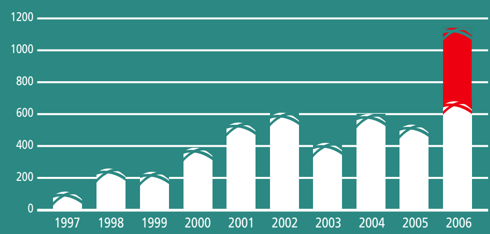
[1]Unaudited.
[2]Adjusted for transition to IFRS.
[3]Intangible assets disclosed from IFRS transition date.

31 March 2002 R000	31 March 2001 R000	31 March 2000 R000	31 March 1999 R000	31 March 1998 R000	31 March 1997 R000
691 339	646 220	862 191	771 020	709 808	458 767
586 975	187 928	–	–	–	–
99 977	35 100	–	–	–	–
–	–	–	–	–	–
–	–	–	11 911	–	–
103 304	218 391	167 238	122 067	–	–
55 158	74 073	27 197	30 544	137 372	7 267
35 706	35 243	84 987	–	–	–
1 572 459	1 196 955	1 141 613	935 542	847 180	466 034
527 757	431 011	379 700	339 315	139 760	105 947
704 142	683 443	883 913	685 057	400 117	255 532
–	–	–	–	–	–
651 307	446 881	102 194	95 509	129 875	76 214
1 883 206	1 561 335	1 365 807	1 119 881	669 752	437 693
3 455 665	2 758 290	2 507 420	2 055 423	1 516 932	903 727
1 176 551	1 279 562	926 769	557 006	931 057	414 694
140 495	140 495	140 495	140 495	59 995	–
36 612	32 866	34 547	11 673	1 028	401
1 353 658	1 452 923	1 101 811	709 174	992 080	415 095
227 782	40 364	–	–	–	–
191 945	206 789	266 574	227 385	105 006	280 990
79 934	33 714	12 778	15 529	19 042	10 024
129 516	70 136	93 386	65 480	52 900	4 682
629 177	351 003	372 738	308 394	176 948	295 696
117 302	1 181	–	–	–	–
225 067	76 677	277 475	247 602	–	–
35 113	4 360	–	–	–	–
939 690	747 232	599 826	772 011	342 829	185 423
63 213	61 695	27 653	10 914	3 905	5 066
491	96	65 727	7 328	1 170	2 447
91 954	63 123	62 190	–	–	–
1 472 830	954 364	1 032 871	1 037 855	347 904	192 936
3 455 665	2 758 290	2 507 420	2 055 423	1 516 932	903 727

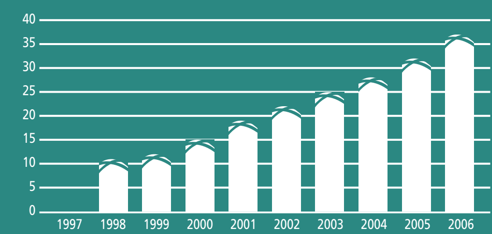
Total assets (R billion)



Cash generated from operations (R million)



Dividend per share (cents)



FINANCIAL RATIOS

			30 June 2006[1]
RETURNS AND PROFITABILITY			
Trading margin	*Trading profit* / Revenue	%	7,2
Return on capital employed	*Operating profit + income from associates* / Average total equity and liabilities – average non-interest bearing current liabilities – average cash and cash equivalents	%	14,3
Return on equity (excluding capital items)	*Headline earnings* / Average equity (excluding compulsorily convertible debentures)	%	20,0
Return on total assets	*Operating profit + income from associates* / Average total assets	%	8,6
PRODUCTIVITY/EFFICIENCY			
Asset turn	*Revenue* / Average total assets	times	1,3
LIQUIDITY			
Current ratio	*Current assets* / Current liabilities	:1	1,3
Quick ratio	*Current assets – inventories* / Current liabilities	:1	0,9
DEBT LEVERAGE			
Finance cost cover	*Operating profit* / Net finance costs	times	2,9
Gearing – including FML	*Interest-bearing borrowings – cash and cash equivalents* / Ordinary shareholders equity (including compulsorily convertible debentures)	%	120,5
Gearing – excluding FML	*Interest-bearing borrowings – FML borrowings – cash and cash equivalents* / Ordinary shareholders' equity (including compulsorily convertible debentures)	%	66,7
SHAREHOLDER RETURNS			
Dividend cover	*Profit attributable to equity holders of Super Group Limited* / Final dividend declared	times	3,0

[1]Income statement items have been annualised where necessary.

31 March 2006	31 March 2005	31 March 2004	31 March 2003	31 March 2002	31 March 2001	31 March 2000	31 March 1999	31 March 1998	31 March 1997
7,3	7,5	8,4	7,5	8,1	8,5	8,7	9,1	9,7	7,5
14,3	15,8	22,2	20,1	20,0	42,9	23,3	32,3	19,4	15,1
21,1	22,1	31,4	27,2	25,5	27,8	34,6	28,9	16,4	17,3
9,9	10,9	14,3	11,7	10,4	23,4	16,8	21,2	16,6	10,6
1,5	1,6	1,8	1,7	1,8	1,7	1,7	1,7	1,6	1,4
1,4	1,3	1,1	1,3	1,3	1,6	1,3	1,1	1,9	2,3
1,0	0,9	0,8	0,8	0,9	1,2	1,0	0,8	1,5	1,7
3,3	3,8	5,5	8,3	5,1	11,1	3,3	6,4	3,4	5,4
121,2	78,9	71,4	42,0	10,8	–	40,1	53,5	2,3	49,3
62,8	28,3	–	–	–	–	40,1	53,5	2,3	49,3
2,6	2,7	4,1	3,4	2,8	7,7	4,6	7,2	3,8	–

EXECUTIVE DIRECTORATE

3 Larry Lipschitz (45)
Chief Executive Officer
MB BCh, MBA
Larry founded Super Group in 1987 and under his leadership Super Group grew into one of the largest privately-owned transport companies in South Africa prior to its listing in 1996. Larry successfully managed its transition into an integrated supply chain management business. Larry continues to drive the group's strategy.

4 Les Johnston (47)
Group Managing Director
BSc (Eng), MBA
Les worked as a civil engineer in the Western Cape and KwaZulu-Natal councils before joining Super Group as Operations Director in 1988. He has been involved in Super Group's strategy since its origins as a privately-owned transport company.

2 Dheven Dharmalingam (40)
Group Financial Director
CA(SA)
Dheven was a partner at Andersen/KPMG prior to joining Super Group in April 2004. He joined the board in November 2004 and was appointed Group Financial Director in January 2005.

1 Philip Smith (41)
Director
CA(SA)
Philip has been involved in integrating Super Group's supply chain offering since joining Super Group in 1996. He joined the board in November 2004.

MEMBERSHIP OF SUPER GROUP BOARD SUB-COMMITTEES

Audit Committee
S Abrahams (Chairman)
B Tshili
P Vallet

Deal Committee
S Abrahams (Chairman)
D Dharmalingam
L Johnston
L Lipschitz
P Malungani

Remuneration Committee
P Malungani (Chairman)
S Abrahams
P Vallet

Risk Committee
L Bergman (Chairman)
D Dharmalingam
L Lipschitz

NON-EXECUTIVE DIRECTORATE

7 Peter Malungani (48)

Chairman

BCom, MAP, LDP

Peter is the executive chairman and founder of Peu Group. He holds directorships in a number of JSE-listed companies and is an advisor to a number of government and non-governmental organisations. Peter joined the board in 2001 and was appointed chairman in November 2004.

8 Phillip Vallet (60)

Deputy Chairman

BA, LLB

Phillip qualified as a lawyer in 1971. He is a senior partner and CEO of Fluxmans Attorneys, specialising in corporate law. Phillip holds directorships in a number of JSE-listed companies. He joined the board in 1999.

6 Sam Abrahams (67)

FCA, CA(SA) (Independent)

Sam retired from Arthur Andersen and Co as the Country Managing Partner in 1996 after 40 years in the accounting profession. He holds directorships in a number of JSE-listed companies and various private companies. Sam joined the board in 1997.

5 Leslie Bergman (62)

BSc, MSc (Independent)

Leslie was the previous Managing Partner of Andersen Consulting (now Accenture) in South Africa and Regional Managing Partner for Central and Eastern Europe, Middle East, Africa and India. He retired in 2001. Leslie is a Director and trustee of various South African and European public and private companies and non-profit organisations. He joined the board in 2002.

10 Basil Greenstone (69)

Basil was the founder of Basil Green Auto in 1972, which he developed into one of South Africa's premier motor dealerships. He was an Executive director of Motorlink Limited which later changed its name to Super Group Limited. Basil was appointed a non-executive director in 1999.

9 Busi Tshili (42)

CA(SA)

Busi is the current Financial Director of Peu Group. She joined the board in November 2004.

Peter Malungani

A WORD FROM THE CHAIRMAN

"... THE GROUP IS WELL-POSITIONED TO ACHIEVE SUSTAINABLE GROWTH ... AND IMPROVING FINANCIAL RETURNS FOR SHAREHOLDERS."

Super Group continued to deliver satisfactory growth in its tenth year as a public company listed on the JSE Limited. During the period under review, the group benefited from the favourable macro economic conditions and continued to invest in its two core operating divisions, namely Supply Chain and Automotive. The significant investments in new initiatives that commenced in the current period is expected to support future growth.

OUTLOOK

Business and consumer confidence are still at historically high levels, which if sustained indicates another year of favourable macro economic conditions in South Africa. Owing to the composition of the businesses the impact of rising interest rates and a weaker average rand exchange rate on the group's earnings should not have a material impact. A weakening rand will result in increased earnings from the translation of our offshore businesses' earnings into rands, higher new vehicle prices, more stable used vehicles prices but offset by higher costs of imports. The rising interest rates, together with food and fuel inflation, may subdue discretionary consumer spending, thereby impacting on client volumes. Our strategy of maintaining a stable interest-rate margin in our South African fleet management business will cushion the effect of rising interest rates.

The group is well-positioned to achieve sustainable growth and acceptable financial performance and improving financial returns for shareholders.

SUSTAINABLE DEVELOPMENT

We see transformation as a business imperative that will enable Super Group to maintain and grow its position in the supply chain and automotive industries in the long term. The group is currently the industry leader from an empowerment ownership perspective and continues to make progress on all seven pillars of broad based black economic empowerment. During the period under review, the group received an award in recognition of its empowerment efforts rating it ahead of its peers in the transportation sector.

The annual Super Group Community Challenge competition has gained impetus resulting in the upliftment of various disadvantaged communities and individuals in the areas in which our businesses operate.

Further information and highlights on the group's sustainable development initiatives can be found in the Transformation report.

SIGNIFICANT EVENT

During June 2006, the board received an unsolicited expression of interest from a private equity-led consortium to acquire the entire issued ordinary share capital of Super Group Limited. The consortium completed a comprehensive and thorough due diligence investigation to their satisfaction. Subsequently, the board was advised that "for internal reasons unrelated to the due diligence", the consortium decided not to proceed with the envisaged transaction.

It is the board's fiduciary duty to respond to such expressions of interest. The process has now run its course and we can look forward to pursuing the many exciting growth opportunities that lie ahead.

CORPORATE GOVERNANCE

Corporate governance for the group remains the ultimate responsibility of the board of Super Group Limited. The board has a firm focus on maintaining the highest standards of corporate governance as well as proactively monitoring business risks. The various sub-committees have continued to enhance the group's corporate governance processes and structures. As part of this process, additional resources were added to the internal audit team to strengthen its role in the management of risk.

BOARD OF DIRECTORS

The period under review saw several board changes with the resignation of K Grunow, B Shongwe, M Vico, G Cohen and R Hounsell (an alternative to G Cohen). Most of these resignations were a result of the group having integrated the businesses that it had previously acquired. The vendors, who were appointed to the board at the time of these various acquisitions, have since resigned to pursue their own interests. We thank the outgoing directors for their insightful and valued contributions they made to our various deliberations during their tenure.

The board now comprises four executive directors and six non-executive directors. The board of directors is well-balanced from a skills and experience perspective and well capable of implementing sound corporate governance and best business practices.

ACKNOWLEDGEMENTS

I thank my fellow directors and executive team for their continued support and valued contribution. I wish to commend the executive team on their performance in a period of increased competition in all our businesses, where corrective action was taken to exit underperforming businesses and much energy was devoted to new initiatives which builds on our strategy and should provide sustainable growth. The executive team has performed well under the circumstances, given its size and the group's intention to bolster the executive team with new additions in the near future.

On behalf of the board, I wish to extend my appreciation to our shareholders, customers, suppliers and advisers for their continued belief in and support of Super Group.

Last but not least I would like to extend my gratitude to all our employees whose contribution, loyalty and hard work has brought the group to where it is today.

Peter Malungani
Chairman

"SUB-COMMITTEES HAVE CONTINUED TO ENHANCE . . . PROCESSES AND STRUCTURES."

Larry Lipschitz

A WORD FROM THE CHIEF EXECUTIVE OFFICER

"THE PAST TEN YEARS HAVE BEEN AN INTERESTING AND EXCITING JOURNEY . . ."

It is my privilege to report on the activities of Super Group in its tenth year as a listed company. The past ten years have been an interesting and exciting journey of which I am proud to have been an intimate part. In the initial years, Super Group has acquired and grown many of the businesses which today have provided the solid platform for strong organic growth and have enabled it to transform itself into the integrated supply chain business it is today.

In the period under review, a decision was made to change the year-end from March to June. Given the size and complexity of Super Group, the board of directors believed that a June year-end would improve internal processes and so yield benefits to all stakeholders.

The current 15-month period was an exciting and challenging period for the group.

- We expanded our Australian fleet management business with the acquisition of SMB Fleet Management, resulting in us becoming the third-largest leasing business in Australia;
- We were successful in securing a five-year contract with General Motors South Africa for the management of the maintenance of their commercial vehicles sold during the contract period;
- We were re-awarded the City of Johannesburg fleet management contract for another five-year period;
- We completed the first 40 000 m^2 warehouse and commenced construction of our second 40 000 m^2 warehouse as part of our Super Park warehouse development;
- We signed a global service partnership agreement with Geo-Logistics, recently rebranded Agility Global Logistics, one of the leading global freight forwarders;
- We initiated our commercial vehicle and equipment importation strategy;
- We established an assembly and body building plant to support our imported commercial vehicle strategy;

- We were awarded a contract to design and create a postal network solution in Saudi Arabia;
- We reorganised our Automotive Parts business into a single brand; and
- We sold our investment in CIC Holdings Limited.

A more detailed explanation of these initiatives is contained in the operational review.

TRADING ENVIRONMENT

The South African businesses benefited from the strong domestic demand from both Government and private investment and spending. However, wage increases and high fuel prices resulted in our internal inflation being higher than price increases achieved in our markets. With inflation and interest rates now rising in the wake of the rand's depreciation, the outlook remains challenging. Many of our businesses are well-placed to achieve good future growth as a result of strategic initiatives implemented in the current and previous periods.

The southern African region continues to be negatively affected by the deteriorating economic and political conditions within Zimbabwe. As Zimbabwe's economic and political situation is not expected to resolve itself in the short term, we have positioned our African Transport business to benefit from increased economic activities and supply chain initiatives in other African countries.

The Australian fleet businesses benefited from the trend of employers offering private consumer leasing to their employees. However, the strong Australian dollar combined with relatively stable interest rates and price discounting by Australian vehicle manufacturers continued to negatively affect residual value risk pricing within FleetAustralia. Our new acquisition, SMB Fleet Management, is not exposed to residual value risk.

ACQUISITIONS

Effective 1 April 2005, Super Group together with our Australian private equity consortium acquired 100% of the issued share capital of SMB Fleet Management Pty Limited from the company founders for a maximum purchase consideration of A$61,3 million. The initial consideration of A$30,2 million was settled immediately, with a further A$5 million paid in April 2006. The balance of the purchase consideration will be based on EBITDA achieved by the business over the two year period ending 31 March 2007. It is envisaged that the remaining purchase consideration will be largely funded via loans raised by SG Fleet Services from Australian banks and the balance via cash resources of SG Fleet Services and pro rata equity investments by the shareholders. The Australian banks have no recourse to Super Group or its remaining subsidiaries.

The acquisition of SMB complements our existing FleetAustralia business and we believe that over the next few years the synergistic benefits will be significant.

BLACK ECONOMIC EMPOWERMENT

For the second year running, Super Group has taken the top spot in the Empowerdex survey in our sector as published in the Financial Mail, Top Empowerment Companies supplement during March 2006. The group's leadership

"MANY OF OUR BUSINESSES ARE WELL-PLACED TO ACHIEVE GOOD FUTURE GROWTH . . ."

position in the transport sector has been attributed to our partnership with Peu and the resulting workforce transformation at management level. We see this as a dynamic process and open to regular evaluation to ensure that we are progressing in the right manner and keeping abreast of changing needs.

MANAGEMENT AND EMPLOYEES

The quality of our management teams and employees has contributed significantly to the success of the group and continues to differentiate us from our competitors.

The ongoing challenge for the group is to attract and retain its talented staff. In this regard, we have revised our human resources strategy to sharpen our focus on staff retention and succession planning.

"WE HAVE A STRONG, DYNAMIC AND ENTREPRENEURIAL MANAGEMENT TEAM WITH A PROVEN TRACK RECORD."

Super Group continues to promote opportunities for our black managers to strategically engage with the organisation. Key black appointments made at the senior level have aided the group's transformation initiatives. We are confident that transformation within all levels of management will continue as we focus on training and developing staff in both the expertise necessary for the job, and in life and leadership skills.

We have a strong, dynamic and entrepreneurial management team with a proven track record. We regard them as the "best in class".

PROSPECTS

Super Group has a clearly defined growth strategy within its Automotive and Supply Chain divisions. Indications are that the macro economic environment will remain stable supported by sound fiscal disciplines.

The group continues to capitalise on supply chain opportunities, with new contract wins expected and new market niches identified. The rising interest rates and food and fuel inflation may subdue discretionary consumer spending, thereby inhibiting client volumes.

The home improvement industry continues to experience strong growth. The expansion of the Mica brand through our commitment to product range, supply chain improvement and superior service will support growth in the coming year.

The new vehicle market continues to show good growth and our dealerships are expected to perform in line with the industry. The commercial vehicle strategy will gain momentum in the current period.

The steep growth in new car sales in recent years should start to impact positively on parts sales in the automotive aftermarket in the years ahead. The automotive parts business has been restructured to achieve a growing share of this market and is expected to perform in line with historical trends of profitability despite increasing competition in the industry.

The re-awarding of the City of Johannesburg fleet outsourcing contract bodes well for further Government outsourcing contracts. FleetAfrica's market leadership in fleet outsourcing should result in further contract gains.

The Australian fleet management industry is expected to remain competitive and is in a consolidation phase after the disposal by the major banks of their equity interests in fleet management businesses. Our Australian fleet solutions businesses are confident of securing several new clients with substantial fleets in the year ahead, the benefits of which are expected to flow over the medium term.

Super Group anticipates real earnings growth in the year ahead.

APPRECIATION

I would like to thank my fellow directors for their support and guidance this past year. In particular, I would like to thank Keith Grunow for his financial acumen and guidance. We extend our good wishes to him in his new ventures. I thank the non-executive directors for their wise counsel in steering us through the many challenges of 2006 and for the important role they play on the various committees.

I would particularly like to thank every member of management and staff whose commitment to Super Group has brought us another successful year. Thank you for meeting the challenges to continually improve and reinvigorate the way we do business. Our people bring energy and enthusiasm, a customer focus, a vision and a commitment that extend beyond the performance of any one year and lay a firm foundation for building the next cycle of growth. I am grateful to all of them and compliment them on what they have achieved.

Finally I would like to express my appreciation to our customers, suppliers, business associates, advisers and bankers for their continued support. We will continue our efforts to provide superior value through a focus on innovation and collaboration with them.

We also extend our sincere gratitude to our shareholders for their ongoing support of Super Group.

CONCLUSION

The significant changes and new initiatives embarked upon during the period under review have laid the foundation for sustainable growth. The new financial year presents a number of eagerly anticipated challenges and opportunities for which we are prepared.

Dr Larry Lipschitz
Chief Executive Officer

"SUPER GROUP ANTICIPATES REAL EARNINGS GROWTH IN THE YEAR AHEAD."

Dheven Dharmalingam

GROUP FINANCIAL DIRECTOR'S REVIEW

- **Strong revenue growth**
- **Pro forma revenue increased to over R10 billion**
- **Margins maintained in demanding trading conditions**
- **Strong cash generation**
- **Assets increased to R7,9 billion**
- **Outlook: On course for profitable sustainable growth**

"THE GROUP HAS CREATED A SOUND INFRASTRUCTURAL BASE FOR SUSTAINABLE GROWTH INTO THE FUTURE."

This review provides a high-level commentary on the financial position and performance of Super Group for the 15-month period ended 30 June 2006. The review should be read together with the consolidated financial statements presented on pages 53 to 115.

During the year the group changed its financial year-end to 30 June. This change has been effected to improve internal processes and to ensure that the group's reporting dates are better aligned with most of its peers. Consequently, the current reporting period represents 15 trading months whilst comparative information only includes 12 trading months. The group has presented an unaudited abridged pro forma income statement for the 12 months ended 30 June 2006. This pro forma income statement has been compared with the 12 months to 31 March 2005.

BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and applicable legislation. Details of the accounting policies are included in the financial statements on page 66. Prior year financial statements have been adjusted in order to comply with IFRS. The current period financial statements have been prepared on a basis consistent with the prior year adjusted financial statements.

TRANSITION TO IFRS AND CHANGES IN INTERPRETATION OF ACCOUNTING POLICIES

Change in accounting policy

The only accounting policy change in the current period relates to the revised interpretation for accounting for operating leases. The change in accounting interpretation has resulted in payments made under fixed escalation operating leases being recognised in the income statement on a straight-line basis over the term of the lease. Previously, operating lease payments were expensed on a cash-flow basis based on an interpretation of the standard that was generally accepted in South Africa. The required adjustment (net of the deferred taxation effect) has been made as required by IAS 8 with the necessary restatement of comparative figures. A reassessment of leases has resulted in certain leases, which were previously treated as operating leases, being capitalised.

Transition to IFRS

The effective date of the group's transition to IFRS was 1 April 2004. The group has applied the following optional exemptions from full retrospective application at this date:

- not to restate business combinations that took place prior to the transition date;
- to include goodwill on the basis of deemed cost, being cost less accumulated amortisation;
- to transfer to retained earnings the accumulated foreign currency translation reserves at the transition date; and
- to only account for the cost of options, to acquire ordinary shares in the company, granted subsequent to 7 November 2002, which had not vested by 1 January 2005.

The following significant new accounting policies were applied for IFRS reporting:

- **Foreign exchange** – Foreign exchange differences arising on translation of all foreign operations are recognised directly in a separate component of equity (foreign currency translation reserve).
- **Basis of consolidation** – Subsidiaries in the group which operate under severe long-term restrictions that significantly impair their ability to transfer funds, were not consolidated under South African Generally Accepted Accounting Practice (SA GAAP). These exclusions are no longer provided for in IAS 27 (revised) and such subsidiaries are now consolidated. This required the reconsolidation of the Zimbabwean operations and the adoption of the US dollar as the functional currency for consolidation purposes. The change in functional currency was treated as a change in estimate and applied prospectively from 1 April 2005. Goodwill has been translated at the closing rate of exchange.
- **Share-based payments** – The compensation expense is recognised over the vesting period and adjusted to reflect actual levels of vesting with a corresponding increase in equity.
- **Property, plant and equipment** – Component approach accounting has been applied where parts of an item of property, plant and equipment have different useful lives. Residual values, useful lives and depreciation methods of all items of property, plant and equipment are assessed annually.

Further details on the impact of the conversion to IFRS is provided in the financial statements in note 40.

Key areas where management's judgement has been applied

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments. The nature of these assumptions is inherently long-term and future experience may result in actual amounts differing from these estimates.

No significant assumptions have been made concerning the future or other sources of estimation uncertainty that management have identified which may give rise to a significant risk of a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The following accounting policies have been identified as involving particularly complex or subjective decisions or assessments:

- depreciation rates;
- residual value estimation;
- impairment of assets;
- valuation of financial instruments;
- determination of provisions;
- policyholder claims and benefits; and
- deferred tax assets.

MACRO ECONOMIC INDICATORS

The following rand exchange rates have been used in the translation of financial statements:

	15-month period ended 30 June 2006	12-month period ended 31 March 2005	% change
US dollar – Average	**6,41**	6,25	2,6
US dollar – Closing	**7,19**	6,21	15,8
Australian dollar – Average	**4,81**	4,62	4,1
Australian dollar – Closing	**5,29**	4,76	11,1

GROUP FINANCIAL DIRECTOR'S REVIEW

FINANCIAL PERFORMANCE

Super Group recorded a satisfactory performance for the 15-month period ended 30 June 2006, reporting consolidated revenue of R12,4 billion and trading profit of R889 million. Headline earnings per share for the 15 months was 133,6 cents.

Pro forma revenue for the 12 months to June 2006 increased 19% to R10 billion, with organic growth of 12%. Pro forma trading profit increased 16% to R740 million achieving a pro forma trading margin of 7,4%.

Depreciation and net finance charges increased during the current period mainly as a result of an increased investment in new businesses and property, plant and equipment and the financing thereof. The most notable of these investments related to the Super Park warehousing facility and the increased full maintenance leasing activity. The finance cost cover before taking into account the effects of capital items is 3,2 times.

Approximately 73% of the group's profit before tax is generated in South African rand with the remainder split mainly between US dollars and Australian dollars.

The group's effective tax rate after STC reduced from 20,8% for the 12 months ended 31 March 2005 to 20% for the 15-month period ended 30 June 2006 benefiting from the reduction in the South African statutory tax rate. Deferred tax assets have been raised on tax losses to the extent that it is expected that future taxable profits will be available to offset such tax losses.

The increase in minority interest is largely due to the acquisition of SMB Fleet Management on 1 April 2005 and the consolidation of FleetAustralia for a full year. This increase was partially offset by the deterioration in the operating performance of the Auto Parts business and the acquisition of the remaining minority interests in Truck Busters Port Elizabeth and Chicanes Lifestyle Centre with effect from 1 October 2005.

Pro forma headline earnings increased 15% from R358 million to R411 million. Pro forma headline earnings per share increased 12% from 102,9 cents to 115,1 cents.

The weighted average number of shares increased mainly as a result of the annualisation of the shares issued as part of the black empowerment transaction and the Super Group share incentive scheme. Diluted headline earnings per share were further impacted by the additional 'A' ordinary shares issued in terms of the black empowerment transaction and potential shares to be issued to employees in respect of the share option plan.

Effect of capital items on operating profit

Capital items are defined as non-recurring, exceptional items of income and expenditure relating to the acquisition, disposal or impairment of investments, businesses, property, plant and equipment and intangible assets, closure of businesses, as well as the impairment of goodwill.

The following capital items were included in operating profit:

	Goodwill and intangibles impairment R000	Investment in associate impairment R000	Closure costs R000	Cost of unsuccessful acquisition R000	**Total R000**
Supply Chain Management	2 658		9 242		**11 900**
African Transport	6 000				**6 000**
Fleet Solutions	8 300			7 793	**16 093**
Dealerships	9 742				**9 742**
Services		34 091			**34 091**
Group	26 700	34 091	9 242	7 793	**77 826**

The impairment in goodwill and intangibles relates mainly to businesses where there has been a drop in customer demand because of increased competition and cheaper substitutes. Where business models are no longer deemed economical or non-core they have been discontinued and the related goodwill impaired.

The impairment in associates relates mainly to CIC Holdings Limited ('CIC'). Subsequent to period-end the group disposed of its equity interest in CIC at the net carrying amount at period-end of R38 million.

Dividends

The group's objective is to maintain a dividend cover of between 3 and 3,5 times on headline earnings. In determining the dividend to be declared, the group considers the potential re-investment opportunities within the group and the inability to access cash from the Australian operations over the medium term.

Subsequent to period-end a dividend of 40 cents (2005: 37 cents) per ordinary share has been declared in respect of the financial period ended 30 June 2006. This represents a dividend cover of 3,3 times.

FINANCIAL POSITION

The total assets of the group have increased by R1,7 billion to R7,9 billion at 30 June 2006. The closing balance sheet has been negatively impacted by exchange rate movements to the extent of R194 million. Intangible assets comprise mainly computer software, trademarks and customer-related intangibles arising from business acquisitions.

Capital structure

	30 June 2006 R000	31 March 2006 R000	31 March 2005 R000
Interest-bearing borrowings	**3 147 805**	**2 938 208**	2 425 035
Cash and cash equivalents	**(860 571)**	**(614 679)**	(909 581)
Total equity	**1 897 676**	**1 916 840**	1 919 995
	4 184 910	**4 240 369**	3 435 449
Total debt to equity (:1)	**1,21**	**1,21**	0,79
Return on capital employed (%)	**14,3**[1]	**14,3**	15,8

[1] Annualised.

Borrowing profile

The group's operations are financed mainly from its own cash flows. Cash shortfalls are met primarily from short-term banking facilities.

Capital projects and the acquisition of businesses are financed mainly using long-term borrowings. The borrowings are normally in the measurement currency of the asset or acquisition being financed and where possible repayment terms are matched to the expected cash to be generated by the asset or business acquired.

The group net borrowings comprise the following:

	30 June 2006 R000	31 March 2006 R000	31 March 2005 R000
Non-recourse borrowings	**267 600**	**180 317**	157 032
Full maintenance lease borrowings	**1 143 785**	**1 119 962**	997 649
Corporate bond and other	**1 400 744**	**1 286 847**	1 165 285
Property liabilities	**316 987**	**349 533**	97 526
Bank overdraft	**18 689**	**1 549**	7 543
Interest-bearing borrowings	**3 147 805**	**2 938 208**	2 425 035
Cash and cash equivalents	**(860 571)**	**(614 679)**	(909 581)
Net borrowings	**2 287 234**	**2 323 529**	1 515 454

Non-recourse liabilities relate to borrowings raised in Australia to fund the Australian acquisitions. The Australian non-recourse interest-bearing loans are secured solely by the Australian assets and the lenders have no recourse to the South African operations. Full maintenance lease liabilities relates to funding raised to finance vehicles which are directly on-leased to customers by way of full maintenance operating leases in terms of medium-term contractual arrangements. The full maintenance lease liabilities vary in line with the trading activity in the fleet solutions businesses. The cash generated by the operations is utilised to repay the obligations.

Property liabilities relate to borrowings raised to fund strategic properties (mainly Super Park and Grand Central Motors) where the cost of ownership over the long-term is more economical than leasing. In terms of IFRS, under direct ownership or leasing, it is likely that the properties would need to be capitalised against a related liability. Consequently, the group has opted for direct beneficial ownership. The bond and other liabilities relate mainly to cash raised from issuing of a corporate bond and is primarily utilised to fund property, plant and equipment (most rental fleet and leasehold improvements) and working capital requirements of new and growing businesses in the group.

At 30 June 2006, Super Group had net borrowings, after excluding full maintenance lease borrowings and non-recourse Australian borrowings, of R949 million resulting in gearing of 54% (2005: 24%). The gearing ratio remains satisfactory and is within the target range acceptable to the board of directors. Equity and gearing has been impacted by the group's share buy-back programme, the strategy to hold strategic properties and the reconsolidation of the Zimbabwean operations.

CASH FLOW

Cash generated from operations

Cash generated from operations for the 15-month period increased to R1,1 billion, underpinning the strong trading profit growth and cash-generating ability of the group. The operating cash flows are used to service the working capital requirements, cover group borrowings, tax and dividend obligations and finance certain capital investments. The investment in working capital funded the new commercial vehicle importation initiative and Mica's inventory procurement strategy. The higher inventory levels were funded largely by an increase in trade payables. Trade receivables increased owing to strong revenue growth, specifically within Supply Chain Management.

Cash utilised in investing activities

Cash was invested in assets required to ensure that the business meets the growing demand for integrated supply chain management solutions and new fleet management contracts. During the period, Super Group expanded its 70%-owned Australian fleet management business with the acquisition of SMB Fleet Management Pty Limited, the leading provider of private consumer leases in Australia.

Construction of the first 40 000 m^2 warehouse in the new Super Park warehousing facility was completed with construction of the second 40 000 m^2 warehouse almost complete. The new Grand Central Mercedes Dealership was successfully opened and is trading ahead of expectations. External long-term property funding was secured to finance these new facilities.

Cash raised from financing activities

The Super Group Share Trust acquired 12,6 million shares during the financial period at an average price of R10,93 to meet its future obligations.

The group raised additional financing to fund long-term assets and increased full maintenance lease activity.

The balance sheet of the group remains strong with net cash and cash equivalents of R842 million (2005: R902 million).

Analysis of utilisation of available cash:

	15-month period ended 30 June 2006 R000
Cash and cash equivalents at beginning of period	**902 038**
Cash generated from operations (after working capital requirements)	**1 147 054**
Interest received	**81 997**
Cash available for use	**2 131 089**
Finance costs	**(357 026)**
Income tax paid	**(72 583)**
Dividend paid	**(136 354)**
Cash available for investment	**1 565 126**
Capital expenditure	
– property, plant and equipment and intangible assets	**(757 274)**
– full maintenance lease assets	**(231 423)**
Other net investing activities	**16 568**
Share buy-backs	**(152 328)**
Net acquisition of businesses	**(235 899)**
Net cash surplus	**204 770**

The group will continue to examine its future capital and investment requirements, and to balance this with its cash-generative potential.

CAPITAL COMMITMENTS

The group has various projects in progress at various stages of completion. The group has authorised but not yet contracted for capital commitments of R361 million, excluding full maintenance leases.

All capital projects are evaluated against a hurdle rate before being considered and approved. All significant projects are approved by the deal committee incorporating executive and non-executive directors and the board of directors after ensuring that amounts committed are consistent with market demand and are within the financial capacity of the group.

Significant projects in progress include the Super Park warehouse facility, new dealership facilities and the continuous fleet replacement programme in the rental and fleet management businesses. These commitments will be financed through cash flows from current operations as well as additional borrowing facilities if necessary.

FINANCIAL RISK MANAGEMENT

There were no material changes to the treasury policy in the period under review. The group has a detailed and comprehensive treasury policy to regulate its currency, interest rate and counterparty exposures.

Treasury risk management

Our treasury management is exposed to a number of external risks which are beyond our control and may significantly impact our results. The two major risks are foreign exchange rates and interest rates. Group policies with respect to managing these risks are reviewed on a regular basis by management and extensive use is made of external professional advisors. Authority levels and limits are set and reviewed semi-annually.

Interest rate risk management

The group's gearing exposes the group to interest rate movements. The full maintenance lease liabilities funding is secured by a medium-term contract, normally five years, and the underlying assets. The interest rate risk varies according to the negotiated contract terms and it is Super Group's policy to minimise any downside risk in the interest margin achieved on each contract. For non full maintenance lease liabilities the group follows a policy of funding medium assets with medium-term liabilities wherever possible. The corporate bond secured during the previous financial year gives Super Group access to fixed term funding over the next two years.

Foreign exchange rate risk management

The group follows a policy of hedging imports in foreign currency remittances and commitment by way of forward exchange contracts. The objective is to achieve greater certainty in cash flows, rather than to expose the group to speculative hedging options.

FACILITIES

The group has secured adequate funding facilities to finance its operations. Appropriate unutilised facilities are available. Certain of the facilities and debt arrangements are subject to financial covenants based on key financial ratios. Super Group Limited has guaranteed the borrowing facilities of certain of its subsidiaries.

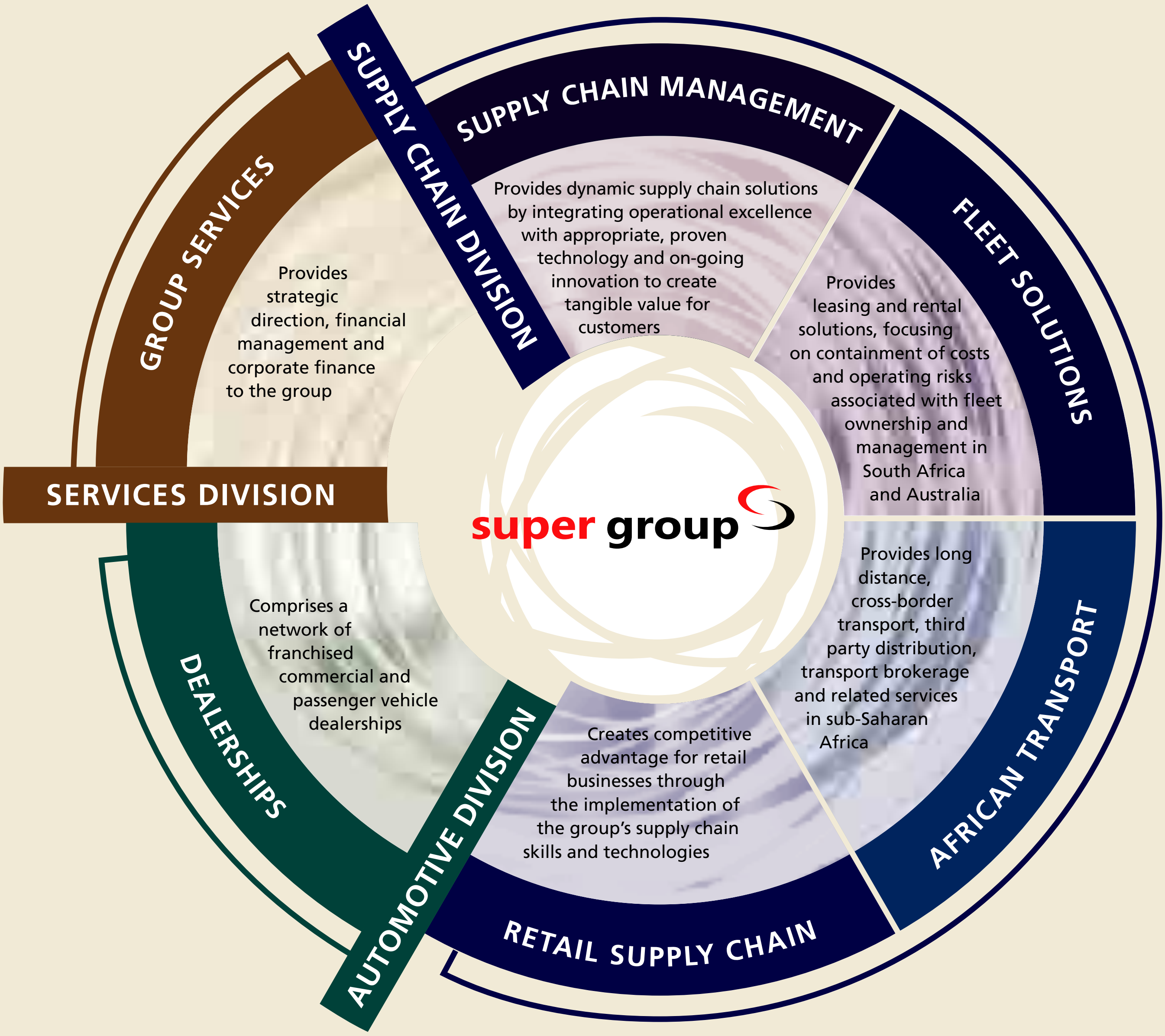
CONCLUSION

The group's performance over the past financial period was positive, with revenue and profitability of most operations increasing steadily. Performance was satisfactory, notwithstanding operational difficulties and increasing competitive pressures. The group has created a sound infrastructural base for sustainable growth into the future.

Dheven Dharmalingam
Group Financial Director

"THE GROUP HAS SECURED ADEQUATE FUNDING FACILITIES TO FINANCE ITS OPERATIONS."

GROUP STRUCTURE



The great thing about

teamwork *is that you*

always have others

on your side

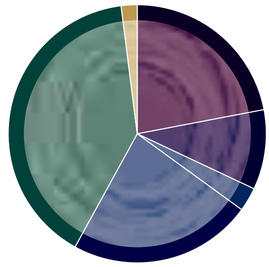
SUPPLY CHAIN DIVISION	AUTOMOTIVE DIVISION	SERVICES DIVISIONS
Supply Chain Management	Dealerships	Treasury
Fleet Solutions		Insurance
African Transport		Property
Retail Supply Chain		

OPERATIONAL REVIEW

Super Group has two primary operating divisions, namely Supply Chain and Automotive. The Supply Chain division, comprising Supply Chain Management, Fleet Solutions, African Transport and Retail Supply Chain, has established itself as the leader in supply chain management, third party logistics and fleet solutions in southern Africa. The complexity of contracts being won confirms the division's ability to manage and implement complex supply chain solutions. The Automotive division, comprising Dealerships, offers synergistic opportunities for the Supply Chain Management and Fleet Solutions businesses. Super Group's success has been enhanced by the inter-relationships between the various businesses. These operating divisions are supported by the Services division, comprising group treasury, insurance and property.

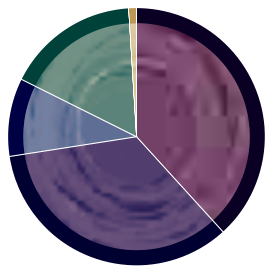
We continue to transform Super Group into a broad-based supply chain business offering a comprehensive range of services utilising world-class skills. We will continue to invest in and maintain assets that are necessary to build the higher margin supply chain businesses.

15-month segmental revenue



Supply Chain Management	22%
Fleet Solutions	10%
African Transport	3%
Retail Supply Chain	23%
Dealerships	40%
Services	2%

15-month segmental trading profit



Supply Chain Management	39%
Fleet Solutions	35%
African Transport	(2%)
Retail Supply Chain	10%
Dealerships	17%
Services	1%

SUPPLY CHAIN DIVISION – SUPPLY CHAIN MANAGEMENT

BUSINESS CONTRIBUTION

	Pro forma 12 months to 30 June 2006 R millions	12 months to 31 March 2005 R millions
Revenue	**2 276,6**	1 755,4
Trading profit	**291,9**	281,4
Capital items	**(11,9)**	(1,2)
Operating profit	**280,0**	280,2
Trading margin	**12,8%**	16,0%
Operating margin	**12,3%**	16,0%
Net working assets	**601,3**	458,4

The supply chain management business provides dynamic supply chain solutions by integrating operational excellence (management of assets) with appropriate, proven technology and on-going innovation to create tangible value. Our aim within this business is to build world-class competency in supply chain management.

This business provides a full suite of integrated supply chain services, including transportation, warehousing, distribution, procurement, international forwarding, customs brokerage, fleet rental, customised international supply chain technologies and consulting services. Super Group is at the forefront of industry sophistication, providing integrated supply chain solutions to a wide range of blue-chip clients in the fast moving consumer goods (FMCG), automotive and general industrial sector. Super Group has extended its supply chain offering to Angola, Bahrain, Botswana, China, Democratic Republic of Congo, Ethiopia, Ghana, Kingdom of Saudi Arabia, Lesotho, Malawi, Mali, Mozambique, Namibia, Oman, Senegal, Swaziland, Tanzania, Uganda, United Arab Emirates, United Kingdom, Yemen, Zambia and Zimbabwe.

This year was characterised by a number of changes, most notably the commissioning of Super Park.

Super Park is ideally located in Isando, Gauteng – close to the major international airport and the confluence of national highways in the commercial heartland in South Africa – and when completed will be a 175 000 m^2 warehousing park development. The construction of the first 40 000 m^2 warehouse was completed and construction of the second 40 000 m^2 warehouse commenced. This second warehouse is due for completion in December 2006. Super Park will enable Super Group to improve its service offering as clients will benefit from workshops, rental fleets and transport fleets in close proximity. Furthermore, complementary clients will obtain savings through sharing secondary distribution channels.

Our automotive supply chain business benefited from the booming automotive industry buoyed by the influx of new automotive export contracts and increased demand on suppliers of parts to these vehicle manufacturers. Increased competitor activities and deflationary environment necessitated that our FMCG business focus on increased flexibility, cost containment and maintaining service levels.

The South African outsourced logistics market is expected to show upward of 15% growth for the foreseeable future as local companies follow international trends in outsourcing supply chain functions. South African customers are looking to logistics companies being able to provide a basket of services and not just single service solutions. Super Group is expected to benefit from this growth.

During the period, Super Group was awarded numerous new contracts. The delay in on-charging the fuel price increases to clients resulted in a cost of several million rand. The challenge for supply chain companies is to manage the margin pressures in an increasingly competitive market. Super Group will continue to optimise our business infrastructure – reduce wastage and strive to deliver an integrated supply chain service to customers.

The acceptance by business and market awareness of the concepts and benefits of outsourcing procurement and logistics, especially in Africa, is evidenced by Sherwood International being awarded Exporter of the Year Award 2006 and Export Service of the Year Award 2006 from the Johannesburg Chamber of Commerce and Industry. The implementation of M-Four, our software enabling on-line cataloguing and procurement functionality, has expanded our procurement service offering to clients.

Certain aspects of the South African supply chain management industry are being affected more by global consolidation. International freight forwarding and customs brokerage industry is one such function that is being dominated by multinational agents who control rates and space allocation with the carriers and so offer seamless global logistics, visibility solutions and track and trace technology to importers and exporters. In September 2005, Micor, Super Group's international freight forwarding and customs brokerage business, concluded a global service partnership agreement with GeoLogistics, which is owned by PWC Logistics. PWC Logistics, recently re-branded Agility Global Logistics, has representation in more than 450 locations in over 100 countries globally. Our partnership with one of the leading global freight forwarders has enabled Super Group to participate in global freight forwarding tenders for the first time. Micor, with its strong global footprint, advanced visibility systems, specialised expertise in the local market and extended supply chain offering, will benefit from the anticipated strong growth in imports and exports.

Cost and service remain key challenges. Super Group will continue to pursue its strategy of building long-term partnerships with clients who view effective supply chain management as a means to improving their customer service levels as opposed to merely a single service cost. Within each supply chain service offering, Super Group is focused on growing its customer base and expanding existing customer relationships into long-term partnerships. Super Group has concluded and is at advanced stages of securing a number of high-growth opportunities that will provide continued growth within the supply chain environment.

"SUPER GROUP IS AT THE FOREFRONT OF INDUSTRY SOPHISTICATION."

SUPPLY CHAIN DIVISION – FLEET SOLUTIONS

BUSINESS CONTRIBUTION

	Pro forma 12 months to 30 June 2006 R millions	12 months to 31 March 2005 R millions
Revenue	**985,0**	747,9
Trading profit	**258,5**	185,8
Capital items	**(16,1)**	–
Operating profit	**242,4**	185,8
Trading margin	**26,2%**	24,8%
Operating margin	**24,6%**	24,8%
Net working assets	**(260,4)**	(138,6)

The fleet solutions business, with operations in South Africa and Australia, provides leasing and rental solutions, focusing on containment of costs and operating risks associated with fleet ownership and management. It provides flexible total fleet management solutions designed to meet the specific transport needs of customers. Specialist skills combined with the latest in market technology enables Super Group to deliver optimal solutions, which has as its key outputs lower operating risk management, higher utilisation, improved efficiencies and cost savings.

Super Group has almost 84 000 vehicles under management worldwide.

SOUTH AFRICAN FLEET SOLUTIONS BUSINESS

FleetAfrica is a leading provider of fleet management solutions in South Africa and has a reputation for market leading skills in the management of commercial and specialised fleets. It manages more than 38 000 vehicles, including motor cycles, cars, light commercial vehicles, medium commercial vehicles, heavy commercial vehicles, materials handling equipment, cranes, graders, waste compactors, fire engines and ambulances for Government, quazi-Government and corporates.

In addition to the significant successes expanded upon below, FleetAfrica was awarded numerous smaller fleet outsourcing contracts and successfully managed itself in a period when the industry faced challenges associated with low inflation, low interest rates, declining used vehicle prices and competitive tender processes.

The year started with the award and subsequent successful implementation of a five-year contract with General Motors South Africa. The contract commenced in June 2005 and is performing in line with expectations. FleetAfrica is responsible for the administration and management of the vehicle service and maintenance plans on behalf of General Motors South Africa in respect of any Isuzu KB Model sold during the contract period. The significant increase in vehicles managed during the year is largely attributable to this contract.

The second term of the City of Johannesburg outsource contract, for the supply of fleet and fleet-related services, commenced in February 2006. The re-award of this contract to FleetAfrica, in a competitive tender process, is verification of our strategy of delivering tangible value through building long-term partnerships with Government.

For the next three years, we will remain actively involved in managing the maintenance of vehicles acquired by the National Department of Transport in terms of the Maintenance of Subsidized Vehicles and Rental to Government contracts that officially expired at the end of May 2005.

Although some growth is expected from the private sector, the industry growth will continue to be driven by outsourcing of Government and quazi-Government sectors over the next two to three years. FleetAfrica will benefit from the numerous initiatives resulting from Government's emphasis on BEE and SMME inclusion.

During the year, our South African fleet solutions business expanded its product range to include equipment management. The focus is on providing quality equipment solutions by offering products that contribute to our client's competitiveness in environments that continuously challenge for improved total cost of ownership, while achieving above average equipment availability and lifespan.

We expect the macro economic factors in South Africa, such as higher interest rates and vehicle prices, together with initiatives within sub-Saharan Africa to create new opportunities in our fleet and equipment management solutions and leasing businesses.

AUSTRALIAN FLEET SOLUTIONS BUSINESS

With increased competition and focus on cost efficiencies, Australian companies have become more sophisticated in their use of funds and in recognising that their core business does not necessarily include fleet management. In addition, companies are recognising the advantage in improved balance sheet management by leasing funded fleets. Fleet management is therefore being increasingly contracted out to specialist fleet management companies. The Australian fleet management market is estimated to be 256 000 vehicles.

Super Group is the third-largest player in Australia with 46 000 vehicles under management. Our Australian fleet management business comprises FleetAustralia and SMB Fleet Management. FleetAustralia provides a comprehensive range of fleet solutions to Government and businesses operating in Australia. SMB, which was acquired effective 1 April 2005, is the acknowledged leader in the Australian novated lease segment. A novated lease is a finance or operating lease where the employer agrees to meet the financial obligations on behalf of an employee as a form of salary packaging.

During 2006, the two increases in the official cash rate imposed by the Australian Reserve Bank in quicker succession than in any other period over the past six years, achieved the desired result of slowing down the

"SUPER GROUP HAS ALMOST 84 000 VEHICLES UNDER MANAGEMENT WORLDWIDE."

"SUPER GROUP IS THE THIRD-LARGEST PLAYER IN AUSTRALIA . . ."

buoyant economy. The interest rate increase did not have any appreciable effect on our leasing business as interest rates still remain comparably low and leasing has the added benefit of fixing interest rates for the lease term.

The strong Australian dollar combined with relatively stable interest rates and new vehicle discounting by local manufacturers continued to contributed to an oversupply of relatively young used vehicles which has had a knock-on effect on the value of used vehicles overall. FleetAustralia actively manages residual risk whereas SMB is not exposed to any residual value risk.

During the period under review, FleetAustralia recruited a number of high-calibre personnel from the fleet industry, restructured the sales team to ensure an increased focus on customer services, made a significant investment in technology and signed up 122 new corporate customers. The implementation of a major new systems platform comprising a fleet management system, a finance system and a client reporting module will provide leading-edge technology which is required in the competitive marketplace.

SMB continued to increase profitability on the back of new value-adding initiatives, including extended vehicle warranty products, an online vehicle procurement system and the successful launch of Cafécard. Management believe that the trend amongst employers to offer leasing to their employees will continue and there are further opportunities to secure new clients who do not presently offer novated leasing to their staff. The rate of new enquiries and deals written within our existing client base continues to grow and we will continue developing new products and services to ensure we remain at the forefront of the Australian novated lease segment.

There has been considerable rationalisation within the Australian fleet leasing marketplace. The most significant being the acquisition of the number one player, Custom Fleet by GE Capital followed by the acquisition of the number four player, Esanda Fleet Partners, by Japanese private equity firm, Nikko. Our Australian fleet management businesses should benefit from any uncertainty during the integration phases.

Our Australian fleet solution businesses are confident of securing several new clients with substantial fleets in the year ahead, the benefits of which are expected to flow over the medium term.

SUPPLY CHAIN DIVISION – AFRICAN TRANSPORT

The African Transport business provides long-distance, cross-border transport, warehousing, third party distribution, transport brokerage and related services in the Democratic Republic of Congo, Malawi, Mauritius, Mozambique, Zambia and Zimbabwe. Additional services including customs clearing, providing transit bonds, bagging, trade finance and insurance are offered as part of the transport service. Generally, break bulk items including foodstuffs, consumables and mining equipment are transported into the region whilst agricultural and mining products are transported out of the region.

The past 15 months has been one of fixing and stabilising the business. This has been successfully concluded throughout the region, albeit in very difficult circumstances in Zimbabwe. The management teams, premises and systems of Whelson and GDC have now been rationalised resulting in substantial overhead reductions, whilst maintaining sufficient infrastructure and fleet size to ensure we remain the dominant transporters for large-scale upliftments. Business volumes combined with transport rates have improved. However, business continues to be vulnerable to periods where there is a shortage of work in one region.

During the period, it was decided to adopt US dollar as the functional currency, being the currency in which the business and industry generates and expends cash. The effect of this decision is that the translation of the operating results into rands will not be affected by the hyperinflationary conditions that prevail in Zimbabwe. However, foreign exchange losses will be incurred on the conversion of US dollar cash flows into Zimbabwean dollars, in terms of Zimbabwe Reserve Bank regulations.

Revenue growth will be driven by the ability to capitalise on regional shortages with increased focus on specialised work on the back of secured contracts and increased fleet and supply chain initiatives in focus regions. Continued erosion of Zimbabwean agri-industrial base is a serious problem, limiting cargo demands within, to and from Zimbabwe. This should be countered to some extent by the likelihood of large aid-driven parcels and by regional growth in the mining sector. Our fleets are well-positioned for growth.

BUSINESS CONTRIBUTION

	Pro forma 12 months to 30 June 2006 R millions	12 months to 31 March 2005 R millions
Revenue	**286,6**	479,7
Trading profit	**(18,7)**	(66,4)
Capital items	**(6,0)**	(18,5)
Operating profit	**(24,7)**	(84,9)
Net working assets	**141,1**	260,4

SUPPLY CHAIN DIVISION – RETAIL SUPPLY CHAIN

BUSINESS CONTRIBUTION

	Pro forma 12 months to 30 June 2006 R millions	12 months to 31 March 2005 R millions
Revenue	**2 269,0**	1 876,5
Trading profit	**71,3**	99,1
Capital items	**–**	(0,2)
Operating profit	**71,3**	98,9
Trading margin	**3,1%**	5,3%
Operating margin	**3,1%**	5,3%
Net working assets	**469,8**	409,8

The underlying philosophy of these businesses is to create a competitive advantage through the implementation of the group's supply chain skills and technologies. Super Group's operational expertise, built up over the last two decades, integrated with its extensive technology platform can be relatively easily deployed in new market sectors as the same basic supply chain principles apply to any industry.

AUTOMOTIVE PARTS

The automotive parts business distributes and retails parts to the automotive aftermarket through a national footprint comprising a combination of wholly-owned and member-owned AutoZone branded stores. With 80 000 live part items of which 60 000 are vehicle model specific, Super Group Auto Parts has the widest range of parts for passenger and commercial vehicles.

During the period under review, Super Group Auto Parts embarked on the final steps of its five-year strategic plan in which it reduced its number of trading brands from six to one. The transformation into a single-brand business will significantly enhance the national presence of the strong AutoZone brand. By converting the existing Spares Link member stores and independent spares shops, the business will more effectively utilise advertising and marketing expenditure on building a single brand, improve customer service by centralising product specialists, optimise overhead infrastructure and offer a wider range of national and exclusive brands to both wholly-owned and member stores. Simultaneously, Super Group Auto Parts decided to implement global best retail practice by designing friendlier store layouts and standardising the offering per store format to ensure an improved customer experience.

The AutoZone store concept was extended to AutoZone Hypers.These large-format stores are the first of its kind in South Africa and offer an improved overall shopping experience and extended product ranges. At 30 June 2006, the AutoZone footprint comprised 154 AutoZone stores and 9 AutoZone Hyper stores.

Super Group Auto Parts was successfully re-awarded the South African Police Service contract for a further two years. In terms of this contract, Super Group Auto Parts supplies all their vehicle workshops' parts requirements on a national basis.

During the period under review, Super Group Auto Parts maintained revenues despite a number of changes taking place in the business and intense market competition as a result of new entrants. Super Group Auto Parts have taken steps to ensure continued competitivenes.

The sustained strong growth in new vehicle volumes over the last few years is expected to support industry growth in the automotive aftermarket. Being the industry leader and focused on vehicles aged 5 – 12 years, Super Group Auto Parts is well-positioned to benefit from this industry growth. Rising interest rates are expected to have minimal effect on sales volumes as in excess of 90% of automotive aftermarket products are essential purchases.

Industry growth together with benefits from the single brand strategy and the aggressive implementation of the exclusive brands strategy will support growth.

Mica

Mica operates in the home improvement segment, providing product and solutions to the "do-it-yourself" domestic market, the sub-contractor and the rural builder. Mica received a number of awards as "Best Hardware Store" and is the leading brand in the "do-it-yourself" market in South Africa with a presence in SADC countries.

Many significant changes have occurred within Mica during the period under review including the appointment of new management with significant retail experience, the successful launch of seven new exclusive brands, new store openings, the revamping of both the interior and exterior store branding and the introduction of new store segmentation. These store segments have standardised formats and product ranges per format and are branded, Mega Mica, Mica Warehouse, Mica Hardware and Mica Build. The strategic collaboration partnership agreement with Mitre 10, New Zealand, signed in March 2005, and the purchasing collaboration agreement with Ace Hardware Corp, signed in May 2005, will continue to yield tangible benefits.

Despite real wage increases and the booming housing market, consumer spending is showing signs of cooling following recent interest rate increases. Further rate increases are possible, but we expect sales growth to continue as the fundamental factors driving demand remain firmly in place. Benefits from the initiatives undertaken during 2006, aggressive implementation of the exclusive brands strategy and continued collaboration with our international partners are expected to enhance profitability.

"INDUSTRY GROWTH TOGETHER WITH BENEFITS FROM INITIATIVES UNDERTAKEN IN 2006 . . . WILL SUPPORT GROWTH."

AUTOMOTIVE DIVISION – DEALERSHIPS

BUSINESS CONTRIBUTION

	Pro forma 12 months to 30 June 2006 R millions	12 months to 31 March 2005 R millions
Revenue	4 023,8	3 439,1
Trading profit	125,1	121,3
Capital items	(9,8)	(35,3)
Operating profit	115,3	86,0
Trading margin	3,1%	3,5%
Operating margin	2,9%	2,5%
Net working assets	286,6	296,1

The dealership business comprises 20 passenger and 7 commercial dealerships in South Africa, with the majority located in Gauteng.

The motor industry enjoyed another year of good growth. The strong consumer demand for vehicles was driven by real increases in salaries and wages, stable new vehicle prices and low interest rates, which resulted in improved affordability for the growing middle class. The benefits of the strong new vehicle sales growth was partially offset by increased competition from recent new entrants, extended product ranges and ever-increasing demands of motor manufacturers on their dealer networks. The challenging conditions within the used vehicle market resulted in values continuing to decline.

Strong consumer demand supported our dealership growth. High sales volumes resulted in growth in parts, service and other value-added products. The sales growth in used vehicles was offset by the declining margins experienced across the industry. In addition, a significant investment in a flagship DaimlerChrysler dealership was made, new dealerships located in areas identified as above-average growth were acquired and corrective action to deal with underperforming dealerships was undertaken.

Another exciting initiative "www.testdrive.co.za" was successfully launched. This website aims to make customers' vehicle decisions less daunting by providing the convenience of researching potential vehicle purchases on-line and providing access to independent reviews from leading South African motoring publications.

Hermans, Super Group's truck accident repairs business, is the leader in the heavy-duty truck repair market owing to its excellent turnaround times, state-of-the-art workshops and equipment and the fact that it is approved by all major original equipment manufacturers and insurance companies.

During the period, Hermans performed well as a result of a focus on increased marketing and improved service delivery. The business is expected to benefit from an increased national footprint and the expansion of its service offering to include commercial vehicle trailer and load body manufacturing.

We also embarked on an exciting new initiative in which Super Group imports, assembles and distributes commercial vehicles. The commercial vehicle importation strategy is initially targeted at converting used commercial vehicle owners to high quality, competitively priced new commercial vehicles. The commercial vehicles are imported in semi-knocked down kits from one of the largest truck manufacturers in China and then assembled into finished product in Pietermaritzburg, KwaZulu-Natal. These vehicles are based on tried and tested German technology and have already proven themselves in service for the UN in Africa and the Chinese military.

Utilising our commercial vehicle infrastructure, Super Group Equipment will retail equipment and provide aftersales parts and service support. A range of equipment ownership and management solutions, which include short-term rental and full maintenance leasing, are supported by our core leasing and rental businesses. Super Group Equipment will initially focus on materials handling equipment, container handling equipment, scanning equipment and cranes. In the near future this product offering will include earth-moving equipment, tractors and power solutions.

Super Group Equipment offers high-quality products and services in exclusive partnership with a number of original equipment manufacturers. Our partners, who are accomplished in their respective industries, include Fantuzzi, Jungheinrich, Rapiscan Systems, YTO International, Dalian, Jong Yang, Tadano, Huang Ghong and XCMG. This business should benefit from the increased focus on security and infrastructural expenditure ahead of 2010 Soccer World Cup and other progressive Government projects.

The largely established retail and after-sales support network will benefit as the range of products continues to expand over the next few years.

The weaker exchange rate and increased volatility in exchange rate movements will result in vehicle manufacturers looking to increase prices which will initially slow new vehicle purchases but simultaneously provide some underpin to used vehicle prices and volumes. The strong new vehicle sales experienced in the past few years should translate into good growth in parts and service as these new vehicles are serviced and maintained through the dealership network.

"STRONG CONSUMER DEMAND SUPPORTED OUR DEALERSHIP GROWTH."

GROUP SERVICES – SERVICES DIVISION

BUSINESS CONTRIBUTION

	Pro forma 12 months to 30 June 2006 R millions	12 months to 31 March 2005 R millions
Revenue	**203,7**	146,5
Trading profit	**12,1**	15,5
Capital items	**(32,9)**	–
Operating profit	**(20,8)**	15,5
Trading margin		10,6%
Operating margin		10,6%
Net working assets	**(1 224,2)**	(1 110,2)

The Corporate Services division provides strategic direction, financial management and corporate finance activities to the group. The Services division comprises a number of businesses that facilitate or enhance the service delivery of the respective business units. The group's insurance activities, finance and treasury function, property portfolio management, shared services and risk management functions are included in the Services division.

Strong revenue growth resulted from increased insurance activities; however, as the majority of risk is re-insured, the impact on trading income was diluted. The impairment/net loss on disposal/closure of businesses of R37 million relates principally to the impairment of the group's investment in CIC Holdings Limited.

INSURANCE

The group's insurance activities focus primarily on writing third party insurance business focusing on supply chain, commercial property and engineering industries in South Africa, sub-Saharan Africa and the Indian Ocean Islands. The business seeks to ensure a balanced portfolio with a spread over a large geographical area to reduce the variability of outcomes. The company has implemented a sound risk management strategy and seeks to reinsure all material losses to protect capital resources. The business only makes use of reinsurers with credit ratings of A^{-} and above. All reinsurance has been placed on a non-proportional basis since 1 April 2006.

FINANCE AND TREASURY

The finance and treasury department provides treasury and related services, both at a group and individual business level. This has resulted in centrally coordinated and managed activities such as cash pooling, liquidity management, cost-effective financing arrangements and foreign currency management.

Super Group is entering a new growth phase. Against this backdrop, increasing efforts are being dedicated to bolster financial risk management policies and systems and manage financial gearing levels.

This is especially relevant in the light of the group's capital expenditure programme which has increased during the current year and is expected to continue into the coming financial year.

It is essential that the division continues to implement optimal financing strategies and access the best available financing solutions to fund the group's growth ambitions and unlock targeted shareholder returns, while ensuring the relevant risks are addressed appropriately. The financing and treasury function continued its role as custodians of group financial risk management and hedging policies and in coordinating and facilitating financial risk management strategies especially in the areas of interest rate, currency and insurance risk.

Super Group continues to retain an investment grade credit rating. Our Fitch rating has been set at A^{-} with a stable outlook.

PROPERTY PORTFOLIO MANAGEMENT

The Property division is tasked with the management and administration of the group's property portfolio. The group has invested in key strategic properties (mainly Super Park and Grand Central Motors) where the cost of ownership over the long term is more economical than leasing. In terms of International Financial Reporting Standards, it is likely that regardless of whether the properties are owned or leased they would need to be capitalised against a related liability. Consequently, the group has opted for direct beneficial ownership.

The results of the division has been impacted by the requirement to straight-line all operating leases with fixed escalations.

"SUPER GROUP CONTINUES TO RETAIN AN INVESTMENT GRADE CREDIT RATING."

CORPORATE GOVERNANCE

The directors of Super Group subscribe to the principles of high standards of corporate governance. They are committed to and accept responsibility for applying these principles to ensure that sound governance is practiced consistently. An effective corporate governance framework is regarded by the board as a necessary prerequisite for ensuring Super Group's financial success. The group recognises its responsibility to safeguard the interests of its stakeholders, and believes that sound governance is essential to its ongoing sustainability and functioning. Comprehensive implementation and monitoring plans have been developed and approved by the board.

In the period under review, overall improvements were made to the group's corporate governance processes and structures. The process of monitoring and managing risk as an integral part of the group's culture, inherent in the way it does business and always uppermost in the board and management's minds, was firmly embedded. During the period, the mandate of the internal audit function was elevated, and this function was repositioned in order to enhance and strengthen the internal audit role in the management of identified risks. The internal audit team is being strengthened to meet the requirements of its new mandate.

BOARD OF DIRECTORS

Corporate governance within Super Group is managed and monitored by a unitary board of directors and several sub-committees of the main board.

The board's responsibilities and terms of reference are detailed in the board charter. This charter has been developed to enable the directors to maintain effective control over strategic, financial and compliance matters of all Super Group's companies. The board is of the opinion that the company continues to comply with the spirit and form of the continuing obligations of the JSE Listings Requirements as well as the code of Corporate Practices and Conduct as set out in the second King Report on Corporate Governance for South Africa (King II).

The board is accountable to the stakeholders for exercising leadership, integrity and judgement in directing Super Group to achieve continued prosperity by obtaining the necessary balance between entrepreneurship and conformance with best business and corporate governance practices.

The board's primary functions include:

- approving the strategic direction of Super Group;
- confirming strategic objectives and key policies and ensuring communication of these to applicable management levels;
- monitoring the implementation of management's plans and strategies;
- reviewing and approving overall policies and processes to maintain the integrity of the company's risk management and internal controls;
- determining and defining investment and performance criteria;
- reviewing the annual business plan and budget achievement;
- identifying and continually reviewing key risks, as well as the mitigation thereof by management, against a background of economic, environmental and social issues;
- financial and internal control development, monitoring and audit;
- continually rating the company's own performance relative to budgets, competitors and prevailing economic conditions;
- approving major capital expenditure programmes, significant acquisitions and disposals;
- approving investment, divestment, refinancing and restructuring transactions;
- employment equity plan development and implementation;
- employee remuneration matters including share scheme management;
- appointing the chief executive officer and monitoring the succession plan; and
- rating the performance of the company directors.

A key aspect of the company's governance philosophy is that no one individual has unfettered powers of decision-making. Accordingly, the board comprises six non-executive directors, (two of which are independent), and four executive directors and is chaired by a non-executive chairman. The non-executive directors exert significant influence at meetings. In considering the composition of the board, competency in respect of the company's affairs carries as much weight as independence.

While retaining overall accountability and subject to matters reserved to itself, the board has delegated to the executive directors authority to run the day-to-day affairs of the company. They are held accountable through regular reports to the board and are measured against agreed performance criteria and objectives appropriate to the current stage in the business cycle and the prospects in each business unit. The executive directors meet weekly and interface with senior executives bi-monthly. The objective of these meetings is to assist the chief executive officer in guiding and controlling the overall direction of the business and to act as a medium of communication and co-ordination between operating divisions and the board.

All the directors bring to the board a wide range of expertise, commercial and technical experience, and business acumen that allow them to exercise independent judgement in board deliberations and decisions. Non-executive directors have unrestricted access to management.

Members of the board have unlimited access to the group company secretary, who acts as an advisor to the board and its sub-committees on issues relating to statutory regulations and corporate governance. The group company secretary's competency is evaluated annually. Furthermore, where appropriate, advice of independent professionals may be obtained by any board member at the expense of the company.

There are no long-service contracts in place relating to the positions of any directors. Details of remuneration, fees or other benefits earned by directors in the past year are contained on pages 56 to 61 in the annual financial statements. Board meetings are held at least quarterly and additional meetings are convened when necessary. Board meetings are convened by formal notice incorporating a detailed agenda supported by relevant written proposals and comprehensive reports.

Management aims to disseminate meaningful, relevant and complete information in a timely manner prior to board meetings. Where necessary, decisions are taken between board meetings by written resolution as provided for in the company's articles of association.

The directors have no fixed term of appointment. One third of the board members are required to retire by rotation every year and, if eligible, are considered for re-appointment at the annual general meeting. The names and credentials of the directors are detailed on pages 12 and 13. Any new appointment is considered by the board as a whole. Newly appointed directors have the benefit of an induction programme aimed at deepening their understanding of the group and the business environment and markets in which it operates.

The board has created audit, deal, remuneration and risk management committees to enable it to properly discharge its duties and responsibilities and to effectively fulfil its decision-making process. The board and its committees are supplied with relevant and timely information enabling them to discharge their responsibilities. The directors have access to all company information, records and documents.

ATTENDANCE OF MEETINGS

	Board	Group Audit Committee	Deal Committee	Remuneration Committee	Group Risk Committee
Peter Malungani*	9/9		8/8	2/2	
Phillip Vallet*	8/9	5/5		2/2	
Larry Lipschitz	9/9		7/8		4/4
Sam Abrahams**	9/9	5/5	8/8	2/2	
Leslie Bergman**	7/9				4/4
Glynn Cohen*(1)	1/4				
Dheven Dharmalingam	9/9		8/8		4/4
Peter Granat (2)	5/5				
Basil Greenstone	9/9				
Keith Grunow (3)	4/4		1/3		1/1
Roger Hounsell (4)					
Les Johnston	9/9		6/8		2/3
Bheki Shongwe (5)*	2/4				1/1
Philip Smith	9/9				
Busi Tshili *	8/9	5/5			
Mauro Vico*(6)	4/4				

* Non-executive director
** Independent director
(1) G Cohen resigned as a board member on 16 September 2005.
(2) P Granat resigned as a board member on 16 September 2005.
(3) K Grunow resigned as a board member on 16 September 2005.
(4) R Hounsell, alternate non-executive director to Glynn Cohen, resigned as a board member on 16 September 2005.
(5) B Shongwe resigned as a board member on 23 February 2006.
(6) M Vico resigned as a board member on 16 September 2005.

Board sub-committees

The following committees have been constituted which, in terms of formal written charters, have specific responsibilities delegated to them as well as prescribed reporting obligations:

- Group Audit Committee
- Remuneration Committee
- Deal Committee
- Group Risk Committee

Each board sub-committee acts within formalised terms of reference which has been approved by the board. They set out its purpose, membership, duties and reporting procedures. The sub-committees are subject to regular evaluation by the board in regard to performance and effectiveness.

Group Audit Committee

Sam Abrahams (chairman), Phillip Vallet and Busi Tshili are members of the committee.

All operating divisions have established independent audit committees, chaired by the group financial director, which report to the Group Audit Committee. The Group Audit Committee is notified of all Divisional Audit Committee meetings and members are entitled to attend.

The Group Audit Committee identifies and evaluates exposure to financial risks, reviews the appropriateness and adequacy of the systems of internal financial and operational control, reviews accounting policies, evaluates the appropriateness of using external auditors for non-attest services and provides effective communication between directors, management and internal and external auditors. The board is provided with regular reports and copies of the minutes of the committee's meetings. The group risk manager, group company secretary and internal and external auditors have unrestricted access to the chairman of the Group Audit Committee.

The committee meets at least four times a year. Meetings are attended by invitees, including the chief executive officer, group financial director, group managing director, senior employees of the finance department, external auditors and internal auditors.

The board has determined that the Group Audit Committee has discharged its responsibilities for the year under review in compliance with its terms of reference.

Deal Committee

Sam Abrahams (chairman), Larry Lipschitz, Les Johnston, Peter Malungani and Dheven Dharmalingam are members of the committee. Keith Grunow resigned as a member on 16 September 2005.

This committee meets when required to review and approve all acquisitions within their preset levels of authority. Acquisitions outside their board-approved mandate are reviewed and the appropriate recommendation is then made to the board for consideration and approval. Meetings are attended by invitees, including senior employees of the finance department and group risk manager. The group company secretary acts as the committee secretary.

The board has determined that the Deal Committee has discharged its responsibilities for the year under review in compliance with its terms of reference.

Remuneration Committee

Peter Malungani (chairman), Sam Abrahams and Phillip Vallet are members of the committee.

Composed entirely of non-executive directors, the Remuneration Committee addresses issues relating to the remuneration of directors and senior management and ensures that the remuneration levels are sufficient to attract, retain and motivate directors and executives of the quality needed to run the group successfully.

Super Group's Remuneration Philosophy is to attract, retain, motivate and reward employees to achieve the group's objectives and encourage sustainable long-term performance. Remuneration is reviewed at appropriate intervals to motivate employees to perform to a required standard and to retain their services by offering and maintaining market-related remuneration in line with their performance. Remuneration is linked to corporate and individual performance.

The Remuneration Committee ensures that the executive directors' remuneration mix, in respect of guaranteed remuneration, performance bonuses and share options, is appropriate so as to align the directors' interests with those of shareholders.

Emphasis is placed on succession planning at executive and senior management level. The Chief Executive Officer, in consultation with the Remuneration Committee, is responsible for ensuring that an adequate succession plan is in place. During the period under review, the company embarked on a comprehensive and focused succession management and career development process for senior leadership within Super Group.

The Remuneration Committee approves the remuneration of senior management who earn in excess of R1 000 000 per annum. Adjustments to directors' total remuneration are recommended to the board for individual approval.

In keeping with good corporate governance practices, the Chief Executive Officer attends meetings by invitation only and is not entitled to vote. The Chief Executive Officer does not participate in discussions regarding his own remuneration.

The board has determined that the Remuneration Committee has discharged its responsibilities for the year under review in compliance with its terms of reference.

Group Risk Committee

Leslie Bergman (chairman), Larry Lipschitz, Les Johnston and Dheven Dharmalingam are committee members. Keith Grunow resigned as at 16 September 2005. Les Johnston, Bheki Shongwe and Brian King resigned as at 3 March 2006.

The Group Risk Committee assists the board in discharging its duties relating to corporate accountability with specific reference to risk management, assurance and reporting. The Group Risk Committee seeks to ensure that sound risk management principles are embedded in the day-to-day management of every business unit throughout the group. The committee's duties relate to assisting the board in recognising all material risks to which the group is exposed and ensuring that the requisite risk management culture, practices, policies, resources and systems are progressively implemented and effective.

The current risk management structures provide the board with appropriate assurance that business significant risks are systematically identified, assessed and where appropriate, reduced to acceptable levels in order to meet group risk criteria.

This is achieved by implementing a risk management philosophy statement issued by the board and endorsed by the Chief Executive Officer.

An ongoing systematic, multi-tiered and enterprise-wide risk management process (ERM) supports the group's risk management philosophy. The ERM system allows for the ongoing tracking of control effectiveness associated with the business risks at all levels. The assessment methodology takes into account severity and probability of occurrence. The top risks are consolidated and reported to the Group Risk Committee where they are addressed through the determination and implementation of action plans with the appropriate assignment of accountabilities and responsibilities.

The risk management process has been integrated into strategic processes including acquisitions, due diligences, system implementations and disaster recovery. Substantial procedural models have been developed as part of the ERM system to facilitate this integrated approach.

The Group Company Secretary acts as the committee secretary. The Group Risk Manager oversees the process from the perspective of strategic direction, ongoing improvement in methodology and process, and technical assistance.

Internal audit

The internal audit departments at group level is a recently established independent appraisal function, whose primary mandate is to examine and evaluate the effectiveness of the applicable operational activities and the attendant business risks.

The purpose, authority and responsibility of the internal audit function is formally defined in an internal audit charter, which has been approved by the board and which is consistent with the requirements of King II and the Institute of Internal Auditors (IIA).

The Group Risk Manager currently has responsibility for the management of Internal Audit and reports directly to the group Chief Executive Officer. The Group Risk Manager attends all Audit Committee meetings and reports at these meetings on internal audit plans and progress made in terms of these plans.

The Group Risk Manager has unfettered access to the chairpersons of both the Group Risk and Group Audit Committees.

Divisional audit committees rely on their own internal audit function together with the group function to provide assurance that the necessary controls are in place for timeous management and ongoing monitoring of control effectiveness.

The internal audit function includes the examination of the systems of internal financial control, so as to bring material deficiencies, instances of non-compliance and development needs to the attention of the Audit Committee, external auditors and operational management for resolution.

The internal audit function communicates with other internal and external auditors as well as divisional risk managers to ensure proper coverage and to minimise duplication of effort. The external auditors have full access to all reports issued by internal audit.

The internal audit plan, approved by the Audit Committee, is based on risk assessments, which is of a continuous nature in an attempt to identify not only existing and residual risks, but also emerging risks, as well as issues highlighted by the Audit Committee and senior management.

The Group Audit Committee together with the Divisional Audit Committees endeavour to attest to the fact that there are adequate systems of internal control in place to mitigate significant financial risks faced by the group to an acceptable level. The systems are designed to manage and not eliminate the risk of failure. This ensures that business opportunities are maximised and business opportunities achieved.

Business continuity and technology recovery

A process has been put in place to allow the critical business processes to continue operations at an alternate business location in the event of a large-scale incident disrupting business activity. Extensive testing of the business recovery continues on a cyclical basis.

Compliance

The primary role of the group compliance function is to minimise regulatory risk by assisting management in complying with statutory, regulatory and supervisory requirements. The group Risk Committee, together with the group company secretary, monitors the management of compliance by analysing statutory and regulatory requirements, training staff, monitoring risks and other services.

Fraud hotline

The ethics hotline is managed as an independent mechanism in partnership with an external service provider. Whistleblowers may call in with anonymous tip-offs, which are received by the service provider and relayed to the risk manager for investigation.

The King Code requires companies to introduce mechanisms to combat theft, fraud and other unethical practices. The hotline acts as both a passive and active tool in the combating of unethical behaviour. It sends a clear message to all employees and associates that there is a good probability that they will be caught if they behave in a manner that is detrimental to the business, and that if caught, they will be prosecuted and/or dismissed.

The hotline enforces the group's approach of zero tolerance to crime and unethical behaviour. From time to time, internal communication campaigns are undertaken to stimulate awareness of the hotline and to communicate the anonymity, benefits of the hotline.

Money laundering

The group has issued a manual in terms of the Financial Intelligence Centre Act (FICA) aimed at preventing and properly reporting money laundering and unusual or suspicious transactions.

To date there have been no reports of suspected money laundering activities or unusual or suspicious transactions within any of the group's operations.

Relationships and reporting

Employee participation

The company has adopted a variety of participating structures on issues that affect employees, including, inter alia, the establishment of various consultative fora, training programmes, regular communication through the group's and divisions' in-house magazines and the establishment of a group and divisional HR forums. These structures are designed to achieve good employer/employee relations by encouraging open communication, consultation and identifying and resolving sensitivities and conflicts.

Employment equity

The directors believe that economically viable and self-sustaining employment equity is an essential and integral part of corporate governance within all our businesses. The board of directors has approved a Group Employment Equity Policy. In compliance with the group policy, management of the various business units has initiated various employment equity programmes.

Code of conduct

Super Group is committed to the highest standards of honesty, integrity, behaviour and ethics in dealing with all stakeholders. All directors and employees of the group subscribe to the Super Group Code of Ethics and Business Conduct, which encourages them to maintain high personal ethical standards, to act in good faith and in the best interests of the company. The code also addresses conflicts of interest, particularly relating to directors and management. This ensures that the company's business practices are conducted in a reasonable manner.

No employee may deal, either directly or indirectly, in the company's shares with the knowledge of unpublished price-sensitive information regarding its business or affairs. No director or officer of the company may trade in the company's shares during the embargo periods determined by the board in terms of a formal policy implemented by the group secretary. All trading in shares by directors must be approved in writing by the company chairman or nominated director. Periods of embargo are from the end of a reporting period to the announcement of financial results and from the date of a cautionary announcement until a terms announcement. A register of directors and officers is available for inspection at the company's registered office in Sandton, South Africa.

Occupational health and safety

The directors acknowledge their responsibility to employees and the public for compliance with occupational health and safety standards. In compliance with the terms of the Super Group Health and Safety Policy, an appropriate programme has been implemented throughout the group whereby senior responsible officials in the operations sign off that the operations under their responsibility comply with the relevant legislation and if not, what action plans are being implemented to address this matter.

Third-party management

No part of the company's business was managed during the year by any third party in which any director had an interest.

Communication with stakeholders

Communication to the public and shareholders embodies the principles of balanced reporting, understandability, openness and substance over form. Positive and negative aspects of both financial and non-financial information are provided.

The group is committed to communicating updated financial information on a regular basis to shareholders, investment communities and the public. Detailed interim and annual results are issued in the form of written reports, profit announcements in national newspapers and updates on the JSE Limited news service (SENS). Investors also have access to updated financial information on the investor relations page on the group website. An investor relations manager assists the group with investor relations programmes that encourage ongoing dialogue between senior management and the investment community and media through regular meetings, site visits, financial results presentations, trading updates and one-on-one discussions.

During the period under review, comprehensive financial results were announced in September 2005, March 2006 and June 2006, accompanied by presentations to the asset management and stock broking industries as well as the media.

It is the group's policy to communicate periodic financial information to employees through a more understandable and shorter form of report. The information manual is available on the company website, www.supergrp.com, in compliance with the Promotion of Access to Information Act.

Insurance

The group has a comprehensive insurance programme in place to underwrite the group against a wide variety of possible risks. The insurance levels are reviewed annually to ensure that satisfactory cover is in place.

The group uses specialist insurance financial intermediaries to consider all insurable risks and recommend any risk mitigation activities that the group can undertake. The financial intermediaries also rank risks and assess whether they are insurable, insured or not insured, and whether the group has adequate insurance in place to mitigate risk. Areas where the group is not insured or underinsured are investigated. Concerted efforts are made to mitigate and prevent uninsurable risks.

Going concern

The annual financial statements have been prepared on the going-concern basis. In concluding that this basis is appropriate, the directors have had regard for the group's strong positive cash flows, the availability of unutilised borrowing facilities and the revenue and cash budgets for the period to June 2007. The directors, after due deliberation, have every reason to believe that the group has adequate resources to continue in operation for the foreseeable future.

OUR TRANSFORMATION

SUPER GROUP – TAKING CHARGE FROM THE INSIDE . . .

Super Group is first to acknowledge that organisational readiness and sustainability can only be secured through deliberately and consistently driving the transformation of the business. We recognise that transformation comprises hard and soft, tangible and intangible, explicit and implicit. Essentially, it's all about balance, delivering the numbers and making the investments; managing performance and recognising contribution; customer fulfilment and internal congruence. Most of all, it's about a common vision and the team of people committed to making the impossible possible.

"AN UNDERLYING URGE TO TRANSFORM LIES AT THE BASIS OF ALL EXISTENCE, FINDING EXPRESSION IN THE PROCESS OF GROWTH, DEVELOPMENT, RENEWAL AND DIRECTED CHANGE."

Lewis Mumford

The past number of years has seen Super Group deliver on multiple fronts, many of which have been externally geared. With this momentum now firmly established, today's journey is about harnessing the internal strength and soul within our system – *our People.*

OUR PEOPLE . . . OUR PASSION

The group has embarked upon numerous people-related projects, all of which will cumulatively drive our transformation agenda forward. Projects are primarily focused on internal communications and learning and development.

Sharing our story: internal communications in Super Group

The nucleus of people management is a well-formulated internal communications strategy.

Owing to the importance that the group attaches to this transformation element, the group has put into practice the following:

1 Central ownership for driving internal communications.
2 Decentralised responsibility, through the establishment of an extended cross-divisional leadership team. This team will ensure that applicable information is regularly and timeously disseminated throughout the group.
3 The implementation of our group intranet, SUPERSource, which provides a single reference point for all group companies, thus promoting effective knowledge-sharing.
4 The development of 'Proud to be Super', the group's new formal Orientation and Induction programme, which will ensure a common understanding of the group, both in terms of its business model and value system.

Sharpening our skills: learning and development in Super Group

1 Super Group Learning Academy (SGLA) is a virtual, portal-based learning framework that houses the group's learning processes, offerings and material. It is structured around Centres of Expertise, ranging from End-user Training to Leadership and Management Development.
2 Super Group Development Hub established some two years ago, is a SETA-accredited training centre. Our skills resource base now includes an Assessor, Moderator, Evaluator, Skills Development Facilitator and Master Microsoft Office Suite Instructor. To date, the Development Hub has successfully trained over 450 individuals in information technology and various soft skills programmes. The Development Hub has extended its service offering to include customised training and development, skills development facilitation and skills development levy recoveries from the various SETAs.
3 Leadership and Management Development saw a significant investment this past period. Interventions to develop the group's leadership core include a tailored mini-MBA programme and management development programme internships. The group will continue to leverage the success of these interventions in future years, extending the learnings to a broader key talent pool.

OUR BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE) PROGRESS

Super Group understands the importance of contributing to the social upliftment and economic development of our country. The group has implemented a structured black economic empowerment (BEE) programme to address many of the inequalities of the past. We are confident that our strategy of growth will create additional opportunities for our people, which in turn will significantly impact our transformation efforts.

The past year has seen an amplified focus from the group at a broad-based level, as witnessed by the many new initiatives and projects introduced through the year. We are confident that our next BEE rating will enjoy a marked improvement in recognition of our recent investments.

BEE ownership

Direct ownership

Over the years, Super Group has actively engaged and partnered with many black-owned businesses and entrepreneurs. Through these many interactions, a number of solid relationships were forged, one such being the relationship between Super Group and Peu Group (Pty) Limited, a black wholly owned private company. This association was established some nine years ago and the synergies between the two groups were evident from the outset.

Super Group, in partnership with Peu had the vision of creating a truly South African fleet management company, one that would educate and empower previously disadvantaged individuals, enabling them to become valued members of the company and contributors to the economy as a whole. This relationship was formalised in 2000 when Peu acquired, with the assistance of Super Group, a 30% stake in FleetAfrica. Their vision, supported by the relationship that matured over many years, was a partnership built on strong values of trust, mutual respect and value creation.

Owing to the value created from this partnership, in August 2004, Peu Group, together with black employees, acquired more than 25,1% of Super Group. In addition to raising finance to acquire shares in Super Group Limited, Peu as part of this transaction converted its 30% investment in FleetAfrica into Super Group Limited shares. This transaction affords Peu the right to appoint a minimum of 25% of the group's board of directors and allows for active participation on all committees that influence the operations and strategies of Super Group.

Super Group has also been rated top in our sector in the Financial Mail BEE review for the past two years.

Indirect ownership

Based on an analysis of pension funds and other institutional investors, using the group's discretion to classify these shareholders, Super Group estimates that black individuals and groups indirectly own in excess of 20% of the group.

Management

Super Group continues to promote opportunities for black managers to engage at a strategic level. Through numerous network opportunities and increased levels of participation in many of the group's decision-making structures, these individuals have significantly contributed to the Super Group business. Decision-making structures include membership on the Super Group board, various Board sub-committees and divisional management committees.

Peter Malungani, founder and executive chairman of Peu, is the appointed non-executive chairman. 30% of Super Group's board of directors are black individuals, and 10% are black women. Black directors participate on sub-committees that influence the operations and strategies of the group.

Key black appointments made at the senior level have further aided the group's transformation efforts. Tangible evidence of the success associated with these appointments is the immediate injection of broad-based business acumen into each respective business.

With the Chief Executive Officer at the helm of Super Group's transformation programme, the group's commitment to transformation is palpable.

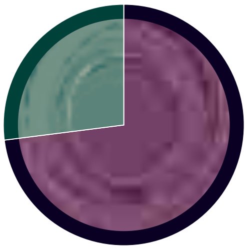
Employment equity

As a group, we place enormous value on diversity, in its many forms. We believe that our employees hold the key to our ability to successfully transform our business and as such, our commitment to achieving demographic representation is unwavering.

Whilst significant progress has been made in pockets of the business, additional improvements are still required across the greater business.

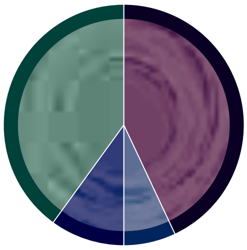
OUR TRANSFORMATION

SA group profile: total designated (Black, Coloured, Indian and White females) versus non-designated splits



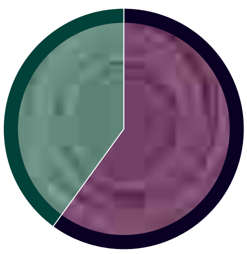
Designated group 73%
Non-designated group 27%

SA group profile: ethnic splits



Black 43%
Coloured 7%
Indian 10%
White 40%

SA group profile: Black (Black, Coloured and Indian) versus White employee split



Black employees 60%
White employees 40%

To this end, a structured programme has been developed to assist the various group companies with their respective transformation challenges.

Divisional Managing Directors are accountable for the development and promotion of their black talent pools, to ensure sustainable transformation of our employee profile, at all levels of the group. Our people attraction and selection process has been reworked, to place further emphasis on applicable affirmative appointments.

Super Group's people strategy continues to be underpinned by:

- strategic management of our human capital;
- ongoing facilitation of transformation across all group companies; and
- incubation of a diverse, business-relevant group culture.

The group's progress on the employment equity front is fully supportive of the Government's BBBEE strategy and is noted in the marked improvement of designated representation at the middle to senior management levels. The group's current demographic profile is best represented by the pie charts to the left.

Skills development

We recognise that the sustainability of our business is dependent on the depth and breadth of our intellectual property. To this end, the company has renewed its focus on learning and development, creating an environment within which all our employees are afforded both personal and professional development opportunities.

Career advancement and managerial skills were earmarked as priority areas last year and as such, 2006 saw the implementation of multiple management and leadership programmes. Our career development process will actively promote cross-divisional placement opportunities for all our people. Specific emphasis will be placed on mobilising development learnings for our black talent, which in turn will support our employment equity targets and profile. Significant investments were again made in various business and soft skills development programmes, to ensure skills development and transfer.

In April 2006, our Dealership business implemented an apprenticeship programme. After a stringent selection process, 26 apprentices were employed, of which 22 are from previously disadvantaged backgrounds. The success of this programme had laid the foundation for future investments into similar initiatives.

In the prior year, the group successfully ran two learnerships, as part of the BMF/SETA learnership programme for four black learners in the Project Management and Administration disciplines. All four learners were extended permanent offers of employment during the current financial year in FleetAfrica, at the conclusion of their learnerships. The group will continue to make investments in this area going forward.

Our driver training initiative remains a key area of focus for us and owing to the collective efforts of our training team, an additional 723 drivers were tested this year. The group has trained around 1 700 drivers to date.

HIV/AIDS education and training continue to receive group attention. A training module on the impact of HIV/AIDS has been incorporated into a localised induction programme facilitated for all new employees within our Warehousing and Transport operations.

A total of R11 million was spent on training this past fiscal year.

Preferential procurement

Super Group continues to implement its preferential procurement policy, which incorporates procurement from BEE enterprises, Qualifying Small Enterprises (QSEs), Exempt Micro Enterprises (EMEs) and local companies in close proximity to our business operations. We are awaiting the release of the latest Codes of Good Practice and will continue to enhance our policies to keep pace with the changing legislation.

Last year we commenced a supplier accreditation programme, which we are continually updating. This supplier database tracks the supply of goods and services by all BEE companies, QSEs and EMEs for the group, providing us with an integrated view of our procurement patterns and profiles. Super Group has set an interim preferential procurement target of 70%.

Enterprise development

One of the cornerstones of the group's BEE strategy lies in its ability to partner with appropriate black companies to establish mutually viable business partnerships. Where the culture and values are congruent, relationships are formalised.

This past fiscal year has seen sizable investments made in a number of job creation initiatives. Some of our sustainable projects are reflected below:

Our Owner-Driver scheme continues to grow through the efforts of our Supply Chain business. This year more than 700 drivers were evaluated for participation in the Owner-Driver Programme. After a rigorous selection process, a further nine drivers received financial assistance from the company for the purchase of their vehicles. To date, R14 million has been advanced to the drivers for deposits on vehicles and an additional R9 million has been advanced as working capital, once again furthering our commitment to this worthy initiative. To date, 130 owner operators have benefited from this initiative.

The AutoZone and Mica brands have voluntary trading initiatives that offer entrepreneurs the opportunity to join Super Group and thereby benefit from an advertising and marketing campaign that, as an individual, would not be possible. The benefit of many years' experience in the industry is offered to assist the entrepreneur with store layouts, stockholding, IT and store set-up. To date we have assisted 31 black entrepreneurs in this regard.

The Stopwash Car Valet Service has created over 900 sustainable jobs since its inception in 2001. The concept underlying Stopwash is to empower people with the skills necessary to earn a sustainable income. Stopwash is a self-liquidating project, initially financed with an investment of R3 million. On average, 13 000 cars are washed monthly at multiple sites in and around Gauteng. Stopwash teams are under contract in some of Super Group's major dealerships, where approximately 60 people are employed. A further 300 car valet technicians are actively engaged at 27 office sites and 550 car valet technicians offer their services at shopping centres. Stopwash has secured the preferred supplier status with Engen to provide car wash solutions for its forecourts. A range of car washing products, which will be distributed through Glomail, will provide the necessary funding to continue expanding this successful job creation programme.

Our investment into the 'Men on the Side of the Road' initiative resulted in the creation of 75 new jobs for individuals involved in this unique programme. The initiative, launched by Mayor Amos Masondo, focuses on formalising job opportunities for casual labourers that sit at 172 pick-up sites across Johannesburg.

Our Fleet Solutions business, through the establishment of a Vehicle Valet initiative in the Eastern Cape, has created jobs for 66 people as part of the first phase roll-out. R500 000 has been invested in this initiative to date.

Social development

Super Group believes that we have a pivotal role to play in the upliftment of the community and society in which we do business. Our commitment to corporate social investment extends beyond a financial contribution. It is embodied through the many employees within Super Group that personally give of their time to make a difference to their respective communities.

OUR TRANSFORMATION

The group's social development initiatives are driven at a group, divisional and corporate level, and are aimed at all the communities within which we operate. These initiatives make a tangible difference to the communities' livelihood, well-being and long-term sustainability. The group will continue to support such initiatives, not only from a monetary perspective, but also through an investment of our skills base, knowledge, expertise and resources.

Sub-committees within each business provide direction to their social investment initiatives. Through these committees, funds are managed under the leadership of designated individuals and projects are evaluated against the strategic deliverables applicable to each respective business.

For the purposes of this report, we've integrated our corporate social investment spend, scorecard defined, with our community-based initiatives, to allow for a single social upliftment view.

The Super Group Community Challenge competition was launched to encourage the various businesses within the group to actively explore and participate in social investment and community-based initiatives of their choice. The winning businesses receive R500 000 which can either be donated to charities of their choice or to fund their next Community Challenge. This project not only instils within our employees a commitment to the community, but a sense of pride in the realisation that they are working for an organisation that engenders respect for people, its communities and the environment.

In recognition of the multiple efforts made by our various businesses, we've provided a breakdown of their contributions to the group's Social Development response.

Our Supply Chain Management business raised the majority of their funds from an annually hosted charity golf day, in partnership with the Sun City resort. This year the business raised well over R1,1 million to support their selected initiatives.

The money raised has been allocated to various causes including:

- HIV/AIDS initiatives
- Child welfare
- Community projects
- Education
- Social upliftment/unemployment
- Staff welfare

During the period the business donated R335 000 to the Tapologo AIDS-Hospice, an outreach programme in Phokeng. The programme supports 10 AIDS clinics in the Rustenburg area.

The business also donated a bus and the services of a driver to arrange for the transport of children from Alexandra to the Balfour Park soccer club, to allow the children to express themselves on the sports field.

The Supply Chain Management division continues to support the Rotary Children's home in Randburg, Nkosi Johnson's home in Berea, a Halfway House for Abused Women and Children and the Olievenhouts-bosch project.

In partnership with Sasko, we donate one ton of maize every alternate month to the Sun City Feeding scheme. We also sponsor vehicles for the group-initiated Stopwash project and the National Rugby Union development programme.

Our Fleet Solutions business also made substantial contributions on the social development front, resulting in a total investment of just under R3 million, comprising an indirect investment of R2,1 million and a direct investment of R900 000.

Some of the projects supported include:

- Luthando Agricultural Project
- Blair Atholl Schools Community
- Pathways
- Lerato Love Home
- JMPD Scholar Patrol

Fleet Solutions donated clothes, shoes, toys and time during their employee volunteer outreach programme. This initiative aims to encourage employees to actively contribute their time and effort.

The business also supported the regeneration of the Inner City of Johannesburg project, by seconding 20 of our employees to the waste management entity, PIKITUP.

Our Retail Supply Chain business contributed just under R1 million to their chosen charities and projects, some of which are listed below:

- CHOC
- Children's Feeding Trust
- Denver Men's Hostel
- Ekukhanyeni Mission School
- FWC AIDS Shelter
- Meals on Wheels

- Oliver's House
- Reach Out Support Centre
- Sisters of Charities

The business supports the Denver Job Creation Project, with the investment geared towards sharing of skills, expertise and resources. Employees collectively raised R60 000 for the Blanket project, another community-driven initiative.

Our Dealerships business continued to sponsor and support many of their chosen social investment programmes. Dealerships have geared most of their spend to education and the development of the country's youth. Various social development initiatives were supported through the year by the business, some of which include:

- Boksburg North Street kids
- Acres of Love
- Down Syndrome Children charity
- Hospice Rustenburg
- Johannesburg Child Welfare
- Making a Difference charity
- Pro-Practicum School for the Underprivileged
- Train your children for life project
- Trinity School
- West Lake Equestrian

OUR CHALLENGES

Key talent retention and succession planning continue to present challenges for the group. That said, much is afoot to address these areas and we are confident that we will make progress in the year ahead.

An area that continues to influence our business is the threat of HIV/AIDS. The socio-economic impact of the disease is significant, as not only are our own people at risk, so too are their families and the communities they serve. This risk broadens to include our service providers, customers and the very infrastructure of our country.

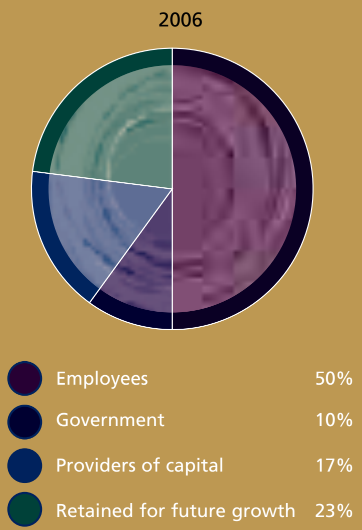
The group has responded to the HIV/AIDS plight in a myriad of ways. Some of the steps taken to date include:

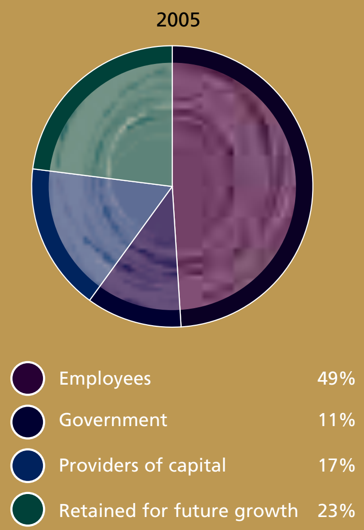
- A thorough analysis of the risks and impact that the virus has on the group and its workforce and taking appropriate steps to mitigate against the risks;
- The implementation of an HIV/AIDS policy, one that is rooted in non-discrimination practices, education, communication, counselling and confidentiality;
- The facilitation of interventions focused on HIV/AIDS awareness, education and prevention;
- Consistent reviews of the group's employment practices to ensure the fair treatment of employees affected by and infected with HIV/AIDS; and
- Where appropriate, and with our employees' consent, exploring ways of providing support and enabling access to voluntary testing.

The group's HIV/AIDS policy is reviewed periodically to ensure its relevance and to further ascertain whether all associated risks are appropriately managed. The policy implementation is monitored by a group management network comprising various divisional committees. Where appropriate, professional service providers are partnering with specific areas of the group to ensure expert support and confidential counselling.

To cement our commitment to the HIV/AIDS fight, a number of projects continue to receive financial support from the group.

"2006 SAW THE IMPLEMENTATION OF MULTIPLE MANAGEMENT AND LEADERSHIP PROGRAMMES."





VALUE ADDED STATEMENT

"Value added" is the value which the group has added to its products and services. This statement shows how the value so added has been allocated amongst our various stakeholders.

	2006		2005	
	R000	**%**	R000	%
Revenue	**12 363 153**		8 444 942	
Goods and services provided	**9 820 111**		6 654 478	
Total wealth created	**2 543 042**		1 790 464	
Allocated as follows:				
To employees	**1 267 600**	**50**	892 296	49
To government	**257 332**	**10**	195 025	11
To providers of capital	**445 133**	**17**	303 661	17
Total wealth allocated	**1 970 065**	**77**	1 390 982	77
Retained for future growth	**572 977**	**23**	399 482	23
Total wealth distributed	**2 543 042**	**100**	1 790 464	100

GROUP ANNUAL FINANCIAL STATEMENTS

COMPANY ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors of Super Group are responsible for preparing the group annual financial statements and other information presented in the report in a manner that fairly presents the state of affairs and results of the operations of the group. The external auditors are responsible for carrying out an independent examination of the annual financial statements in accordance with International Standards on Auditing and reporting their findings thereof.

The annual financial statements of the group and company for the 15-month period ended 30 June 2006 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act. They are based on appropriate policies and are supported by reasonable and prudent judgements and estimates. No event, other than as disclosed in the Chief Executive Officer's and Group Financial Director's report, material to the understanding of this report, has occurred between the financial year-end and the date of this report.

In the context of their audit, carried out for the purposes of expressing an opinion on the fair presentation of the annual, financial statements, the auditors have concurred with the disclosures of the directors on going concern.

These annual financial statements have been approved and authorised for issue by the board of directors and are signed on its behalf by:

Dr L Lipschitz
Chief Executive Officer

D Dharmalingam
Group Financial Director

5 December 2006

CERTIFICATE BY THE GROUP COMPANY SECRETARY

In my capacity as Group Company Secretary, I hereby confirm that for the period ended 30 June 2006, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act, 1973, and that all such returns are correct and up to date.

Ms JI Van Es
Group Company Secretary

5 December 2006

REPORT OF THE INDEPENDENT AUDITORS

Report of the independent auditors to the members of Super Group Limited

We have audited the annual financial statements and group annual financial statements of Super Group Limited set out on pages 54 to 115 for the period ended 30 June 2006. These financial statements are the responsibility of the directors.

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group at 30 June 2006 and the results of their operations and cash flows for the period then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in South Africa.

KPMG Inc.
Registered Auditor

Per D Thompson
Chartered Accountant (SA)
Registered Auditor
Director

5 December 2006
KPMG Crescent 85 Empire Road
Parktown Johannesburg

DIRECTORS' REPORT

The directors present their report which forms part of the audited annual financial statements of the company and of the group for the 15-month period ended 30 June 2006.

NATURE OF BUSINESS

Super Group Limited (Registration no 1943/016107/06), the holding company of the group, is a company listed in the "Industrial Transportation" sector of the JSE Limited.

Super Group is an integrated supply chain management business whose primary operating activities comprise supply chain management, retail supply chain, African transport, fleet solutions and dealerships.

CHANGE OF YEAR-END

The group changed its year-end from 31 March to 30 June. This change has been effected to align internal processes and harmonise the release of the group's results with most of its peers. Consequently, the current reporting period represents 15 months whilst comparative information only includes 12 months. Refer to page 1 where unaudited pro forma information is provided for comparative purposes.

FINANCIAL RESULTS

The results for the 15-month period are set out in the financial statements presented on pages 54 to 115 of this report and are more comprehensively dealt with in the Chief Executive Officer's and Group Financial Director's reports.

These are the first financial statements prepared in compliance with International Financial Reporting Standards (IFRS).

PROPERTY, PLANT AND EQUIPMENT

There were no major changes in the nature of the group's property, plant and equipment, or the policy relating to their use, during the period.

SHARE CAPITAL

The authorised and issued share capital is detailed in note 14 to the financial statements.

In terms of the general authority granted to the directors at the annual general meeting held on 2 September 2005, 12 578 521 shares have been repurchased by a subsidiary company and the consolidated Incentive Scheme Trust representing 3,1% of the issued share capital at an average price of R10,93. Ordinary shareholders' equity has been reduced by the cost of these shares through the share buyback reserve.

DIRECTORS AND GROUP COMPANY SECRETARY

The names of the directors who presently hold office are set out on pages 12 and 13.

In terms of the articles of association Messrs S Abrahams, B Greenstone, P Malungani and P Vallet retire at the next general meeting. Being eligible, they offer themselves for re-election.

DIVIDENDS

Dividends in respect of the following financial periods have been paid:
37 cents per share in respect of 2005 financial period, declared on 27 May 2005 and paid on 11 July 2005;
40 cents per share in respect of 2006 financial period, declared on 26 September 2006 and paid on 23 October 2006.

The board of directors is satisfied that the capital remaining after payment of the dividend is sufficient to support the current operations and to facilitate future development of the business.

RESOLUTIONS

Special resolutions authorising the company to acquire up to 20% of its issued share capital were passed at the annual general meeting of Super Group Limited held on 2 September 2005.

No special resolutions, the nature of which might be significant to members in the appreciation of the affairs of the group, were passed by any subsidiary companies during the period covered by this report.

OPERATING SUBSIDIARIES

Refer to page 115 for further details.

SHARE OPTION SCHEMES

Refer to note 36 for information relating to option schemes and share-based payments.

AUDITORS

KPMG Inc. continued in office as auditors of Super Group Limited and its subsidiaries. At the annual general meeting on 31 January 2007, shareholders will be requested to appoint KPMG Inc. as auditors of Super Group Limited for the 2007 financial year.

SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance occurring between the balance sheet date and the date of this report that materially affects the results of the group for the 15-month period ended 30 June 2006 or the financial position at that date other than as disclosed in the Chief Executive Officer's report.

DIRECTORS' REMUNERATION

The Remuneration Committee is mandated by the Super Group board to support and advise on the group's remuneration philosophy and policy.

Refer to the Governance report on page 40 for details on the composition, meetings and mandate of the Remuneration Committee. During the period under review, the board accepted the recommendations of the Remuneration Committee under its delegated powers.

The chairman of the board ensures that the Remuneration Committee has access to professional advice from outside the company.

Policy on directors' remuneration

The directors are appointed to the board to bring to the management and direction of the group the skills and experience appropriate to its needs as a diversified leading South African business. They are, accordingly, remunerated on terms commensurate with market rates that recflect such responsibilities, taking into account industry norms and local benchmarks.

Directors are appointed by the shareholders at a general meeting. Interim board appointments may be made between general shareholder meetings. Interim appointees are required to retire at the next general shareholder meeting where they make themselves available for election by shareholders.

Executive directors' remuneration

The committee aims to align the directors' total remuneration with shareholders' interest by ensuring that a significant portion of their package is linked to the achievement of performance targets.

Executive directors' salaries comprise a cash salary which is reviewed annually by the committee. Salaries are compared to pay levels of other South African companies to ensure sustainable performance and market competitiveness. The individual salaries of directors are reviewed annually in light of their own performance, experience, responsibility and company performance. The company makes contributions to defined contribution plans on behalf of the executive directors on the basis of a percentage of cash salary. Death and disability cover reflects best practice amongst comparable employers in South Africa. Other benefits include car and travel benefits and cover on the group's medical healthcare scheme. These elements comprise the fixed remuneration component. Executive directors do not receive directors' fees.

Executive directors participate in annual incentive bonus plans which are devised to focus management on sustainable performance. This annual incentive rewards the achievement of increased group performance and business segment financial targets where applicable.

The following tables show a breakdown of the annual remuneration (excluding equity awards) of directors for the 15-month period ended 30 June 2006 and the12-month period ended 31 March 2005.

15 months to 30 June 2006	Gross remuneration[1] R	Retirement contributions R	Other material benefits[2] R	Total excluding performance bonus R	Performance bonus[3] R	**Total R**
L Lipschitz	3 970 573	584 858	154 523	4 709 954	3 205 000	**7 914 954**
L Johnston	2 518 958	316 179	125 675	2 960 812	2 060 000	**5 020 812**
KN Grunow[4]	900 448	–	47 656	948 104	2 060 000	**3 008 104**
PLB Granat[4]	752 754	–	22 042	774 796	524 649	**1 299 445**
PA Smith	1 560 856	185 816	106 119	1 852 791	400 000	**2 252 791**
D Dharmalingam	1 867 510	247 876	157 034	2 272 420	750 000	**3 022 420**
Total	**11 571 099**	**1 334 729**	**613 049**	**13 518 877**	**8 999 649**	**22 518 526**

12 months to 31 March 2005	Gross remuneration[1] R	Retirement contributions R	Other material benefits[2] R	Total excluding performance bonus R	Performance bonus[3] R	**Total R**
L Lipschitz	3 068 675	508 139	146 106	3 722 920	3 810 000	**7 532 920**
L Johnston	2 028 750	144 554	62 833	2 236 137	2 010 000	**4 246 137**
RJN Ballentine[6]	2 028 750	30 323	50 881	2 109 954	2 210 000	**4 319 954**
KN Grunow	2 148 608	32 267	80 465	2 261 340	2 015 000	**4 276 340**
PLB Granat[5]	439 447	–	21 157	460 604	–	**460 604**
PA Smith[5]	508 724	48 670	29 910	587 304	168 761	**756 065**
D Dharmalingam[5]	516 274	76 847	38 906	632 027	–	**632 027**
Total	**10 739 228**	**840 800**	**430 258**	**12 010 286**	**10 213 761**	**22 224 047**

[1] Gross remuneration comprises base salary and other allowances.
[2] Other material benefits include entitlement to fuel, cover on the group's medical health care and disability scheme and funeral benefits. These benefits are granted on similar terms to other senior executives.
[3] Refers to incentives awarded based on the group results of the previous financial period.
[4] Directors resigned during the 15-month period to 30 June 2006. Remuneration is until resignation from the board on 16 September 2005.
[5] Directors appointed during the 12-month period to 31 March 2005. Remuneration is from date of appointment to board.
[6] Director resigned during the 12-month period to 31 March 2005. Remuneration is until date of resignation from the board.

DIRECTORS' REPORT (CONTINUED)

Non-executive directors' fees

Non-executive directors generally receive fixed fees for service on boards and board committees. Non-executive directors do not receive short-term incentives nor do they participate in any long-term incentive schemes. The fees paid to non-executive directors were approved by the Remuneration Committee and the Super Group board of directors.

	Travel allowance R	Directors' fees R	Chairman's/ Deputy Chairman's fee R	**15 months ended 30 June 2006 Total R**	12 months ended 31 March 2005 Total R
SE Abrahams	30 000	662 500		**692 500**	490 000
P Vallet[2]		394 717	312 500	**707 217**	408 000
LF Bergman		87 500		**87 500**	75 000
B Greenstone		160 000		**160 000**	98 000
GD Cohen[3]					25 000
RC Hounsell[3]					25 000
MP Malungani		107 500	312 500	**420 000**	125 000
M Vico[4]		50 000		**50 000**	62 500
CB Tshili[1]		100 000		**100 000**	12 500
BJT Shongwe[1/3]		25 000		**25 000**	12 500
Total	**30 000**	**1 587 217**	**625 000**	**2 242 217**	**1 333 500**

[1] Directors appointed during the 12-month period to March 2005. Remuneration is from date of appointment to the board.
[2] Billed by Fluxmans Inc. P Vallet's full-time employer.
[3] Director resigned during the 15-month period to 30 June 2006. Remuneration is until date of resignation from the board.
[4] Director resigned as director of Super Group Limited during 15-month period to 30 June 2006 but retained his directorships of Super Group subsidiary companies.

DIRECTORS' SERVICE CONTRACTS

There are no fixed-term service contracts for executive or non-executive directors. Executive directors have employee service agreements with notice periods of 30 days, including severance payments consequent upon termination of employment arising from a change in control.

DIRECTORS' SHARE OPTION AND INCENTIVE SCHEMES GRANTS

Directors participate in the group's share option and incentive schemes, which are designed to recognise the contributions of senior staff to the growth in the value of the group's equity and to retain key employees. Within the limits imposed by the company's shareholders, options are allocated to the directors and senior staff in proportion to their contribution to the business as reflected by their seniority and the company's performance. The options, which are allocated at a price determined by the directors, in terms of a resolution and the applicable JSE Limited rules, vest after stipulated periods and are exercisable over a four-year period in terms of the trust deed rules.

Share option allocations are considered annually and are recommended by the Remuneration Committee and the trustees of the share trust and approved by the board of directors.

Shareholders approved the introduction of two new schemes at the previous annual general meeting. The underlying principle of these schemes is to provide direct linkage between the interests of shareholders and the efforts of executives or managers. Performance conditions relate inter alia to total shareholder return relative to a peer group, return on capital employed and cash generated. Targets are linked where applicable to the group's medium-term business plan, over rolling three-year performance periods. Certain executive directors have an interest in the various share incentive schemes of the group. The Share Appreciation Right Scheme (SARS) and the Long-Term Incentive Plan (LTIP) both incorporate performance target requirements which must be met before the exercise of the share option is permitted. The performance targets are set by the Remuneration Committee and may be varied from time to time.

Analysis of directors' share options as at 30 June 2006

	Entitlements under share option					
	Opening balance	Granted under SARS/LTIP	Share options exercised	Share options lapsed	Closing balance	Gain on exercise of share options[2] R000
Executive directors						
L Lipschitz	2 995 000	595 646	–	–	3 590 646	–
L Johnston	1 720 000	293 748	260 000	–	1 753 748	1 106
PLB Granat[1]	390 000	–	150 000	–	240 000	–
KN Grunow[1]	1 720 000	–	1 005 000	715 000	–	1 235
PA Smith	1 050 000	–	250 000	–	800 000	1 998
D Dharmalingam	750 000	235 891	–	–	985 891	–
Non-executive directors						
None	–		–	–	–	–
	8 625 000	**1 125 285**	**1 665 000**	**715 000**	**7 370 285**	**4 339**

[1] Resigned as a director of Super Group Limited on 16 September 2005.

[2] For the purposes of disclosing benefits derived from share options, disclosure is given of actual gains realised and not the allocation of the share-based payment charge.

Analysis of directors' share options as at 31 March 2005

	Entitlements under share option			
	Opening balance	Share options exercised	Closing balance	Gain on exercise of share options R000
Executive directors				
L Lipschitz	2 995 000	–	2 995 000	–
L Johnston	2 070 000	350 000	1 720 000	2 738
RJN Ballentine[1]	2 960 000	890 000	2 070 000	5 375
KN Grunow	2 700 000	980 000	1 720 000	8 085
PL Granat	465 000	75 000	390 000	918
PA Smith	1 050 000	–	1 050 000	–
D Dharmalingam	750 000	–	750 000	–
	12 990 000	2 295 000	10 695 000	17 116
Non-executive directors				
B Greenstone	187 281	187 281	–	1 154
GD Cohen	275 000	275 000	–	2 084
M Vico	192 000	192 000	–	1 245
	654 281	654 281	–	4 483
	13 644 281	2 949 281	10 695 000	21 599

[1] Resigned as a director on 28 January 2005.

BENEFICIAL AND NON-BENEFICIAL SHAREHOLDING

The aggregate beneficial holdings at 30 June 2006, held by the directors of the company and their immediate families, in the issued shares of the company and details of future entitlements under the share option schemes and share incentive arrangements are detailed below:

Directors' shareholding as at 30 June 2006

	Number of fully paid shares held		Future entitlements under share option shemes		Future entitlements under share incentive arrangements	
	Direct	Indirect Ordinary & 'A' ordinary	Share option scheme[1] Number of shares	Share option scheme[2] Number of shares	Share appreciation rights scheme[5]	Long-term incentive plan[6]
Executive						
D Dharmalingam				750 000	151 644	84 247
PLB Granat[4]				240 000		
KN Grunow[4]						
L Johnston		434 934	420 000	1 040 000	188 838	104 910
L Lipschitz	15 518 748	2 518 259	1 045 000	1 950 000	397 097	198 549
PA Smith	39 775		300 000	500 000		
Non-executive						
SE Abrahams						
LF Bergman						
GD Cohen[4]		125 000				
B Greenstone		289 908				
MP Malungani[3]		23 838 926				
BJT Shongwe[4]						
CB Tshili[3]		1 610 738				
P Vallet						
M Vico[4]						
RC Hounsell[4]						
	15 558 523	28 817 765	1 765 000	4 480 000	737 579	387 706

[1] Share option scheme at a strike price of R4,16 with last tranche exercisable on or after 30 November 2005.
[2] Share option scheme at a strike price of R7,20 with the next tranche being exercisable on or after 1 January 2007.
[3] Peu Group (Pty) Ltd currently hold 108 399 365 Super Group Limited shares (40 268 456 ordinary shares and 68 130 900 'A' ordinary shares in Super Group Limited). MP Malungani and CB Tshili are shareholders and directors of Peu Group (Pty) Limited.
[4] Directors who resigned during the course of the 15-month period ended 30 June 2006.
[5] Directors were granted rights to receive shares at R10,95 ending 30 June 2008. The Share Appreciation Rights Scheme 2005 was approved at the Annual General Meeting on 2 September 2005.
[6] Directors were granted conditional awards of shares at R10,95 based on performance over a three-year period ending June 2008. The Long-Term Incentive Plan 2005 was approved at the Annual General Meeting on 2 September 2005.

There have been no material changes in these shareholdings since 30 June 2006.

Directors' shareholding as at 31 March 2005

	Number of fully paid shares held			Future entitlements under share option schemes	
	Direct	Indirect	Note	Share option scheme[1]	Share option scheme[2]
Executive					
RJN Ballentine				770 000	1 300 000
D Dharmalingam					750 000
KN Grunow				420 000	1 300 000
PLB Granat				90 000	300 000
L Johnston		434 934		420 000	1 300 000
L Lipschitz	15 518 848	3 268 109		1 045 000	1 950 000
PA Smith	39 775			550 000	500 000
Non-executive					
MP Malungani		23 838 926	3		
P Vallet					
SE Abrahams					
LF Bergman					
GD Cohen		125 000			
B Greenstone		469 406			
M Vico					
BJT Shongwe		1 932 886	3		
CB Tshili		1 610 738	3		
RC Hounsell					
	15 558 623	31 679 999		3 295 000	7 400 000

[1] Share option scheme at a strike price of R4,16 with last tranche exercisable on or after 30 November 2005.
[2] Share option scheme at a strike price of R7,20 with the next tranche being exercisable on or after 1 January 2006.
[3] Peu Group (Pty) Limited currently holds 108 399 365 Super Group Limited shares (40 268 456 ordinary shares and 68 130 900 'A' ordinary shares in Super Group Limited). MP Malungani, BJT Shongwe and CB Tshili are shareholders and directors of Peu Group (Pty) Limited.

Save for the share option and incentive scheme grants, no arrangements to which the company was a party existed at the end or at any time during the 15 month period, which would enable the directors or their families to acquire benefits by means of the acquisition of shares in the company. No director, other than MP Malungani and L Lipschitz, has a shareholding in excess of 1%.

Interest of directors in contracts

The directors have certified that they were not materially interested in any transaction of material significance and which significantly affected the business of the group, with the company or any of its subsidiaries. Accordingly, a conflict of interest with regard to directors' interests in contracts does not exist. There have been no material changes in the aforegoing since 30 June 2006 and the date of this report.

Directors trading in company securities

All directors are required to obtain clearance prior to trading in company securities. Such clearance must be obtained from the chairman or in his absence by a designated director. Directors are required to inform their portfolio/investment managers not to trade in the securities of the company unless they have specific written instructions from that director to do so. Directors also may not trade in their shares during closed periods. Directors are further prohibited from dealing in their shares at any time when they are in possession of unpublished price-sensitive information in relation to those securities, or otherwise where clearance to deal is not given. Due to the inability of the company and executives to trade in securities, the final exercise date of the R4,16 option scheme was extended.

CONSOLIDATED BALANCE SHEETS

	Note	30 June 2006 R000	31 March 2005 R000
ASSETS			
Non-current assets			
Property, plant and equipment	2	**1 247 150**	819 450
Full maintenance lease assets	3	**1 351 538**	1 245 162
Intangible assets	4	**188 661**	116 404
Goodwill	5	**1 060 902**	860 352
Investments in associates	6	**6 151**	78 369
Investments and other non-current assets	7	**131 674**	117 966
Deferred tax assets	8	**73 212**	63 671
		4 059 288	3 301 374
Current assets			
Inventories	9	**1 120 832**	778 725
Trade and other receivables	10	**1 861 946**	1 297 933
Investments held for sale	11	**40 312**	–
Cash and cash equivalents	12	**860 571**	909 581
		3 883 661	2 986 239
Total assets		**7 942 949**	6 287 613
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of Super Group Limited	13	**1 754 857**	1 809 008
Minority interest		**142 819**	110 987
Total equity		**1 897 676**	1 919 995
Non-current liabilities			
Fund reserves	16	**200 893**	104 064
Full maintenance lease borrowings	3	**804 062**	369 983
Interest-bearing borrowings	17	**1 768 250**	1 361 041
Deferred tax liabilities	8	**198 234**	193 079
		2 971 439	2 028 167
Current liabilities			
Bank overdrafts	12	**18 689**	7 543
Short-term full maintenance lease borrowings	3	**339 723**	627 666
Short-term interest-bearing borrowings	17	**217 081**	58 802
Trade and other payables	18	**2 124 319**	1 378 569
Taxation		**70 032**	84 458
Shareholders for dividends		**2 357**	841
Provisions	19	**301 633**	181 572
		3 073 834	2 339 451
Total equity and liabilities		**7 942 949**	6 287 613

CONSOLIDATED INCOME STATEMENTS

	Note	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
Revenue	20	**12 363 153**	8 444 942
Depreciation, amortisation and recoupments	22	**(306 381)**	(211 295)
Operating expenditure – excluding capital items	22	**(11 167 794)**	(7 596 922)
Trading profit		**888 978**	636 725
Operating expenditure – capital items	21	**(77 826)**	(55 207)
Operating profit		**811 152**	581 518
Investment income and interest received	23	**81 997**	108 249
Income from associates	6	**5 544**	6 775
Finance costs	23	**(357 026)**	(261 577)
Profit before tax		**541 667**	434 965
Income tax expense	24	**(110 511)**	(103 220)
Profit for the period		**431 156**	331 745
Attributable to minority shareholders		**32 298**	28 901
Attributable to equity holders of Super Group Limited		**398 858**	302 844
Dividend per ordinary share (cents)	25	**37,0**	32,0
Basic earnings per share (cents)	26	**111,8**	87,0
Diluted earnings per share (cents)	26	**106,8**	83,1

ADDITIONAL INCOME STATEMENT INFORMATION

	Note	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
Final dividend per ordinary share declared subsequent to 30 June 2006 (cents)	28	**40,0**	37,0
Headline earnings per share (cents)	26	**133,6**	102,9
Diluted headline earnings per share (cents)	26	**127,6**	98,3

CONSOLIDATED CASH FLOW STATEMENTS

	Note	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
Cash flows from operating activities			
Cash generated from operations	27	**1 147 054**	536 058
Finance costs paid		**(362 826)**	(263 152)
Investment income and interest received		**81 997**	108 249
Dividends received		**8 189**	3 507
Cash dividends paid	28	**(136 354)**	(116 177)
Income tax paid	29	**(72 583)**	(67 282)
Net cash retained from operating activities		**665 477**	201 203
Cash flows from investing activities			
Additions to property, plant and equipment	2	**(761 165)**	(348 771)
Additions to full maintenance lease assets	3	**(279 622)**	(328 803)
Additions to intangible assets	4	**(73 660)**	(12 493)
Proceeds on disposal of property, plant and equipment	2	**77 551**	90 116
Proceeds on disposal of full maintenance lease assets	3	**48 199**	79 410
Decrease/(increase) in investments and other non-current assets		**16 568**	(26 106)
Acquisition of businesses	30.1	**(223 871)**	(411 541)
Disposal of businesses	30.2	**(12 028)**	2 202
Net cash outflow from investing activities		**(1 208 028)**	(955 986)
Cash flows from financing activities			
Issues of shares		**12 906**	348 809
Share buy backs		**(152 328)**	(73 854)
Increase in interest-bearing borrowings		**464 850**	1 082 660
Increase in full maintenance borrowings		**157 589**	30 233
Net cash inflow from financing activities		**483 017**	1 387 848
Net (decrease)/increase in cash and cash equivalents		**(59 534)**	633 065
Cash and cash equivalents at beginning of period		**902 038**	268 322
Effect of foreign exchange on cash and cash equivalents		**(622)**	651
Net cash and cash equivalents at end of period	12	**841 882**	902 038

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital (note 14) R000	Share premium R000	Other reserves (note 15) R000	Retained earnings R000	Share buyback reserves R000	Compulsorily convertible debentures R000	**Total R000**	Minority interest R000	**Total equity R000**
Balance at 1 April 2004	35 757	60 154	578 002	913 525	(320 221)	42 151	**1 309 368**	76 084	**1 385 452**
Changes in equity for 2005 period									
Net income recognised directly in equity	–	–	(33 928)	–	–	–	**(33 928)**	1 423	**(32 505)**
Translation adjustment	–	–	(33 602)	–	–	–	**(33 602)**	1 423	**(32 179)**
Revaluation of land and buildings	–	–	(326)	–	–	–	**(326)**	–	**(326)**
Profit for the period	–	–	–	302 844	–	–	**302 844**	28 901	**331 745**
Total recognised income and expenses for the period	–	–	(33 928)	302 844	–	–	**268 916**	30 324	**299 240**
Transfer to contingency reserve	–	–	473	(473)	–	–	**–**	–	**–**
Share-based payment expense (note 36)	–	–	–	14 400	–	–	**14 400**	–	**14 400**
Business combinations	–	–	–	–	–	–	**–**	6 436	**6 436**
Shares issued for cash	4 027	355 973	–	–	–	–	**360 000**	–	**360 000**
Shares issued for other consideration	5 167	53 582	–	–	–	–	**58 749**	–	**58 749**
Share buy backs and related losses	–	–	–	–	(76 577)	–	**(76 577)**	–	**(76 577)**
Conversion of debentures	700	41 451	–	–	–	(42 151)	**–**	–	**–**
Share issue expenses	–	(11 191)	–	–	–	–	**(11 191)**	–	**(11 191)**
Ordinary dividend	–	–	–	(114 657)	–	–	**(114 657)**	(1 857)	**(116 514)**
Balance at 31 March 2005	45 651	499 969	544 547	1 115 639	(396 798)	–	**1 809 008**	110 987	**1 919 995**
Changes in equity for 2006 period									
Net income recognised directly in equity	–	–	(193 439)	–	–	–	**(193 439)**	495	**(192 944)**
Translation adjustment	–	–	(194 555)	–	–	–	**(194 555)**	495	**(194 060)**
Revaluation of land and buildings	–	–	1 116	–	–	–	**1 116**	–	**1 116**
Profit for the period	–	–	–	398 858		–	**398 858**	32 298	**431 156**
Total recognised income and expenses for the period	–	–	(193 439)	398 858	–	–	**205 419**	32 793	**238 212**
Transfer to contingency reserve	–	–	7 700	(7 700)	–	–	**–**	–	**–**
Share-based payment expense (note 36)	–	–	–	13 143	–	–	**13 143**	–	**13 143**
Share buy backs and related losses	–	–	–	–	(153 357)	–	**(153 357)**	–	**(153 357)**
Conversion of 'A' ordinary shares	1 646	11 260	–	–	–	–	**12 906**	–	**12 906**
Business combinations	–	–	–	–	–	–	**–**	4 647	**4 647**
Ordinary dividend	–	–	–	(132 262)	–	–	**(132 262)**	(5 608)	**(137 870)**
Balance at 30 June 2006	47 297	511 229	358 808	1 387 678	(550 155)	–	**1 754 857**	142 819	**1 897 676**

NOTES TO THE FINANCIAL STATEMENTS

for the 15-month period ended 30 June 2006

1 ACCOUNTING POLICIES 2006

Super Group Limited, the investment holding company of the group, is a public company, incorporated and domiciled in the Republic of South Africa and is listed on the JSE Limited.

The group changed its financial year from March to June. This change has been effected to ensure that the group's reporting dates are better aligned with most of its peers and to improve administrational efficiency. Consequently, the current reporting period represents 15 months whilst comparative information only includes 12 months.

Basis of preparation

The financial statements of the group and company have been prepared under the historical cost basis, modified for the revaluation of land and buildings, available-for-sale financial assets, (non-current assets and disposal groups held for sale) and financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss. The financial statements are prepared on the going concern basis.

The financial statements are presented in rands and all values are rounded to the nearest thousand (R000) except when otherwise indicated.

Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and interpretations of those Standards, as adopted by the International Accounting Standards Board, the South African Companies Act (No 61 of 1973) and applicable legislation.

These financial statements are the first Super Group financial statements to be prepared in accordance with IFRS. IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied in preparing these financial statements.

Financial statements of Super Group until 31 March 2005 had been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP).The requirements of existing IFRS differ in certain respects from the requirements of SA GAAP applied in the previous financial statements. When preparing the 2006 financial statements, management has amended certain accounting, valuation and consolidation methods applied in the SA GAAP financial statements to comply with IFRS. The comparative figures in respect of 2005 were restated to reflect these adjustments.

The policies set out below have been consistently applied to all the periods presented except for the classification and disclosure of financial instruments and insurance contracts. The group has taken the exemption available under IFRS 1 to only apply the provisions of IAS 32 and IAS 39 and IFRS 4 from 1 April 2005.

Reconciliations and descriptions of the effect of the transition from SA GAAP to IFRS on the group's equity and income statements are given in note 40.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, judgements and assumptions that affect reported amounts. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Actual results may vary from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 39. The estimates and underlying assumptions are reviewed on an ongoing basis.

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently by group entities.

Basis of consolidation

The financial statements incorporate the financial statements of the company and its subsidiaries and the group's interests in joint ventures and associates.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from their activities generally accompanying a beneficial shareholding embodying more than one half of the voting rights. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The results of the subsidiaries are included from the dates control was acquired and up to the dates effective control ceased. Minority interest at the acquisition date is determined as the minority shareholders' proportionate share of the fair value of the net assets of subsidiaries acquired. Losses in excess of the minority interest are allocated to the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. All other losses in excess of the minority interest are allocated against the interests of the group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the group.

Associate companies

An associate is an entity over which the group has the ability to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee, generally accompanying a shareholding embodying between 20% and 50% of the voting rights. The group's share of post-acquisition recognised profits and losses of associates is incorporated in the financial statements, using the equity method of accounting (initially recognised at cost), from the effective dates that significant influence was obtained until the effective dates that significant influence was lost, except when classified as held-for-sale where equity accounting is ceased and the investment is measured at the lower of its carrying value and fair value less costs to sell.

Adjustments are made on consolidation to bring the associates' financial statements in line with the group's accounting policies. Accumulated profits and movements on reserves are determined from the most recent audited financial statements of the associates and available information to latest date available. The reporting dates of associates do not differ from group reporting dates by more than three months.

Where the group's share of losses of an associate exceeds its interest in the associate, the associate is carried at nil. Additional losses are only recognised to the extent that the group has incurred legal or constructive obligations in respect of advances and commitments made to the associate.

Investments in associates are carried in the balance sheet at cost adjusted by cumulative post-acquisition changes in the group's share of the net assets of the associates, less any impairment in the value of individual investments. If impaired, the carrying value of the group's share of the underlying assets of associates is written down to its estimated recoverable amount in accordance with the accounting policy on impairment. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

Joint ventures

A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control. The group's interest in joint ventures is accounted for by proportionate consolidation from the date joint control commences to the date joint control ceases. Proportionate consolidation involves recognising a proportionate share of the joint venture's assets, liabilities, income and expenses and cash flows with similar items in the financial statements on a line-by-line basis.

Adjustments are made to bring the accounting policies of jointly controlled entities in line with those of the group, where appropriate. The reporting dates of all joint ventures do not differ from group reporting dates by more than three months.

In the company's separate financial statements, the company carries its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment losses.

Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains and losses between group entities are eliminated on consolidation. In respect of joint ventures and associates, unrealised gains and losses are eliminated to the extent of the group's interest in these entities. To the extent that an unrealised loss on a transaction provides evidence of an impairment, that loss is recognised in the income statement.

Goodwill

Goodwill on acquisition or change in holding is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Prior to 1 April 2004, goodwill on acquisitions was amortised.

The purchase method of accounting is used to account for the acquisition of businesses. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the fair value of the group's share of the net assets of the subsidiary acquired (ie discount on acquisition), the difference is recognised directly in the income statement.

Fair values of the identifiable assets and liabilities are determined by reference to market values of those or similar items, where available, or by discounting expected future cash flows to present values using a discount rate.

Goodwill on acquisitions of associates is included in investments in associates. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For goodwill, a recognised impairment loss is not reversed. Goodwill arising on a business combination is allocated among the group's CGUs that are expected to benefit from synergies as a result of the business combination. This allocation is based on management's assessment of the synergies gained and is not dependent on the location of the acquired assets.

The group has taken the exemption available under IFRS 1 to not restate past business combinations arising before the IFRS transition date. The cost of goodwill (as at 1 April 2004) in respect of business combinations arising before 1 April 2004 is the carrying value as recorded under SA GAAP. The goodwill was tested for impairment on 1 April 2004 even though no indication of impairment existed.

Insurance contracts

Classification of insurance contracts

Contracts under which the company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Recognition and measurement of insurance contracts

Premiums

Premiums written comprise the premiums on insurance contracts entered into during the period, irrespective of whether they relate in whole or in part to a later accounting period. Premiums are disclosed gross of commission payable to intermediaries and exclude value-added tax. Premiums written include adjustments to premiums written in prior accounting periods. Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance. The earned portion of premiums received, is recognised as revenue. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of risks underwritten. Outward reinsurance premiums are recognised as an expense in accordance with the pattern of reinsurance service received.

Unearned premium provision
The provision for unearned premiums comprises the proportion of gross premiums written which is estimated to be earned in the following financial period, computed separately for each insurance contract using the daily pro rata method. No unearned premium provision is calculated on monthly business written.

Claims incurred
Claims incurred consist of claims and claims handling expenses paid during the financial period together with the movement in the provision for outstanding claims.

Claims outstanding comprise provisions for the company's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not, and an appropriate sufficiency margin. Claims outstanding are assessed by reviewing individual claims and making allowance for claims incurred but not yet reported, the effect of both internal and external foreseeable events, such as changes in claims handling procedures, inflation, judicial trends, legislative changes and past experience and trends. Anticipated reinsurance recoveries are disclosed separately as assets. Reinsurance and other recoveries are assessed in a manner similar to the assessment of claims outstanding.

Whilst the directors consider that the gross provisions for claims and the related reinsurance recoveries are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior periods are reflected in the financial statements for the period in which the adjustments are made, and disclosed separately if material. The methods used, and the estimates made, are reviewed regularly.

Unexpired risk provision
Provision is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the balance sheet date exceeds the unearned premium provision in relation to such policies after the deduction of any deferred acquisition costs. The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment returns.

Reinsurance
The company cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Reinsurance arrangements do not relieve the company from its direct obligations to its policyholders. Premiums ceded and benefits reimbursed are presented in the income statement and balance sheet on a gross basis. Reinsurance assets include balances due from reinsurance companies for ceded insurance liabilities. Amounts recoverable under reinsurance contracts are assessed for impairment at each balance sheet date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer.

Deferred acquisition costs
Acquisition costs comprise all direct and indirect costs arising from the conclusion of insurance contracts. Deferred acquisition costs represent the proportion of acquisition costs incurred which corresponds to the unearned premium provision on annual business. No deferred acquisition costs are calculated on monthly business written.

Liability and related assets under liability adequacy test
The net liability recognised for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the company recognises the deficiency in income for the period.

Contingency reserve
A shareholders reserve is made for the full amount of the contingency reserve in terms of the Short-Term Insurance Act, 1998. Transfers to and from this reserve are treated as appropriations of profit.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are measured at fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The depreciable amount of the asset is depreciated over its estimated useful life. The current estimated useful lifes are as follows:

- Buildings – over 50 years;
- Rental and transport vehicles – over 4 – 10 years;
- Furniture and fittings – over 6 years;
- Computer equipment – over 3 years; and
- Land is not depreciated.

Depreciation of an asset begins when it is available for use and is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost includes expenditure that is directly attributable to the acquisition of the items including non-refundable purchase taxes. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred.

Fair value of land and buildings is determined by reference to market-based evidence, which are the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation surplus is credited to the asset revaluation reserve included in equity. Any revaluation deficit directly offsetting a previous surplus in the same asset is directly offset against the surplus in the asset revaluation reserve.

Additionally, accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal any remaining revaluation reserve relating to the particular asset being sold is transferred to distributable reserves. Revaluations are performed every period ensuring that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Independent valuations are performed every three years.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Trading surpluses or deficits on the disposal of property, plant and equipment are credited or charged to the income statement.

The carrying values of property, plant and equipment are reviewed for impairment either annually, or when events or changes in circumstances indicate the carrying value may not be recoverable (whichever is earlier). If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amounts. Impairment losses are recognised in the income statement.

The group has applied the exemption available under IFRS 1 and measured certain items of property, plant and equipment at deemed cost at the transition date (1 April 2004).

Full maintenance leases

Full maintenance lease asset portfolio

Items of moveable assets which are leased to customers, but where the company retains substantially all the risks and rewards of ownership are accounted for as full maintenance lease assets.

Full maintenance lease assets are stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of full maintenance lease assets include the purchase cost including non-refundable purchase taxes and other expenditure that is directly attributable to the acquisition of the assets to bring the assets held-for-use in the lease asset portfolio to working condition for the intended use. Incremental initial direct costs incurred specifically to earn revenues from a full maintenance lease ('lease originating costs') are added to the carrying amount of the leased asset.

Work in progress comprises vehicles and accessories where the construction or modification process is not yet complete and where the asset has not been delivered to the customer or is not ready for its intended use in the lease asset portfolio.

The depreciable amount of the asset is depreciated over its estimated useful life on a straight-line basis. The current estimated useful lifes are as follows:

- Non-specialised vehicles – 4 years; and
- Specialised vehicles – 6 years.

Work in progress is not depreciated until the asset is available for use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Lease classification – company as lessor

The lease classification is determined on a contract-by-contract basis, taking into consideration the substance of the transaction and the specific details of each leasing contract. The key factor is whether substantially all of the risks and rewards incidental to ownership are transferred to the customer.

Various criteria are used to determine lease classification. There are two main decision criteria used. These are:

- Whether the lease term is for the major part of the economic life of the asset; and
- Whether the present value of minimum lease payments amounts to at least substantially all of the fair value of the asset.

The group leases assets to its customers for durations that normally range between 3 – 6 years for non-specialised vehicles and 5 – 10 years for specialised vehicles. In almost all cases, the leased assets are returned to the group at the end of the contract term. Consequently, in most cases, contracts are classified as operating leases. In all cases, substantially all the risk on the result of the contract, both positive and negative, is borne by the company.

Revenue from full maintenance leases

Revenues comprise the various service components as included in contract billings, such as rental charge, maintenance, interest and fuel management fees.

The contract billings may include pass-on costs such as insurance and other fixed overhead recoveries. These are amounts collected on behalf of third parties and are therefore not presented as lease revenues.

Rental charges from full maintenance leases are recognised in the income statement over the period of the full maintenance lease contracts on a straight-line basis.

Where vehicle maintenance is provided as part of a full maintenance lease or managed maintenance contract, the maintenance agreement is separated from the lease agreement. The maintenance portion, that has been billed but where services have not yet been rendered, is recorded as a deferred revenue liability.

Sales of maintenance services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual cost of service provided as a proportion of the total cost of services to be provided plus a reasonable profit on those services. This value is actuarially calculated. The deferred maintenance revenue fund for each major customer contract is actuarially valued annually by independent valuers by determining spending patterns and applying this to forecast funding requirements and discounting to determine the present value of the deferred revenue. Surpluses or deficits resulting from the actuarial valuation are recognised in the income statement immediately.

Contract maintenance costs are recognised in the income statement when incurred.

Full maintenance lease borrowings

These borrowings relate to liabilities from financial institutions which are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis. Generally, payments are made over the life of the individual full maintenance lease contract.

Leases

Capitalised finance leases

Leases where the group assumes substantially all the benefits and risks of ownership incidental to ownership of the item are classified as capitalised finance leases. Capitalised finance leases are capitalised as property, plant and equipment at the lower of fair value and the present value of the minimum lease payments at the inception of the lease with an equivalent amount being stated as a finance lease borrowing.

The capitalised amount is depreciated over the asset's useful life. Where there is no reasonable certainty that ownership of the asset will be obtained at the end of the lease the capitalised amount is depreciated over the shorter of the asset's useful life and the lease term. Lease payments are allocated between capital repayments and borrowing costs using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the borrowing.

Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) under an operating lease are recognised in the income statement over the lease term on a straight-line basis.

Intangible assets

Internally generated

No value is attributed to internally generated trademarks or similar rights and assets. Costs incurred on these items are charged to the income statement in the period in which they are incurred.

Acquired both separately and as part of a business combination

Intangible assets acquired separately are measured initially at cost and those acquired through a business combination at fair value. Cost includes the fair value of the consideration given to acquire the asset, and any costs directly attributable to the transaction, such as relevant professional fees or taxes. Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised unless they have an indefinite useful life.

Finite life intangible assets are amortised on a straight-line basis over their current expected useful lives. An intangible asset has an indefinite useful life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the group. Intangible assets with finite useful lives are considered for impairment where there is an indication that the asset has been impaired. Intangible assets with indefinite useful lives are tested annually for impairment and whenever there is an indication of impairment. Impairment of intangible assets is assessed either individually or at the cash-generating unit level. The amortisation method and amortisation period for intangible assets with a finite useful life is reviewed annually at each financial year-end.

Software

Purchased software and the direct costs associated with the customisation and installation thereof are capitalised. These costs are amortised using the straight-line method over their current estimated useful lives (three to seven years).

Expenditure on internally-developed software is capitalised if it meets the criteria for capitalising development expenditure and will probably generate economic benefits exceeding costs beyond one year. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised using the straight-line method over their current estimated useful lives (not exceeding seven years). Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure incurred to restore or maintain the originally assessed future economic benefits of existing software systems is recognised in the income statement.

Patents, trademarks and licences

Expenditure on purchased patents and trademarks is capitalised. Expenditure incurred to extend the life of the patents or trademarks is capitalised only if it meets the definition of an intangible asset and the general recognition criteria for intangible assets are met. All other expenditure is recognised in the income statement. Trademarks and licences have a definite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their current estimated useful lives (15-20 years).

Provisions

A provision is recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows to their present value using a discount rate. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in discounted provisions as a result of the passage of time is recognised as a finance cost in the income statement. A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting the obligations under the contract. Where the contractual residual value for motor vehicles exceeds the anticipated proceeds from the contract at reporting date, an onerous contract provision for residual risk is recognised.

Segmental information

A business segment is a group of assets and operations engaged in providing products or services that is subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is reported on both a business segment (primary) and geographical (secondary) basis. This approach is based on the manner in which segments are organised, operated and managed as well as management's assessment that the risks and rates of return are affected predominantly by differences in the products and services produced rather than the geographical location of thier activities. Each segment represents a strategic business unit that offers different products and serves different markets.

The principal segments of the group have been identified on a primary basis by the nature of operation into the six major areas of Supply Chain Management, African Transport, Fleet Solutions, Retail Supply Chain, Dealerships and Services. Transfer prices between business segments are set on an arm's-length basis in a manner similar to transactions with third parties. The group's geographical segments are determined by the location of the group's assets and operations.

All segment revenue and expenses are directly attributable to the segments. Segment revenue, expenses and results include transfers between business segments and between geographical segments. Segment assets include all operating assets used by a segment, and consist principally of property, plant and equipment, investments as well as current assets. Segment liabilities include all operating liabilities and consist principally of trade payables and long-term borrowings. These assets and liabilities are all directly attributable to the segments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and transporting the inventory to its present location and condition.

Cost is determined as follows:

New, used and demonstration vehicles	Actual unit cost on a first-in first-out basis
Parts, accessories and consumables	Weighted average cost
Automotive components	Actual unit cost on a first-in, first-out basis

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Taxation

Current taxation

The current tax charge is the expected tax payable on the taxable income for the period using tax rates enacted at the balance sheet date and any adjustments to tax payable in respect of prior periods.

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred taxation

Deferred tax is provided for using the balance sheet liability method, on all temporary differences between the carrying values of assets and liabilities for accounting purposes and the amounts used for tax purposes.

No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill; and
- the initial recognition (other than in a business combination) of an asset or liability to the extent neither accounting nor taxable profit is affected on acquisition.

The amount of deferred tax is determined using enacted or substantively enacted tax rates in the relevant jurisdictions at balance sheet date that are expected to apply when the asset is realised or liability settled. A deferred tax asset is recognised for all deductible temporary differences, including unused tax losses, to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be realised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of the underlying assets and liabilities. Deferred tax liabilities have not been provided on undistributed earnings of foreign subsidiaries where those earnings are not expected to be distributed.

Deferred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

Secondary taxation on companies (STC)
STC is recognised as part of the current tax charge in the income statement when the related dividend is declared. STC is provided in respect of dividends declared net of dividends received or receivable. Unused STC credits are accounted for in deferred taxation to the extent that it is probable that the entity will declare dividends against which the unused STC credits can be utilised.

Value-added taxation (VAT)
The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Foreign currencies
Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in rands, which is the company's functional and company's and group's presentation currency.

Transactions and balances
Transactions in foreign currencies are accounted for at rates of exchange ruling on the date of the transactions. Gains and losses arising from the settlement of such transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Unrealised translation differences on such monetary assets and liabilities are recognised in the income statement in the period in which they occur. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined.

Foreign operations
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the group presentation currency are translated into the presentation currency. Assets and liabilities of foreign operations are translated at rates of exchange ruling at the financial year-end. Income and expenditure of foreign operations are translated at the rate of exchange at the transaction date. Profits and losses arising on the translation of foreign operations are taken directly to the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of a monetary item that forms part of a reporting entity's net investment in foreign operations, including the borrowings and other currency instruments designated as hedges of such investments, are taken to equity.

When a foreign operation is sold or partly sold, the share of the related cumulative gains and losses, including taxes, previously recognised in the foreign currency translation reserve in equity are included in determining the profit or loss on disposal of that investment recognised in the income statement.

The group has taken the exemption available under IFRS 1 whereby cumulative translation differences on foreign operations were set to zero at the transition date.

Impairment of assets
Intangible assets with an indefinite life and goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The fair value is the amount obtainable from the sale of an asset on an arm's-length basis while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows CGUs. Impairment losses are recognised through the income statement. Impairment losses relating to goodwill are not reversed. Other previously recognised impairment losses are reversed when there is an indication that the impairment no longer exists and if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years.

Financial instruments
Financial instruments included on the balance sheet include cash and bank balances, investments, receivables, payables and borrowings. These instruments are initially measured at fair value. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest-rate fluctuations.

Such derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Gains and losses arising from changes in fair value are included in the income statement in the period in which the change arises.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Financial instruments are offset and the net amount reported in the balance sheet when the group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and bank on hand comprise cash on hand, deposits held at call with banks, short-term money market instruments, other short-term highly liquid investments with original maturities of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Investments

The group classifies its investments into the following categories:

- Measured at fair value through profit or loss;
- Available-for-sale; and
- Held-to-maturity.

The classification is dependent on the purpose for which the investment is acquired. Management determines the classification of its investments on initial recognition.

The fair value of investments not measured at fair value through profit or loss includes acquisition charges associated with the investment (such as advisers' and agents' fees and commissions, duties and levies by regulatory agencies).

Investments carried at fair value

Investments are classified as investments measured at fair value through profit or loss if acquired principally for the purpose of selling in the short term, part of a portfolio with a pattern of short-term profit taking, or if so designated by management. Derivatives are also categorised as financial assets at fair value through profit or loss unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Available-for-sale investments are non-derivatives that are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. After initial recognition, investments, which are classified as measured at fair value through profit and loss and available-for-sale, are measured at fair value.

Gains or losses on investments measured at fair value through profit and loss are recognised in the income statement. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Foreign exchange gains and losses, interest calculated in respect of interest-bearing investments on the effective interest rate method and dividends are recognised directly in the income statement.

For investments that are actively traded in organised financial markets, fair value is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

Investments carried at amortised cost

Investments are classified as held-to-maturity when they are non-derivatives with fixed or determinable payments and fixed maturity that the group has positive intention and ability to hold to maturity. Long-term investments that are intended to be held-to-maturity, are subsequently measured at amortised cost less impairment losses using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the periods to maturity. Amortised costs includes the acquisition charges associated with the investment.

For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Current asset loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and impairment of investments

All purchases and sales of financial assets are recognised on the trade date being the date that the group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

The group assesses at each balance sheet date whether there is objective evidence that an investment is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its fair value at initial recognition is considered in determining whether the securities are impaired.

If any such evidence exists for available-for-sale investments, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement.

The recoverable amount of investments carried at amortised cost is calculated as the present value of the estimated future cash flows, discounted at the original effective interest rate (ie the effective interest rate computed at initial recognition of these financial assets).

An impairment loss in respect of an investment carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss in respect of an available-for-sale equity investment is accounted for in equity. If the fair value of an available-for-sale debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed through profit or loss.

Trade and other receivables
Trade receivables, which generally have 30-90 day terms, are recognised and carried at amortised cost less impairment losses (generally being original invoice amount less an allowance for any uncollectible amounts). An estimate for doubtful debts is made when collection of the full amount is no longer probable according to the original terms of the receivables. Bad debts are written off when identified. Other receivables are stated at amortised cost less impairment losses.

Borrowings
Interest-bearing borrowings relate to liabilities from financial institutions.

Interest-bearing borrowings are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis. Generally, payments are made over the, life of the individual full maintenance lease contract to which the borrowings relate.

Employee benefits
Short-term employee benefits
Remuneration to employees for services rendered is recognised in the income statement as the services are provided. An accrual is made for accumulated leave. The group recognises a liability and an expense for bonuses, based on formulae. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Post-retirement benefits
The group operates a number of defined contribution plans under which the group pays fixed contributions into separate retirement funds. The group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The fund assets are held in separate trustee-administered funds. The plans are generally funded by payments from employees and the relevant group companies, taking into account recommendations of independent qualified actuaries. Contributions to defined contribution plans are recognised in the income statement in the period to which they relate.

Equity compensation benefits
Employee share plans are consolidated.
Certain senior employees (including directors) of the group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

The group has an employee share incentive plan and an employee share trust for the granting of non-transferable options to executives and senior employees. Shares in the group held by the employee share trust are treated as treasury shares and presented in the balance sheet as a deduction from equity.

The group has applied the exemption provisions of IFRS 1 in respect of equity-settled awards and has applied IFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested on or before 1 January 2005.

Share options granted before 7 November 2002 and vested before 1 January 2005
No expense is recognised in respect of these options. The shares are recognised when the options are exercised and the proceeds received allocated between share capital and share premium.

Share options granted after 7 November 2002 and vested after 1 January 2005
The group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest.

The impact, if any, of the revision of original estimates is recognised in the income statement, with a corresponding adjustment to equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the group at that date, based on the best available estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification over the remaining vesting period.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Revenue
Revenue is recognised net of indirect taxes, rebates and trade discounts and consists primarily of the sale of products, services rendered and licence fees. Where group companies act as agents and are remunerated on a commission basis, only the commission income, not the value of business handled, is recognised as revenue.

Revenue is recognised when the following criteria are met:
- there is no continuing involvement in the asset;
- delivery has occurred or services have been rendered and the significant risks and rewards of ownership have been transferred to the purchaser;
- costs can be reliably measured;
- the selling price is fixed or determinable; and
- collectability is reasonably assured.

The timing of revenue recognition is as follows. Revenue from:
- the sale of products is recognised when risks and rewards of ownership have been transferred to the buyer and the group no longer retains continuing managerial involvement associated with ownership;
- services rendered is based on the stage of completion of the transaction, based on the proportion that costs incurred to date bear to the total cost of the project. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable;
- licence fees and royalties is recognised on an accrual basis;
- dividends received is recognised when the right to receive payment is established;
- interest received is recognised on a time proportion basis using the effective interest method;
- rental income is accounted for on a straight-line basis over the lease term on ongoing leases; and
- the deferred underwriting fee represents the proportion of underwriting and management fees in respect of premiums written during the period that relate to unexpired terms of policies in force at the balance sheet date, generally calculated on a time proportionate basis.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The 'A' ordinary shares issued in terms of the black economic empowerment transaction have been reflected as an increase in share capital and share premium.

The nominal value of the Super Group 'A' ordinary shares issued at fair value is recognised as an increase in the nominal value of share capital. The difference between the issue price and the nominal value is recognised as an increase in share premium.

The 'A' ordinary shares have a conversion entitlement and are treated as potential ordinary shares for the calculation of diluted earning per share.

Treasury shares
Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

Non-current assets held for sale
Immediately before classification as held for sale, the measurement of the assets is brought up to date in accordance with applicable policies and standards. Then, on initial classification as held for sale, non-current assets are recognised at the lower of carrying amount and fair value less costs to sell and recorded in current assets.

Impairment losses on initial classification as held for sale and gains and losses on subsequent remeasurement are included in the income statement.

Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

These financial guarantee contracts are classified as insurance contracts as defined in IFRS 4 *Insurance Contracts*. A liability is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle the contract and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the expenditure required to settle the contract at the balance sheet date. Where the effect of discounting is material, the liability is discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The group performs liability adequacy tests on financial guarantee contract liabilities to ensure that the carrying amount of the liabilities is sufficient in view of estimated future cash flows. When performing the liability adequacy test, the group discounts all expected contractual cash flows and compares this amount to the carrying value of the liability. Where a shortfall is identified, an additional provision is made.

Operating profit
Operating profit comprises profit before net finance costs, income from investments and income tax expense.

Trading profit
Trading profit comprises operating profit before capital items.

NOTES TO THE FINANCIAL STATEMENTS

for the 15-month period ended 30 June 2006

Leased and owned	Land and buildings R000	Rental and transport fleet R000	Computer equipment R000	Furniture fittings and workshop equipment R000	Motor vehicles and other assets R000	**Total R000**
2 PROPERTY, PLANT AND EQUIPMENT						
30 June 2006						
Cost	586 888	624 637	274 083	241 235	81 611	**1 808 454**
Accumulated depreciation and impairment losses	(54 180)	(171 719)	(155 086)	(117 747)	(62 572)	**(561 304)**
Balance at end of period	532 708	452 918	118 997	123 488	19 039	**1 247 150**
Movement summary						
Balance at beginning of period	270 870	362 494	86 126	74 413	25 547	**819 450**
Additions	308 326	208 066	100 978	94 777	49 018	**761 165**
Expand	276 409	156 783	41 509	47 618	33 682	**556 001**
Maintain	31 917	51 283	59 469	47 159	15 336	**205 164**
Acquisition of businesses	5 596	25 904	–	2 549	1 501	**35 550**
Disposals	(19 089)	(38 354)	(8 805)	(8 022)	(3 281)	**(77 551)**
Surplus on disposal	–	7 899	–	–	1 182	**9 081**
Disposal of businesses	–	–	–	(137)	–	**(137)**
Revaluations	1 571	–	–	–	–	**1 571**
Translation adjustment	(18 971)	(80 484)	(6 865)	(6 426)	(10 733)	**(123 479)**
Current period depreciation	(15 595)	(31 730)	(52 437)	(33 666)	(44 195)	**(177 623)**
Current period impairment	–	(877)	–	–	–	**(877)**
Balance at end of period	532 708	452 918	118 997	123 488	19 039	**1 247 150**
Analysis of balance at end of period:						
Property, plant and equipment in use	424 367	452 918	118 997	123 488	19 039	**1 138 809**
Work in progress relating to Super Park distribution hub	108 341	–	–	–	–	**108 341**
	532 708	452 918	118 997	123 488	19 039	**1 247 150**
Leased assets included in above comprise:						
30 June 2006						
Carrying value at end of period	107 879	318 358	–	3 007	–	**429 244**
Depreciation for period	3 044	24 630	–	1 090	–	**28 764**

Land and buildings are independently revalued every three years or more frequently, if deemed appropriate, to ensure that the fair value of a revalued asset does not differ materially from its carrying value. The next formal valuation will be carried out and reported on for the year ending 30 June 2007.

Certain assets are pledged as security for borrowings of the group (refer note 3 and 17). Details of the freehold land and buildings are recorded in a register which may be inspected by members or their duly authorised agents at the company's registered office.

Borrowing costs amounting to R24 495 000 (2005: R16 082 000) (refer note 23) were capitalised to qualifying land and buildings during the period. The capitalised borrowing costs are included in additions to expand operations.

Capital commitments

Capital commitments of R361 382 000 (2005: R554 762 000) (Refer note 31.1) include all projects for which specific board approval has been obtained. Projects still under investigation for which specific board approvals have not yet been obtained are exluded from the disclosure.

Leased and owned	Land and buildings R000	Rental and transport fleet R000	Computer equipment R000	Furniture fittings and workshop equipment R000	Motor vehicles and other assets R000	Total R000
2 PROPERTY, PLANT AND EQUIPMENT (continued)						
31 March 2005						
Cost	298 775	536 833	191 758	157 105	47 185	**1 231 656**
Accumulated depreciation and impairment losses	(27 905)	(174 339)	(105 632)	(82 692)	(21 638)	**(412 206)**
Balance at end of period	270 870	362 494	86 126	74 413	25 547	**819 450**
Movement summary						
Balance at beginning of period – SA GAAP	114 785	141 387	91 052	81 642	21 449	**450 315**
Conversion to IFRS	88 354	157 041	(25 790)	(6 864)	2 614	**215 355**
Balance at beginning of period as restated	203 139	298 428	65 262	74 778	24 063	**665 670**
Additions	99 033	133 493	63 830	35 108	17 307	**348 771**
Expand	66 597	15 079	31 221	12 990	10 466	**136 353**
Maintain	32 436	118 414	32 609	22 118	6 841	**212 418**
Acquisition of businesses	802	246	2 543	3 529	3 110	**10 230**
Disposals	(14 559)	(35 742)	(3 798)	(29 270)	(6 747)	**(90 116)**
Surplus on disposal	–	10 083	–	–	3 058	**13 141**
Disposal of businesses	(3 314)	(913)	(372)	(3 507)	(1 301)	**(9 407)**
Translation and hyperinflation adjustment	(6 674)	(9 313)	(10 431)	15 837	(3 594)	**(14 175)**
Revaluations	(459)	–	–	–	–	**(459)**
Current period depreciation	(7 098)	(33 788)	(30 908)	(22 062)	(10 349)	**(104 205)**
Balance at end of period	270 870	362 494	86 126	74 413	25 547	**819 450**
Analysis of balance at end of period:						
Property, plant and equipment in use	204 290	362 494	86 126	74 413	25 547	**752 870**
Work in progress relating to Super Park distribution hub	66 580	–	–	–	–	**66 580**
	270 870	362 494	86 126	74 413	25 547	**819 450**
Leased assets included in above comprise:						
30 June 2005						
Carrying value at end of period	48 673	109 845	–	3 515	384	**162 417**
Depreciation for period	917	10 238	–	501	230	**11 886**

NOTES TO THE FINANCIAL STATEMENTS

for the 15-month period ended 30 June 2006

		30 June 2006 R000	31 March 2005 R000
3	**FULL MAINTENANCE LEASE ASSETS AND RELATED BORROWINGS**		
3.1	**Full maintenance lease assets**		
	Cost	**1 721 330**	1 529 771
	Accumulated depreciation	**(369 792)**	(284 609)
	Balance at end of period	**1 351 538**	1 245 162
	Movement summary		
	Balance at beginning of period	**1 245 162**	1 111 137
	Additions	**279 622**	328 803
	Expand	**118 577**	246 303
	Maintain	**161 045**	82 500
	Disposals	**(48 199)**	(79 410)
	Surplus on disposal	**11 334**	14 345
	Current period depreciation	**(136 381)**	(129 713)
	Balance at end of period	**1 351 538**	1 245 162
	Analysis of balance at end of period:		
	Completed vehicles	**1 291 045**	1 143 972
	Work in progress	**60 493**	101 190
		1 351 538	1 245 162
	Leased assets included in above comprise:		
	Carrying value at end of period	**93 841**	111 067
	Depreciation for period	**14 481**	11 486
3.2	**Full maintenance lease borrowings**		
	Loan facility for the funding of vehicles to be exclusively utilised for full maintenance lease purposes. The facility bears interest at between prime less 2,28% and prime less 2,40%. Monthly repayments are over the period of the individual full maintenance contracts of the related vehicles. The period of the contracts range from 24 months to 60 months. The facility is secured by a Super Group Limited guarantee of R884 023 000 (2005: R200 000 000), cession of investment accounts of R36 395 000 (2005: 158 521 000), on-cession of an investment bank account of R Nil (2005: R98 743 000) and cession of insurance policies covering the assets. The borrowings are secured by assets with a carrying value of R1 005 512 000 (2005: R911 791 000)	**884 023**	903 822
	Loan facility for the funding of vehicles to be exclusively utilised for full maintenance lease purposes. The facility bears interest at prime less 2,15%. Monthly repayments are over the period of the individual full maintenance lease contracts of the related vehicles. The period of the contracts range from 24 months to 60 months. The facility is secured by a Super Group Limited guarantee of R200 000 000 and a cession of insurance policies covering the assets. The borrowings are secured by assets with a carrying value of R223 922 000	**188 152**	–
	Finance lease borrowings Finance lease borrowings bear interest at prime less 2,1% and are repayable over five years. Finance leases are secured by assets with a carrying value of R93 841 000 (2005: R111 067 000)	**71 610**	93 827
	Total full maintenance lease borrowings	**1 143 785**	997 649
	Short-term portion reflected under current liabilities	**339 723**	627 666
	Long-term portion reflected under non-current liabilities	**804 062**	369 983
	Repayment terms		
	Year 1	**339 723**	627 666
	Year 2	**416 521**	45 750
	Year 3-5	**387 541**	324 233
		1 143 785	997 649
	Currency analysis		
	Rand	**1 143 785**	997 649

	2006				2005			
	Patents and trademarks R000	**Software R000**	**Other intangible assets R000**	**Total R000**	Patents and trademarks R000	Software R000	Other intangible assets R000	Total R000
4 INTANGIBLE ASSETS								
Cost	**87 275**	**86 663**	**41 752**	**215 690**	85 645	37 262	2 409	125 316
Accumulated amortisation and impairment losses	**(8 877)**	**(15 908)**	**(2 244)**	**(27 029)**	(3 951)	(4 294)	(667)	(8 912)
Balance at end of period	**78 398**	**70 755**	**39 508**	**188 661**	81 694	32 968	1 742	116 404
Movement summary								
Balance at beginning of period – SA GAAP	**81 694**	**32 968**	**1 742**	**116 404**	6 492	–	983	7 475
Conversion to IFRS	**–**	**–**	**–**	**–**	504	25 790	128	26 422
Balance at beginning of period as restated	**81 694**	**32 968**	**1 742**	**116 404**	6 996	25 790	1 111	33 897
Additions	**1 557**	**48 061**	**24 042**	**73 660**	–	11 472	1 021	12 493
Expand	**–**	**14 789**	**24 042**	**38 831**	–	1 513	68	1 581
Maintain	**1 557**	**33 272**	**–**	**34 829**	–	9 959	953	10 912
Acquisition of businesses	**–**	**–**	**17 167**	**17 167**	75 225	–	–	75 225
Disposal of businesses	**–**	**–**	**–**	**–**	(360)	–	–	(360)
Translation adustment	**50**	**1 283**	**(2 270)**	**(937)**	(49)	–	61	12
Current period amortisation	**(62)**	**(11 557)**	**(1 173)**	**(12 792)**	(118)	(4 294)	(451)	(4 863)
Current period impairment	**(4 841)**	**–**	**–**	**(4 841)**	–	–	–	–
Balance at end of period	**78 398**	**70 755**	**39 508**	**188 661**	81 694	32 968	1 742	116 404
Analysis of balance at end of period:								
Trade names with indefinite useful life	**75 225**	**–**	**–**	**75 225**	75 225	–	–	75 225
Other intangible assets with definite useful life	**3 173**	**70 755**	**39 508**	**113 436**	6 469	32 968	1 742	41 179
	78 398	**70 755**	**39 508**	**188 661**	81 694	32 968	1 742	116 404

Intangible assets with an indefinite life relates to trade names and in particular includes Mica. The carrying amount was subject to an annual impairment test in each period using the fair value less costs to sell method. The calculated recoverable amount exceeds the carrying value of the trade name and consequently no impairment was deemed necessary. Marginal changes in the assumptions used to calculate the recoverable amount are not expected to reduce the recoverable amount below its carrying value.

	30 June 2006 R000	31 March 2005 R000
5 GOODWILL		
Amortised cost	**1 159 132**	937 601
Accumulated impairment losses	**(98 230)**	(77 249)
Balance at end of period	**1 060 902**	860 352
Movement summary		
Balance at beginning of period	**860 352**	378 264
Acquisition of businesses	**175 810**	509 035
Disposal of businesses	**–**	(2 714)
Translation adjustment	**45 722**	3 171
Impairment of goodwill	**(20 982)**	(27 404)
Balance at end of period	**1 060 902**	860 352

Goodwill acquired through business combinations has been attributed to individual cash-generating units. The carrying amount of goodwill was subject to annual impairment tests in each period using the fair value less costs to sell, value in use or price earnings method. An amount of R20 982 000 (2005: R27 404 000) was identified as being impaired for the current period.

The most significant portion of the group's goodwill, R414 000 000 (2005: R305 000 000), relates to operations in Super Group Australia. The recoverable amount of each cash-generating unit was determined using the value in use method and exceeds the carrying value by R29 000 000. These calculations use projected annualised earnings based on actual operating results. Adverse changes in assumptions are not expected to materially reduce the recoverable amount below the carrying value.

Goodwill of R252 000 000 (2005: R252 000 000) relates to the acquisition of the DNA businesses. The recoverable amount of each cash-generating unit was determined using the fair value less costs to sell or price earnings multiple method and exceeds the carrying value by R111 million. These calculations use projected annualised earnings based on actual operating results.

The remaining goodwill of R394 902 000 (2005: R303 352 000) is allocated across multiple cash-generating units. The recoverable amount for these remaining units was calculated on the aforementioned basis. For those units where the carrying amount was in excess of the recoverable amount, impairment was recognised amounting to R20 982 000 (2005: R27 404 000).

	Country of incorporation	% Ownership 2006	2005
6 INVESTMENTS IN ASSOCIATES			
The group has the following significant investments in associates:			
Listed – CIC Holdings Limited	Namibia	**37%**	37%
Unlisted – Emerald Underwriting Managers (Pty) Limited	South Africa	**40%**	40%

	30 June 2006 R000	31 March 2005 R000
Listed investments in associates		
Shares at cost	**40 075**	40 075
Impairment of investment in associate	**(34 091)**	–
Share of retained earnings since acquisition	**40 964**	40 964
Dividends received	**(9 270)**	(8 111)
Investments held for sale (refer note 11)	**(37 678)**	–
	–	72 928
Unlisted investments in associates		
Shares at cost	**2 701**	2 701
Loans to associates	**2 000**	2 000
Share of retained earnings since acquisition	**9 964**	4 420
Dividends received	**(5 880)**	(3 680)
Investments held for sale (refer note 11)	**(2 634)**	–
	6 151	5 441
Total investments in associates	**6 151**	78 369
Movement summary		
Balance at beginning of period	**78 369**	74 513
Share of profit of associates	**5 544**	6 775
Dividends received from associates	**(3 359)**	(2 919)
Impairment of associates	**(34 091)**	–
Investments held for sale (refer note 11)	**(40 312)**	–
Balance at end of period	**6 151**	78 369
Fair values		
Listed investments – based on quoted market prices	**37 678**	36 265
Unlisted investments – based on directors' valuations using the value in use method	**23 100**	14 343
Key financial information of principal associates (100%)		
Financial information for CIC Holdings Limited is for the 12-month period to 30 June 2006 and financial information for Emerald Underwriting Managers (Pty) Ltd is for the 15-month period to 30 June 2006.		
Current assets	**361 758**	746 458
Non-current asssets	**41 796**	33 061
Current liabilities	**232 132**	517 880
Non-current liabilities	**26 899**	115 006
Revenues	**1 259 020**	1 576 679
Profit before tax	**43 770**	15 663

The group has no obligation in respect of losses incurred by associates.
Associate companies have no material contingent liabilities.

	30 June 2006 R000	31 March 2005 R000
7 INVESTMENTS AND OTHER NON-CURRENT ASSETS		
Investments	**95 491**	70 705
Other non-current assets	**36 183**	47 261
	131 674	117 966
7.1 Investments		
Investments measured at fair value through profit and loss		
Listed investments	**14 199**	9 337
Unlisted investments	**81 292**	61 368
	95 491	70 705

	30 June 2006 R000	31 March 2005 R000
Currency analysis		
Rand	**86 863**	63 242
US dollar	**7 194**	6 841
British pound	**1 434**	622
	95 491	70 705

Listed investments mainly represents the trading portfolio relating to the group's insurance activities.

The unlisted investments represent strategic investments of the group and are long term in nature.

As the group has more than five investments a register is maintained in terms of paragraph 27 of Schedule 4 of the South African Companies Act. The register is available for inspection at the registered office of Super Group Limited.

7.2 Other non-current assets

	30 June 2006 R000	31 March 2005 R000
Long-term receivables	**36 183**	47 261
Currency analysis		
Rand	**36 183**	47 261

The long-term receivables relate to amounts due from debtors on previously disposed operations and amounts due under an owner-driver scheme operated by the group. The vendor receivables bear interest at prime linked rates and are repayable by March 2009. The owner-driver receivables do not bear interest and are repayable over a period up to 60 months. The balance is due for repayment by June 2011.

8 DEFERRED TAX

	30 June 2006 R000	31 March 2005 R000
Movement summary		
Balance at beginning of period	**129 408**	113 292
– Deferred tax liabilities	**193 079**	198 646
– Deferred tax assets	**(63 671)**	(85 354)
Current year income statement charge	**50 357**	45 866
Revaluation of land and buildings	**456**	(139)
Acquisition of businesses	**(170)**	(13 581)
Disposal of businesses	**–**	346
Translation and functional currency adjustment	**(55 029)**	(16 376)
Balance at end of period	**125 022**	129 408
– Deferred tax liabilities	**198 234**	193 079
– Deferred tax assets	**(73 212)**	(63 671)
Analysis of balance at end of period by type of temporary difference		
Accelerated depreciation	**235 478**	207 194
Assessed losses	**(146 633)**	(130 587)
Revaluation of land and buildings	**6 977**	6 521
Secondary taxation on companies	**(3 012)**	–
Provisions	**(140 586)**	(91 713)
Working capital items	**172 245**	137 020
Other	**553**	973
	125 022	129 408

The group has not recognised a deferred tax liability for taxes that would be payable on the unremitted earnings of the group's subsidiaries, associates and joint ventures as the group has determined that undistributed profits of subsidiaries, associates and joint ventures will not be distributed in the forseeable future.

9 INVENTORIES

	30 June 2006 R000	31 March 2005 R000
Automotive components	**22 478**	25 429
New vehicles	**248 807**	96 372
Used and demo vehicles	**288 062**	251 543
Parts and accessories	**426 237**	363 965
Goods in transit	**94 210**	–
Work in progress	**5 987**	4 373
Consumables and other inventories	**35 051**	37 043
	1 120 832	778 725
Reserved inventories		
Ownership of certain inventory is reserved by the suppliers until such time as the related payment/payable have been settled. Carrying value of reserved inventory	**95 736**	87 905

NOTES TO THE FINANCIAL STATEMENTS

for the 15-month period ended 30 June 2006

		30 June 2006 R000	31 March 2005 R000
10	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**1 684 068**	1 166 255
	Prepayments	**67 962**	76 478
	Sundry receivables	**109 916**	55 200
		1 861 946	1 297 933
	Currency analysis		
	Rand	**1 679 251**	1 117 621
	Australian dollar	**84 429**	62 819
	US dollar	**98 266**	117 493
		1 861 946	1 297 933
	Trade receivables pledged as security over interest-bearing borrowings (refer note 17)	**318 030**	231 023

11 INVESTMENTS HELD FOR SALE

Investments in CIC Holdings Limited (CIC) and i-Pop Vehicle Sales, associate companies, are presented as held for sale following the decision of management to dispose of these non-core investments.

The equity investment in CIC has been disposed of subsequent to year-end for R39 562 000.

An impairment loss of R34 091 000 on the measurement of the disposal investments to fair value less cost to sell has been recognised and included in capital items (refer note 21).

		30 June 2006 R000	31 March 2005 R000
	Listed investment in associates	**37 678**	–
	Unlisted investment in associates	**2 634**	–
	Fair value less costs to sell	**40 312**	–
	Currency analysis		
	Rand	**40 312**	–
12	**CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS**		
	Cash on hand and in banks, earning interest at floating rates based on daily bank deposit rates	**860 571**	909 581
	Bank overdrafts, incurring interest at rates fluctuating between 8,95% (2005: 8,55%) and 11,95% (2005: 10,75%) per annum.	**(18 689)**	(7 543)
	Cash and cash equivalents in the statement of cash flows	**841 882**	902 038
	Analysis of closing balance		
	Offshore cash	**201 808**	169 353
	Insurance company cash	**177 769**	88 468
	Cash deposits held as collateral	**36 395**	257 264
	Unrestricted cash	**425 910**	386 953
		841 882	902 038
	Currency analysis		
	Australian dollar	**73 503**	69 987
	US dollar	**128 305**	99 366
	Rand	**640 074**	732 685
		841 882	902 038

Facilities

The borrowing powers of the group are unlimited.

The group has secured adequate funding facilities to finance its operations. Appropriate unutilised facilities are available. Certain of the facilities and debt arrangements are subject to financial covenants based on key financial ratios.

		30 June 2006 R000	31 March 2005 R000
13	**SHARE CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF SUPER GROUP LIMITED**		
	Share capital (note 14)	**47 297**	45 651
	Share premium	**511 229**	499 969
	Retained earnings	**1 387 678**	1 115 639
	Share buy-back reserve (note 14)	**(550 155)**	(396 798)
	Other reserves (note 15)	**358 808**	544 547
		1 754 857	1 809 008

	30 June 2006 R000	31 March 2005 R000

14 ORDINARY SHARE CAPITAL

	30 June 2006 R000	31 March 2005 R000
Authorised		
750 000 000 (2005: 750 000 000) ordinary shares of 10 cents each	**75 000**	75 000
68 130 900 (2005: 68 130 900) 'A' ordinary shares of 10 cents each	**6 813**	6 813
	81 813	81 813
Issued		
404 843 109 (2005: 404 843 109) ordinary shares of 10 cents each	**40 484**	40 484
68 130 900 (2005: 51 668 686) 'A' ordinary shares of 10 cents each	**6 813**	5 167
	47 297	45 651

Change in authorised share capital

There were no changes in the authorised share capital during the period.

Changes in issued share capital

During the current period 16 462 214 'A' ordinary shares were transferred to equity relating to the empowerment transaction with Peu Group (Pty) Limited resulting in an increase in the issued 'A' ordinary share capital of R1 646 000.

The directors are authorised by resolution of the shareholders until the forthcoming general meeting to allot and issue the unissued shares at their discretion and upon such terms and conditions as they see fit. Further, the directors are authorised to repurchase up to 20% (2005: 20%) of the issued share capital.

68 130 900 'A' ordinary shares were issued in terms of the empowerment transaction. The 'A' ordinary shares have been allotted and issued to Peu at the par value thereof with a premium of R1,0366 per 'A' ordinary share. The 'A' ordinary shares shall be converted to ordinary shares in terms of a value-added formula taking into account growth in new business inflows and increase in the Super Group share price over three remaining years. The 'A' ordinary shares rank pari passu in all respects with the ordinary shares, however these rights are suspended until August 2008, when each 'A' ordinary share shall automatically and compulsorily be converted into 'A' redeemable preference shares which shall automatically be redeemed at an aggregate price of R1. The 'A' ordinary shares are not listed on the JSE Limited and are not entitled to receive any dividends declared by the company.

	2006			2005		
	Ordinary shares Number of shares	**'A' ordinary shares Number of shares**	**Treasury shares Number of shares**	Ordinary shares Number of shares	'A' ordinary shares Number of shares	Treasury shares Number of shares
Movement summary of issued shares						
Balance at beginning of period	**404 843 109**	**51 668 686**	**40 238 304**	357 574 653	–	40 780 030
Ordinary and 'A' ordinary share balance at beginning of period	**404 843 109**	**51 668 686**	**–**	357 574 653	–	–
Shares held by subsidiaries at beginning of period	**–**	**–**	**38 646 554**	–	–	34 714 065
Shares held by share option trust at beginning of period	**–**	**–**	**1 591 750**	–	–	6 065 965
Shares issued on conversion of compulsorily convertible debentures	**–**	**–**	**–**	7 000 000	–	–
Shares issued in terms of empowerment transaction	**–**	**–**	**–**	40 268 456	–	–
Issue of 'A' ordinary shares	**–**	**–**	**–**	–	51 668 686	–
Conversion of 'A' ordinary shares	**–**	**16 462 214**	**–**	–	–	–
Share buybacks	**–**	**–**	**12 578 521**	–	–	3 932 489
Share sales	**–**	**–**	**(2 834 750)**	–	–	(4 474 215)
Ordinary and 'A' ordinary share balance at end of period	**404 843 109**	**68 130 900**	**–**	404 843 109	51 668 686	–
Shares held by subsidiaries at end of period	**–**	**–**	**38 746 554**	–	–	38 646 554
Shares held by share option trust at end of period	**–**	**–**	**11 235 521**	–	–	1 591 750
Balance at end of period	**404 843 109**	**68 130 900**	**49 982 075**	404 843 109	51 668 686	40 238 304

	30 June 2006 R000	31 March 2005 R000
15 OTHER RESERVES		
Translation reserve	**(228 157)**	(33 602)
Contingency reserve	**13 847**	6 147
General reserve	**556 036**	556 036
Revaluation reserve	**17 082**	15 966
	358 808	544 547
Movement summary		
15.1 Translation reserve		
Balance at beginning of period	**(33 602)**	–
Translation adjustment	**(194 555)**	(33 602)
Balance at end of period	**(228 157)**	(33 602)

The translation reserve comprises all foreign exchange differences arising from the translation of entities reporting in currencies other than the reporting currency of the group. The reserve is also used to record the effect of hedging net investments in foreign operations.

15.2 Contingency reserve		
Balance at beginning of period	**6 147**	5 674
Transfer from retained earnings	**7 700**	473
Balance at end of period	**13 847**	6 147

The contingency reserve is made for the full amount of the contingency reserve in terms of the Short-Term Insurance Act 1998. Transfers to and from this reserve are treated as appropriations of profit.

15.3 General reserve

The general reserve comprises capital profits on the disposal of investments in prior periods.

15.4 Revaluation reserve		
Balance at beginning of period	**15 966**	16 292
Revaluation of land and buildings (net of taxation)	**1 116**	(326)
Balance at end of period	**17 082**	15 966

The revaluation reserve includes revaluation surplusses on the revaluation of land and buildings to fair values.

16 FUND RESERVES		
Fund reserves	**200 893**	104 064
Movement summary		
Balance at beginning of period	**104 064**	116 242
Increase/(Decrease) in fund reserves	**90 413**	(12 178)
Translation adjustment	**6 416**	–
Balance at end of period	**200 893**	104 064

Fund reserves principally relate to amounts received in advance in respect of maintenance for full maintenance lease assets, to be recognised in income over the period of the maintenance service of the underlying vehicles. In addition, fund reserves include liabilities on expiration of a vehicle lease based on the estimated residual value of the vehicles. Estimated residual values used are reasonable approximations of the anticipated actual fair market value of the vehicle on lease expiration. During the current period the group was awarded a five-year contract to manage the maintenance and service plans on certain commercial vehicles on behalf of General Motors South Africa. Amounts received in advance from customers under this arrangement are also included in Fund reserves.

The fund is independently actuarially valued on an annual basis.

	30 June 2006 R000	31 March 2005 R000

17 INTEREST-BEARING BORROWINGS

	30 June 2006 R000	31 March 2005 R000
17.1 Secured asset-based borrowings		
Suspensive sale creditors and capitalised finance lease obligations bearing interest at rates fluctuating between prime and 3,5% below prime (2005: 3,5% below prime) and repayable in monthly instalments, including interest, over periods up to 60 months. The liabilities are secured by vehicles with a carrying value of R318 358 300 (2005: R109 845 000), other items of property, plant and equipment with a net carrying value of R11 172 000 (2005: R22 205 000) and cession of trade receivables with a carrying value of R318 030 000 (2005: R231 023 000). The cession over the trade receivables will be released during November 2007 when the related borrowing of R61 395 000 is repaid.	**389 638**	228 589
17.2 Secured property borrowings		
Property borrowings bear interest at floating and fixed interest rates of between 10,77% and 17,75%. The borrowings are secured by land and buildings with a carrying value of R393 693 000 (2005: R114 000 000).	**316 987**	97 526
17.3 Corporate bond		
The corporate bond is unsecured and bears interest at a coupon rate of 12,5%. Interest is repayable semi-annually. The capital is repayable on 25 June 2008.	**895 880**	923 790
17.4 Australian interest-bearing non-recourse borrowings	**267 600**	157 032
The Australian borrowings bear floating and fixed interest at rates between 5,96% and 12,02%. The liability is repayable by June 2009. The borrowings are secured by a pledge of shares of an Australian subsidiary company.	**255 750**	157 032
The Australian mortgage bond bears interest at 6,04% and is repayable when the property is sold. Secured by land and buildings with a carrying value of R12 542 000.	**11 850**	–
17.5 Financial liabilities		
The financial liability relates to the Peu empowerment transaction share issue and has been discounted at an interest rate of 11,84%.	**–**	12 906
17.6 Unsecured loans		
3-month promissory notes which bear interest at JIBAR plus 90 basis points	**115 226**	–
Total interest-bearing borrowings	**1 985 331**	1 419 843
Short-term portion reflected under current liabilities	**217 081**	58 802
Long-term portion reflected under non-current liabilities	**1 768 250**	1 361 041
Australian interest-bearing non-recourse borrowings	**249 033**	130 600
Secured property borrowings	**310 097**	90 341
Corporate bond and other borrowings	**1 209 120**	1 140 100
Repayment terms		
Year 1 (short-term portion)	**217 081**	58 802
Year 2	**1 075 978**	41 670
Year 3 to 5	**480 725**	1 319 371
Longer than year 5	**211 547**	–
	1 985 331	1 419 843
Currency analysis		
Australian dollar	**267 600**	157 032
Rand	**1 717 731**	1 262 811
	1 985 331	1 419 843

		30 June 2006 R000	31 March 2005 R000
18	**TRADE AND OTHER PAYABLES**		
	Trade payables	**2 013 749**	1 295 443
	Related party payables	**10 153**	14 998
	Sundry payables and accrued expenses	**100 417**	68 128
		2 124 319	1 378 569
	Currency analysis		
	Rand	**1 975 149**	1 277 371
	Australian dollar	**113 037**	55 019
	US dollar	**36 133**	46 179
		2 124 319	1 378 569

		Employee-related provisions R000	Insurance-related provisions R000	Other provisions R000	30 June 2006 R000	31 March 2005 R000
19	**PROVISIONS**					
	Movement summary					
	Balance at beginning of period	77 017	21 493	83 062	**181 572**	197 035
	Increase in and additional provisions	84 750	36 372	126 932	**248 054**	80 939
	Provision reversed	(18 815)	(93)	(33 389)	**(52 297)**	(16 492)
	Payments against provision	(37 397)	(1 163)	(42 457)	**(81 017)**	(77 416)
	Acquisitions of businesses	(252)	–	2 584	**2 332**	14 947
	Translation adjustment	(603)	–	3 592	**2 989**	(17 441)
	Balance at end of period	104 700	56 609	140 324	**301 633**	181 572
	Analysis of balance at end of year					
	Employee-related provisions				**104 700**	77 017
	Insurance-related provisions				**56 609**	21 493
	Other provisions				**140 324**	83 062
					301 633	181 572

		15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
20	**REVENUE**		
	Sale of products	**7 756 874**	5 140 069
	Services rendered	**4 606 279**	3 304 873
		12 363 153	8 444 942
21	**OPERATING EXPENDITURE – CAPITAL ITEMS**		
	Closure costs	**9 242**	27 803
	Costs incurred on unsuccessful acquisitions	**7 793**	–
	Impairment of investments in associate	**34 091**	–
	Impairment of goodwill	**20 982**	27 404
	Impairment of property, plant and equipment	**877**	–
	Impairment of intangible assets	**4 841**	–
		77 826	55 207

The closure costs relate to the discontinuance of the wholesale and specialised air freight business and disposal of Super Truck and Cab Namibia. There is no material tax effect on this amount.

The costs incurred on unsuccessful acquisitions relates to a failed bid to acquire an Australian Fleet Management business.

The impairment in investment in associate relates to an impairment of the group's equity interest in CIC Holdings Limited to its recoverable value.

The impairment of intangible assets relates to a write-down of a trademark which is no longer in use as a result of a loss of material customer contracts.

The impairment of goodwill is dealt with in note 5.

	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
22 OPERATING PROFIT		
Operating profit is arrived at after taking into account the following:		
22.1 Depreciation, amortisation and recoupments		
Depreciation of property, plant and equipment	**177 623**	104 205
– Buildings and leasehold improvements	**15 595**	7 098
– Rental and transport fleet	**31 730**	33 788
– Computer equipment	**52 437**	30 908
– Furniture, fittings and workshop equipment	**33 666**	22 062
– Vehicles and other assets	**44 195**	10 349
Amortisation of intangible assets	**12 792**	4 863
– Patents and trademarks	**62**	118
– Software	**11 557**	4 294
– Other intangible assets	**1 173**	451
Depreciation of full maintenance lease assets	**136 381**	129 713
– Full maintenance lease assets	**136 381**	129 713
Depreciation and amortisation	**326 796**	238 781
Surplus on sale of property, plant and equipment, full maintenance lease assets and other assets	**(20 415)**	(27 486)
– Rental and transport fleet	**(7 899)**	(10 083)
– Other assets	**(1 182)**	(3 058)
– Full maintenance lease assets	**(11 334)**	(14 345)
	306 381	211 295
22.2 Cost of sales	**9 192 344**	6 264 824
22.3 Operating expenditure – excluding capital items and cost of sales		
Audit fees	**11 655**	10 519
– Audit fees	**11 090**	9 569
– Expenses	**294**	460
– Other services	**271**	490
Operating leases	**140 867**	93 071
– Buildings	**129 556**	79 861
– Plant and equipment	**6 986**	7 591
– Vehicles and other	**4 325**	5 619

The trading surpluses/deficits on the disposal of operating vehicles are credited/charged to the income statement. The surplus represents an adjustment/recoupment to the depreciation on the vehicles and is calculated as the difference between the net disposal proceeds and the carrying value of the asset. The surplus is a recoupment of depreciation and consequently is not adjusted for in the calculation of headline earnings per share.

		15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
22	**OPERATING PROFIT (continued)**		
	Net translation losses	**17 367**	19 608
	Employee benefit costs excluding directors' emoluments and employer contributions	**1 239 874**	851 742
	Employer contributions to	**113 498**	80 191
	– Defined contribution funds	**67 774**	45 201
	– Medical aid funds	**45 724**	34 990
	Directors' emoluments		
	Executive directors' emoluments excluding employer contributions	**21 184**	21 383
	– Basic remuneration	**11 571**	10 739
	– Cash incentives	**9 000**	10 214
	– Other benefits	**613**	430
	Employer contributions to defined contribution funds	**1 335**	841
	Non-executive directors' emoluments	**2 242**	1 334
	– Chairman's/deputy chairman's fees	**625**	313
	– Directors' fees	**1 587**	997
	– Other	**30**	24
	Share-based payment expense (note 36)	**13 143**	14 400
	Net increase in provisions (excluding employee-related provisions)	**129 822**	4 520
	Recognition of fund reserve income	**(19 023)**	(10 986)
	Other operating expenses	**303 486**	245 475
	Operating expenditure – excluding capital items	**11 167 794**	7 596 922
23	**NET FINANCE COSTS**		
23.1	**Finance costs**	**(357 026)**	(261 577)
	– Bank accounts	**(61 633)**	(61 762)
	– Corporate bond	**(137 239)**	(86 620)
	– Debentures	**–**	(483)
	– Forward exchange contracts	**(11 129)**	(16 508)
	– Floorplan creditors	**(9 898)**	(8 179)
	– Full maintenance liabilities	**(84 248)**	(65 104)
	– Instalment sale agreements	**(23 313)**	(9 016)
	– Property borrowings	**(10 584)**	(5 926)
	– Australian interest-bearing non-recourse borrowings	**(27 744)**	(10 979)
	– Long-term borrowings	**(15 733)**	(13 082)
	– Finance cost capitalised	**24 495**	16 082
23.2	**Interest received**	**74 656**	104 952
	– Bank accounts	**47 374**	52 107
	– Australian interest received	**3 871**	–
	– Long-term and full maintenance lease borrowings	**–**	5 762
	– Long-term receivables	**8 770**	7 963
	– Other	**14 641**	39 120
23.3	**Investment income**	**7 341**	3 297
	– Realised fair value gain	**5 908**	3 174
	– Unrealised fair value gain	**1 433**	123
		(275 029)	(153 328)

	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
24 INCOME TAX		
Income tax comprises:		
South African normal taxation		
– Current	**48 833**	39 255
– Prior year current tax	**(12 244)**	2 697
– Deferred tax	**58 939**	45 866
– Prior year deferred tax	**(13 159)**	–
Secondary taxation on companies	**4 680**	12 443
Foreign tax charge		
– Current	**19 485**	2 959
– Prior year current tax	**(600)**	–
– Deferred tax	**4 577**	–
	110 511	103 220
Reconciliation of rate of income tax:		
Standard rate of income tax	**29,0**	30,0
Adjusted for:		
Prior year adjustments	**(4,8)**	0,6
Tax losses not accounted for	**0,8**	4,7
Non-deductible expenditure/(exempt income)	**3,7**	(5,1)
Foreign income tax rate differential	**(9,1)**	(8,0)
Secondary tax on companies	**0,4**	2,9
Capital gains tax	**0,4**	0,1
Change in tax rate	**–**	(1,0)
Income from associates	**–**	(0,5)
Effective income tax rate	**20,4**	23,7

The reconciliation of the rate of taxation is based on profit before tax.

Tax losses available for set off against future taxable income utilised in the deferred tax computation are estimated to be	**505 631**	450 300

These losses are expected to be recouped through future profits.

The group has tax losses arising in Zimbabwe that are available for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group and have arisen in loss-making subsidiaries.

25 DIVIDENDS PER SHARE

It is group policy to declare only one dividend per year.	**132 262**	114 657

A cash dividend of 37 cents per share has been paid in respect of the perid ended 30 June 2006 (2005: 32 cents per share).

After the balance sheet date a 40 cents per share dividend was proposed by the directors. The dividend and related secondary taxation on companies have not been provided for.

	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000

26 EARNINGS PER SHARE

Basic earnings per share is derived by dividing profit attributable to the equity holders of Super Group by the weighted average number of shares in issue after taking share buy backs into account during the period. Appropriate adjustments are made in calculating diluted and headline earnings per share.

Diluted earnings per share reflect the potential dilution that could occur if all of the group's outstanding share options were exercised and taking into account the conversion into ordinary shares arising from the BEE transaction with Peu. The number of shares outstanding is adjusted to show the potential dilution if employee share options and Peu earned ordinary shares are converted into ordinary shares.

No adjustments were made to reported earnings attributable to shareholders in the computation of diluted earnings per share.

	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
Headline earnings is determined as follows:		
Profit attributable to equity holders of Super Group Limited	**398 858**	302 844
Adjusted for capital items (refer note 21)		
– Closure costs	**9 242**	27 803
– Costs incurred on unsuccessful acquisition	**7 793**	–
– Impairment of investment in associate	**34 091**	–
– Impairment of goodwill, intangible assets and property, plant and equipment	**26 700**	27 404
Headline earnings	**476 684**	358 051

	2006 Number of shares 000	2005 Number of shares 000
Weighted average number of shares in issue		
Weighted average number of ordinary shares in issue	**356 695**	348 006
Potential dilutive effect of share options	**6 078**	10 498
Potential dilutive effect of 'A' shares conversion for BEE transaction	**10 803**	5 774
Diluted weighted average number of ordinary shares	**373 576**	364 278

	15-month period ended 30 June 2006 cents	12-month period ended 31 March 2005 cents
Earnings per share		
Basic	**111,8**	87,0
Diluted	**106,8**	83,1
Headline earnings per share		
Basic	**133,6**	102,9
Diluted	**127,6**	98,3

	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
27 CASH GENERATED FROM OPERATIONS		
Reconciliation of profit before tax to cash generated from operations:		
Profit before tax	**541 667**	434 965
Interest received	**(81 997)**	(108 249)
Income from associates	**(5 544)**	(6 775)
Finance costs	**357 026**	261 577
Adjustments for:		
Depreciation, amortisation and recoupments	**306 381**	211 295
Fund reserves	**(19 023)**	(10 986)
Impairment	**60 791**	27 404
Loss on disposal of operations	**17 035**	3 579
Provisions	**114 740**	(12 969)
Other	**(6 226)**	20 892
Operating cash flow	**1 284 850**	820 733
Working capital changes	**(137 796)**	(284 675)
– Trade and other receivables	**(583 738)**	(170 343)
– Inventories	**(341 815)**	(78 159)
– Trade and other payables	**677 805**	(19 528)
– Fund reserves	**109 952**	(16 645)
	1 147 054	536 058
28 DIVIDENDS PAID		
Balance at beginning of period	**(841)**	(504)
Dividends declared to minority shareholders	**(5 608)**	(1 857)
Dividends declared to ordinary shareholders	**(132 262)**	(114 657)
Balance at end of period	**2 357**	841
Cash dividend paid	**(136 354)**	(116 177)
After the balance sheet date a 40 cents per share was proposed by the directors		
Forecast cash flow on final dividend declared	**(141 980)**	
Forecast STC charge on final dividend declared	**(451)**	

The forecast cash flow on the final dividend declared of 40 cents per share is calculated based on the number of shares in issue at 30 June 2006, after taking into account treasury shares. The actual dividend payment will be determined on the last day to trade cum dividend of 13 October 2006.

	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
29 INCOME TAX PAID		
Balance at beginning of period	**(84 458)**	(93 806)
Charge for the current period	**(60 154)**	(57 354)
Acquisition of businesses	**–**	142
Disposal of businesses	**(50)**	1 836
Translation adjustment	**2 047**	(2 558)
Balance at end of period	**70 032**	84 458
	(72 583)	(67 282)

	30 June 2006 R000	31 March 2005 R000

30 NET COST ON (ACQUISITION)/DISPOSAL OF BUSINESSES

30.1 Net cost on acquisition of businesses

During the period, the group acquired various subsidiaries and business units.
The fair value of the net assets acquired and liabilities assumed were as follows:

	30 June 2006 R000	31 March 2005 R000
Trade and other receivables	**(9 531)**	(37 727)
Deferred tax assets	**(170)**	(13 581)
Intangible assets	**(17 167)**	(75 225)
Inventories	**(9 297)**	(7 348)
Interest-bearing borrowings	**–**	261
Investments and other non-current assets	**–**	(7 521)
Trade and other payables	**16 056**	167 667
Property, plant and equipment	**(35 550)**	(10 230)
Provisions	**2 332**	14 947
Taxation	**–**	(142)
Minority interest	**5 266**	10 361
Fair value of assets acquired	**(48 061)**	41 462
Goodwill	**(175 810)**	(509 035)
Less share issued to acquire minority in FleetAfrica	**–**	56 032
Cash paid on acquisition, net of cash acquired	**(223 871)**	(411 541)

With effect 1 April 2005 FleetAustralia Pty Limited acquired 100% of SMB, a leading novated (private consumer) leasing company in Australia for a cash consideration of R315 000 000. During the period from date of acquisition the business contributed R162 432 000 to revenue and R39 315 000 to operating profit.

Goodwill of R109 000 000 arose on the acquisition as a result of the present values of expected future cash flows taken into account in the determination of the purchase consideration exceeding the net asset value acquired. In addition, synergies were anticipated when these operations became part of the group. The benefits of expanding into foreign markets was also taken into account in the determination of the purchase price.

Several less significant acquisitions resulted in goodwill of R66 810 000. The goodwill was as a result of the present values of expected future cash flows taken into account in the determination of the purchase consideration exceeding the fair values of net asset value acquired. In addition, synergies were anticipated when these operations became part of the group.

The acquisition of the less significant businesses contributed R227 612 000 to revenue and R9 936 000 to operating profit. If the acquisitions had occurred on 1 April 2005, the businesses would have contributed R268 996 000 to revenue and R8 004 000 to operating profit for the period.

	30 June 2006 R000	31 March 2005 R000
30.2 Net cost on disposal of businesses		
During the period, the group disposed of various subsidiaries and business units.		
The fair value of the net assets and liabilities disposed were as follows:		
Trade and other receivables	**8 284**	5 880
Deferred tax asset	**–**	346
Intangibles	**–**	360
Inventories	**15 020**	2 130
Interest-bearing borrowings	**–**	(427)
Trade and other payables	**(17 865)**	(8 868)
Property, plant and equipment	**137**	9 407
Taxation	**50**	(1 836)
Minority interest	**(619)**	(3 925)
Goodwill	**–**	2 714
Fair value of assets disposed of	**5 007**	5 781
Loss on disposal	**(17 035)**	(3 579)
Cash (outflow)/inflow on disposal	**(12 028)**	2 202

The group disposed and/or closed the operations of a number of less significant businesses. The contribution to the group's current and prior years' results, made by the businesses disposed of and/or closed during the period, is provided in the summarised income statement below.

Revenue	**45 572**	106 076
Operating loss	**8 179**	5 613
Loss before tax	**8 471**	5 560

31 CAPITAL EXPENDITURE COMMITMENTS AND RENTAL COMMITMENTS

31.1 Capital expenditure commitments		
Full maintenance lease assets		
Contracted	**261 958**	92 440
Property, plant and equipment		
Land and buildings		
Land	**122 031**	94 787
Other assets		
Contracted	**182 164**	58 465
Authorised by directors but not yet contracted	**57 187**	401 510
	239 351	459 975
Total		
Contracted	**304 195**	153 252
Authorised by directors but not yet contracted	**57 187**	401 510
	361 382	554 762

This capital expenditure will be financed by proceeds on disposal of related assets, funds generated by the businesses and borrowing facilities available to the group.

	30 June 2006 R000	31 March 2005 R000
31 CAPITAL EXPENDITURE COMMITMENTS AND RENTAL COMMITMENTS (continued)		
31.2 Operating rental commitments		
Property	**344 415**	444 804
– less than one year	**82 316**	109 661
– due between one and five years	**209 897**	335 143
– due thereafter	**52 202**	–
Rental and transport fleet	**11 987**	218
– less than one year	**7 684**	91
– due between one and five years	**4 303**	127
Other	**2 813**	9 777
– less than one year	**1 041**	4 428
– due between one and five years	**1 772**	5 349
Total rental commitments	**359 215**	454 799
– less than one year	**91 041**	114 180
– due between one and five years	**215 972**	340 619
– due thereafter	**52 202**	–

32 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Super Group Limited and its subsidiary companies have signed as sureties and co-principal debtors in respect of financing facilities granted to the group.

The operations and earnings of the group continue, from time to time and in varying degrees, to be affected by political, legislative, fiscal and regulatory developments, in the countries in which it operates. The industries in which the group is engaged are also subject to physical risks of various kinds. The nature and frequency of these developments and events, not all of which can be covered by insurance, as well as their effect on future operations and earnings, are not predictable.

The group, by the nature of its activities will be involved in litigation from time to time to protect its business interests. No significant legal matters are pending at period-end.

The dealership division has the potential obligation amounting to R35 239 000 (2005: R33 043 000) to repurchase or take back certain vehicles from customers in terms of repurchase and loan facility agreements. No significant losses are anticipated in the event of such repurchases.

The group has provided indemnity to ABSA Bank Limited for any loss, damage, claim, costs, legal expenses, collection fees and liability which ABSA Bank Limited may suffer as a result of any owner operator default, due to any changes in tax and labour legislation, in terms of the credit agreement concluded between ABSA Bank Limited and owner drivers. No significant losses are expected in the case of default.

Various guarantees amounting to R87 million were issued in respect of the group's customs, excise and end of lease term obligations.

The group has issued letters of credit to the value of R228 275 000 in favour of various suppliers.

Management of the Australian businesses have been granted an option to acquire an equity interest of between 25 and 30% in FleetAustralia provided that after such purchase Super Group retains at least 50,01% of the entity. The purchase consideration payable is equivalent to the cost of the acquisition to Super Group plus interest. This option expires on 31 March 2007.

33 RELATED PARTIES

Identity of related parties

The group has related party relationships with its subsidiaries, associates, joint ventures, retirement benefit funds and key management personnel.

Key management personnel has been defined as the executive and non-executive directors of the company. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercise control, significant influence or joint control. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with the group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependants of the individual or the individual's domestic partner.

Subsidiary companies

Related party transactions occur between the group entities. All purchasing and selling transactions are concluded at arm's length. Where borrowing transactions are entered into with related parties these transactions are done on an arm's-length basis taking due cognisance of market-related circumstances. Certain property leases were and have been entered into with related parties. These leases were entered into on an arm's-length basis at market-related rates which prevailed at the time of the transactions.

The company received corporate services fees of R36 million (2005: R36 million) from subsidiaries during the period under review.

The company has issued guarantees on behalf of subsidiary companies. Refer to note 32 for additional information.

Refer to page 115 for detailed disclosure of investments in and loans to/from subsidiaries.

Associated companies

Super Group Limited and its subsidiaries have entered into a limited number of immaterial transactions with associated companies during the year. These transactions are entered into in the normal course of business under terms and conditions that are no more favourable than those arranged with third parties.

Refer to note 6 for detailed disclosure of investments in associates.

Loan to Super Group Share incentive trust

Super Group Limited and its subsidiaries have extended a net loan of R34,1 million (2005: R80,5 million) to the Super Group Share Incentive Trust. This loan is unsecured and has no fixed terms of repayment. The loan is eliminated on consolidation.

Transactions with key management personnel

Interest in share capital of Super Group Limited

Directors of the company and their immediate relatives control 10,5% of the voting shares (including 'A' ordinary shares) of the company. Peu Investment Group a shareholder controlled by certain directors also controls 25,6% of the voting shares of the company. Further details of the directors' interest in the shares of the company is disclosed in the Directors' report on page 60 and in the Analysis of shareholders report on page 116.

L Lipshitz holds 4,3% of the voting shares of the company in his personal capacity.
L Johnston holds 0,1% of the voting shares of the company in his personal capacity.
P Malungani has a 22% equity interest in Peu Group (Pty) Limited, a significant shareholder.
B Tshili has a 1,5% equity interest in Peu Group (Pty) Limited, a significant shareholder.
B Shongwe (resigned 23 February 2006) has a 1,8% equity interest in Peu Group (Pty) Limited, a significant shareholder.
P Granat (resigned 16 September 2005) has an equity interest in the Auto Parts business.

Directors' remuneration

Disclosure of directors' emoluments is included in the Directors' report on pages 57 to 59.

Share options and incentive grants

Directors participate in the group's share option and incentive programmes. Detailed disclosure is provided in the Directors' report on pages 59 to 61.

33 RELATED PARTIES (continued)

Loans to/from directors

There are no loans to or from directors.

Interest in contracts

No directors have a material interest in any transaction with the company or its subsidiaries.

Other transactions with key management personnel

Super Group Limited and its subsidiaries have directly or indirectly entered into a limited number of immaterial transactions with directors during the year. These transactions are entered into in the normal course of business under terms and conditions that are no more favourable than those arranged with third parties. These transactions include:
- provision of legal services by director-related entity;
- lease of properties from director-related entities;
- payment of fee to director-related entity for the provision of services in regard to employment equity requirements and internal transformation processes; and
- certain directors are directors of the group's banking partners but exercise no influence over the banking relationships.

The group encourages its employees to purchase goods and services from group companies. These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's-length basis although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed and no impairments were recognised in relation to any transactions with key management personnel during the period nor have they resulted in any non-performing debts at period-end. Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at group level.

Shareholders

The company's shares are widely held, mostly by public shareholders. An analysis of major shareholders is provided on page 116.

34 RETIREMENT BENEFITS

All eligible employees are members of defined contribution schemes administered by the group or are members of funds within the various industries in which they are employed. Contributions are paid by the members and Super Group at fixed rates. The assets of these schemes are held in administered trust funds separated from the group's assets. Scheme assets primarily consist of listed shares and property unit trusts and fixed income securities. South African funds are governed by the Pension Funds Act of 1956 and all other funds are governed by the respective legislation of the country concerned.

Employees and group companies contribute to the following funds:
- Super Group Provident Fund;
- Super Group Pension Fund;
- Femo Retirement Fund;
- DNA Provident Fund; and
- DNA Pension Fund.

The benefits provided are determined by accumulated contributions and returns on investments. The benefits offered vary according to the legal, fiscal and economic conditions of each fund. Trustees are appointed by the group companies and representatives of the employees. The trustees monitor investment performance and portfolio characteristics on a regular basis to ensure fund mangers are meeting expectations with respect to their investment approach. No fund holds a significant number of shares in Super Group Limited.

The group has no significant exposure to any post-retirement benefit obligations.

	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
Contributions to defined contribution funds	**69 109**	46 042

35 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Introduction

Super Group has risk management and central treasury functions that manage the financial risks relating to the group's operations. The risk management function takes responsibility for the identification, measurement and monitoring of risk. The central treasuries provide services to the businesses, co-ordinate access to domestic and international foreign markets and manage the financial risks relating to the group's operations. The group's liquidity, credit, foreign currency and interest rate risks are continuously monitored. In order to manage these risks, the group has developed a risk management process to facilitate control and monitoring of these risks. The risk committee meets regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of risks. Senior management also meet on a regular basis to analyse currency and interest rate exposures and re-evaluate treasury strategies against revised economic forecasts.

Risk profile

In the course of the group's business operations it is exposed to liquidity, credit, foreign currency and interest rate risk. The risk management policy of the group relating to each of these risks is discussed under the headings below. Generally, derivative financial instruments are used as a means of reducing exposure to fluctuations in foreign exchange rates and interest rates. Whilst these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes are generally expected to be offset by opposite effects on the items being hedged. The group's objective in using financial instruments is to reduce the uncertainty over future cash flows arising from currency, interest rate and other exposures. The group finances its operations through a mixture of retained profits, bank overdrafts, corporate bond debt, bank revolving credit borrowings and long-term bank loans. Long-term bank financing is arranged centrally by the group treasury divisions.

Liquidity risks

Liquidity risk arises from the possibility that customers may not be able to settle obligations to group companies within the normal terms of trade. To manage this risk group companies manage their working capital, capital expenditure and cash flow and periodically assess the financial viability of customers. In order to mitigate any liquidity risk that the group may face, the group policy is to maintain adequate unutilised banking facilities and reserve borrowing capacity. The group continuously monitors forecast and actual cash flows and actively matches maturity profiles of financial assets and liabilities.

Credit risks

Credit risk relates to potential exposure on cash and cash equivalents, investments, trade receivables, other receivables and derivative instruments. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate, the group obtains collateral on outstanding debts to mitigate risk.

Counterparties to financial instruments consist of a large number of high credit rated financial institutions. The company does not expect any counterparties to fail to meet their obligations, given their high credit ratings. The group has no significant concentration of credit risk with any single counterparty or group of counterparties. Counterparty credit limits are in place and reviewed and approved by the respective subsidiary boards. Trade accounts receivable consist of a large number of customers spread across diverse industries and geographical areas. Adequate provision is made for doubtful debts. No single customer represents more than 10% of the group's total turnover for the periods ended or total trade receivables at 30 June 2006 and 31 March 2005.

Credit risk exposure in respect of trade and other receivables is analysed as follows:
By business segment:

	30 June		31 March	
	2006 R000	**2006 %**	2005 R000	2005 %
Supply Chain Management	**703 904**	**37,8**	529 274	40,8
African Transport	**60 185**	**3,2**	83 364	6,4
Fleet Solutions	**274 106**	**14,7**	146 375	11,3
Retail Supply Chain	**332 035**	**17,9**	294 818	22,8
Dealerships	**226 160**	**12,1**	217 660	16,7
Services	**265 556**	**14,3**	26 442	2,0
	1 861 946	**100**	1 297 933	100

NOTES TO THE FINANCIAL STATEMENTS

for the 15-month period ended 30 June 2006

35 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management

The group operations are mainly in South Africa. With offshore operations carried out in Africa (mainly Mauritius, Zimbabwe, Zambia, Malawi and Mozambique), Europe (mainly United Kingdom) and Australia.

The group seeks to mitigate foreign currency exposures by borrowing, where cost effective, in the same currencies as the currencies of the main operating units. In terms of group policy, foreign loan liabilities are not covered using forward exchange contracts as these are covered by a natural hedge against the underlying assets.

The currency risk of the group arises due to the fact that the group operates and has input costs and sales in different countries. The group enters into various types of foreign exchange contracts (FECs) in managing its foreign exchange risk resulting from cash flows from (anticipated) business activities and financing arrangements denominated in foreign currencies.

Transaction risk is calculated in each foreign currency and includes currency-denominated assets and liabilities (foreign currency creditors and debtors) and certain off-balance sheet items such as firm and probable purchase and sales commitments. Trade-related purchase exposures are managed through the use of natural hedges arising from foreign/export revenue as well as FECs. The impact of these currency risk transactions is shown as translation gains/(losses) in the income statement.

Details of the group's forward exchange contracts are as follows:

	Foreign currency amount 000	Average FEC rate	Contract amount in R000	Fair value R000
Imports and payables				
US dollar	36 981	6,54	241 914	267 408
Pound sterling	674	12,70	8 563	8 907
Euro	7 145	8,67	61 953	65 748
Japanese yen	73 190	0,06	4 445	4 620
			316 875	346 683
Exports and receivables				
US dollar	12 681	6,55	83 067	91 474
Pound sterling	360	12,52	4 508	4 758
			87 575	96 232

Interest rate risk

Exposure to interest rate risk on debt and investments is monitored by management. The group borrows principally in rand and Australian dollars at both fixed and floating rates of interest. The benefits of fixing or capping interest rates on debt to achieve improved predictability of cash flows are considered and implemented on a case-by-case basis. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. With respect to the group's full maintenance lease liabilities, the group generally enters into back-to-back agreements with credit-worthy customers. Consequently, the interest rate risk on these liabilities is largely mitigated.

Insurance risk management

Risk management objectives and policies for mitigating risk

The primary insurance activity carried out relates to the risk of losses to, or losses caused by property and engineering losses from organisations that are directly subject to the risk. As such the insurance business is exposed to the uncertainty surrounding the timing and severity of claims under the contracts. The insurance business is administered by Emerald Underwriting Managers (Pty) Limited in terms of an agreement between the administrator and the group. The agreement stipulates the underwriting and reinsurance strategies applicable to the company and the management of various risks associated with the business being written. A summary of the strategies and risks is set out below:

Underwriting strategy

The underwriting strategy seeks to ensure a balanced portfolio. It is spread over a large geographical area and as such it is believed that this reduces the variability of the outcome. The underwriting strategy requires tight risk management. This strategy is cascaded down to the five authorised underwriters. The single largest risk any one underwriter can commit the group to is R300 million per risk at a treaty level. The maximum net retention is R15 million per risk. The underwriters have the right to refuse renewal or to change the terms and conditions of the contract with 30 days notice, as well as the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the subsidiary to pursue third parties for payment of some or all costs (ie subrogation). Monthly management reports are supplemented by weekly claims and underwriting meetings to assess premium income and loss ratios.

Reinsurance strategy

The company reinsures all losses in excess of R15 million to protect capital resources, and only utilises reinsurers with a credit rating from Standard and Poors or A.M. Best of A^{-} and above. All reinsurance has been placed on a non-proportional basis since 1 April 2006.

Reinsurance risk

The company cedes insurance risk to limit exposure to underwriting losses on a non-proportional basis. These reinsurance agreements spread the risk and minimise the effect of losses. Under the terms of the reinsurance agreements the reinsurer receives an agreed premium and, in turn, agrees to reimburse the ceded amount in the event that a claim is paid. The company however remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes. When selecting reinsurers the company considers their relative security which is assessed from public rating information with assistance from reinsurance brokers.

Exposure relating to catastrophe events

Despite the unlikely nature of weather conditions impacting upon the portfolio, the company sets out the total aggregate exposure that it is prepared to accept in certain territories to a range of events such as natural catastrophes. The aggregate position is reviewed annually.

Derivative instruments

The derivatives used by the group are mainly over-the-counter instruments, particularly FECs, option contracts, and interest rate swaps. The group deals only with financial institutions of high credit standing. The instruments are employed according to uniform guidelines and are subject to strict internal controls. Their use is confined to the hedging of the operating business and of the related investments and financing transactions.

Fair value of financial instruments

The group's financial instruments consist mainly of cash and cash equivalents, trade accounts receivables, other receivables, certain investments, trade payables, other payables and accrued expenses, borrowings and derivative instruments. Financial instruments held to maturity in the normal course of business are recorded at amortised cost using the effective interest rate or redemption amount as appropriate. The recorded amount is described below as the carrying amount, otherwise known as book value. Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's-length transaction, other than in forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(i) Cash and cash equivalents current investments and other non-current assets

Cash and cash equivalents

The carrying amount of cash and other financial assets approximates fair value due to the relatively short-term maturity of these financial instruments.

Investments

The fair value of debt securities is determined using a discounted cash flow method. It is not practical to determine the fair value of unlisted equity investments. These investments are carried at their original cost less impairments in the balance sheet. The fair values of publicly traded instruments are estimated based on quoted market prices for those or similar investments where there are no quoted market prices available.

Long-term receivables

The fair value of long-term receivables approximates the carrying value as market-related rates of interest are charged on these outstanding amounts.

35 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Other

For all other instruments for which there are no quoted market prices, a reasonable estimate of fair value has been calculated based on the expected cash flows or the underlying net asset base for each investment.

(ii) Short-term borrowings

The carrying amount approximates fair value because of the short period to maturity of those instruments.

(iii) Long-term borrowings

The fair value of the long-term borrowings is based on the quoted market price for the same or similar borrowings or on the current rates available for borrowings with the same maturity profile and effective interest rate with similar cash flows. The fair value of non-current borrowings and other payables with variable interest rates approximates their carrying amounts.

(iv) Derivatives

The fair value of derivatives is based upon mark-to-market valuations.

Foreign currency contracts

The fair value gains/(losses) calculated are determined by recalculating the daily forward rates for each currency using a forward rate interpolator model. The net market value of all forward exchange contracts at period-end is calculated by comparing the forward exchange contracted rates to the equivalent period-end market foreign exchange rates. The present value of these net market values is calculated using the rand discount curve.

	Note	Carrying value R000	Fair value R000
Interest rate swaps			
The fair value of interest rate swaps is determined by reference to quoted market prices for similar instruments.			
Financial assets			
Investments	7	95 491	95 491
Other non-current receivables	7	36 183	36 183
Trade receivables	10	1 684 068	1 684 068
Sundry debtors	10	177 878	177 878
Investments held for sale	11	40 312	40 312
Cash and cash equivalents	12	860 571	860 571
Financial liabilities			
Long-term borrowings	3 & 17	2 572 312	2 572 312
Short-term borrowings	3 & 17	556 804	556 804
Trade payables	18	2 013 749	2 013 749
Sundry payables and accruals	18	110 570	110 570
Bank overdrafts	12	18 689	18 689

36 SHARE-BASED PAYMENTS

Equity-settled share option schemes

The company has share option and share incentive schemes for certain senior employees of the group.

Share option scheme

In 2000 the shareholders approved the adoption of the Super Group share incentive scheme. The scheme was introduced to provide an incentive for senior employees (including executive directors) of the group. The objective of the scheme is to enable the retention of key employees. Allocations are linked to both the performance of the group and the individual. The share options have been classified as an equity-settled scheme and therefore an equity-settled share-based payment reserve has been recognised.

In accordance with the provisions in IFRS 1 the group has elected to account only for the cost of options granted subsequent to 7 November 2002 which had not vested by 1 January 2005.

Options are granted at predetermined prices set by the trustees of the scheme. The vesting period is four years as follows:

Year 1	20% of allocation
Year 2	25% of allocation
Year 3	25% of allocation
Year 4	30% of allocation

If the options remain unexercised after a period of five years from the date of grant, the options expire unless agreed to otherwise by the board of directors or in terms of the trust deed. Options are forfeited if the employee leaves the group before the options vest unless otherwise recommended by the Board of the company. The options outstanding at 30 June 2006 have an exercise price of R4,16 or R7,20.

In terms of the scheme, 10% of the issued share capital of the company may be offered by the trustees to eligible participants.

	2006 Number of shares	2005 Number of shares
Shares allotted	**40 484 311**	40 484 311
Share options granted	**(13 884 460)**	(23 959 750)
Available for allocation	**26 599 851**	16 524 561
Movement in number of options		
Balance at beginning of period	**23 959 750**	15 297 281
Options granted	**100 000**	16 005 000
Options exercised	**(8 034 290)**	(6 047 031)
Options lapsed (forfeited and expired)	**(2 141 000)**	(1 295 500)
Balance at end of period	**13 894 460**	23 959 750
Vesting period of option granted		
Already vested	**4 781 000**	4 570 853
Within 1 year	**5 341 460**	10 717 647
Within 2 years	**3 762 000**	3 906 250
Within 3 years	**–**	4 765 000
	13 894 460	23 959 750
Average market price of options traded during the period (Rand)	**12,27**	11,91
Compensation expense (R000)	**13 143**	14 400

36 SHARE-BASED PAYMENTS (continued)

The fair value of services received in return for share options granted has been calculated using the actuarial binomial model. The following assumptions have been usd:

Expected option life (calculated by reference to specific allocation)	2 – 4 years
Risk-free interest rate (determined by reference to vesting date)	8,09 – 8,59%
Share volatility (determined by reference to vesting date)	35,94 – 43,71%
Dividend yield	3,69%
Exercise behaviour	33,3% at 20% in the money
	33,3% at 50% in the money
	33,3% at "optimal time"

Share incentive schemes

Shareholders approved the introduction of two new incentive schemes at the previous annual general meeting. The underlying principle of these schemes is to provide direct linkage between the interests of shareholders and the efforts of executives or managers. Performance conditions relate inter alia to total shareholder return relative to a peer group return on capital employed and cash generated. Targets are linked where applicable to the group's medium-term business plan over rolling three-year performance periods. The Share Appreciation Right Scheme and the Long-Term Incentive Plan both incorporate performance target requirements which must be met before the exercise of the share option is permitted. The performance targets are set by the Remuneration Committee and may be varied from time to time.

Certain executive directors have been granted 737 579 rights to receive shares at R10,95, being the market value of the share on the day preceding the grant for the period ending June 2008 in terms of the Share Appreciation Rights Scheme and 387 706 conditional awards of shares at R10,95 in terms of the Long-Term Incentive Plan. The conditions are based on performance over a three-year period to June 2008.

37 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

In terms of International Financial Reporting Standards, the group is required to include in its annual financial statements disclosure about the future impact of standards and interpretations issued but not yet effective at the issue date.

At the date of authorisation of the group annual financial statements of Super Group Limited and its subsidiaries for the period ended 30 June 2006, the following standards and interpretations were in issue but not yet effective:

Standard/Interpretation		Effective date
IFRS 6	Exploration for and evaluation of mineral resources	Annual periods commencing on or after 1 January 2006
IFRS 7	Financial instruments: Disclosures (including amendments to IAS 1, Presentation of financial statements: Capital disclosures)	Annual periods commencing on or after 1 January 2007
IAS 19 amendment	Employee benefits (December 2004)	Annual periods commencing on or after 1 January 2006
IAS 39 amendment	Financial instruments: Recognition and measurement (April 2005) – Cash flow hedge accounting of forecast intragroup transactions	Annual periods commencing on or after 1 January 2006
IAS 39 amendment	Financial instruments: Recognition and measurement (June 2005) – Fair value option	Annual periods commencing on or after 1 January 2006
IAS 39 & IFRS 4 amendment	Financial instruments: Recognition and measurement (August 2005) Insurance contracts – Financial guarantee contracts	Annual periods commencing on or after 1 January 2006
IAS 21 amendment	The effects of changes in foreign exchange rates (December 2005) – Net investment in a foreign operation	Annual periods commencing on or after 1 January 2006

Standard/Interpretation		Effective date
IFRIC 4	Determining whether an arrangement contains a lease	Annual periods commencing on or after 1 January 2006
IFRIC 5	Rights to interests arising from decommissioning restoration and environmental rehabilitation funds	Annual periods commencing on or after 1 January 2006
IFRIC 6	Liabilities arising from participating in a specific market – Waste electrical and electronic equipment	Annual periods commencing on or after 1 December 2005
IFRIC 7	Applying the restatement approach under IAS 29 Financial Reporting in Hyperinflationary Economies	Annual periods commencing on or after 1 March 2006
IFRIC 8	Scope of IFRS 2	Annual periods commencing on or after 1 May 2006
IFRIC 9	Reassessment of embedded derivatives	Annual periods commencing on or after 1 June 2006
AC 503	Accounting for black economic empowerment (BEE) transactions	Annual periods commencing on or after 1 May 2006
IFRIC 11	IFRS 2 – Group and Treasury Share Transactions	Annual periods commencing on or after 1 March 2007
IFRS 8	Operating Segments	Annual periods commencing on or after 1 January 2009
IRFIC 12	Service Concession Arrangements	Annual periods commencing on or after 1 January 2008

All standards will be adopted at their effective date (except for the effect of those standards that are not applicable to the entity).

The directors have reviewed the above issued standards and are of the opinion that they are not applicable to the business of the entity and will therefore have no impact on future financial statements with the exception of IFRS 7, IAS 39/IFRS 4, IFRS 8 and the IAS 21 amendment.

IFRS 7

The disclosures provided in respect of financial instruments for the year ending 30 June 2007, as well as comparative information, will be compliant with IFRS 7. The disclosure requirements of IFRS 7 require additional disclosures compared to those required by existing IFRS in respect of credit risk, market risk and the capital objectives and policies of the company. The adoption of IFRS 7 will not have any material impact on the accounting policies adopted for financial instruments.

IAS 39 and IFRS 4 amendments

The amendments will be adopted by the group for the first time for the year ending 30 June 2007 and are not expected to have a material effect. The IAS 39 amendment restricts the extent to which an entity can designate a financial asset or liability as "at fair value through profit or loss" to certain situations and the IAS 39 and IFRS 4 amendment relates to financial guarantee contracts.

IAS 21 amendment

The amendment to IAS 21 relating to the treatment of monetary receivables from or to a foreign operation will be adopted by the group for the first time for the year ending 30 June 2007. This change should have no effect on the group as all movements in exchange rates on the group's foreign operations are already carried in equity.

IFRIC 4

IFRIC 4 will be adopted by the group for the first time for the year ending 30 June 2007. In terms of IFRIC 4, the entity is required to examine outsourcing arrangements, take-or-pay and similar contracts to identify if these arrangements contain leases that are required to be accounted for in terms of IAS 17 Leases. In accordance with the transitional provisions of this interpretation, the interpretation will be applied to arrangements existing as at 1 July 2005 and the figures for the 2006 financial year will be restated accordingly.

The effect of adopting IFRIC 4 has not yet been determined. The exisiting accounting policies with regard to operating and finance leases will not change and will be applied to IFRIC 4 arrangements.

37 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE (continued)

IFRIC 11

In terms of IFRIC 11, when a subsidiary grants rights to equity instruments of its parent to its employees, the subsidiary shall account for the transaction with its employees as a cash-settled share-based payment transaction. The group previously made an accounting policy selection to account for the transaction as an equity-settled share-based payment transaction. The transitional provisions of this Interpretation require retrospective application subject to the transitional provisions of IFRS 2.

IFRS 8

In terms of IFRS 8 the reporting on segments would be based on the information that management uses internally for evaluating segment performance and when deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the income statement and balance sheet.

The accounting policies of these operating segments are the same as those described in the summary of significant accounting policies.

IFRIC 12

IFRIC 12 addresses how service concession operators should apply IFRS to account for the obligations they undertake and the rights they receive in service concession arrangements.

38 ZIMBABWE SUBSIDIARIES

The group has significant subsidiary operations based in Zimbabwe. Zimbabwean exchange regulations have placed restrictions on the ability of the Zimbabwean subsidiaries to transfer funds to the company to repay loans and advances. These restrictions have not impaired the Zimbabwean subsidiaries' ability to trade, but have placed restrictions on the flow of cash out of Zimbabwe, as the government regulates the inflation and exchange rates that may be used by businesses in that country. During the current period the Zimbabwean subsidiaries adopted the US dollar as their functional currency. The change in functional currency was treated as a change in estimate and applied prospectively from 1 April 2005.

39 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND KEY ASSUMPTIONS

The directors and the Audit Committee have considered the group's critical accounting policies, key sources of uncertainty and areas where critical accounting judgements were required in applying the group's accounting policies.

Critical accounting policies

The Audit Committee is satisfied that the critical accounting policies are appropriate to the group.

Key sources of uncertainty and critical accounting judgements in applying the group's accounting policies

Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. The company makes estimates, judgements and assumptions concerning the future. Those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of assets

The company tests whether assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. Estimates are based on interpretation of generally accepted industry-based market forecasts.

Inventories

Impairment provisions are raised against inventory when it is considered that the amount realisable from such inventory's sale is considered to be less than its carrying amount. In determining whether a particular item of inventory could be considered to be overvalued, the following factors are taken into consideration:

- saleability;
- sub-standard quality and damage; and
- historical and forecast sales demand.

Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. Impairment adjustments are raised against trade receivables when their collectability is considered to be doubtful. Management believes that the impairment write-off is conservative and there are no significant trade receivables that are doubtful and have not been impaired. In determining whether a particular receivable could be doubtful, the following factors are taken into consideration:

- age;
- customer current financial status; and
- disputes with the customer.

Property, plant and equipment

The residual values of property, plant and equipment are considered significant, for certain classes of property, plant and equipment (eg motor vehicles) and full maintenance lease assets. The estimation of the useful lives is based on historic performance as well as expectation about future use and therefore requires a degree of judgement to be applied by management. The depreciation rates represent management's current best estimate of the useful lives of the assets. Residual values are determined taking into account generally accepted industry-based market forecasts adjusted where necessary to take into account factors specific to the asset.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces. Deferred tax assets are also recognised on STC credits to the extent it is probable that future dividends will utilise these credits.

Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the life cycle of the vehicles applied to the total expected revenue arising from maintenance contracts.

Investments

The group reflects its held-for-trading investments at fair value. The determination of directors' value of unlisted investments was determined using a combination of discounted cash flow, net asset value and price-earnings method. The assumptions made in these valuations required accounting judgements.

Policyholder claims and benefits

The group estimates for reported and unreported losses and establishing resulting provisions and related reinsurance recoverables are continually reviewed and updated, and adjustments resulting from this review are reflected in income. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends, is an appropriate basis for predicting future events.

40 TRANSITION TO IFRS AND CHANGES IN INTERPRETATION OF ACCOUNTING POLICIES

For the year ended 31 March 2005, the group prepared financial statements in accordance with South African Generally Accepted Accounting Practice (SA GAAP). In line with the listing requirements of the JSE Limited, the group has adopted International Financial Reporting Standards (IFRS). These are the group's first financial statements prepared in accordance with IFRS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the period ended 30 June 2006, the comparative information presented in these financial statements for the year ended 31 March 2005 and in the preparation of an opening IFRS balance sheet at 1 April 2004 (the group's date of transition). In preparing its opening IFRS balance sheet, the group has adjusted amounts previously reported under SA GAAP.

There have been no material adjustments to the cash flow statement.

Comparative information for 2005 is restated to take into account the requirements of all the standards except for IAS 32 – Financial Instruments: Disclosure and Presentation, IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 4 – Insurance Contracts. These three standards are implemented with effect from 1 April 2005 and the opening balance sheet at this date is adjusted accordingly. Balance sheets prior to this date have been prepared in accordance with SA GAAP.

40 TRANSITION TO IFRS AND CHANGES IN INTERPRETATION OF ACCOUNTING POLICIES (continued)

The group has taken advantage of the following optional exemptions from full retrospective application at the transition date:
- not to restate business combinations which took place prior to transition date;
- to include goodwill on the basis of deemed cost, being cost less accumulated amortisation, with negative goodwill being written off to retained earnings;
- the transfer to retained income of the accumulated foreign currency translation reserves at transition date;
- to only account for the cost of options to acquire shares in the company, granted subsequent to 7 November 2002 which had not vested by 1 January 2005; and
- property, plant and equipment: the group elected to use the fair value of certain individual property, plant and equipment at transition date as the deemed cost.

There are no changes to estimates made under previous SA GAAP for the transition to IFRS (for example expected default or actuarial assumptions). Where estimates have previously been made under SA GAAP, consistent estimates (after adjustments to reflect any difference in accounting policies) have been made at the same date.

40.1 Zimbabwe operations

Subsidiaries in the group which operated under severe long-term restrictions that significantly impaired their ability to transfer funds, were not consolidated under SA GAAP. These exclusions are no longer provided for in IAS 27 (revised) and such subsidiaries are now consolidated. This required the reconsolidation of the Zimbabwean operations.

40.2 Business combinations and foreign exchange

In accordance with IAS 21, Goodwill has been translated at the closing rate of exchange. Foreign exchange differences arising on translation of all foreign operations are recognised directly in a separate component of equity (foreign currency translation reserve).

40.3 Property, plant and equipment

The reassessment of residual values in property, plant and equipment: In calculating the depreciation charge the group reduced the depreciable amount of its assets in each period by their estimated residual value. In previous years, in terms of SA GAAP, the estimated residual value was fixed on recognition of the asset and was not subject to reassessment. The group now reassesses the residual value of its property, plant and equipment at each balance sheet date. The continuous reassessment of the residual value typically leads to a change in depreciation charges annually. Depreciation ceases when the carrying value of an asset equals its residual value.

Assessment of useful lives: The group reassessed the useful lives of all its property, plant and equipment, and intangible assets. In instances where items of property, plant and equipment were fully depreciated, these assets have now been reinstated to reflect their appropriate carrying value.

Componentisation: Where significant components of an item of property, plant and equipment have different useful lives or residual values, those components are accounted for as separate items of property, plant and equipment. Previously all parts of an item of property, plant and equipment were depreciated at the same rate.

Subsequent costs: The group recognises, in the carrying amount of the item of property, plant and equipment, the cost of replacing a part of such item if it is probable that the future economic benefits embodied within the item will flow to the group and the cost of the item can be measured reliably. The remaining carrying amount of the part that is replaced by a new part, is de-recognised. All other costs are recognised in the income statement as an expense when incurred.

40.4 Intangible assets

Acquired computer software, previously reflected in property, plant and equipment as computer equipment, has now been reclassified as an intangible asset. The useful life of computer software, both acquired and self-developed, is assessed annually.

40.5 Inventory

Spare parts, stand by and maintenance equipment expected to be used for more than one period have been reclassified as property, plant and equipment.

40.6 Impairment of assets

Certain assets not in active use have been impaired. A retrospective adjustment has been recorded.

40.7 Negative goodwill

Negative goodwill is no longer recognised on the balance sheet and is now recognised in the income statement as it arises. All negative goodwill balances have therefore been reversed with a corresponding adjustment to opening retained earnings.

40.8 Operating leases

The change in accounting interpretation for operating leases (as a result of a change in the interpretation of IAS 17-leases by South African entities, per South African Institute of Chartered Accountants Circular 7/2005) has resulted in payments made under fixed escalation operating leases being recognised in the income statement on a straight-line basis over the term of the lease. Previously, operating lease payments were expensed on a cash flow basis based on an interpretation of the standard that was generally accepted in South Africa. The required adjustment (net of the deferred taxation effect) has been made as required by IFRS 1 with the necessary restatement of comparative figures. A reassessment of leases has resulted in certain leases, previously treated as operating leases, being capitalised.

40.9 Leases

Certain leases, which were previously considered to be operating leases, have been reclassified as finance leases. This change has resulted in an increase at 30 March 2005 of R53 million (1 April 2004: Nil) to property, plant and equipment.

40.10 Equity-settled share-based payments

Options to acquire shares in the company are granted to executive directors and staff. In accordance with IFRS 2, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity.

	Period ended 31 March 2005 R000
Reconciliation of SA GAAP to IFRS profit	
Profit attributable to equity holders of Super Group Limited – SA GAAP	395 343
Property, plant and equipment	1 181
Operating lease straightlining	(6 728)
Reconsolidation and hyperinflation – Zimbabwean subsidiaries	(72 552)
IFRS 2 – Share-based payments	(14 400)
Profit attributable to equity holders of Super Group Limited restated – IFRS	302 844

	31 March 2005 R000	1 April 2004 R000
Reconciliation of total equity		
Equity attributable to equity holders of Super Group Limited as reported under SA GAAP	1 971 684	1 358 137
Transition to IFRS and changes in intepretation of accounting policies	(50 761)	28 163
– Property, plant and equipment	(2 708)	(3 373)
– Operating lease straightlining	(40 598)	(33 870)
– Reconsolidation and hyperinflation – Zimbabwean subsidiaries	(9 775)	65 406
– Translation of goodwill at closing rate	2 320	–
Equity attributable to equity holders of Super Group Limited as reported under IFRS	1 920 923	1 386 300
Impact of IFRS on minority interest	(928)	(848)
Total equity per IFRS	1 919 995	1 385 452

SEGMENTAL ANALYSIS

for the 15-month period ended 30 June 2006

	SUPER GROUP		Supply Chain Management		African Transport	
	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000	**15-month period ended 30 June 2006 R000**	12-month period ended 31 March 2005 R000	**15-month period ended 30 June 2006 R000**	12-month period ended 31 March 2005 R000
Segmental revenue						
External sales	**12 363 153**	8 444 942	**2 779 621**	1 755 430	**365 814**	479 666
Inter-segment sales	**–**	–	**31 522**	17 005	**–**	–
Total revenue	**12 363 153**	8 444 942	**2 811 143**	1 772 435	**365 814**	479 666
– South African	**11 420 142**	7 718 661				
– Australian	**504 654**	213 750				
– US dollar and other	**438 357**	512 531				
Depreciation, amortisation and recoupments	**(306 381)**	(211 295)	**(70 237)**	(40 046)	**(11 695)**	(11 797)
Net operating expenditure – excluding capital items	**(11 167 794)**	(7 596 922)	**(2 360 899)**	(1 434 022)	**(376 085)**	(534 237)
Trading profit	**888 978**	636 725	**348 485**	281 362	**(21 966)**	(66 368)
Capital items	**(77 826)**	(55 207)	**(11 900)**	(1 169)	**(6 000)**	(18 545)
Operating profit	**811 152**	581 518	**336 585**	280 193	**(27 966)**	(84 913)
– South African	**641 598**	551 965				
– Australian	**108 053**	44 826				
– US dollar and other	**61 501**	(15 273)				
Income from associates	**5 544**	6 775	**–**	–	**–**	–
Finance cost less investment income	**(275 029)**	(153 328)	**–**	–	**–**	–
Profit before tax	**541 667**	434 965	**336 585**	280 193	**(27 966)**	(84 913)
ASSETS						
Non-current assets						
Property, plant, equipment and intangibles	**2 787 349**	2 181 016	**490 712**	312 308	**81 171**	191 465
Current assets						
Inventories	**1 120 832**	778 725	**18 801**	7 708	**19 308**	19 284
Trade and other receivables	**1 861 946**	1 297 933	**703 904**	529 274	**60 185**	83 364
	2 982 778	2 076 658	**722 705**	536 982	**79 493**	102 648
Segmental assets	**5 770 127**	4 257 674	**1 213 417**	849 290	**160 664**	294 113
– South African	**5 424 020**	3 866 403				
– Australian	**130 281**	65 471				
– US dollar and other	**215 826**	325 800				
LIABILITIES						
Non-current liabilities						
Fund reserves	**200 893**	104 064	**–**	–	**–**	–
Interest-bearing borrowings	**2 572 312**	1 731 024	**10 493**	8 030	**132**	2 491
	2 773 205	1 835 088	**10 493**	8 030	**132**	2 491
Current liabilities						
Interest-bearing borrowings	**556 804**	686 468	**3 490**	1 296	**–**	6 749
Trade and other payables	**2 124 319**	1 378 569	**525 556**	348 423	**14 029**	20 519
Provisions	**301 633**	181 572	**72 598**	33 121	**5 445**	3 909
	2 982 756	2 246 609	**601 644**	382 840	**19 474**	31 177
Segmental liablities	**5 755 961**	4 081 697	**612 137**	390 870	**19 606**	33 668
– South African	**5 226 369**	3 771 038				
– Australian	**486 769**	252 167				
– US dollar and other	**42 823**	58 492				
NET WORKING ASSETS	**14 166**	175 977	**601 280**	458 420	**141 058**	260 445
– South African	**197 651**	95 365				
– Australian	**(356 488)**	(186 696)				
– US dollar and other	**173 003**	267 308				
Goodwill	**1 060 902**	860 352	**342 904**	292 452	**32 701**	44 938
Investments	**178 137**	196 335	**–**	–	**–**	–
Capital expenditure	**1 114 447**	690 067	**298 033**	270 026	**8 676**	19 688
Capital commitments (excluding FML)	**361 382**	1 282 654	**138 074**	403 629	**19 846**	–
– South African	**335 019**	1 282 054				
– Australian	**6 517**	–				
– US dollar and other	**19 846**	–				
RATIOS						
Trading margin (%)	**7,2%**	7,5%	**12,5%**	16,0%	**(6,0%)**	(13,8%)

SEGMENTAL CLASSIFICATION

Assets and liabilities that cannot be allocated to a specific division comprises cash and cash equivalents and deferred taxation have not been included in the segmental analysis.

Automotive Parts was renamed Retail Supply Chain to accommodate the newly acquired Mica Hardware business.

*Included in the Fleet Solutions net interest cost is a net amount of R33 million related to the Australian businesses.

Fleet Solutions 15-month period ended 30 June 2006 R000	Fleet Solutions 12-month period ended 31 March 2005 R000	Retail Supply Chain 15-month period ended 30 June 2006 R000	Retail Supply Chain 12-month period ended 31 March 2005 R000	Dealerships 15-month period ended 30 June 2006 R000	Dealerships 12-month period ended 31 March 2005 R000	Services 15-month period ended 30 June 2006 R000	Services 12-month period ended 31 March 2005 R000
1 214 554	747 862	2 806 547	1 876 453	4 918 997	3 439 053	277 620	146 478
–	–	–	3 219	–	9 791	(31 522)	(30 015)
1 214 554	747 862	2 806 547	1 879 672	4 918 997	3 448 844	246 098	116 463
(170 487)	(120 591)	(28 298)	(13 997)	(18 174)	(16 865)	(7 488)	(7 999)
(736 559)	(441 442)	(2 691 107)	(1 763 376)	(4 748 509)	(3 300 849)	(254 637)	(122 996)
307 508	185 829	87 142	99 080	152 314	121 339	15 495	15 483
(16 093)	–	–	(172)	(9 742)	(35 321)	(34 091)	–
291 415	185 829	87 142	98 908	142 572	86 018	(18 596)	15 483
–	–	–	–	–	–	5 544	6 775
(117 091)	(64 783)	–	–	–	–	(157 938)	(88 545)
174 324	121 046	87 142	98 908	142 572	86 018	(170 990)	(66 287)
1 460 085	1 257 446	195 291	154 965	86 432	32 544	473 658	232 288
30 187	2 236	409 871	363 929	642 662	384 135	3	1 433
274 106	146 375	332 035	294 818	226 160	217 660	265 556	26 442
304 293	148 611	741 906	658 747	868 822	601 795	265 559	27 875
1 764 378	1 406 057	937 197	813 712	955 254	634 339	739 217	260 163
200 893	104 064	–	–	–	–	–	–
1 075 165	614 854	30 213	10 222	1 407	2 778	1 454 902	1 092 649
1 276 058	718 918	30 213	10 222	1 407	2 778	1 454 902	1 092 649
358 011	529 937	2 166	6 317	615	202	192 522	141 967
330 836	219 987	417 492	380 419	641 189	321 993	195 217	87 228
59 891	75 818	17 513	6 939	25 413	13 222	120 773	48 563
748 738	825 742	437 171	393 675	667 217	335 417	508 512	277 758
2 024 796	1 544 660	467 384	403 897	668 624	338 195	1 963 414	1 370 407
(260 418)	(138 603)	469 813	409 815	286 630	296 144	(1 224 197)	(1 110 244)
494 110	384 663	85 648	74 088	93 450	49 557	12 089	14 654
–	–	–	–	–	–	178 137	196 335
401 768	338 627	66 859	37 600	75 376	10 830	263 735	10 233
51 141	727 292	20 645	68 873	26 677	74 502	104 999	7 758
25,3%	24,8%	3,1%	5,3%	3,1%	3,5%	5,6%	10,6%

BALANCE SHEETS – SUPER GROUP LIMITED

	Note	30 June 2006 R000	31 March 2005 R000
ASSETS			
Non-current assets			
Investment in subsidiaries	1	**741 308**	741 308
Loans to subsidiaries	1	**1 080 845**	872 241
Investments in associates	2	**–**	46 351
Investment	3	**178 007**	175 000
Deferred tax asset	4	**3 157**	118
		2 003 317	1 835 018
Current assets			
Receivables		**2 660**	211
Investment held for sale	2	**36 600**	–
Cash and cash equivalents		**211**	1 064
		39 471	1 275
Total assets		**2 042 788**	1 836 293
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of Super Group Limited	5	**1 144 193**	897 796
Non-current liabilities			
Interest-bearing borrowings	7	**895 880**	936 696
		895 880	936 696
Current liabilities			
Shareholders for dividends		**585**	841
Trade and other payables		**1 945**	–
Taxation		**91**	960
Provisions	8	**94**	–
		2 715	1 801
Total equity and liabilities		**2 042 788**	1 836 293

INCOME STATEMENTS – SUPER GROUP LIMITED

	Note	15-month period ended 30 June 2006 R000	12-month period ended 31 March 2005 R000
Non-trading income	9	**36 000**	36 000
Other operating expenditure	9	**(40 976)**	(21 616)
Operating (loss)/profit	9	**(4 976)**	14 384
Dividends received	10	**389 866**	49 867
Interest received	10	**145 737**	98 177
Finance costs	10	**(150 294)**	(87 103)
Profit before taxation		**380 333**	75 325
Income tax credit/(expense)	11	**2 948**	(14 432)
Profit for the period		**383 281**	60 893

CASH FLOW STATEMENTS – SUPER GROUP LIMITED

	Note	30 June 2006 R000	31 March 2005 R000
Cash flows from operating activities			
Cash generated from operations	13	**4 365**	9 066
Interest received		**145 737**	98 177
Finance costs paid		**(150 294)**	(87 103)
Dividends received		**386 859**	49 867
Dividends paid	14	**(150 046)**	(129 210)
Income tax paid	15	**(960)**	(10 005)
Net cash retained from/(utilised by) operating activities		**235 661**	(69 208)
Cash flows from investing activities			
Acquisition of businesses		**–**	(81 610)
Net increase in loans to subsidiaries		**(208 604)**	(1 137 253)
Net cash outflow from investing activities		**(208 604)**	(1 218 863)
Cash flows from financing activities			
Increase in ordinary share capital		**12 906**	351 526
Interest-bearing borrowings (repaid)/raised		**(40 816)**	936 695
Net cash (outflow)/inflow from financing activities		**(27 910)**	1 288 221
Net (decrease)/increase in cash and cash equivalents		**(853)**	150
Cash and cash equivalents at beginning of period		**1 064**	914
Cash and cash equivalents at end of period		**211**	1 064

STATEMENT OF CHANGES IN EQUITY – SUPER GROUP LIMITED

	Ordinary share capital R000	'A' ordinary share capital R000	Share premium R000	Retained earnings R000	General reserves R000	Compulsory convertible debentures R000	Share capital and reserves R000
Balance at 1 April 2004	35 757	–	60 154	42 505	378 325	42 151	558 892
Transfer to accumulated profit	–	–	–	90 549	(90 549)	–	–
Conversion of debentures	700	–	41 451	–	–	(42 151)	–
Ordinary share issues	4 027	–	355 973	–	–	–	360 000
'A' ordinary share issues	–	5 167	53 582	–	–	–	58 749
Share issue expenses written off	–	–	(11 191)	–	–	–	(11 191)
Profit for the period	–	–	–	60 893	–	–	60 893
Ordinary dividend	–	–	–	(129 547)	–	–	(129 547)
Balance at 31 March 2005	40 484	5 167	499 969	64 400	287 776	–	897 796
Conversion of 'A' ordinary shares	–	1 646	11 260	–	–	–	12 906
Profit for the period	–	–	–	383 281	–	–	383 281
Ordinary dividend	–	–	–	(149 790)	–	–	(149 790)
Balance at 30 June 2006	40 484	6 813	511 229	297 891	287 776	–	1 144 193

NOTES TO THE FINANCIAL STATEMENTS – SUPER GROUP LIMITED

for the 15-month period ended 30 June 2006

		30 June 2006 R000	31 March 2005 R000
1	**INVESTMENT IN SUBSIDIARIES**		
	Shares at cost less accumulated amounts written off	**741 308**	741 308
	Loans to subsidiaries	**1 080 845**	872 241
		1 822 153	1 613 549
2	**INVESTMENT IN ASSOCIATES**		
	Listed investment		
	Shares at cost	**46 351**	46 351
	Impairment of investment in associate	**(9 751)**	–
	Investment held for sale	**(36 600)**	–
		–	46 351
	The listed investment in associate company relates to CIC Holdings Limited. In the current period the decision was taken to dispose of the investment in CIC Holdings Limited. The investment was sold subsequent to year-end. Investment in CIC Holdings Limited held for sale has been shown as part of current assets		
3	**INVESTMENT**		
	Balance at beginning of period	**175 000**	–
	Investment acquired	**–**	175 000
	Dividends accrued during period included in the income statement	**17 334**	–
	Dividends received during period	**(14 327)**	–
	Balance at end of period	**178 007**	175 000
	The investment relates to 175 000 redeemable cumulative non-participating preference shares in Sechold Finance Services (Pty) Limited.		
	Dividends are received on a six-monthly basis on 31 March and 30 September.		
4	**DEFERRED TAX ASSET**		
	Balance at beginning of period	**118**	3 585
	Current year income statement charge	**3 039**	(3 467)
	Balance at end of period	**3 157**	118
	Analysis of closing balances at end of period		
	Secondary taxation on companies	**3 011**	–
	Capital gains tax	**119**	118
	Working capital	**27**	–
		3 157	118
5	**SHARE CAPITAL AND RESERVES**		
	Ordinary share capital (note 6)	**47 297**	45 651
	Share premium	**511 229**	499 969
	Retained earnings	**297 891**	64 400
	General reserve	**287 776**	287 776
		1 144 193	897 796
	The general reserve comprises capital profits on the disposal of investments in prior periods.		
6	**ORDINARY SHARE CAPITAL**		
	Authorised		
	750 000 000 (2005: 750 000 000) ordinary shares of 10 cents each	**75 000**	75 000
	68 130 900 (2005: 68 130 900) 'A' ordinary shares of 10 cents each	**6 813**	6 813
		81 813	81 813
	Issued		
	404 843 109 (2005: 404 843 109) ordinary shares of 10 cents each	**40 484**	40 484
	68 130 900 (2005: 51 668 686) 'A' ordinary shares of 10 cents each	**6 813**	5 167
		47 297	45 651
	Refer to note 14 of the group consolidated annual financial statements for details of changes in authorised and issued share capital.		

	30 June 2006 R000	31 March 2005 R000

7 INTEREST-BEARING BORROWINGS

Corporate bond		
The corporate bond is unsecured, bears interest at a coupon rate of 12,5% and is repayable in 2008.	**895 880**	923 790
Interest repayments occur half yearly on 30 June and 31 December.		
Financial liability		
The financial liability relates to the Peu empowerment transaction share issue and was discounted at an interest rate of 11,84%	**–**	12 906
	895 880	936 696
Repayment terms		
Within 1 year	**–**	40 816
Year 2	**895 880**	–
Year 3 – 5	**–**	895 880
	895 880	936 696

8 PROVISIONS

Movement summary		
Increase in provisions/additional provisions	**94**	–
Analysis of balance at end of period		
Employee-related provisions	**94**	–

9 OPERATING PROFIT

Operating profit is derived after taking the following into account:		
Income		
Management fees	**36 000**	36 000
Other non-trading income	**–**	1 055
	36 000	37 055
Expenses		
Auditor's remuneration for audit fees	**(360)**	(330)
Directors' emoluments		
Executive directors' emoluments excluding employer contributions	**(17 817)**	(20 215)
– Basic remuneration	**(9 257)**	(9 791)
– Cash incentives	**(8 075)**	(10 045)
– Other benefits	**(485)**	(379)
Employer contributions to defined contribution funds	**(1 149)**	(792)
Non-executive directors – for services as directors	**(2 242)**	(1 334)
– Chairman and deputy chairman fees	**(625)**	(533)
– Directors fees and other	**(1 617)**	(801)
Impairment of investment in associate	**(9 751)**	–
Other operating expenses	**(9 657)**	–
Operating (loss)/profit	**(4 976)**	14 384

10 FINANCE COSTS, INTEREST AND DIVIDENDS RECEIVED

Finance costs	**(150 294)**	(87 103)
Finance costs paid to subsidiaries	**(7 936)**	–
Corporate bond	**(142 358)**	(86 620)
Debentures	**–**	(483)
Interest received	**145 737**	98 177
Interest received from subsidiaries	**145 671**	98 177
Other interest received	**66**	–
Dividends received	**389 866**	49 867
– Subsidiaries	**371 373**	48 120
– Associates	**1 159**	1 747
– Preference share investment	**17 334**	–
	385 309	60 941

		30 June 2006 R000	31 March 2005 R000
11	**INCOME TAX**		
	Comprises:		
	South African normal taxation		
	– Current	**91**	961
	– Deferred	**(3 039)**	3 467
	Secondary taxation on companies	**–**	10 004
		(2 948)	14 432
	Reconciliation of rate of income tax:		
	The reconciliation of the rate of taxation is based on profit before tax	**%**	%
	Standard rate of income tax	**29,0**	30,0
	Exempt income	**–**	(4,2)
	Impairment of investment	**0,7**	–
	Dividends	**(29,7)**	(19,9)
	Secondary taxation on companies	**(0,8)**	13,3
	Effective income tax rate	**(0,8)**	19,2
12	**ORDINARY DIVIDEND**		
	It is company policy to declare one dividend per year.		
	A cash dividend of 37 cents per share has been paid in respect of the period ended 30 June 2006	**149 790**	129 547
13	**CASH GENERATED FROM OPERATIONS**		
	Reconciliation of profit before tax to cash generated from operations:		
	Profit before tax	**380 333**	75 325
	Dividends received	**(389 866)**	(49 867)
	Interest received	**(145 737)**	(98 177)
	Finance costs	**150 294**	87 103
	Operating (loss)/profit	**(4 976)**	14 384
	Adjustments for:		
	Impairment of investment in associate	**9 751**	–
	Losses on disposal of operations/investments	**–**	3
	Provisions	**94**	–
	Operating cash flow	**4 869**	14 387
	Working capital changes	**(504)**	(5 321)
	– Increase in receivables	**(2 449)**	(211)
	– Increase/(decrease) in trade and other payables	**1 945**	(5 110)
		4 365	9 066
14	**DIVIDENDS PAID**		
	Balance at beginning of period	**(841)**	(504)
	Dividend declared	**(149 790)**	(129 547)
	Balance at end of period	**585**	841
	Cash dividend paid	**(150 046)**	(129 210)
15	**INCOME TAX PAID**		
	Balance at beginning of period	**(960)**	–
	Current year income statement charge	**(91)**	(10 965)
	Balance at end of period	**91**	960
	Income tax paid	**(960)**	(10 005)

INVESTMENTS IN OPERATING SUBSIDIARY AND JOINT VENTURE COMPANIES

at 30 June 2006

COMPANY	Super Group holding %	Issued share capital R	Shares 2006 R000	Shares 2005 R000	Loans (from)/ to subsidiaries 2006 R000	Loans (from)/ to subsidiaries 2005 R000
Africa Truck Accident Repairs (Pty) Ltd	75	100				
Auto Parts Distributors (Pty) Ltd	100	1 000				
Autozone (Pty) Ltd	92,5	1 900				
Basfour 2921 (Pty) Ltd	100	1 000				
Basfour 2922 (Pty) Ltd	100	1 000				
Basfour 2923 (Pty) Ltd	100	100				
Basfour 2925 (Pty) Ltd	100	100				
Bluefin Investments Ltd and its subsidiaries (Mauritius)*	100	$51 221 000				
Chicanes Lifestyle Centre (Pty) Ltd	100	5 000 000				
Emerald Insurance Company Ltd	100	5 897 251	**114 031**	114 031	**–**	–
Extreme Lifestyle Centre (Pty) Ltd	100	10				
Firefly Investments 56 (Pty) Ltd	50,1	1 000				
FleetAfrica (Pty) Ltd	100	1 000	**137 642**	137 642	**42 792**	–
FleetAfrica (Eastern Cape) (Pty) Ltd	75	1 000				
Fleet Distributions (Pty) Ltd	100	900	**3 750**	3 750	**(9 410)**	(9 410)
GDC Logistics (Pty) Ltd	100	100 000	**196**	196	**4 122**	4 122
Hermans and Tyco Panelbeaters (Pty) Ltd@	50	100				
Koopsaam Mica Build (Pty) Ltd	100	1 000				
Lexshell 280 Investments (Pty) Ltd	100	100				
Mitchell Cotts International Freight (Pty) Ltd	100	10				
Newtrans (Pty) Ltd	100	100				
Nucleus Capital (Pty) Ltd	100	100				
Nucleus Corporate Finance (Pty) Ltd	80	100				
Partcorp Holdings Ltd	92,5	1 124 960				
Partcorp Ltd	92,5	1 000				
Performance Tyres (Pty) Ltd	100	50 900	**51**	51	**–**	–
Power Plus Performance (Pty) Ltd	100	4 000				
Regional Transporters (Pty) Ltd and its subsidiaries	100	100	**62 723**	62 723	**(11 250)**	(11 250)
Rentrak (Pty) Ltd	80	500				
Sabex Brakes (Pty) Ltd	50,1	1 000				
Sabex Manufacturing (Pty) Ltd	50,1	1 000				
Super Group Holdings (Pty) Ltd	100	1 000	**418 169**	418 169	**215 664**	224 853
Super Group Trading (Pty) Ltd	100	523 316 000			**836 678**	661 677
Super Truck and Cab (Pty) Ltd	75	133				
The Logistics Bureau (Pty) Ltd	100	10				
Transport Brokers (Pty) Ltd	100	600	**4 746**	4 746	**2 249**	2 249
Truck Busters KZN (Pty) Ltd	100	201				
Whelson Properties (Pty) Ltd	100	100				
Whelson Transport (Pty) Ltd	100	1 000				
TOTAL			**741 308**	741 308	**1 080 845**	872 241

**Significant operating subsidiaries of Bluefin Investment Ltd*

Emerald Insurance Ltd (Mauritius)	100
GDC Logistics Ltd (Mauritius)	100
GDC Logistics Ltd (Malawi)	100
GDC Logistics Ltd (Zambia)	100
Interorg Ltd (Mauritius)	100
SGI Finance BV (Netherlands)	100
Super Group Trading Ltd (Mauritius)	100
FleetAustralia Pty Ltd (Australia)	100
Super Group Australia Pty Ltd (Australia)	100
Super Group Fleet Services Australia Pty Ltd (Australia)	70
SMB Fleet Management Pty Ltd	100

The group's share of net attributable profits in subsidiaries is R591 683 000 (2005: R562 649 000) and R50 016 000 (2005: 127 684 000) losses.
Country of incorporation: Republic of South Africa unless stated otherwise. R = Rand unless otherwise stated.
The group maintains a register of all subsidiaries, available for inspection at the registered office of Super Group Ltd.

@Investment relates to a joint venture

ANALYSIS OF SHAREHOLDERS

Register date: 30 June 2006 Ordinary issued share capital: 404 843 109 shares

	Number of shareholders	%	Number of shares	%
SHAREHOLDER SPREAD				
Ordinary shares				
1 – 1 000 shares	4 479	78,09	558 739	0,14
1 001 – 5 000 shares	558	9,73	1 241 838	0,31
5 001 – 10 000 shares	111	1,94	811 482	0,20
10 001 – 100 000 shares	302	5,26	12 304 452	3,04
100 001 shares and over	286	4,98	389 926 598	96,31
	5 736	**100,00**	**404 843 109**	**100,00**
'A' ordinary shares				
68 130 900 shares	1	100,00	68 130 900	100,00
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Banks	66	1,15	11 597 427	2,86
Close corporations	66	1,15	120 562	0,03
Endowment funds	17	0,30	3 766 294	0,93
Individuals	4 762	83,04	21 971 979	5,43
Insurance companies	30	0,52	13 544 893	3,35
Investment companies	30	0,52	23 026 884	5,69
Medical aid schemes	7	0,12	691 565	0,17
Mutual funds	170	2,96	71 043 085	17,55
Nominees and trusts	187	3,26	11 682 389	2,89
Other corporations	47	0,82	311 484	0,08
Pension funds	240	4,18	137 149 632	33,88
Private companies	98	1,71	96 986 103	23,96
Public companies	14	0,24	216 569	0,03
Share trusts	2	0,03	12 734 243	3,15
	5 736	**100,00**	**404 843 109**	**100,00**
'A' ordinary shares				
Private company	1	100,00	68 130 900	100,00

	Number of shareholders	%	Number of shares	%
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	**23**	**0,40**	**177 381 848**	**37,5**
Directors and associates of the company holdings	10	0,17	18 926 624	4,00
Own holdings	6	0,10	37 316 196	7,89
Group retirement funds	2	0,04	5 429	0,00
Share trusts	2	0,04	12 734 243	2,69
Strategic related holdings	3	0,05	108 399 356	22,92
Public shareholders	**5 713**	**99,60**	**295 592 161**	**62,50**
	5 736	**100,00**	**472 974 009**	**100,00**
BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE OF ORDINARY SHARES				
Peu Group (Pty) Limited[1]			108 399 356	22,92
Public Investment Corporation			84 840 921	20,96
Super Group Trading (Pty) Limited			36 478 016	9,01
L Lipschitz			18 037 007	4,46
Relicove Investment Holdings (Pty) Limited			16 635 865	4,11
Investment Solutions Limited			16 621 175	4,11
Sanlam Limited			13 887 604	3,43
First National Bank			12 287 837	3,04

[1]Peu Group (Pty) Limited also owns 68 130 900 'A' ordinary shares in the company which rank pari passu with the ordinary shares in issue. Accordingly, Peu have an effective 22,92% shareholding of the total issued share capital, and 25,6% after deduction of the shares held by Super Group subsidiaries and the share incentive schemes. Peter Malungani and Busi Tshili are shareholders of Peu Group (Pty) Limited.

NOTICE OF THE ANNUAL GENERAL MEETING

for the 15-month period ended 30 June 2006

Notice is hereby given that the annual general meeting of members of Super Group Limited ("the company") in respect of the 15-month period ended 30 June 2006 will be held at the registered offices of the company 27 Impala Road, Chislehurston, Sandton, on Wednesday, 31 January 2007 at 09:00 for the following purposes:

AGENDA

1 To receive and adopt the audited financial statements of the company and of the group and the report of the independent auditors for the 15-month period ended 30 June 2006.

2 To elect directors in place of Messrs SE Abrahams B Greenstone P Malungani and P Vallet who retire by rotation and being eligible offer themselves for re-election. Please refer to pages 12 and 13 for their brief CVs.

3 To authorise the directors to determine the remuneration of the auditors for the past 15-month period.

4 To re-appoint the Auditors KPMG Inc. for the ensuing year.

5 To place 10% (ten percent) of the unissued ordinary shares in the capital of the company under the control of the directors who are authorised to allot and issue the same upon such terms and conditions as they deem fit in accordance with the provisions of section 221 of the Companies Act 1973 (Act 61 of 1973) as amended ("the Companies Act") and the Listings Requirements of the JSE Limited ("JSE").

6 Special resolution number 1
To consider and if deemed fit to pass with or without modification the following resolution as a special resolution:

Resolved: That in terms of Section 62 of the Companies Act 61 of 1973 ("Companies Act") as amended the existing Articles of Association of the company be and are hereby amended with the inclusion of article 118.4 which article reads as follows:

"118.4 The forfeited dividend and/or dividends shall be paid to a charity or charities of the company's choice."

The reason for and effect of the passing of special resolution 1 is to enable the company to pay forfeited dividends to a charity or charities."

7 Special resolution number 2
To consider and if deemed fit to pass with or without modification the following resolutions as special resolutions:

Resolved 1. That the directors be authorised to facilitate the acquisition by the company or a subsidiary of the company from time to time of the issued shares of the company through the order book operated by the JSE from such shareholder(s) at such price in such manner and subject to such conditions as they in their sole and absolute discretion deem fit provided that in making an acquisition the directors shall comply with the provisions of:

i) section 85 of the Companies Act the company's Articles of Association and any other provisions of the Statutes which may be applicable.
ii) the Listings Requirements of the JSE insofar as they may be applicable including but not limited to:
   - a maximum repurchase of shares in any full financial year of 20% of the issued capital of the relevant class;
   - a purchase consideration of no more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date of purchase;
   - at any point in time the company may only appoint one agent to effect any repurchases;
   - the company will after the repurchase still comply with the provisions of the Listings Requirements of the JSE regarding shareholder spread; and
   - no repurchases will be effected during a prohibited period.

Resolved 2. That the approval given in terms of (1.) shall remain in force from the date of registration of this special resolution by the Registrar of Companies until the conclusion of the next annual general meeting of the company or in any event for a period of 15 months from the date on which it was passed whichever period is shorter.

At the present time the directors intend to continue to utilise this authority if they consider the circumstances appropriate.

The directors undertake that they will not implement any such repurchase in the period of this general authority unless;

- the company and the group will be able in the ordinary course of business to pay its debts;
- the assets of the company will be in excess of the liabilities of the company;
- the ordinary capital and reserves of the company and the group are adequate;
- the working capital of the company and the group is adequate and
- the sponsor of the company provides a letter to the JSE on the adequacy of working capital in terms of section 2.12 of the Listings Requirements of the JSE.

An announcement complying with 11.27 of the Listings Requirements of the JSE will be published by the company (i) when the company and/or its subsidiaries have cumulatively repurchased 3% of the ordinary shares in issue as at the time the general authority was given ("the initial number"); and for each 3% in aggregate of the initial number of ordinary shares acquired thereafter by the company and/or its subsidiaries.

The reasons for proposing the special resolutions are to permit and grant Super Group a general authority to acquire its own shares.

The effect will be to authorise the company to purchase shares in Super Group.

NOTICE OF THE ANNUAL GENERAL MEETING

for the 15-month period ended 30 June 2006

8 There have been no material changes in the financial or trading statement of the company since the date of publication of its reviewed results for the period ended 30 June 2006.

9 The directors whose names are given on pages 12 and 13 of the annual report collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the annual report contains all information required by law and the Listings Requirements of the JSE.

The company is not aware of any legal or arbitration proceedings including any proceedings that are pending or threatened that may have or have had in the recent past, being at least the previous 12 months, a material effect on the financial position of the group.

Shareholders' attention is drawn to the following information that is required to be disclosed and which is contained in the pages referred to of the annual report:

- independent, non-executive and executive directors: pages 12 and 13
- major shareholders: page 116
- directors' interests in securities: pages 60 to 61
- share capital of the company: page 83.

10 To transact such other business as may be transacted at an annual general meeting.

In terms of the Listings Requirements Super Group shares held by and registered in the name of Super Group Share Incentive Trust will not have their votes at the annual general meeting taken into account for Listings Requirements resolution approval purposes.

Members who have not dematerialised their shares or have dematerialised their shares with "own name" registration are entitled to attend and vote at the meeting and may in terms of section 189 of the Companies Act appoint a proxy or proxies to attend the meeting speak and on a poll vote in their stead. A proxy need not be a member of the company. A form of proxy is enclosed but is also obtainable from the Group Company Secretary at the company's registered office.

In order to be effective forms of proxy must reach the registered office of the company or the office of the transfer secretaries at least 48 hours before the time fixed for the meeting (excluding Saturdays, Sundays and public holidays).

Members who have dematerialised their shares other than those members who have dematerialised their shares with "own name" registration should contact their Central Securities Depository Participants ("CSDP") or broker in the manner and times stipulated in the relevant agreement:

- to furnish them with voting instructions; and
- in the event that they wish to attend the meeting to obtain the necessary authority to do so.

By order of the board

Ms JI Van Es
Group Company Secretary
Sandton

5 December 2006

FORM OF PROXY

SUPER GROUP LIMITED ("SUPER GROUP")
(Incorporated in the Republic of South Africa)
(Registration number 1943/016107/06)
Share code: SPG
ISIN: ZAE000011334

This form of proxy is only to be completed by those shareholders who are holding ordinary shares in certificated form or recorded in dematerialised electronic form in "own name" in the sub-register. Other Super Group shareholders who are holding dematerialised ordinary shares are required to refer to paragraphs 1 and 2 of the "notes" for further instructions.

For use by shareholders at the annual general meeting of the company to be held at 27 Impala Road, Chislehurston, Sandton at 09:00 on Wednesday, 31 January 2007 and at any adjournment thereof.

I/We the undersigned ______________________________

of ______________________________

being the holder(s) of ______________________________ shares in Super Group

do hereby appoint ______________________________

or failing him ______________________________

or failing him the chairman of the meeting as my/our proxy to attend and speak on my/our behalf at the annual general meeting of the company to be held at 09:00 on 31 January 2007 and at every adjournment thereof, and to vote or abstain from voting on the resolutions to be proposed at the meeting as follows:

	*For	*Against	*Abstain
1 Adoption of 2006 annual financial statements			
2 Re-election of directors who retire by rotation 2.1 SE Abrahams 2.2 B Greenstone 2.3 P Malungani 2.4 P Vallet			
3 To authorise the directors to determine the remuneration of the auditors for the past 15-month period			
4 To re-appoint the Auditors KPMG Inc. for the ensuing year			
5 Placing 10% (ten per centum) of the unissued shares under the control of the directors			
6 Special resolutions to allow the company to pay forfeited dividend/s to a charity or charities			
7 Special resolution to allow the company to buy back its own shares			

*Please place an X in the appropriate spaces above to indicate how you wish your votes to be cast.

Signed at ______________________ on this ______________________ 2007

Signature of member(s) ______________________________

Completed proxy forms must be received at least 48 hours before the time of the meeting by the Group Company Secretary at the company's registered office or by the transfer secretaries, Computershare Investor Services 2004 (Pty) Ltd, PO Box 61051, Marshalltown 2017.

NOTES TO THE FORM OF PROXY

1 **A form of proxy is only to be completed by those ordinary shareholders who are:**

1.1 holding ordinary shares in certificated form; or

1.2 recorded in dematerialised electronic form on the sub-register in "own name".

2 If you have already dematerialised your ordinary shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the annual general meeting you must request your CSDP or broker to provide you with a letter of representation or you must instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into between yourself and your CSDP broker.

3 A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided. The person whose name stands first on the form of proxy and who is present at the annual general meeting of the members will be entitled to act as proxy to the exclusion of those whose names follow.

4 A member's instructions to the proxy must be indicated by the insertion of the relevant numbers of votes exercisable by the member in the space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.

5 The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

6 Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.

7 Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.

8 Notwithstanding the foregoing the chairman of the annual general meeting may waive any formalities that would otherwise be a prerequisite for a valid proxy.

9 If any shares are jointly held the first name appearing in the register shall in the event of any dispute be taken as a member.

Postal address
Transfer secretaries
Computershare Investor
Services 2004 (Pty) Ltd
PO Box 61051
Marshalltown 2107

or

Street address
Computershare Investor
Services 2004 (Pty) Ltd
Ground Floor
70 Marshall Street
Johannesburg 2001

ADMINISTRATION

COMPANY REGISTRATION NUMBER
1943/016107/06

GROUP COMPANY SECRETARY
Ms JI Van Es

REGISTERED OFFICE
27 Impala Road
Chislehurston
Sandton 2196
Tel +27 (0)11 523 4000

ATTORNEYS
Fluxmans Inc.

SPONSOR
Deutsche Securities (SA) (Pty) Ltd

AUDITORS
KPMG Inc.

CORPORATE ADVISERS
Nucleus Corporate Advisers (Pty) Ltd

BANKERS
Absa Bank Ltd
Barclays Bank PLC
Commonwealth Bank Ltd
First National Bank a division of
FirstRand Bank Ltd
HSBC Holdings PLC
Investec Ltd
Macquarie Bank Ltd
Nedcor Ltd
Rand Merchant Bank a division of
FirstRand Bank Ltd
Standard Bank Group Ltd
St George Bank Ltd
Westpac Banking Corporation Ltd

TRANSFER SECRETARIES
Computershare Investor Services
2004 (Pty) Ltd
PO Box 61051
Marshalltown 2107
70 Marshall Street
Johannesburg 2001
Tel +27 (0)11 370 7700

SHAREHOLDERS' DIARY

Annual general meeting	31 January 2007
Interim results for the 6 months ended 31 December 2006	March 2007
Announcement of annual results for the year ended 30 June 2007	September 2007

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